

AON

Q3 2024

Global Insurance Market Insights Report



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Introduction

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Introduction

Q3 Global Insurance Market Insights Introduction

A buyer-friendly market provides opportunities as we approach year-end renewals

Through Q3 2024, buyer-friendly conditions have continued across much of the global insurance market and even picked up pace in some segments. Healthy insurer returns and improved reinsurance conditions have, over the course of the year, continued to restore insurer confidence and growth appetite, helping drive competition, especially for the most attractive risks. As we ready this report for publication, we are reviewing the very preliminary assessments of the impact of Hurricane Milton. Early estimates are in the \$25 - \$40 billion range, which is significant, but not a doomsday scenario. At that level, the event should be manageable for the insurance and reinsurance industry as a whole. No doubt, some domestic Florida insurers will face jeopardy. It seems unlikely that the reinsurance rate reductions that were expected for the January 1 Treaty Renewal season will materialize.

As we approach year-end renewals, the picture is largely a positive one. Abundant capacity has led to improved pricing and terms across wider swaths of the market. For example, well-performing Property risks are increasingly oversubscribed and modest price reductions are available, while many clients are choosing to take advantage of favorable Cyber market pricing by purchasing additional limit. Competition for these and other preferred risk types is expected to accelerate in a growth focused Q4 market.

While the pendulum has swung back toward buyers, underwriting remains disciplined for the time being. The mantra among insurers has been “profitable growth” and, for the most part, underwriters continue to be selective and focused on well-managed quality risks. This means that challenges are continuing across significant pockets of the market that have been impacted by rising claims costs, such as natural catastrophe exposed Property risks, Automobile placements, and U.S. exposed Casualty risks.

Caution is the watchword for Casualty. Social inflation continues to impact insurer profits and strategies, and U.S. exposed risk, where social inflation is most prevalent, remains a top underwriting and pricing concern globally. According to the [Swiss Re](#) Institute, social inflation has increased liability claims in the U.S. by 57 percent in the past decade. Until there is robust legal reform in the U.S., we expect that insurers will continue to tread carefully in tort exposed lines. Casualty insurers are also taking a prudent approach to emerging risks, such as forever chemicals (per- and polyfluoroalkyl substances (PFAS)) and everywhere chemicals (Phthalates). Settlements from PFAS litigation in the U.S. have already reached \$18 billion and are expected to exceed \$100 billion, according to [Verisk](#). As related litigation gains momentum, insurers are seeking to address these exposures through coverage clarifications and exclusions.

Other key trends we observed in the last quarter include:

- The CrowdStrike outage in July served as a timely reminder of the potential loss severity that comes along with cyber and technological risk and we expect to see further increases in demand for Cyber insurance and Tech Errors & Omissions insurance. The event has not created any immediate reversal in Cyber underwriting trends, with ample capacity and competition fueling a buyer friendly market and creating opportunities for insureds to reassess their coverage needs in this increasingly important line of insurance.
- Robust capacity in the Directors & Officers (D&O) market has continued to support favorable conditions for D&O buyers, but after a prolonged period of softening, insurers have begun to focus on longer-term, sustainable pricing. Now is a good time to work with your Aon team to identify potential coverage enhancements and evaluate limits and deductibles.
- Political risks remain top-of-mind for both insureds and insurers. Amidst ongoing unrest in many parts of the world and in anticipation of upcoming U.S. elections, some buyers are reviewing policies with regard to cover for political violence. Having experienced several large surprise losses, insurers are continuing to restrict Property coverages related to Strikes Riots and Civil Commotion, War, and Coverage Territory.

With insurers focused on growth, now is the time to address any insurance program concerns and discuss potential enhancements, as well as explore alternative risk transfer options such as parametric solutions and captives. Such solutions have become increasingly important tools for risk managers and can help companies not only insure their risk and manage volatility but protect their balance sheets and create a foundation for growth. Growth minded insurers are now more open to dialogue about meeting clients' future coverage needs, especially in areas like energy transition.

A final word of caution: with the market in flux, it pays to consider the long-term value of insurer relationships. We always recommend working with trusted partners who understand your risks, have a proven track record of paying claims and are willing to customize coverage. Maintaining strong relationships with insurers is key to managing the market cycle over the long term and we suggest pressure-testing the sustainability of offerings from new or opportunistic insurers, particularly if replacing a long-standing insurer.

On behalf of our global Commercial Risk team, we hope you find the information in our Q3 Global Insurance Market Insights helpful in understanding recent developments in the risk and risk-solution environment as you look for opportunities to reinforce your strategies and grow.



Joe Peiser
Chief Executive Officer
Commercial Risk Solutions

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[Global Insurance Market Dynamics](#)

Q3 Global Insurance Market Dynamics

Asia	-1-10%	Ample	Prudent	Flat	Flat	Stable
EMEA	-1-10%	Ample	Prudent	Flat	Flat	Stable
Latin America	Flat	Abundant	Prudent	Flat	Flat	Stable
North America	Flat	Ample	Prudent	Flat	Flat	Stable
Pacific	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Global Insurance Market Dynamics

Pricing

Buyer-friendly market conditions continue, with most lines of business and geographies seeing moderating or improved pricing in Q3. Insurer growth ambitions continue to drive price competition for for well-managed, loss-free Property risks, as well as for Cyber and Directors & Officers placements, although decreases in the latter show signs of decelerating. Auto and U.S. Excess Liability/Umbrella rates have increased to reflect loss trends and concerns related to social inflation, while higher-hazard and catastrophe exposed Property risks have continued to face upward pressure, albeit moderating.

Capacity

Capacity is sufficient to meet demand in almost all lines of business and regions, although there are some ongoing constraints for natural catastrophe and certain occupancies in Property, and a tightening of capacity for U.S. Excess Liability risks. Abundant capacity has continued to drive competition in Cyber and Directors & Officers, and shared/layered Property programs in the U.S. are generally oversubscribed.

Underwriting

Despite broadly competitive market conditions, underwriting remains disciplined across much of the market as insurers target profitable growth. Risk differentiation remains a priority for insurers; robust, detailed information on valuations, exposure location, claims history, and risk management actions/controls continue to be required. In preferred geographies and risk types, and areas targeted for growth, underwriting tends to be more flexible.

Limits

Expiring limits are available for most placements, although some insureds are taking advantage of more favorable conditions by purchasing higher limits, especially for Cyber, and by reducing the number of participants on Property slips. In some countries, high Casualty limits may not be available for clients with U.S. exposures.

Deductibles

Deductibles have been broadly stable, with most placements renewing as expiring. The ability to ‘buy down’ retentions in Cyber continues where robust cyber security and cyber hygiene are demonstrated. Upward pressure continues for some poorly performing risks.

Coverages

Expiring coverages remain available for most placements, and insurers are more flexible on risks where growth appetite is strongest. Growing competition also facilitates the resolution of non-concurrency of terms that arose during the hard Property market. In the Liability market, PFAS exclusions are being widely applied, while coverage for Property risks based in Ukraine, Russia, Eastern Europe and Myanmar continues to be restricted. The recent CrowdStrike outage and upcoming U.S. elections are leading some insureds to review Property policies with regards to cover for cyber events and political violence.

Q3 Global Insurance Product Trends

Asia	Moderate	Moderate	Moderate	Soft	Moderate
EMEA	Moderate	Moderate	Moderate	Soft	Moderate
Latin America	Moderate	Moderate	Soft	Soft	Moderate
North America	Challenging	Moderate	Soft	Soft	Moderate
Pacific	Moderate	Moderate	Soft	Soft	Moderate
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 Global Insurance Product Trends

Automobile

Amid rising claims costs, conditions have been generally moderate-to-challenging, depending on the region. Supply chain challenges, inflationary pressures, and the growing use of advanced technology in vehicles is driving higher repair and claims costs, albeit at lower levels than those experienced in 2023. Large fleets in the U.S. — which are also exposed to the effects of social inflation — have faced some of the most significant price increases, although there are opportunities to manage increases in rate through alternative risk solutions. Electric vehicles remain an area of focus, especially in Asia, where new brands continue to enter the market.

Casualty / Liability

The Casualty market is broadly competitive with ample capacity and moderate conditions in most segments and lines of business. The main exceptions are U.S. Casualty and U.S.-exposed International Casualty, where insurers remain cautious due to loss trends and social inflation. U.S. Excess Liability has been experiencing significant rate increases, including re-pricing of intermediate layers, combined with capacity limitations. Insurers have identified PFAS as a specific area of concern and are applying exclusions on a broad basis in most regions.

Cyber

Healthy levels of competition and capacity are fueling a buyer’s market for Cyber. Pricing has continued to soften, yet underwriting is disciplined, and risk differentiation and detailed underwriting information are required for a positive renewal outcome. A growing number of insureds are taking advantage of favorable market conditions to purchase additional limits, using data and analytics to support their decisions. The recent [CrowdStrike outage](#) has yet to result in material changes in the market.

Directors & Officers

Market conditions are soft, driven by abundant capacity. Pricing remains competitive, although rate decreases have decelerated as insurers shift their focus toward longer term, sustainable pricing. Some insureds are opting to purchase additional limits given current favorable market conditions. The potential implications of artificial intelligence (AI) for Directors & Officers risks are a topic of growing interest for the market.

Property

Overall, conditions in the Property market have continued to moderate. Insurer growth ambitions are leading to more aggressive pricing for well-performing and lower-risk clients in most markets, although catastrophe exposed and higher-risk occupancies face more rigorous underwriting, and in some cases capacity constraints. The recent CrowdStrike outage and various political risks are leading some insureds to review property policies with regard to cover for cyber events and political violence. Strikes Riots and Civil Commotion restrictions are largely being maintained.

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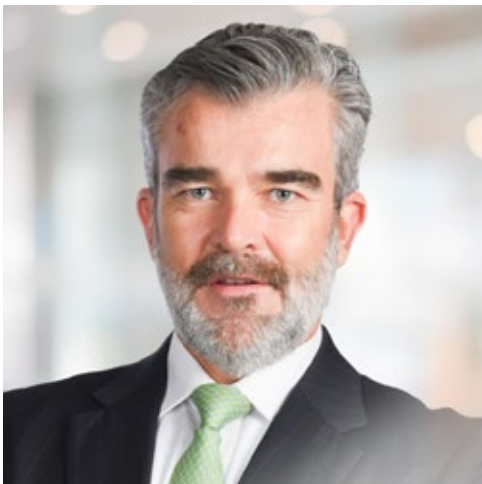
Asia Market Overview

Q3 Asia Market Overview



Fueled by abundant capacity and insurer growth aspirations, the Asia market softening cycle has continued, with clients in most product lines and geographies benefiting. There are, however, exceptions. The Japanese market is experiencing a modest hardening cycle following actions taken by the Japanese competition regulator, with Property insurance prices being the most impacted by more limited capacity and an underwriting-for-profit focus. Auto profitability is also an area of focus, with moderate rate increases and underwriting rigor. NatCat exposed risks are being treated cautiously by insurers as are political violence and terrorism lines with a common concern that adverse claims developments could quickly have a negative impact on an otherwise positive market sentiment.

Directors & Officers and Cyber product lines remain at the top of the softening market conditions with abundant capacity and competition prevalent in almost all geographies. The global CrowdStrike outage in July 2024 has not at this juncture created any immediate reversal in underwriting trends and has served as a timely reminder of the loss severity nature of this risk category. We encourage our clients to review Aon’s cyber risk insights and recommendations that we have published in response to the CrowdStrike event.



Murray Wood
Specialty Products Leader
Commerical Risk Solutions
Asia Pacific

Headlines



Challenging Developments

- Natural catastrophe exposed property risks facing scrutiny
- Insurers cautious on Political Violence, Terrorism and PFAS
- Japan market raises pricing and limits capacity following actions taken by the Japanese competition regulator



Positive Developments

- Softening market cycle continuing across most products and geographies
- Higher limits, lower deductibles and coverage enhancements available for many risks
- Underwriting not impacted by CrowdStrike outage

Executive Summary

- Market conditions are becoming more favorable across most regions and lines of business in Asia, with the exception of Japan and natural catastrophe coverages in some geographies.
- Japanese corporates have faced a period of price increases and limited capacity in key lines as domestic insurers focus on underwriting profitability.
- Cyber and Directors & Officers continue to benefit from abundant capacity and healthy competition across the region. The global CrowdStrike outage in July 2024 has not created any immediate reversal in underwriting trends and has served as a timely reminder of the loss severity nature of this risk category. We encourage our clients to review Aon's cyber risk insights and recommendations that we have published in response to the CrowdStrike event.



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Q3 Asia Market Dynamics

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Asia	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
China	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Hong Kong	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
Japan	Challenging	+1-10%	Constrained	Rigorous	Decreased	Flat	Stable
Singapore	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Thailand	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Asia Market Dynamics

Pricing

The softening cycle has gained traction, with most product lines and geographies benefiting from more favorable conditions, fueled by increased capacity and insurer growth aspirations. The Japanese market, however, is experiencing modest hardening, as insurers adjust underwriting strategies following earlier regulatory allegations.

Capacity

Capacity is generally ample, although challenging risk types and natural catastrophe coverages in some geographies are experiencing limitations.

Underwriting

Underwriting remains prudent across much of the market as insurers focus on profitability, although there is greater flexibility in some lines, such as Directors & Officers. The global CrowdStrike outage in July serves as a timely reminder of the loss severity nature of Cyber, yet underwriters have not moved to restrict cover.

Limits

Expiring limits are available on most placements. Some insureds are looking to take advantage of favorable market conditions to increase their limits.

Deductibles

Most placements have been renewing with expiring deductibles, although some loss impacted risks continue to experience upward pressure. Deductible decreases are available for some well-performing risks that are not exposed to natural catastrophes.

Coverages

Expiring terms and conditions have been available for most placements. PFAS exclusions are being required on Liability risks, while coverage for Property risks based in Ukraine, Russia, Eastern Europe and Myanmar continue to be restricted.

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Q3 Asia Product Trends

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Asia	Moderate	Moderate	Moderate	Soft	Moderate
China	Challenging	Soft	Moderate	Soft	Soft
Hong Kong	Moderate	Soft	Soft	Soft	Soft
Japan	Moderate	Challenging	Challenging	Moderate	Challenging
Singapore	Challenging	Moderate	Soft	Soft	Moderate
Thailand	Soft	Moderate	Moderate	Moderate	Moderate
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 Asia Product Trends

Automobile

Conditions generally have been moderate. Claims inflation and uncertainties around electric vehicles have continued to affect market conditions, with most markets seeing moderate rate increases. New entrants in some Asian markets are helping to drive competition, although underwriting remains disciplined and prudent.

Casualty / Liability

Market conditions are broadly moderate but vary widely across the region. In general, complex risks and those that include significant U.S. exposures have faced less favorable market conditions. Exclusions related to PFAS continue to be widely imposed.

Cyber

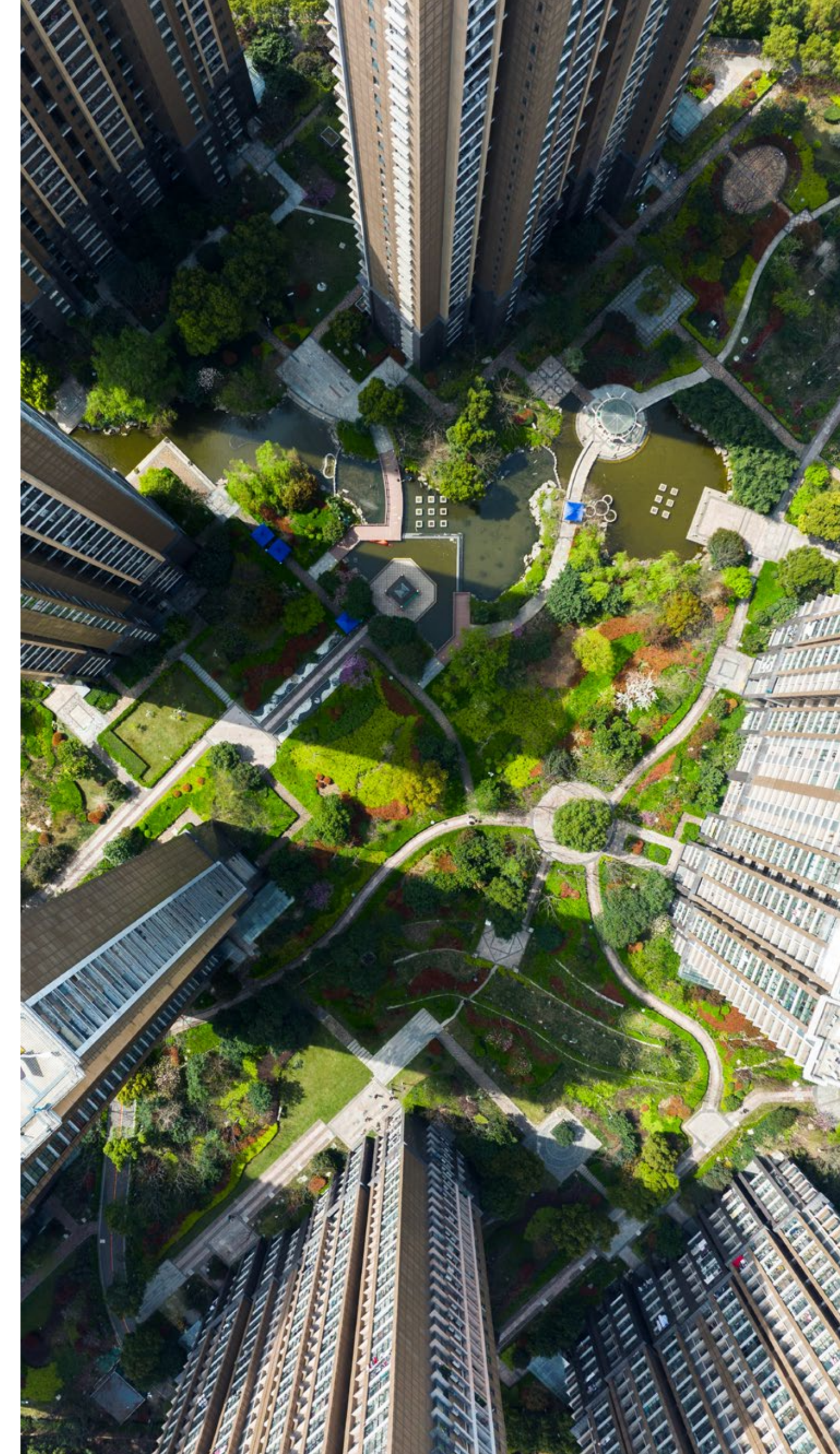
Buyers of Cyber coverage are benefiting from abundant capacity and competition across most of the region. Insurers continue to require detailed underwriting information, and broad coverage is available — including Ransomware — for some risks demonstrating strong security controls.

Directors & Officers

The Directors & Officers market remains soft, with abundant capacity and healthy competition for in-appetite risks. Price reductions are available across much of the market, although insurers remain cautious when underwriting U.S.-listed risks and may impose capacity limitations.

Property

Conditions vary across the region. The market has been favorable in China and Hong Kong, moderate in Singapore and Thailand, and challenging in Japan where prices have increased, and capacity has been constrained. Across the region, insurers remain cautious on natural catastrophe exposed risks, as well as political.



Q3 Asia Advice to Clients

- Take advantage of softening market conditions where present by exploring limit increases and coverage expansions. Look at long term agreements, which offer an opportunity to lock in favorable pricing and conditions.
- Japanese corporates face challenging market conditions and should — with the support from their Aon team — review their insurance programs to find the optimal balance between risk transfer and retention, and mitigate the impact of premium increases.
- To obtain more favorable terms, start the renewal process early, and provide detailed quality submissions, including up-to-date property valuations and evidence of risk management actions/recommendations.



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Q3 China Market Overview

Executive Summary

- Market conditions have remained favorable, with insurers willing to offer rate decreases to retain risks and secure program participation. Competition increased for risks with profitable loss ratios and in sought after occupancy classes. Underwriters have been focused on pricing for sustainable profitability as bank interest rates steadily trend downward.
- New energy business, especially photovoltaic and lithium-battery risks, has continued to become more challenging as Chinese insurers reconsider their underwriting strategies following recent large losses.
- Moderate Cyber pricing has continued, despite the recent CrowdStrike incident, with some reductions at renewal. Directors & Officers market conditions continue to be marked by abundant capacity, although this has moderated somewhat.



Q3 China Market Dynamics

Overall	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Automobile	Challenging	Flat	Constrained	Rigorous	Flat	Flat	Stable
Casualty / Liability	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Cyber	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Flat	Flat	Stable
Property	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 China Market Dynamics

Pricing

While rates vary widely based on product line and geography, pricing has generally experienced downward pressure as insurers compete to remain on programs, especially for risks with favorable loss histories.

Capacity

Capacity is generally sufficient for most risks, although challenging risk types and some geographies are experiencing capacity limitations, particularly for natural catastrophe-exposed property risks.

Underwriting

Underwriting is prudent and focused on profitability, although favorable terms are available for risks where competitive pressure is strong.

Limits

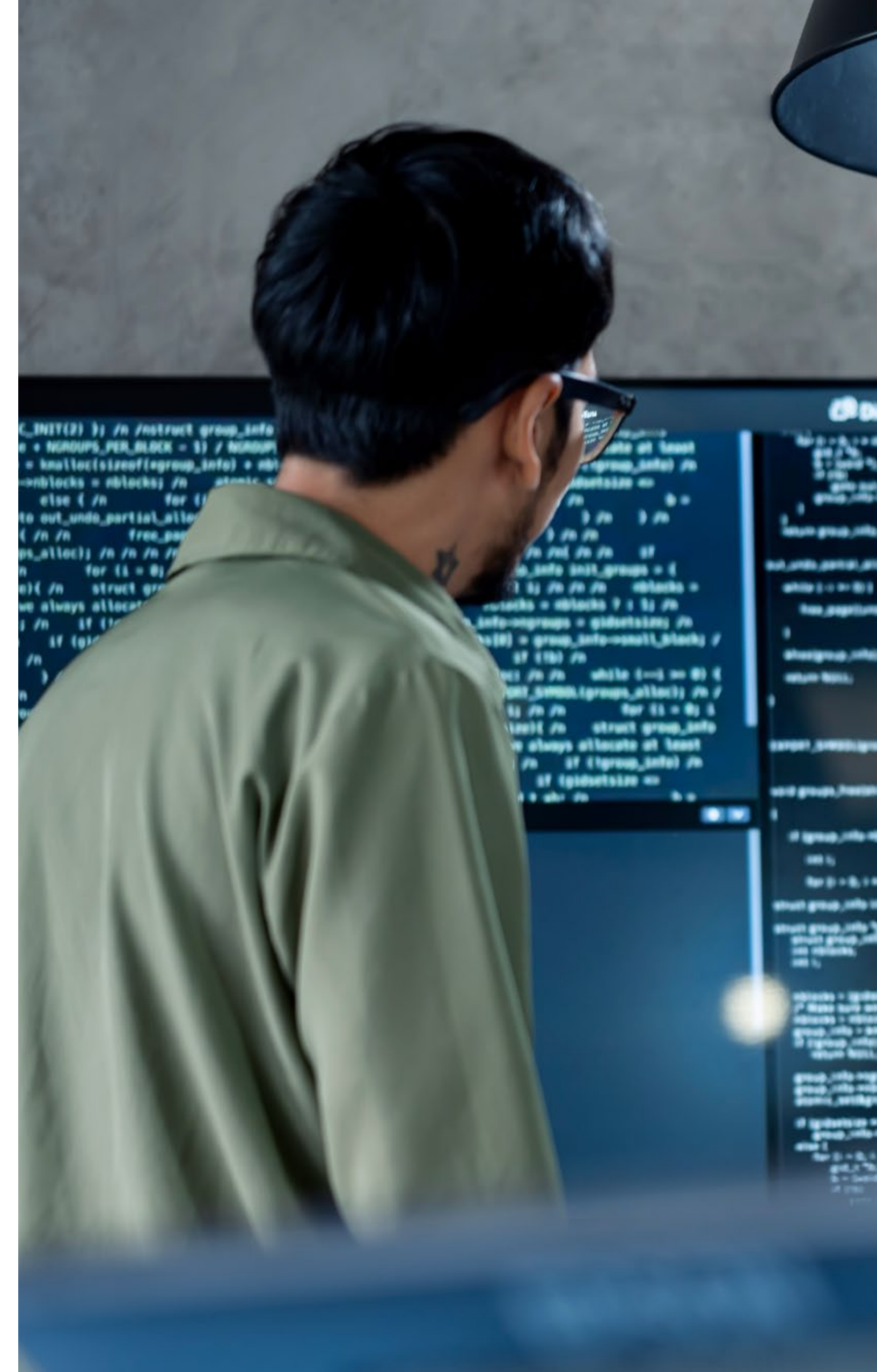
Overall, expiring limits have been available on most placements, with limit increases being offered on some preferred risks. Insurers have sought to impose lower indemnity limits for new energy risks where rate and deductible levels are maintained.

Deductibles

Generally, placements are renewing with expiring deductibles, although risks experiencing large losses are under upwards pressure.

Coverages

Expiring terms and conditions have been available on most placements.



Q3 China Product Trends

Automobile

Market conditions are moderate overall; however, policies written with a Premium Increase Limitation clause have faced reduced appetite and capacity, as insurers remain focused on well-performing risks. Insureds with a high loss ratio or loss history have experienced a challenging market.

Casualty / Liability

Market conditions have been favorable, stemming largely from increased competition on most risks. International insurers mandated exclusions for polyfluoroalkyl substances (PFAS).

Cyber

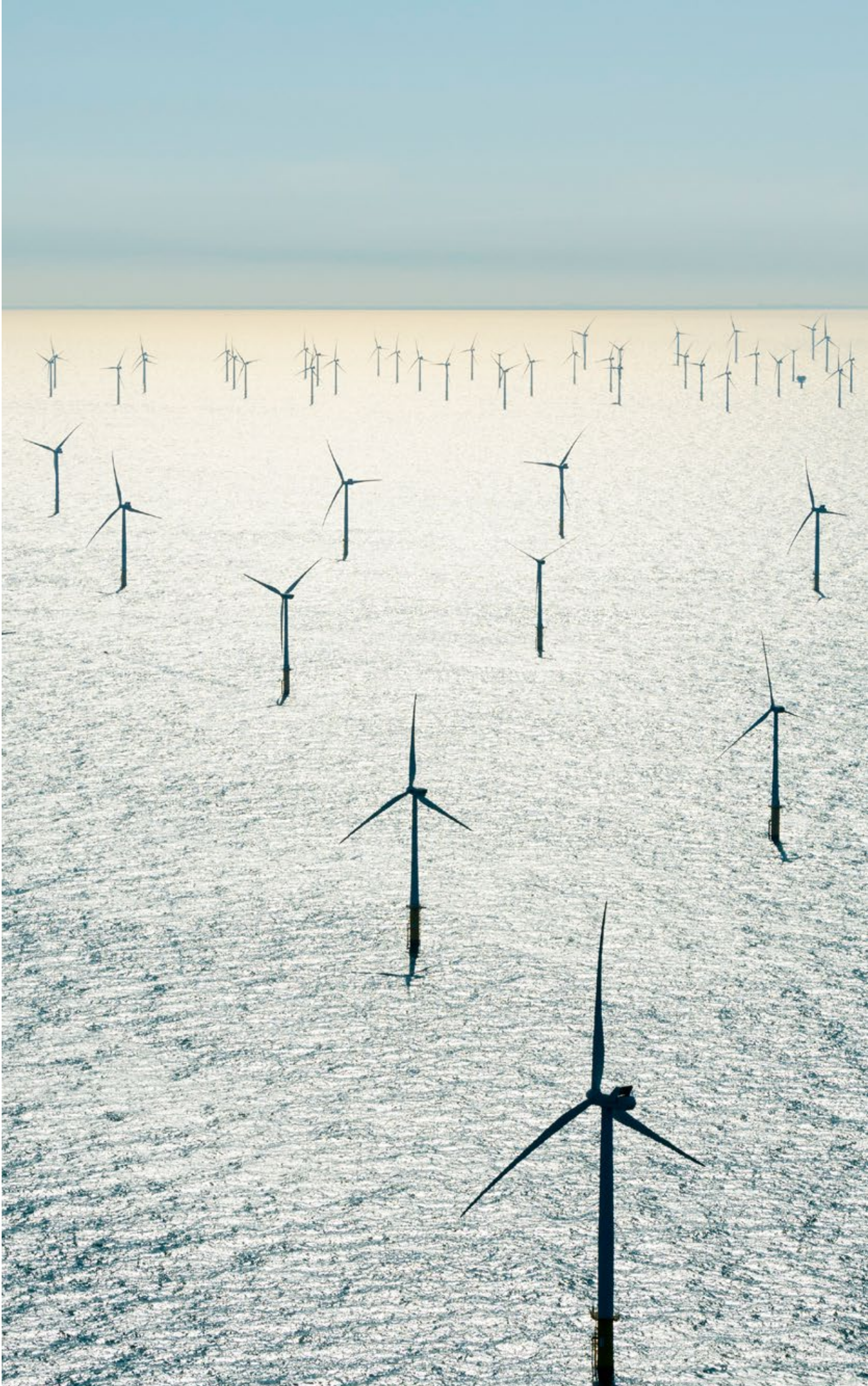
Pricing and capacity have remained moderate, with some small premium reductions available at renewals. Insurers continue to introduce localized solutions, including coverage extensions and incident response services. Following the CrowdStrike/Windows incident in July, underwriters have expanded their focus to include incident impact and response plans.

Directors & Officers

The Directors & Officers market continues to be shaped by abundant capacity, with client-friendly conditions and rate reductions continuing.

Property

Favorable market conditions have continued as most major insurers have reported profitable underwriting results. Modest decreases are available for targeted risks, while those in high-hazard occupancies or with poor loss records have experienced moderate rate increases. Reinsurers are showing increased appetite for property catastrophe risks.



Q3 Hong Kong Market Overview

Executive Summary

- Although many buyers are looking to reduce insurance costs amidst a still recovering economy, demand for P&C insurance remains stable.
- Capacity is broadly sufficient across much of the market, and increased competition helped drive down pricing for quality risks. However, capacity continues to be somewhat constrained in property for natural catastrophe-exposed risks.
- The market for specialty lines is competitive, especially Directors & Officers and Cyber, where capacity has been more abundant and insurer appetite has been strong.



Q3 Hong Kong Market Dynamics

Overall	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Cyber	Soft	-11-20%	Ample	Prudent	Flat	Flat	Stable
Directors & Officers	Soft	-21-30%	Abundant	Flexible	Flat	Flat	Stable
Property	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Hong Kong Market Dynamics

Pricing

Pricing across much of the market has remained soft at renewal, with growing competition, especially for new business.

Capacity

Overall, capacity is ample for most lines. Quality risks often have been over-subscribed, although capacity is tighter for natural catastrophe exposed regional program business. Financial Lines and Cyber capacity has continued to increase as established insurers expand their appetite and competition from international markets increases.

Underwriting

Underwriting remains prudent. Insurers continue to differentiate by risk quality, offering more favorable terms to preferred risk types.

Limits

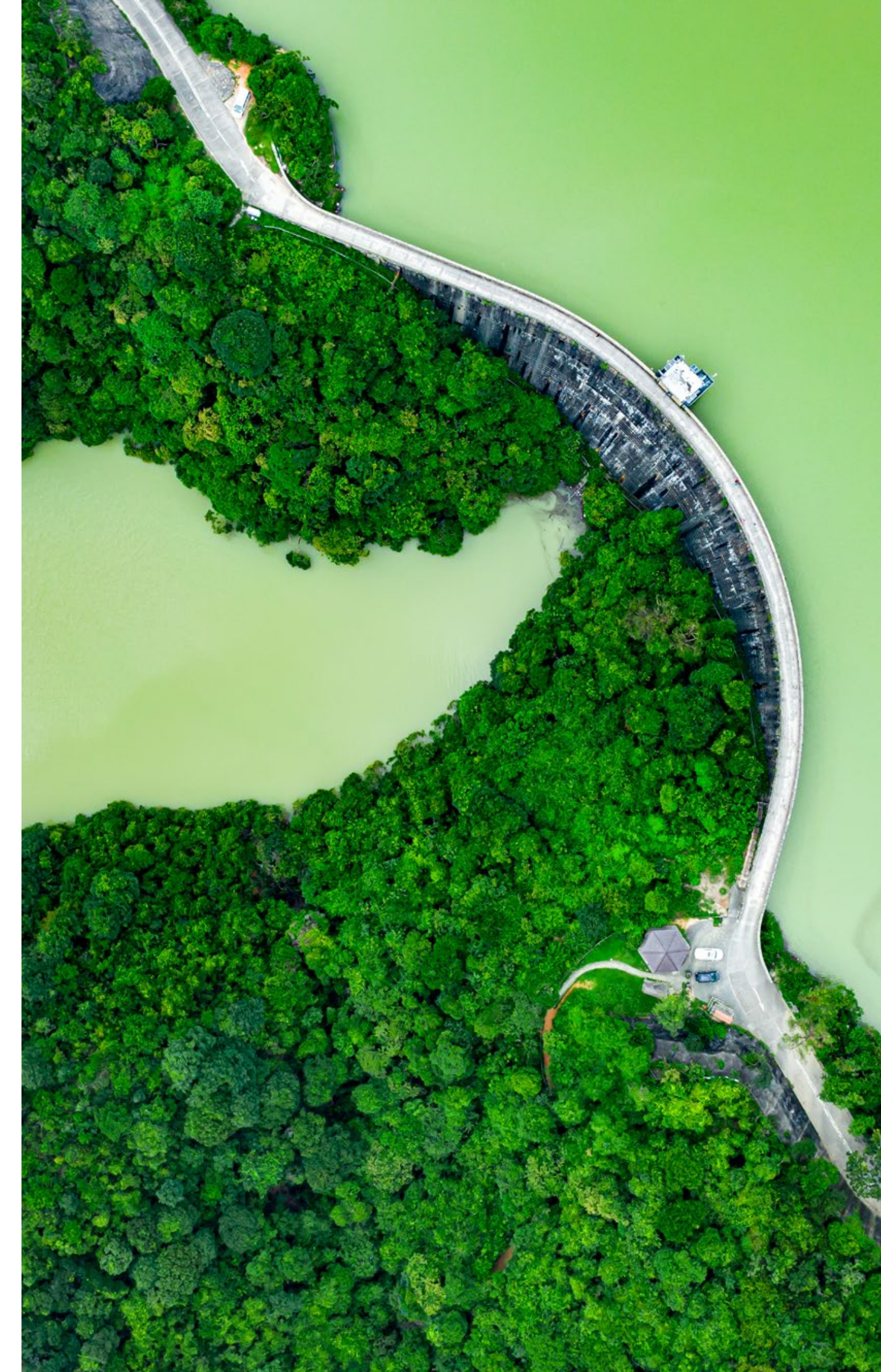
Most placements have been renewing with expiring limits, although inflation-driven limit increases are available in most cases.

Deductibles

Most placements have been renewing with expiring deductibles; however, some buyers are exploring deductible options as a mechanism for managing premium costs. Decreases have been available for some non-catastrophe exposed well-performing risks.

Coverages

Most placements have been renewing with expiring coverages. Coverage for Ukraine, Russia, Eastern Europe and Myanmar exposed risks remained limited.



Q3 Hong Kong Product Trends

Automobile

The Commercial Automotive market remains moderate. Insurers have been focusing on well-performing risks, and are aggressively competing to retain renewal business, even some risks with unsatisfactory claims experience, and win new business. Early and proactive go-to-market strategies, as well as risk differentiation such as safety technology and driver training initiatives, are key to achieving superior outcomes.

Casualty / Liability

Insurer growth targets and new market entrants led to an increase in capacity for liability business. In the face of strong competition, most insurers are seeking to differentiate through expanded coverage and enhancements for quality risks.

Cyber

The market has been characterized by healthy appetite and competition; however, pricing and coverage differ by insurer. Growth-oriented insurers were aggressive in both pricing and coverage, while incumbent insurers were more reluctant to improve pricing or coverage.

Directors & Officers

The Directors & Officers market has remained soft and competitive, driven by robust market capacity amidst an environment with few growth opportunities for insurers. As with Cyber, some insurers tend to be more aggressive in terms of pricing.

Property

Ample capacity continued to support competitive market conditions, with favorable pricing for well-performing risks. Multinational programs experienced a more moderate environment, with natural catastrophe risks driving technical pricing considerations. Exclusions continued to be applied for Ukraine and Russia.



Q3 Japan Market Overview

Executive Summary

- Japanese corporates are facing a challenging insurance environment. Following regulator allegations of misbehavior, Japan's major domestic insurers are refocusing on underwriting profitability, which has led to capacity constraints and rate increases.
- Large Property risks are facing market challenges, including material price increases, as domestic insurers have limited capacity.
- Capacity is constrained for large and U.S. exposed risks, but generally sufficient for Cyber and Directors & Officers placements.



Q3 Japan Market Dynamics

Overall	Challenging	+1-10%	Constrained	Rigorous	Decreased	Flat	Stable
Automobile	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Challenging	+1-10%	Constrained	Rigorous	Decreased	Flat	More Restrictive
Cyber	Challenging	Flat	Ample	Rigorous	Decreased	Flat	Stable
Directors & Officers	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Property	Challenging	+11-20%	Constrained	Rigorous	Decreased	Increased	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Japan Market Dynamics

Pricing

Most risks have been renewing with single to low double-digit increases, except for Cyber and Directors & Officers, where pricing is flat.

Capacity

Capacity constraints for Property and Casualty / Liability coverages have continued.

Underwriting

Underwriting is generally disciplined, although rigor has strengthened as insurers focus on profitability.

Limits

Decreases in limit have been common, especially for Property placements, where hardening market conditions have continued. In some cases, expiring limits are achieved by using coinsurance to fill gaps, however, it may be necessary to utilize reinsurance capacity going forward.

Deductibles

Expiring deductibles are available for most placements, although some insureds are choosing to increase deductibles to minimize the impact of rising premiums.

Coverages

Expiring coverage terms and conditions were available for most placements.



Q3 Japan Product Trends

Automobile

Moderate market conditions are continuing, with no significant changes in pricing, coverages, capacity or underwriting behaviors. However, higher repair costs and the trend for higher performance vehicles has resulted in small rate increases at renewals.

Casualty / Liability

Domestic insurers remain cautious in their underwriting and capacity deployment. Compared to earlier in the year, capacity has become more constrained, and coverage more restrictive, with the introduction of PFAS exclusions, punitive damages exclusions, and claims-made loss-triggers. Risks with large U.S. exposure or high limits have experienced moderate increases in premiums.

Cyber

Market conditions remain somewhat challenging overall. Underwriting caution is strong across international and domestic markets alike. Premiums have been flat, albeit still relatively high.

Directors & Officers

Overall, the market has remained moderate, with expiring pricing and coverage available for most placements. Capacity is sufficient to meet demand, although some international insurers have increased capacity.

Property

Price increases that started in the second half of 2019 have continued into the first three quarters of 2024. Domestic insurers have been conservative in their underwriting and pricing strategies. Very large risks are becoming more challenging to place as domestic insurers continue to limit the capacity they are willing to deploy on a per-risk basis.



Q3 Singapore Market Overview

Executive Summary

- The market is growth focused and competitive, with the exception of Auto, where market conditions have been challenging due to unfavorable losses. Insurers are demonstrating an openness to consider risks that they have declined in the past but have tended to write a smaller share of the risk.
- Capacity and insurer appetite for Cyber and Directors & Officers has increased following insureds' adoption of previously mandated risk controls which have served to increase underwriter confidence. Cyber claims activity is expected to moderate as the trend of refusing to pay ransom to threat actors continues. An increased focus on the regulatory landscape is expected as data protection laws come into effect in neighboring countries.
- Long term agreements are increasingly available, contributing to premium reductions and smoother renewals.



Q3 Singapore Market Dynamics

Overall	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Challenging	+11-20%	Ample	Rigorous	Not Applicable	Increased	Stable
Casualty / Liability	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Cyber	Soft	-11-20%	Abundant	Prudent	Increased	Decreased	Broader
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Increased	Flat	Broader
Property	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Singapore Market Dynamics

Pricing

With the notable exception of Automobile coverage, modest to moderate rate reductions have been the norm as insurers compete for market share. For Cyber and Directors & Officers, in particular, abundant capacity has driven pricing down, especially on excess layers.

Capacity

Apart from natural catastrophe exposed Property risks, capacity — from established insurers keen to retain their portfolios, as well as new market entrants — is generally ample.

Underwriting

Underwriting is generally prudent, with greater rigor for Automobile risks as insurers face significant pressure on profitability.

Limits

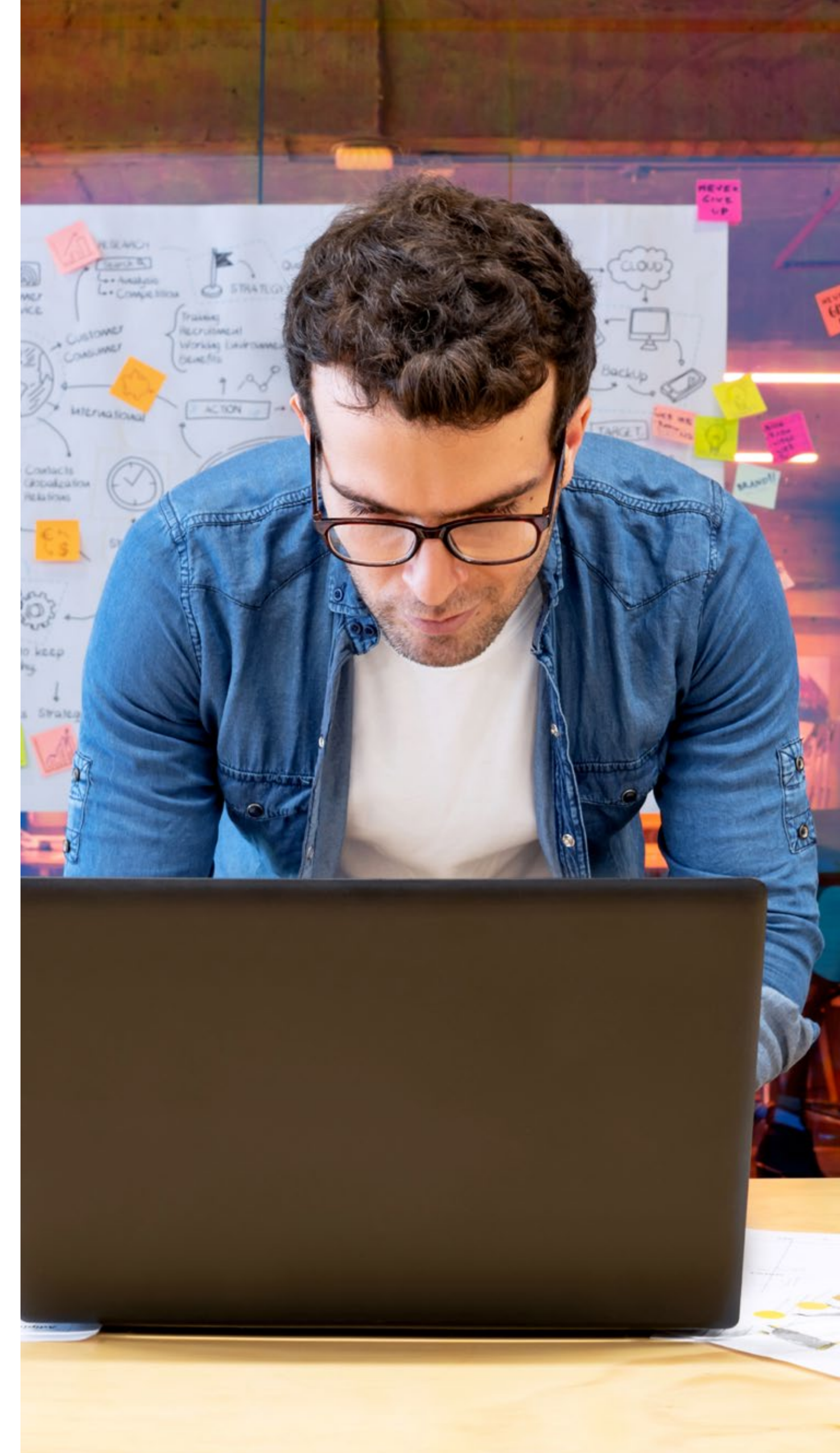
Most placements are continuing to renew with expiring limits. For Cyber and Directors & Officers, some insureds took advantage of the current favorable market conditions to reinvest premium savings in the purchase of higher limits.

Deductibles

Most placements renewed with expiring deductibles, except Automobile, where deductibles increased in response to higher claims costs. Reductions were possible for Cyber due to previously imposed deductible increases combined with improvements in cyber hygiene, which has increased insurer confidence and comfort.

Coverages

Most placements renewed with expiring coverages, although some insurers used coverages as a differentiator. However, exclusions imposed by treaty reinsurers remain an obstacle to extensive broadening of cover. For Cyber, broader coverages have been available to cover potential overlaps in cyber related incidents across different policies.



Q3 Singapore Product Trends

Automobile

Higher claims costs continued to impact market conditions. Poor-performing risks came under scrutiny at renewal, and insurers tended to quote higher excess due to increased claims costs. New market entrants sought growth so were generally more flexible.

Casualty / Liability

Most renewals have experienced flat pricing and a moderate market environment, but complex and critical products risks, as well as placements with large U.S. exposures, have experienced a more challenging market. Underwriters are focused on global litigation trends and limit management through program ventilation and capacity deployment strategies. For large and more complex risks, underwriters demonstrated a preference to coinsure or reinsure, instead of writing 100 percent of the risk. Underwriters are imposing PFAS exclusions and coverage for pure financial loss, certain Errors and Omissions and Products Recall risks has remained difficult to secure.

Cyber

Buyer friendly conditions continue, driven by healthy competition and capacity. Pricing is down on excess layers, and some buyers are reinvesting premium savings in additional limits. Underwriting remains prudent, with emphasis on robust cyber security. Insurers and insureds alike continue to work to proactively improve cyber controls, with an emphasis on cyber impact analysis data and establishing breach response plans.

Directors & Officers

Capacity remains abundant and competition is healthy for in-appetite risks. Coverage enhancements and premium savings are often available. While the market has been favorable, insurers remain cautious when underwriting U.S.-listed companies and non-traditional risks like crypto.

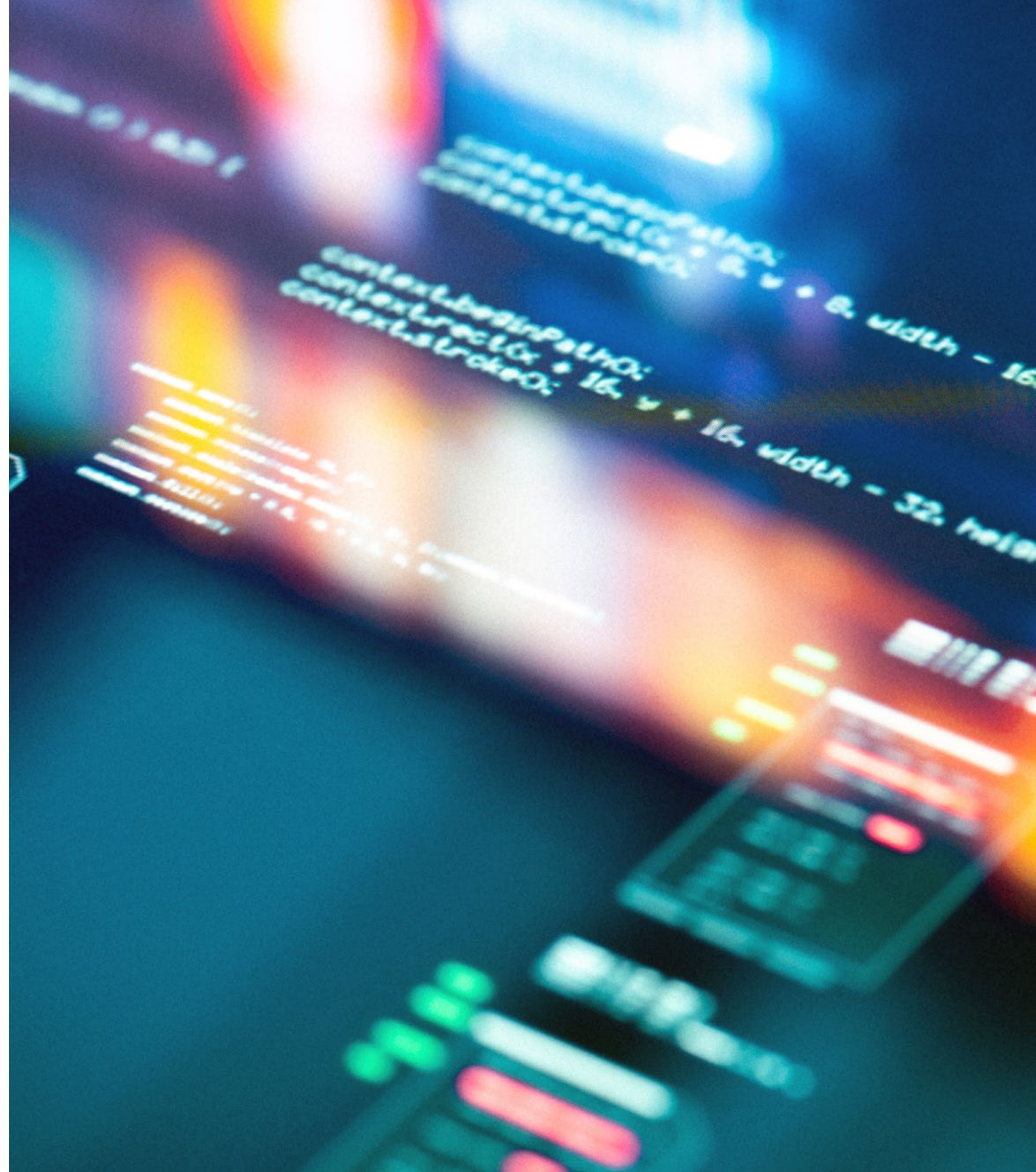
Property

Renewals in Q3 were generally favorable, characterized by ample capacity and as-expiring renewal pricing and terms. Whilst rate reductions and coverage enhancements have been generally available at renewal, natural catastrophe risks remain more challenged, and high-risk business sectors as well as claims-exposed risks tend to experience less favorable renewal outcomes.

Q3 Thailand Market Overview

Executive Summary

- The market has been generally moderate, despite economic challenges including a lack of economic stimulus.
- Automotive insurers have become more selective amidst poor loss ratios for electric vehicles.
- The Cyber market has opened to broadening coverage yet focused on risk management and maturity.



Q3 Thailand Market Dynamics

Overall	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Automobile	Soft	Flat	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Cyber	Moderate	Flat	Ample	Prudent	Flat	Flat	Broader
Directors & Officers	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Property	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

3

Q3 Thailand Market Dynamics

Pricing

Pricing has been focused on risk quality, reflecting individual insurer risk appetite and loss experience.

Capacity

Capacity has been sufficient for most placements, with the notable exception of some hazardous risks. For preferred risks, underwriters are willing to deploy full treaty capacity.

Underwriting

Underwriting generally has been disciplined, although underwriters are demanding more risk information, with growing emphasis on risk management and differentiation.

Limits

Expiring limits have been available for most placements.

Deductibles

Expiring deductibles have been available for most placements.

Coverages

Expiring coverages have been available for most placements, although broader coverage for Cyber is available where strong cyber security and risk management are evidenced.



Q3 Thailand Product Trends

Automobile

Domestic insurers have continued to compete to retain and grow their Automotive portfolios. However, poor loss ratios for electric vehicles caused some insurers to decline or be more selective.

Casualty / Liability

The market has remained moderate; however, facing pressure from international insurers, domestic insurers have been competing aggressively to retain their portfolios, offering flexible underwriting and modest price increases.

Cyber

In line with previous quarters, the Cyber market remains moderate and focused on risk management and maturity. Insurers are requiring more information on ransomware risk and third-party vendors. Underwriters are generally more open to consider broader coverage.

Directors & Officers

Moderate insurance market conditions continue, with the economic environment and fewer IPOs leading insurers to compete for limited opportunities. Modest premium savings are available for well performing risks.

Property

Moderate market conditions have continued, although capacity for some hazardous risks, and those with unfavorable loss experience, have been limited. Underwriters require full underwriting information and differentiate based on risk quality.



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Q3 EMEA Market Overview



In Q3, we continue to see the improved pricing for clients across various classes of business tempered by the continuation of challenges in Natural Catastrophes and U.S. Casualty.



Terence Williams
Chief Broking Officer
Commercial Risk Solutions
EMEA

Executive Summary

- Clients continue to benefit from improved market conditions, particularly on Directors & Officers and Cyber placements, mid-sized risks, and risks without U.S. exposures.
- Key underwriting concerns include:
 - Systemic risk: Underwriters have continued to evaluate, scrutinize, and in some instances limit the coverage offered for critical infrastructure, systemic and/or correlated events, and war.
 - PFAS (Casualty): Insurers have continued to introduce policy exclusion language to address this exposure.
 - Corporate responsibility (ESG) requirements: For example, climate risk is a key focus in the U.K., with negotiations for cover that allows clients to rebuild properties aligned to modern “green standards”.
 - Exposures related to Strikes, Riots and Civil Commotion. However, underwriting conservatism related to economic inflation has subsided, with the key exception of South Africa.
- As operational costs rise and serve to squeeze profitability, cost management is coming into sharper focus for clients. This is leading to greater interest amongst clients in Alternative Risk Transfer solutions (including parametrics).

Headlines



Challenging Developments

- High costs driving price increases for Auto / Motor placements
- U.S. exposed and heavy industry Casualty risks facing challenging market conditions
- PFAS concerns prompting new policy language to manage insurer exposure



Positive Developments

- Long term agreements allowing insureds to “lock in” favorable terms
- Directors & Officers focus shifting to sustained profitability
- Insurer appetite healthy for mid-sized risks

Q3 EMEA Market Dynamics

EMEA	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
D-A-CH	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Iberia	Soft	-1-10%	Abundant	Flexible	Increased	Flat	Stable
Italy	Moderate	+1-10%	Ample	Rigorous	Flat	Flat	Stable
Middle East	Soft	-1-10%	Ample	Prudent	Increased	Flat	Broader
Netherlands	Moderate	Flat	Abundant	Flexible	Increased	Flat	Stable
Nordics	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
South Africa	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
United Kingdom	Soft	-11-20%	Abundant	Flexible	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 EMEA Market Dynamics

Pricing

The market has continued to become more buyer-friendly overall; however, placement outcomes have been highly dependent on risk quality. Long-term agreements have become more available which can help clients extend the benefit of current market conditions.

Capacity

Across the region sufficient capacity is available for most risk types with the key exceptions of heavy / highly exposed industries, NatCat exposure, and Motor Fleet.

Underwriting

Underwriting generally has been prudent across the region, often requiring robust and detailed information such as geo coordinates and detailed claims history. In preferred geographies and risk types, and areas targeted for growth, underwriting tends to be more flexible.

Limits

Expiring limits are available for most placements and some increases have been available in markets where capacity is abundant. Given current conditions, more clients are opting to purchase additional limits on Directors & Officers and Cyber excess layers. In some countries, high Casualty limits may not be available for clients with U.S. exposures.

Deductibles

Expiring deductibles are available for most placements. More clients are considering deductible reductions to take advantage of current market conditions.

Coverages

Expiring coverages are available for most placements and could be broadened in some cases where risk improvement measures had been taken. Challenging coverages include PFAS, U.S. exposures, and NatCat.



3

Q3 EMEA Product Trends

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EMEA	Moderate	Moderate	Moderate	Soft	Moderate
D-A-CH	Challenging	Moderate	Soft	Soft	Moderate
Iberia	Challenging	Soft	Soft	Soft	Moderate
Italy	Challenging	Soft	Moderate	Soft	Moderate
Middle East	Moderate	Moderate	Soft	Soft	Soft
Netherlands	Moderate	Moderate	Soft	Moderate	Moderate
Nordics	Not Applicable	Moderate	Moderate	Soft	Moderate
South Africa	Moderate	Moderate	Moderate	Moderate	Moderate
United Kingdom	Moderate	Moderate	Soft	Soft	Soft
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 EMEA Product Trends

Automobile

The market has been moderate-to-challenging throughout the region, with continued rate increases driven largely by higher spare parts and repair costs.

Casualty / Liability

Clients with U.S. exposures and/or in heavy industries are experiencing some challenges, including pricing pressure, while mid-sized risks and clients without U.S. exposures are seeing more competitive pricing, with long-term agreements broadly available. Insurers have identified PFAS as a specific area of concern and some have introduced policy exclusion language to manage their exposure. Until there is robust legal reform in the U.S., we expect that insurers will continue to tread carefully.

Cyber

Driven by healthy competition, moderate-to-buyer-friendly market conditions have continued, with the majority of the savings being realized in the high excess layers. More insureds have opted to purchase additional limits given current market conditions, using data and analytics to support their decision. Risk differentiation remains important to insurers, and specific client pricing outcomes reflect that differentiation.

Directors & Officers

Market conditions have remained soft, driven by competition and a relatively steady claims environment. Capacity has remained abundant but further capacity increases have abated to some degree. More insureds have opted to purchase additional limits given current market conditions, using data and analytics to support their decision. Price reductions have been broadly available except where there is claims activity or a significant change in risk i.e., M&A or increase in asset size.

Property

Market conditions have improved (with some exceptions) as insurers seek profitable growth and competition continues to increase. Rates have improved across much of the region; however, challenges remain with certain occupancies with large Natural Catastrophe exposure and/or for loss exposed risks. The Nordics Property market has continued to face challenges associated with rigorous underwriting, which is particularly applied for industry groups deemed to be higher hazard. Robust underwriting information, including accurate valuations, is critical for superior renewal outcomes.

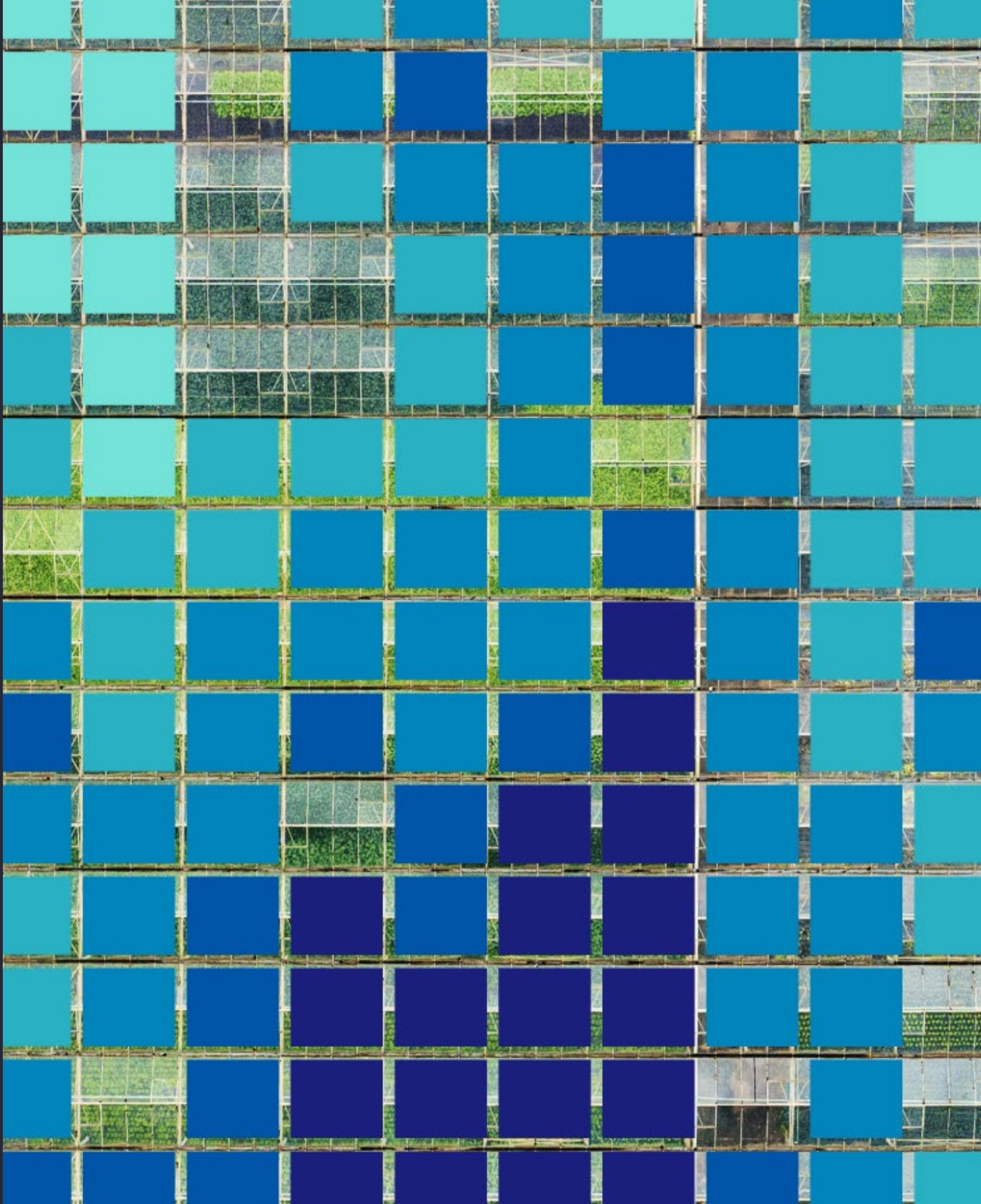
Q3 EMEA Advice to Clients

- Identify the right long-term partners who understand your risk, have a proven track record of paying claims, and are willing to customize policy wording to address your exposures and incident response strategies.
- Provide detailed and accurate risk information and aim to create long-term relationships by bringing them along on your risk journey.
- It has never been more important to use data and analytics to inform your decisions. Ask your Aon Team about the data-driven insights — including Aon's Risk Analyzers — available to help you identify, quantify and finance your risk.
- Take advantage of current Directors & Officers market conditions by working with your Aon Team to identify potential coverage enhancements. Consider evaluating your limits and deductibles as well.



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Q3 D-A-CH Market Overview

Executive Summary

- The German insurance market is moderating, although still challenging for SMEs, Automobile, and U.S.-exposed Casualty. Risk quality and robust underwriting information are essential in such differentiated market conditions.
- Large corporates in Switzerland have continued to face a relatively conservative and disciplined insurance market, albeit one with growing competition.
- Market conditions for lower-hazard and well-performing risks in Austria have been moderate-to-favorable, although risks with adverse loss experience are subject to stringent underwriting, capacity constraints, and price increases.



Q3 D-A-CH Market Dynamics

Overall	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Challenging	+11-20%	Ample	Rigorous	Flat	Increased	Stable
Casualty / Liability	Moderate	+1-10%	Abundant	Prudent	Flat	Flat	Stable
Cyber	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Stable
Directors & Officers	Soft	-1-10%	Ample	Flexible	Increased	Flat	Stable
Property	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 D-A-CH Market Dynamics

Pricing

Pricing has continued to increase in Germany, particularly for large and complex risks. However, increases are moderating, and “as expiring” pricing has been available for many mid-sized clients. Competitive pressure has led to more modest rate increases in the Swiss market, and even rate decreases for Directors & Officers, Cyber, and some preferred risks. In Austria, pricing is based on individual risk factors.

Capacity

Capacity remains stable and sufficient for most risks in Germany and Austria, while new entrants in Switzerland have helped offset reductions in capacity by some lead insurers.

Underwriting

Underwriting has continued to be prudent, although large and complex risks in Germany, and U.S.-exposed Liability risks, are facing a more stringent environment. While underwriting there remains disciplined, insurers in Germany and Switzerland are more flexible than a year ago.

Limits

Expiring limits have been available in most cases, although German mid-market companies have explored higher limits. In Austria, some insurers have sought to reduce limits for Product Recall and U.S.-related pharmaceutical risk.

Deductibles

Expiring deductibles have been available in most cases, although some buyers are exploring deductible and attachment point options to mitigate price increases.

Coverages

Expiring coverages have been available in most cases, even as insurers conduct reviews for complex risks. PFAS exclusions are being applied for certain sectors, while exclusions for Cyber, Infectious Diseases and Political Risks are becoming more restrictive. Appetite to include Strike, Riot, and Civil Commotion has narrowed due to accumulation concerns.



Q3 D-A-CH Product Trends

Automobile

The Automobile market has remained challenging across the region. Higher repair costs, courtesy car rates, and supply chain delays have driven significant rate increases in Germany, even for well performing risks. Swiss insurers have continued to raise pricing, while market conditions are only favorable for Austrian buyers with good risk quality.

Casualty / Liability

Conditions have been broadly favorable for non-complex mid-sized well performing companies, where insurers have strong growth ambitions. Larger and complex risks, as well as U.S.-exposed Liability, have continued to experience more challenging conditions, with more conservative pricing, capacity and terms being offered.

Cyber

Improved profitability and the arrival of new market entrants has led to increased capacity and competition in the region, resulting in lower premiums and wider coverage for some risks. Many buyers are using premium reductions to purchase additional cover, relying on data analytics to inform their decisions. Robust security controls remain crucial for insurers when granting higher limits. Despite an uptick in ransomware in Austria, there has been an emerging trend to reduce deductibles. Minimum requirements for obtaining insurance remain strict.

Directors & Officers

Competition from incumbent insurers and new market entrants has led to significant premium reductions for many buyers in Germany, despite a challenging economic environment and an increase in insolvencies. Competition in the Austrian market can generate premium reductions and/or favorable coverage terms. Capacity per insurer remains consistent, and slightly increasing in Germany.

Property

Conditions continue to moderate across the region, with good quality risks achieving more favorable renewal outcomes. In Germany, there are signs of greater competition for global risks, but the mid-market sector has remained challenging. Conditions in Austria are favorable for good quality risks, with growing appetite from insurers resulting in broadly flat renewal pricing. There are no major changes to Property in the Swiss market, although risks with large natural catastrophe exposures or high loss burden continue have continued to be challenging. Interest in parametric policies (namely for natural perils) and long-term agreements has increased.

Q3 Iberia Market Overview

Executive Summary

- A buyer-friendly market continued in Q3, characterized by price reductions, abundant capacity as new insurers entered the market and established insurers expanded their deployments, flexible underwriting and the availability of limit increases.
- Market conditions have remained challenging for Automobile and Property risks with hazard activities and natural catastrophe exposure, characterized by rate increases, limited appetite and rigorous underwriting.
- The talent war continued as new insurers entered the market (and more are expected to enter during 2024), leading to underwriting, claims and engineering challenges due to lack of continuity and under-resourced insurer teams.



Q3 Iberia Market Dynamics

Overall	Soft	-1-10%	Abundant	Flexible	Increased	Flat	Stable
Automobile	Challenging	+1-10%	Constrained	Rigorous	Flat	Increased	Stable
Casualty / Liability	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Cyber	Soft	-11-20%	Abundant	Flexible	Increased	Decreased	Broader
Directors & Officers	Soft	-1-10%	Abundant	Flexible	Increased	Flat	Broader
Property	Moderate	Flat	Abundant	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Iberia Market Dynamics

Pricing

Increasing appetite, new capacity, and insurer growth ambitions have led to a buyer-friendly market characterized by modest-to-moderate price decreases, with the notable exception of Auto which has experienced rate increases.

Capacity

Capacity has been sufficient to meet demand across most risk types and products.

Underwriting

Competition has led to more flexible underwriting, especially for quality risks with good information.

Limits

Given the more favorable market conditions, some buyers have taken the opportunity to restore limits to previous levels, or further increase limits in line with rising exposure values.

Deductibles

Expiring deductibles were available for most placements following adjustments in previous years.

Coverages

Expiring coverages were available for most placements, although enhancements were available for some Cyber and Directors & Officers risks.



3

Q3 Iberia Product Trends

Automobile

Driven by poor loss ratios, as accident frequency has remained high and costs remain pressured by inflation, supply chain issues and the higher cost of enhanced technology components, the Spanish market has remained challenging, with rate increases continuing and limited appetite for new business, along with rigorous and strict underwriting. Flat pricing has been available for some lower hazard, well performing risks. The market in Portugal has been more moderate than the Spanish market. Capacity has been sufficient and underwriting prudent. The deductible increases being required by underwriters in Spain have not materialized in Portugal.

Casualty / Liability

Increasing capacity and new entrants have helped to drive price competition, especially for well-performing risks, although uncertainty related to inflation, geopolitical conflicts, etc. continues, which could pact insurer strategies. While underwriting has been more flexible, rigor continues for complex and U.S.-exposed risks.

Cyber

Growing competition from established and new markets has led to more favorable conditions for Cyber, with increased capacity, downwards pressure on pricing, more underwriting flexibility, higher limits and lower deductibles available. A key exception is Portugal SME clients, which experienced limited appetite and continue upward price pressure. Underwriting remains rigorous.

Directors & Officers

After a long period of hard market conditions followed by a material softening, the market has now moderated. While price reductions have decelerated, abundant capacity — both from established insurers as well as from new players in the Spanish market — means that decreases have continued to be available, as are coverage improvements, especially for attractive risks. Distressed risks, however, can face insolvency exclusions and underwriting scrutiny. Despite buyer-friendly market conditions, Directors & Officers remains a technically complex line of business, impacted by claims severity, and therefore will continue to require a case-by-case analysis.

Property

The market for well protected and professionally managed Property risks has moderated. Abundant capacity — including from new players opening branches in Spain as well as the London reinsurance market — has driven increased competition, pushing rates down and creating new opportunities to place traditionally difficult occupancies. Risk quality remains a key area of focus for underwriters and more information is required.

Q3 Italy Market Overview

Executive Summary

- The availability of capacity for Directors & Officers, Cyber and Liability lines has continued to drive more favorable market conditions; however, Automobile and U.S.-exposed Liability risks remain challenged.
- The Property market has continued to moderate, but natural catastrophe exposures remain a key area of focus. Weather losses and insurer profitability challenges are having a material impact on the Property market for small and medium-sized businesses, resulting in revised terms and conditions and more conservative capacity deployment.
- Under new legislation, Italian businesses will be required to purchase natural catastrophe Property coverage from 31 December, 2024, which is expected to create a surge in demand from SME and Retail Clients.



3

Q3 Italy Market Dynamics

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Overall	Moderate	+1-10%	Ample	Rigorous	Flat	Flat	Stable
Automobile	Challenging	+21-30%	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Cyber	Moderate	Flat	Ample	Rigorous	Increased	Flat	Stable
Directors & Officers	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Stable
Property	Moderate	+1-10%	Ample	Rigorous	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Italy Market Dynamics

Pricing

Pricing in the Property market has continued to moderate, although improved terms are only available for risks with detailed underwriting information and favorable loss history. The Directors & Officers and Cyber markets are increasingly competitive. Liability remains competitive although Automobile and U.S.-exposed Liability risks remain challenging.

Capacity

Capacity is broadly sufficient for Property, although insurers have sought to manage volatility and natural catastrophe exposures. Capacity is ample-to-increasing for most Casualty lines outside of Automobile, large/higher risk, and U.S.-exposed Liability risk.

Underwriting

Underwriting has remained disciplined overall, while more challenging segments of the market, including Automobile and U.S. exposed Liability, have been under increasing scrutiny.

Limits

Limits are as expiring, although some buyers have sought to adjust limits and deductibles for U.S.-exposed Liability risks. For Cyber, some buyers are converting premium savings into additional limit.

Deductibles

Most placement renewed with expiring deductibles, although a surge in claims is leading to insurer demand for higher deductibles in Automobile.

Coverages

Coverages are typically as expiring. Exclusions for PFAS and sanctions have been broadly applied.



Q3 Italy Product Trends

Automobile

The Automobile market has remained challenging, with higher loss ratios leading to price increases across large portions of the market. Rising claims frequency has led to insurers requiring higher deductibles, although limits remain largely unchanged.

Casualty / Liability

Abundant capacity and a competitive environment have continued to pressure pricing downward, especially for excess layers. Higher risk sectors, such as Life Science, and risks with significant U.S.-exposures, have been subject to greater underwriting rigor, while some buyers are exploring limit and deductible options for U.S. exposures. Coverage restrictions for PFAS are being broadly applied.

Cyber

Increasing competition and capacity has driven a more favorable market for Cyber, as incumbent insurers look to retain business and potentially expand their participation. As pricing has continued to decelerate, especially for excess layers, a growing number of insureds are opting to purchase additional limits. Risk differentiation remains key, and insurers continue to demand robust security controls, and increasingly privacy controls.

Directors & Officers

Increased capacity and competition have driven improving market conditions, with price reductions available on most placements in Q3. Following improved results, insurers are now focusing on growth; however, underwriters remain prudent and are rigorous in their review of U.S. risks.

Property

The Property market has continued to moderate, as insurers pursue targeted profitable growth. Underwriting is rigorous and disciplined, with insurers focusing on rate adequacy and natural catastrophe capacity management. Capacity has been sufficient, with some new entrants, while established insurers consider measures to manage volatility. Underwriting remains prudent, with weather events and business interruption exposures becoming more prevalent in underwriter discussions.

Q3 Middle East Market Overview

Executive Summary

- Overall, soft-to-moderate market conditions continue, as new markets demonstrate eagerness to participate in the region.
- We have yet to see the impact of recent floods in the United Arab Emirates and Oman on Property market conditions.
- Directors & Officers and Cyber buyers have continued to benefit from a competitive environment characterized by significant price decreases and flexible underwriting.



Q3 Middle East Market Dynamics

Overall	Soft	-1-10%	Ample	Prudent	Increased	Flat	Broader
Automobile	Moderate	Flat	Abundant	Flexible	Flat	Flat	Stable
Casualty / Liability	Moderate	Flat	Ample	Flexible	Flat	Flat	Stable
Cyber	Soft	-11-20%	Ample	Flexible	Increased	Flat	Stable
Directors & Officers	Soft	-11-20%	Ample	Flexible	Increased	Flat	Stable
Property	Soft	-1-10%	Ample	Prudent	Increased	Flat	Broader
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Middle East Market Dynamics

Pricing

Market pricing has been buyer-friendly, as increased capacity from international markets continues to drive competition.

Capacity

Capacity in the region remains sufficient. International markets continue to focus on the Middle East with a view to broadening their portfolios in a region where claims have historically not been significant relative to other parts of the world.

Underwriting

Competition has been aggressive for good quality risks, and while insurers are becoming more receptive to risks with less mature risk management, they are subject to a more stringent underwriting environment.

Limits

Limit increases have been available across much of the market, driven by increased capacity.

Deductibles

Expiring deductibles have been available for most placements, consistent with insureds' preferences and insurer underwriting strategies.

Coverages

In this competitive pricing environment, insurers have been more flexible and willing to offer coverage enhancements, especially where pricing margins are already thin.



Q3 Middle East Product Trends

Automobile

The market remains competitive, and pricing is generally flat. New coverage restrictions are being applied following the recent floods in the United Arab Emirates.

Casualty / Liability

The market remains consistent, with flat pricing and sufficient capacity across most risks.

Cyber

Following an influx of capacity, the Cyber market has seen significant price reductions at renewal, although not to the same extent experienced earlier this year.

Directors & Officers

Amidst rising capacity and a relatively benign claims environment in the region, the Directors & Officers market has continued to soften.

Property

While the Property market has remained competitive, recent floods in the United Arab Emirates and Oman could impact coverage for flood perils at future renewals.



Q3 Netherlands Market Overview

Executive Summary

- The market overall has remained moderate, reflecting abundant capacity and improved insurer results.
- The Property market has shown further signs of moderation, while Directors & Officers and Cyber buyers continue to benefit from softening market conditions.
- Automobile, U.S.-exposed Liability, and specific industries in Property remain challenging.



Q3 Netherlands Market Dynamics

Overall	Moderate	Flat	Abundant	Flexible	Increased	Flat	Stable
Automobile	Moderate	+1-10%	Constrained	Flexible	Flat	Flat	Stable
Casualty / Liability	Moderate	+1-10%	Abundant	Prudent	Flat	Flat	Stable
Cyber	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Broader
Directors & Officers	Moderate	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Property	Moderate	Flat	Abundant	Flexible	Increased	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Netherlands Market Dynamics

Pricing

Pricing has been broadly flat, although specific industries and risk types, such as the food and chemical sectors, and U.S.-exposed Liability risks, have experienced increases.

Capacity

Capacity is sufficient and increasing for most risks, with new insurers entering the market. Capacity remains limited for distressed risks.

Underwriting

Prudent underwriting is now embedded in the market and insurers are focus on quality and up-to-date underwriting information. However, with growing competition underwriters are starting to demonstrate greater flexibility.

Limits

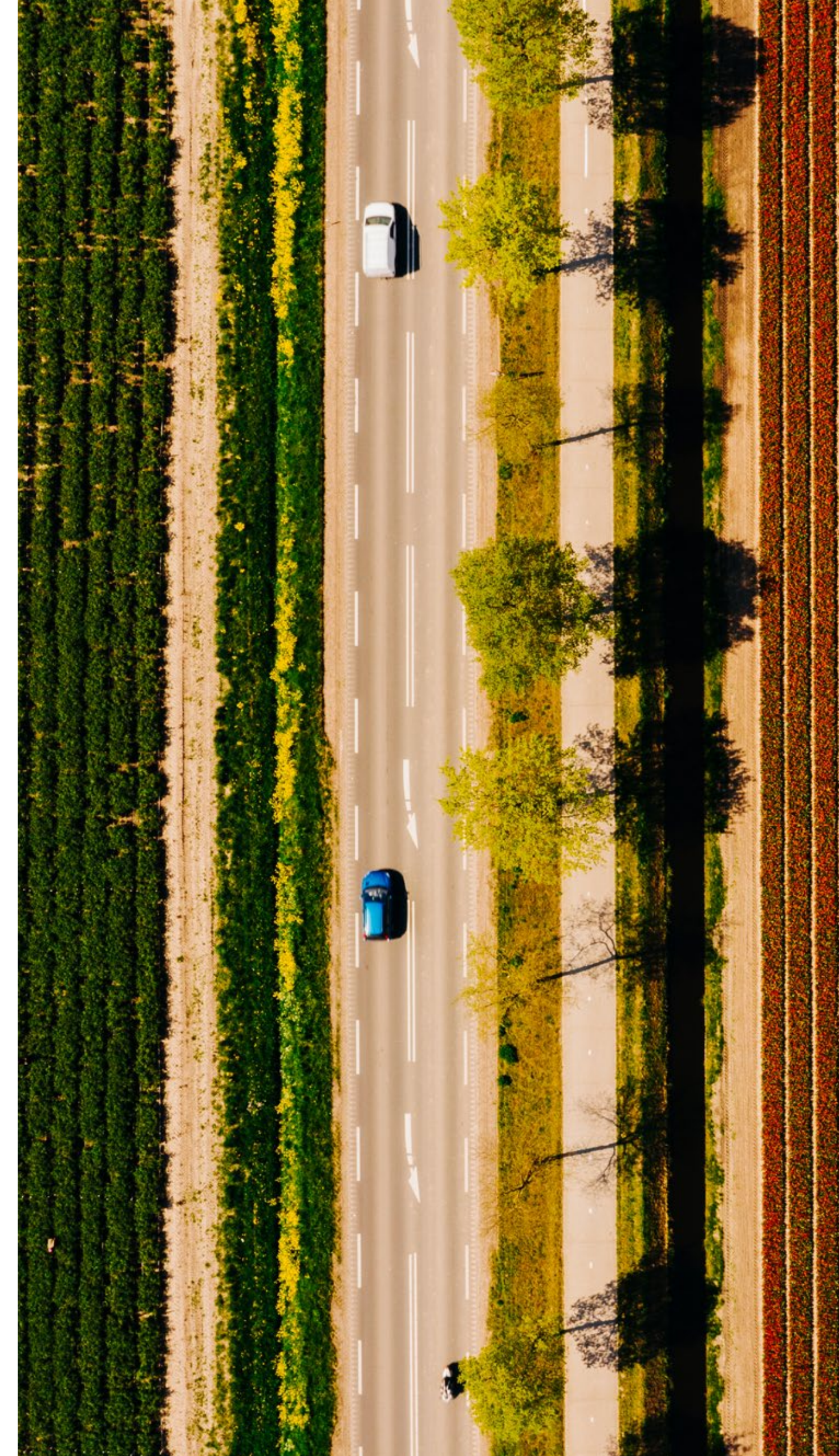
Given the abundance of capacity in the market, limit increases have been available with the notable exception of natural catastrophe Property risks, where limits are under pressure. Client demand for additional limit continues, driven in part by inflation.

Deductibles

Expiring deductibles are available for most placements.

Coverages

Expiring coverages are available for most placements. PFAS exclusions on Liability policies and restrictions related to geopolitical events around the world remain common.



Q3 Netherlands Product Trends

Automobile

Price increases have continued in response to loss trends, while capacity is constrained following the withdrawal of some insurers from the Commercial Automobile market.

Casualty / Liability

Pricing has been generally flat, with the exception of U.S.-exposed Casualty and Automobile, and liability related to the chemical industry. Such risks are facing capacity constraints and coverage limitations. PFAS exclusions remain a key topic of underwriting discussions.

Cyber

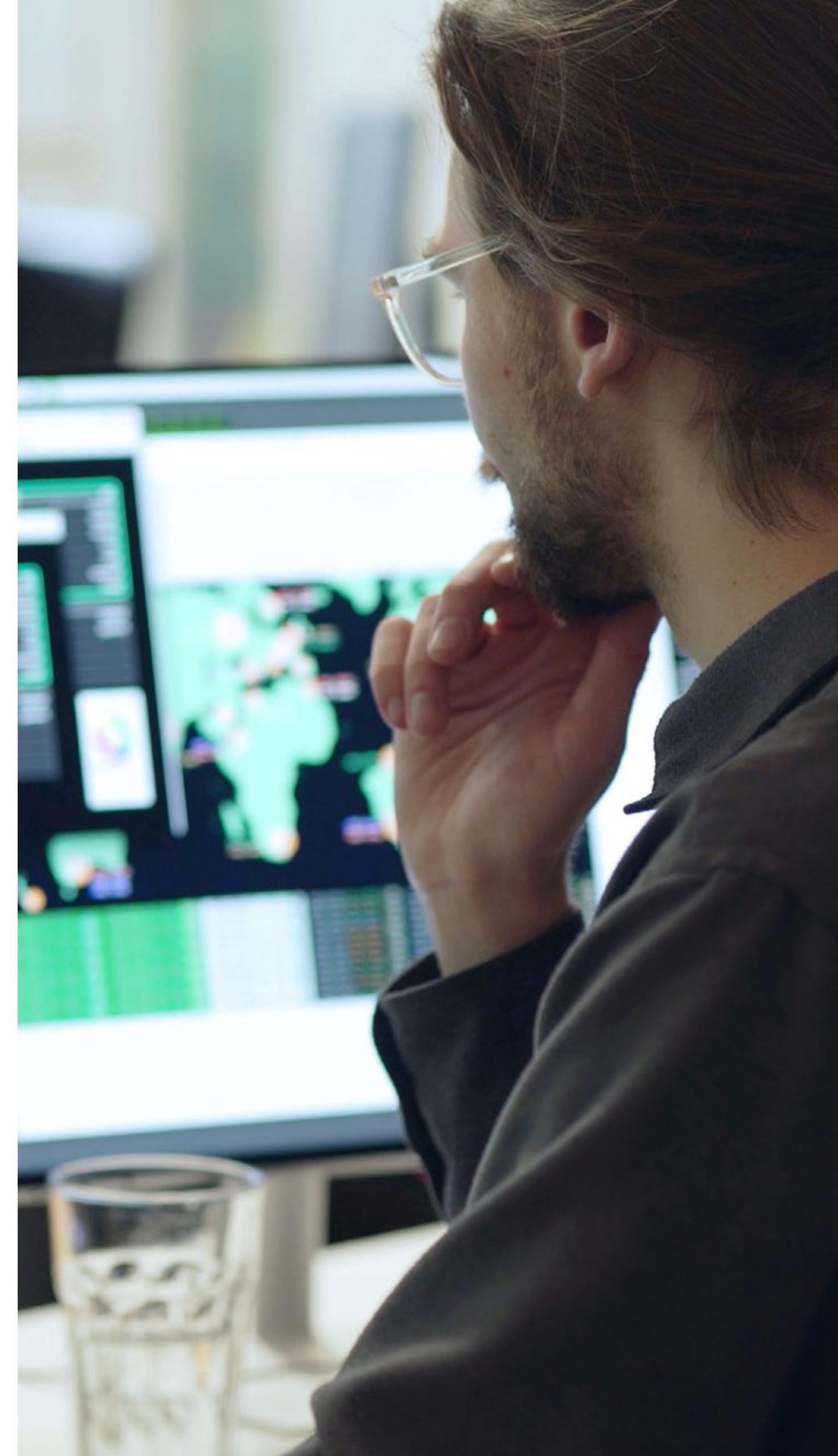
Increasing market competition is driving continued softening in the Cyber market, despite the recent CrowdStrike outage, which may be an area of discussion for up-coming reinsurance treaty renewals in January.

Directors & Officers

Market conditions has been moderate-to-soft, with the exception of complex risks, for which the market remains challenging.

Property

Non-complex and non-natural catastrophe exposed risks have experienced moderate market conditions with flat to modestly reduced pricing and abundant capacity. Select sectors such as food and recycling remain challenging.



Q3 Nordics Market Overview

Executive Summary

- Property remains challenging due to many Nordic insurers' ongoing portfolio re-underwriting, with risk selection and capacity management expected to remain critical focus areas.
- Insurers have focused on growth through new business in Casualty, Cyber and Financial lines. For Property, the picture is mixed, with some underwriters looking for targeted growth, while others are restricting line sizes.
- Underwriting remains consistent but prudent for Property, Casualty, and Cyber, while broader cover is generally accepted for Directors & Officers.
- Clients are looking to partner with insurers more strategically, leveraging relationships across insurance lines.



Q3 Nordics Market Dynamics

Overall	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	Flat	Ample	Prudent	Increased	Flat	Stable
Cyber	Moderate	-11-20%	Abundant	Prudent	Flat	Flat	Stable
Directors & Officers	Soft	Flat	Abundant	Flexible	Increased	Flat	Stable
Property	Moderate	+1-10%	Ample	Rigorous	Decreased	Flat	Stable

Overall Pricing Capacity Underwriting Limits Deductibles Coverages

Q3 Nordics Market Dynamics

Pricing

Price increases have been seen in the Property market, and to a lesser extent, the Casualty market, while Cyber and Directors & Officers pricing continues to soften. Overall, pricing remains highly dependent on risk quality.

Capacity

Capacity is ample for Property, and increasing for Casualty, although capacity has been constrained for certain risks and/or sectors, such as automotive and life science/pharma for Casualty, and paper and food manufacturing for Property. Capacity remains abundant for Cyber and Directors & Officers.

Underwriting

Directors & Officers risks are generally experiencing a flexible environment, while underwriting continues to be prudent but consistent for Property, Casualty and Cyber risks.

Limits

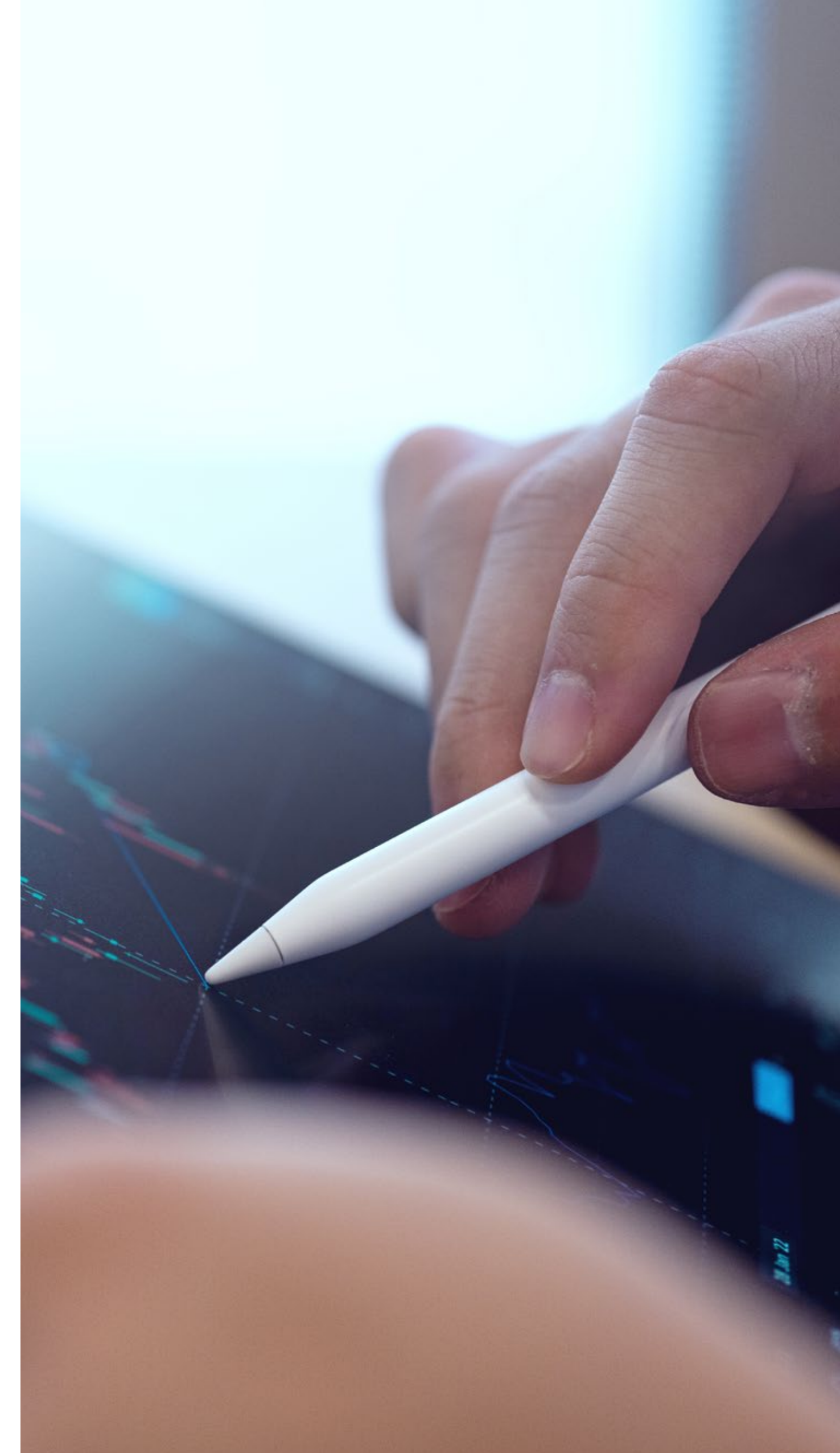
Expiring limits are available for most Property and Casualty placements, while abundant capacity allows for limit increases on some Cyber and Directors & Officers placements.

Deductibles

Expiring deductibles are available for most placements; however, some high exposure and natural catastrophe exposed Property risks, as well as Casualty risks with U.S. exposures, have experienced upward pressure.

Coverages

Most Casualty and Property risks have renewed with expiring coverage terms, while coverage enhancements are available for some Cyber and Directors & Officers risks. PFAS exclusions remain a hot topic for Casualty.



Q3 Nordics Market Product Trends

Casualty / Liability

The Casualty market has continued to soften but remains prudent where risk selection is concerned. Insurers have been cautious with regards to Liability risks with large U.S. exposures and looking to apply exclusions for PFAS.

Cyber

The buyer-friendly market continues, with savings in high excess layers, and growing competition at a primary level. An increasing number of insureds are using premium savings to purchase additional limits, supported by data and analytics. Risk differentiation remains important and is reflected in pricing.

Directors & Officers

The market remains favorable, characterized by abundant capacity and flexible underwriting. Renewal rates have been mostly flat, although insurers are looking to increase line sizes and have broadened their appetite to secure new business. Underwriters have been open to negotiating coverage terms, and some insureds are taking advantage of the current market environment by purchasing higher program limits.

Property

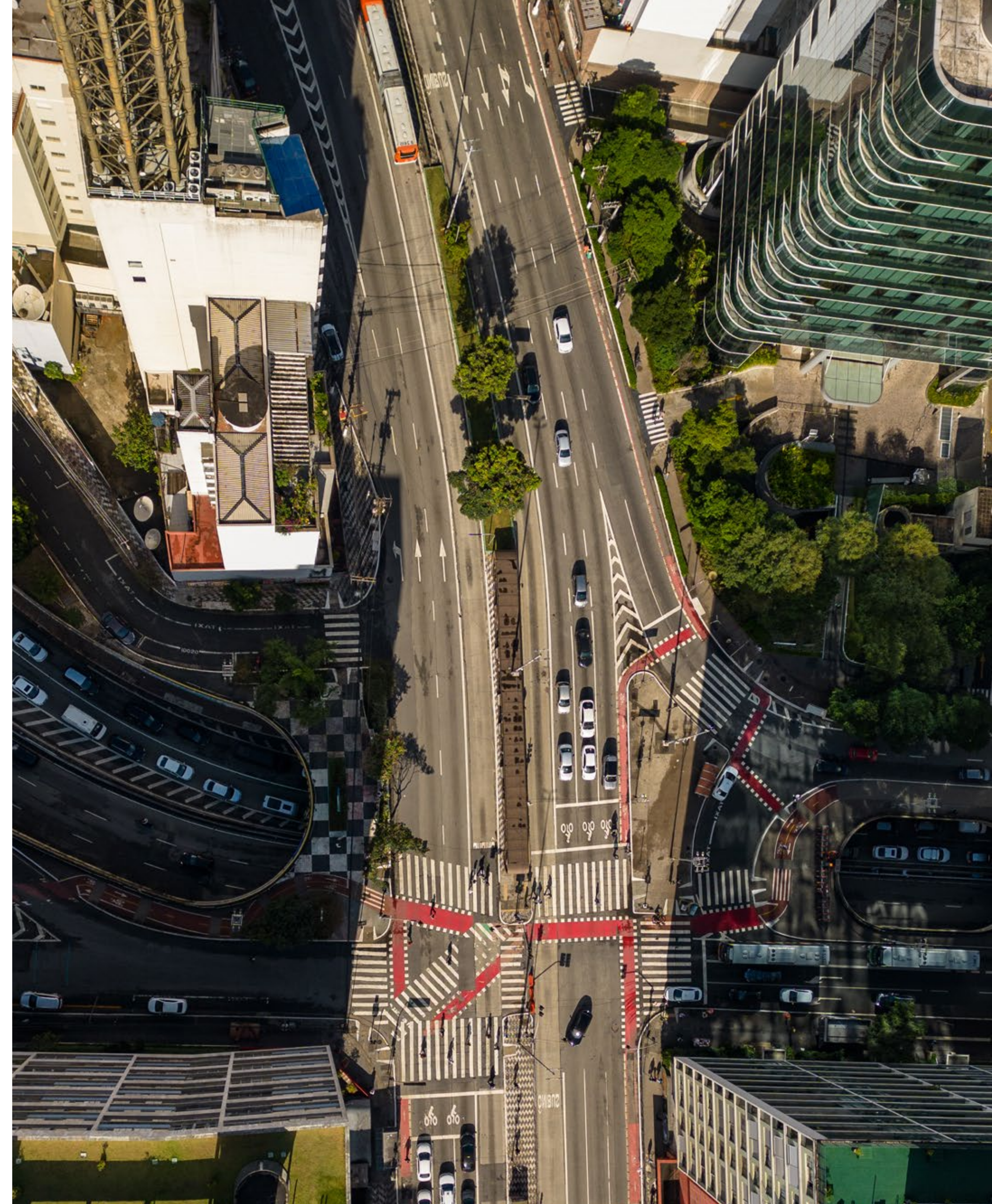
Conditions in Property have remained challenging, especially for higher risk industries and natural catastrophe exposed business. Increases range from modest for risk managed, loss-free risks, to substantial for more distressed risks. Underwriting is rigorous, capacity deployment is selective, and limits for natural catastrophes are under scrutiny.



Q3 South Africa Market Overview

Executive Summary

- Market conditions are moderate overall. Inflation continues to drive some price increases for Property and Liability lines.
- Moderate market conditions have returned for Property risks with good claims ratios.
- The market is more open to writing occupancies previously classed as distressed, although subject to quality risk information and a good claims track record.



Q3 South Africa Market Dynamics

Overall	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	Flat	Abundant	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	+1-10%	Constrained	Rigorous	Flat	Increased	Stable
Cyber	Moderate	Flat	Ample	Flexible	Flat	Flat	Broader
Directors & Officers	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Property	Moderate	Flat	Ample	Rigorous	Increased	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 South Africa Market Dynamics

Pricing

Property and Liability lines have continued to experience rate increases — largely to reflect inflation. Complex or loss-impacted risks face increases in addition to inflation-driven.

Capacity

While somewhat constrained in Casualty and Cyber, capacity has been generally unchanged, with insurers demonstrating a healthy appetite for well performing risks with sound risk management.

Underwriting

Insurers continue to require granular information on claims, risk management, and exposures, particularly around natural catastrophe exposures and Business Interruption values.

Limits

Expiring limits are available across much of the market, although there is a push for inflationary increases on sum-insured covers.

Deductibles

Deductible levels in Property have typically renewed as expiring, although higher deductibles have been imposed for loss-active risks and those falling short of risk management requirements. In Liability, insurers are pushing for deductible increases, especially where risks have unsatisfactory risk management and/or poor claims experience. Some insurers have been requiring minimum deductible levels.

Coverages

Expiring coverages are available for most risks, with some coverage restrictions being applied to higher-risk sectors and distressed portfolios.



Q3 South Africa Product Trends

Automobile

Conditions have remained moderate, despite supply chain challenges, labor costs, natural catastrophes, and deteriorating road infrastructure, which are driving increased claims frequency and severity. Some insurers require theft prevention and tracking devices as a prerequisite to writing theft and hi-jack coverage.

Casualty / Liability

Pricing have been increasing with inflation, higher legal fees, litigation, and reinsurance costs. Capacity is constrained and coverage is under review for challenging risks, such as mining and coal, while distressed occupancies continue to face reduced limits, increased retentions, and restrictions on coverage.

Cyber

The addition of foreign markets has continued to make for a competitive Cyber market. Capacity, limits and deductibles remain stable, while rates have moderated, with increases primarily reflecting inflation. Ransomware provisions have been relaxed with the ability to write back co-insurance provisions.

Directors & Officers

While the local Directors & Officers market remains favorable, pricing, limits, deductibles and coverages are generally renewing “as is”, with the exception of higher-risk industries, such as mining, heavy manufacturing, and cold storage, which are experiencing more moderate conditions. Underwriters continue to focus on corporate responsibility practices, cyber and tailings risks.

Property

Capacity is broadly sufficient, but highly dependent on the nature of risk. Insurers expect inflationary increases in sums insured and are demanding detailed information on exposures and claims history. Geo-coding and a breakdown of values is now a ‘must have’ on submissions. Underwriters are also looking to apply natural catastrophe coverage restrictions to specific locations, e.g., KwaZulu-Natal, while power grid collapse exclusions are fully embedded in underwriter placement terms.

Q3 United Kingdom Market Overview

Executive Summary

- Rates have continued to soften, with most lines of business experiencing a highly competitive environment. This is being driven by positive insurer results, with much of the industry now looking for growth.
- Capacity has increased with new entrants and an increased appetite from established insurers.
- Underwriting is disciplined, with some insurers favoring flexibility in premium or capacity over broader coverage or lower retentions.
- Property placements are increasingly oversubscribed, and restructuring of layers can achieve optimal results in terms of premium and capacity.



Q3 United Kingdom Market Dynamics

Overall	Soft	-11-20%	Abundant	Flexible	Flat	Flat	Stable
Automobile	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Cyber	Soft	-11-20%	Abundant	Flexible	Increased	Decreased	Broader
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Flat	Flat	Broader
Property	Soft	-11-20%	Abundant	Flexible	Increased	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 United Kingdom Market Dynamics

Pricing

Property, Cyber, and Directors & Officers are experiencing competitive pricing, while the market is more moderately competitive market for Casualty, while rates have been increasing for Commercial Automobile. The greatest price reductions are in Cyber and Directors & Officers, and, while Property still has some challenging pockets, this has lessened through the first three quarters of the year. Overall, insurers appear to be focused on achieving growth plans, a trend that is expected to continue into 2025.

Capacity

Capacity is abundant and growing, and there is generally adequate capacity to meet the requirements of most clients across most classes of business.

Underwriting

In the current competitive environment, underwriting flexibility has been increasing, albeit dependent on risk quality and recent performance. Local underwriters are seeking growth and have greater autonomy over their book of business. Improved results have led to fewer Head Office referrals and influence.

Limits

Expiring limits are available for most placements, however, some buyers are opting to use premium savings to purchase higher limits, for example in Cyber. The impact of the recent inflationary environment and resultant higher reinstatement values has driven the need for higher limit purchase in Property.

Deductibles

Following increases at recent renewals, expiring deductibles are available for most placements.

Coverages

Expiring coverages have been available for most placements. As market conditions improve, we anticipate that coverage may begin to broaden, as is the case already for Cyber and Directors & Officers.

Q3 United Kingdom Product Trends

Automobile

Rates have continued to rise, driven by ongoing claims inflation and supply chain challenges. Capacity remains sufficient for most placements, although early insurer engagement and robust risk management is generally resulting in more favorable renewal outcomes.

Casualty / Liability

A competitive market has given rise to modest price reductions as newer entrants are keen to grow and incumbent insurers look to retain business. Large U.S. exposures are still a key concern for underwriters, while PFAS exclusions are becoming more commonplace.

Cyber

Market conditions have remained soft, with significant price reductions available. Insurers remain focused on growth, and many have increased maximum available capacity in a highly competitive market with limited new business opportunities. Claims from the CrowdStrike outage are expected to be manageable, with no expected impact on insurer appetite.

Directors & Officers

Buyer friendly conditions continue to pressure premiums downward, despite elevated exposures. Defense costs and settlement values are increasing while sources of Directors & Officers litigation continue to diversify.

Property

The market has continued to soften as insurers focus on growth, a trend that is likely to intensify as underwriters push to meet income targets towards the end of the year. Placements are often significantly oversubscribed, particularly on primary layers where premium volume is higher. Restructuring of layers can achieve favorable results in terms of premium and capacity. Despite softening conditions, most placements renewed with expiring coverages, and, while underwriting is expected to remain disciplined, insurers will need to differentiate themselves in a competitive market.

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Q3 Latin America Market Overview



The Q3 market in Latin America continues to be strong with ample capacity for most products and moderate rates across most lines and countries. A few capacity challenges continue, mainly for complex risks and high hazard industries. Some coverage restrictions persist. Macroeconomic conditions and economic slowdown may reduce organic growth in certain industries such as manufacturing.



Natalia Char
Head of Commercial Risk Solutions
Commercial Risk Solutions
Latin America

Executive Summary

- Market conditions are moderate overall, characterized by sufficient capacity and pricing hovering near flat for most renewals. Coverage terms and conditions, including restrictions, are generally renewing as per expiring. Significant natural catastrophe losses including Hurricane Otis and floods in Brazil have increased underwriting caution.
- Parametric solutions, captives and other alternative risk transfer options are gaining traction across the region.
- Client interest in Construction and Surety coverages is waning due to investment delays and uncertainty in regulations in Andean Countries while new regulations in South America are leading to greater demand for Cyber coverage.

Headlines



Challenging Developments

- Economic slowdown impacting insurer opportunities and driving competition
- Mexico market most challenging in the region
- Extensive information requirements leading to slower underwriting



Positive Developments

- Alternative Risk Transfer Solutions gaining traction
- New Cyber capacity entering market as risk becomes better understood
- Major loss events have only modestly impacted insurer pricing

Q3 Latin America Market Dynamics

Latin America	Moderate	Flat	Abundant	Prudent	Flat	Flat	Stable
Argentina	Moderate	+1-10%	Ample	Rigorous	Flat	Flat	Stable
Brazil	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Chile	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Colombia	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Mexico	Challenging	+1-10%	Constrained	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Latin America Market Dynamics

Pricing

Moderate market conditions have continued across much of the region, with specific outcomes varying by product and geography. Generally, most placements have been renewing flat to modestly up. Major loss events have had only a modest impact on pricing overall.

Capacity

Capacity is abundant, with many insurers focused on maintaining and growing their portfolios; however, some insurers have been reducing their capacity in Auto and Property.

Underwriting

Underwriting is prudent and detailed information is required to achieve superior outcomes. The underwriting process is generally taking longer, so clients are advised to start the process early.

Limits

Expiring limits are available on most placements.

Deductibles

Expiring deductibles were available on most placements. Insurers are seeking to limit their exposure and protect their combined ratios by maintaining current retention levels.

Coverages

While most placements renewed with expiring coverages, there is greater interest in alternative risk transfer solutions such as parametrics and captives.



Q3 Latin America Product Trends

Latin America	Moderate	Moderate	Soft	Soft	Moderate
Argentina	Challenging	Moderate	Challenging	Moderate	Moderate
Brazil	Soft	Moderate	Soft	Soft	Challenging
Chile	Moderate	Soft	Moderate	Soft	Moderate
Colombia	Soft	Soft	Soft	Soft	Moderate
Mexico	Challenging	Challenging	Moderate	Soft	Challenging
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 Latin America Product Trends

Automobile

Market conditions are soft-to-moderate but vary by geography and nature of exposure. While appetite is healthy and capacity is abundant overall, heavy fleet exposures generally have been experiencing less appetite and capacity, but options remain available. Underwriting is prudent but growth focused. Coverage conditions, limits, and deductibles generally have been renewing as expiring.

Casualty / Liability

Overall market conditions are moderate, with SME risks experiencing more favorable market conditions and larger and loss impacted risks experiencing a more challenging market environment characterized by capacity limitations and coverage restrictions. Most placements renewed with expiring coverages, limits and deductibles.

Cyber

New insurers are entering the market, increasing available capacity and options for clients. Following a prolonged period of material price increases, rate moderation has become the norm. Underwriters' understanding of cyber risk and related coverages has matured.

Directors & Officers

Market conditions are favorable, characterized by price reductions, healthy appetite, and abundant capacity in both the direct retail and reinsurance spaces. Some insurers; however, have started to take a longer-term view and are pricing for sustained profitability. Underwriters continue to look carefully at client financials, risk profile and claims history.

Property

Market conditions are moderate overall, even despite significant losses earlier in the year which were largely concentrated to the Brazilian and Mexican markets; however, complex and high hazard risks have continued to experience some local capacity limitations. Underwriting rigor is strong. Strikes Riots and Civil Commotion restrictions have been largely maintained.

Q3 Latin America Advice to Clients

- Start the renewal process early and provide thorough and robust underwriting information. Maintain and update records on losses, locations, and investments you are making to improve your risk. Comply with inspection schedules and recommendations.
- Consider a more holistic approach to risk, leveraging alternative solutions where needed to support your risk and balance sheet priorities.
- Clients facing financial challenges are advised to work closely with their Aon team to develop strategies for approaching insurers, including making contingency plans.



Latin America Geographic Trends

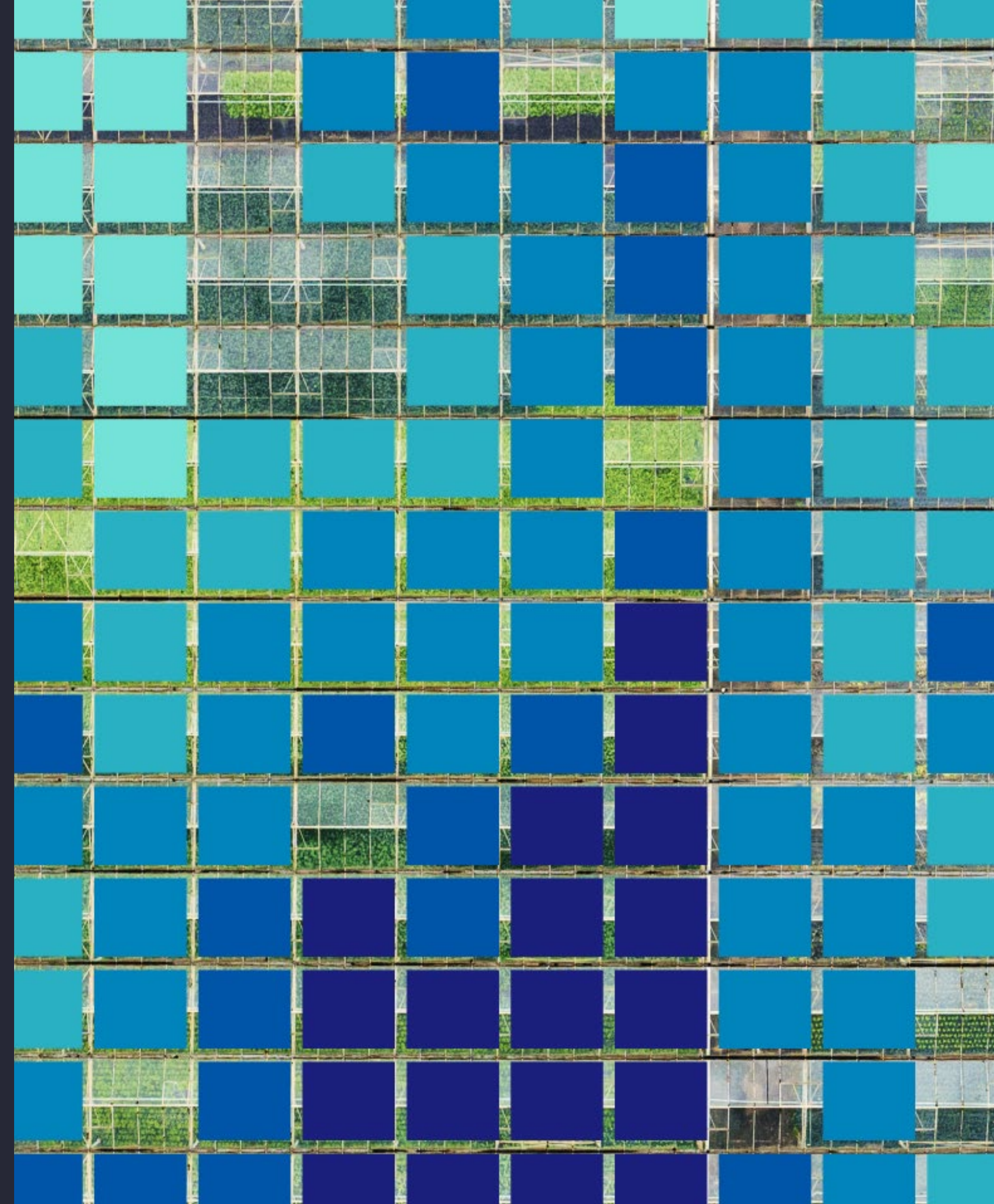
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Argentina Market Overview

Q3 Argentina Market Overview

Executive Summary

- Insurance market conditions have been moderate overall, with caution continuing in Auto, Cyber and natural-catastrophe-exposed Property. Insurer appetite has narrowed in some spaces. Most placements are renewing with flat pricing.
- Driven largely by healthy competition, insurers are showing greater flexibility and more favorable pricing in areas targeted for growth; especially, Directors & Officers.
- Downward inflationary trends are leading to less market volatility and fewer coverage challenges due to lack of updated sums insured.



Q3 Argentina Market Dynamics

Overall	Moderate	+1-10%	Ample	Rigorous	Flat	Flat	Stable
Automobile	Challenging	+11-20%	Constrained	Rigorous	Flat	Flat	Stable
Casualty / Liability	Moderate	Flat	Ample	Prudent	Increased	Flat	Stable
Cyber	Challenging	+21-30%	Constrained	Rigorous	Flat	Flat	More Restrictive
Directors & Officers	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Property	Moderate	Flat	Constrained	Rigorous	Flat	Flat	More Restrictive
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Argentina Market Dynamics

Pricing

Pricing trends have varied widely based on product, with Cyber (due largely to the limited market) and Motor / Auto (due to high claims costs) experiencing the most significant price increases. Directors & Officers is continuing to see a highly competitive and soft market.

Capacity

Capacity has become more constrained following the departure of some insurers from the market with no new capacity to replace it.

Underwriting

Insurers are focused on technical results, leading to a rigorous underwriting environment across much of the market with the key exceptions of Directors & Officers and Casualty.

Limits

Expiring limits are available for most placements with some adjustments in Motor / Auto as insurers focus on achieving technical results. Limit increases are available for Cyber risks.

Deductibles

Expiring deductibles are available for most placements with some adjustments in Motor / Auto as insurers focus on achieving technical results.

Coverages

Expiring coverages are available for most placements with some adjustments in Motor / Auto as insurers focus on achieving technical results.



Q3 Argentina Product Trends

Automobile

Underwriting analysis, both for renewals and new business, has continued to become more rigorous as market conditions remain challenging and insurers seek technical results. Significant price increases have been common and deductible increases are being imposed on some risks.

Casualty / Liability

Market conditions remain moderate and most placements are renewing with expiring conditions.

Cyber

Market conditions have been challenging, driven by continuing losses, local capacity constraints, and the need for greater reinsurance capital. Local insurer appetite is limited.

Directors & Officers

Market conditions are moderately competitive as local insurers price to retain and win business; however, underwriting remains cautious, particularly for New York Stock Exchange listed risks. Most placements are renewing with expiring deductibles and limits.

Property

Market pricing is generally flat; however, due to changes in local market treaties, underwriting scrutiny remains strong and coverage restrictions are being imposed on some higher-exposed placements.



Q3 Brazil Market Overview

Executive Summary

- Overall soft to moderate market conditions are continuing; however, some industries have experienced a more conservative environment. Insurers' offering of aggregated services such as risk assessments, technical education courses, and blended products (Cyber and Crime) for specific client industries is gaining traction and delivering value to clients.
- In the Casualty space, SME risks are experiencing favorable market conditions while larger and loss impacted risks are experiencing capacity and coverage restrictions.
- Demand for Investment Management Insurance and Crime coverage continues to grow.
- Despite uncertainty as respects the Brazilian macroeconomic landscape, insurer appetite, capacity and available terms and conditions are generally remaining "as is".
- Insurers are carefully monitoring the judicial recovery / bankruptcy landscape in Brazil and the U.S. and may continue to evolve their underwriting, policy language and pricing accordingly.



Q3 Brazil Market Dynamics

Overall	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Automobile	Soft	Flat	Abundant	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Cyber	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Stable
Directors & Officers	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Property	Challenging	+1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Brazil Market Dynamics

Pricing

Most placements have experienced flat pricing to modest price decreases, with the key exception of Property placements which has continued to experience upward price movement. Cyber and Directors & Officers pricing is driven by healthy competition and abundant capacity while Casualty pricing is driven by improved local insurer performance and a focus on growth, particularly in the SME segment.

Capacity

Capacity is sufficient for Property placements but more abundant across most of the rest of the market. New capacity entered the Cyber market, focused on the high excess space, and some insurers previously focused on excess layers are moving into primary layers. New insurers and reinsurers have introduced additional capacity to the Directors & Officers market, in some cases displacing incumbent insurers. Some insurers are limiting their exposure in loss impacted industries.

Underwriting

Underwriting has been disciplined across much of the market — especially in Cyber, Product Liability, Product Recall and Employers Liability as an additional coverage. In the Cyber space, risk control mandates continue to be imposed, and systemic risk and privacy exposures remain a key area of focus for insurers, with systemic risks for critical infrastructure, correlated events, and war subject to coverage restrictions. Directors & Officers underwriting is flexible, with some insurers offering broader terms and conditions, revising exclusions imposed during the hard market, and increasing sub-limits when applicable.

Limits

Expiring limits are available in most cases and increases are available on targeted risk types.

Deductibles

Expiring limits are available in most cases and decreases are available on targeted risk types. Cyber reinsurers have demonstrated a preference for rate reductions over deductible reductions to limit their exposure. Increases are common for some claims impacted Casualty risks.

Coverages

Expiring limits are available in most cases and some broader coverage language is available on targeted risk types. Some coverage restrictions have been introduced for Product Recall and Product Liability for automotive, raw material, chemicals, pharmaceuticals and food and beverage risks.

Q3 Brazil Product Trends

Automobile

Market conditions are modestly favorable overall. Flat pricing is available even despite the market volatility introduced by the Rio Grande Do Sul flooding.

Casualty / Liability

Market conditions are moderate-to-favorable, with underwriting flexibility improving, especially for preferred risks, SME risks, and when robust underwriting information is provided. Risks in higher risk and claims impacted industries, including warehousing, transportation, heavy manufacturing, mining and highway, have experienced a more challenging market environment and extensive underwriting information requirements, driven largely by the long tail nature of claims.

Cyber

Soft market conditions continue, driven largely by strong performance in the local market and capacity expansion from both local insurers and reinsurance markets. High layer excess placements are experiencing the most favorable conditions.

Directors & Officers

The Directors & Officers market remains soft overall across both the direct and reinsurance markets, largely as a result of healthy competition and abundant capacity, even for complex risks. However, recently there has been a trend toward flatter pricing and even increases in some cases. Underwriting remains flexible; however, scrutiny of complex risks is strong.

Property

Local market behavior varies considerably by industry, exposure type, local underwriting authority and risk management maturity. The Brazilian market has experienced ongoing challenges and recent significant losses related to warehouse fires and flooding / natural catastrophes in southern cities with unprecedented losses. Terms & Conditions remain challenging for complex and high hazard risks, as well as high limit policies where local capacity is lacking. Starting the placement process early and including robust underwriting information is essential to achieving superior results.



Q3 Chile Market Overview

Executive Summary

- Market conditions have remained moderate overall, with softer conditions across the Directors & Officers and Casualty / Liability markets while Cyber has continued to experience some challenges.
- Underwriting has been generally disciplined on smaller risks but has tended to be more flexible on larger risks, as well as Directors & Officers and Casualty / Liability placements. Cyber underwriting is rigorous and conservative.
- Property reinsurance treaties renewed without material changes, leading to a moderate Property market with “as expiring” pricing and terms and conditions.



3

Q3 Chile Market Dynamics

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Overall	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Soft	-1-10%	Ample	Flexible	Flat	Decreased	Broader
Cyber	Moderate	Flat	Constrained	Rigorous	Flat	Flat	Stable
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Flat	Decreased	Broader
Property	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Chile Market Dynamics

Pricing

Treaty renewals have experienced no material changes, which is leading to a continuation of flat to slightly downward pricing trends. Pricing is becoming more competitive as insurers approach year end growth targets.

Capacity

Capacity is generally sufficient with the key exception of specialty coverages such as Cyber and Surety. Directors & Officers capacity remains abundant.

Underwriting

Underwriting is disciplined on smaller risks but tends to be more flexible on larger risks. Cyber underwriting is rigorous and conservative. Risks with favorable loss experience and strong risk management are experiencing some flexibility.

Limits

Expiring limits are available on most placements, especially where flat renewal pricing is a priority.

Deductibles

Expiring deductibles are available on most placements, especially where flat renewal pricing is a priority.

Coverages

Expiring coverages are available on most placements; however, larger placements are coming under increased scrutiny and some restrictions are being imposed.



Q3 Chile Product Trends

Automobile

Insurer portfolio performance has improved overall, leading to moderate market conditions in Q3, characterized by “as expiring” pricing and terms and conditions. Subscription restrictions remain in place for brands and models with high theft rates.

Casualty / Liability

Market conditions were generally favorable, with strong competition and downward pricing, although some segments and sectors experienced a more conservative environment.

Cyber

The market remains challenging, with limited insurer appetite, conservative underwriting and ongoing rate pressure.

Directors & Officers

Favorable market conditions continue amidst a market with abundant capacity — not only from local insurers but from facultative reinsurers as well.

Property

June and July reinsurance treaties generally renewed without material changes, leading to moderate market conditions. Price increases are continuing, especially on risks with claims, and in some cases, deductible increases are being imposed. The first discounts on renewals are being experienced by risks without claims.



Q3 Colombia Market Overview

Executive Summary

- The softening market trend continued in Q3; however, it moderated compared to earlier in the year.
- Insurer appetite remains healthy for light-exposure risks while appetite and capacity for more challenging risk types such as textiles, plastics, and chemicals remain limited.
- The country's economic slowdown has minimized organic growth in many industries, leading to a decrease in insured property and business interruption values, and a competitive surety market driven largely by a shortage of large projects requiring surety products.
- The Political Risk market environment has remained generally moderate. While capacity is sufficient for most risks, there is a tendency to reduce sub-limits for some large risks.
- Client concerns related to climate change have led to greater interest in alternative solutions such as parametric insurance.



3

Q3 Colombia Market Dynamics

102

Overall	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Automobile	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Casualty / Liability	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Cyber	Soft	-1-10%	Ample	Prudent	Increased	Flat	Stable
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Increased	Flat	Broader
Property	Moderate	+1-10%	Ample	Prudent	Flat	Increased	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Colombia Market Dynamics

Pricing

Insurers are growth-focused and competition is healthy, leading to price reductions across most of the market with the key exception of non-preferred Property risks.

Capacity

Capacity is abundant for most risks, although insurers are demonstrating prudence in deploying capacity for Cyber and Property placements, as well as heavy risk types.

Underwriting

Underwriting has remained disciplined, but greater flexibility is being demonstrated on Directors & Officers submissions. Robust and high-quality information is required for high-hazard property risks and detailed protection information is required for Natural Catastrophe exposures.

Limits

Most placements are renewing with expiring limits, although some Property and Political Risk placements experienced limit reductions. Limit increases are available on some Cyber and Directors & Officers.

Deductibles

Most placements are renewing with expiring deductibles, although some Property placements experienced deductible increases.

Coverages

Most placements are renewing with expiring coverages including restrictions on Sabotage and Terrorism, Political Violence and Strikes, Riots and Civil Commotion.



Q3 Colombia Product Trends

Automobile

Strong portfolio performance, healthy market competition and insurer focus on growth targets is driving buyer-friendly market conditions; however, insurers remain focused on sustaining profitability through prudent underwriting. Percentage deductibles are common but fixed amount deductibles are available in some cases. Appetite is healthy and capacity remains abundant for light vehicles, but heavy vehicles are experiencing less appetite and some capacity constraints, although options are still available.

Casualty / Liability

Facing economic slowdown and a potential recession, insurers are growth focused, creating soft market conditions characterized by healthy competition and reduced pricing. Insurers are shifting some underwriting authority back to the local underwriter. While most policies renewed with expiring coverages, limits and deductibles, some policy enhancements were available.

Cyber

Despite ongoing losses and a heightened risk environment, buyer-friendly market conditions continued. Insureds have, over time, implemented improvements in their cyber risk controls, which has served to strengthen insurer confidence. Limit increases were available for some risks.

Directors & Officers

Amidst continued strong claims performance, soft market conditions continued, characterized by significant price reductions and the availability of coverage enhancements and limit increases. The litigious environment experienced in some other parts of the world has not impacted Colombia, although defense expenses have been rising.

Property

The market is moderate overall; however, it varies by industry. While textiles, plastics, chemicals, natural resources, and storage risks are experiencing limited appetite and capacity, significant price increases, and some deductible increases, manufacturing, services, healthcare, and education are attractive to underwriters and experiencing more favorable pricing. Coverage limitations have been imposed on sabotage, terrorism and access impediment. Natural phenomena such as La Niña could lead to the tightening of conditions such as deductibles, especially for properties with higher levels of exposure to flooding. Insurers are focused on the PIGT, a comprehensive earthquake management plan, and underwriting rigor has strengthened as a result.

Q3 Mexico Market Overview

Executive Summary

- Market conditions are challenging overall; however, the local market environment tends to be more favorable. Across all lines of business, underwriting is focused on risk quality. Prioritizing loss control and prevention is key to achieving superior results.
- Legislative changes have created political uncertainty. While insurers remain cautious, market impacts have not been significant, largely because treaty renewal season has passed.
- Official data is showing that, while violent crime rates are decreasing across the country, the robbery rate remains high. This is continuing to drive conservatism and negatively impact the Marine market.
- The Cargo market is shifting, driven by new market entrants and a need for greater digital infrastructure.



Q3 Mexico Market Dynamics

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Overall	Challenging	+1-10%	Constrained	Prudent	Flat	Flat	Stable
Automobile	Challenging	+11-20%	Constrained	Rigorous	Flat	Flat	Stable
Casualty / Liability	Challenging	+1-10%	Ample	Prudent	Flat	Flat	Stable
Cyber	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Broader
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Flat	Decreased	Broader
Property	Challenging	+1-10%	Constrained	Rigorous	Increased	Flat	More Restrictive
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Mexico Market Dynamics

Pricing

Pricing has continued to increase across much of the market, with Auto placements generally experiencing the most significant increases. Directors & Officers pricing remains buyer friendly.

Capacity

Capacity has become more limited as reinsurance treaties for local insurers have changed regarding lines of business that can be included. Auto and Property placements are experiencing the most significant impacts.

Underwriting

Underwriting remains generally disciplined, although many underwriters are demonstrating flexibility in negotiating complex terms.

Limits

Most placements are renewing with expiring limits.

Deductibles

Most placements are renewing with expiring deductibles; however, deductibles for Natural Catastrophe exposed risks are under pressure due to Hurricane Otis losses.

Coverages

Most placements are renewing with expiring coverages including the restriction of Strikes Riots and Civil Commotion on Property placements.



Q3 Mexico Product Trends

Automobile

The Auto market has remained challenging, with significant rate increases continuing amidst high repair costs and a lack of parts as fewer are available in the local market. Momentum in the EV market has been hindered by concern related to charging infrastructure, high costs, lack of consumer knowledge and availability of limited models.

Casualty / Liability

Market conditions have been moderate-to-challenging overall, characterized by price increases and some coverage limitations for defense expenses. Most placements renewed with expiring limits; however, limit options were considered as insureds sought to manage premium spend.

Cyber

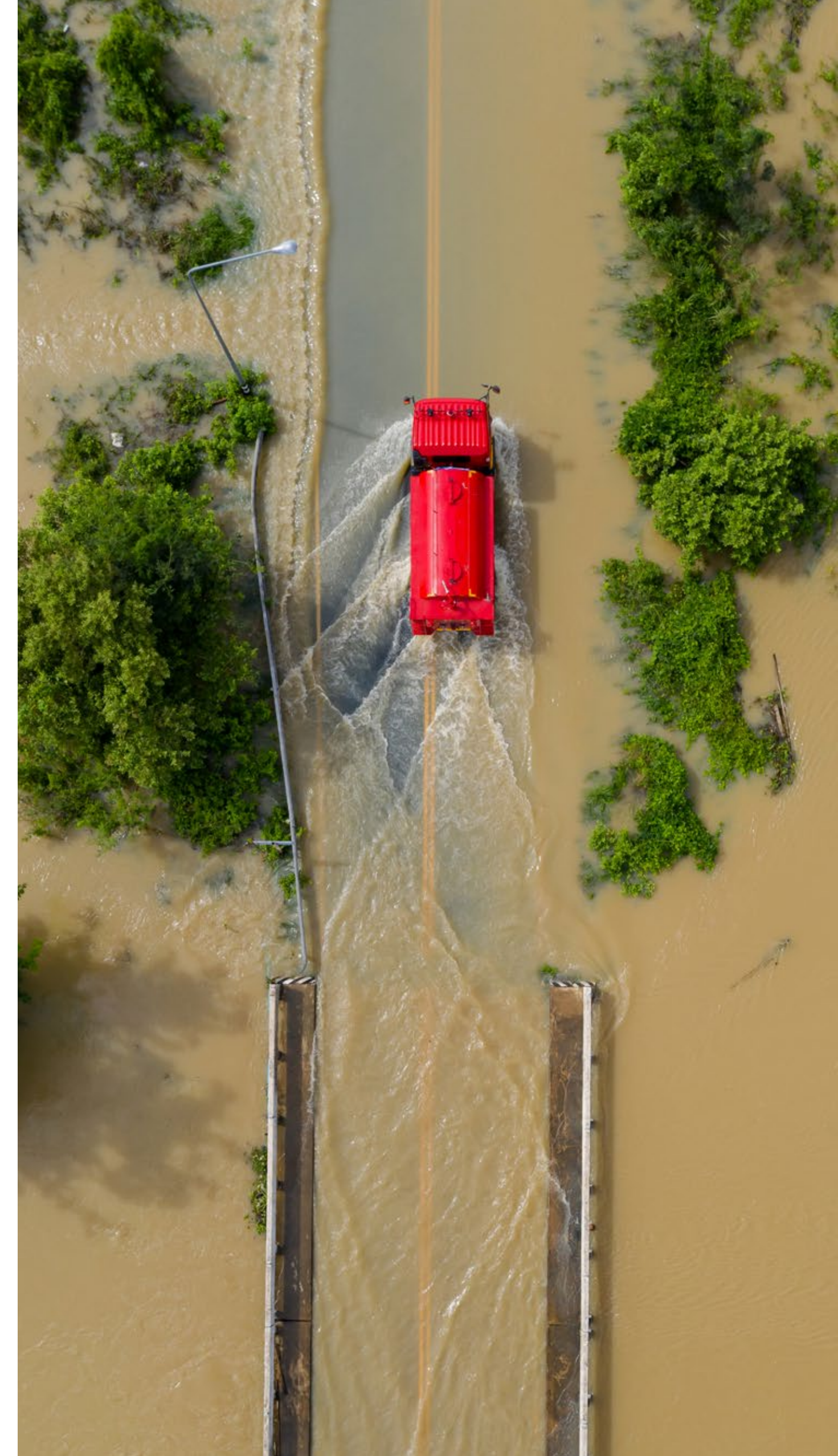
Moderate market conditions are continuing, as systemic risk and privacy exposures remain in sharp focus for insurers. Systemic risks for critical infrastructure, correlated events and war remain subject to coverage restrictions. Appetite is healthy. New capital is entering the market and capacity is sufficient for most risks.

Directors & Officers

Buyer-friendly conditions are continuing for the Directors & Officers market, which is experiencing healthy competition, price reductions, and abundant capacity as new insurers enter the market. Insurers continue to demonstrate flexibility in retention levels, mostly in areas where retentions had previously increased due to client-specific exposures.

Property

Reinsurance treaties for local markets have changed substantially regarding lines of business included, limiting the number of co-insurance insurers that can participate on any given risk and changing the rules for lead insurers. Multinational insurers not subject to these restrictions have been rigorous in their underwriting approaches and tend to limit capacity for strikes Riots and Civil Commotion, as well as Flood.



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Q3 North America Market Overview

“

You don’t want to be calling a roofer during a storm — while markets are generally moderating, now is a great time to utilize Aon’s new suite of Risk Analyzers to ensure you are optimizing risk transfer across insurance, reinsurance, alternative risk transfer, and capital market solutions.



Brian Wanat
Head of Commercial Risk Solutions
Commercial Risk Solutions
North America

“

The Canadian P&C insurance market continues to evolve. While market conditions are easing, catastrophic events continue to pressure the Canadian marketplace. 2024 is already the costliest year on record for Natural Catastrophe insured losses in Canada. As the market finds stability, our focus remains on building strategic alliances that ensure not only short-term benefits but also long-term, sustainable capacity.



Russ Quilley
Chief Broking Officer
Commercial Risk Solutions
Canada

Headlines



Challenging Developments

- Rising costs driving price increases and capacity limitations across U.S. Excess Liability and Auto
- PFAS exclusions being widely applied
- Elevated litigation frequency and severity; loss trends combined with premium pressures may not be sustainable



Positive Developments

- Increased emphasis on leveraging fact-based decisions with tools like Aon’s Risk Analyzers making it easier to understand risk
- Maturity increasing around accessing alternative/ innovative capital (e.g., captives, structured solutions, parametrics, multi-year terms etc.)
- Supply & demand has shifted in favor of insureds on Property and Financial Lines capacity
- Risk differentiation having a material impact on outcomes
- CrowdStrike Outage has not impacted market

Executive Summary

- Overall, buyer friendly market conditions continue and are accelerating in key areas as insurers focus on end-of-year growth targets.
- The Casualty environment is bifurcated, with moderate conditions for General Liability and Workers Compensation and more challenging conditions in Auto. Umbrella/Excess Liability is challenging in the U.S. but favorable in Canada.
- Property rates continue to moderate, with healthy levels of competition for well-managed risks with good loss ratios. While losses from Hurricane Helene are not expected to have significant market impacts, at the time of this writing, very preliminary assessments of potential impacts of Hurricane Milton estimate losses in the \$25 - \$40 billion range. At that level, the event should be manageable for the insurance and reinsurance industry as a whole; however, it seems unlikely that the reinsurance rate reductions that were expected for the January 1 Treaty Renewal season will materialize.



Q3 North America Market Dynamics

North America	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Canada	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
United States	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 North America Market Dynamics

Pricing

Insurer growth ambitions are pressuring pricing downward while a focus on profitability and longer-term results has served to temper aggressive decreases. This has resulted in:

- Moderate pricing in the Property market, with reductions available for in-appetite risks, and slight increases for more challenged risk profiles.
- Rate increases — some significant — for Automobile and U.S. Umbrella/Excess Liability as insurers look to address adverse loss trends.
- Moderate to significant rate reductions for Cyber and Directors & Officers, although the latter is decelerating.

Capacity

Overall, capacity is adequate to meet demand in almost all lines, as established insurers expand their appetites and limits, and new players enter some markets. Well-performing shared/layered Property programs generally have been oversubscribed, although some high-hazard Property risks, and Excess Liability placements, continue to face constraints. Capacity for Cyber and Directors & Officers is abundant.

Underwriting

As insurers pursue profitable growth, underwriting remains disciplined; however, with increasing competition, underwriters are showing more flexibility for Property, Cyber and Directors & Officers. Robust submissions continue to result in more favorable terms.

Limits

Expiring limits are available for most placements, and some insureds are taking advantage of more favorable conditions to purchase higher limits for Cyber and reduce the number of participants on Property slips.

Deductibles

Deductibles have been broadly stable, with most placements renewing as expiring. The ability to ‘buy down’ retentions in Cyber continues where robust cyber security and cyber hygiene are demonstrated.

Coverages

Coverages have remained stable for most classes of business, although insurers are more flexible where competition is introduced. Growing competition also allows for the resolution of non-concurrency of terms that arose during the hard Property market. PFAS exclusions are being widely applied in Casualty.

Q3 North America Product Trends

North America	Challenging	Moderate	Soft	Soft	Moderate
Canada	Moderate	Moderate	Soft	Soft	Moderate
United States	Challenging	Moderate	Soft	Soft	Moderate
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 North America Product Trends

Automobile

Amidst rising loss costs, pricing has continued to increase, although to a lesser degree in Canada, where competition has served to dampen upward rate pressure. Large U.S. fleets, and those with challenging profiles or adverse loss experience, face a particularly difficult environment; however, there are opportunities to manage increases in rate through alternative risk solutions, including corridor and multi-year loss adjustable structures. Contingent transportation related losses in the U.S. are leading to increased underwriting scrutiny.

Casualty / Liability

Social inflation continues to drive sections of the U.S. Casualty market, with Excess Liability experiencing significant rate increases, including re-pricing of intermediate layers, combined with capacity limitations. Conditions in North America General Liability have been more moderate, while rate reductions are still available for U.S. Workers' Compensation. In contrast to the U.S. Excess Liability market, the Canadian market is competitive. PFAS exclusions are being applied on a broad basis across the region.

Cyber

Healthy competition continues to fuel a buyer's market, with the biggest savings seen in excess layers. Underwriting discipline continues. A growing number of insureds are taking advantage of favorable market conditions to purchase additional limits. The recent CrowdStrike outage has not yet resulted in material changes in the market (see [Crowdstrike Outage](#)).

Directors & Officers

Abundant capacity continues to support favorable conditions, with ongoing downward pricing pressure. however, we have seen insurers begin to shift their focus toward longer term, sustainable pricing. The potential implications of AI for Directors & Officers risks is a topic of growing interest for the market.

Property

Insurer growth ambitions are leading to more favorable pricing for well-performing and lower-risk clients. Underwriting remains disciplined, and clients with higher-risk occupancies and poor claims performance remain challenging, although less so than in recent years. Shared/layered programs generally have been oversubscribed, contributing to the favorable pricing environment and facilitating corrections in non-concurrence of terms that arose in the hard market. The recent CrowdStrike outage and upcoming U.S. elections are leading some insureds to review Property policies with regards to cover for cyber events and political violence. While losses from Hurricane Helene are not expected to have significant market impacts, at the time of this writing, we are reviewing the very preliminary assessments of the impact of Hurricane Milton, with early estimates in the \$25 - \$40 billion range. At that level, the event should be manageable for the insurance and reinsurance industry as a whole; however, it seems unlikely that the reinsurance rate reductions that were expected for the January 1 Treaty Renewal season will materialize.

Q3 North America Advice to Clients

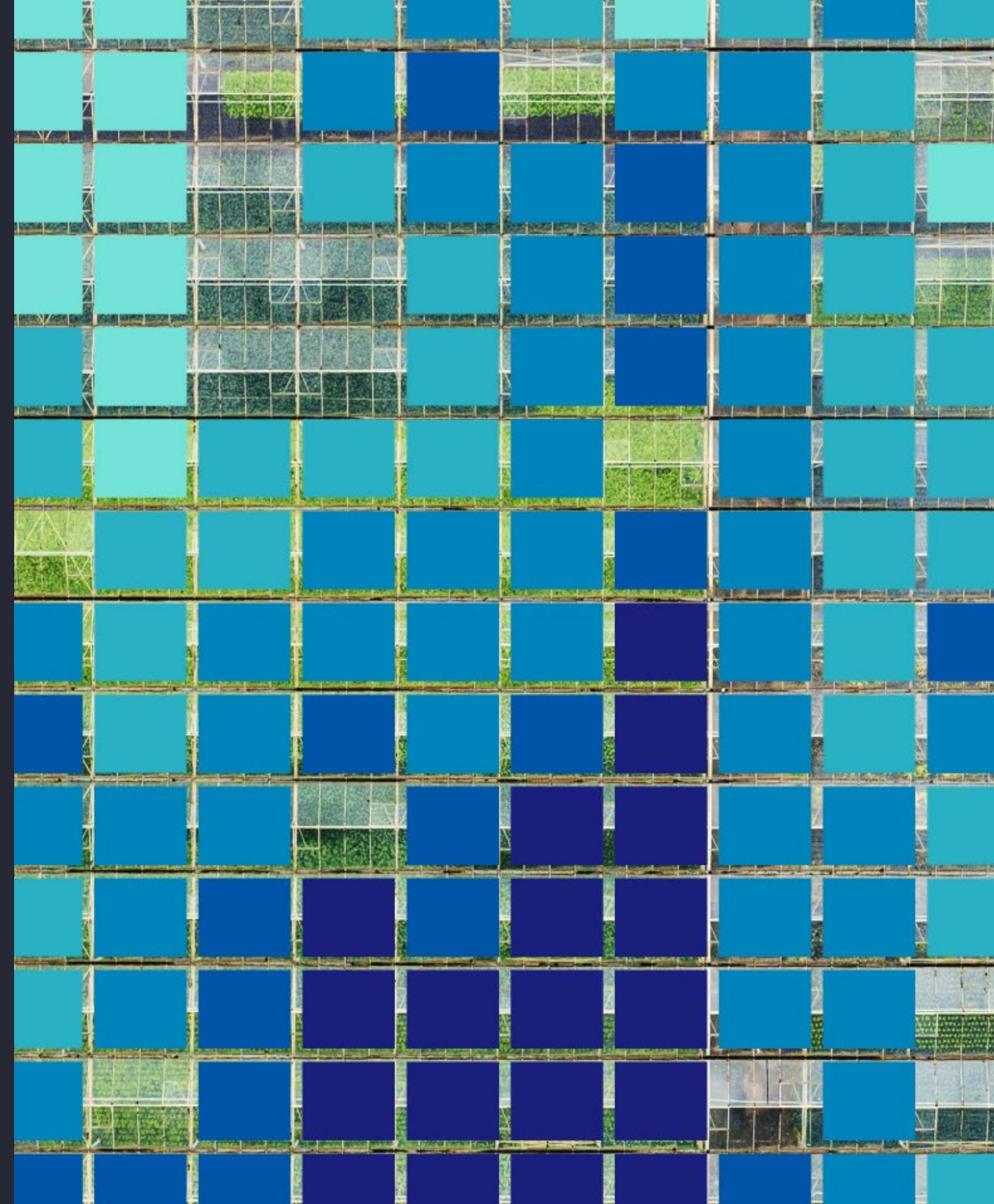
- Maintaining strong relationships with insurers is key to managing the cycle over the long term, so be cautious of opportunistic new players in a softening market.
- With insurers focused on growth, now is the time to address any insurance program concerns and discuss desired enhancements, as well as explore alternative risk transfer methods.
- With profitability as a top priority, risk differentiation and quality submissions remain critical to underwriters, and the variance in rates among performers and non-performers can be material.



North America Geographic Trends

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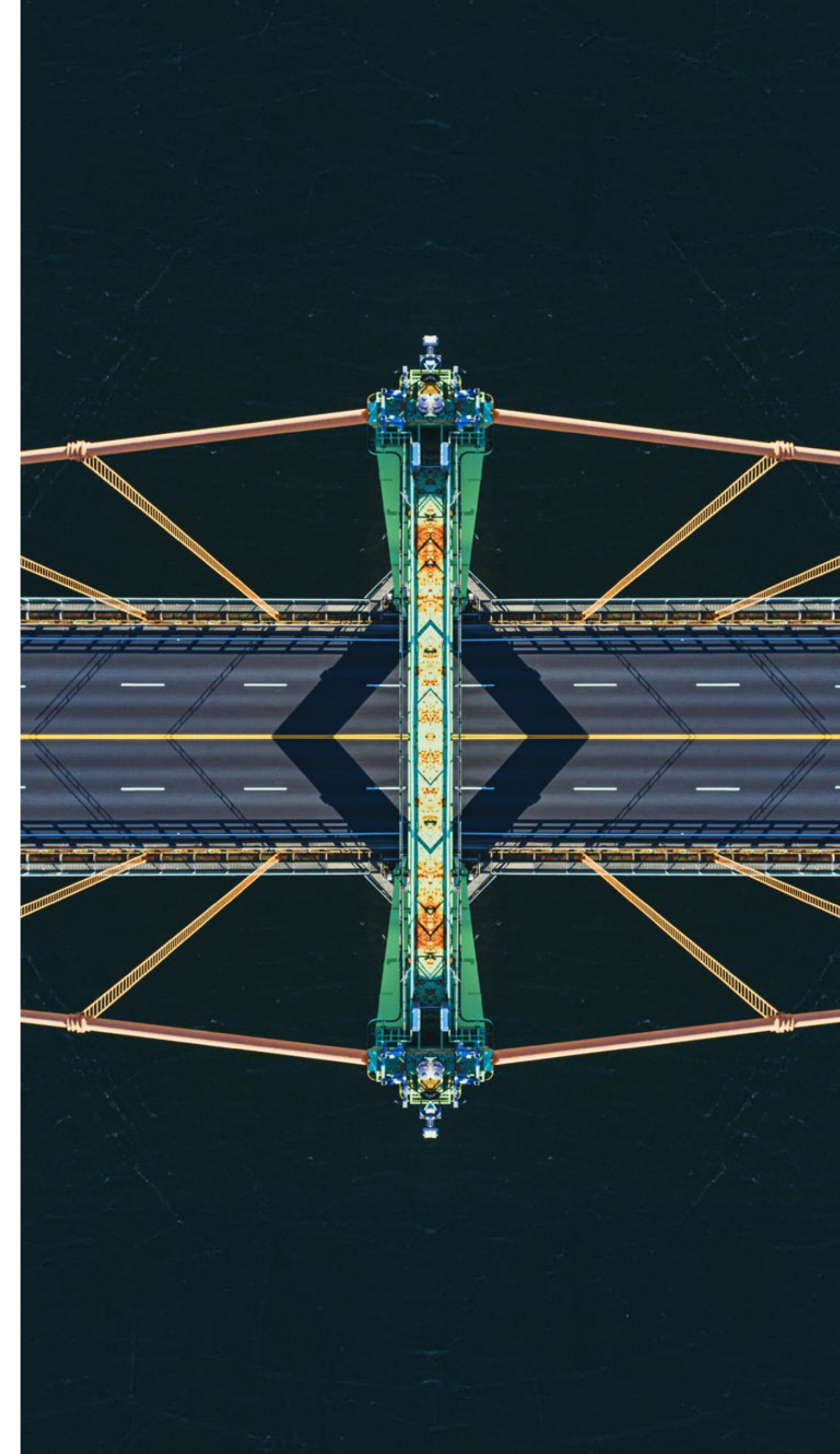
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[Canada Market Overview](#)

Q3 Canada Market Overview

Executive Summary

- Insurer retention and growth ambitions fueled buyer friendly market conditions, characterized by moderate price decreases, healthy competition, and capacity increases in target product areas. Multi-year terms are becoming more available. Some insurers are introducing rate guarantees.
- Increased competition in the large Property market led to conservative flexibility on terms and conditions and downward pressure on pricing with most reductions being modest-to-moderate. Middle market Property risks have remained stable with insurers maintaining inflationary rate increases. Insuring to value remains a concern in the market. While Property capacity has increased, natural catastrophe exposed risks continue to experience more challenging market conditions and major climate-related events in recent months are expected to impact 2025 treaty renewals.
- The Casualty market remains stable with moderate competition in the excess space, with some buyers opting to use premium savings in excess layers to purchase additional limits, using data and analytics to support their decisions.
- The Directors & Officers market remains competitive, although increased bankruptcy / financial instability, rising defense costs, and regulatory and legislative changes are being closely monitored in the Directors & Officers space and could influence renewal terms.



Q3 Canada Market Dynamics

Overall	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Cyber	Soft	-11-20%	Abundant	Prudent	Increased	Flat	Stable
Directors & Officers	Soft	-11-20%	Abundant	Flexible	Flat	Flat	Stable
Property	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

3

Q3 Canada Market Dynamics

Pricing

Having produced profitable underwriting results in recent years, and facing pressure to grow, insurers are offering material price decreases in targeted lines of business, such as Cyber and Directors & Officers. More aggressive competition in the Excess Casualty market has led to modest price reductions. While reductions are available for low risk/in-appetite Property risks, more challenged risk profiles have continued to see rate increases.

Capacity

Overall, capacity increased as established insurers expanded their appetites and limits, and new players entered the market. Well-performing P&C risks were often oversubscribed, while high-hazard and/or loss-driven accounts continued to face challenges.

Underwriting

Despite competition in the market, underwriting remained prudent, and comprehensive information, including detailed property valuations, was required by underwriters. Amidst stiff competition, underwriters showed more flexibility, although robust submissions continued to result in more favorable terms.

Limits

Expiring limits are available for most placements, although additional capacity has enabled buyers to reduce the number of insurers on their slips. In Cyber, many clients elected to reinvest premium savings in higher limits as cyber risk remains a top risk concern globally.

Deductibles

While expiring deductibles are available for most placements, some insurers have started to offer decreases on select risks to remain competitive. The ability to ‘buy down’ retentions in Cyber continues, and in many cases, the premium tradeoff to elect a lower retention is favorable.

Coverages

Coverages were stable overall. Insurers have tended to show more flexibility when competition is introduced and are open to manuscript wordings and providing enhanced coverages in order to differentiate themselves. Most Cyber insurers have now adjusted their war exclusions and infrastructure exclusions.



Q3 Canada Product Trends

Automobile

The Automobile market is stable but has continued to experience increasing loss costs, with some insurers imposing significant price increases; however, price reductions are available in some cases, especially when competition is introduced. Insurers are using data and analytics and tech-enabled solutions to address rising auto losses (e.g., installing tracking devices in high theft target autos).

Casualty / Liability

The Casualty market has been stable and remains a two-tier market. While conditions in the Primary Liability market are moderate, with “as expiring” pricing, terms and conditions for well-performing risks, the Excess Liability market is more competitive, with price decreases broadly available. Insurers are mandating PFAS exclusions.

Cyber

Cyber pricing continues to decrease across primary and excess layers in Q3, with many buyers taking the opportunity to reinvest premium savings to purchase higher limit. Despite the competitive environment,

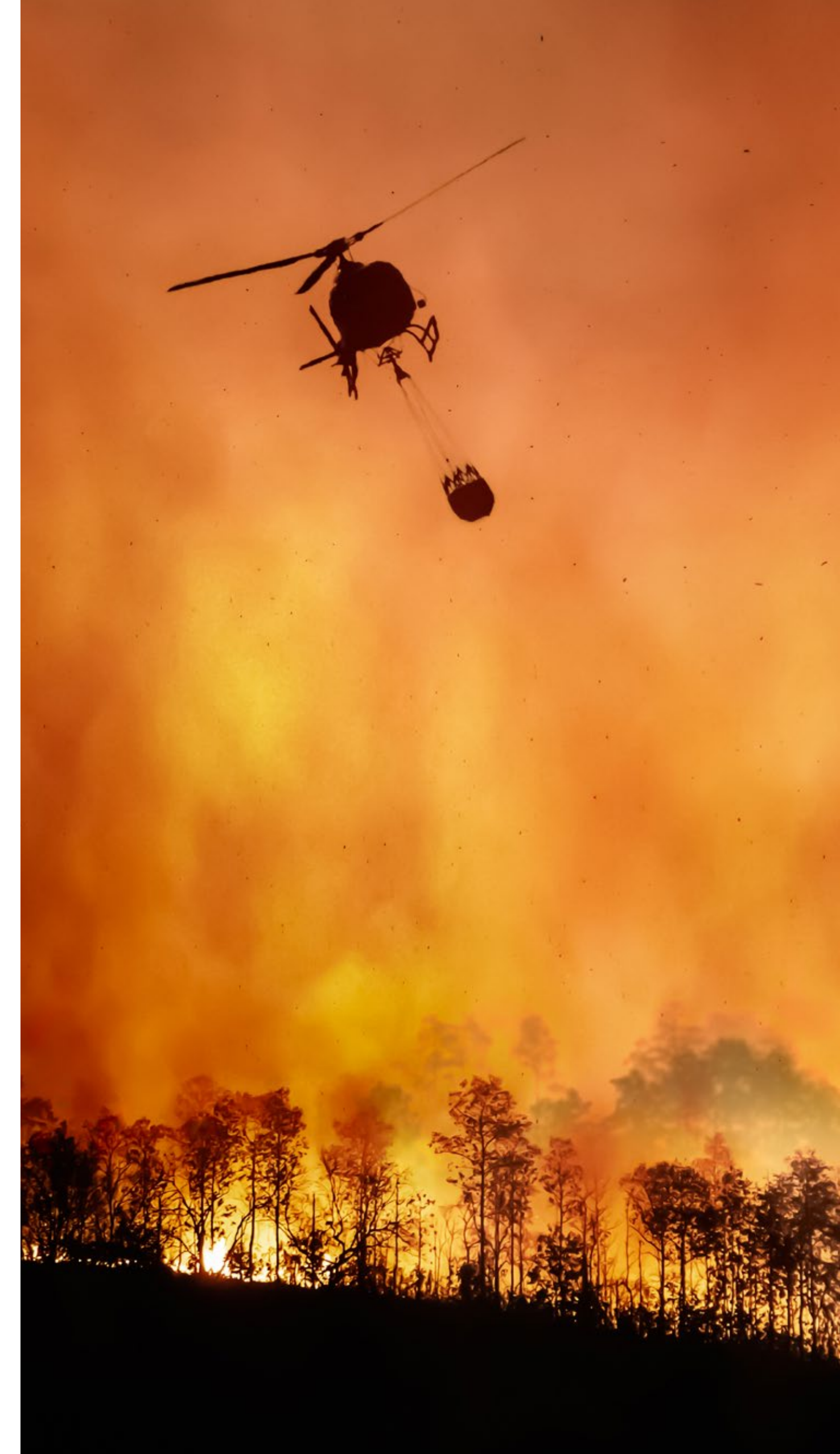
underwriting remains disciplined and prudent, with insurers continuing to require minimum cyber security controls, although underwriters tend to be more willing to take into consideration compensating controls and future improvements.

Directors & Officers

The Directors & Officers market remains competitive and well capitalized as insurers seek growth at a time of flat demand; however, insurers are beginning to shift their focus toward longer term, sustainable pricing.

Property

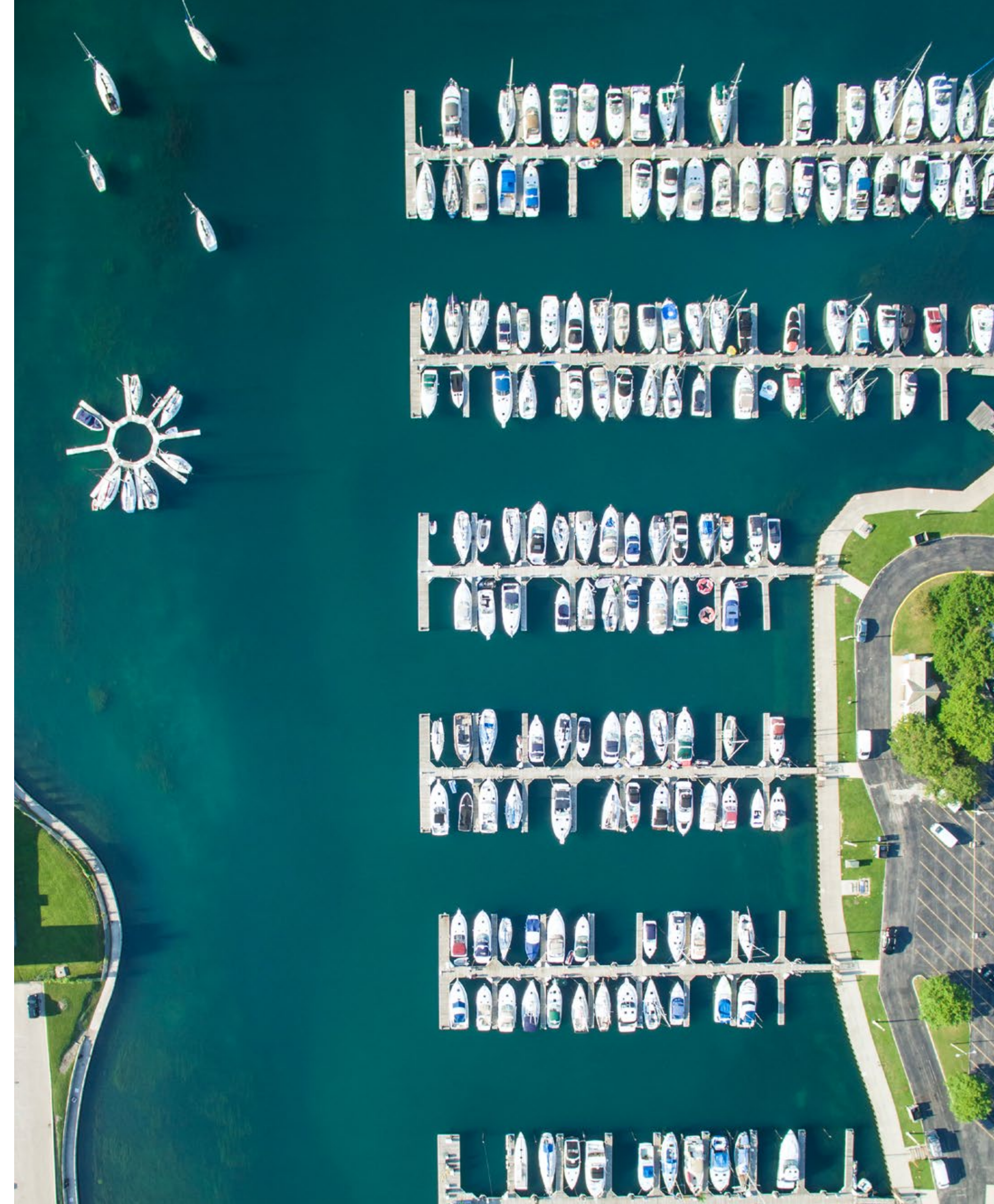
Overall, the Property market has shown modest improvement. Large property is experiencing greater underwriting flexibility and an increased competition, while mid-market remains stable. Highly protected/non-combustible risks are seeing price reductions, competition, and the availability of additional capacity, while unprotected frame risks remain challenged. Insurers are quick to support non-lead lines, while showing less interest in lead market positions remain strained. Catastrophe capacity, although available, remains costly and is expected to increase given the significant catastrophic activity Canada has experienced in 2024.



Q3 United States Market Overview

Executive Summary

- The Casualty market is in transition as insurers in tort related lines double down on their efforts to tackle social inflation. Automobile and Umbrella/Excess Liability are becoming more challenging, although price reductions continue for Workers Compensation, albeit tempered. As insurers focus on profitability, risk differentiation remains critical and the variance in rates among performers and non-performers is significant.
- Conditions in the Property market continue to improve as insurer appetite expands; well-managed risks with good loss ratios are seeing healthy levels of competition. The outcome of this year's Atlantic hurricane season, combined with severe convective storm activity, will strongly factor on Property insurer 2024 profitability, and therefore the direction of the Property market over the coming quarters.
- Directors & Officers and Cyber placements continue to experience moderate rate decreases in a buyer-friendly market. Significant savings can be achieved in high excess layers for Cyber, despite rising claims. Directors & Officers also continues to see healthy competition, although price reductions in both primary and excess layers are decelerating.



Q3 United States Market Dynamics

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Overall	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Automobile	Challenging	+11-20%	Ample	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Cyber	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Stable
Directors & Officers	Soft	-1-10%	Abundant	Prudent	Flat	Decreased	Stable
Property	Moderate	Flat	Ample	Prudent	Increased	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 United States Market Dynamics

Pricing

Insurer growth ambitions continue to fuel price moderation in the Property market, which ended its 27 consecutive-quarter run of average rate increases in Q2. In contrast, the Automobile and Casualty markets have seen further rate increases as insurers look to mitigate the effects of higher loss costs in Auto and social inflation in tort related lines of coverage. Reductions are generally available for Workers Compensation, Cyber and Directors & Officers.

Capacity

Overall, capacity is generally adequate to meet demand; however, Excess Liability insurers have tightened their capacity as they look to reduce their exposure to social inflation. Capacity for Cyber and Directors & Officers is abundant, with new players continuing to enter the U.S. Cyber market.

Underwriting

Prudent and disciplined underwriting continues across almost all lines of business, although increasing competition and capacity is resulting in more flexibility for Property, Cyber and Directors & Officers. Underwriters are requesting more detailed information for challenging risk types and lines of business, such as Commercial Automobile.

Limits

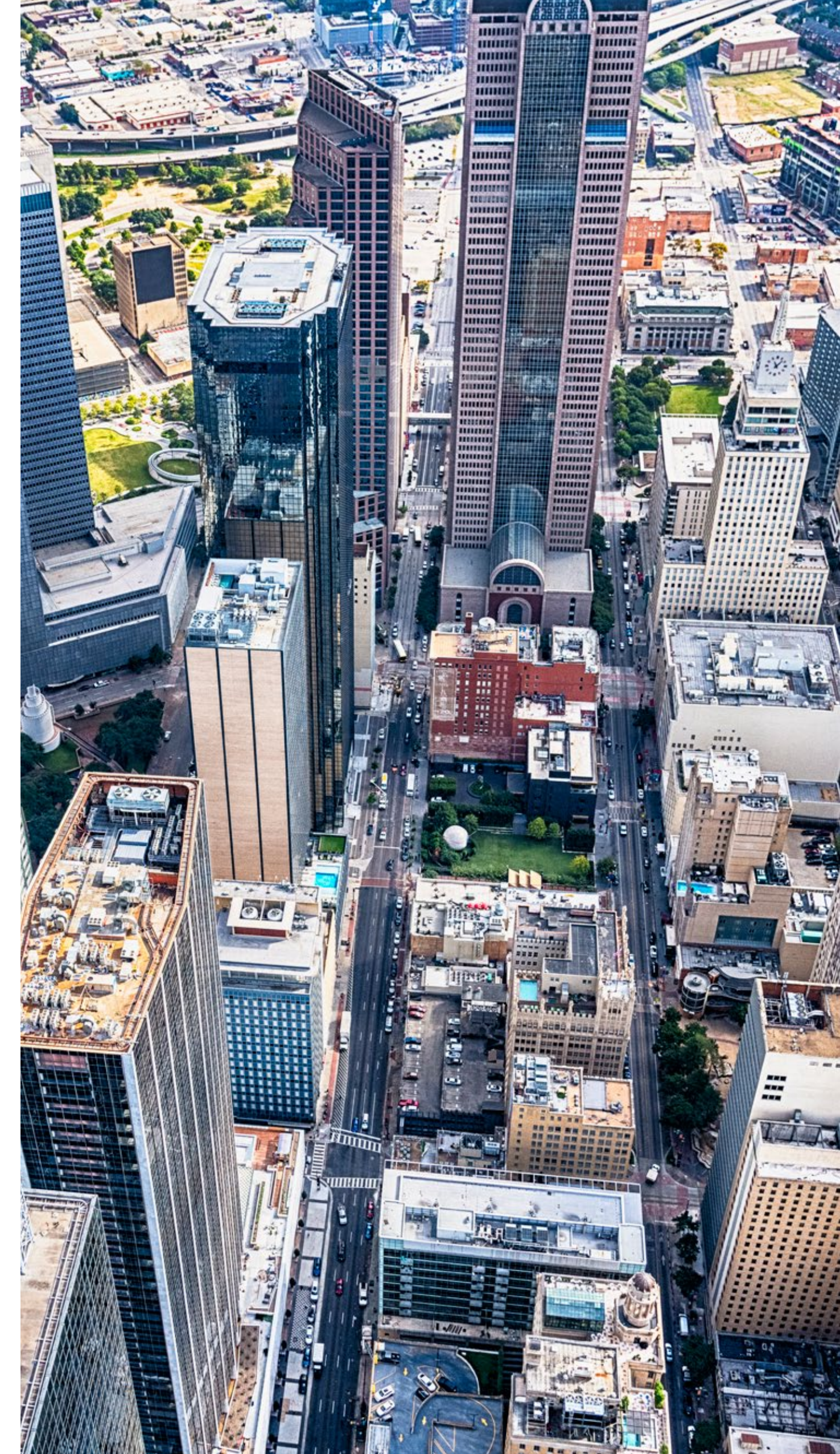
Limits are renewing as expiring for most placements, and more buyers of Cyber insurance are opting to use premium savings to purchase higher limits of cover.

Deductibles

Deductibles are broadly stable, with most placements renewing as expiring.

Coverages

Coverages remain stable for most classes of business, although growing competition in the Property market has created an opportunity to align terms across shared/layered programs and correct non-concurrence of terms arising from the hard market. PFAS exclusions continue to be applied in Casualty.



Q3 United States Product Trends

Automobile

Rising loss costs have dominated insurer agendas and pricing has continued to increase. Large fleets, and those with challenging profiles or adverse loss experience, face a particularly challenging environment, although some have managed increases in rate through alternative risk solutions, including corridor and multi-year loss adjustable structures. Contingent transportation related losses, most common among products manufacturers, logistics providers and distributors, are leading to requests for additional underwriting data.

Casualty / Liability

Large personal injury awards and litigation funding have continued to impact the Casualty market. Excess Liability, including intermediate layers, is being repriced, and significant increases are being imposed. As growth in capacity from new markets has been outpaced by the reductions amongst established insurers, we expect to see resulting impacts going forward. General Liability rates, which are also exposed to social inflation trends, have been subject to more modest increases. Workers' Compensation remains the bright spot with modest rate reductions available at renewal. PFAS exclusions are being applied on a broad basis, while insurers also continue to focus on biometrics.

Cyber

Healthy competition and new capacity continue to drive a buyer's market for Cyber. Price reductions are widely available, with the biggest savings being seen in excess layers. Many insureds are using premium savings to purchase additional limits. Despite an increase in claims frequency, buyer-friendly market conditions are expected to continue, supported by year-over-year improvements in cyber controls, and previous market adjustments. The impact of the recent [CrowdStrike outage](#) is being closely monitored by insurers (see Crowdstrike Outage) but has yet to result in any material market changes.

Directors & Officers

Abundant capacity continues to support favorable conditions for U.S. Directors & Officers buyers, particularly, for newly public companies. Downward pricing pressure continues, although it is not clear how long this trend will continue, particularly in the excess space. Lower retentions are available for some risk types, mostly where retentions had previously increased due to client-specific exposures. Artificial intelligence and its potential implications for Directors & Officers risks is a topic of growing interest for insurers, while derivative lawsuits remain a concern as settlements rise in severity.

Property

Insurer growth ambitions have led to more favorable pricing in general, but still based on occupancy class and loss ratios. Underwriting remains disciplined, while coverages and deductibles are largely unchanged. Shared/layered programs are generally oversubscribed, contributing to the favorable pricing environment and facilitating corrections in non-concurrency of terms that arose in the hard market. The recent CrowdStrike outage and upcoming U.S. elections are leading some insureds to review property policies with regards to cover for cyber events and political violence. While losses from Hurricane Helene are not expected to have significant market impacts, at the time of this writing, we are reviewing the very preliminary assessments of the impact of Hurricane Milton, with early estimates in the \$25 - \$40 billion range. At that level, the event should be manageable for the insurance and reinsurance industry as a whole; however, it seems unlikely that the reinsurance rate reductions that were expected for the January 1 Treaty Renewal season will materialize.

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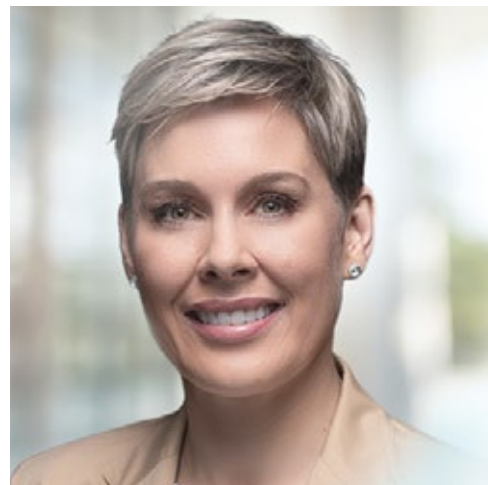
Q3 Pacific Market Overview



We have seen significant changes in appetite for non-complex and mid-market business where insurers are demonstrating greater pricing and underwriting flexibility. We also observe a general broadening of appetite for niche risks as insurers look to capitalize on the improved rate environment and tempered competition for same.

Executive Summary

- Following several years of focusing on a return to profitability, market conditions are improving across all product lines, with increasing levels of capacity and competition from new and established markets.
- The Property market is beginning to moderate, although natural catastrophe exposures remain challenging in Australia and New Zealand.
- Pricing in the Cyber market continues to soften, despite ransomware events and the recent CrowdStrike outage, although underwriting remains disciplined.



Tracy Riddell
Head of Product Delivery
Commerical Risk Solutions
Australia

Headlines



Challenging Developments

- Risk adjusted rate increases and capacity limitations largely remain for natural catastrophe and higher hazard Property risks
- Auto deductibles and premiums increasing where claims frequency is still challenged
- U.S.-exposed casualty risks remain challenged



Positive Developments

- Non-Natural Catastrophe Property market is improving
- Insurer growth targets for new business increasing competition
- Cyber market further softening
- Favorable buying conditions prevail for Directors & Officers

Q3 Pacific Market Dynamics

Pacific	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Australia	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
New Zealand	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Pacific Market Dynamics

Pricing

Overall, pricing has continued to become more buyer-friendly, with the largest rate reductions available for Cyber and Directors & Officers. Fewer large natural catastrophe losses and more favorable reinsurance renewals are relieving pressure on Property, which has undergone significant increases in recent years. Automobile is seeing modest increases driven by claims inflation.

Capacity

Improved results underpin growing insurer confidence, resulting in sufficient capacity across the market, and abundant capacity for Cyber and Casualty. Key exceptions include natural catastrophe and higher-hazard Property risks, where affordable capacity remains limited.

Underwriting

Underwriting discipline has continued across all lines, as insurers remain focused on risk quality and provision of detailed risk information. Generally, the market is demonstrating an increased willingness to consider and accept risks to facilitate portfolio growth.

Limits

Expiring limits are available for most placements, although some buyers are reviewing limit options to manage Property pricing, or to use premium savings to increase limits for Directors & Officers and Cyber.

Deductibles

Deductibles are renewing as expiring for most lines of business, except Automobile, where insurers are looking to increase deductibles to mitigate the effect of higher average loss costs.

Coverages

Following several years of tightening, terms and conditions are generally renewing as expiring. Improved coverage terms are available for some Cyber risks with robust cyber security controls.



Q3 Pacific Product Trends

Pacific	Moderate	Moderate	Soft	Soft	Moderate
Australia	Moderate	Moderate	Soft	Soft	Moderate
New Zealand	Moderate	Moderate	Soft	Moderate	Moderate
	Automobile	Casualty / Liability	Cyber	Directors & Officers	Property

Q3 Pacific Product Trends

Automobile

Moderate price increases have continued in response to rising loss cost trends: supply chain challenges, inflationary pressures, and the growing use of advanced technology in vehicles continues to drive higher repair and claims costs, albeit at lower levels than those experienced in 2023. Competitive pricing, however, is available for well-performing large fleet risks.

Casualty / Liability

The market continues to be competitive, although some sectors, including utilities, coal, and heavy U.S.-exposed risks, remain challenging. Competition is heightened for those insurers under pressure to deliver on new business targets before year-end; however, underwriting is expected to remain prudent as insurers are wary of prior year loss deterioration.

Cyber

New capacity continues to make for a competitive Cyber market, despite ransomware losses and the recent CrowdStrike outage event. Pricing continues to soften, and some buyers are taking the opportunity to review their programs in light of the favorable market conditions. Despite growing competition, underwriting discipline has been holding firm.

Directors & Officers

An abundance of capacity continues to drive favorable conditions in Australia, with insurer growth aspirations leading to more intense competition on all layers. Conditions have remained stable in New Zealand, where insureds are seeing less immediate benefit from the softening in the global Directors & Officers market. While competitive, the market has grown more cautious as underwriters focus on long-term portfolio performance.

Property

After a sustained period of rate increases and restrictions in capacity, the Property market is moderating, with increasing competition for less exposed sectors. Claims impacted, higher-hazard and natural catastrophe exposed risks, however, have continued to experience rate increases and capacity constraints. Some buyers are supplementing traditional natural catastrophe capacity with parametric solutions.

Q3 Pacific Advice to Clients

- Consider the long-term value of insurer relationships. As the market softens, consider the sustainability of offerings from new or opportunistic insurers, particularly if replacing a long-standing insurer.
- Quality information and timely submissions continue to differentiate buyers in the market and generate positive outcomes at renewal. Leverage consulting and analytics to refine risk tolerance and risk transfer strategy.
- Map supply chains and reassess business interruption risks to understand exposures, as well as update and test business continuity and disaster recovery plans.

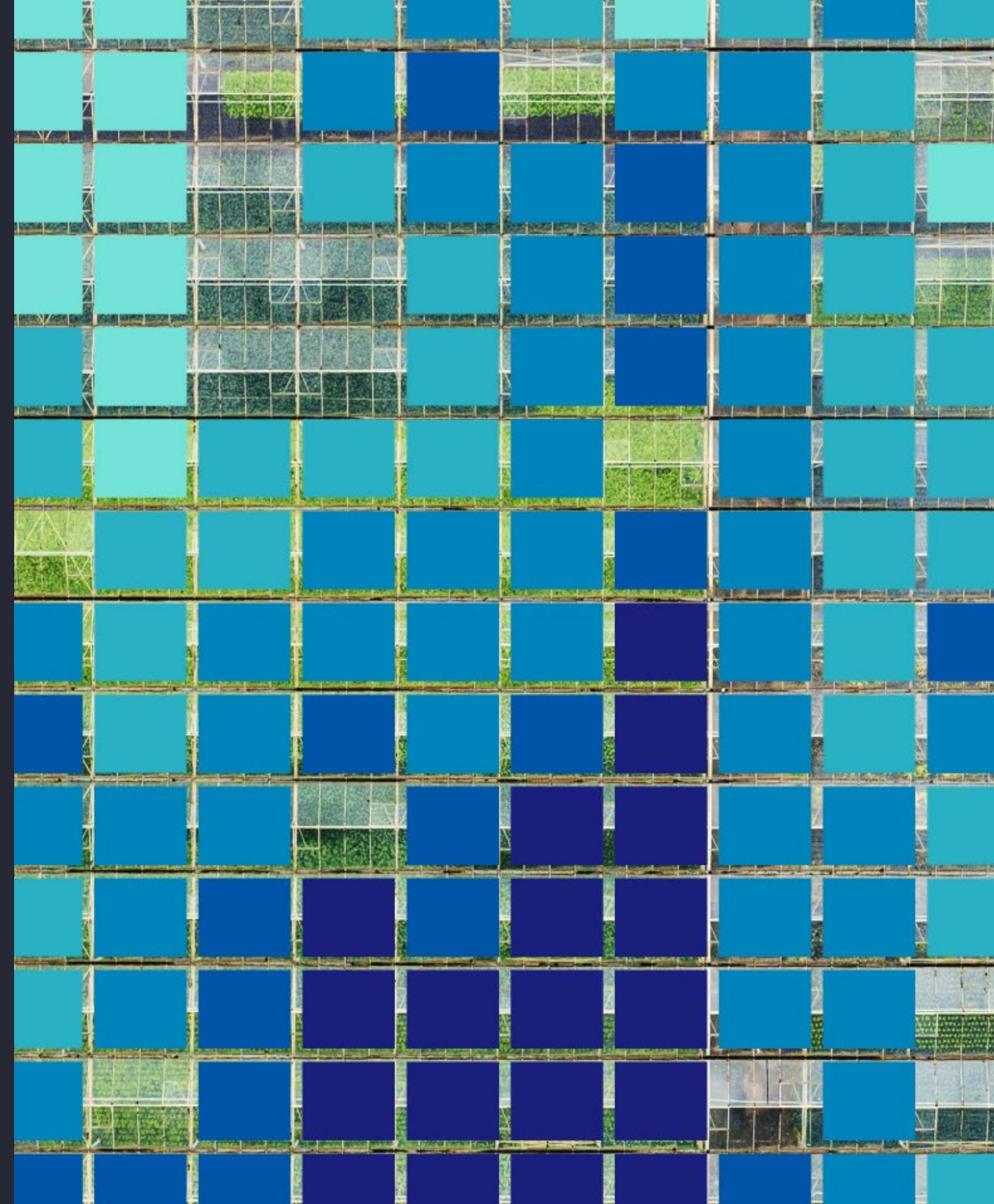
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Australia Market Overview

Q3 Australia Market Overview

Executive Summary

- Market conditions are now giving way to a more positive environment across all product lines, providing welcome relief to buyers following several years of insurer actions.
- Improved underwriting performance and investment yields are attracting new capacity and competition, resulting in improved terms and conditions for buyers.
- Natural catastrophe exposures remain challenging, with capacity constraints and price increases for some accounts.



Q3 Australia Market Dynamics

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Overall	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	+1-10%	Ample	Flexible	Flat	Increased	Stable
Casualty / Liability	Moderate	+1-10%	Abundant	Prudent	Flat	Flat	More Restrictive
Cyber	Soft	-1-10%	Abundant	Prudent	Increased	Flat	Broader
Directors & Officers	Soft	-11-20%	Ample	Flexible	Increased	Flat	Stable
Property	Moderate	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 Australia Market Dynamics

Pricing

Pricing continues to trend downwards, with the largest rate reductions available for large corporates buying Cyber and Directors & Officers. Automobile is seeing modest increases driven by claims inflation, while Casualty pricing is generally flat.

Capacity

Improved underwriting results are boosting insurer confidence, resulting in ample capacity across the market, and abundant capacity for Cyber and Casualty.

Underwriting

Underwriting remains prudent for Property, Casualty and Cyber as insurers have sought to balance their growth aspirations with underwriting discipline. Directors & Officers and Automobile are experiencing more flexible underwriting, while the market more broadly is demonstrating an increased willingness to consider and accept risks to facilitate portfolio growth.

Limits

Most placements are renewing with expiring limits, although many insureds are taking the opportunity to use premium savings to increase limits for Directors & Officers and Cyber.

Deductibles

Following portfolio adjustments in recent years, deductibles generally have been stable, and are renewing as expiring for Property, Casualty, Cyber, and Directors & Officers. Deductibles for Automobile are increasing as insurers seek to mitigate the effect of increased average loss costs.

Coverages

Following several years of tightening, terms and conditions are stable for Property, and broadening for Cyber. However, coverages have become more restrictive for Casualty as insurers review wordings with a particular focus on ‘non-traditional’ General Liability risks, such as Professional Indemnity and Pure Financial Loss.



Q3 Australia Product Trends

Automobile

Claims inflation has continued to drive moderate price increases for Automobile, although competitive rating is available for well-performing large risks. The transition to commercial electric vehicles is being closely monitored by insurers, with EV insurance pricing relatively higher than for internal combustion engine cars due to the lack of suppliers and performance history.

Casualty / Liability

While the market is moderate overall, some sectors, including utilities, coal, and heavy U.S.-exposed risks, remain challenging. Year-end targets generally prompt more favorable conditions; however, underwriting is expected to remain prudent as insurers are wary of prior year loss deterioration.

Cyber

Market conditions remain favorable, despite an uptick in ransomware attacks and the recent CrowdStrike outage event. Some buyers are taking the opportunity to review their Cyber insurance programs in view of current favorable market conditions. Interest in Aon’s Cyber Property Damage and Business Interruption wrap continues to gain momentum, especially from exposed industries like utilities, manufacturing, and mining.

Directors & Officers

An abundance of capacity continues to drive favorable conditions, with insurer growth aspirations leading to more intense competition on all layers, as well as more flexible terms and conditions. Softening market conditions are expected to prevail for the remainder of this year.

Property

Favorable underwriting results continue to support insurer growth ambitions, driving competition for less exposed sectors. Claims impacted and natural catastrophe exposed risks continue to experience rate increases, while insurers’ focus on technical underwriting and modelled exposures is leaving some legacy industries and geographies facing affordability issues. Aon is supplementing constrained traditional natural catastrophe capacity with parametric solutions, which have the added benefit of faster claims payouts and broader coverage.

Q3 New Zealand Market Overview

Executive Summary

- More favorable reinsurance conditions and a benign claims environment are alleviating pricing pressures.
- The Property market is showing signs of moderation, although natural catastrophe exposures remain challenging.
- While the insurance market outlook is favorable, challenges in the economy could impact buyers' willingness to invest in expanding their insurance programs.



Q3 New Zealand Market Dynamics

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Overall	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Automobile	Moderate	Flat	Abundant	Prudent	Flat	Flat	Stable
Casualty / Liability	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
Cyber	Soft	-1-10%	Ample	Prudent	Increased	Flat	Stable
Directors & Officers	Moderate	Flat	Ample	Prudent	Flat	Flat	Stable
Property	Moderate	+1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Q3 New Zealand Market Dynamics

Pricing

Overall market conditions are moderating, supported by fewer large natural catastrophe losses and more favorable treaty reinsurance pricing.

Capacity

Capacity is broadly sufficient across the market, with the key exceptions of natural catastrophe and higher-hazard Property risks, where sourcing capacity at an affordable price remains challenging.

Underwriting

Underwriting discipline continues across all lines with a focus on risk quality, risk location and provision of detailed risk information.

Limits

Expiring limits are available for most placements, although some buyers are reviewing limit options to manage program pricing.

Deductibles

Pressure on deductibles is easing, although some risk specific exposures may face upward pressure as insurers look to manage their exposure.

Coverages

Terms are generally as expiring, and coverage restrictions applied over the past two years have largely stabilized.



Q3 New Zealand Product Trends

Automobile

Market conditions remain moderate. Supply chain challenges, inflationary pressures, and the growing use of advanced technology in vehicles continues to drive higher repair and claims costs, albeit at lower levels than those experienced in 2023.

Casualty / Liability

The market continues to be competitive, with most insureds able to purchase satisfactory limits.

Cyber

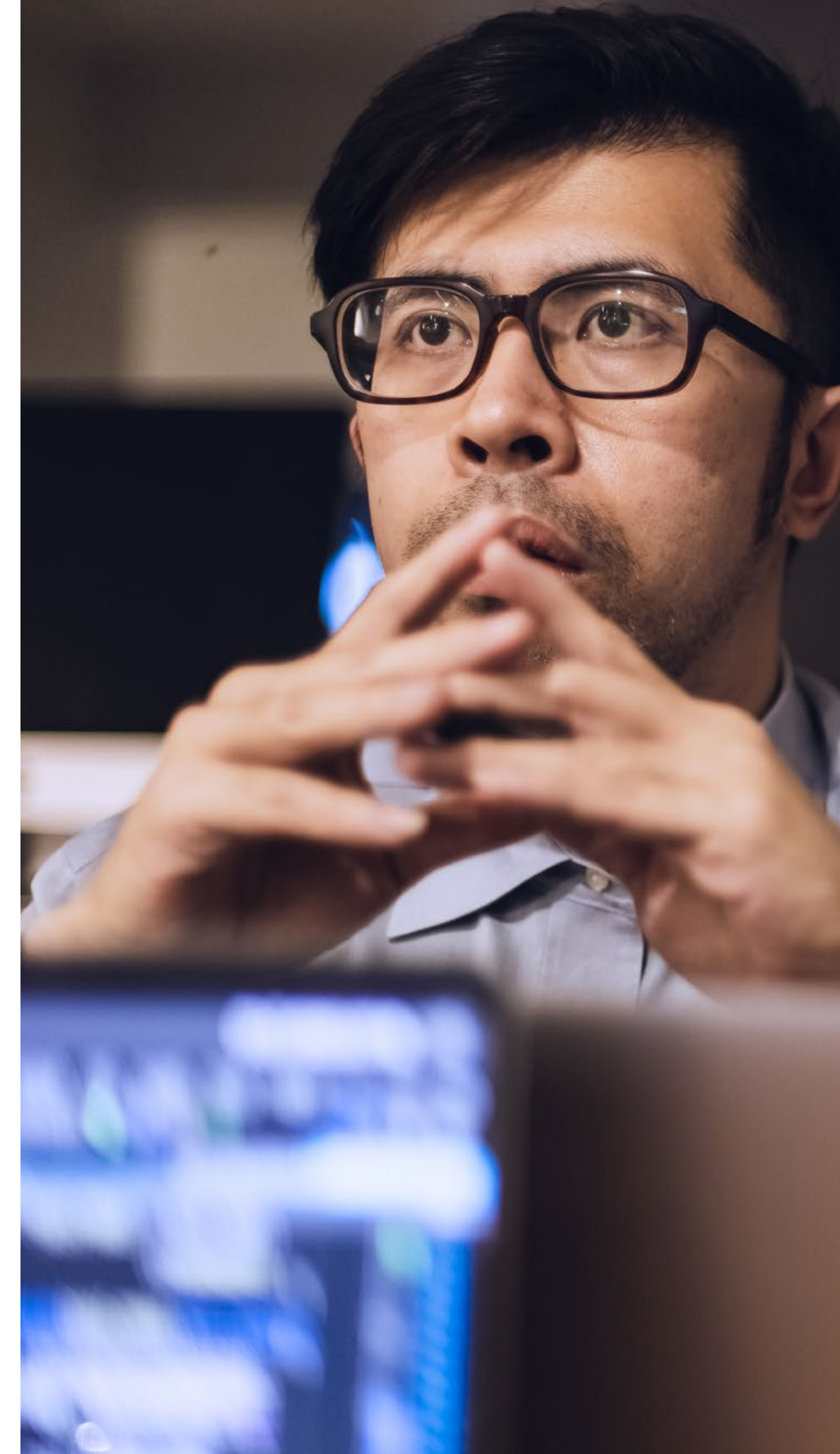
New capacity is leading to a more competitive Cyber market, with continued downward pressure on pricing. However, underwriting discipline has been holding firm. Interest in cyber insurance increased following the CrowdStrike outage incident in July.

Directors & Officers

Conditions remain stable, although insureds in New Zealand are seeing less immediate benefit from the softening in the global Directors & Officers market. Underwriters are growing more cautious as they focus on long-term portfolio performance.

Property

The Property market is moderating after a sustained period of rate increases and restrictions in capacity. Key exceptions include higher-hazard risks and those with natural catastrophe exposure, where sourcing sufficient capacity continues to be a key challenge in the New Zealand market. The ability to access new capital via traditional or alternative solutions is required to bridge the current capacity gap.



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Contacts

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