

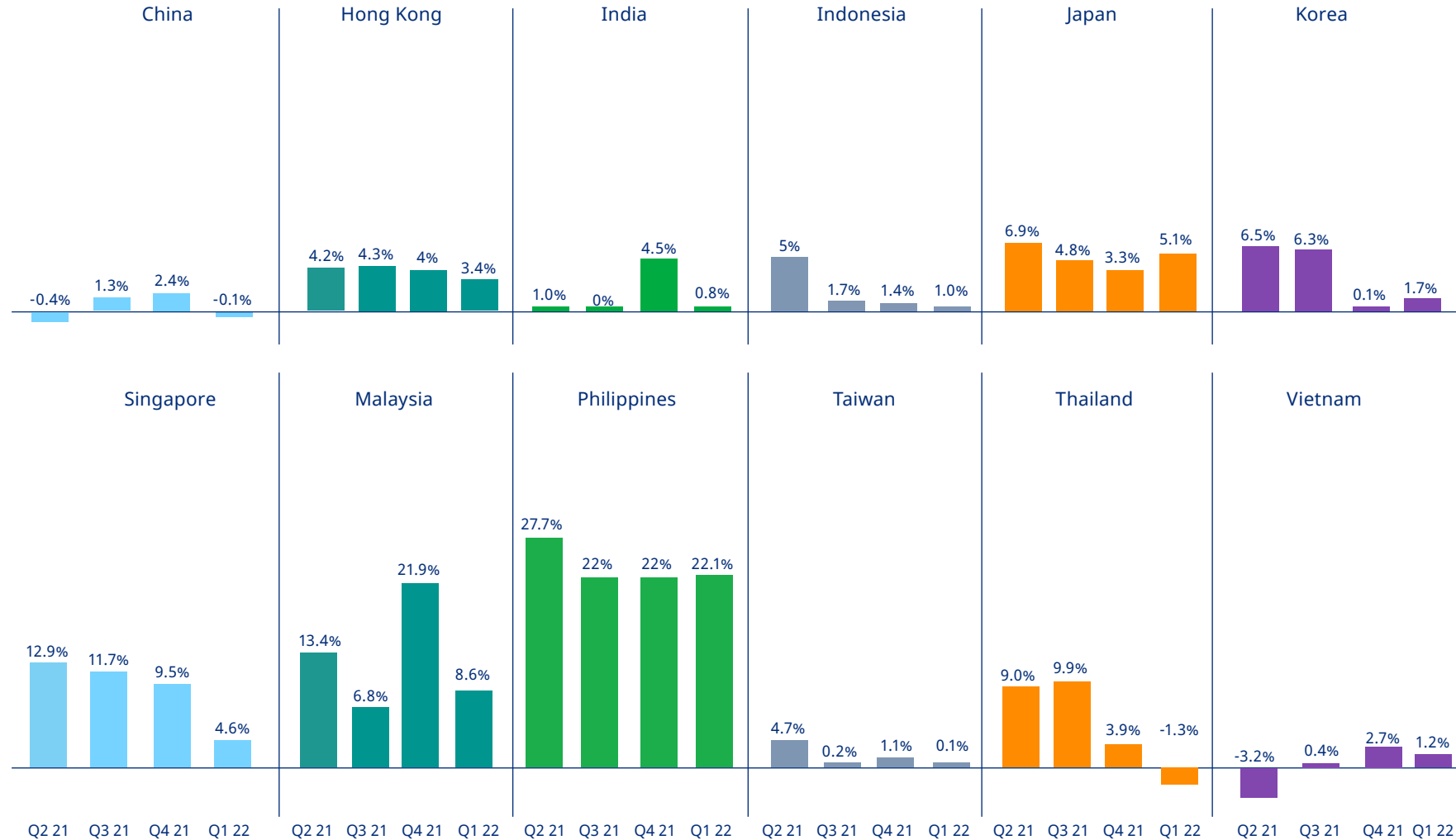


# Asia Insurance Market Pricing: 2022 First Quarter Update

April 2022



Figure 1| **Asia composite insurance pricing change by country**



Global commercial insurance prices rose 11% in the first quarter of 2022, marking the fifth consecutive reduction in rate increase since global pricing increases peaked at 22% in the fourth quarter of 2020.

In this first quarter, Asia experienced a 3% composite pricing increase.

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.

Pricing increases were again seen across all geographies, though there was significant moderation in nearly all markets. Regionally, composite pricing increases for the first quarter of 2022 were as follows (see Figure 1):

- Asia: 3%.
- US: 12%.
- UK: 20%.
- Continental Europe: 6%.
- Latin America and the Caribbean: 6%.
- Pacific: 10%.

\*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

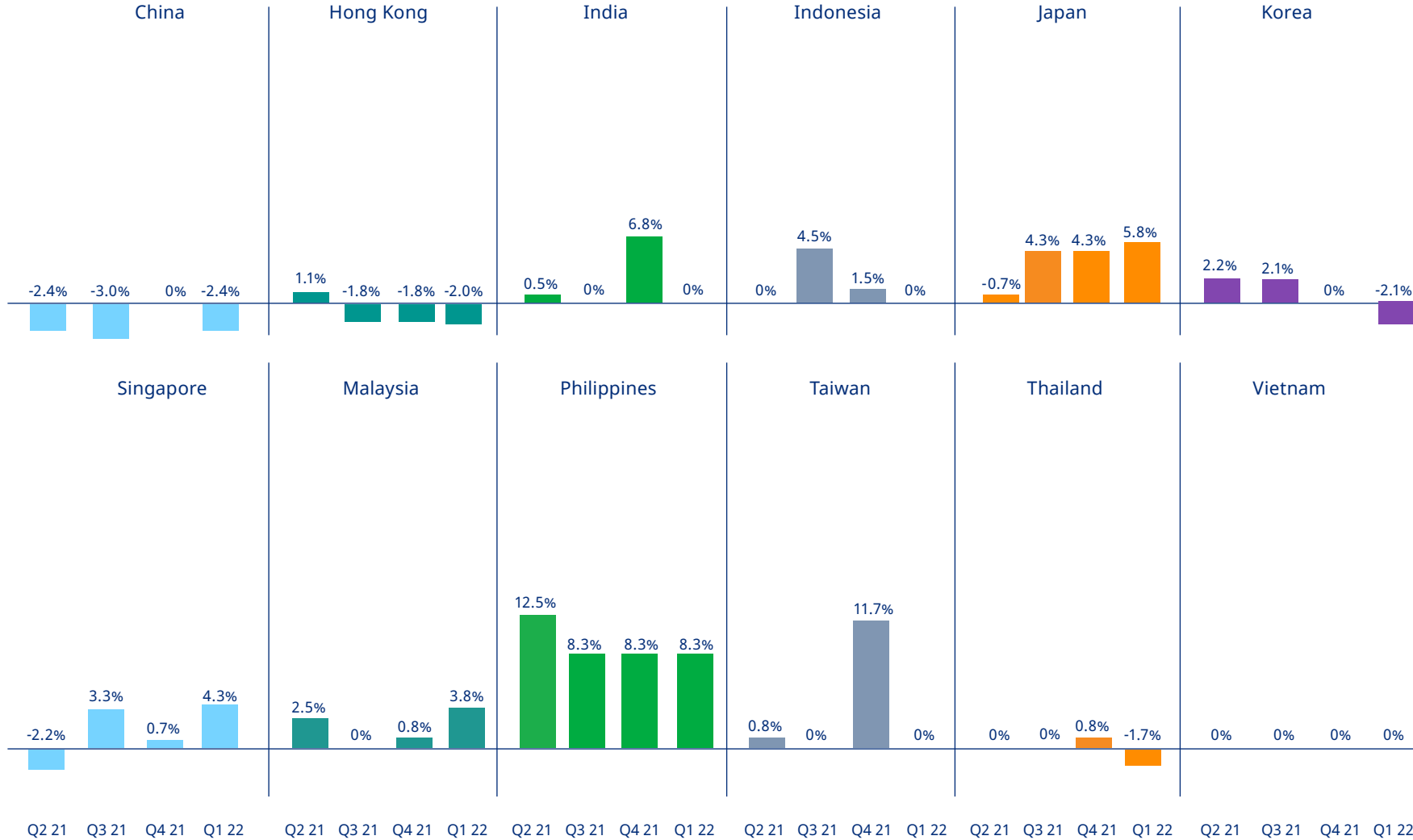


Property insurance pricing rose 2%, down from 3% in the fourth quarter of 2021. This marked the fourteenth consecutive quarter of increases.

- Competition continues to develop within local markets, particularly for loss-free clients in low-hazard industries.
- The property insurance market remained challenging for clients in catastrophe (CAT) zones, particularly those exposed to secondary CAT perils, namely cyclone and flood.
- Clients in high-hazard industries, and those with poor loss histories, continue to experience above average increases.

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by country

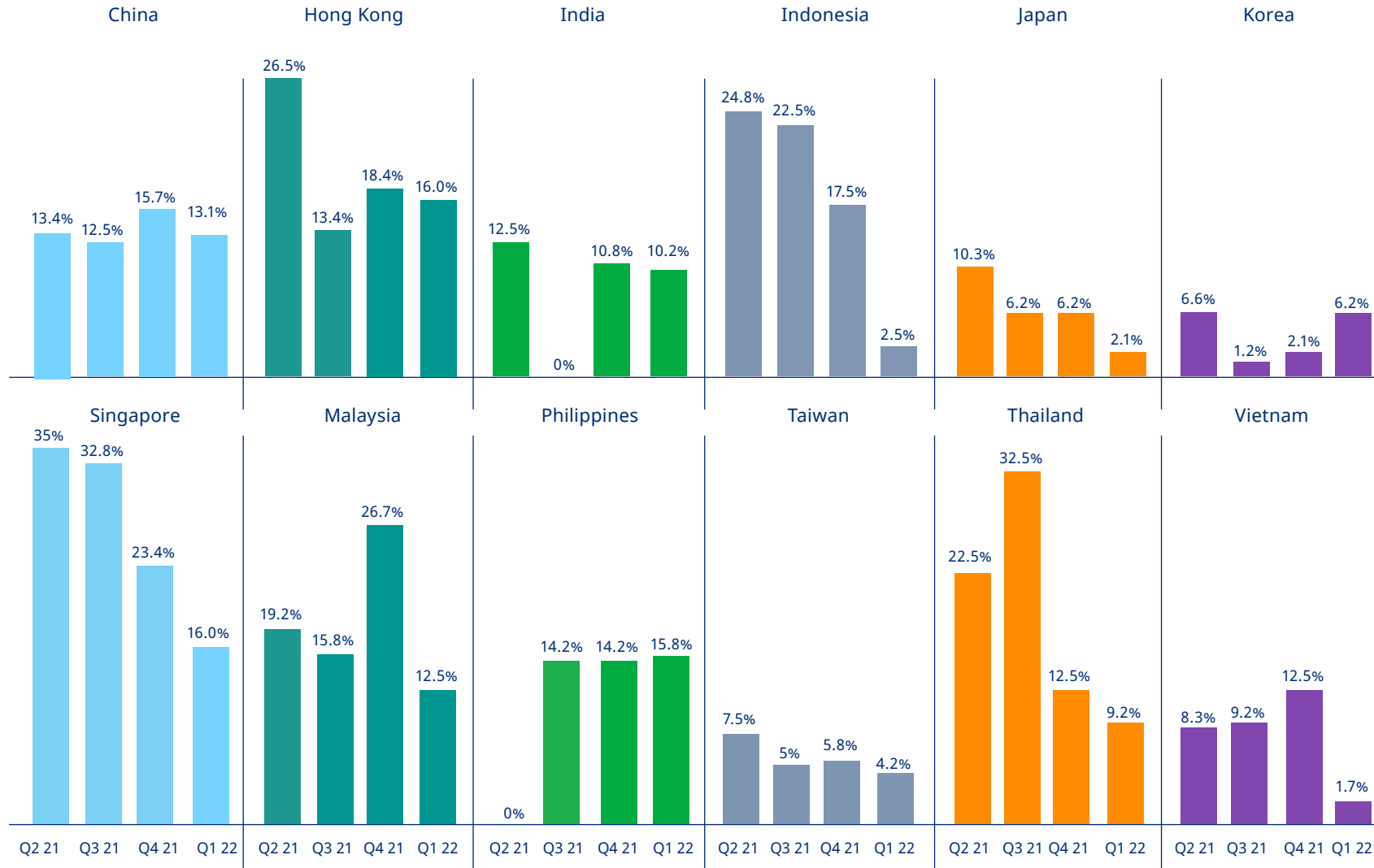


Casualty insurance pricing increased 2%, as it did in the fourth quarter of 2021.

- Large losses are driving insurer behavior, and accounts with high claims frequency are among the more difficult placements.
- Insurers started to show concern about claims inflation during the quarter.
- Capacity continues to be plentiful in the region; however, multinational insurers are restricting capacity on excess layers. These challenges are more pronounced with product recall and products liability exposures.

Source: Marsh Specialty and Global Placement

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



**Financial and professional lines** pricing increased 13%, down from 17% in the prior quarter.

- Pricing has begun to moderate for financial institutions, though insurers continued to manage capacity and retention levels. Rates of increase for directors and officers (D&O) liability coverage also began to stabilize.
- Capacity challenges remain for US-listed and US-exposed business.
- The cyber market remained challenging, with ransomware placing considerable pressure on premiums; insurers looked to manage the risk while growing their respective portfolios.
- Professional indemnity (PI) insurers were willing to retail customized offerings for small- to mid-size clients. Large PI programs, however, saw rate increases — particularly within the communications, media, and technology industry.
- Digital asset-related companies, including those implementing distributed ledger technology in a centralized trust network application, found placement challenging in this first quarter. While cold storage coverage had some traction out of London, insurers had little appetite for cyber, crime, or PI in this space.

Source: Marsh Specialty and Global Placement



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