



# Asia Insurance Market Rates: 2024 Third Quarter

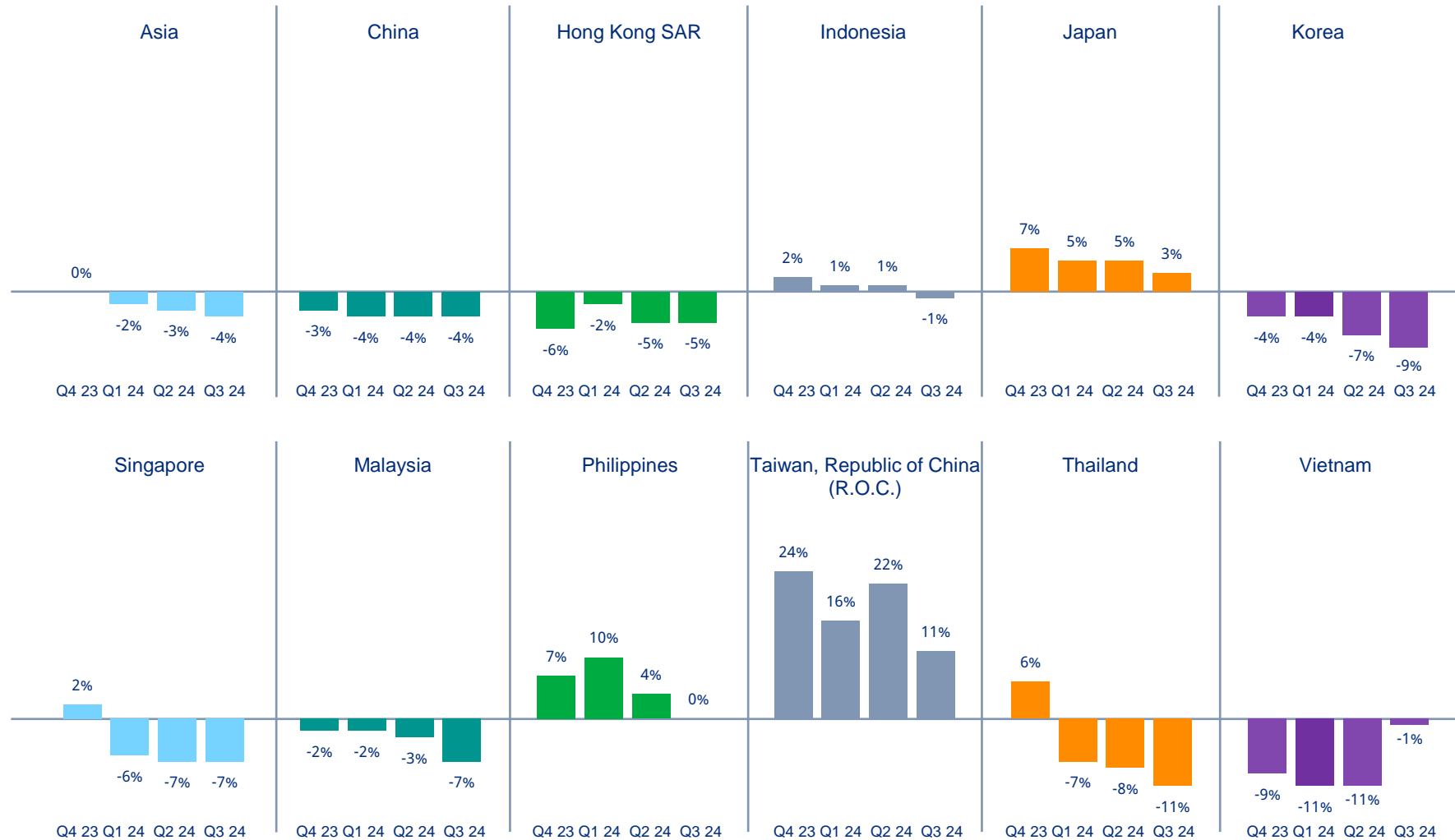
November 2024

Q3 2024 pricing excludes India





Figure 1| Asia composite insurance pricing change by market



Global commercial insurance rates declined by 1% in the third quarter of 2024, the first decrease in the composite rate in seven years, according to the Marsh Global Insurance Market Index.

Insurance rates in Asia declined 4% in the third quarter of 2024, compared to 3% in the prior quarter.

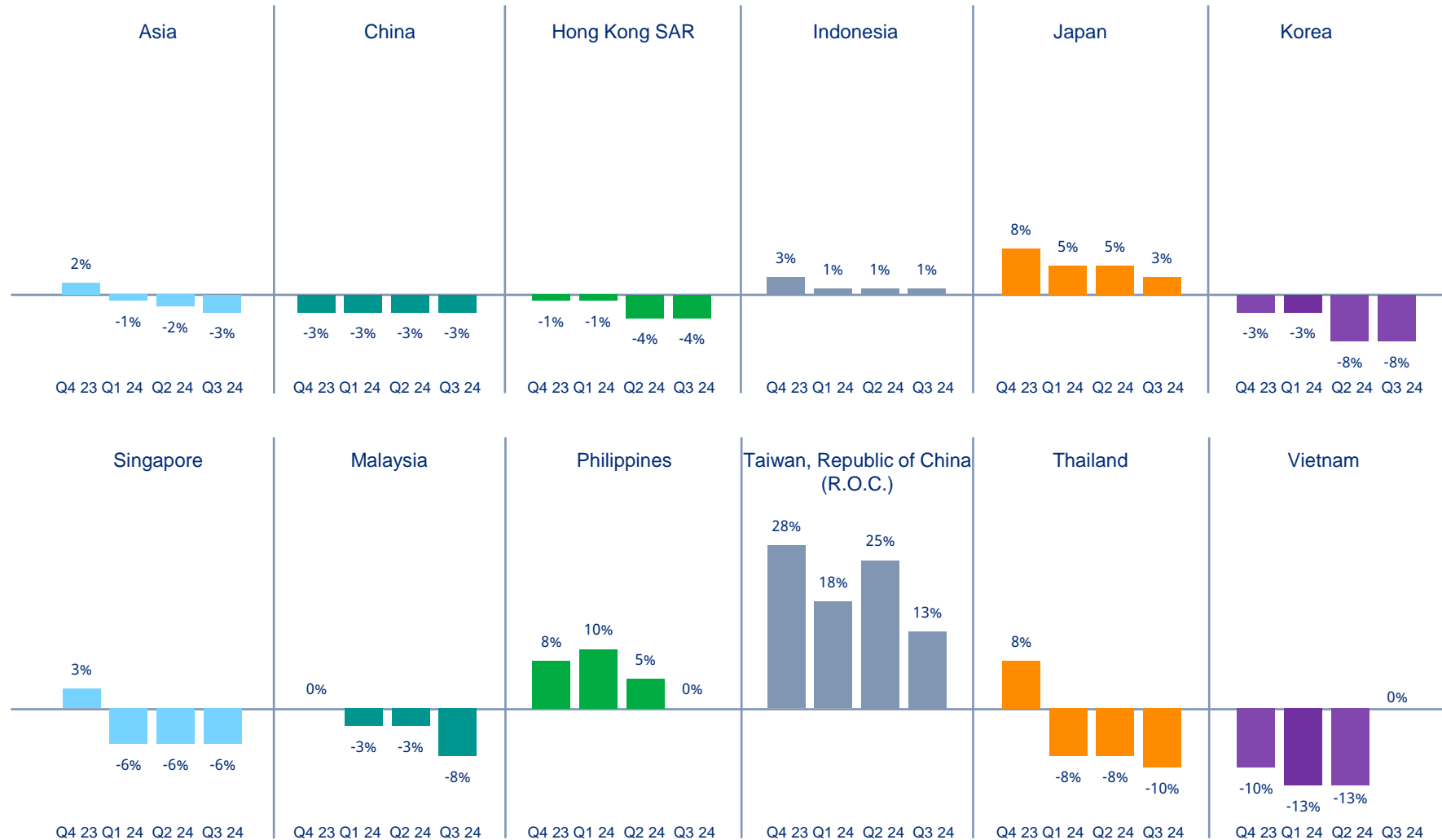
Regionally, composite rates for the third quarter were as follows:

- Asia: -4%.
- US: +3%.
- UK: -5%.
- Canada: -3%.
- Europe: 0%.
- Latin America and the Caribbean: +3%.
- Pacific: -6%.
- India, Middle East, and Africa: -2%.

\*Note: Beginning in the third quarter 2023, pricing data from India is included in the regional India, Middle East, and Africa (IMEA) section of the Global Insurance Market Index.

Asia Insurance Rates

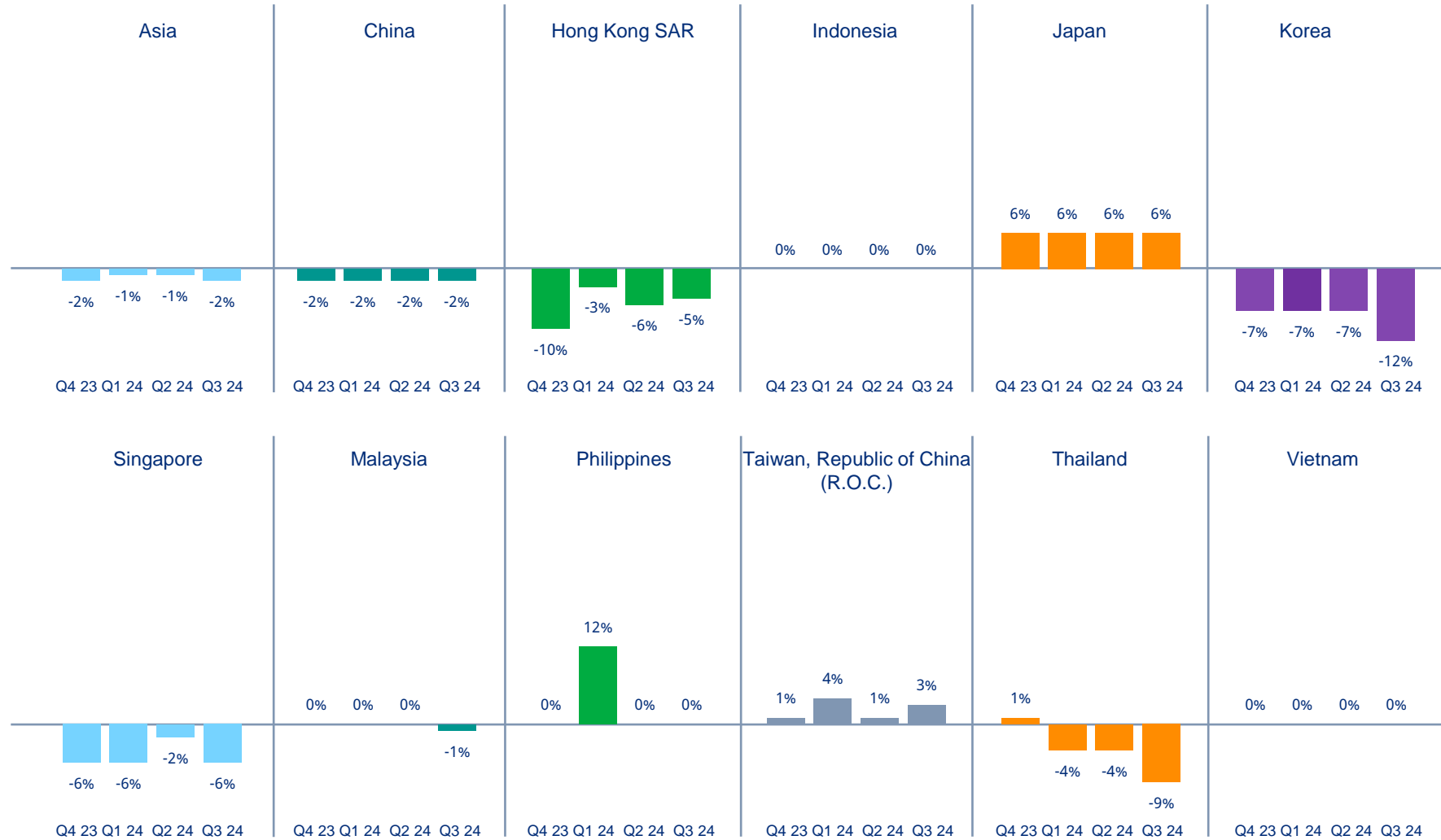
Figure 2| Asia property insurance pricing change by market



Property rates in Asia declined 3% in third quarter of 2024, compared to 2% in the prior quarter.

- Despite limited capacity entering the region, increased competition among existing insurers resulted in continued downward pressure on rates across most segments, industries, and geographies, except for Taiwan, Republic of China (R.O.C.).
- Long-term agreements (LTAs) were offered, generally with second year rate reductions built in.
- Insurers showed more flexibility around deductibles and coverage throughout the quarter while maintaining the underwriting discipline.
- International and wholesale markets continued to contribute to competition, resulting in improved renewal outcomes for clients across local, regional and global programs.
- Insurers maintained focus on exposure to natural catastrophes.
- Clients showed increased interest in alternative risk transfer solutions, such as parametric insurance and captives.
- Property rates in Vietnam were flat in the quarter, compared to -13% decline in the prior quarter, mainly due to the final implementation phase of Decree 67/2023, which had allowed a 25% reduction on Fire and Explosion tariffs. In addition, insurers were closely monitoring their portfolio profitability following losses from Typhoon Yagi.

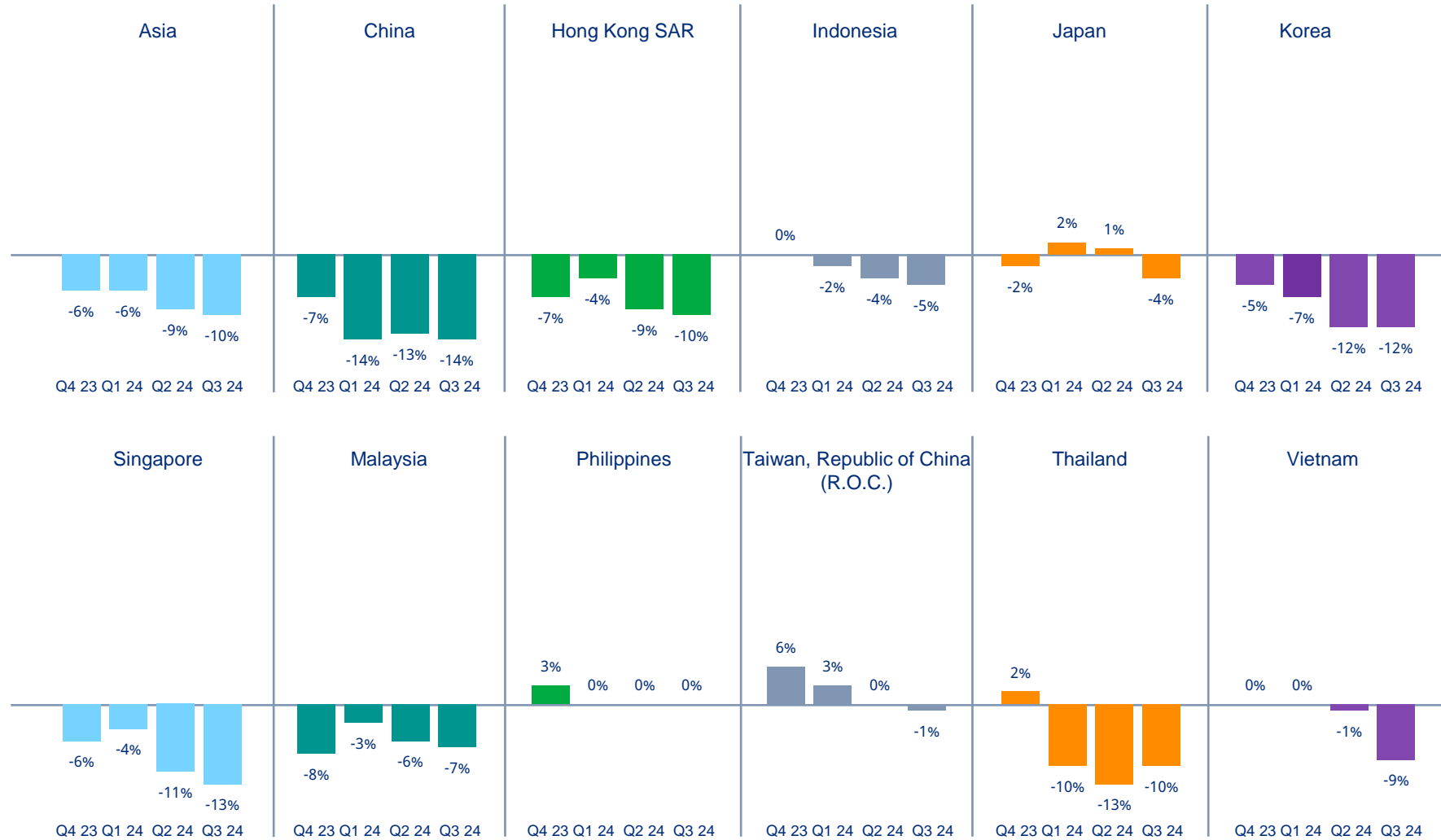
Figure 3| Asia casualty insurance pricing change by market



Casualty insurance rates declined 2%, compared to 1% decrease in the prior quarter.

- Available capacity remained stable.
- Local and international underwriters continued to focus on North American exposures.
- Heightened disclosure requirements typically led to longer underwriting process and notably different terms for clients with North American exposure.
- Increased claims activity was observed for automotive liability and workers' compensation, however rates remained stable on average.
- Insurers remained focused on US exposures and per- and polyfluoroalkyl substances (PFAS).

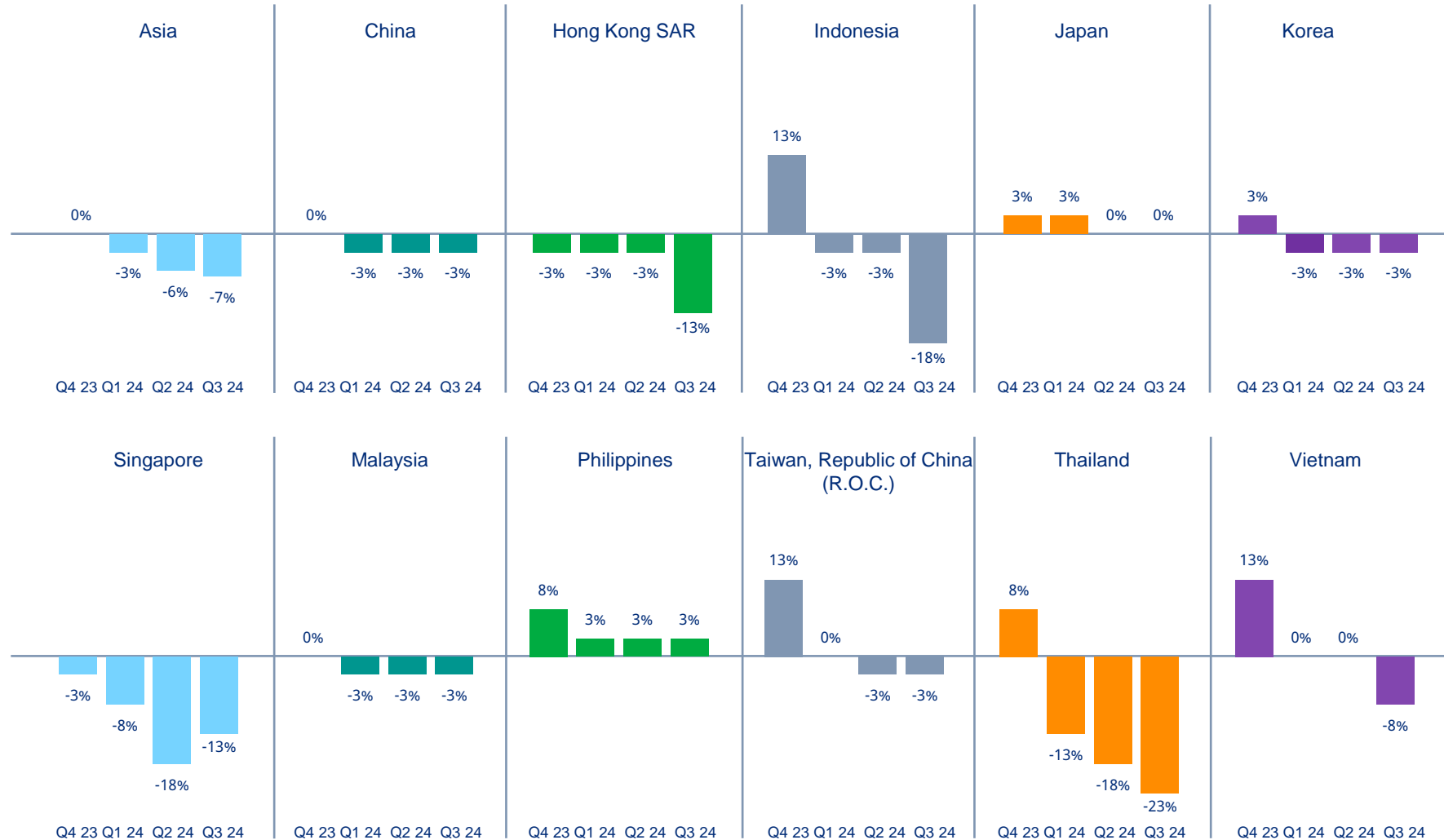
Figure 4| Asia financial and professional lines insurance pricing change by market



Financial and professional lines rates declined 10% in the third quarter of 2024, compared to 9% in the prior quarter.

- Continued lack of activity in the capital markets limited insurers' opportunities for new business, resulting in increased competition for renewal business.
- The largest rate decreases were observed in China, with averages of 15% to 20%, due to a higher concentration of US-listed businesses, which tend to attract higher premium levels and consequently greater competition.
- Directors and officers (D&O) liability rates continued to drive overall rate changes with financial and professional lines, with double-digit decreases observed in most markets across the region.
  - Some insurers were willing to offer decreases in the 20% to 30% range due to increased competition.
- New market entrants continue to build their portfolios.
- Insurers from London and Bermuda started to quote for risks that were previously only covered with high excess, such as US-listed companies with Asian risk exposures.
- Rates for financial institutions (FIs) and professional indemnity (PI) insurance remained stable.

Figure 5| Asia cyber insurance pricing change by market



**Cyber** insurance rates decreased 7%, compared to a 6% decrease in the prior quarter.

- The CrowdStrike outage raised concerns for some insurers; however, its impact on the market was limited due to a relatively short remediation process and the uptake rate of technology failure extensions related to network interruption coverage.
- Competition remained strong, with insurers typically targeting focusing on securing more primary positions and/or lower attachments.
- Underwriters appeared generally satisfied with the level of detail provided in application forms but continued to scrutinise vendor management.
- Cyber insurance remained a key growth area for insurers in the region. Rate reductions, increased capacity, and insurer willingness to expand coverage have created a favourable environment for buyers.



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