

# MARSH | Global Insurance Market Index

## Q3 - 2016

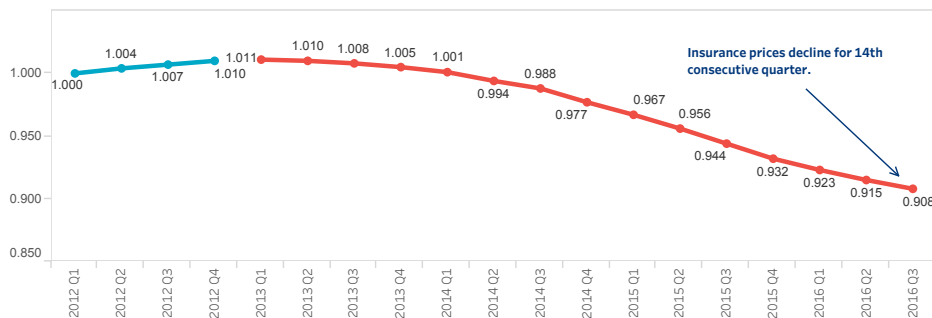
The Marsh Global Insurance Market Index is a proprietary benchmark of global commercial insurance renewal rates representing the world's major insurance markets and comprising 90% of Marsh premium. The index captures a rolling four-quarter view of rate movement, providing a quarter-to-quarter look at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

Index	Global, by Business	Global, by Region	United States	United Kingdom	Continental Europe
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### Insurance Rate Decreases Continued to Moderate for Third Consecutive Quarter

Global insurance rates declined for the 14th consecutive quarter, although this also marks the third quarter in a row that the rate of decline has moderated by weighted average. The continued availability of capacity in the insurance market has generally kept pricing stable to competitive in most lines of business and geographies worldwide, although the rate of decline in property insurance moderated for the third quarter in a row.

Global Insurance Market Index



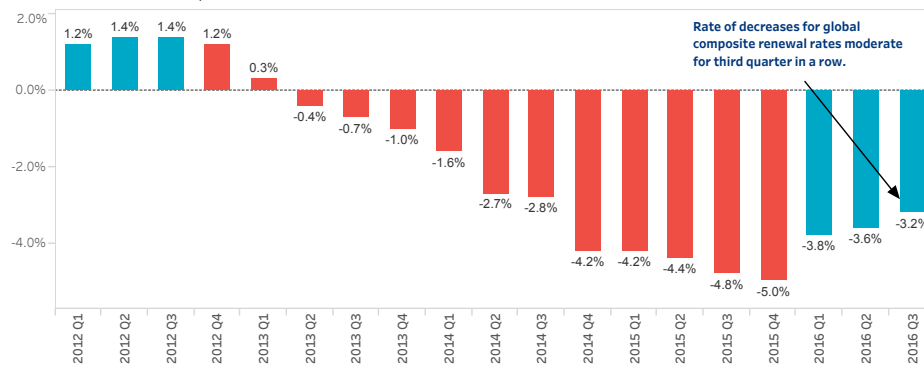
**+ DIG DEEPER**

For an interactive analysis that further unpacks the current market dynamic, click on the blue slider above -- digging deeper into the data is as easy as pointing and clicking.

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Global Insurance Composite Renewal Rate



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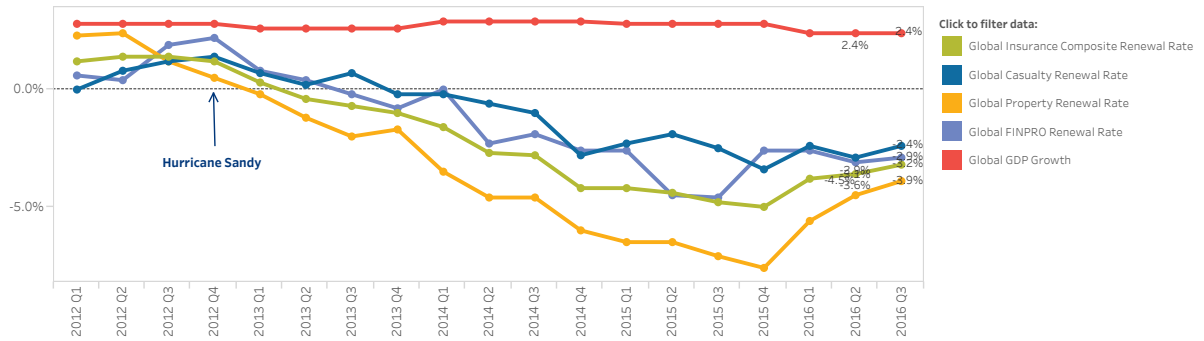
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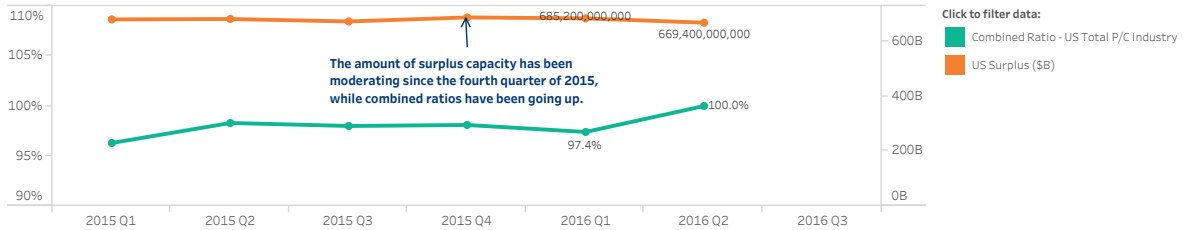
### Global Property Insurance Renewal Rates Remained Competitive, Although Rate of Decline Continued to Moderate for Third Quarter

Hurricane Matthew — the first Category 5 Atlantic hurricane since Hurricane Felix in 2007— is currently being estimated at between US\$1.5 billion to US\$5 billion in insured losses for the US and the Caribbean. Other natural catastrophe events occurring in the first half of 2016 have contributed to above average catastrophe losses (US\$27 billion of insured catastrophe losses for the first six-month period of 2016, compared with US\$19 billion for the same period the year before), including the Fort McMurray wildfires in Canada, earthquakes in Ecuador and Japan, and flooding in the US and continental Europe (with the US accounting for nearly a quarter of those global insured losses in the first half of 2016, due to US\$8.8 billion in storm losses in Texas). While global property insurance renewal rate decreases were generally larger than for other major coverage lines, the amount of surplus capacity has been moderating since the fourth quarter of 2015. This has helped moderate the rate of decline for property for the third quarter in a row, on average.

Global Insurance Market, by Major Coverage Lines



Global Insurance Market, by Major Coverage Lines



Source: Global GDP Growth : BMI Fitch Research; Combined Ratio US Total P/C Industry: A.M. Best; US Surplus: A.M. Best & iii.org

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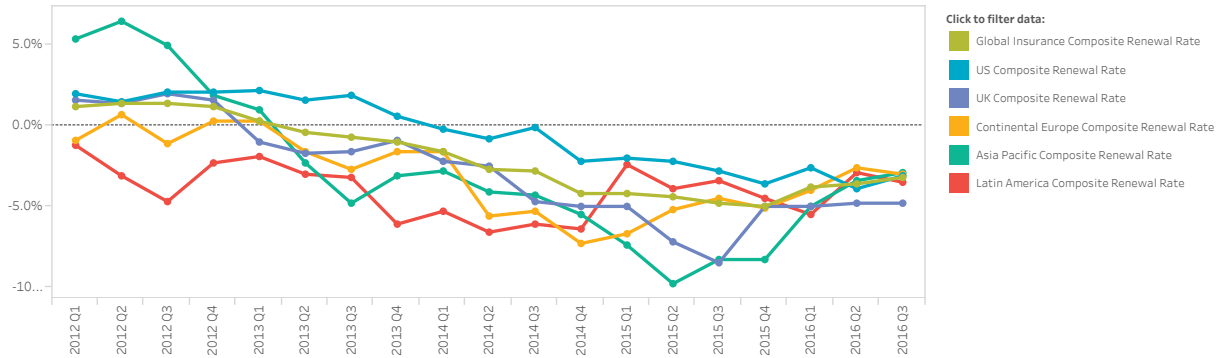
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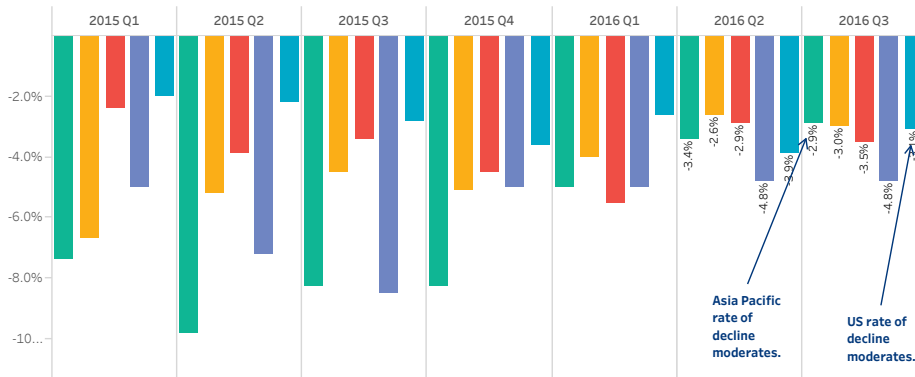
### Insurance Renewal Rates Remained Competitive Globally

Insurance renewal rates worldwide remained competitive; however, composite rate decreases slowed in the US and Asia Pacific in the third quarter of 2016.

Global Insurance Market, by Region



Global Insurance Market, by Region



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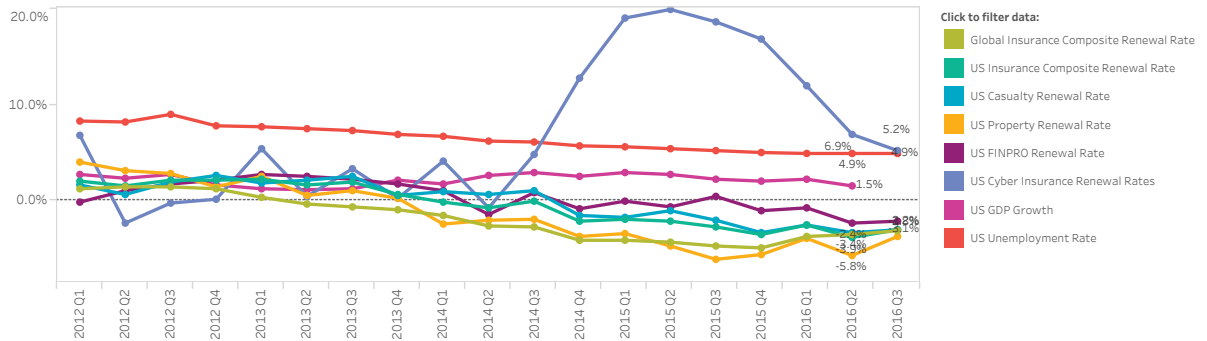
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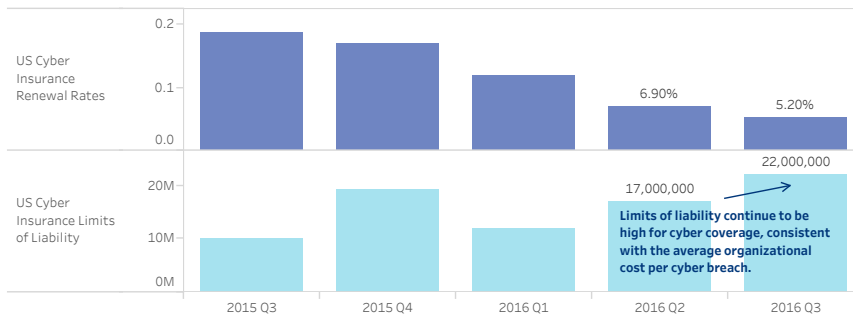
### US Cyber Insurance Renewal Rates Continued to Increase, Although Rate of Change Moderated

US renewal rates remain competitive on average across all major lines of business, with US financial and professional liability lines experiencing the lowest rate of decline and property lines experiencing the greatest rate of decline. Although the high demand for cyber coverage continued to drive increases in renewal rates, the rate of renewal change has moderated steadily since the second quarter of 2015. Despite this, the limits of liability offered for US cyber coverage increased from US\$12 million in Q1 2016 to US\$22 million in Q3 2016, and the take-up rates went from 13% in 2013 to 19% in 2015, highlighting both the consistent rise in the average organizational cost per cyber breach and the continued demand for insurance.

US Insurance Market



US Cyber Insurance



Source: US Global GDP Growth : Bureau of Economic Analysis; US Unemployment Rate: US Bureau of Labor Statistics; Combined Ratio US Total P/C Industry: A.M. Best; US Surplus: A.M. Best & iii.org

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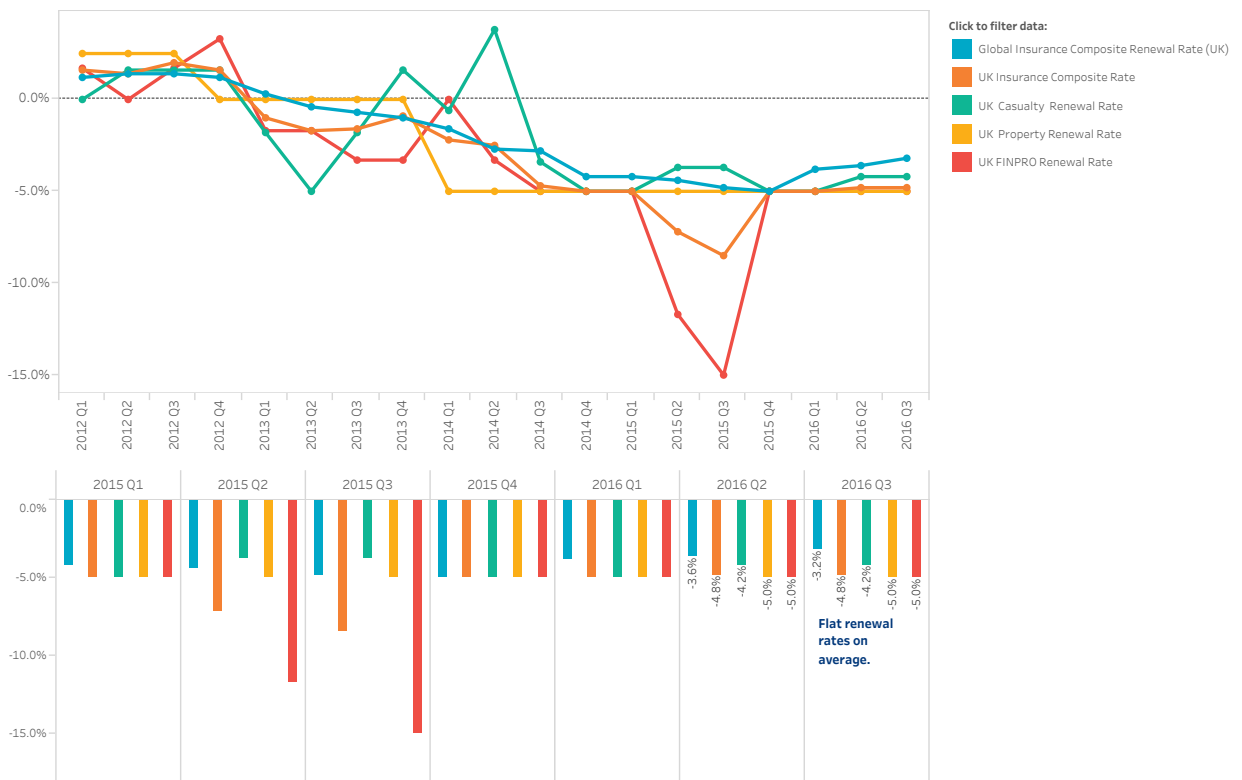
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### UK Insurance Market Remained Competitive with Flat Renewal Rates Across Major Coverage Lines

The UK's decision to leave the European Union has yet to impact insurance pricing. The insurance market remained competitive across all major coverage lines in the UK with flat renewal rates on average in the third quarter of 2016.

UK Insurance Market



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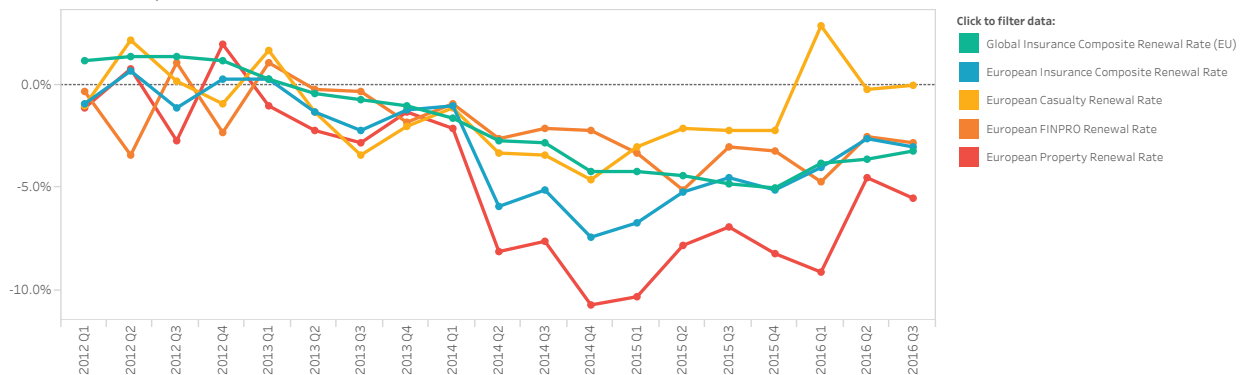
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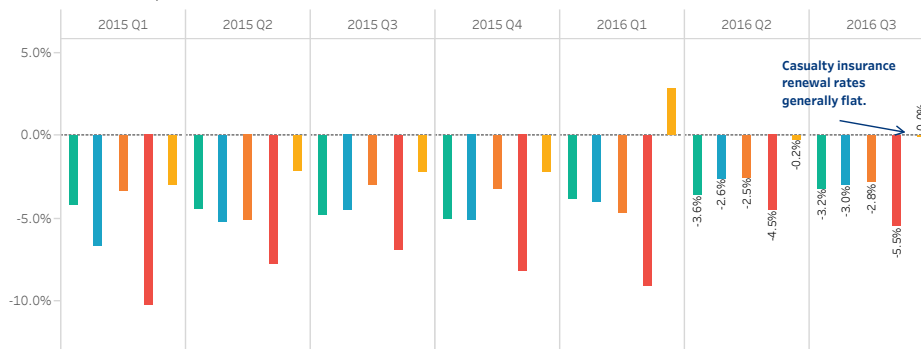
### Insurance Market Remained Competitive in Continental Europe

Insurance market rates remained competitive across most major coverage lines in continental Europe. However, while European casualty renewal rates were generally flat in the third quarter of 2016, motor/auto renewal rates increased in Spain, Germany, and Turkey on average.

Continental Europe Insurance Market



Continental Europe Insurance Market



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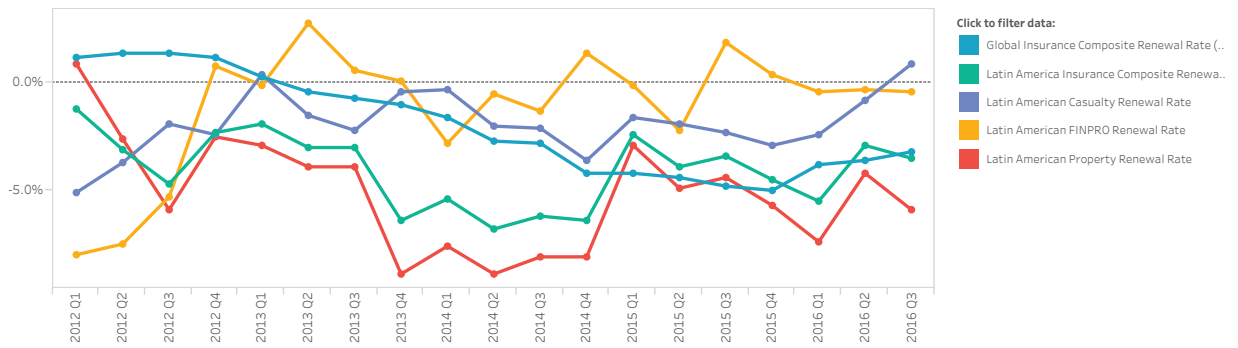
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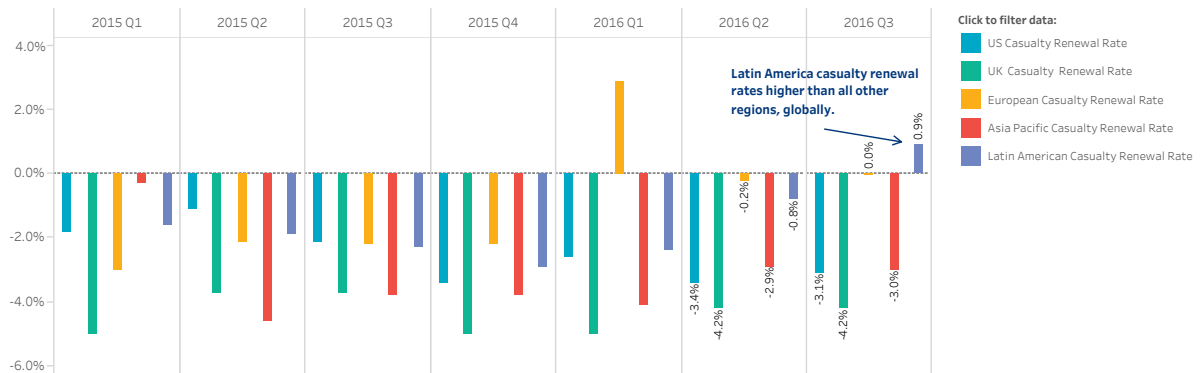
### Latin America Casualty Renewal Rates Moderated for Third Straight Quarter

While Latin America property and financial and professional insurance renewal rates remained competitive on average, the rate of renewals for Latin America casualty products increased slightly for the third consecutive quarter due to increases in motor/auto renewals in Colombia and Mexico on average.

Latin America Insurance Market



Global Casualty Market



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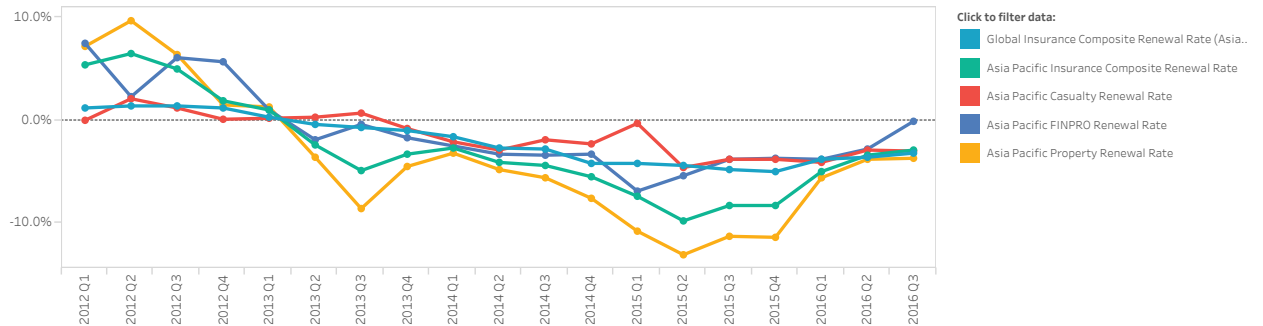
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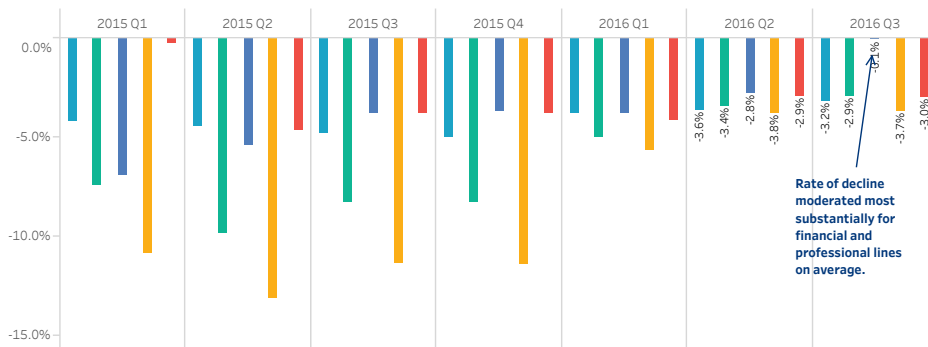
### Asia Pacific Insurance Market Remained Competitive, Rate of Decline for Property and Financial and Professional Lines Moderated

Asia Pacific insurance pricing remained generally competitive across most major coverage lines. However, the rate of decline moderated for Asia Pacific property with steadily decreasing renewal rates in Australia, Hong Kong, Korea, and Singapore. Financial and professional rates of decline also moderated, with Australia returning to positive renewals in the third quarter of 2016.

Asia Pacific Insurance Market



Asia Pacific Insurance Market



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