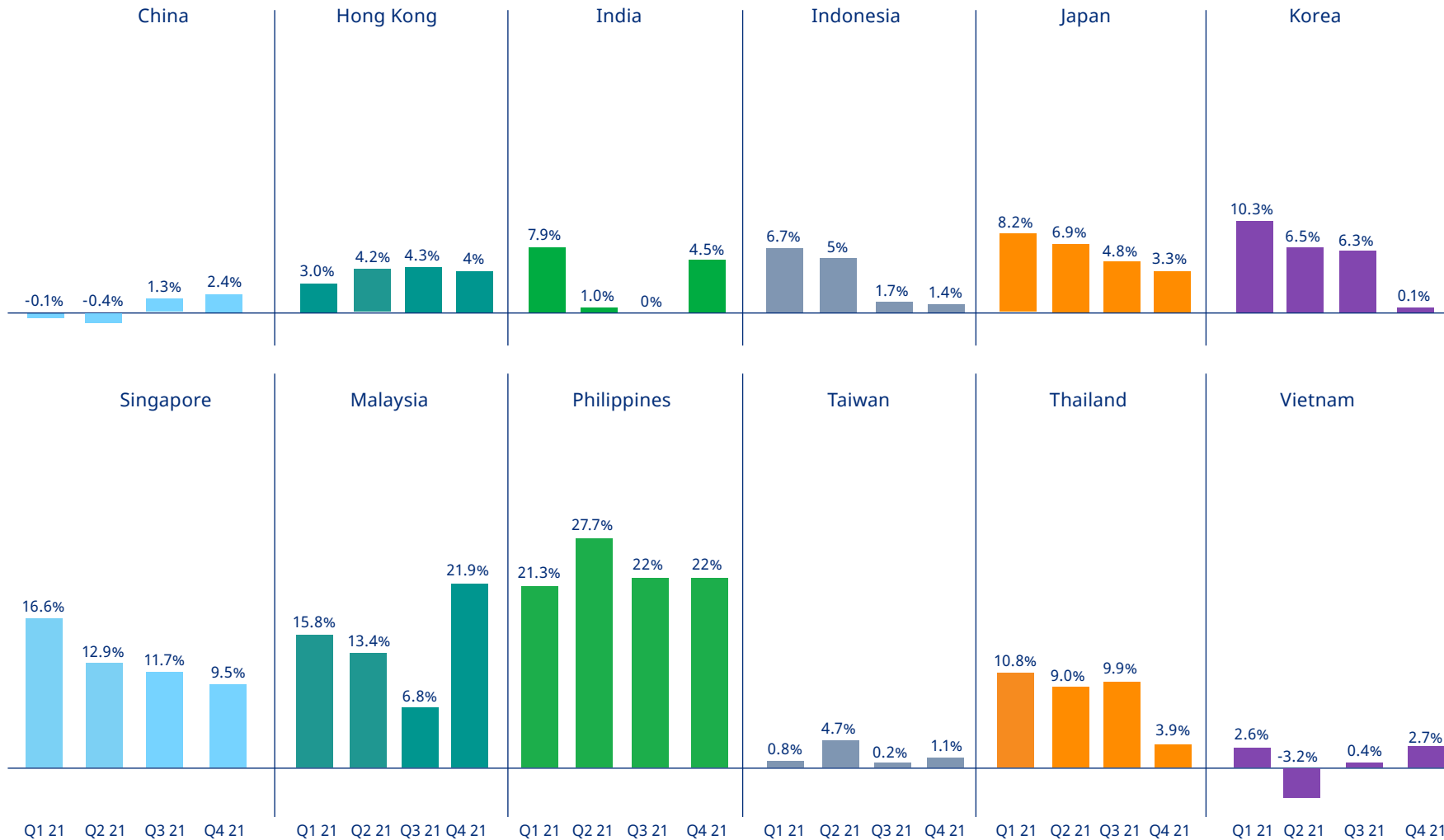


Asia Insurance Market Pricing: 2021 Fourth Quarter Update

February 2022



Figure 1| Asia composite insurance pricing change by country



Global commercial insurance prices rose 13% in the fourth quarter of 2021, a decline from the 15% increase in the prior two quarters, according to the Marsh Global Insurance Market Index. In Asia, prices increased 4% year-over-year, continuing a moderation in the rate of increase that began in the third quarter of 2020 (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. Global composite pricing increases peaked in the fourth quarter of 2020, at 22%.

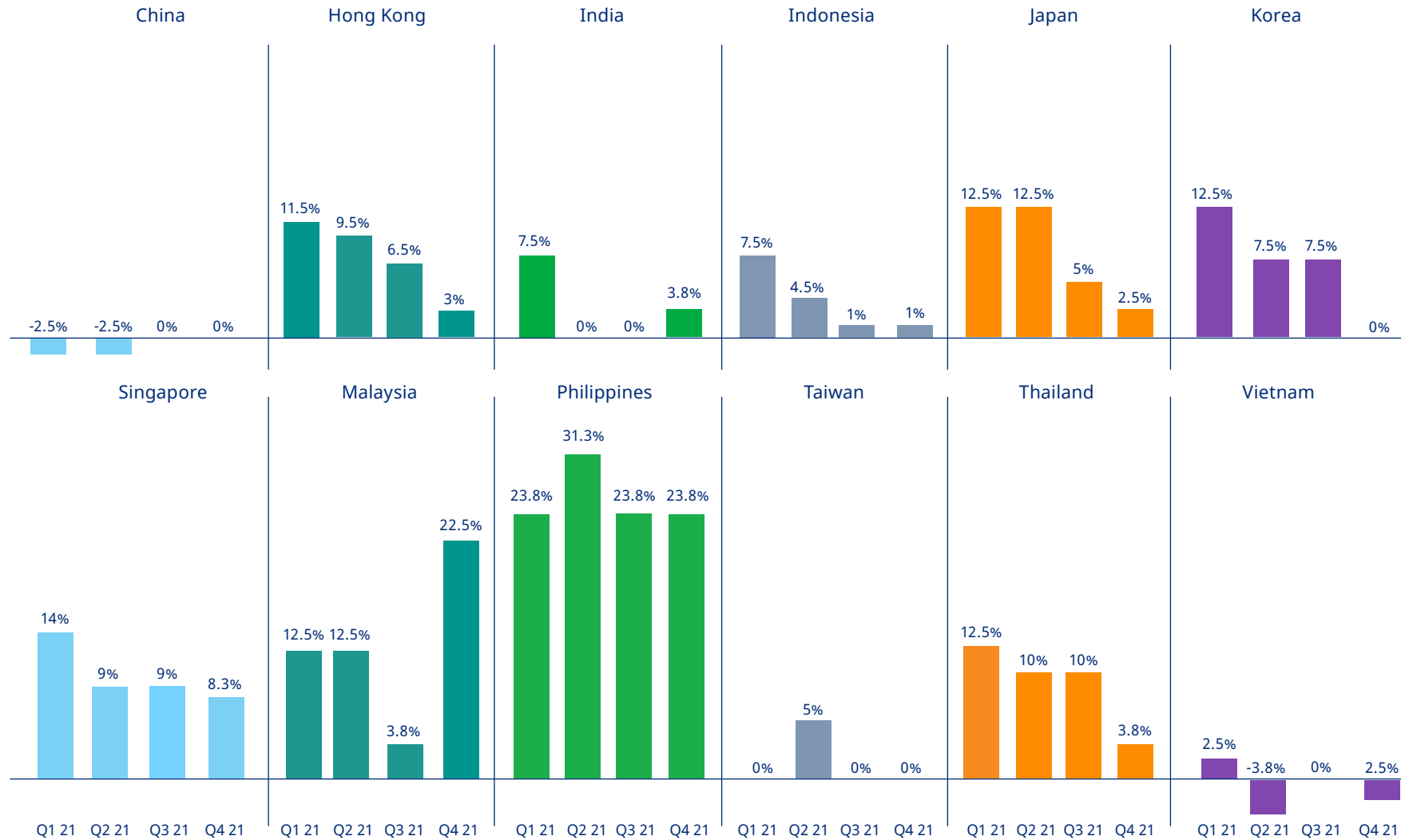
Increases were again seen across all geographies and most major product lines in the fourth quarter of 2021. Regionally, composite pricing increases for the fourth quarter were as follows:

- Asia: 4%
- US: 14%
- UK: 22%
- Continental Europe: 9%
- Latin America and the Caribbean: 4%
- Pacific: 13%

*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.

Source: Marsh Specialty and Global Placement

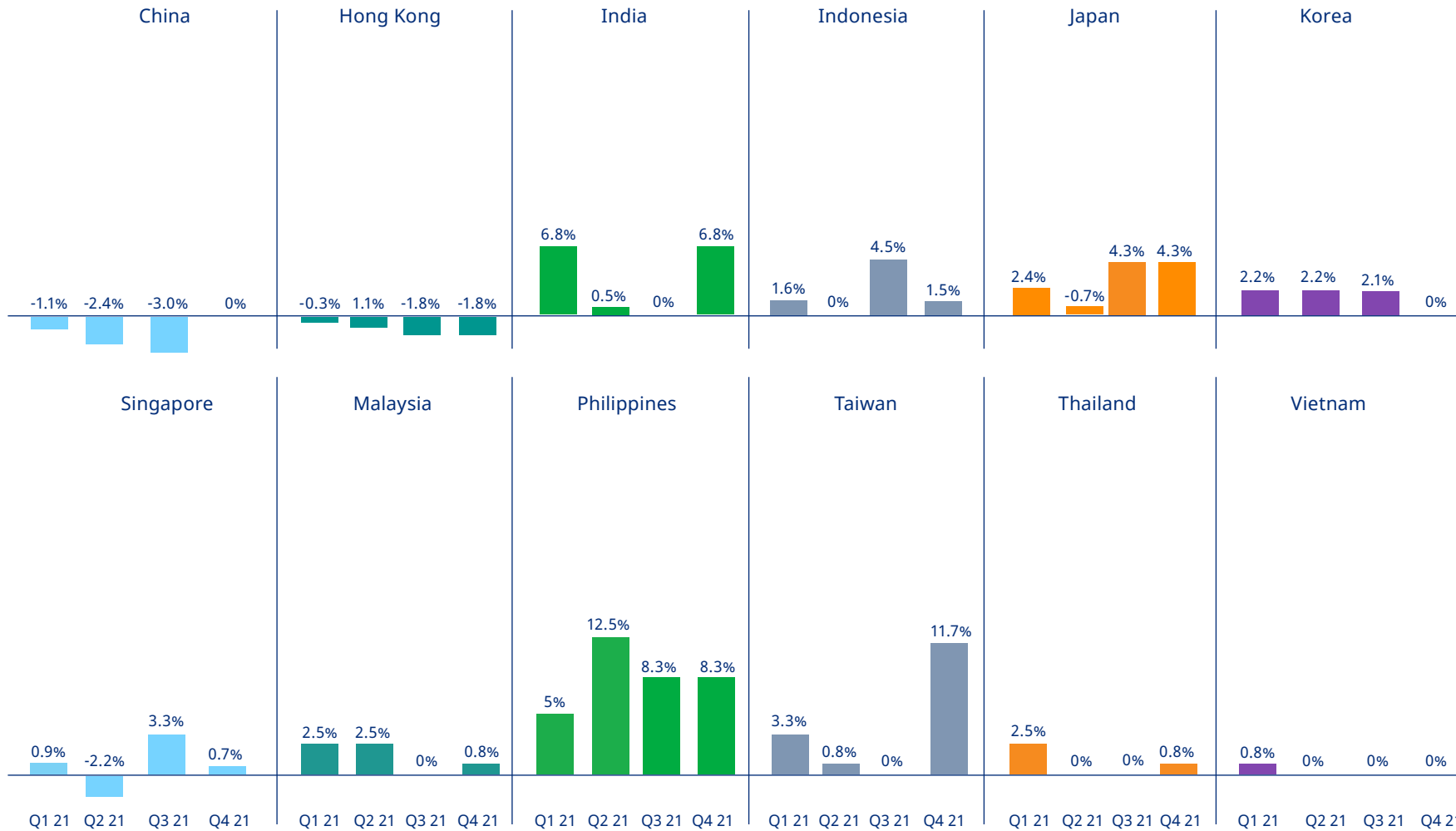
Figure 2| Asia property insurance pricing change by country



Property insurance pricing across Asia rose 3%, down from 5% in the prior quarter. It was the thirteenth consecutive quarter of increase.

- Local insurance markets remained competitive as they were generally insulated from global loss activity (see Figure 2).
- Insurer competition continued to increase, particularly for loss-free clients in low-hazard industries.
- The property insurance market remained challenging for clients in catastrophe (CAT) zones, high-hazard industries, and those with poor loss histories.

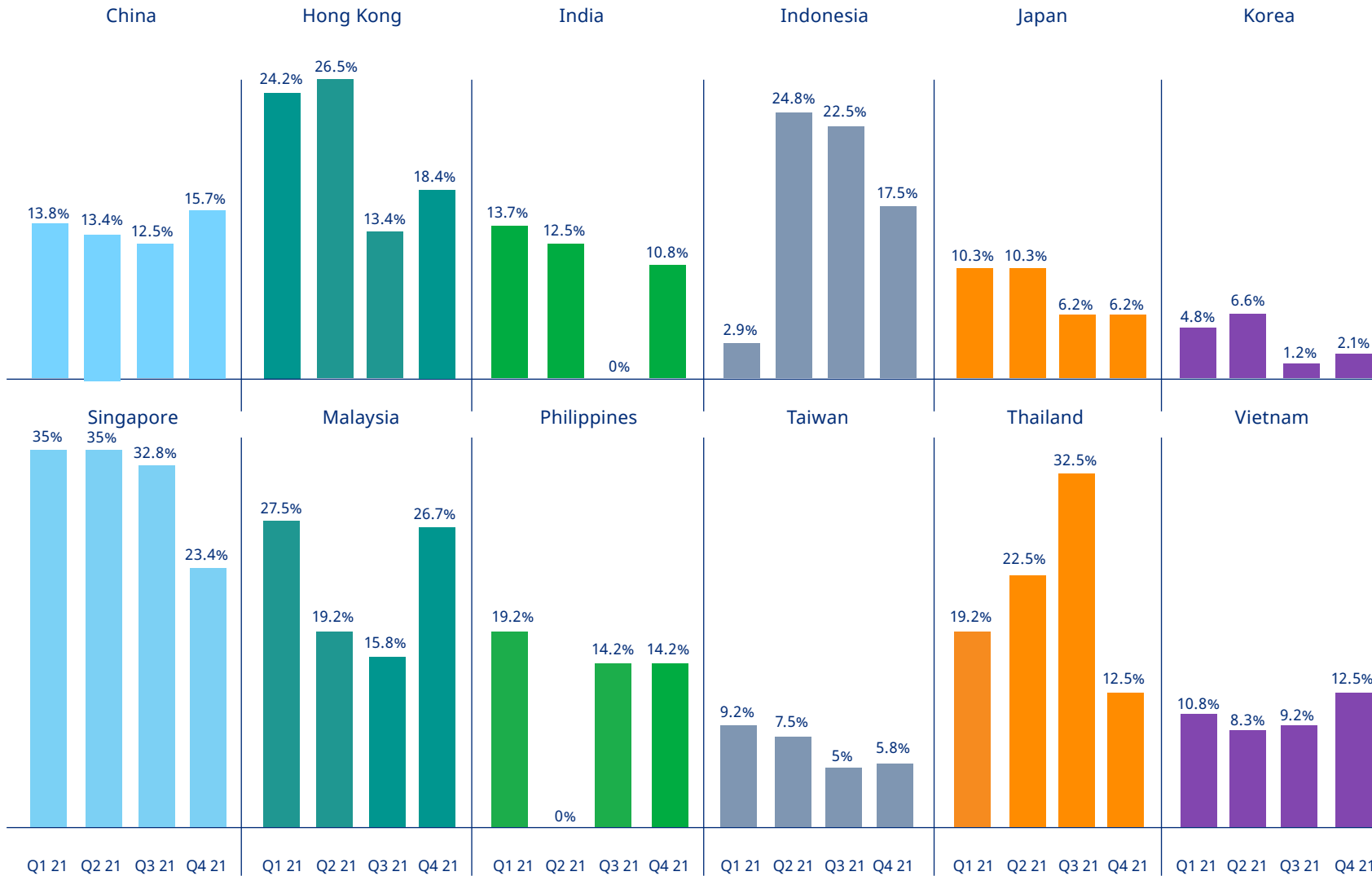
Figure 3| Asia casualty insurance pricing change by country



Casualty insurance pricing increased 2%, a slight uptick from 1% in the third quarter. Casualty pricing has remained relatively flat for three years (see Figure 3).

- Clients with large losses and high claims frequency typically had more difficult placements, including changes in terms, conditions, and deductibles.
- Capacity continued to be generally sufficient.
- Multinational insurers restricted capacity on excess layers, particularly with product recall and products liability exposures.
- Global claims activity and insurers' tightening of control around capacity deployment is likely to shape pricing in 2022.

Source: Marsh Specialty and Global Placement

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

Financial and professional lines pricing rose 17%, the same as in the third quarter. It was the eleventh consecutive quarter of increase (see Figure 4).

- Insurers focused on risk selection, with directors and officers (D&O) liability coverage for large organizations driving a significant portion of pricing increases.
- Asia continued to be a fragmented marketplace, with pricing movements not aligned between clients and countries.
- Cyber risk, driven by ransomware losses, remained the most challenging coverage area, with increased pressure on pricing, deductibles, and capacity, and a narrowing of coverage.

Source: Marsh Specialty and Global Placement



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