



Q3 2024 MARKET TRENDS

Multinational

Multinational Casualty

The multinational casualty market continues to show flat to moderate rate decreases. These rate trends remain influenced by three core factors: favorable loss performance, heightened global exposure and reduced costs due to technology.

Loss performance primarily drives rate decision-making year-over-year, with minimal claims activity leading to a flat to nominal rate decline. Heightened exposures, driven by global inflation and customer growth, enable economies of scale pricing strategies, reducing program rates and premiums. Additionally, technological advancements across various functions are providing a catalyst for reduction in issuance costs, exposure collection and accuracy, and global program management.

Overall, the market outlook remains positive for the remainder of 2024, with proactive discussions and collaborative efforts to address emerging risk factors within evolving global markets. These preparatory measures are essential for achieving the best outcomes amidst dynamic market conditions.

Inflation and Tax

Globally, inflation has seen year-over-year increases since 2020 (source: Moody Analytics). Since 2020, the global inflation rate has ranged from +3% in 2020 to +9% in 2022. Several resulting considerations include the following:

- Whether the current policies adequately capture the value of all assets
- How quickly an organization can recover from a business interruption event
- If the current limits for their Directors & Officers are sufficient given rising costs



Local Market Changes

Individual markets continue to evolve and adapt to the changing claims environment and global insurance marketplace, with each jurisdiction experiencing unique challenges and opportunities across the insurance industry.

INDIA

Effective April 1, 2024, India's general regulations stipulated that fire, engineering, motor and other miscellaneous lines of insurance coverages are de-tariffed. From a tax perspective, this change could impact insureds aiming to procure the notated coverages within India. The Insurance Regulatory and Development Authority of India (IRDAI) has advised that those prevailing tariffs, including terms, conditions, clauses, warranties and wordings, are entirely de-notified in all business classes as of the specified effective date. Insureds may begin reviewing carrier offerings to identify relevant, customized solutions, limit changes and tailor coverage needs based on their risk profile.

MEXICO

Mexico's cargo market has seen premium increases for locally placed programs since 2023. The primary driver of these increases is a significant theft claims volume, leading to 25-35% premium hikes. This has resulted in coverage limitations, premium adjustments, and potentially increased deductibles, depending on the experience of specific claims.

EASTERN EUROPE

Eastern Europe continues to face significant challenges due to the ongoing Russian invasion of Ukraine, which began in 2022. Many insurers and reinsurers have left the region, including Russia, Ukraine, Turkey, Poland and Czechia. This has led to a hardening of the property market specific to the region, particularly for more hazardous industry segments.

AUSTRALIA

In recent quarters, the local Australian insurance marketplace has experienced greater competition following premium pressures and restrictive coverage. Market capacity has been volatile since 2020, but there has been a mild resurgence in the capacity to offer premium relief and customizable insurance solutions in the local markets.



How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving property & casualty program.

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