



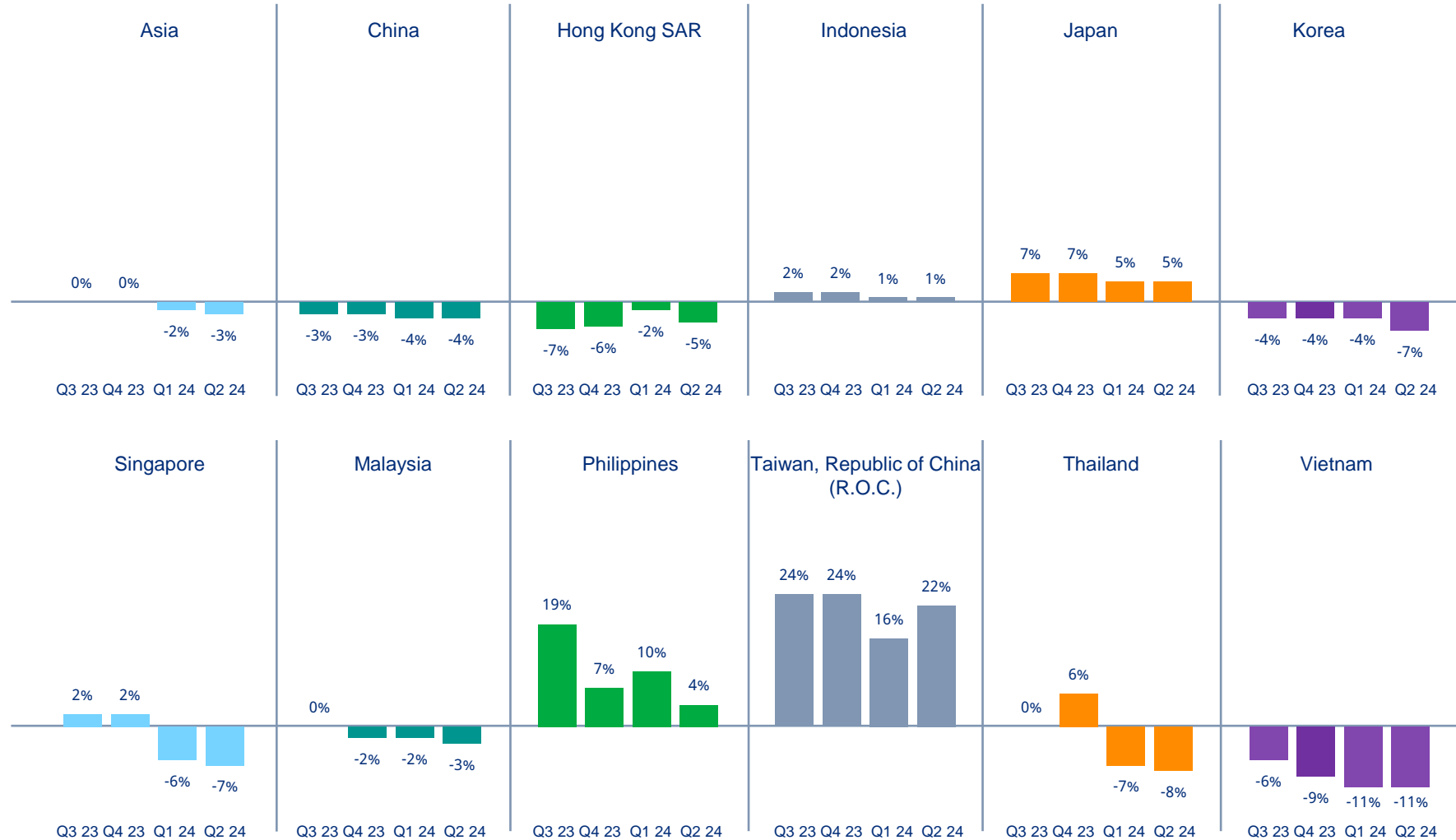
Asia Insurance Market Rates: 2024 Second Quarter

July 2024

Q2 2024 pricing excludes India



Figure 1| Asia composite insurance pricing change by market



Global commercial insurance rates were flat in the second quarter of 2024, the first time in nearly seven years — since the third quarter of 2017 — that the composite rate did not show an increase, according to the Marsh Global Insurance Market Index. The composite rate declined or moderated in every region but one — India, Middle East, and Africa (IMEA).

Insurance rates in Asia declined 3% in the second quarter of 2024 compared to 2% in the prior quarter. (Figure 1). The index is a proprietary measure of commercial insurance rate changes at renewal.

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

- Asia: -3%.
- US: +1%.
- UK: -3%.
- Canada: -5%.
- Europe: +1%.
- Latin America and the Caribbean: +4%.
- Pacific: -5%.
- India, Middle East, and Africa: +4%.

*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 insurance rates decline, insurer competition increases

Property insurance rates declined 2%.

- Insurer competition increased for property risks, contributing to a second consecutive quarter of year-over-year rate decreases.
- Although some clients experienced reductions, rates continued to increase moderately for risks that are highly exposed to natural catastrophe events.
- Clients were encouraged to remain committed to enhancing their risk profile to maximise their renewal outcome.
- Insurers continued to monitor inflation and the accuracy of declared values, including for business interruption.
- There was an increased engagement of captives and other alternative risk solutions from clients considering or undergoing programme restructuring as they sought to manage costs. This could involve retaining more risk, particularly in the loss-exposed layers of programmes.

Figure 3| Asia casualty insurance pricing change by market



Casualty rates decline

Casualty insurance rates declined 1%.

- The amount of available capacity remained stable, although there were a small number of new market entrants. Local and international insurance markets continued to exhibit disparity in pricing and coverage, with local markets offering competitive rates for standard risks and international markets being favoured for more complex risks with limited local coverage options.
- Underwriters continued to scrutinise North American exposures.
- Auto liability and workers' compensation rates remained stable.
 - Increased claims activity was observed in Hong Kong and Singapore.

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

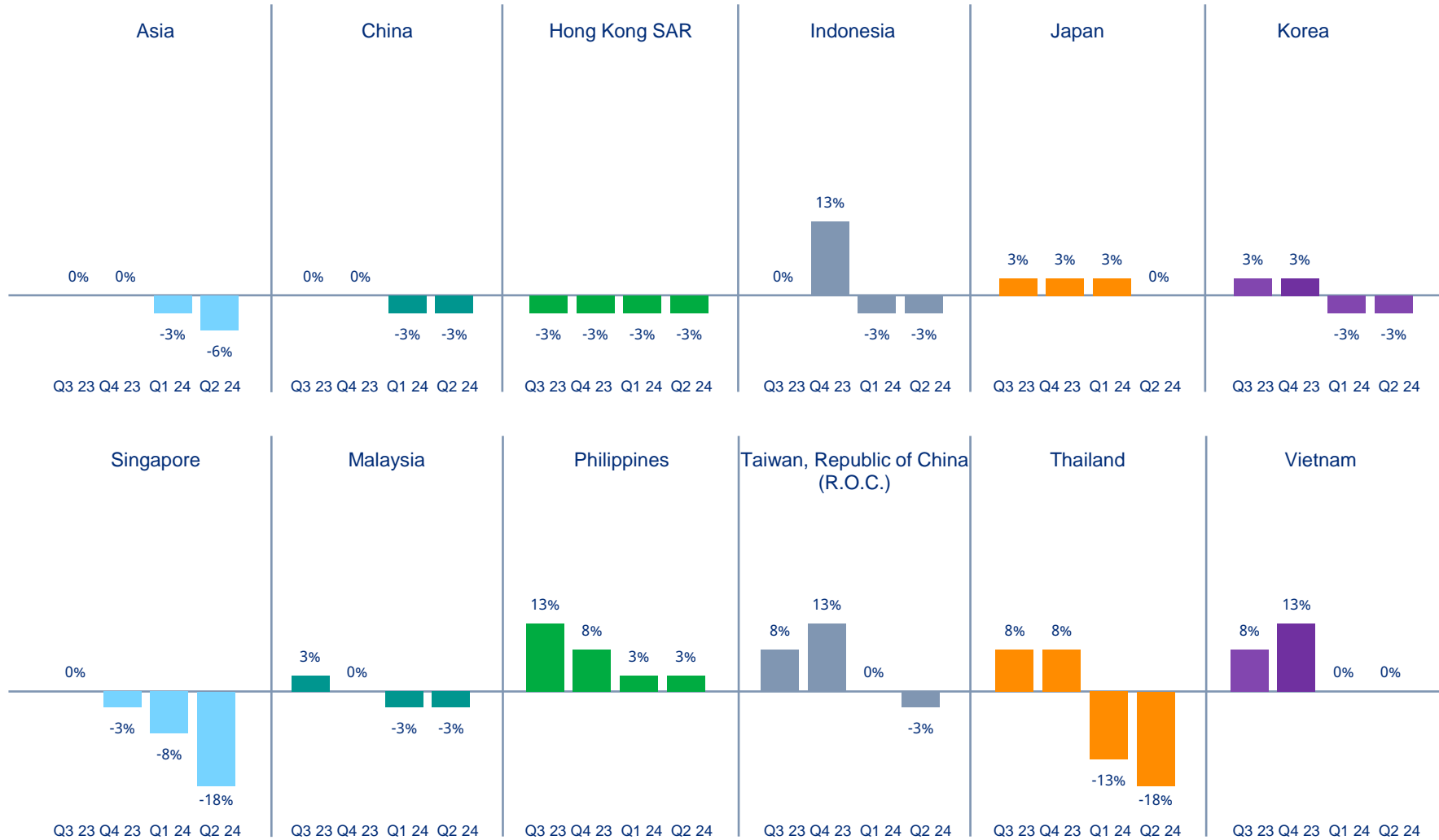


Financial and professional lines rates decline, led by D&O

Financial and professional lines rates declined 9%.

- Directors and officers (D&O) liability rates continued to drive conditions in the overall financial and professional lines.
 - Ample available capacity for D&O coverage led to increased competition.
 - Some markets — including China, Hong Kong SAR, South Korea, and Singapore — experienced average double-digit rate decreases in D&O liability renewals.
- A lack of activity in the capital markets has limited insurers' opportunities for new business, resulting in increased competition at renewal.
- Rates for financial institutions (FIs) and professional indemnity (PI) insurance declined in the 10% to 15% range, on average.

Figure 5| Asia cyber insurance pricing change by market



Cyber rates decline, controls improve

Cyber insurance rates decreased 6%.

- New capacity in the Singapore market and growing interest from the London market contributed to increased capacity and competition.
- Underwriters continued to require strong cybersecurity controls and/or plans for improvements.
 - Insurers were generally more flexible in how cybersecurity-related information was delivered to them.
- Insurers continued to increase their focus on risks associated with AI usage.
- Insurers were generally more willing to offer broader coverages.



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