

2020 INSURANCE MARKET UPDATE

Soundbites from industry publications and reports.



“The global spread of COVID-19 in 2020 has created major challenges around the world, with individuals at risk of being infected by a contagious and deadly virus and many businesses shut down for public health purposes...The COVID-19 outbreak has also had a knock-on effect on financial markets and this is likely to affect the investment performance of insurers in 2020.”

Source: OECD – Insurance Market in Figures – June 2020



“The first half of 2020 brought levels of volatility and uncertainty that many business leaders will categorize as the most disruptive and world-changing in living memory. Early in the year, as the COVID-19 pandemic spread rapidly across the world, governments and communities were forced to react, which led to a global economic lockdown with financial and humanitarian implications unseen since the Great Depression.” – Christa Davies, Chief Financial Officer, Aon

Source: Aon Global Market Insights – Q2, 2020



“We predict that rate hikes and capacity constrictions will continue throughout 2020 and likely into 2021. However, we expect a more orderly market to emerge by mid-2020, especially for property. By that point, the bulk of the re-underwriting by some major property insurers should be largely complete. Pricing will most likely continue to rise as insurers seek profitability, but those increases and market capacity for most risks should be more predictable than they have been during the past two quarters.”

Source: WTW – Insurance marketplace Realities 2020



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Source: PWC – Insurance 2020: A quiet revolution – The future of insurance M&A

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Deloitte.

“The global insurance industry is scrambling to grow and maintain profitability amid maturing markets and volatile economic conditions, all while reinventing their products, operations, and business models to cover evolving exposures, satisfy rising consumer expectations, and integrate new technologies.”

Source: Deloitte – 2020 insurance outlook – Insurers adapt to grow in a volatile economy



“Low interest rates, stagnant growth and the growing likelihood of a global recession define the challenging economic reality for insurer around the world. These dynamics place real pressure that insurers feel not only on their bottom lines, but also in their strategic plans, transformation programs and new product launches.”

Source: Ernst and Young – 2020 Global Insurance Outlook – The drive for transformation and growth.



Swiss Re

Insurance markets - “Life and non-life insurance premiums are expected at trend growth in 2020/2021. Rate trends for commercial lines are firming while low interest rates are an industry challenge.”

Economic environment - “Global growth continues to slow. Interest rates remain low for longer. The likelihood for a US recession in 2020 is unchanged at 35%. Trade war remains #1 risk.”

Source: Swiss Re – Global Economic And Insurance Market Outlook 2020/2021