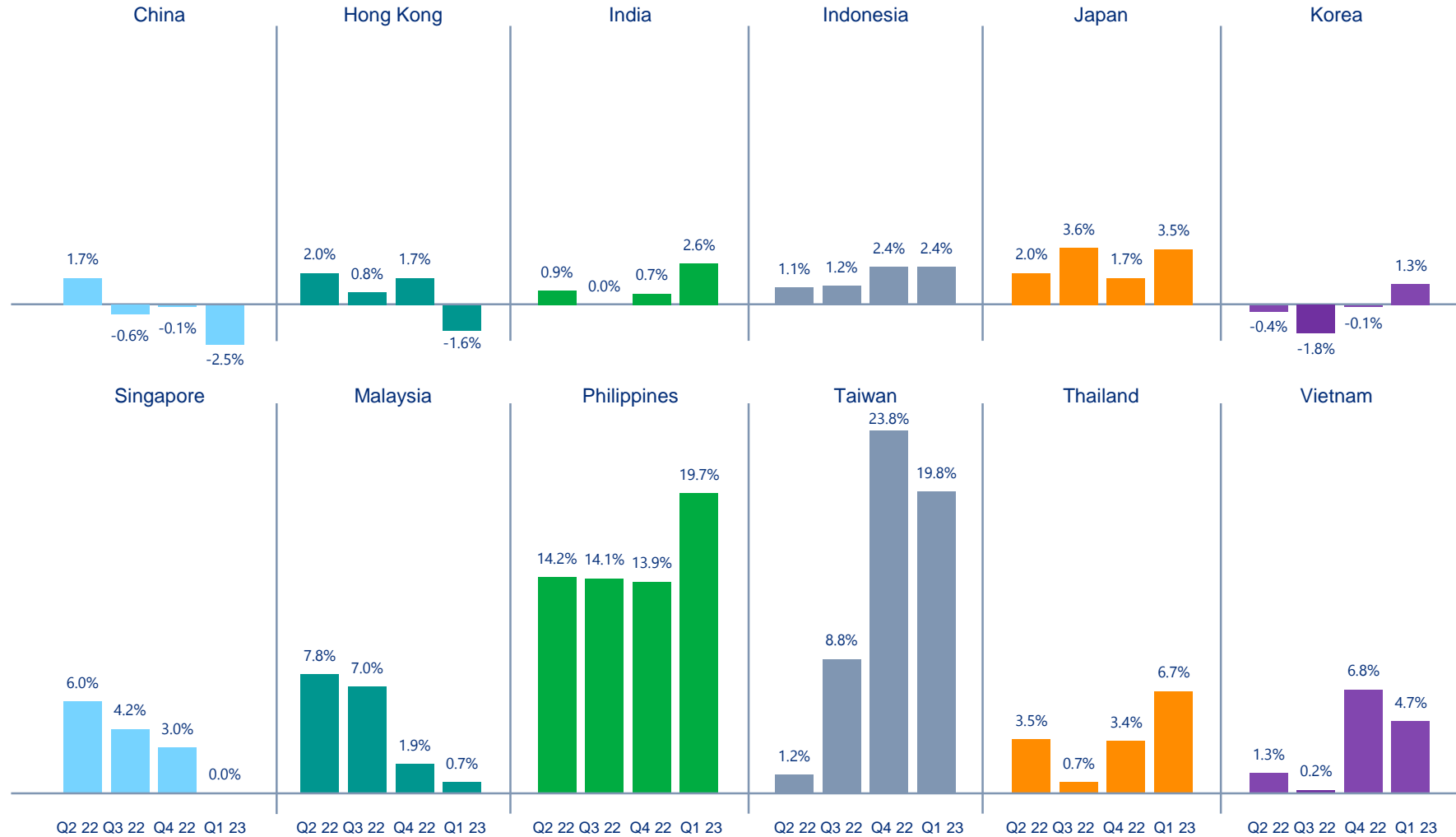


Asia Insurance Market Pricing: 2023 First Quarter

May 2023



Figure 1| Asia composite insurance pricing change by country



Global commercial insurance prices rose 4% in the first quarter of 2023, the same as in the fourth quarter and marking the ninth consecutive quarter in which the pace of increase stabilized or moderated.

Asia experienced a 1% increase in composite pricing, compared to 2% in the fourth quarter (see Figure 1).

The index is a proprietary measure of global commercial insurance premium pricing change at renewal, representing the world's major insurance markets and comprising nearly 90% of Marsh's premium.

Regionally, composite pricing increases for the first quarter were as follows:

- Asia: 1%
- US: 4%
- UK: 3%
- Europe: 5%
- Latin America and the Caribbean: 8%
- Pacific: 7%

*Note: All references to pricing and pricing movements in this report are averages, unless otherwise noted. For ease of reporting, we have rounded all percentages regarding pricing movements to the nearest whole number.

Figure 2| Asia property insurance pricing change by country



Property insurance pricing in Asia increased 2% in the first quarter, the same as in the prior four quarters.

- The January reinsurance natural catastrophe treaty renewals in the region were challenging for most insurers and affected retentions and pricing.
- Insurers continued to monitor the inflationary environment and its impact on claims.
 - Updated and verified asset values remain an underwriting priority.
- Contingent business interruption; cyber; and strikes, riots, and civil commotion (SRCC) coverages were restricted, with insurers keen to reduce their exposure.
- Renewal results again favored clients with exemplary claims performance, limited CAT exposure, and strong risk management practices.

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by country



Casualty insurance pricing declined 2% in the first quarter, compared to a decline of 1% in the prior quarter.

- Casualty insurers looked to increase pricing in the first quarter; however, an abundance of capacity led to significant competition, both domestically and internationally, with rates generally maintained at expiring, or in some cases reduced.
- Workers' compensation and auto liability pricing around the region were typically competitive, and stable, with pricing decreases seen in some countries.
- Casualty insurers remained vigilant regarding the coverage being requested and the claims inflation environment.

Source: Marsh Specialty and Global Placement

Figure 4| Asia financial and professional lines insurance pricing change by country

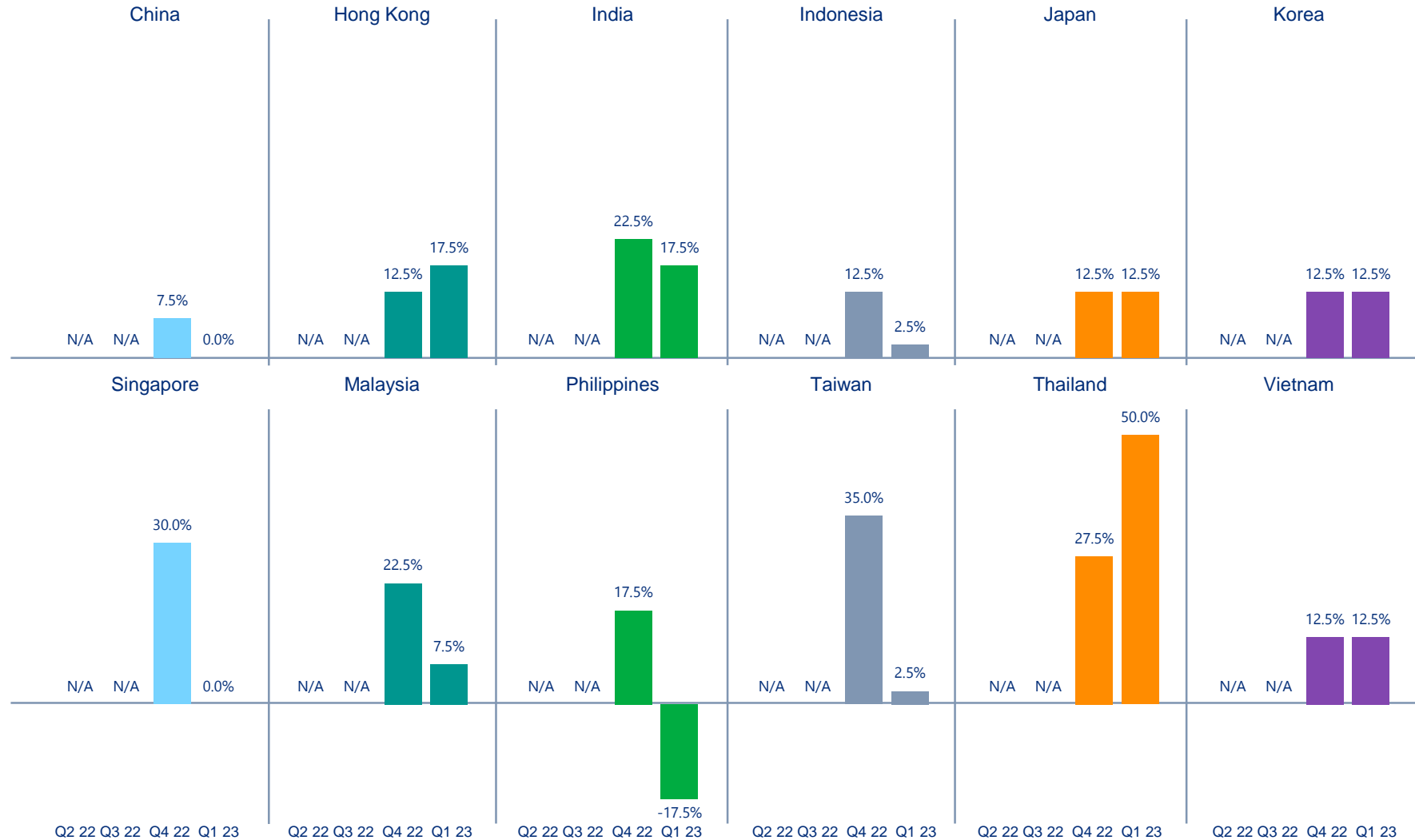


Financial and professional lines pricing was flat in the first quarter, compared to a 2% increase in the prior quarter.

- Directors and officers (D&O) liability insurance pricing began to stabilize in the first quarter; most non-US exposed business have seen decreases of up to 10%.
- Additional capacity entered the market to support US-listed D&O business.
- There was an increase in IPO and de-SPAC (special purpose acquisition company) filings.
- Pricing has moderated for the financial institution sector and is now stable for large and complex accounts.

Source: Marsh Specialty and Global Placement

Figure 5| Asia cyber insurance pricing change by country



Cyber insurance pricing increased 8% in the quarter, compared to 22% in the prior quarter.

- Ransomware remained a top concern for insurers, although there was a decline in related claims frequency.
- Insurer demands for more detailed submission information has helped improve cyber risk management and provided greater clarity of some companies' cyber exposures.



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