



Asia Insurance Market Pricing: 2023 Fourth Quarter

February 2024

Q4 2023 pricing excludes India



Figure 1| Asia composite insurance pricing change by market



Global commercial insurance rates rose 2% in the fourth quarter of 2023, compared to 3% in the prior two quarters. This was the twenty-fifth consecutive quarter in which composite rates rose, continuing the longest run of increases since the inception of the index in 2012. Increases peaked at 22% in the fourth quarter of 2020.

Insurance rates in the fourth quarter of 2023 in Asia were flat, the same as in the prior 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 rates for the fourth quarter were as follows:

- Asia: 0%
- US: +3%
- UK: 0%
- Canada: 0%
- Europe: +4%
- Latin America and the Caribbean: +8%
- Pacific: 0%
- 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.

Source: Marsh Specialty and Global Placement

Figure 2| Asia property insurance pricing change by market



Property insurance rates rose 2%, the same as in the prior quarter.

- Insurers continued to monitor catastrophe (CAT) exposures, particularly in Japan, Taiwan, and the Philippines. This is often reflected in the terms and conditions put forward, with continued scrutiny on risk management practices.
- While cautious and disciplined underwriting standards were maintained, insurers looked to grow their existing portfolios sustainably while carefully expand their underwriting appetite, and slowly increased their capacity in the region

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by market

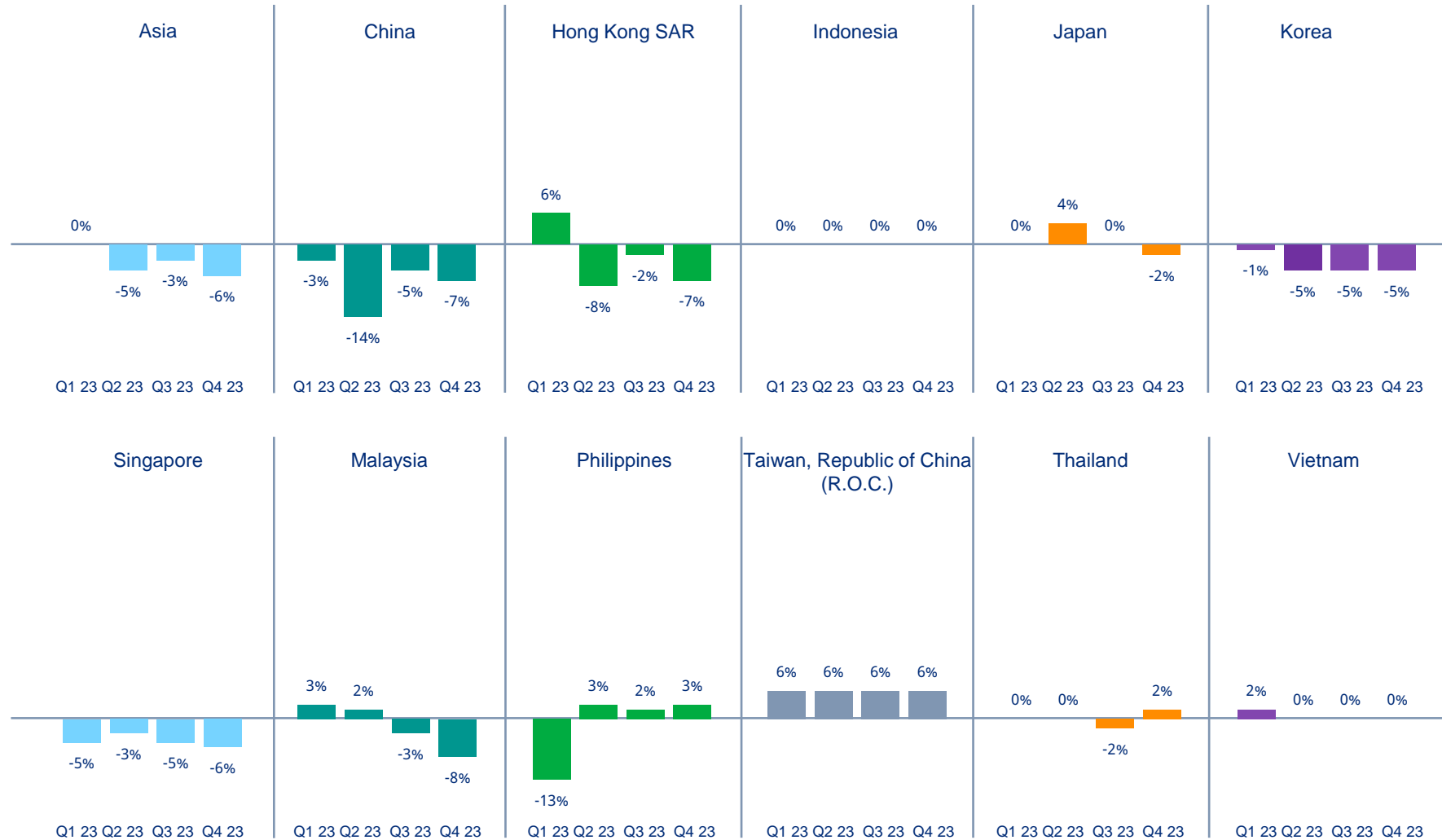


Casualty insurance rates declined 2%, the same as in the prior quarter.

- Casualty rates continued to prove generally favorable for clients in Asia, particularly those with localized exposure; however, those with North American exposure faced increased scrutiny.
- Risk selection continued to be critical for insurers.
- Auto liability and workers' compensation rates remained stable, although increased claims activity was experienced in Hong Kong and Singapore.
- Insurers continued to focus on North American exposures, claims inflation, and exposure to polyfluoroalkyl substances (PFAs).

Source: Marsh Specialty and Global Placement

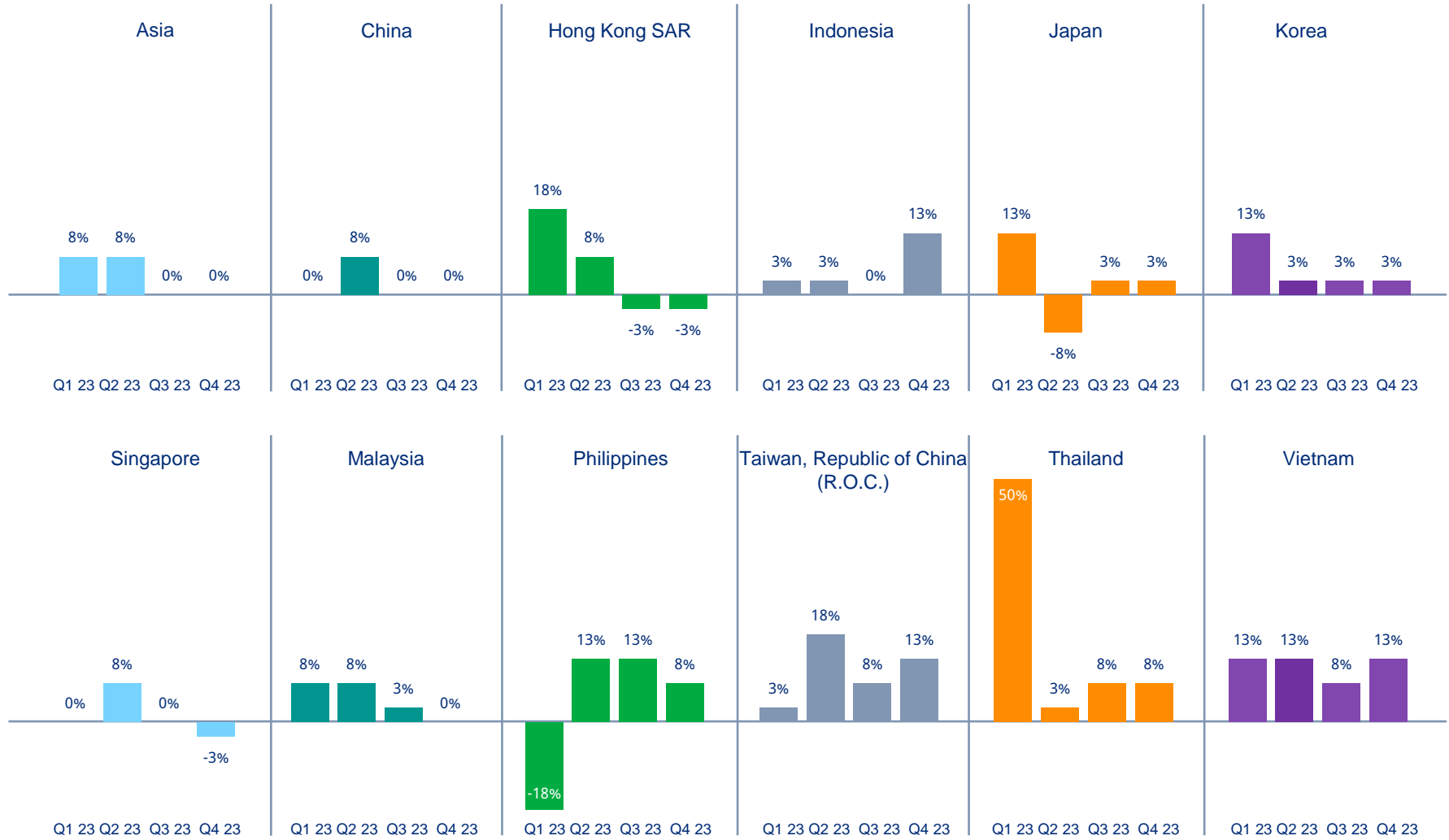
Figure 4| Asia financial and professional lines insurance pricing change by market



Financial and professional lines rates declined 6%, after decreasing 3% in the prior quarter.

- Directors and officers (D&O) liability rates continued to decline, with increased insurer capacity available.
- Although pricing in Vietnam and Indonesia remained flat in the fourth quarter, there have been observations of price moderation in both markets.
- Insurers generally limited primary capacity, but increased excess layers and showed more interest in historically difficult-to-place risks, such as US-listed companies.
- Rates were generally stable for the financial institution (FI) sector, with improved terms and coverage offered.

Figure 5| Asia cyber insurance pricing change by market



Cyber insurance rates were flat, the same as in the prior quarter.

- Competition continued to accelerate, with rates stabilizing and increased capacity typically available.
- Insurers were more flexible in their approaches to increasing sub-limits back to full limits.
- Underwriters increased scrutiny regarding dependence on digital supply chains and war exclusions.
- Insurers continued to require favorable cybersecurity controls, with many expecting to see improvements year-over-year.

Source: Marsh Specialty and Global Placement



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