Willis Towers Watson

Marketplace Realities GB

Journey to maturity

April 2019

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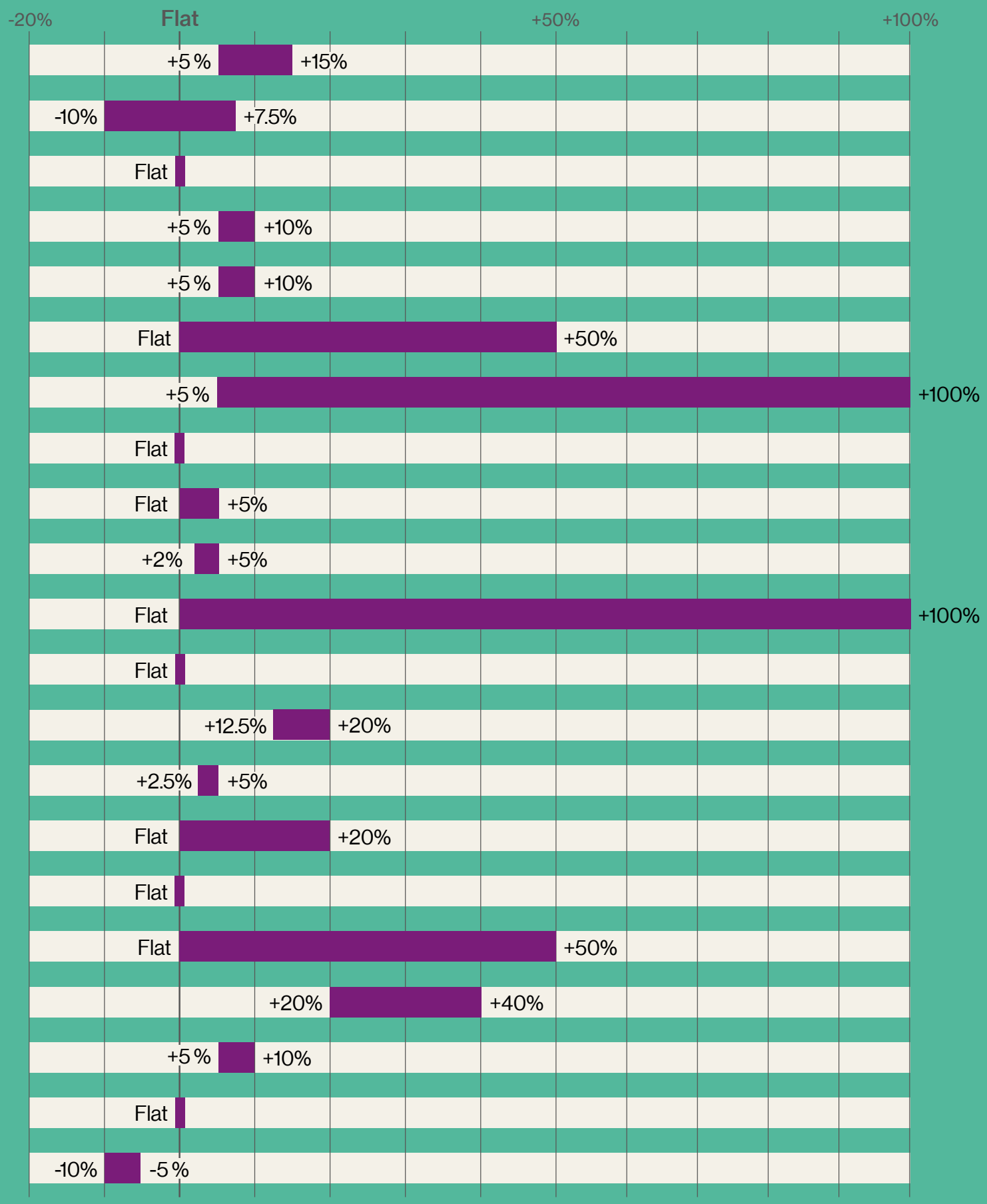
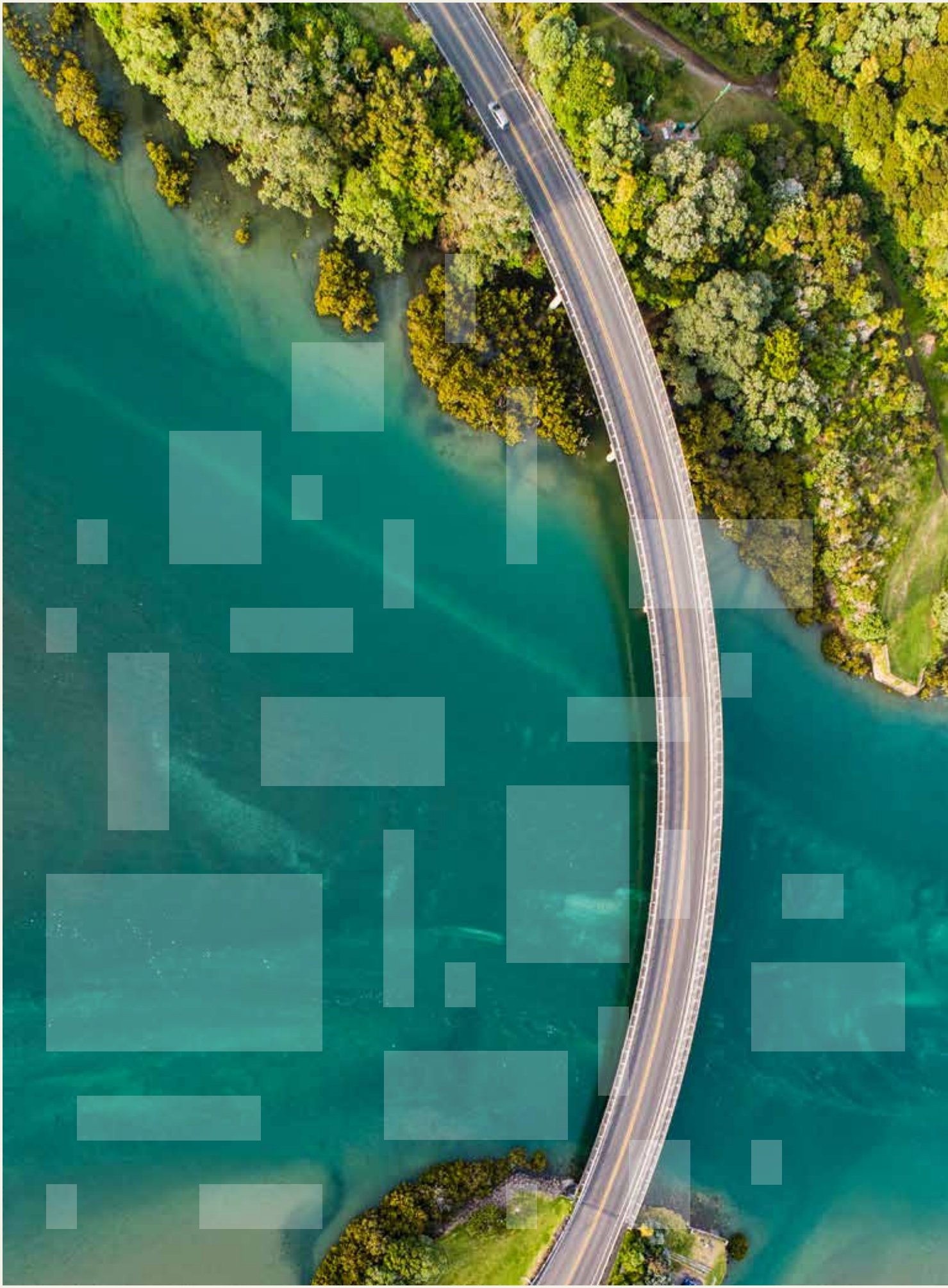
2019 Price Predictions





Executive Summary

Journey to maturity

Maturity can be applied to many things – even the insurance market. Are we witnessing the market growing up as it enters a new phase in its development?

After successive years of insured catastrophes totalling USD 219 billion, insurers have taken control of their destiny. Acknowledging accountability for many of the factors that contributed to a general under-pricing of risk, insurers have with increased solidarity, raised insurance rates and set about cleaning up their own house.

Having received a measured response from reinsurers during early-year treaty renewals, the continued availability of capital and early suspension of interest rate rises, reinforced the frailty of relying on others. Insurers have aimed to technically reposition many lines of business to produce an acceptable return for the exposure assumed. Here, a targeted yet controlled approach to improving rate-adequacy helped by assertive business remediation processes at Lloyd's, have sought to address historic underperformance.

Source: Swiss Re, Sigma

The factors that drive market behaviour vary and, as a result, markets develop at different speeds. Recognising the industry's high level of capitalisation, growing strength of overseas insurance hubs and past experience, insurers have in the main, avoided raising prices too aggressively. Short-term, erratic reactions have been substituted with more measured differentiation between clients based on risk profile, loss history and past behaviour. Beyond the headlines of rate, experienced market practitioners recognise we have not yet witnessed the wholesale withdrawal of capacity, sufficient to prevent deals being finalised. Despite rising premiums, the symphony of issues that characterised 'hard' markets of the past, have not yet been realised. It remains to be seen whether current market conditions reflect broader industry change or are instead, the prelude to a more challenging climate as global markets synchronise.

The transition from adolescence requires a sensible and level-headed approach. Insurers must recognise their responsibility to maintain professionalism as they address the past and articulate the need to be paid appropriately for their capital. Those that do in a manner that improves underwriting profitability while retaining the client loyalty they worked so hard to win over, will mark a real sign of adulthood.

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Property (North America)

- Increased submission flow to London as domestic North American insurers strengthen their resolve to drive pricing adequacy and look to raise rates
- Divergent approach by insurers between new and renewal business with restricted underwriting protocols and focus on improving profitability, placing greater negotiating complexity around existing business versus new enquires
- Attritional loss activity reinforcing the need for rate correction
- Some tightening of terms and conditions in areas such as non-damage Business Interruption
- Increased attention around the adequacy of deductible levels and closer scrutiny of contract definitions for Natural Catastrophe deductibles such as Severe Convective storm and 'all other perils'
- Clear contraction in risk appetite for certain industries such as Waste Management
- Rhetoric to return prices to the levels observed around 2012, recognising that rates need to increase at a greater pace than prior reductions if this is to be the case
- Restructuring of appetite and reductions of capacity by large-capacity writers with 100% shares requiring shortfalls to be replaced or syndicated, inflating overall cost of the risk
- Some reductions of capacity and limitations around premium income levels following Lloyd's business review in 2018
- Restructuring of insurance programmes common, as brokers navigate changing market conditions
- Broad interest for deductible buy-down solutions supported by a strong supply of insurer appetite to offer terms in this area
- Presentation of good quality, up to date and salient risk information along with the early marketing of risk now key ingredients in the placement strategy

Price prediction

Non Cat:
+5% to +10%

Cat no losses:
+5% to +10%

Cat with losses:
+15% or more

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- Growing confidence of insurers to increase rates as underwriters realise that other jurisdictions and industry sectors such as treaty reinsurance align and gain momentum respectively
- New additions to Catastrophe Modelling systems for Pacific Atlantic windstorm following three years where most loss activity has been centred around the Atlantic coast

Property (International)

- Lloyd's Syndicates achieving firm instructions to bind with rate increases especially in the primary layers of programmes irrespective of claims performance
- Excess of loss layers attracting rate increases where the potential for a vertical loss will impact elevated intervention points
- Need for insurers to adhere to strict underwriting criteria on existing business, creating greater challenges around continuity compared to new business where improvement measurement is more subjective
- Loss affected accounts attracting marked differences in rating increases
- Migration of capacity by insurers from underperforming lines to alternative areas that present a better return on capital
- Chinese-owned companies target business for domestic Chinese insurers who are able to deploy significant capacity at competitive terms
- Multinational programme structures dependent on or subsidised by Reinsurance partially affected by changes in the Facultative market
- Insurers reliant on Facultative Reinsurance, delaying decision making while they achieve clarity around reinsurance costs
- Insurers focusing on rate-adequacy and performance remediation, however, accounts with attritional loss activity experiencing deductible increases and other changes to terms and conditions
- Increased rate expectations by regional insurers eroding the pricing differential that formerly existed between jurisdictions bringing alignment of Lloyd's competitiveness
- Insurers prepared to consider overall deal when presented with other Lines of business
- Increased deal flow to London as overseas domestic markets retrench in certain distressed areas such as the food industry with local market contraction seen in Australia, New Zealand, Ireland and South Africa
- The closure of local operations by certain Lloyd's entities in Dubai along with the exit of key regional insurers in the property space has led to a reduction in choice resulting in a noticeable increase in the number of Middle Eastern clients wishing to present and place their risk to the London market

Price prediction

Australia & New Zealand
Non Loss Affected:
+5% to +7.5%

Asia
Flat to +5%

Middle East
Flat to -10%

UK Domestic
Flat to +5%

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- Local markets remaining competitive for indigenous "vanilla" business
- Alignment with Head Office underwriting protocols constraining the degree and opportunity to achieve pricing differentials in Asia
- Aggregate deductible limits under review as increased attractional loss activity starts to make historic entry levels marginal

Property (UK Retail)

- Competition remains robust with insurers showing particular commerciality for mid-market regional business
- Pockets of adjustments to underwriting appetite and reductions of capacity in specific trade classes following poor claims performance such as food risks and / animal husbandry / waste
- Insurers seeking more comprehensive risk presentations with up to date risk assessment surveys helping navigate commercial negotiations and decision-making
- Policy and contract language becoming important protection mechanisms as insurers revert to a more forensic assessment of claim circumstance and policy response
- Increasing willingness to achieve pricing aspiration with more insurers prepared to reduce shares where contract terms do not meet an acceptable level
- Focus on retention continues to outstrip aspiration to drive technical improvements to terms and rating
- Rise of new brands and smaller insurers has placed some competitive pressure on the 'old guard'
- Some insurers looking to reduce line sizes and capacity issued, but limited examples of insurers making changes to limits and terms around Natural Catastrophe coverage
- Continued flexibility and insurer desire to institutionalise client relationships by writing a client's business across multiple lines
- Interest in entering long-term agreements remains

Price prediction

Flat

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Casualty (International/UK)

- Focus of underwriting improvement moving beyond rate adequacy and involving consideration around capacity deployment
- Size of capacity reduction varies but is agnostic of risk performance
- Desire to generate balance in underwriting portfolios leading to closer scrutiny of casualty business as insurers look to improve their overall insurance account
- Requirement for improved risk information during quotations as insurers re-underwrite risks and evidence decisions to management
- Examples of insurers "de-risking" their portfolio by reducing appetite for large global multi-billion businesses and aiming to target small to mid-sized enterprises
- Conservative and focussed use of capacity even for business considered to better priced over time, leading to reductions in overall supply especially from lead primary insurers
- Clear move away from poorly performing classes with price increases reflecting the determination to address previous years of pricing degradation
- Market remains open for most types of business, however, insurers now clear on the need to achieve a fair price for the risk assumed
- Less appetite for Lloyd's Syndicates to assume leadership of risks with availability of quoting insurers largely the same as prior years
- Company market sector continues to bring competition to the quotation process
- Access to and use of reinsurance markets adding additional options and marketing choice
- Some concern over deterioration of 'tail risk' emanating from 'risks attaching' or multi-year policies leading to increased interest in retroactive covers
- Reductions in primary capacity leading to overall programme price inflation as accounts are re-structured and cost of re-deployed 'ventilated' capacity increases

Price prediction

+5% to +10%

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- Provision and willingness to offer certain coverages or extensions reducing with 'exotic' coverages such as sexual molestation, more difficult to procure
- Insurers expecting more detailed and granular underwriting submissions from which to evaluate and price risks
- Access to historically-competitive insurance hubs such as Lloyd's Asia narrowing as Syndicates review cost models or come into line with head office underwriting protocols
- Steady and willing supply of capital from Chinese insurers who are broadening beyond traditional regional or domestic Chinese business
- Deliberate strategy of packaging Property and Casualty risks more evident as insurers look to find the right balance between improved technical pricing and client continuity and growth
- Some insurers trying to promote local underwriting expertise and empower underwriting authority to write indigenous business at source whereas others aim to centralise decision-making

Casualty (North America)

- Noticeable shift in pricing aspiration during the first quarter of 2019 compared to the 'flat' pricing environment in 2018
- Lloyd's 2019 business planning and improvement process influencing insurers' underwriting appetite for new business
- Combination of insurer withdrawals from the Casualty market and a substantial reduction in major lead capacity from several markets has reduced availability
- Sectors such as Trucking and Heavy Products liability experiencing significant increases, particularly on Lead Umbrella layers
- Suite of catastrophe losses affecting the broader casualty market including Wildfires, Lone-Wolf shootings and automobile liability
- Significantly higher compensation awards by Courts for damages against US corporations, leading to markets becoming more cautious and focussed on risk selection
- More detailed underwriting processes requiring greater detail and clarity during the presentation of risk information and client submission
- Double-digit increases for lead and excess layers although rate increases reduce further up the programme

Price prediction

+5% to +10%

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Facultative Reinsurance

- Competiveness of local markets continues to place pressure on London
- Loss free, lighter-occupancy and low Natural Catastrophe-exposed risks provides choice for clients as domestic markets' appetite and supply of capacity for these types of risks remains healthy
- Early signs that insurers in Latin America and Miami starting to explore rate increases
- Common desire for rate increases, irrespective of risk profile
- Post catastrophe, increased awareness around the contractual obligations for payment of loss and relevance of 'cut through' clauses when remitting settlement to cedant's, especially for pure-fronted business
- Business improvement processes and concentration on profitability, led Lloyd's Syndicates to review underwriting guidelines, leading to some movement away from primary layers and, in some cases, the closure of an overall regional account
- Fluidity of capital observed by the redeployment of Natural Catastrophe aggregate formerly assigned to Latin America and Caribbean risks as insurers seek greater returns from their capital
- Direct insurance terms and conditions during the first quarter of 2019 started to correlate with the pricing environment in the Facultative Reinsurance market
- Facultative Reinsurance buying influenced by changes to reinsurance treaty strategies where, in some instances, insurers have reduced net exposures and bought down retentions to help reduce earnings volatility
- Underwriting discipline and alignment of management strategy starting to bring underwriting hubs such as Miami into line with London

Price prediction

Technical Occupancies/ Natural Catastrophe
+5% to +15%

UK Domestic
Flat to +10%

Europe
Flat to +10%

International Property, Loss Free
+5% to +10%

EPS exposed, particularly Food risks
+50%

Mining Risks, Loss Free
+10%

North America
Lloyd's Primary and 1st Excess Layers:
+10% to +15%

Asia
Higher Excess of Loss layers:
Flat to +5%

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Natural Resources, Casualty

- Transition towards a firming of prices following a relatively stable pricing environment in 2018
- Lloyd's business review process instilling greater underwriting diligence around determination to achieve technical-adequacy of premium rate
- Premium limitations on amount of business Syndicates authorised to underwrite helping to stimulate underwriting sentiment around pricing
- No organic withdrawal of underwriting entity from the market
- Reductions in primary capacity deployed by major casualty leaders, influencing the composition of insurance panel and overall cost of programmes
- Long-term writers, especially in the company market, looking to capitalise on Lloyd's business improvement process
- Sectors such as mining and mid-stream pipelines undergoing a deeper revision of underwriting appetite and philosophy with significant contraction of capacity and disproportionately high rate increases now being experienced in the mining sector, following recent losses
- Green investing and shareholder activism concerning Environmental, Social and Governance starting to influence the willingness and authority of insurers to support Oil Sands Fracking, Fossil Fuels, Pipelines and Tailing Dams
- Losses brought about by Wildfires and Tailings Dam failures in North America and Brazil, stimulating changes in risk appetite
- Greater interest in clients' general maintenance protocols, processes and standards with some insurers questioning the credentials and reliance on specialist engineering reports to assess risks in the extraction and engineering industries

Price prediction

Natural Resources, Casualty
+5%

Mining
+20% to +100% and above

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- Insurers distinguishing underwriting decisions based on the financial and economic performance of individual risks, including comparative client behaviour, risk exposure, claims experience and risk management culture
- Need for timely and informed presentation and articulation of risk, helping quoting markets to approach risk pricing on a client centric basis
- Underwriting reviews increasingly focussed on clients' exposure to joint ventures and the management of risk at these enterprises

Environmental Impairment Liability

- Insurance penetration outside the US remains low although environmental legislation and regulatory enforcement changes in other jurisdictions will drive demand
- Growing risk aversion to tailing dams following several high-profile losses in recent years affecting, among others, mining operations in Brazil
- Availability of capacity and pricing relatively stable.
- Some restrictions in coverage for upstream energy risks dependent on geography and appetite
- Pipelines over third-party property remain commonly excluded
- Regulatory outcomes in Europe in the area of Bio Diversity and Natural Resource Damage likely to add significant cost to future settlements and introduce civil penalties that are highly multiplied when compared to the original "Damage"
- While there is ample availability of supply with approximately sixteen markets writing this specialist class in London, the number of recognised leaders is more finite
- Practice of including the Regulator as a named insured on policies now common in the event that the operator is unable to meet its obligations under Permitted Activities
- Despite the competitive landscape, insurers are more discerning in their risk selection with a noticeable increase in declinature rates

Price prediction

Flat

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Product Recall

- Some firming of rates, although the generally positive recent overall performance of the sector is expected to influence the provision of sufficient capacity to mitigate any increase in underwriter selectivity
- Concentration of underwriting capital and expertise in London perceived to invite a faster shift in pricing expectations, however, outside specific sectors or loss affected business, insurers are prepared to entertain stable pricing
- Increasing complexity of supply chains manifesting in amplified loss severity and frequency, leading to more intense underwriting due diligence and higher information requirements
- Sectors such as pharmaceutical, food and drink manufacturing particularly sensitive to losses, however, automotive component recall claims also increasing in number and severity
- Trade protectionism and the loss of competitive manufacturing arbitrage opportunities likely to lead to some geographical simplification of supply chains, which may in turn lead to a perception of general risk improvement
- Broad appetite for the class is being maintained with little movement in underwriting preference, however, there remains little willingness to insure specific product types such as construction materials and consumer electronics
- Early-stage product research and development considering the merits of combining elements of products, such as product recall and cyber
- Capacity in the sector relatively stable with no noticeable new entrants or exits
- Realignment of underwriting strategy as markets move from top line growth to managing risk selection and seeking client differentiation by edging policy offerings (introducing slight amendments to extend coverage)

Price prediction

Flat to + 5%

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Motor

- Market more stable than twelve months ago although limited relaxation of resolve as insurers try to protect the improvements in underwriting profitability achieved over this term
- Limited appetite in certain sectors such as self-drive hire and bus & coach risks
- Capacity for Haulage risks remains stretched following the withdrawal of several insurers in this area
- Optimism around forthcoming legislative reforms which are anticipated to have a significant reduction on the damages currently available under common law for whiplash-related injuries
- Revision of Ogden Discount Rate by mid-year 2019 used to calculate compensation payments for future losses arising from serious injuries anticipated to provide a welcome return of income having previously been allocated to reserve-strengthening activities
- Insurers continue to look to write on a 'package' basis with some making this an absolute requirement
- Investment in technology and ubiquity of data, recognised to be the future for pricing and assessing risks, with development from personal lines to commercial insurances anticipated
- Opportunities for well-run risks to negotiate some improvement in terms especially where prices rose excessively in prior periods
- Some examples of insurers waiving annual fleet declarations, offering low-claim rebates early or presenting one off return premiums as part of the overall commercial negotiation and protection of rate
- Growth of the Managing General Agent with focus directed at specialist trades and smaller business

Price prediction

+2% to +5%

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Financial and Executive Risks

Financial Institutions

- Underwriting conditions and overall market remains challenging but relatively stable
- Insurers undertaking stringent underwriting reviews with careful assessment of individual risk quality and overall portfolio optimisation a clear objective
- Granular assessments of risk and price adequacy with considerable pressure on rates for those clients considered 'outliers' due to historic experience, exposure and technical rating
- Capacity management is a key focus for insurers
- Substantial 'Side C' entity and Professional Indemnity claims in Australia which is extremely volatile for the financial services sector as insurers deal with the fallout from the Royal Commission
- Widespread withdrawals from insurers in the local Australian market resulting in a large quantity of business being placed in London with opportunistic insurers seeking significantly increased rates of 30% and more
- Benefits seen in exploring flexibility in programme design with movement away from large capacity layers to smaller limits, where pricing and capacity can be optimised
- Clients buying large limits may experience some squeeze on overall capacity as insurers look to manage their returns and maximum exposures to major risks
- Ability to negotiate material improvement in coverage without a commensurate charge in premium is now limited as insurers approach coverage in a more technical manner
- Heightened scrutiny over investigation costs and the clarity of event triggers for this type of coverage

Price prediction

Financial Institutions

+5% to +10%

Flat for insured's with strong risk profiles

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- Insurers seeking greater contract clarity around investigation costs and the intent to indemnify individuals only or the corporate entity in addition to personnel
- Areas such as non imputation of Knowledge between insured parties are being pushed back by insurers
- Insurers managing their portfolio and not looking to renew less desirable business early in the year in order to position their portfolio and ensure they are within income boundaries and not restricted from writing business as the year evolves
- Lack of appetite for some industry sectors such as life insurance, CSPs and financial planners who continue to experience a difficult claims environment

Professional Indemnity

- Market conditions tightened during the first quarter of 2019 influenced by a withdrawal of capacity, worsening claims environment and lack of new entrants in the sector
- Closure of some Lloyd's Syndicates in 2018 compounded by limitations on the volume of business that active Syndicates are approved to entertain leading to greater scrutiny over deployment of capacity
- Loss experience and litigation resulting in a different view of risk and realisation that historic return periods need to be shortened, influencing rates on excess layers
- Significant flattening of the pricing pyramid with re-appraisal of historic Increased Limit Factor
- While available capacity among large company insurers remains relatively constant, there is increased caution in utilising insurers' full available limit
- Significant distress in the Australian sector, which remains extremely volatile for the financial services sector, as insurers deal with ongoing fallout from the Royal Commission and resultant litigation
- Managing General Agent (MGA) platforms experiencing challenging operating environment with capital providers
- Widespread withdrawal of local insurers in Australia, leading to opportunistic rate increases by insurers in London
- Insurers seizing the chance to push rates up aggressively on risks that have experienced claims or were historically under-priced
- Closer scrutiny of retention and excess levels with imposed, rather than elected, increases by insurers
- Limitations on the volume of business Lloyd's Syndicates are permitted to write, coupled with rate increases may erode stamp capacity early in the year leading to concerns of potential capacity restrictions for year end business and possible opportunistic underwriting from those Syndicates with spare capacity

Price prediction

Professional Indemnity

Blended PI Portfolio (other than D&C):
+10% to +20%

Design & Construct PI:
+50% to +100% or greater

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- Design & Construct business remains the most challenging area with insurers continuing to pull out of the sector or place significant reductions on the capacity they are able to offer, driving rates significantly upwards
- Insurers revising minimum price for capacity with rates of 1 per mille no longer widely available
- Recent changes made by the FCA under Financial Ombudsman Service Awards, likely to lead insurers to seek significant premium increases in the Independent Financial Advisors and SIPP Administrators sectors

Warranty & Indemnity

- Warranty & Indemnity insurance (W&I) rates stabilised for certain industries but in general, remain competitive as new market entrants introduce greater choice
- Insurers open to the broadening of coverage for Transactional Risks
- Increased appetite for 'higher risk' industry types and jurisdictions
- Enhanced policy terms reflecting a maturing market and international influence such as US market standards
- The number of 'Stapled' W&I policies continues to increase with sellers carrying out vendor due diligence to retain control of the insurance process and provide enhanced oversight for longer
- Increase in claims notifications and successful indemnification, reflecting broader scope of coverage and changes in risk appetite

Price prediction

Warranty & Indemnity
Flat

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Directors and Officers

- Overall global 'technical' capacity remains at more than USD 1 billion, although significant reduction in per risk appetite which has reduced by between 25% and 50%
- Global claims trends driving a differentiated response by insurers based on geography and listing type
- Significant reduction in capacity for US securities with reductions of up to 50%
- Substantial 'Side C' entity claims in Australia following financial conduct and regulatory proceedings into the behaviour of financial institutions
- Reductions in capacity across regions with the UK and Latin America down by 25% and between 20% to 40% respectively
- Broad coverage remains available, however, insurers increasingly unwilling to grant new enhancements or looking to impose more restrictive terms
- Insurers more likely to offer terms on their own policy forms with a growing reluctance to use other insurer or broker forms
- Pressure on sub-limits and bolt-on coverages
- Following recent corporate insolvencies, insurers seeking to restrict coverage in this area
- Increased contractual subjectivities and timeframes for complying with the contract conditions
- Increasingly regulated global environment creating greater exposures and potential for regulatory and follow-on civil claims
- High levels of claims frequency and severity fueled by corporate insolvency, financial accounting issues, fraud, bribery and corruption and concomitant civil, criminal and regulatory activity
- Rising claims costs as the sums involved in defence and settlement increase loss quantum
- Growing standard of pricing additional coverage on a technical basis leading clients to consider the absolute need and cost benefit of certain extensions
- Rest of World 'Side B & C' retentions under pressure to be increased
- Insurers targeting minimum USD 1 million retentions for US 'Side C', with higher multiples depending on market capitalisation

Price prediction

Directors & Officers

US listed companies:
+15% to 100% or higher

Non-US traded insureds, Loss Free:
+5% to +30%

Non-US traded insureds,
Loss Affected:
+30% to +100%

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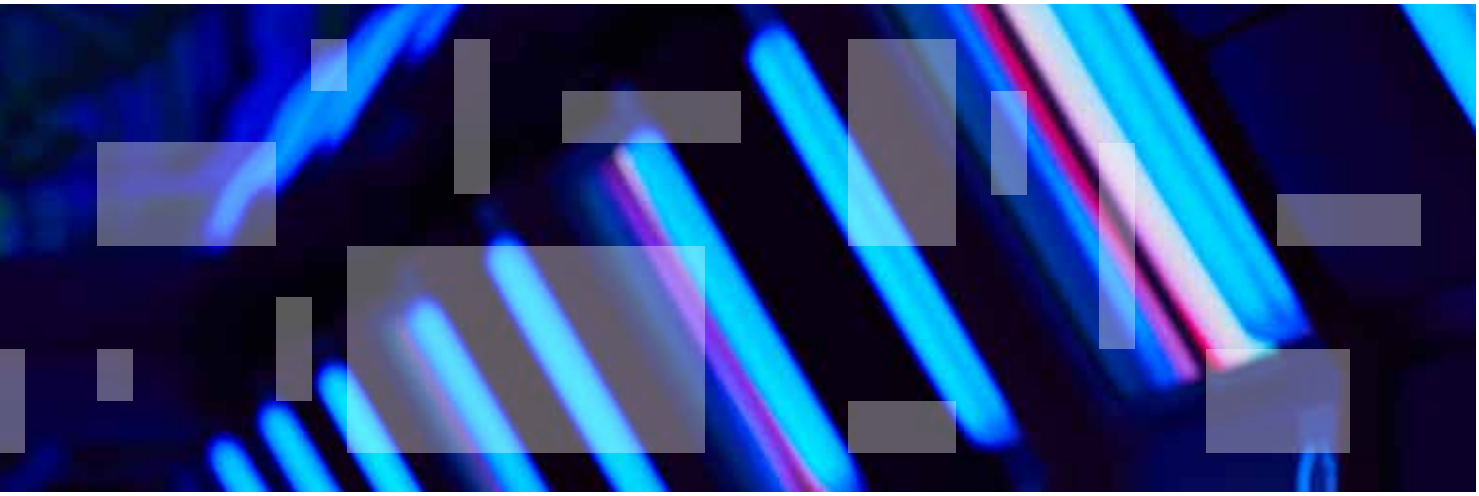

Cyber

- Estimated global Gross Written Premium expected to rise from approximately USD 5 billion in 2018 to over USD 6 billion in 2019
- Global individual risk capacity of USD 750 million continues to expand
- Over 60 insurers offering some form of Cyber coverage, with varying levels of risk appetite
- Majority of insurers maintaining or increasing capacity for 2019
- New entrants generally looking to enter the market on an excess of loss basis
- Broad willingness to develop new coverages to address industry specific challenges
- Growth in exposure and the potential systemic nature of a major Cyber event are leading regulators to ask insurers to evidence their approach to exposure aggregation and Silent Cyber
- Some moves by insurers to take an affirmative position on Silent Cyber with areas such as Property Damage,
- Business Interruption and Contingent Business Interruption of real interest
- Increased interest by insurers on the reliance on 'mission critical' Cloud Service providers
- Continued appreciation and focus on data protection as the regulatory environment tightens and more data is transferred to the Cloud
- Insurers' starting to see at least two or three Business Interruption claims per year
- Premiums, retentions and limits vary by industry class, size of company and particularly, exposure, key rating factors being volumes and types of data and level of cyber security

Price prediction

Flat

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- Expanded coverage and financial recognition available for companies that demonstrate improvements in Cyber risk management
- Insurer risk appetites vary widely, and remain unaligned on pricing and retentions
- Insurers hiring Information Security professionals to support a more technical approach to risk assessment
- Continued market innovation and attempt to differentiate offerings through pre-breach and post-breach incident response services

Energy (Downstream)

- Insurers segmenting risks more regularly and, unlike a year ago, are prepared to walk away from business where risk quality and technical pricing are not adequate
- Management oversight and enforcement of underwriting standards and broader concerns around job security are driving underwriting discipline
- Examples of insurers testing price tolerance by raising rates more aggressively than the market, encouraged by firming rates at the end of 2018
- Considerable claims frequency attributable to man-made losses
- Prototypical technology remains an area of underwriter caution given early-stage claims experience
- Programme restructure, re-engineering and access to the global market helping to keep average price increases within single-digits
- 'Second-wave' of price escalation observed following last year's modest increases
- Fragmentation of specific regional markets altered the competitive landscape as insurers closed local operations and centralised underwriting operations
- Greater management oversight through centralised underwriting, helping to deliver a consistent message from insurers especially in the major company-market sector
- Underwriting decisions increasingly based on rate-adequacy with exposure and past performance, key underwriting parameters
- Increased numbers of Managing General Agents with varied value propositions, playing an important consideration around long-term purpose
- For capacity risks requiring large-loss limit, insurers are focussed on their own requirements, with less influence associated with who leads the business
- European insurers trying to find solutions that demonstrate continuity with core clients
- Greater forensic analysis around Business Interruption exposure with non-damage Business Interruption coverages receiving particular attention

Price prediction

Average Refinery:
+12.5% to +15%

Non Loss-Affected:
Double digit increases

Natural Catastrophe Claims Affected:
+20% upwards

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Energy (Upstream)

- Abundance of market capacity for most risks with theoretical "working" global capacity remaining around USD 6.5 billion for 'best in class' risks
- Insurers under less pressure to underwrite for premium income with Lloyd's imposing premium growth caps for new business
- Insurers no longer feel obliged to participate on every programme they are offered and in the light of business plan limitations, deploying maximum capacity on fewer occasions
- Insurers exploring price increases although in the main rises remain relatively modest
- Core business and clients with distinguished past performance experiencing low to mid-single digit increases with smaller business attracting larger increases
- Onshore Contractor portfolio, particularly but not exclusively from North America, including Land Rigs attracting more punitive rating increases, in some cases double digits
- Clients in the 'midstream' sector observing some change in pricing as this market which includes Fracking Operators undergoes some change
- Greater client differentiation and segmentation as insurers look to rebalance portfolios
- Clear differences in sentiment between upstream offshore risks and downstream energy risks
- Price corrections in Facultative Reinsurance fed through to direct energy market especially impacting major accounts highly leveraged by Reinsurance
- Changes to minimum premium aspiration for high-excess layers having some effect on overall programme cost
- Renewed focus on risk quality leading insurers to act decisively and decline business where technical hurdles are not achieved
- Resolve to refrain from entertaining rate reductions continues unabated
- Navigation to recognised sector leadership and reduced willingness to follow insurers who lack sector authority and underwriting leadership

Price prediction

2.5% to +5%
but greater increases for Onshore Contractors

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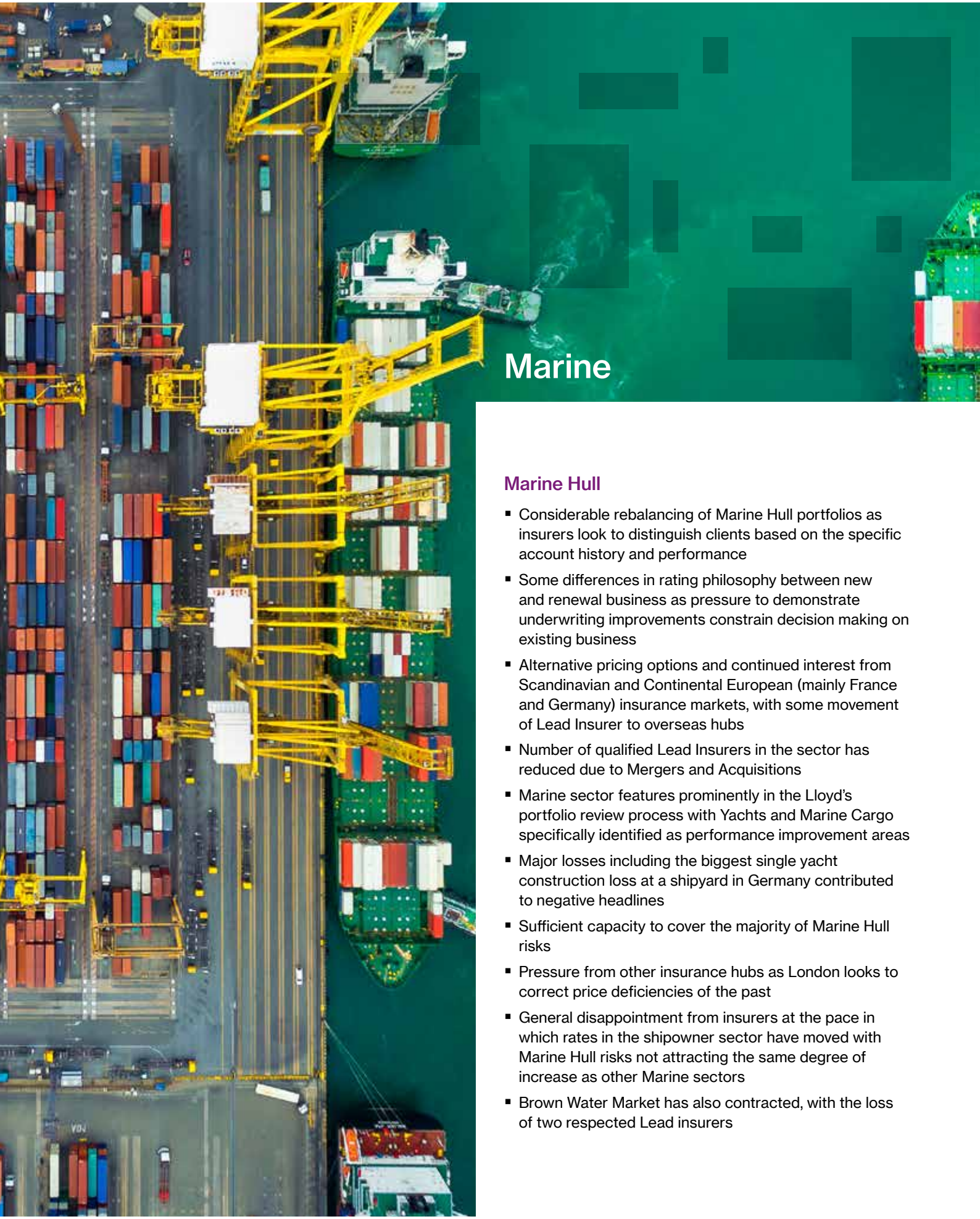
- Clients with exposure growth have better commercial negotiating opportunities
- Open Market Construction risks experiencing greater pressure on rates than many other classes
- Noticeable shift by certain global insurers to focus on their own underwriting appetite rather than compete with peers to build market-share
- Loss-affected risks commanding individual-review with adjustments in terms more customer centric than prior periods where individual losses were aggregated across the market
- Historically-high numbers of experienced underwriting personnel seeking employment as business improvement measures take hold and some insurers exit the sector
- Remains a measured response for business deemed core with long-standing client loyalty continuing to be a key differentiator
- Smaller business, especially Contractors, experiencing greater up-tick in pricing, in part associated with premiums moving from a low base starting position



Marine

Marine Hull

- Considerable rebalancing of Marine Hull portfolios as insurers look to distinguish clients based on the specific account history and performance
- Some differences in rating philosophy between new and renewal business as pressure to demonstrate underwriting improvements constrain decision making on existing business
- Alternative pricing options and continued interest from Scandinavian and Continental European (mainly France and Germany) insurance markets, with some movement of Lead Insurer to overseas hubs
- Number of qualified Lead Insurers in the sector has reduced due to Mergers and Acquisitions
- Marine sector features prominently in the Lloyd's portfolio review process with Yachts and Marine Cargo specifically identified as performance improvement areas
- Major losses including the biggest single yacht construction loss at a shipyard in Germany contributed to negative headlines
- Sufficient capacity to cover the majority of Marine Hull risks
- Pressure from other insurance hubs as London looks to correct price deficiencies of the past
- General disappointment from insurers at the pace in which rates in the shipowner sector have moved with Marine Hull risks not attracting the same degree of increase as other Marine sectors
- Brown Water Market has also contracted, with the loss of two respected Lead insurers

Price prediction

Marine Hull
+5% to +10%

Marine Liability/Property
Liability:
Flat to +5%

Natural Catastrophe exposed risks/ non-loss affected:
+7.5%

Natural Catastrophe exposed/ loss affected:
Up to +15%

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Marine Liability/Property

- Insurers looking more closely at profitability of risks affected by losses or poor loss ratio.
- Natural Catastrophe exposure risks incurring significant increases.
- Small increases in turnover now reflected by small increases in premium.
- Despite the relative profitability of Liability as a whole there have been a couple of insurers who have withdrawn from Ports and Terminals which include Property.
- Ample capacity remains for most accounts

Marine Cargo

- Reduction in premiums over several years combined with attritional losses has left Cargo results marginal, leaving no surplus to accommodate major losses
- Frequency of major losses including a number of large-risk losses led to a fundamental rethink of the financial merits from this class
- Considerable reduction in capacity as insurers have closed down underperforming books of Cargo business or materially reduced shares across the board
- One of several areas of Marine sector in need of a meaningful revision to rating
- Strength of resolve by senior management and Lloyd's to drive through improvement in performance, leading insurers to strictly observe underwriting guidelines and more drawn out contract negotiations
- Income limitations brought about during business planning processes likely to restrict the capacity of certain insurers and introduce greater risk selection and client differentiation
- Differences in rating environment between insurance jurisdictions with certain insurance hubs acting as an alternative avenue to a firm London market
- Trade classes such as transportation and storage of vehicles, pharmaceutical and other temperature-controlled goods severely challenged as underwriting appetite for these areas is considerably restricted
- Insurers increasingly aggregating the limits for Natural Catastrophe perils, testing the readiness of the market to tighten terms and conditions
- Despite improvements in the success of satellite launches in recent years, volatility and market size contributed to some insurers, questioning the economic justification of writing this line of business

Price prediction

Marine Cargo
+10% to +20%

P&I Clubs
Flat to +5%

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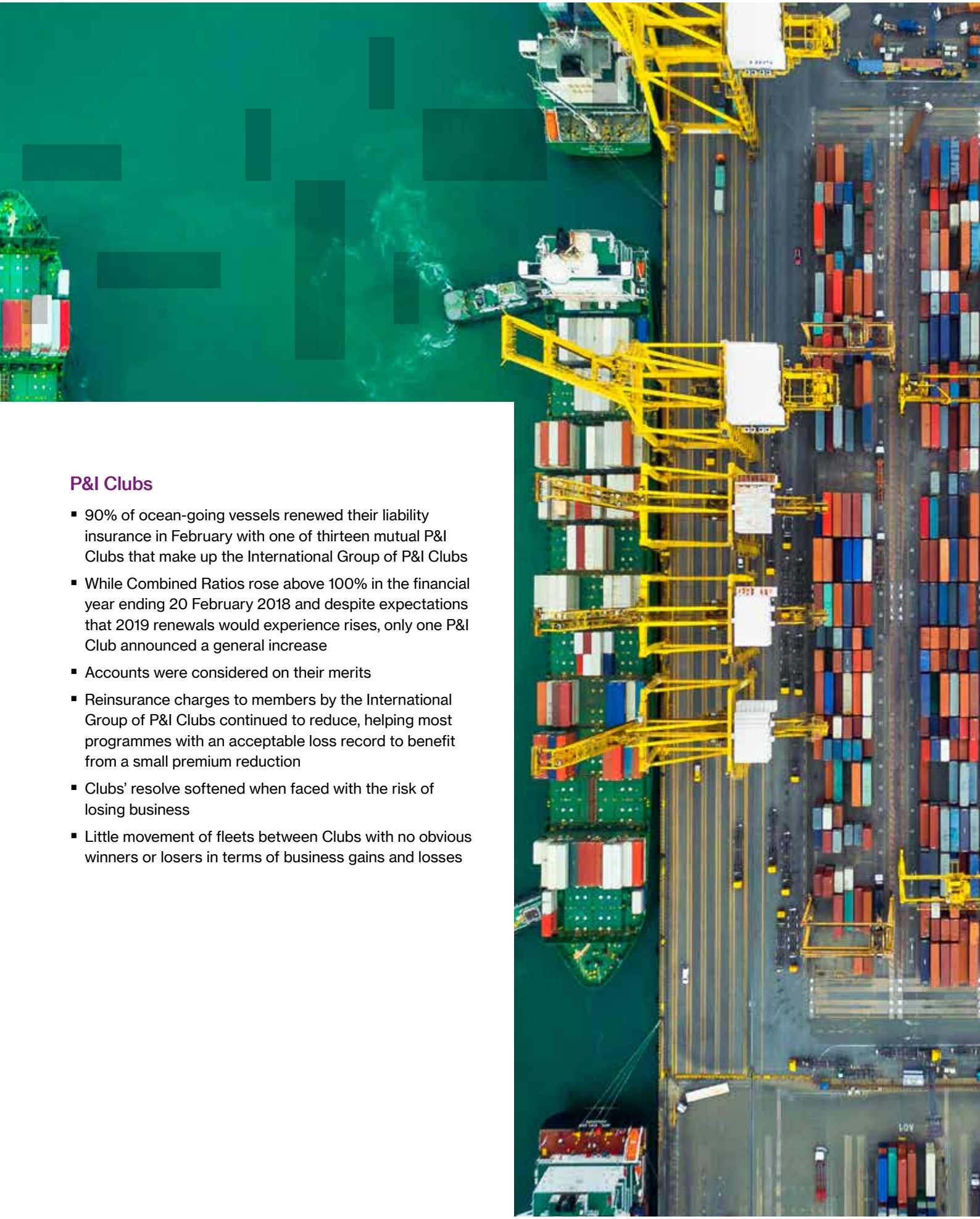
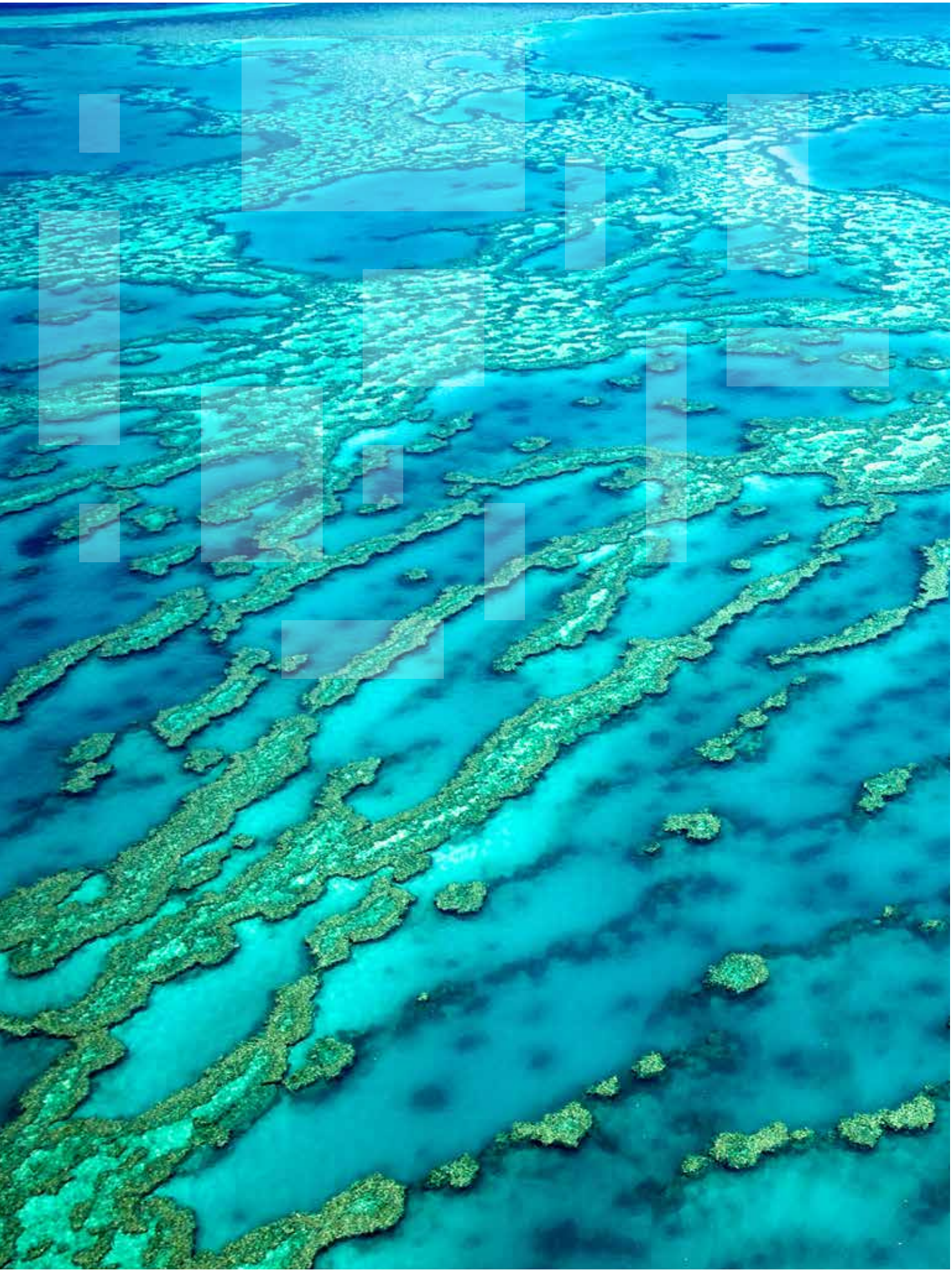
- Subtle change of attitude in Asia around the tolerance of regional markets to write certain Marine classes at below-technical level as part of an overall packaged solution
- Coverage extensions, including claims preparation costs, 'forwarding expenses' and misappropriation that were previously included with limited technical consideration, now increasingly being removed from the policy



P&I Clubs

- 90% of ocean-going vessels renewed their liability insurance in February with one of thirteen mutual P&I Clubs that make up the International Group of P&I Clubs
- While Combined Ratios rose above 100% in the financial year ending 20 February 2018 and despite expectations that 2019 renewals would experience rises, only one P&I Club announced a general increase
- Accounts were considered on their merits
- Reinsurance charges to members by the International Group of P&I Clubs continued to reduce, helping most programmes with an acceptable loss record to benefit from a small premium reduction
- Clubs' resolve softened when faced with the risk of losing business
- Little movement of fleets between Clubs with no obvious winners or losers in terms of business gains and losses



Specie

- Lloyd's 2018 business review process working its way into underwriting improvement activities for clients and sectors that are loss affected
- Modest rate increases and some adjustment to underlying terms with material increases across loss affected accounts in Jewellers Block and Cash Management where attritional loss activity weighs down the overall performance of the sector
- Increased retentions in Cash Management especially for loss-making risks
- Considerable interest in the policy language used to define event triggers in General Specie and Jewellers Block policies and the application of insolvency losses at third-party locations
- Greater demand by insurers for detailed information around the type of security and risk management practice deployed to protect assets in the Jewellery and precious items arena
- Point of access into insurers remains an important placement consideration as differences in underwriting appetite and sentiment exists between the same insurer in different regions
- Fine Art sector defies the claims performance of other Specie classes and continues to be an attractive class for Specie insurers
- Criminal gangs deploying more sophisticated methods of operation including social media surveillance to plan the targeting of high net worth individuals and expropriate

Price prediction

Flat

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Aviation

Airlines

- Insurers have continued to push rates with increasing confidence in 2019 building on the momentum achieved at year end 2018
- The move towards a more technical approach to rating now broadly applied with risk-adjusted rate changes the standard as insurers take a more forensic approach to exposure and rate-adequacy
- Clients able to articulate their approach to operational excellence, demonstrate tangible investment in safety and clear Enterprise Risk Management processes have a better chance of distinguishing themselves and their terms
- Insurer approach to underwriting varies by client and is dependent on factors including historic claims experience, an airline's prior buying behaviour and their management of the insurance market during 'buyer-friendly' cycle, as well as being influenced by capacity demand and the risk management story
- Airlines with clear controls over their buying strategy and that have management support and oversight are able to more successfully navigate the tightening market
- Underwriting attention largely directed to rate-adequacy, although terms and conditions are coming into focus
- Greater coverage extensions such as Loss of Use and Increased Cost of Working incorporated into programmes over time, are under greater scrutiny from underwriters
- Systemic nature of loss widely evident through recent airline disasters, bringing further scrutiny to loss modelling methodologies as well as contract language around event triggers
- Risks requiring over USD 2 billion of liability limit experienced reductions in overall market capacity with greater challenges experienced for loss-affected risks
- Reduction in capacity compounded further by limitations over the amount of premium income that Lloyd's Syndicates are authorised to write during the calendar year
- Heavily-weighted year end for airline renewals likely to cause additional rating pressure on clients as Lloyd's Syndicates in particular, make strategic decisions around which clients to support and how they deploy capacity in an environment where income restrictions are likely to create greater client selectivity
- Composite pricing 'narrowed' as following insurers judge the adequacy of rate based on their own specific needs rather than previously being influenced by the Lead insurer offer
- Pressure on Lead insurers to evidence client continuity in their renewal assessments creating a difference opinion between the Lead insurer and following markets in a rising market
- Increased deployment of technology and resultant impact on claims inflation playing an increasing role in the cost of attritional loss activity
- Recent airlines losses intertwined with significant global product losses will shape the market over the next 12 months

Aircraft Leasing

- Remains a sector attractive to insurers with rating reductions still available as a trade-off to exposure growth
- Yet to follow the rate increases of other aviation classes but conditions not as favourable as in previous years
- Some reductions in capacity from markets exiting the whole aviation class but the sector remains profitable and predominately, loss free

General Aviation

- Rate increases now standard on all business, irrespective of loss record or fleet growth
- Reduction in capacity following withdrawal of insurers, reduced line structures and limited/focused underwriting appetite
- Composite pricing increasing faster than lead pricing.
- Pricing above lead terms now a reality
- Underwriters seeking to rationalise coverage, including the review of Hull Deductible levels
- Loss of Delegated Placement Authorities and Insurer Consortia contributed to pricing tension and extended the time required to market risks
- Greater focus on detailed underwriting submissionsPrice Prediction
- Increases from 10% up to and exceeding 50% on loss active business

Aerospace

- Significant change in this sector's market trading conditions will affect 2019 placements:
  - International aviation insurance market is contracting through Insurer consolidation, Insurers exiting aerospace market and greater focus on unprofitable business
  - Greater selectivity by Insurers
  - Losses continuing to affect (Re)Insurers' profitability – a reduced premium base combined with the ever increasing costs of attritional losses has negatively impacted insurers' loss ratios during 2017 and 2018
  - Underwriting becoming much more disciplined, Insurers are looking to raise rates and review coverage on under-performing business
  - Insurers have a definitive requirement for detailed information and client engagement
  - Stricter underwriting guidelines driven by actuarial risk modelling, with senior management oversight ensuring that discipline is rigidly enforced
  - Vertical pricing discounts being shortened with following markets requiring close to, or lead insurer terms

Price prediction

Airlines
+7.5% to +15%, Loss free

Aircraft Leasing
Flat to +5%, Loss free

General Aviation
Increases from 10% up to and exceeding 50% on loss active business

Aerospace (loss free)
Airports / ANSPs:
+7.5% to +15%

Manufacturers / MROs:
+5% to +15%

Ground Handlers / Refuellers:
+5% to +15%

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Construction

- Global construction market undergoing significant change with insurers enacting short term strategies to increase rate and deductibles with longer-term coverage restrictions to drive underwriting performance
- Notwithstanding closure and pull back from various Lloyd's and company insurers, major lead insurers remain committed to providing Construction-related insurance products
- Original underwriting centres in London, Munich, Zurich and Paris expected to play a more centralised and coordinated role around underwriting appetite and strategy
- Many key Lead insurers remain active in the sector and, while equally exposed to profitability issues, have taken a longer-term approach to cycle management
- Despite some consolidation, total Possible Maximum Loss (PML) market capacity estimated to be USD 4.25 billion, more than sufficient to accommodate most PML requirements, except for some industry projects such as Liquefied Nitrogen Gas (LNG) plants and other petrochemical assets
- An estimated USD 200+ million of PML capacity has pulled away from Lloyd's with greater reductions when factoring company market reductions
- Substantial man-made loss frequency with many major claims valued in excess of USD 100 million and several losses exceeding USD 1 billion
- Notification of technical losses during 2018 estimated to vary from USD 5 billion to USD 7 billion, ranging in type from collapses in hydroelectric dams to major losses at LNG facilities
- Aggregate volume of losses, led many insurers to take drastic action to rectify underperformance including withdrawal of capacity and the closure of business lines
- Risks with water carrying tunnelling infrastructure and high pressure water equipment under serious review, following major losses in this area
- Scale of certain losses, such as flooding in the Middle East, caught insurers by surprise as the cause and resultant scale of loss would not have been appropriately considered during assessment of the risk

Price prediction

+20% to +40%

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- Rising incidence of paint-protection losses in the Liquid Nature Gas (LNG) field necessitating comprehensive re-engineering of construction facilities
- Extension period provisions more restricted with shorter extensions now offered with further periods subject to negotiation and additional premium
- Understanding continuity provisions and protocols associated with any transfer of past liabilities to another legal entity highly recommended
- International insurance hubs in Asia, Dubai and Miami starting to adjust underwriting philosophy having trailed London for the last 18 months
- China bucks the trend of capacity rationalisation and has substantial capacity to deploy, with expansion into non-domestic risks part of their strategy
- Early stage discussions around the continuation of providing 'Leg 3' coverage as certain losses have emphasised the difficulty of determining original causation for resultant loss assessment to be determined

Trade Credit

- Insurers taking a tougher negotiating position during renewal and new business discussions
- Some strengthening of prices although capacity remains plentiful at this moment, albeit very much subject to sector and risk profile
- Increased loss frequency in part brought about by challenging retail environment with fast changes in the retail model and shift online and well-publicised casualties in UK construction and services sectors
- Insurers in these higher risk sectors actively scaling back on risk
- Trade credit insurers generally remain in the media as the villains caused by some insurers proactively managing risk by cutting back supplier credit to distressed retailers, although many insurers continue to support key suppliers
- Pre-pack solutions save jobs and look good in the media but generally leave the unsecured supplier and their credit insurer with a loss even as jobs are saved
- FTSE 250 companies exposed to the UK economy facing a tough operating environment as forecast growth weakens and Brexit bring greater uncertainty with tariffs and supply chain delays a real fear
- High gearing and over-leveraging by many western companies brought about by cheap forms of capital, now exposed as banks look to de-risk loan portfolios
- Global slow down and revisions to the synchronised growth of major economies now taking their toll on ability of corporates to pay down borrowings abetted by unnecessary trade wars and tariffs
- Insurers raising prices by low to mid-single digits but are prepared to explore ways of achieving improved terms which are not exclusively through premium rate

Price prediction

+5% to +10% in some sectors

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- Insurers still prepared to compete for the right deal with keen interest in supply chain financing of good quality trade receivables
- Ample excess capacity remaining for the right risk making it more challenging to re-appraise the technical adequacy of rating in this area
- Expectation for increased trade and sales activity in China proven overly ambitious, leading to companies revisiting sales forecasts on which premiums are based
- China seeing increased overdue payments and defaults together with financial opacity, leading to increased underwriting caution

Political Risk

- The global geopolitical landscape continues to look challenging with events both close to home and further afield. Major themes include:
  - US and China trade relations are still strained and there remain concerns that an escalating trade war could lead to contagion to other countries such as Japan. Venezuela remains in leadership crisis, Brexit is an issue, there continue to be increased sanctions on Russia, tensions have flared up in Zimbabwe against austerity and dictatorship, and the election of populist presidents in Brazil and Mexico and Saudi Arabia is under the spotlight
  - 2019 capacity availability for Contract Frustration or non-performance by government entities largely unchanged with over USD 3 billion notional capacity available per transaction with a slight decrease for Political Risks (also over USD 3 billion) and transactional trade credit (over USD 2.3 billion)
  - African countries still facing high debt GDP ratios, and companies are experiencing payment issues including hard currency issues in countries such as Angola, Ethiopia, Mozambique and Zambia
  - The Prudential Regulation Authority Policy Statement issued in March 2019 here in the UK dealing with credit risk mitigation for the purposes of calculating capital requirements has so far been favourably received by clients and insurers
  - Financial Solutions saw an increase in claims activity in 2018 with settlements just under USD 100 million. In the past political risk losses have been low severity but high frequency. Our claims data supported by the results of our 2018 Political Risk survey challenges that notion – are we now set to see a greater level of meaningful claims activity over the cycle?

Price prediction

Flat

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Terrorism and Political Violence

- Low levels of claims activity and absence of major losses continues to be a welcome draw for capital
- Ample capacity to complete most deals
- Consistent insurer appetite with sufficient supply available to pick up any shortfall in capacity although greater sensitivity to industry sectors and regions as insurers revaluate areas such as mining and Haiti
- Closer management of expense lines leading some insurers to question the need for regional presence in territories such as the Middle East, leading to repatriation of capacity and greater centralisation of underwriting
- Examples of redeployment of premium savings toward additional limit or other coverages including Denial of Access, Loss of Attraction or Active Assailant risks
- Adherence to market protocol concerning incumbent leadership being respected with insurers only quoting against the Leader once incumbent terms are issued, renewal negotiations are advanced or instructions to re-market are received
- Growing realisation the traditional Sabotage & Terrorism product must evolve and keep pace with the needs of clients and the types of events and modes of operation being carried out by individuals or so-called 'lone-wolfs'
- Price for Nuclear, Chemical, Biological and Radioactive contamination (NCBR) remains punitive yet stable as these coverages are written on a 'net' basis and typically excluded from reinsurance treaties
- Limited opportunity to grow through acquisition of business formerly underwritten by merged entities formerly outside of Pool Re or via business arrangements such as fronting business in Africa
- Increased debate around non-damage business interruption exposures such as 'Loss of Attraction' brought on by public authority intervention and subsequent denial of access

Price prediction

-5% to -10%
dependant on risk location and availability of aggregate

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Willis Towers Watson – Market Security Group

Full Year 2018 results - consolidated data (millions)

			Shareholders' Equity				Net Written Premium			
Insurer	Notes	Ccy	31 Dec 2018	31 Dec 2017	31 Dec 2016	FY 2018 /FY 2017	31 Dec 2018	31 Dec 2017	31 Dec 2016	FY 2018 /FY 2017
AIG	(1)	USD	56,361	65,171	76,300	-13.5%	29,649	30,285	33,176	-2.1%
Alleghany		USD	7,693	8,514	7,940	-9.6%	5,048	4,966	5,092	1.7%
Allianz	(1)	EUR	61,232	65,553	67,083	-6.6%	72,683	72,433	71,429	0.3%
Arch Capital		USD	9,440	9,197	8,254	2.6%	5,347	4,961	4,031	7.8%
ARGO		USD	1,747	1,820	1,793	-4.0%	1,766	1,654	1,440	6.8%
Aspen		USD	2,652	2,926	3,647	-9.3%	2,082	2,213	2,594	-5.9%
Aviva	(1)	GBP	16,758	17,169	17,003	-2.4%	26,333	25,377	23,078	3.8%
AXA	(1,5)	EUR	62,428	69,611	70,597	-10.3%	90,006	87,196	88,327	3.2%
Axis Capital		USD	5,030	5,341	6,272	-5.8%	4,659	4,027	3,753	15.7%
Beazley	(1)	USD	1,467	1,499	1,484	-2.1%	2,249	1,979	1,854	13.6%
Berkshire Hathaway	(1,2)	USD	348,703	348,296	282,070	0.1%	59,216	62,242	46,910	-4.9%
Brit		USD	1,085	1,130	1,148	-4.0%	1,482	1,531	1,480	-3.2%
Chubb	(1)	USD	50,312	51,172	48,275	-1.7%	30,579	29,244	28,145	4.6%
CNA		USD	11,217	12,244	11,969	-8.4%	7,345	7,069	6,988	3.9%
Everest Re		USD	7,904	8,369	8,075	-5.6%	7,414	6,245	5,271	18.7%
Fairfax		USD	13,115	13,811	9,820	-5.0%	12,431	9,984	8,088	24.5%
Generali	(6)	EUR	23,601	25,079	24,545	-5.9%	63,405	64,604	65,352	-1.9%
HannoverRe	(1,3)	EUR	8,777	8,528	8,997	2.9%	17,398	16,094	14,604	8.1%
Hartford	(1)	USD	13,101	13,494	16,903	-2.9%	15,831	14,103	13,716	12.3%
Hiscox		USD	2,316	2,367	2,254	-2.2%	2,581	2,403	2,424	7.4%
Lancashire		USD	1,067	1,107	1,207	-3.6%	418	398	459	4.9%
Liberty Mutual		USD	20,735	20,661	20,366	0.4%	39,100	36,789	35,714	6.3%
Lloyd's	(4)	GBP	27,428	26,767	27,714	2.5%	25,681	24,869	23,066	3.3%
Mapfre	(1)	EUR	7,994	8,611	9,127	-7.2%	19,163	19,416	19,219	-1.3%
Markel		USD	9,081	9,504	8,461	-4.5%	4,788	4,418	4,001	8.4%
Munich Re	(1,3)	EUR	26,369	28,012	31,516	-5.9%	46,707	47,550	47,325	-1.8%
Navigators		USD	1,187	1,226	1,178	-3.2%	1,471	1,271	1,186	15.7%
Partner Re	(1,3)	USD	6,517	6,745	6,688	-3.4%	5,803	5,120	4,954	13.3%
QBE		USD	8,381	8,859	10,284	-5.4%	12,095	10,853	15,092	11.4%
RSA		GBP	3,786	3,653	3,715	3.6%	6,470	6,678	6,239	-3.1%
SCOR	(1,3)	EUR	5,800	6,195	6,661	-6.4%	13,779	13,464	12,577	2.3%
Sirius	(2)	USD	1,705	1,917	2,208	-11.1%	1,357	1,090	938	24.5%
Swiss Re	(1,3)	USD	27,930	34,124	35,634	-18.2%	34,042	32,316	33,570	5.3%
Travelers		USD	22,894	23,731	23,221	-3.5%	27,708	26,219	24,958	5.7%
WR Berkley		USD	5,438	5,411	5,047	0.5%	6,433	6,261	6,424	2.8%
Zurich	(1)	USD	30,189	33,063	30,660	-8.7%	38,783	38,708	40,365	0.2%

NM = Not meaningful *Net Income / Average Shareholders' Equity

(1) Net Written Premium includes both Life and Non-Life business
(2) Combined ratio is Willis Towers Watson Market Security calculation
(3) Combined ratios are in respect of the P&C Reinsurance division only
(4) Lloyds: We show "Capital & Reserves", not Shareholders Equity; we show Profit before Tax as "net income"
(5) AXA includes the results of XL Group after the date of completion of acquisition, post September 12, 2018
(6) Net Earned Premium (not Net Written Premium); includes both Life and Non-Life business

Net Income						Combined Ratio			
31 Dec 2018	31 Dec 2017	31 Dec 2016	FY 2018 /FY 2017	% Sh Equity* FY 2018	% Sh Equity* FY 2017	31 Dec 2018	31 Dec 2017	31 Dec 2016	FY 2018 /FY 2017
-6	-6,084	-849	99.9% ▲	-0.0%	-8.6%	111.4%	117.3%	118.9%	5.9% ▼
40	90	457	56.1% ▼	0.5%	1.1%	103.2%	106.4%	91.9%	3.2% ▼
7,462	6,803	6,962	9.7% ▲	11.8%	10.3%	94.0%	95.2%	94.3%	1.2% ▼
758	619	693	22.4% ▲	8.1%	7.1%	83.6%	91.4%	89.3%	7.8% ▼
64	50	147	26.4% ▲	3.6%	2.8%	97.9%	107.2%	96.2%	9.3% ▼
-147	-268	203	45.2% ▲	-5.3%	-8.1%	106.5%	124.3%	98.1%	17.8% ▼
1,568	1,497	703	4.7% ▲	9.2%	8.8%	96.6%	96.6%	94.2%	0.0%
2,140	6,209	5,829	65.5% ▼	3.2%	8.9%	97.0%	96.3%	96.4%	0.7% ▲
43	-369	513	>100% ▲	0.8%	-6.4%	99.9%	113.1%	95.9%	13.2% ▼
68	130	251	47.5% ▼	4.6%	8.7%	98.0%	99.0%	89.0%	1.0% ▼
4,021	44,940	24,074	91.1% ▼	1.2%	14.3%	94.2%	102.7%	94.8%	8.4% ▼
-167	22	158	<100% ▼	-15.0%	1.9%	103.3%	112.4%	96.4%	9.1% ▼
3,962	3,861	4,135	2.6% ▲	7.8%	7.8%	90.6%	94.7%	88.7%	4.1% ▼
813	899	859	9.6% ▼	6.9%	7.4%	96.7%	97.1%	95.9%	0.4% ▼
104	469	996	77.9% ▼	1.3%	5.7%	108.8%	103.5%	87.0%	5.3% ▲
376	1,741	-513	78.4% ▼	2.8%	14.7%	97.3%	106.6%	92.5%	9.3% ▼
2,309	2,110	2,081	9.4% ▲	9.5%	8.5%	93.0%	92.8%	92.5%	0.2% ▲
1,059	959	1,171	10.5% ▲	12.2%	10.9%	96.5%	99.8%	93.7%	3.3% ▼
1,807	-3,131	896	>100% ▲	13.6%	-20.6%	97.8%	100.0%	100.1%	2.2% ▼
128	34	457	>100% ▲	5.5%	1.5%	94.9%	99.9%	84.2%	5.0% ▼
38	-71	154	>100% ▲	3.4%	-6.1%	92.2%	124.9%	76.5%	32.7% ▼
2,160	17	1,006	>100% ▲	10.4%	0.1%	99.2%	105.6%	98.3%	6.4% ▼
-1,001	-2,001	2,107	50.0% ▲	-3.7%	-7.3%	104.5%	114.0%	97.9%	9.5% ▼
529	701	775	24.5% ▼	6.4%	7.9%	97.6%	98.1%	97.4%	0.5% ▼
-128	395	456	<100% ▼	-1.4%	4.4%	98.0%	105.0%	92.0%	7.0% ▼
2,310	375	2,580	>100% ▲	8.5%	1.3%	99.4%	114.1%	95.7%	14.7% ▼
34	40	83	15.4% ▼	2.8%	3.4%	100.7%	103.2%	96.7%	2.5% ▼
-86	264	447	<100% ▼	-1.3%	3.9%	101.9%	102.3%	93.6%	0.4% ▼
390	-1,249	844	>100% ▲	4.5%	-13.0%	95.9%	104.5%	94.0%	8.6% ▼
349	289	27	20.8% ▲	9.4%	7.8%	96.2%	94.0%	94.2%	2.2% ▲
322	286	603	12.6% ▲	5.4%	4.4%	99.4%	103.7%	93.1%	4.3% ▼
-18	-150	88	87.9% ▲	-1.0%	-7.3%	103.1%	107.6%	94.0%	4.5% ▼
421	331	3,558	27.2% ▲	1.4%	0.9%	104.0%	111.5%	93.5%	7.5% ▼
2,523	2,056	3,014	22.7% ▲	10.8%	8.8%	96.9%	97.9%	92.0%	1.0% ▼
641	549	602	16.7% ▲	11.8%	10.5%	95.3%	96.7%	94.3%	1.4% ▼
3,716	3,004	3,211	23.7% ▲	11.7%	9.4%	97.8%	100.9%	98.1%	3.1% ▼

As at April 10, 2019

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimise benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

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