

MARSH | Global Insurance Market Index

Q4 2016

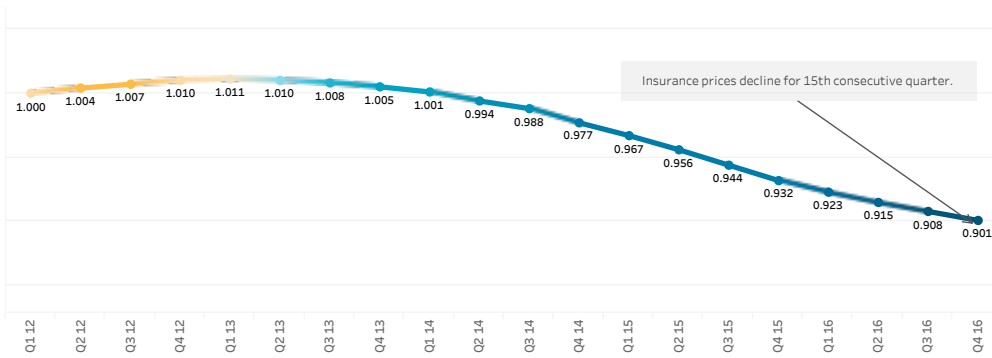
The Marsh Global Insurance Market Index is a proprietary benchmark of commercial insurance premium rate change at renewal, representing the world's major insurance markets and comprising 90% of Marsh's premium. The index captures a rolling four-quarter view of rate movement, providing a quarter-to-quarter look at changes in the marketplace.

Commercial Insurance Index	Composite Insurance Rates, By Region	Global Insurance Rates, By Coverage Line	US Commercial Insurance Market	UK Commercial Insurance Market	Continental Europe Commercial Insurance Market	Latin America Commercial Insurance M..
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Fourth Consecutive Quarter of Moderating Insurance Rate Decreases

The fourth quarter of 2016 marked an entire year (four consecutive quarters) in which the average rate of decline for global insurance rates moderated — a first since Marsh initiated the index in 2012. It is the fifteenth consecutive quarter in which rates declined, largely due to a global market with substantial capacity and an absence of significant catastrophe losses.

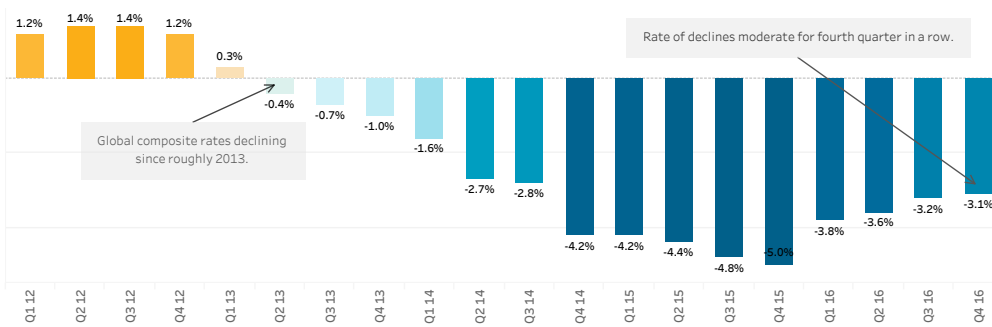
Global Insurance Market Index



+ DIG DEEPER
Simply click, drag, drop, or point

+ EXPLORE
Use the slider above to navigate

Global Insurance Composite Rate Change



Q1 12	1.2%
Q2 12	1.4%
Q3 12	1.4%
Q4 12	1.2%
Q1 13	0.3%
Q2 13	-0.4%
Q3 13	-0.7%
Q4 13	-1.0%
Q1 14	-1.6%
Q2 14	-2.7%
Q3 14	-2.8%
Q4 14	-4.2%
Q1 15	-4.2%
Q2 15	-4.4%
Q3 15	-4.8%
Q4 15	-5.0%
Q1 16	-3.8%
Q2 16	-3.6%
Q3 16	-3.2%
Q4 16	-3.1%

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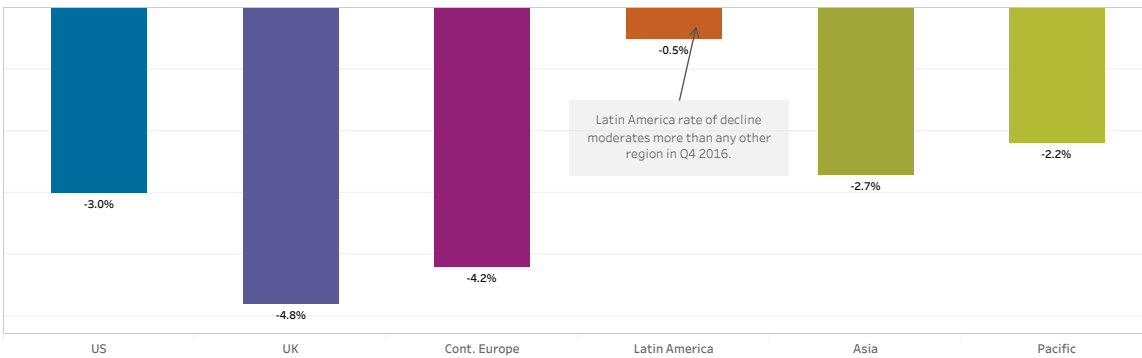
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Insurance Rates Remain Competitive Globally

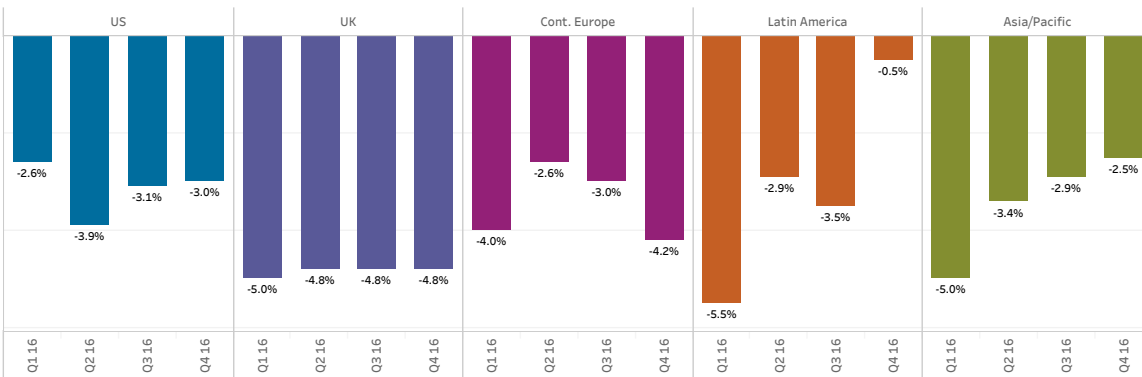
Insurance rates were generally competitive worldwide throughout 2016, although composite rate decreases moderated considerably in Latin America in the fourth quarter. The trend in Latin America was due largely to increasing casualty insurance rates driven by a rise in auto insurance prices, specifically in Colombia and Mexico.

Regional Composite Insurance Rate Change

Q4 2016



Full-Year 2016



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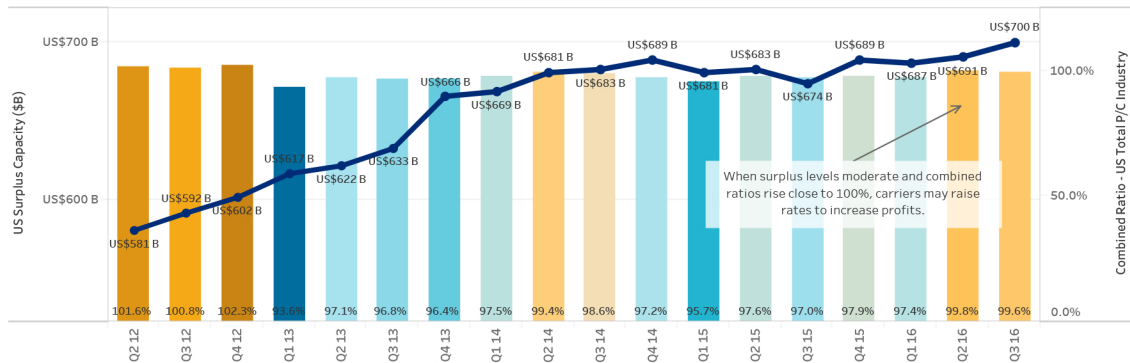
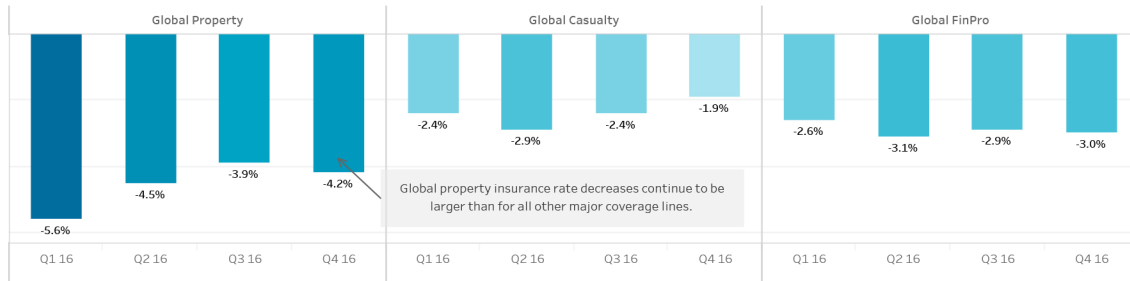
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Global Property Insurance Rates Continue to Decline at Greater Pace When Compared to Other Lines of Business

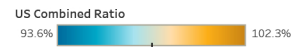
Insurance rates continued to decline, on average, across all major global insurance lines, driven largely by decreases in property insurance pricing. Overcapacity in the market coupled with an absence of significant insured losses — despite several notable events — kept the pricing environment generally soft. Early indications that capacity may be moderating and that combined ratios may be increasing could be harbingers of looming rate increases as carriers seek to boost profitability and keep combined ratios below 100%.

Global Composite Insurance Rate Change

By Major Coverage Line



Sources: iii.org, A.M. BEST



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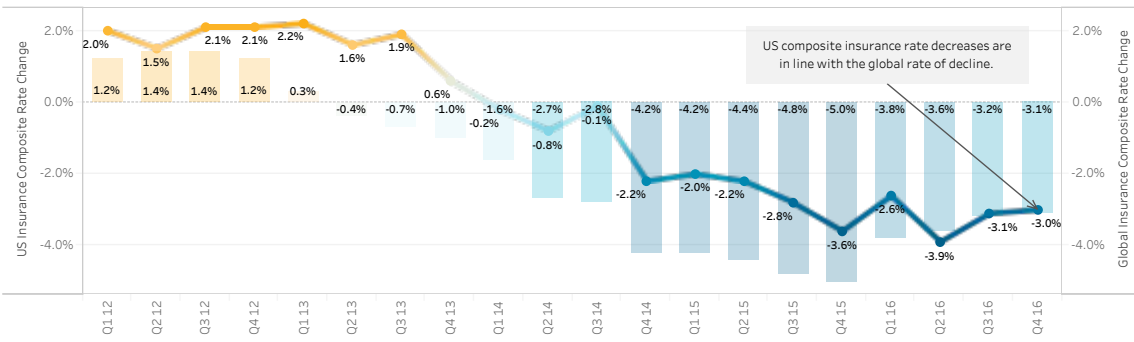
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US Cyber Liability Rate of Increase Moderates

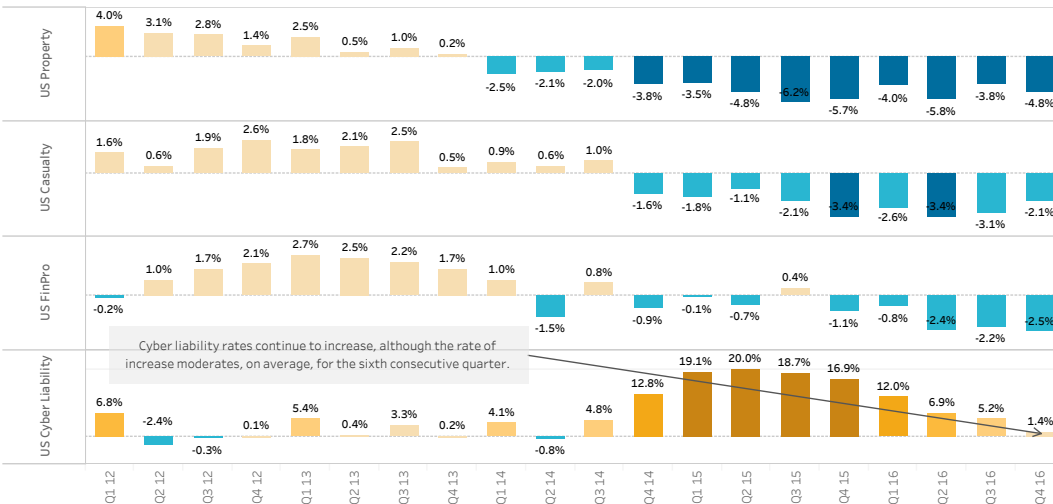
US composite insurance rates were in line with the global rate in the fourth quarter of 2016, driven in large part by decreasing rates, on average, in property insurance. US cyber liability rates continued to increase for the sixth consecutive quarter. Despite this, the number of clients purchasing cyber insurance increased 25% from 2015 to 2016 across all industries, with the greatest overall take-up in health care, communications, media and technology.

US Composite Insurance Rate Change

Composite Insurance Rate



By Major Coverage Line



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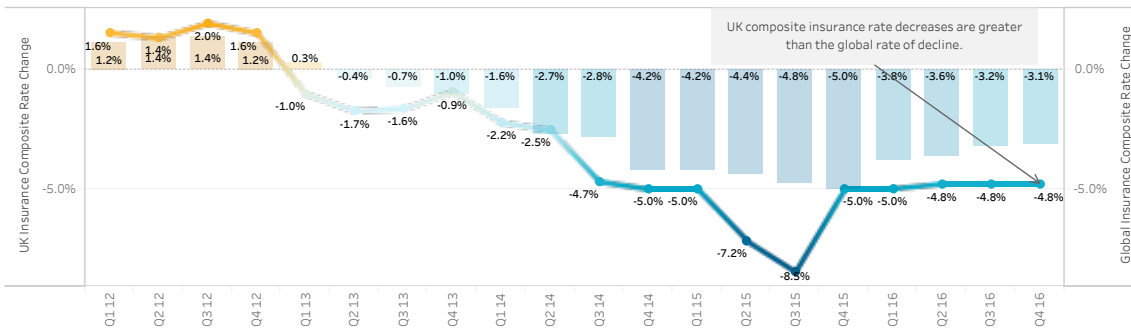
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UK Insurance Market Remains Competitive

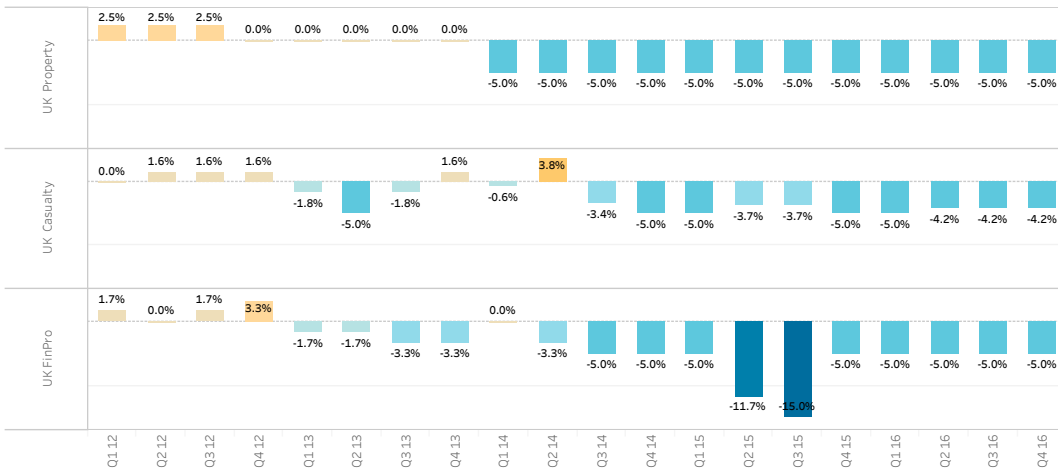
UK composite insurance rate decreases, on average, were greater than the global rate of decline in the fourth quarter of 2016, driven by generally soft markets across all major commercial insurance coverage lines. The UK's decision to leave the European Union has yet to make material impact on the commercial insurance pricing environment.

UK Composite Insurance Rate Change

Composite Insurance Rate



By Major Coverage Line



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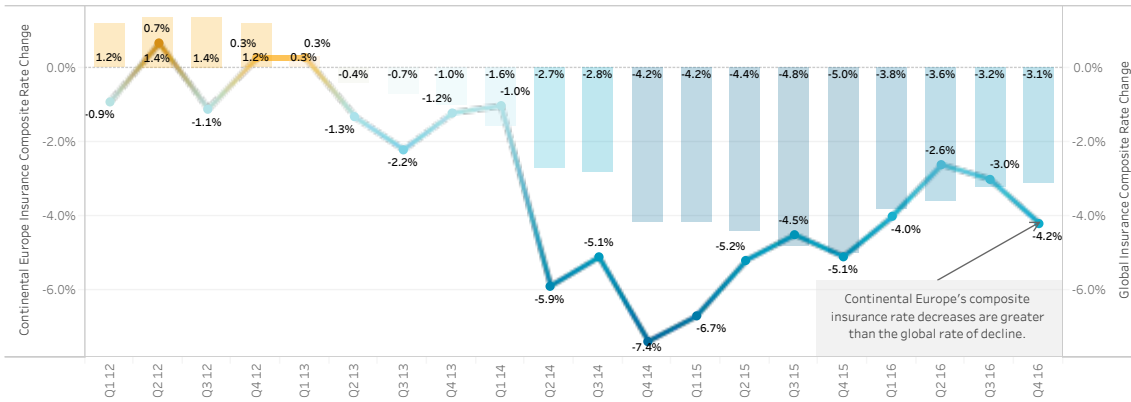
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Insurance Market Remains Competitive in Continental Europe

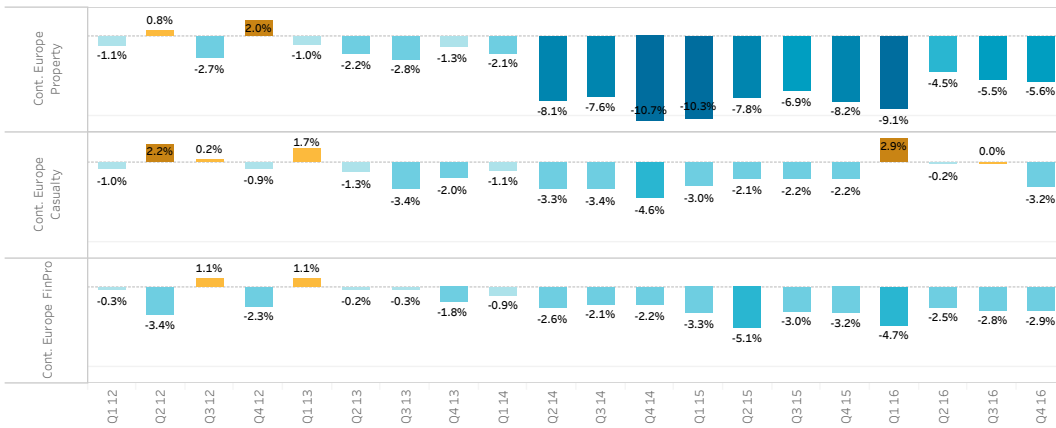
Continental Europe's composite insurance rate decreases, on average, were greater than the global rate of decline in the fourth quarter of 2016, driven in large part by decreasing rates in property insurance.

Continental Europe Composite Insurance Rate Change

Composite Insurance Rate



By Major Coverage Line



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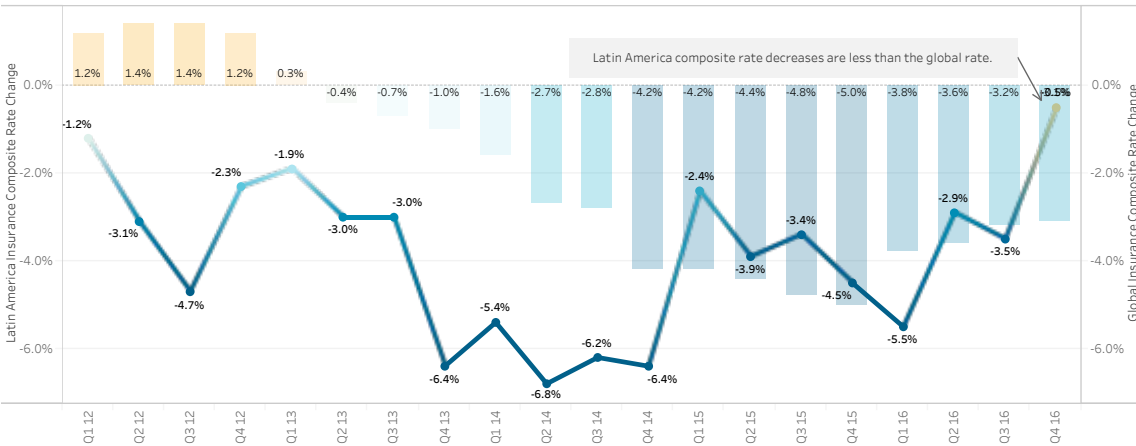
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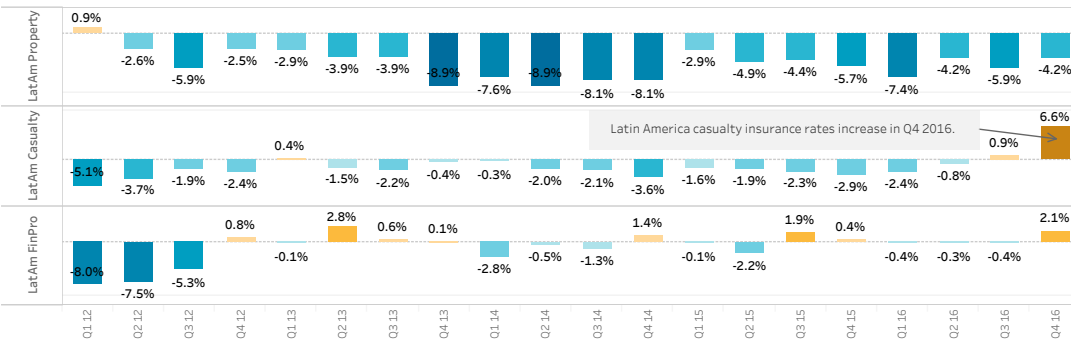
Latin America Casualty Insurance Rates Increase

Both casualty and financial and professional liability insurance rates increased, on average, in Latin America in the fourth quarter of 2016. This contributed to composite insurance rate decreases in Latin America moderating more than in any other region. Increases in average Latin America casualty insurance rates were largely due to a rise in auto insurance prices, specifically in Colombia and Mexico where Marsh has a significant market share.

Latin America Commercial Insurance Rate Change Composite Insurance Rate



By Major Coverage Line



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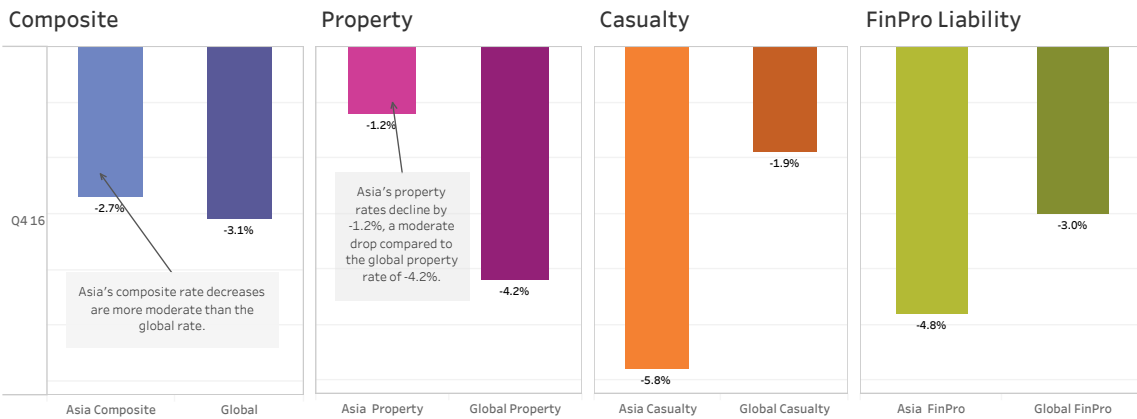
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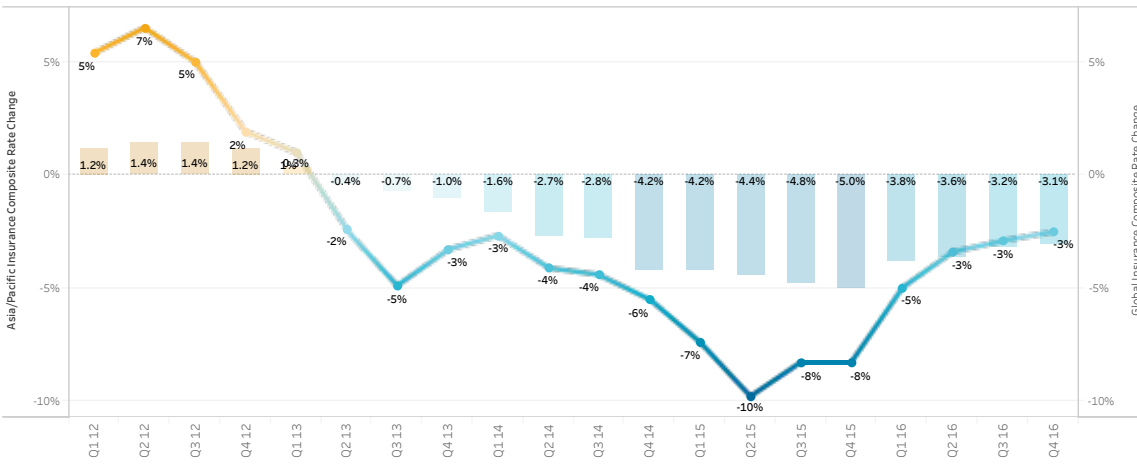
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Asia's Commercial Insurance Market Remains Competitive

Asia's composite insurance rate decrease was, on average, more moderate than the global rate of decline in the fourth quarter of 2016, as property insurance rates in the region also declined less than the broader global rate.



Asia/Pacific Composite Insurance Rate Change



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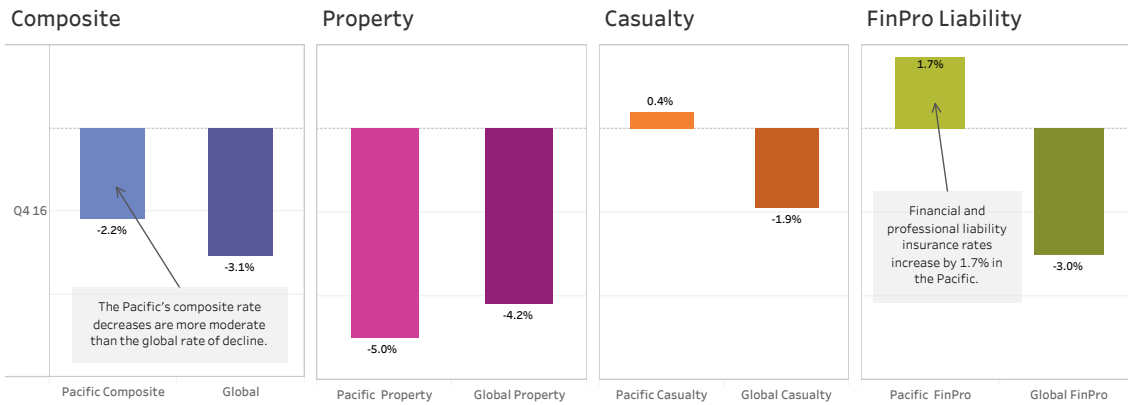
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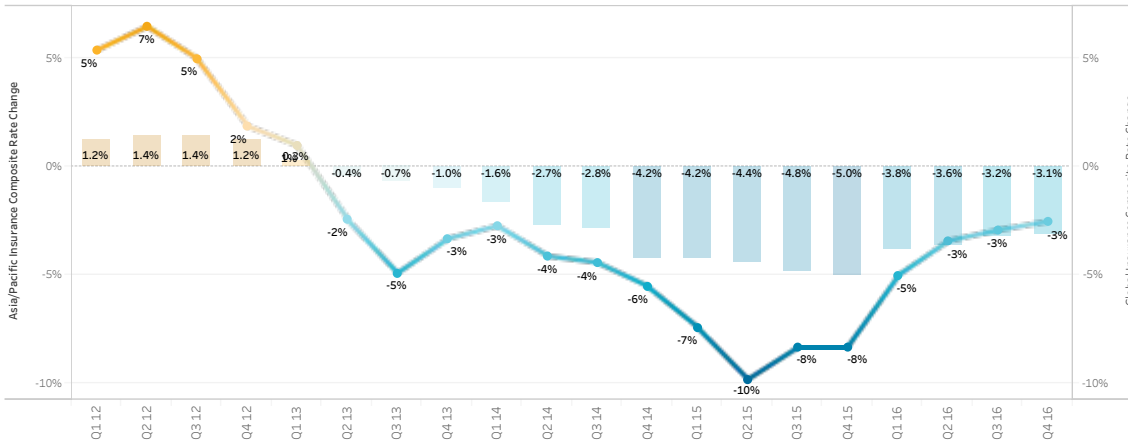
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Pacific Region's Financial and Professional Liability Rate Increases

In the fourth quarter of 2016, composite insurance rates decreased, on average, in the Pacific region, although more moderately than the global rate of decline. The region's financial and professional liability insurance rates increased by 1.7% while casualty rates rose 0.4%, on average. However, the average property insurance rate decline of 5.0% offset rate increases in other lines.



Asia/Pacific Composite Insurance Rate Change



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