

AM Best
November 2025
Market Segment Report



AM Best's APAC Insurance Market Report



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Our Insight, Your Advantage®



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Welcome to the inaugural edition of AM Best's APAC Insurance Market Report. This publication presents an overview of the latest trends and developments in the Asia-Pacific (APAC) insurance market. The information provided is predominantly extracted from our existing research produced by our analytical team, based on review and assessment conducted on our client portfolio and curated publicly available information, and updated to reflect the latest market information where available.

We have compiled analyses of 16 countries – seven in South/Southeast Asia, seven in Northeast Asia, and two in Oceania—all with varying degrees of development and growth potential. In addition to country-specific analysis, this publication provides a summary of the 2025 iteration of the Asia-Pacific Benchmarking, an explanation of AM Best's country risk tiers, and an overview of our Performance Assessment for Delegated Underwriting Authority Enterprises (DUAEs).

Overall, the regional market remains strong, reflected in its steady growth, with additional capacity and opportunities for further expansion projected in the coming years. Although some countries face challenges, the insurance sector is on a robust growth trajectory, achieved through positive industry-wide regulatory developments and improving market practices.



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Asia-Pacific Benchmarking: Stability Anchored by Mature Markets



Principal Takeaways:

- Mature markets in APAC lean towards higher ratings, demonstrating stronger financial stability amid more established governance and regulatory frameworks.
- Balance sheet resilience is the cornerstone of financial strength in APAC.

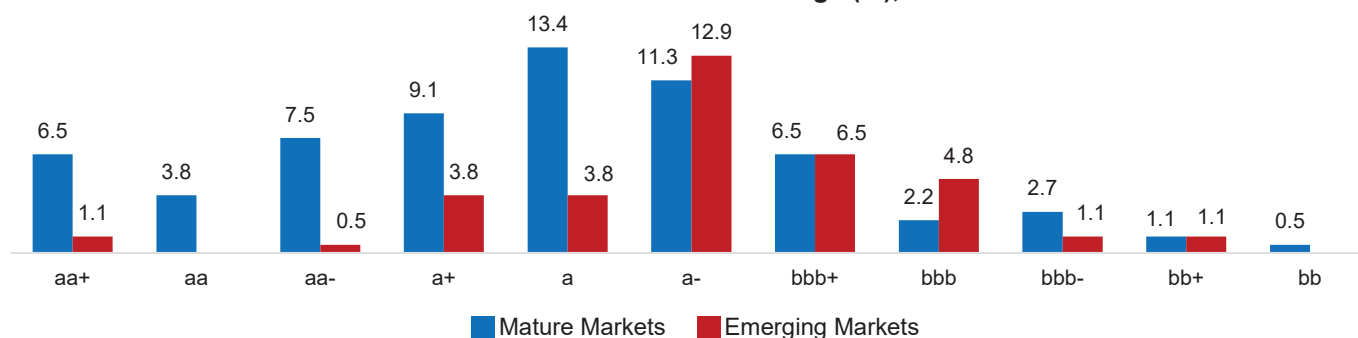
The Asia-Pacific Benchmarking report evaluates companies in the Asia-Pacific (APAC) region that are rated by AM Best and details the rating actions that took place in 2024. It considers AM Best's broad geographical rating coverage across most rated (re)insurance groups in Asia and Oceania. The types of companies rated, operating in both mature and emerging markets, are diverse and include reinsurers, insurers, mutuals, captives, credit and health insurers, and protection and indemnity (P&I) clubs. Australia, Hong Kong, Japan, Macau, New Zealand, Singapore, South Korea, and Taiwan are the mature markets in APAC.

The APAC insurance sector in 2024 reflects a landscape of relative stability in the absence of significant catastrophe events impacting insured properties across the region. In countries where natural catastrophes remain the biggest risk and could cause underwriting volatility, reinsurance protection, and underwriting disciplines are essential for underwriting profitability. Insurer financial strength is underpinned by robust balance sheet fundamentals, generally favourable profitability after a few years of COVID-19 health policies' significant drag on earnings in some markets (such as Thailand and Taiwan), and disciplined risk management. Rapid consumer adoption of new energy vehicles is providing opportunities in some markets such as China but higher claims frequency and repairs costs are challenges for some insurers. (See [China's New Energy Vehicle Boom Transforms Motor Insurance Market](#).) Mature markets across the region, particularly Japan, Singapore, Hong Kong, and South Korea, continue to anchor rating strength and capital adequacy, while emerging markets sustain growth and profitability despite greater volatility.

Ratings Distribution and Market Differentiation

Mature markets in APAC lean towards higher ratings, demonstrating stronger financial stability amid more established governance and regulatory frameworks. Compared to other developing regions such as MENA, Latin America, and the Caribbean — whose rating dispersions are in the lower tiers — a majority of APAC ratings are in the a+ to a- range.

APAC – AM Best's Issuer Credit Ratings (%), 2024



Source: AM Best data and research

Rating stability remains prevalent across the region. There were fourteen upgrades compared to no downgrades, underscoring a broad sense of equilibrium in credit profiles. Seven of the fourteen upgrades were affiliates who inherited their parent companies' ratings.

Balance Sheet Strength and Capital Adequacy

Balance sheet resilience continues to be the cornerstone of financial strength in APAC. Roughly 60% of rated insurers fall within the top two strength categories ("Strongest" or "Very Strong"), reflecting sound capitalisation and prudent asset management. Mature markets exhibit more favourable balance sheet strength compared to emerging markets, as measured by Best's Capital Adequacy Ratio (BCAR).

Profitability and Operating Performance

Operating performance in APAC has been generally favourable, with most insurers having operating performance assessments of Adequate. Higher net investment income as a result of higher interest rates, coupled with disciplined underwriting, has aided profitability. Insurers with more favourable operating performance assessments exhibit better combined ratios and lower volatility compared to insurers with less favourable assessments.

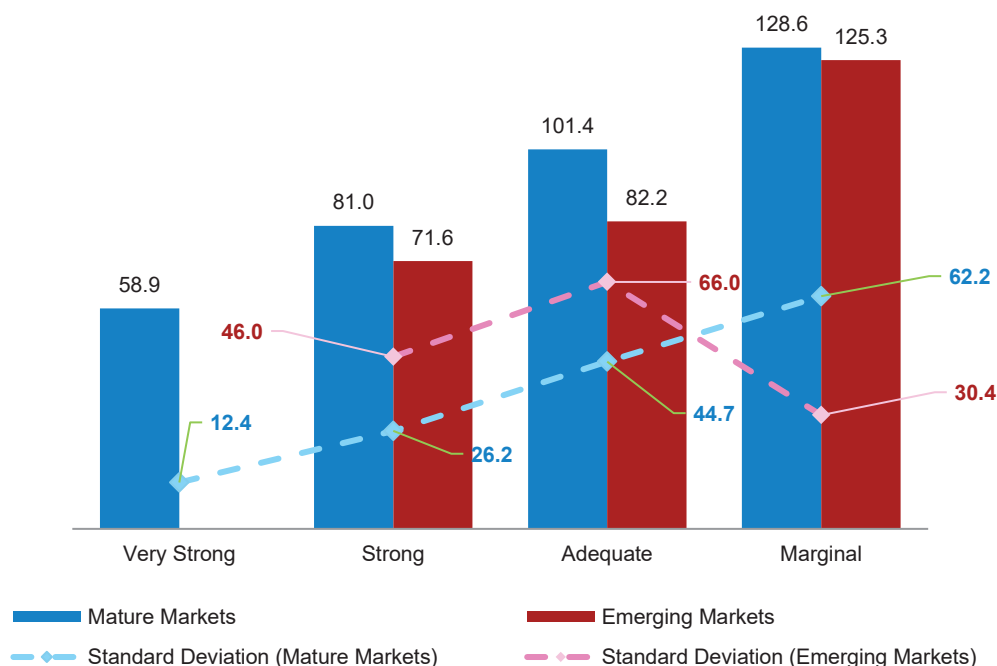
Business Profile and Market Competitiveness

Across the region, business profile assessments remain concentrated at Neutral. Mature markets show higher shares of Favourable business profile assessments, supported by data and product sophistication, established distribution channels, and diversified operations. Smaller emerging markets, while improving, still face constraints in scale, diversification, and regulatory consistency. Globally, APAC ranks mid-tier, more stable than MENA and the Caribbean but less favourable than Europe and North America.

Enterprise Risk Management (ERM) Practices

ERM frameworks across APAC are broadly appropriate, with over 90% of insurers having enterprise risk management assessments of Appropriate. However, few institutions demonstrate advanced maturity—only a small share of mature-market insurers achieved "Very Strong" status, while none amongst emerging markets did. Regionally, APAC ranks

APAC – Average Combined Ratio for OP Assessment (2020-2024)



Source: AM Best data and research

mid-to-lower tier in ERM, only outperforming MENA but trailing other regions, where risk management is more deeply embedded in corporate functions.

APAC – AM Best Building Block Assessment Distributions, 2024

(%)

	Mature Markets	Emerging Markets
Balance Sheet Strength Assessment		
Strongest	12.0	0.0
Very Strong	49.4	58.3
Strong	22.9	41.7
Adequate	15.7	0.0
Operating Performance Assessment		
Very Strong	1.2	0.0
Strong	26.8	39.6
Adequate	65.9	54.2
Marginal	6.1	6.3
Business Profile Assessment		
Very Favourable	3.7	2.1
Favourable	19.5	14.6
Neutral	41.5	52.1
Limited	35.4	31.3
Enterprise Risk Management Assessment		
Very Strong	3.7	0.0
Appropriate	93.9	93.8
Marginal	2.4	6.3

Source: AM Best data and research

GUIDE TO BEST'S COUNTRY RISK TIERS

AM Best defines country risk as the risk that country-specific factors could adversely affect the claims paying ability of an insurer. Country risk is evaluated and factored into all of Best's Credit Ratings. Countries are placed into one of five tiers, ranging from "CRT-1" (Country Risk Tier 1) for countries with a stable environment with the least amount of risk, to "CRT-5" (Country Risk Tier 5) for countries that pose the most risk and, therefore, the greatest challenge to an insurer's financial stability, strength, and performance.

AM Best's Country Risk Tiers are not credit ratings and are not directly comparable to a sovereign debt rating, which evaluates the ability and willingness of a government to service its debt obligations.

Country Risk Tiers

Country Risk Tier	Definition
CRT-1	Predictable and transparent legal environment, legal system, and business infrastructure; sophisticated financial system regulation with deep capital markets; mature insurance industry framework
CRT-2	Predictable and transparent legal environment, legal system, and business infrastructure; sufficient financial system regulation; mature insurance industry framework
CRT-3	Developing legal environment, legal system, and business environment with developing capital markets; developing insurance regulatory structure
CRT-4	Relatively unpredictable and nontransparent political, legal, and business environment, with underdeveloped capital markets; partially to fully inadequate regulatory structure
CRT-5	Unpredictable and opaque political, legal, and business environment, with limited or nonexistent capital markets; low human development and social instability; nascent insurance industry

Country Risk Reports

AM Best Country Risk Reports are designed to provide a brief, high-level explanation of some of the key factors that determine a country's Country Risk Tier assignment. It is not intended to summarize AM Best's opinion on any particular insurance market or the prospects for that market.

Categories of Risk

Country Risk Reports provide "scores" for three categories of risk for each country: (1) Very Low; (2) Low; (3) Moderate; (4) High and (5) Very High.

Category of Risk	Definition
Economic Risk	Economic risk is the risk that fundamental weaknesses in a country's economy will cause adverse developments for an insurer. AM Best's assessment of economic risk evaluates the state of the domestic economy, government finances, and international transactions, as well as prospects for growth and stability.
Political Risk	Political risk is the risk that government or bureaucratic inefficiencies, societal tensions, inadequate legal system or international tensions will cause adverse developments for an insurer. Political risk comprises the stability of the government and society, the effectiveness of international diplomatic relationships, the reliability and integrity of the legal system and of the business infrastructure, the efficiency of the government bureaucracy, and the appropriateness and effectiveness of the government's economic policies.
Financial System Risk	Financial system risk (which includes both insurance and non-insurance financial system risk) is the risk that financial volatility may erupt because of inadequate reporting standards, a weak banking system or asset markets, or poor regulatory structure. It also takes into account the risk that the level of the insurance industry's development and public awareness, transparent and effective regulation and reporting standards, and a sophisticated regulatory body will contribute to a volatile financial system and compromise an insurer's ability to pay claims.

Political Risk Summary

To provide additional detail on the political risk in a given domicile, the Country Risk Reports include the Political Risk Summary. The Political Risk Summary is a radar chart that shows scores for nine different aspects of political risk, on a scale of 1 to 5, with 1 being the least amount of risk and 5 being the highest amount of risk.

Category	Definition
International Transactions Policy	Measures the effectiveness of the exchange rate regime and currency management
Monetary Policy	Measures the ability of a country to effectively implement monetary policy
Fiscal Policy	Measures the ability of a country to effectively implement fiscal policy
Business Environment	Measures the overall quality of the business environment, and ease of doing business
Labor Flexibility	Measures the flexibility of the labor market, including companies' ability to hire and fire employees
Government Stability	Measures the degree of stability in a government
Social Stability	Measures the degree of social stability, including human development and political rights
Regional Stability	Measures the degree of stability in the region
Legal System	Measures the transparency and level of corruption in the legal system

Country Risk Tier Disclosure

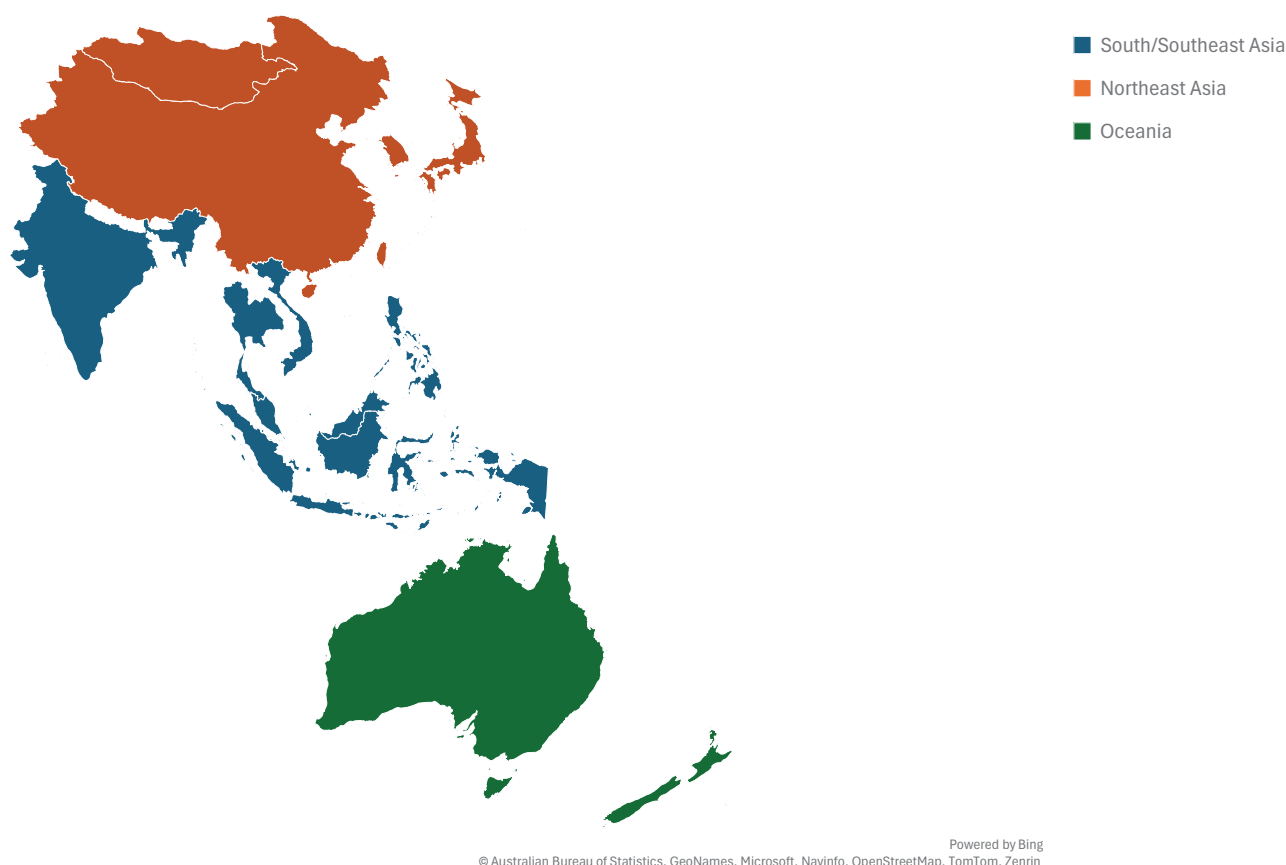
A Country Risk Tier (CRT) is not a credit rating; rather, it represents a component of AM Best's credit rating methodology that is applied to all insurers. A CRT is not a recommendation to purchase, hold, or terminate any security, insurance policy, contract, or any other financial obligation issued by a government, insurer, or other rated issuer, nor does it address the suitability of any particular policy, contract, or other financial obligation for a specific purpose or purchaser.

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AM Best Individual Country Analysis: Asia-Pacific

This section analyses 16 individual countries across South/Southeast Asia, Northeast Asia, and Oceania, looking into their respective country risk classifications and the implied levels of economic, political, and financial system risks. The APAC [country risk assignments](#), reviewed by AM Best on an annual basis, are effective as of 21 August 2025. This is followed by an update on the current state of a country's insurance market, regulatory and risk developments, and natural catastrophe and climate risks.

We conclude each country's analysis with our client portfolio.



South/Southeast Asia

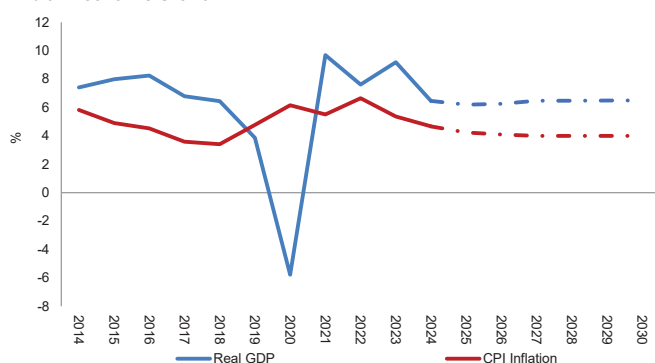


India

India, a CRT-4 country, has a moderate level of economic risk and high levels of political and financial system risk. This indicates that India has a relatively unpredictable and non-transparent political, legal, and business environment, with underdeveloped capital markets; and a partially to fully inadequate regulatory structure.



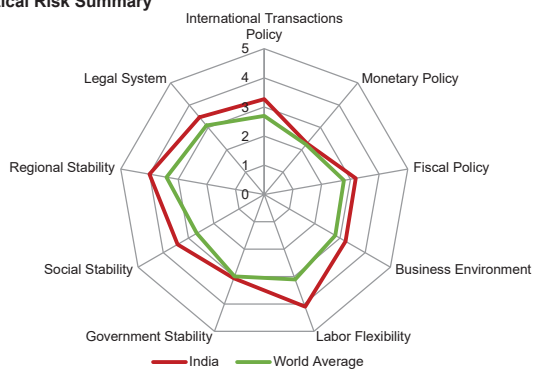
India - Economic Growth



Economic Risk: Moderate

- Supportive fiscal policy such as personal income tax concessions and increased government capital spending, and the potential for more accommodative monetary policy, provides a supportive backdrop for consumption and investment.
- Global trade uncertainty and tariffs could weigh on India's economy by reducing exports and weakening external demand among key trading partners such as the US and China. Geoeconomic fragmentation could also hurt the supply of critical imports and reduce foreign direct investment inflows.
- Employment opportunities for India's growing population are needed. The high degree of labour market informality highlights the ongoing challenge of expanding formal sector job opportunities.
- Government debt is contained at approximately 80% of GDP and is declining. Coupled with a current account deficit of approximately 1.0%, India maintains a relatively strong position in terms of debt sustainability and external balances. According to the IMF, India's external debt liabilities are low compared to its peers, and it has ample precautionary reserves.

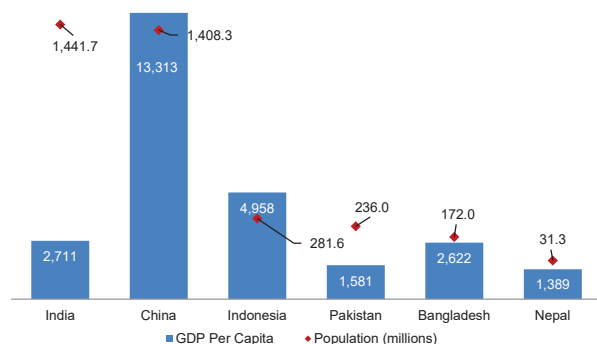
India - Political Risk Summary



Political Risk: High

- The Bharatiya Janata Party (BJP), led by Narendra Modi, rules as the largest party in a coalition government, holding 240 out of 543 seats in the lower parliamentary house. The BJP relies on the cooperation of its coalition partner, the National Democratic Alliance, to maintain its parliamentary majority.
- Policy is expected to emphasise consensus-oriented measures on BJP's core priorities. Key areas of focus include attracting investment into strategic sectors of the economy and advancing initiatives related to climate resilience and the energy transition.
- India ranks 96th out of 180 countries in Transparency International's latest Corruption Perceptions Index. Systemic corruption persists, particularly in local

India - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

India Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
89925	ECGC Ltd.	...	bbb+	Positive	B++	Positive	aaa.IN	Stable
86041	General Insurance Corporation of India	General Insurance Corporation of India	a-	Stable	A-	Stable	aaa.IN	Stable
78522	ICICI Lombard General Insurance Co Ltd	ICICI Bank Limited	bbb+	Stable	B++	Stable	aaa.IN	Stable
86043	New India Assurance Company Limited	New India Assurance Company Limited	bbb+	Stable	B++	Stable	aaa.IN	Stable

Source: BESTLINK

governance and public procurement. India has robust anti-corruption laws, although enforcement is uneven.

- India ranks 115th out of 187 in the Notre Dame Global Adaptation Initiative Index, which measures a country's vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: High

- The Insurance Regulatory and Development Authority of India (IRDAI) regulates and supervises the insurance industry.
- The IMF reported in February 2025 that broad financial stability metrics remain sound. Banks' gross nonperforming loan ratio fell to a multiyear low at under 3.0% in September 2024, reflecting improved asset quality. Capital buffers have remained adequate overall.

Insurance Industry Overview

AM Best maintains a Stable outlook on India's non-life insurance segment as of 16 January 2025. Positive factors supporting the outlook include:

- Robust growth prospects, driven by regulatory initiatives and rising insurance demand.
- Favourable investment returns, supported by elevated interest rates and equity market gains.
- Increased regulatory oversight to support cost management despite near-term headwinds.

Moderating factors to the outlook include the following:

- Persistent underwriting losses, highlighting ongoing market challenges.
- Underwriting discipline tested by the recent liberalisation of policy wordings.

AM Best expects that premium growth will be bolstered over the medium term by India's economic development, rising insurance demand, and regulatory initiatives designed to increase insurance penetration and promote financial inclusion.

The non-life market achieved a 6.2% growth in total direct premiums to IDR 3.1 trillion (USD 35.3 billion) for the financial year ended 31 March 2025 (FY2025), down from the double-digit expansion of 12.8% in FY2024. The growth in FY2025 was driven by stable performance in key lines of business, health and motor insurance, which grew by 9% and 7.9%, respectively. Health insurance remains the largest segment of India's non-life market with a 38.6% share of direct premiums, followed by the motor line with a 32.2% share.

Despite steady premium growth, the non-life market has continued to generate underwriting losses, highlighting ongoing market challenges. The trend is expected to continue owing to excessive market competition, poor pricing discipline in key business lines, and claims fraud.

Insurance penetration in India is lower than in many developed countries. Many people are unaware of its importance or find it complex and unnecessary. With a large portion of the population in low-to middle-income groups, affording insurance premiums can be a financial burden, even for basic life insurance. Furthermore, awareness about insurance in India's rural and underserved communities remains disproportionately low due to various factors, including a lack of agents, poor infrastructure, and weak distribution networks. There is also a problem of mis-selling, where insurance products are marketed based on false or incomplete information, leading to a lack of trust and interest in the market. To protect consumers, the Insurance Regulatory and Development Authority of India (IRDAI) has set stricter rules against mis-selling insurance products. Insurers and agents are now responsible for making sure policies are sold with clear and transparent information, helping customers better understand the terms and conditions.

In a bid to achieve its vision of “Insurance for all by 2047,” launched in November 2022, the IRDAI has implemented several initiatives to facilitate sustainable growth for the insurance industry. Through a multipronged approach, commonly known as the “Bima Trinity,” the regulator aims to foster longterm industry growth via “Bima Sugam,” an electronic insurance marketplace; “Bima Vistaar,” an insurance product covering life, health, personal accident, and property risks; and “Bima Vaahak,” a women-centric distribution channel. Strategic regulatory themes include expanding insurance penetration by promoting more standardised and accessible insurance products, facilitating business by liberalising the insurance market, and applying technological tools to improve distribution efficiency.

To support the vision of “Insurance for All by 2047,” the GST Council abolished the 18% GST levied on all individual life insurance policies—whether term, ULIPs, or endowment, as well as on individual health insurance plans, including family floater and senior citizen covers, with effect from 22 September 2025. The move aims to make insurance more affordable and support broader financial inclusion goals, particularly covering the underserved and unserved sections of the population, thereby deepening insurance penetration in the country.

In addition, India's long-term economic growth is expected to benefit the non-life segment. The economy expanded by 6.5% in FY2025, buoyed by higher government spending on infrastructure and strong private consumption expenditure and investments. The Reserve Bank of India (RBI) expects this pace to continue into FY2025–26, with both monetary and fiscal policies expected to support future economic growth.

In recent years, the country's monetary policy actions have supported the insurance market's investment income over the near term. Indian non-life insurers' investment income is expected to benefit from domestic interest rates. The RBI kept its key repo rate unchanged at 5.50% for the second consecutive time during its October 2025 meeting, following a series of cuts across three consecutive meetings in the first half of 2025, starting with a quarter-point reduction in February, its first cut since May 2020. The central bank made a similar-sized cut to 6% in April and another 50 bps cut to 5.50% in June as part of efforts to drive credit growth and boost both investment and consumer spending. Despite these cuts, interest income is expected to remain favourable as insurers reinvest their assets into higher-yielding fixed income instruments upon maturity.

Furthermore, India's non-life insurers have benefitted from their exposure to domestic public equities. India's equity market has been resilient with strong performance over recent periods, outperforming many emerging markets. Nonetheless, given the segment's high equity investment leverage, adverse equity market movements could negatively impact its capitalisation.

The combination of interest rate stability and equity market performance is likely to support solid investment returns in the medium term. Maintaining disciplined investment strategies will be essential to mitigate exposure to market shocks.

Regulatory and Risk Developments

The IRDAI is focused on introducing significant regulatory changes within the coming years, such as a risk-based capital framework. One major initiative under the “Insurance for all by 2047” vision pertains to developing and implementing the Indian Risk-Based Capital (Ind-RBC) Framework for the domestic insurance industry. The new framework, expected to include a phased implementation likely stretching between 2025 and 2027, will replace the current static solvency-based model with a system that ties capital requirements directly to an insurer’s risk profile. Current regulations require all Indian insurance companies to maintain a solvency ratio of at least 150%. The move aligns India’s insurance regulations with global best practices, offering a more dynamic approach to capital adequacy and ensuring financial resilience in its rapidly expanding market.

For IFRS 17, the IRDAI has extended the deadline for implementation from 2025 to 2027, giving insurers with additional time to transit and adapt to this international financial reporting standard. In India, IFRS17 will be implemented as the local accounting standard equivalent, called Indian Accounting Standard 117 (Ind-AS 117). This standard aims to enhance transparency and comparability in financial reporting when fully implemented.

To sustain and boost the continued growth of the insurance sector, the Indian government announced a proposal to raise the limit for foreign direct investment (FDI) in the insurance sector from 74% to 100% as part of the Union Budget 2025-2026 in February 2025. The enhanced limit will be available for those companies which invest the entire premium in the country. Additionally, the existing conditionalities associated with FDI will be reviewed and simplified.

Additionally, as part of its ongoing industry reform, the IRDAI has implemented, effective 1 April 2024, the de-notification of tariff wordings to promote greater market innovation and industry self-regulation. Non-life insurers may amend insurance policy wordings applicable to certain business lines such as fire, engineering, motor, workers’ compensation, and other classes of insurance previously not allowed, except for motor third-party insurance.

While it is expected that the liberalisation of policy wordings will improve the ability of more sophisticated players to better manage underwriting risks and offer greater product differentiation over time, the greater level of flexibility is more likely to lead to looser underwriting, inadequate pricing, and poorer underwriting risk management over the near term given the prevailing high level of market competition.

Natural Catastrophes and Climate Risks

Coastal areas, particularly along the Bay of Bengal and the Arabian Sea, are at high risk of cyclones, especially in states like Odisha, Andhra Pradesh, West Bengal, and Gujarat. These cyclones can cause extensive damage, flooding, and loss of life.

India is also frequently affected by heatwaves, which are becoming more frequent and intense due to climate change. In April 2025, an intense heatwave swept across northern India, with temperatures exceeding 40°C in states like Rajasthan, Gujarat, Madhya Pradesh, and Uttar Pradesh. Barmer in Rajasthan recorded a peak of 46.4°C. This extreme heat led to severe thunderstorms in Bihar, causing at least 19 fatalities and widespread crop damage.

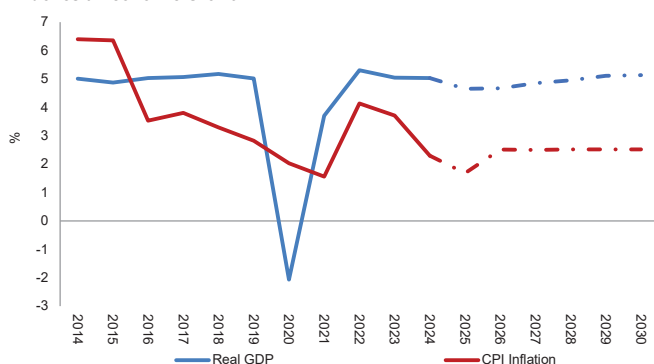
In India, heat extremes have increased linearly over the last 40 years (1981-2022), contributing to major heatwaves in 2013, 2016, 2019, 2022, and 2024, according to the Council on Energy, Environment and Water (CEEW), an independent, not-for-profit policy research institution based in India. With the increasing frequency and intensity of heatwaves, the CEEW has highlighted the importance of promoting heat insurance to protect livelihoods, underscoring the need to shift from post-disaster relief to prearranged financial protection. For instance, parametric insurance, which is based on temperature thresholds, can enable quick payouts after extreme heat events.

Indonesia

Indonesia is a CRT-4 country with moderate levels of economic and financial system risk and a high level of political risk. This indicates that Indonesia has a relatively unpredictable and non-transparent political, legal, and business environment, with underdeveloped capital markets; and a partially to fully inadequate regulatory structure.



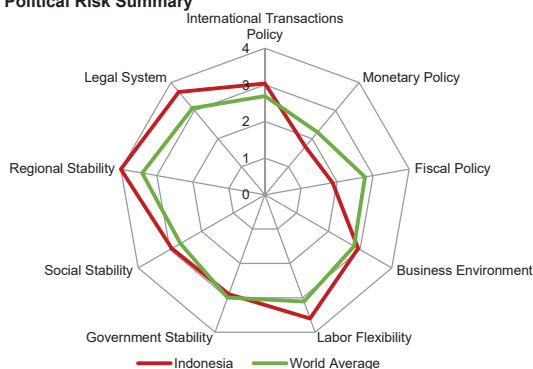
Indonesia Economic Growth



Economic Risk: Moderate

- Indonesia is a major producer and exporter of coal, palm oil, nickel, and other raw materials. To encourage domestic production, the government has implemented export restrictions on certain unprocessed commodities and is promoting investment in refining capacity. While these restrictions may temporarily weigh on the current account, the development of domestic refining capacity will strengthen it over the medium term.
- In June 2025, the government announced a USD 1.5 billion stimulus package to mitigate against weakening external demand. The measures include temporarily reductions in transportation costs, wage subsidies, and enhanced welfare support for vulnerable citizens.
- According to the IMF, the country's gross government debt is projected to reach approximately 40% of GDP in 2025, reflecting continued adherence to moderate budget deficits. To help finance its expenditure plans, the government introduced a higher levy on nickel mining in 2025, aligning fiscal objectives with its broader industrial policy goals.

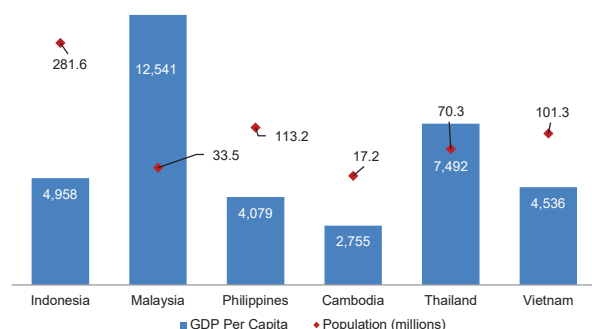
Indonesia - Political Risk Summary



Political Risk: High

- Prabowo Subianto of the Gerindra Party won the February 2024 presidential election and formally assumed office in October 2024. With broad parliamentary support, Prabowo is well positioned to advance his legislative agenda.
- Indonesia has sought to balance its strategic relationships with both China and the US in recent years. However, rising geopolitical tensions pose challenges. In November 2024, President Prabowo signed a memorandum of understanding with China concerning the development of a disputed territory in the South China Sea around the Natuna Islands, an area central to Indonesia's maritime claims.
- Indonesia ranks 99th out of 180 countries in Transparency International's latest Corruption Perceptions Index. This is an improvement from the rank of 115th held in the previous year.

Indonesia - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

- Indonesia ranks 98th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: Moderate

- The Financial Services Authority of Indonesia (OJK) regulates the insurance industry and is responsible for supervising the entire financial services sector.
- Monetary policy is managed by Bank Indonesia, which operates under an inflation-targeting regime. The bank began easing its policy rate in the second half of 2024, with further cuts implemented in the first half of 2025.
- In 2025, the government of Indonesia announced the establishment of a new sovereign wealth fund, the Daya Anagata Nusantara Investment Management Board.

Indonesia Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
91858	PT Asuransi Astra Buana	Jardine Matheson Holdings Ltd	a-	Stable	A-	Stable	aaa.ID	Stable
91075	PT Asuransi Samsung Tugu	Samsung Fire & Marine Insurance Co Ltd	a-	Stable	A-	Stable	aaa.ID	Stable
86731	PT Asuransi Tokio Marine Indonesia	Tokio Marine Holdings, Inc.	a-	Stable	A-	Stable	...	...
86732	PT Asuransi Tugu Pratama Indonesia Tbk	PT Pertamina (Persero)	a-	Negative	A-	Negative	aaa.ID	Stable
91185	PT KB Insurance Indonesia	KB Financial Group Inc.	bbb+	Stable	B++	Stable	aaa.ID	Stable

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on Indonesia's non-life insurance segment as of 9 October 2025. Positive factors supporting the outlook include the following:

- Premium growth prospects are resilient, supported by underlying economic stability despite global headwinds.
- While transitional challenges remain, ongoing regulatory refinements support the non-life segment's long-term financial stability.
- Investment income supports earnings despite recent interest rate cuts.

The following factors partially counter the positives:

- Underwriting pressures persist in key lines, highlighting ongoing market challenges.
- Evolving risk profiles and rising catastrophe exposures are leading to higher pricing risks.

Indonesia's life insurance industry produced total premiums of IDR 185.4 trillion (USD 11.3 billion) during 2024, an increase of 4.3% compared to the 7.1% decline in 2023. The growth was supported by new business premiums totalling IDR 108.3 trillion and renewal premiums of IDR 77.1 trillion, each up 4.3% year over year.

For the non-life segment, total premium income expanded by 8.7% to IDR 112.9 trillion in 2024, slowing down from the high double-digit rate of 15.3% seen in both 2023 and 2022. The deceleration was due to challenging market conditions, including global economic pressure, geopolitical tensions, fluctuating interest rates, and rising natural disaster risks.

The performance in 2024 was driven by strong premium growth in core non-life segments: health, property, and motor insurance. In particular, health insurance surged 77.2% to IDR 11.8 trillion due to a rise in awareness about the importance of health protection and growing demand in the group insurance segment. Property insurance, the largest non-life segment by premium income, recorded an increase of 14.6% year over year to IDR 30.4 trillion, in line with infrastructure development and real estate growth, as well as the increased frequency and intensity of natural disasters.

Indonesian non-life insurers' investment income is expected to remain favourable over the near term, supported by the relatively strong domestic interest rates despite monetary easing. Given that term deposits and fixed-income instruments constitute the majority of the segment's investments, the favourable interest rate conditions are expected to benefit the overall earnings as non-life companies reinvest their assets into higher-yielding fixed income instruments upon maturity.

Prospectively, domestic monetary policies may continue to ease gradually due to various factors, including the domestic inflation rate, tariffs and geopolitical uncertainties, global monetary policy, and wider macroeconomic conditions.

Headwinds persist for core business lines, including property, health, and credit insurance. For property and engineering lines, companies face higher reinsurance costs from the tight reinsurance market conditions locally. More restrictive terms and reductions in reinsurance commissions are likely to weigh on the underwriting performance.

Health insurance claims remain adversely impacted by high medical inflation and fraudulent behaviour. An earlier announced regulatory change to introduce co-payments and waiting periods was anticipated to mitigate underwriting risks and manage claims cost, but the implementation of this regulation has since been deferred. Although insurers have implemented remedial measures like pricing adjustments and product feature revisions to combat medical inflation, performance volatility may persist over the near term to medium term.

Credit insurance loss experience may further deteriorate over the medium term, given the uncertainty around claim reserve adequacy for this long-duration line of business. Paid loss experience of credit lines has continued to adversely develop in recent periods, with reserve developments related to losses that likely stem from older policies. Regulatory changes such as OJK Regulation Number 20 of 2023, which introduced measures like mandatory risk sharing between financial institutions and insurers, are working to improve pricing adequacy and to reduce risk exposures of credit insurers. Nonetheless, volatility in the loss experience of credit lines is expected to prevail over the near term, with probable further adverse reserve development, though likely to be less significant given the time elapsed since the pandemic.

Regulatory and Risk Developments

The Financial Services Authority (Otoritas Jasa Keuangan, OJK) has outlined its plans to introduce new minimum capital regulations for conventional and shariah (re)insurance companies. The minimum capital requirement will increase in a phased approach, with the first deadline being 31 December 2026, when institutions must comply with the following minimum paid-up capital amount:

- conventional insurers - IDR 250 billion
- conventional reinsurers - IDR 500 billion
- shariah insurers - IDR 100 billion
- shariah reinsurers - IDR 200 billion

The second phase, which must be completed by 31 December 2028, will see institutions categorised into two groups, KPPE 1 and KPPE 2, based on their equity capital. KPPE 1 companies generally have lower equity requirements and are restricted to offering simple insurance products, while KPPE 2 companies, with higher capital, will be able to conduct a wider range of insurance activities. The minimum paid-up capital required for these institutions are:

KPPE 1:

- conventional insurers - IDR 500 billion
- conventional reinsurers - IDR 1 trillion
- shariah insurers - IDR 200 billion
- shariah reinsurers - IDR 400 billion

KPPE 2:

- conventional insurers - IDR 1 trillion
- conventional reinsurers - IDR 2 trillion
- shariah insurers - IDR 500 billion
- sharia reinsurers - IDR 1 trillion

Entities unable to fulfil the minimum capital requirements can become a subsidiary of a more significant parent (re)insurance company in what will be known as an Insurance Business Group (KUPA). It is expected that the tougher minimum capital requirements will lead to a reduction in the number of (re)insurers operating in the market, although the sector will inevitably be financially stronger as a result.

To enhance the quality of reporting by insurance and reinsurance companies, the introduction of the insurance company accounting standard IFRS-17 Insurance Contracts under PSAK 74: Insurance Contracts took effect from 1 January 2025.

Natural Catastrophes and Climate Risks

Located on the Pacific Ring of Fire, an area with high seismic activity, Indonesia is particularly prone to natural disasters such as earthquakes, volcanic eruptions, and tsunamis. Landslides, floods, and droughts also occur regularly. These events not only cause human and social losses but also significantly impact the Indonesian economy through damage to infrastructure, property, and disruptions to economic activities. Although the Indonesian emergency and rescue services are highly experienced and warning systems have been upgraded since the 2004 tsunami, their capacity to cope with major disasters is limited.

Indonesia also faces significant challenges posed by climate change. In response, the government has adopted a non-binding target to reduce greenhouse gas emissions by 29% by 2030 in its Nationally Determined Contribution (NDC). Sea level rises affecting coastal cities and agricultural areas, as well as heat stress and drought, are the most prominent hazards. Whilst most natural disasters typically happen during the rainy season between November and March, recent events indicate that environmental risks to personnel and assets are not confined to the rainy season.

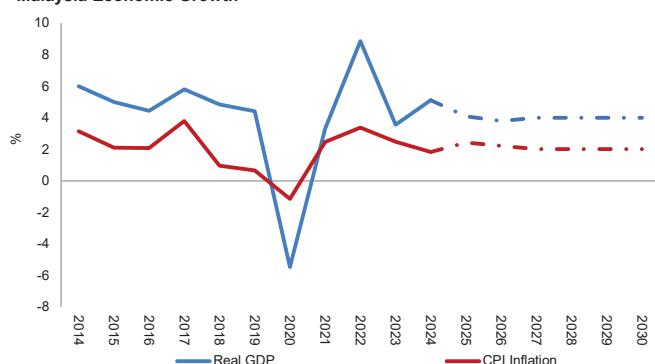
The Indonesian disaster agency has highlighted floods as the most significant threat in 2025, primarily due to the La Niña phenomenon, which is causing a wetter rainy season with higher intensity rainfall expected.

Malaysia

Malaysia is a CRT-3 country, with a low level of economic risk and moderate levels of political and financial system risk. This indicates that Malaysia has a developing legal environment, legal system, and business environment with maturing capital markets and a developing insurance regulatory structure.



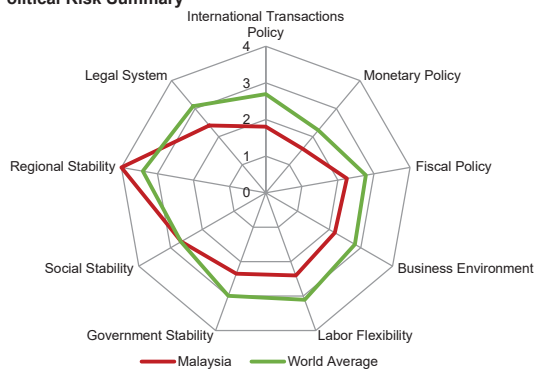
Malaysia Economic Growth



Economic Risk: Low

- Malaysia is regarded as one of the most business-friendly countries in Southeast Asia, supported by a relatively well-developed transport, energy, and telecommunications infrastructure, as well as a highly skilled labour force. Labour unrest is infrequent, in part due to stringent legal requirements that make it difficult for workers to organise lawful strikes.
- China, Singapore, and the US are key export markets for Malaysia. However, the increased adoption of protectionist measures by the US, alongside uncertainty over China's growth potential, could create headwinds for economic growth.
- Malaysia has joined the BRICS geopolitical bloc as a partner country, potentially paving the way for enhanced economic cooperation with other member states. Nevertheless, deeper alignment with BRICS may continue to heighten economic tensions with the US.
- The IMF projects Malaysia will continue to run moderate fiscal deficits over the medium term. However, as long as economic growth remains resilient, these deficits are unlikely to lead to a significant increase in the country's debt-to-GDP ratio.

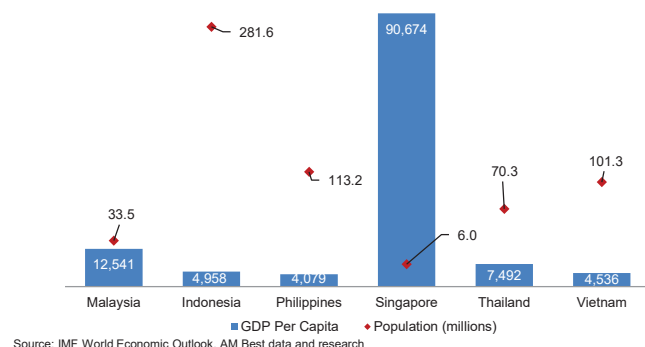
Malaysia - Political Risk Summary



Political Risk: Moderate

- Anwar Ibrahim, representing the Alliance of Hope coalition, was confirmed as prime minister in November 2022. While the coalition holds a majority to advance its legislature agenda, internal divisions and competing party interests may pose challenges.
- Since Prime Minister Anwar Ibrahim assumed office, the administration has prioritised strengthening bilateral ties with China. In June 2024, China and Malaysia renewed a five-year economic co-operation agreement and several memorandums of understanding aimed at deepening economic and political ties between the two nations. Additional measures were agreed upon in April 2025. While relations with the US remain generally positive, ongoing trade disputes may strain bilateral ties.

Malaysia - GDP Per Capita and Population



- Malaysia ranks 57th out of 180 countries in Transparency International's latest Corruption Perceptions Index.
- Malaysia ranks 50th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: Moderate

- The insurance industry is regulated by the central bank, Bank Negara Malaysia (BNM).
- In July 2025, BNM reduced its policy rate for the first time since 2020. The central bank operates under a dual mandate to maintain both price stability and economic growth. However, planned subsidy reforms could constrain the scope for further monetary easing in the near term.

Malaysia Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
91269	Energas Insurance (L) Limited	Petroleum Nasional Berhad	a	Negative	A	Negative	...	...
86408	Etiqa General Insurance Berhad	Malayan Banking Berhad	a-	Stable	A-	Stable	...	...
93387	General Ins Corp of India Labuan Branch	General Insurance Corporation of India	a-	Stable	A-	Stable	...	...
86913	Labuan Reinsurance (L) Ltd	...	a-	Stable	A-	Stable	...	...
89132	Lonpac Insurance Bhd	LPI Capital Bhd	a	Stable	A	Stable	...	...
89134	Malaysian Life Reinsurance Group Berhad	L.I.A.M. Holding Sdn. Bhd.	a-	Stable	A-	Stable	...	...
78303	Malaysian Reinsurance Berhad	MNRB Holdings Berhad	a-	Stable	A-	Stable	...	...
93253	Singapore Re Corp Ltd (LBR)	Fairfax Financial Holdings Limited	a	Stable	A	Stable	...	...
92785	Tune Protect Re Ltd.	Tune Protect Group Berhad	bbb+	Stable	B++	Stable	...	...
93446	Wentworth Ins Co Ltd (Labuan Branch)	Fairfax Financial Holdings Limited	a	Stable	A	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on Malaysia's non-life insurance segment as of 18 December 2024. Key factors supporting the outlook include the following:

- Anticipated premium growth spurred by economic recovery, regulatory reforms designed to increase insurance penetration and rate hikes.
- Continued underwriting and pricing discipline amid the phased liberalisation of motor and fire tariffs.

The following factor partially offsets the positives:

- The industry's underwriting performance remains susceptible to volatility stemming from the rising frequency of severe weather-related events.

Malaysia's non-life industry reported MYR 22.5 billion (USD 5.3 billion) in gross direct premiums in 2024, a 7% rise compared to 8.2% in 2023, supported primarily by the dominant motor and fire segments. Though the pace of expansion has moderated, the premium growth continued to outpace the country's GDP growth last year – a testament to the non-life industry's resilience and adaptability in a shifting economic landscape.

The non-life industry is poised for further growth over the medium term, underpinned by continued economic recovery, higher insurance penetration, inflation-driven rate hikes, and rising demand for digital insurance and takaful offerings. Digitalisation and product innovation are expected to remain key focus areas for insurers seeking to broaden market

access and improve operational efficiency. The segment also benefits from ongoing regulatory initiatives aimed at closing protection gaps and improving overall industry resilience.

Long-term expansion is expected to be driven by increased penetration and regulatory support. Bank Negara Malaysia (BNM), the sector's primary regulator, has set a target to increase the combined insurance/takaful penetration rate to 4.8%–5.0% by 2026 and double microinsurance and microtakaful coverage. In July 2024, BNM launched its Licensing and Regulatory Framework for Digital Insurers and Takaful Operators (DITOs), with a two-year application period starting 2 January 2025 and ending 31 December 2026. This initiative aims to accelerate digital inclusion and improve accessibility for underserved populations.

In parallel, the regulator has rolled out policies to bolster professionalism, product suitability, and sustainability. The Policy Document on the Professionalism of Insurance and Takaful Agents, effective 1 January 2024, mandates higher competency and ethical standards among agents and limits the number of providers they may represent. Meanwhile, the Value-based Intermediation for Takaful (VBIT) framework, introduced in 2021, continues to support the growth of Islamic insurance through sustainability-linked principles. General takaful contributions have consistently outpaced conventional non-life insurance, a trend expected to persist.

On the product side, motor and fire insurance remain the largest contributors to premium income, making up 46% and 20% of the non-life market, respectively. Since 2016, BNM has progressively liberalised motor and fire insurance tariffs to allow greater pricing flexibility. While the tariff liberalisation is expected to increase near-term pressure on pricing and underwriting margins, the move is also driving service innovation, product differentiation, and risk-based pricing strategies that improve long-term market efficiency and sustainability.

In recent years, the non-life industry's underwriting results have been increasingly challenged by climate-related losses and competitive pricing. In 2023, underwriting profitability in the fire line weakened due to increased weather-related losses, inflation-driven claims costs, and price competition. These challenges come despite premium rate increases following catastrophic floods in December 2021. As a response, insurers are expected to continue repricing flood-related products and enhance risk selection.

To support climate resilience, BNM has implemented the Climate Risk Management and Scenario Analysis (CRMSA) framework, effective since November 2022. The framework mandates insurers to adopt structured approaches to assess, mitigate, and manage climate risk exposures.

Reinsurance market conditions have remained firm, in line with global trends. Since 2019, reinsurance pricing in Malaysia has tightened, particularly in the property, engineering, and financial lines. Premium rates in 2023 increased notably for flood-related risks. However, as of May 2024, feedback from the local market indicates that treaty renewals were largely stable.

Market consolidation is expected to continue, though opportunities for international acquisitions are narrowing as the pool of viable targets diminishes. Liberalisation across key product segments, particularly motor and property, is anticipated to increase competitive intensity and pricing pressure, prompting insurers to prioritise scale, distribution, and retention to preserve margins.

Regulatory and Risk Developments

Malaysia has made steady progress in advancing its insurance regulatory framework, with BNM taking a proactive role in aligning local regulations with international standards. In June 2024, BNM published an Exposure Draft for the revised Risk-Based Capital Framework (RBC2), which aims to introduce more granular risk classifications, enhanced capital adequacy requirements, and improved alignment with the global Insurance Capital Standard (ICS) under the IAIS framework. The new framework is scheduled for implementation in January 2027.

The current RBC framework, established on 1 January 2009, and updated in June 2013, requires insurers to maintain a capital adequacy level that reflects their risk profile. The framework is designed to be risk-sensitive, meaning insurers with higher-risk portfolios or those whose liabilities are mismatched to their assets must hold more capital. Similarly, insurers focused on volatile lines of business or those with high concentration in one area must maintain higher capital than those with diversified and stable business lines. The RBC framework introduces specific capital charges for market, credit, insurance, and operational risks, which enhances transparency and strengthens an insurer's ability to identify, quantify, and manage risks.

Under RBC, insurers whose capital aligns with their risk profiles will have higher Capital Adequacy Ratios (CARs), allowing for more efficient use of excess capital in value-creating activities. The framework also includes provisions for adverse deviations based on actual insurer experiences. For instance, non-life insurers must ensure their reserves are sufficient to cover expected claims, accounting for volatility in claim patterns. Additionally, the framework introduces market values for assets, ensuring a more accurate balance sheet that reflects real market conditions, enabling insurers to optimise their asset portfolios based on risk appetite and return expectations.

Each insurer is required to evaluate the adequacy of the capital available in both their insurance and shareholder funds, represented by their CAR, which acts as a key measure of financial resilience. The CAR is used by BNM to determine if supervisory intervention is necessary. Although the minimum supervisory capital level is set at 130% of the required capital, insurers are encouraged to establish higher internal targets to address risks not explicitly covered, such as strategic or reputational risks. If an insurer's CAR falls below its internal target but remains above the supervisory minimum, BNM will assess the situation and the insurer's remedial plans. If the CAR continues to fall, more stringent regulatory measures, such as business restrictions or restructuring, may be enforced.

The RBC framework also applies to the general takaful market, with a similar set of regulations (RBCT) introduced on 1 January 2014. By the end of 2024, the aggregate CAR for the conventional insurance and takaful sector remained stood at 224%, a rise of 1.8 percentage points year over year and well above the regulatory minimum of 130%, reflecting their strong and liquidity positions.

Natural Catastrophes and Climate Risks

Malaysia continues to face mounting risks from natural and climate-related catastrophes such as floods, landslides, and tropical storms. The 2021 Klang Valley floods and the 2022-2023 Northeast monsoon floods caused extensive damage to homes, infrastructure, and commercial operations, bringing the issue of catastrophe risk management into sharp focus for the insurance industry.

In late 2023 and early 2024, multiple districts in Kelantan, Terengganu, and Johor experienced severe flooding, prompting large-scale evacuations and claims activity. According to official government data, over 20,000 residents were displaced, and insurers faced substantial claims across property and motor portfolios. In December 2024, Malaysia experienced devastating monsoon-triggered floods, particularly affecting the northeast region. The region received an equivalent of six months' worth of rainfall in just five days, leading to over 30 fatalities and displacing approximately 85,000 residents. The floods caused extensive damage to infrastructure, homes, public facilities, and large areas of rice fields. The economic toll is substantial, with damages in Malaysia estimated to reach MYR 1 billion.

Consequently, Malaysian insurers are facing rising premiums and more restrictive terms for catastrophe cover, particularly for property, engineering, and flood risks.

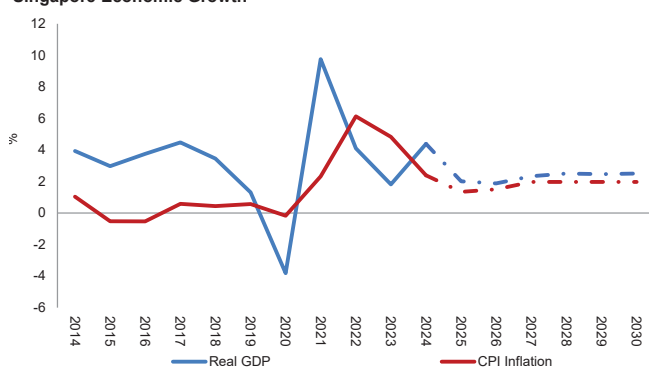
To mitigate risk accumulation, insurers are revisiting pricing strategies, risk zoning, and reinsurance arrangements. Some are also investing in catastrophe modelling software to improve exposure tracking and enhance portfolio resilience.

Singapore

As a CRT-1 country, Singapore has very low levels of political and financial system risk and a low level of economic risk. This indicates that Singapore has a predictable and transparent legal environment, legal system, and business infrastructure; sophisticated financial system regulation with deep capital markets; and mature insurance industry framework.



Singapore Economic Growth



Economic Risk: Low

- Singapore's economy is highly dependent on international trade, making it vulnerable to shifts in global demand and supply dynamics. The export sector may face challenges stemming from increased protectionist measures in the US and lingering uncertainties surrounding China's long-term growth prospects.
- The 2025 national budget outlines key government priorities, including alleviating cost-of-living pressures, enhancing economic competitiveness, and supporting workforce development. Measures include a direct SGD 800 to all Singaporean households and incentives aimed at encouraging workers to upgrade their skill sets.
- According to the IMF, gross government debt is projected to reach approximately 175% of GDP in 2025. However, this figure overstates the country's fiscal burden, as the government consistently runs fiscal surpluses, and issues debt primarily to fund its sovereign investment entities.
- Singapore is a highly developed economy, with GDP per capita projected to exceed USD 90,000 in 2024, more than twice that of Brunei, the second highest in the region.

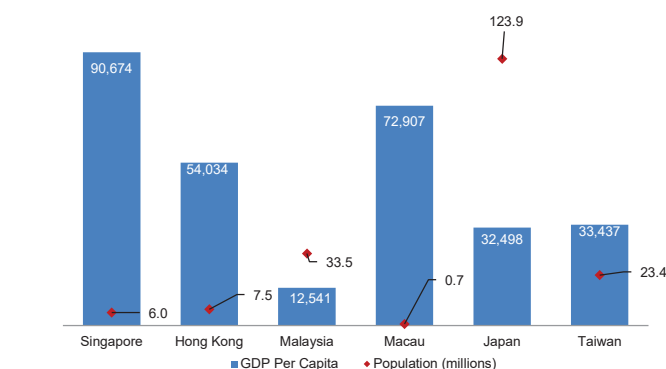
Singapore - Political Risk Summary



Political Risk: Very Low

- The center-right People's Action Party secured a supermajority in parliament following Singapore's 2025 general election. Prime Minister Lawrence Wong, who succeeded former Prime Minister Lee Hsien Loong, is expected to maintain continuity in policy direction, focusing on economic resilience, social stability, and regional engagement.
- Although Prime Minister Wong has expressed a commitment to balanced engagement with both China and the US, geopolitical tensions between the two countries may prompt Singapore to recalibrate its strategic posture. The country maintains strong defense ties with the US; however, the imposition of additional US tariffs on Singaporean exports could strain the

Singapore - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

relationship. Conversely, ongoing territorial disputes in the South China Sea may limit the scope for deeper alignment with China.

- Singapore ranks 6th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: Very Low

- The Monetary Authority of Singapore (MAS) serves as the country's central bank and insurance regulator overseeing the Insurance Act.
- The MAS prioritises efforts to maintain the domestic currency's stability against a basket of currencies. The central bank has allowed the Singapore Overnight Rate Average (SORA) to ease in the first half of 2025.
- According to the IMF's 2025 Article IV Consultation, Singapore's financial sector remains sound and resilient.

Singapore Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
91421	AIG Asia Pacific Insurance Pte. Ltd.	American International Group, Inc.	a+	Stable	A	Stable	...	...
95028	China Reinsurance (Group) Corp (SGB)	China Investment Corporation	a+	Stable	A	Stable	...	...
88853	China Taiping Ins (Singapore) Pte Ltd	China Taiping Insurance Group Ltd.	a	Stable	A	Stable	...	...
91559	ERGO Insurance Pte. Ltd.	Munich Reinsurance Company	aa	Stable	A+	Stable	...	...
94364	Great American Insurance Company (SGB)	American Financial Group, Inc.	aa-	Stable	A+	Stable	...	...
93162	Korean Reins Co (Singapore Branch)	Korean Reinsurance Company	a+	Stable	A	Stable	...	...
89433	MS First Capital Insurance Limited	MS&AD Insurance Group Holdings, Inc.	a+	Positive	A	Positive	...	...
91577	Samsung Reinsurance Pte. Ltd.	Samsung Fire & Marine Insurance Co Ltd	aa+	Stable	A++	Stable	...	...
88684	SCOR Reinsurance Asia-Pacific Pte Ltd	SCOR SE	a+	Stable	A	Stable	...	...
91850	Singapore Reinsurance Corp Ltd (CS)	Fairfax Financial Holdings Limited	a	Stable	A	Stable	...	...
85224	Singapore Reinsurance Corporation Ltd	Fairfax Financial Holdings Limited	a	Stable	A	Stable	...	...
91708	Starr Intl Ins (Singapore) Pte. Ltd	Starr International Company, Inc.	a+	Stable	A	Stable	...	...
85830	Swiss Re Asia Pte. Ltd.	Swiss Re Ltd	aa	Stable	A+	Stable	...	...
71503	Transatlantic Reinsurance Company (SGB)	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
86781	United Overseas Insurance Limited	United Overseas Bank Limited	aa-	Stable	A+	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

Singapore's non-life insurance industry continues to chart a stable growth trajectory, supported by positive factors including:

- Strong regulatory regime underpinning robust capitalisation and market discipline.
- Regional reinsurance and specialty hub status attracts global capital, supporting risk diversification beyond the small domestic base.
- Growing demand for health, motor, and property insurance, driven by rising healthcare costs, higher vehicle ownership, construction activity and public infrastructure investments.

Moderating factors include:

- Intense competition from global carriers puts pressure on domestic insurers' margins.

- Domestic motor insurance continues to face profitability pressure, with rising claims frequency and repair costs, in part driven by electric vehicle (EV) adoption.
- Exposure to regional catastrophe events through their offshore insurance portfolios exposes domestic insurers to earnings volatility.
- Proposed regulatory refinements to capital framework and disclosure requirements, while beneficial in the long term, may increase short-term operational costs for insurers.

Singapore's non-life market is mature, and there appears to be little scope for much development of traditional (re)insurance business, with competition for good local risks expected to continue to put downward pressure on pricing for most classes. The international element of the Singapore market is growing quickly, and (re)insurers are likely to see more business as brokers seek to secure capacity at attractive rates.

The capacity available in Singapore is considerable in respect of the number of underwriters located in the country, the capacity of individual (re)insurers, and the scope and breadth of classes of cover offered. Local underwriters and brokers involved in regional accounts report that most can be written in Singapore and that little, if any, such business, other than aviation fleets, cannot be accommodated locally.

According to data published by the General Insurance Association of Singapore, gross written premiums (GWP) in the domestic non-life segment rose 8.3% year over year to SGD 5.62 billion (USD 4.33 billion) in 2024, largely led by the robust performance of the two dominant lines— motor and health.

Motor insurance's market share increased marginally from 21.0% in 2023 to 21.6% in 2024, reflecting steady growth and generating the highest GWP of about SGD 1.21 billion. Health insurance also saw a moderate rise in market share from 19.2% to 20.5%, with GWP reaching SGD 1.15 billion. With GWP of just over SGD 830 million, property insurance remains the third largest non-life business line, albeit with a minor dip in its market share from 14.9% in 2023 to 14.8% in 2024.

The domestic non-life market's overall underwriting profit in 2024 contracted by 16.7% to SGD 219.0 million, primarily due to increased losses in the motor and marine hull segments despite a 150% improvement in the health segment's underwriting results. The health insurance segment returned to profitability in 2024, recording an underwriting profit of SGD 5.34 million—a notable turnaround from a loss of SGD 10.6 million in 2023. The recovery aligned with a 15.9% increase in GWP, underscoring the rising demand for health coverage as more individuals embrace insurance as part of their overall wellness strategy. However, the group health and surgical subsegment continues to face challenges, with rising claims costs putting significant pressure on the profitability of the health segment.

The life insurance industry ended 2024 with a 19.7% growth, reaching a total of SGD 5.87 billion in weighted new business premiums for the full year, primarily due to an increase in the annual premium business. According to data published by the Life Insurance Association Singapore, the financial adviser channel contributed 34.1% of total weighted new business premiums last year, followed by bancassurance (31.3%) and tied representatives (30.5%).

The new business premium growth was fuelled by a 41% year-over-year surge in investment-linked plans (ILPs), increasing from SGD 1.60 billion to SGD 2.25 billion. In Singapore, more consumers are leveraging ILPs for wealth accumulation, especially amidst economic uncertainty and rising interest rates, as these policies not only provide life insurance protection but also offer higher potential returns. In particular, regular premium ILPs are gaining traction due to their ability to mitigate market timing risks through dollar-cost averaging. Additionally, non-participating products grew 19.2% year-on-year from SGD 1.84 billion in 2024, while contributions from participating products dipped slightly by 2.7%.

Regulatory and Risk Developments

An updated version of the MAS Framework for Impact and Risk Assessment of Financial Institutions took effect on 1 January 2024. This includes a section on domestic systemically important insurers (D-SIIs). D-SIIs are those that have

been identified as having a significant impact on the financial sector should they become insolvent. The updated framework addresses the enhanced supervisory requirements to which D-SIIs will be subject and stipulates a 25% increase in their capital levels. In the list of D-SIIs published by MAS, the only non-life company is Income Insurance.

Natural Catastrophes and Climate Risks

Singapore has historically had low exposure to natural disasters, but climate change is expected to increase its vulnerability. Among the anticipated risks are rising sea levels, more intense rainfall, and prolonged droughts, underscoring the importance of ongoing adaptation and mitigation efforts. Specifically, sea level rise is expected to increase the vulnerability of low-lying areas to coastal erosion and flooding.

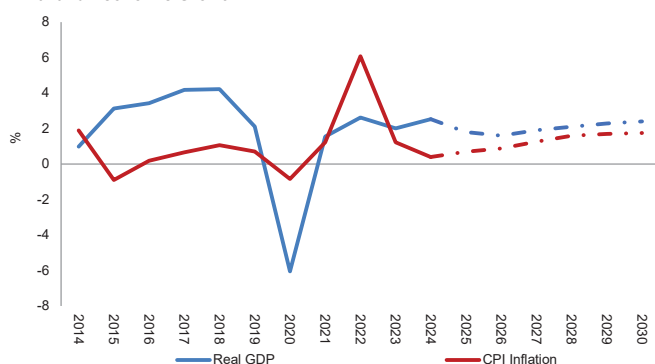
The government has adopted some climate change mitigation measures and targets, such as reaching net-zero greenhouse gas emissions by 2050, although attracting foreign investment will likely be prioritised over emissions reduction in the medium term. Singapore's temperate climate largely mitigates the prospect of natural hazards; however, low-impact flooding, drought, and haze present intermittent risks.

Thailand

Thailand, a CRT-3 country, has moderate levels of economic, political, and financial system risk. This indicates that Thailand has a relatively unpredictable and non-transparent political, legal, and business environment, with underdeveloped capital markets; and a partially to fully inadequate regulatory structure.



Thailand Economic Growth

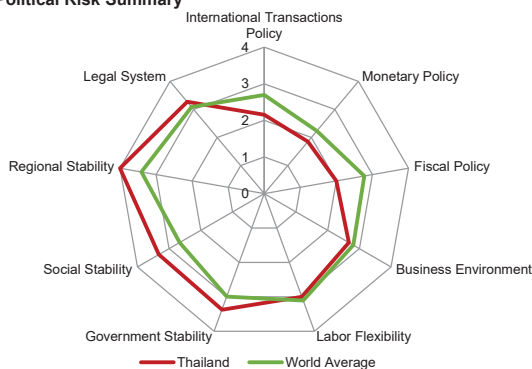


Source: IMF World Economic Outlook, AM Best data and research

Economic Risk: Moderate

- The US is Thailand's largest market for exported goods, followed by China and Japan. The increasing adoption of protectionist measures by the US poses both direct and indirect risks to Thailand's export performance and broader economic outlook.
- In response to potential growth headwinds, the Thai government has continued to rely on fiscal stimulus to support domestic demand. In June 2025, the Cabinet approved a THB 115 billion stimulus package, with a substantial portion allocated to infrastructure development.
- According to the IMF, Thailand's gross debt-to-GDP ratio is expected to reach approximately 65% in 2025. This ratio is expected to rise gradually in the coming years as the government continues to run moderate deficits.
- Thailand's aging population is expected to place increasing pressure on public finances. Rising healthcare and social welfare expenditures will likely drive long-term growth in entitlement spending, potentially contributing to future fiscal vulnerabilities.

Thailand - Political Risk Summary



Source: AM Best data and research

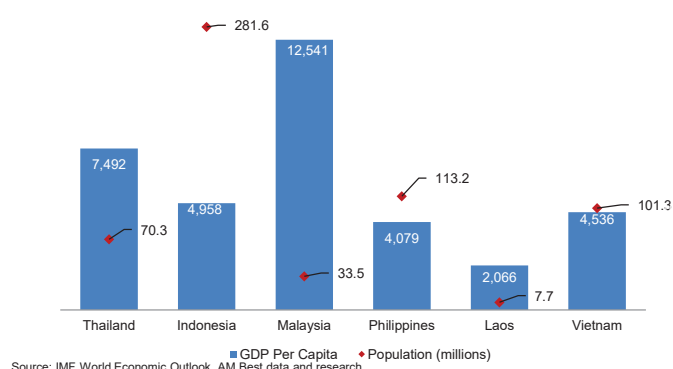
Political Risk: Moderate

- In 2024, Thailand held its first senatorial elections since the establishment of the upper house under the 2017 Constitution. Previously, senators were appointed by the military, granting it significant influence over government policy. This authority was notably exercised in 2023 when the Senate blocked the appointment of Prime Minister Srettha Thavisin, who was removed from office by the Constitutional Court in August 2024 and succeeded by Paetongtarn Shinawatra. Shortly after assuming office, Shinawatra was suspended by the Constitutional Court over allegations of misconduct related to border negotiations with Cambodia. Consequently, the Constitutional Court dismissed Prime Minister Shinawatra from office on 29 August 2025 for an ethics violation after only one year in power. On 7 September

2025, Anutin Charnvirakul of Thailand's Bhumjaithai party took office as prime minister, the country's third premier in two years.

- Thailand ranks 80th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.
- Thailand ranks 107th out of 180 countries in Transparency International's latest Corruption Perceptions Index.

Thailand - GDP Per Capita and Population



Financial System Risk: Moderate

- The insurance industry is regulated by the Office of Insurance Commission.
- Thailand maintains a managed floating exchange rate regime, which permitted a modest appreciation in the Thai baht against the US dollar in the first half of 2025 in response to easing inflationary pressures. The Bank of Thailand began lowering its key policy rate in October 2024, reaching 1.75% by the end of the first half of 2025.
- The Thai Stock Exchange acts as the sole stock exchange of Thailand. It has been operational since 1975 and is regulated by the Securities and Exchange Commission of Thailand.

Thailand Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
92698	Allianz Ayudhya General Insurance PCL	Allianz Ayudhya Capital Public Co Ltd	a-	Stable	A-	Stable	...	...
85568	Asian Reinsurance Corporation	...	bbb	Stable	B++	Stable	...	...
89383	Dhipaya Insurance Public Company Limited	Dhipaya Group Holdings Public Co Ltd	a-	Stable	A-	Stable	...	...
93908	New India Assurance Company Ltd THB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
84373	Starr Internatl Ins (TH) Public Co Ltd	Starr International Company, Inc.	a-	Positive	A-	Positive	...	...

Source: BESTLINK

Insurance Industry Overview

Thailand's non-life insurance industry continues to demonstrate strong growth potential, backed by positive factors including:

- Ongoing regulatory reforms should help strengthen solvency standards and support the resilience of the insurance sector over the long term.
- Rising demand in the health and motor lines should support robust premium growth over the intermediate term.
- Regulatory measures such as EV policy standardisation, mandatory named-driver rules, and co-payment clauses in health insurance are expected to improve underwriting risk profiles.
- Increased reinsurance utilisation should help mitigate underwriting results volatility, particularly due to natural catastrophe events.

Moderating factors include:

- Exposure to natural catastrophe events, particularly floods, subjects domestic insurers to earnings volatility.

- Fragmented distribution channels and lagging digitalisation contribute to operational inefficiencies and impede rate of insurance penetration.
- Subdued economic momentum due to political instability may contribute to volatility in premium growth and investment income.

Total direct premiums written by Thailand's insurance industry rose 2.3% year-over-year to THB 939.6 billion (USD 28.9 billion) in 2024, with the life segment contributing 69.5% of the expansion in premium volume, based on our analysis of data published by the Office of the Insurance Commission (OIC). The non-life market made up the remaining 30.5% share of the market premiums.

Life direct premiums increased by 3.1% to THB 653 billion in 2024, bolstered by favourable factors such as heightened health awareness and the country's increasing average life expectancy, which is predicted to reach 79.6 years by 2030. The segment is expected to grow at a 3.7% CAGR from 2024 to 2028, according to GlobalData's projections.

The non-life market generated total direct premiums of THB 286.6 billion in 2024, rising by 0.6%, a much slower pace compared to the prior year's 3.9%. Several factors contributed to the modest premium growth including a sluggish economy, intense market competition, slowdown in private sector investment, delays in public investment projects, and a spike in household debts.

Motor insurance continues to dominate Thailand's non-life market, consistently accounting for around 56% of direct premiums in the last four years. The OIC data shows that motor premiums remain flat at THB 161 billion in 2024 due to a 26.2% fall in domestic car sales, the lowest in 15 years, as tighter auto loan regulations and high household debt levels weakened consumer purchasing power. Additionally, motor insurers became cautious about rising claims costs owing to higher repair costs and the risk of natural disasters, which have increasingly resulted in widespread vehicle damage.

The non-motor segment's direct premiums rose 1.4% to THB 125.6 billion, driven by stronger demand for health, fire, and public liability insurance due to increased awareness of the importance of protection and more conscious efforts to mitigate future unexpected events and risks such as emerging diseases, major flooding events, and cybersecurity threats.

In 2025, the non-life industry is forecast to expand by 1.5%-2.5%, with total direct insurance premiums of between THB 291.2 billion and THB 294.1 billion, according to the Thai General Insurance Association (TGIA). Supporting factors include the stimulus measures for tourism and economic recovery, the trend of expanding health insurance, and increased awareness of the dangers posed by natural disasters. However, the Thai economy still needs to closely monitor risks from various sides, including the impact of US tariff policy, geopolitical tensions, volatility in the global financial market, and climate change impacts – all of which pose challenges to non-life insurance businesses in Thailand.

Regulatory and Risk Developments

The OIC continues to prioritise solvency and capital adequacy alongside the reinsurance measures introduced in 2023. Under Thailand's risk-based capital (RBC) framework, insurers are required to maintain sufficient capital against underwriting, market, credit, and operational risks, with supervisory intervention triggered where the capital adequacy ratio (CAR) falls below 140%. Companies falling below this threshold will face heightened scrutiny, such as tighter disclosure and reporting obligations, until their capital is restored, reflecting the regulator's emphasis on early intervention and policyholder protection.

Regulatory reporting tied to solvency has also been tightened. The OIC recently launched a public hearing on amendments that would accelerate the deadlines for audited annual financial statements and financial and operating reports, and require earlier submission of key capital data – namely, Form 1 (Calculation of CAR), Form 2 (Calculation of Total Capital Available), and Form 4 (Calculation of Capital for Insurance Risk) – to give the regulator a more current view of insurers' solvency positions. These amended rules were scheduled to take effect on 1 September 2025.

Natural Catastrophes and Climate Risks

Global and regional reinsurers are expected to bear the majority of insured losses of a powerful 7.7-magnitude earthquake that rocked Myanmar on 28 March 2025 and also affected Bangkok. In Thailand, a 30-storey building under construction was the only structure in Bangkok to collapse following the earthquake, killing nearly 100 workers. The construction site was insured under a contractors' all risks (CAR) policy, and initial reports and market estimations suggest that the disaster could cause financial strain for the Thailand insurance industry. According to industry estimates, the domestic non-life insurers could face insured losses ranging from USD 600 million to USD 900 million, much lower than past major events, such as the USD 15 billion in insured losses from the 2011 floods and the USD 4.5 billion in claims from the COVID-19 pandemic-related insurance payouts in 2022.

In Thailand, reinsurance premiums are anticipated to increase. If insurers do not counteract the impact through increased business volume and better risk selection, the premium rise may result in shrinking profit margins over the medium term.

Moreover, Thailand's property and casualty insurance doesn't cover earthquakes adequately, which lowers the total amount of covered damages.

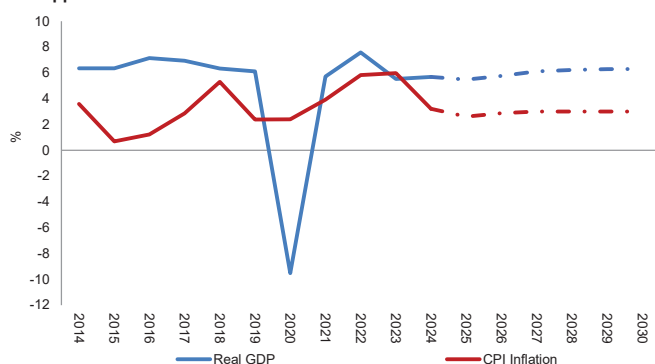
To improve risk assessment models, insurers are expected to collaborate with catastrophe modellers and expand coverage. Insurers are also enhancing catastrophe risk assessment by integrating local soil conditions, building structures, and seismic data into their models. These improvements aim to expand coverage and strengthen resilience against natural disasters such as floods and earthquakes.

The Philippines

The Philippines is a CRT-4 country with a moderate level of economic risk and high levels of political and financial system risk. This indicates that the country has a relatively unpredictable and non-transparent political, legal, and business environment, with underdeveloped capital markets; and a partially to fully inadequate regulatory structure.



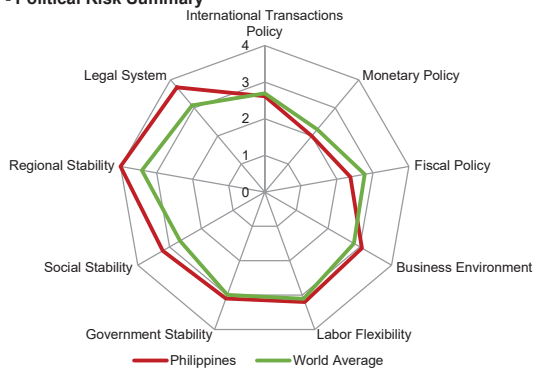
Philippines Economic Growth



Economic Risk: Moderate

- The 2025 budget reflects a planned increase in government expenditure by approximately 10% compared to the previous year. Key priorities will include maintaining infrastructure investment spending at around 5% of GDP to support long-term growth.
- China, the US, and Hong Kong are major export markets for the Philippines. However, ongoing geopolitical tensions with China and rising protectionist measures by the US pose increasing risks to trade continuity.
- The IMF projects that gross government debt will peak at approximately 60% of GDP in 2025, with a gradual decline expected thereafter. While fiscal deficits are projected to persist, they are anticipated to narrow over the medium term.

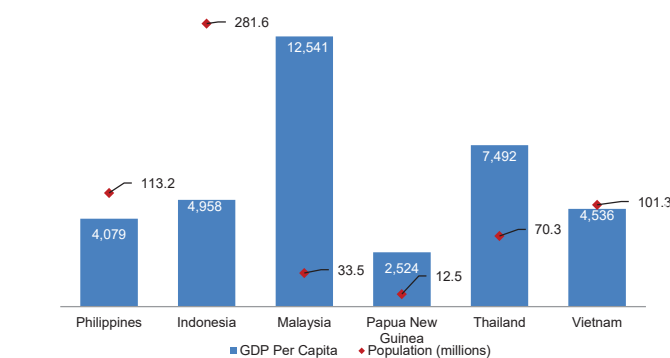
Philippines - Political Risk Summary



Political Risk: High

- The Philippines operates as a democratic republic with an executive presidency, though its political institutions remain relatively weak. The political landscape is heavily influenced by long-standing dynastic families.
- In the May 2025 general election, the ruling coalition led by President Ferdinand Marcos, Jr., secured only six of the 12 contested senate seats. This outcome could complicate efforts to advance the impeachment trial of Vice President Sara Duterte.
- President Marcos and Vice President Duterte are among the country's most influential political figures. While Marcos has historically leaned toward strengthening ties with the US, Duterte has favoured closer alignment with China. The trajectory of this political rivalry carries significant implications for the Philippines' strategic posture, particularly in relation to contested areas in the South China Sea.
- The Philippines ranks 114th out of 180 countries in Transparency International's latest Corruption Perceptions Index. This is a slight improvement from the rank of 115th held in the prior year.

Philippines - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

- The Philippines ranks 116th out of 187 countries in the Notre Dame Global Adaption Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: High

- The Philippines' insurance segment is regulated by the Insurance Commission, which is under the Department of Finance.
- The Philippine central bank, Bangko Sentral ng Pilipinas (BSP), operates under an inflation-targeting regime, with a target range of 2.0%-4.0% for 2025. In the first half of 2025, the BSP implemented cuts to its policy rate in response to easing inflationary pressures.
- In February 2025, the Philippines was removed from the Financial Action Task Force's grey list, following demonstrated improvements in its anti-money laundering and counter-terrorism financing (AML/CFT) framework.

Philippines Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
77617	Malayan Insurance Co., Inc.	Pan Malayan Mgmt & Investment Corp	bbb	Negative	B++	Negative	aa+.PH	Negative
86771	National Reins Corp of the Philippines	...	bbb	Stable	B++	Stable	aa+.PH	Stable
93907	New India Assurance Company Ltd PHB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
93230	Starr International Insurance PHB	Starr International Company, Inc.	a+	Stable	A	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on the Philippine non-life insurance segment as of 15 May 2025. Positive factors supporting the outlook include the following:

- Robust growth prospects, driven by economic expansion and rising insurance demand.
- Price corrections in property insurance and prudent risk selection to support prospective premium rate adequacy.
- Stabilised reinsurance capacity and cost to support primary insurers' underwriting capacity.
- Investment income expected to be bolstered by a robust interest rate environment.

Moderating factors include:

- Increasingly volatile weather conditions challenge non-life insurers and cause volatility in underwriting results.
- Regulatory and disclosure requirements, while beneficial in the long term, may increase short-term operational costs.

In 2024, the Philippine insurance industry demonstrated robust growth across both life and non-life sectors, as reported by the Insurance Commission (IC). Total premium income for life, non-life, and mutual benefit associations (MBAs) combined reached PHP440.4 billion (USD 7.7 billion), reflecting a 12.8% increase from the previous year. Net income surged 15.9% to PHP 56.3 billion, while benefits paid during 2024 rose 19% to PHP 160.3 billion. Invested assets expanded by 7.2% to PHP 2.2 trillion, and total assets grew by 6.4% to nearly PHP 2.5 trillion. Both insurance penetration and density increased year over year to 1.67% and PHP 3,892.77 in 2024, reflecting a greater reach and increased premium contributions relative to economic and population metrics.

In the life segment, premium income grew by 13.5% to PHP 352.0 billion, driven by stellar performance in variable and traditional life businesses. Net income for life insurers surged 19.6% to PHP 40.2 billion, driven by higher investment gains and miscellaneous income. Total assets in the life segment expanded by 7.3% to PHP 1.9 trillion, with invested assets growing by 7.1%.

In the non-life market, net premiums written (NPW) rose 10.5% to PHP 71.8 billion, supported by growth across all lines of business. Despite this growth, net income declined by 2.6% to PHP 8.9 billion due to higher underwriting expenses and administrative costs. Assets in the non-life sector inched up by 0.7% to PHP 374.5 billion, with invested assets rising by 4.5% to PHP 185.0 billion.

In terms of premium share, fire and motor remain the two largest contributors, accounting for 40.2% and 16.6% of total NPW, respectively. AM Best expects the country's economic development and heightened demand for insurance products across various segments, such as property, motor, and casualty, will continue to spur the overall non-life market growth.

Philippine non-life insurers' investment income is expected to benefit from domestic interest rates, which remain one of the highest in Southeast Asia. The country's fixed-income investments remain attractive, offering higher yields compared to many other regional markets. Gradual rate cuts will likely keep returns competitive, while equity markets could benefit from strong growth prospects despite global trade uncertainty. As non-life insurers reinvest their assets into higher-yielding fixed-income instruments, investment income is expected to remain favourable.

However, several offsetting factors may dampen the favourable prospect. Climate-related risks, including increasingly volatile weather patterns, could affect non-life insurers' underwriting performance and lead to greater claims volatility. Additionally, stricter regulatory and disclosure requirements, while beneficial in the long run, may increase operational costs for insurers and divert resources from core business activities.

Despite steady premium growth, overall insurance penetration in the Philippines remains below 2% in 2024 due to financial constraints, low awareness, affordability issues, and cultural beliefs. The direct consequences of gaps in protection represent a major challenge for the insurance industry, with a large part of economic losses going uninsured.

Regulatory and Risk Developments

All insurance and reinsurance companies are mandated to apply the new accounting standard, Philippine Financial Reporting Standard 17 (PFRS 17), the Philippine equivalent of IFRS 17, to their audited financial statements (AFS) effective 1 January 2027. The deadline for compliance was moved from the original 1 January 2025 implementation date by the IC in March 2025. PFRS 17, once in full effect, will align the local accounting framework with global reporting standards to improve transparency and international comparisons of financial reports across the industry.

Prior to this, the IC has introduced several guidelines to strengthen risk management and enhance transparency in the industry in recent years. These include the Own Risk and Solvency Assessment (ORSA), the Institutional Risk Assessment (IRA), the Disaster Risk Financing Insurance (DRFI) report, and the Premium and Risk Register (PRR) report, all focused on improving reporting and risk management practices.

While some of these guidelines apply only to Philippine insurance companies meeting a prescribed premium threshold or specific criteria, the implementation of these standards and PFRS 17 is expected to enhance risk management quality and financial resilience in the long term.

Natural Catastrophes and Climate Risks

The Philippines is considered among the world's most exposed countries to natural hazards and the impacts of climate change. The country typically experiences hundreds of natural disasters yearly, including typhoons, flooding, earthquakes,

landslides, and volcanic eruptions. Climate change is projected to increase temperatures and rainfall and contribute to a higher intensity and frequency of extreme weather events. The World Bank estimates that extreme weather events alone inflict losses of approximately 1.1% of GDP annually.

While the government has spent massive funds on disaster risk reduction over the years, many of the most vulnerable remain at risk. Strengthening data systems, expanding social protection and insurance, and ensuring loss and damage funding is part of national planning are critical to helping local communities withstand future climate threats, according to the country's Senate Economic Planning Office (SEPO).

With insurance penetration below 2% of GDP, the SEPO has stressed the need for the government to collaborate with the private sector to deliver innovative and affordable insurance solutions for vulnerable and high-risk communities and small and medium-sized enterprises amid escalating climate risks.

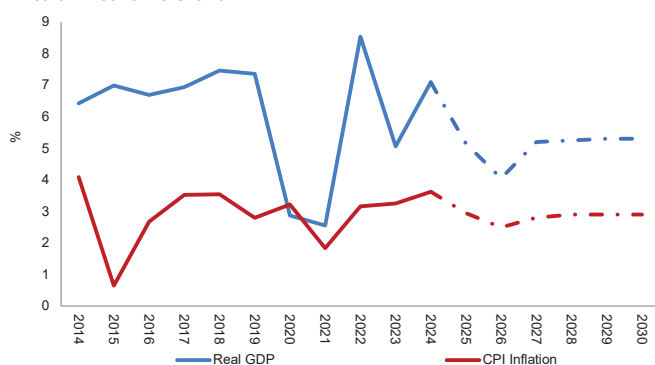
In recent years, the government's compulsory evacuation and protection measures taken as a matter of routine prior to predicted major natural catastrophes, such as hurricanes and volcanic eruptions, have tended to protect the insurance market from the worst possible consequences. The government has also taken specific measures to provide immediate liquidity in the aftermath of severe catastrophes.

Vietnam

Vietnam, a CRT-4 country, has a moderate level of economic risk, a high level of political risk, and a very high level of financial system risk. This indicates that Vietnam has a relatively unpredictable and non-transparent political, legal, and business environment, with underdeveloped capital markets; and a partially to fully inadequate regulatory structure.



Vietnam Economic Growth

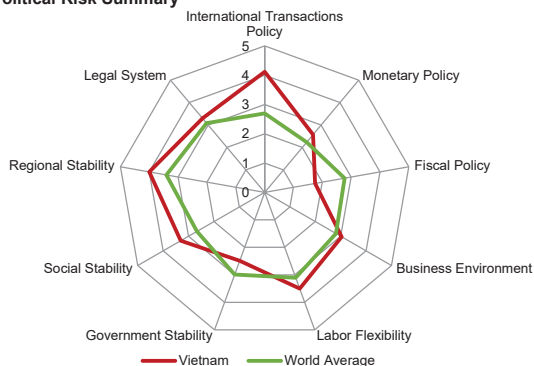


Source: IMF World Economic Outlook, AM Best data and research

Economic Risk: Moderate

- The US is Vietnam's largest export market, followed by China and Japan. In July 2025, the US announced a trade agreement with Vietnam that averted the imposition of the initially proposed high tariff rates. However, the terms of the agreement are still expected to create headwinds for Vietnam's export sector and broader economic outlook.
- In response to a declining birthrate, the government announced the end of Vietnam's two-child policy. Efforts to increase the country's birthrate are intended to mitigate the long-term economic and fiscal challenges associated with an aging population, including potential strains on labour supply, healthcare systems, and pension obligations.
- State-owned enterprises (SOEs) continue to play a significant role in Vietnam, accounting for a substantial portion of economic activity and employment. While the government has taken steps to reduce the number of SOEs, progress has been slow.
- According to the World Bank, Vietnam has set a target to become a high-income country by 2045. Achieving this goal will require sustaining an average annual growth rate of approximately 6% over the next two decades, supported by continued structural reforms, productivity enhancements, and investment in human capital and infrastructure.

Vietnam - Political Risk Summary



Source: AM Best data and research

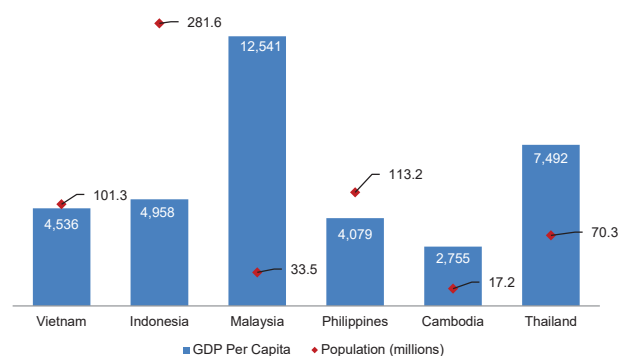
Political Risk: High

- The ruling Communist Party of Vietnam is led by General Secretary Tô Lâm, who assumed office following the death of his predecessor. His leadership is expected to focus on enhancing the efficiency and transparency of government operations, while continuing the anti-corruption campaign initiated by former General Secretary Nguyen Phú Trọng.
- Vietnam operates under a one-party system that contributed to political stability, though it continues to limit political freedoms. Since the introduction of the

Doi Moi reforms in 1986, the country has pursued a gradual path of economic liberalisation, transitioning from a centrally planned economy to a more market-oriented model while maintaining tight political control.

- Vietnam ranks 96th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Vietnam - GDP Per Capita and Population



Financial System Risk: Very High

- The Ministry of Finance's Insurance Supervisory and Authority is responsible for regulating the insurance industry.
- The State Bank of Vietnam operates under a managed-float exchange rate regime, intervening in the foreign exchange market as needed to maintain currency stability.
- According to the IMF's 2025 Article IV Mission to Vietnam, the country would benefit from enhancing capital and liquidity buffers across the banking sector.

Vietnam Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
90844	Bao Minh Insurance Corporation	State Capital Investment Corporation	bbb	Stable	B++	Stable	aaa.VN	Stable
92214	Bao Viet Insurance Corporation	Bao Viet Holdings	bbb+	Stable	B++	Stable	aaa.VN	Stable
92245	BIDV Insurance Joint Stock Corporation	JS Comm Bank Invest & Dev of Vietnam	bbb	Stable	B++	Stable	aaa.VN	Stable
52949	Fubon Insurance Vietnam Co., Ltd.	Fubon Financial Holding Co., Ltd.	bbb+	Stable	B++	Stable	aaa.VN	Stable
91541	Hanoi Reinsurance Joint Stock Corp	HDI V.a.G.	bbb	Positive	B++	Stable	aaa.VN	Stable
93348	Military Insurance Corporation	Military Commercial Joint Stock Bank	bbb	Stable	B++	Stable	aaa.VN	Stable
90845	Petrolimex Insurance Corp.	...	bbb	Stable	B++	Stable	aaa.VN	Stable
92452	Post-Telecommunication Joint Stock Ins	...	bbb	Stable	B++	Stable	aaa.VN	Stable
91542	PVI Insurance Corporation	HDI V.a.G.	a-	Stable	A-	Stable	aaa.VN	Stable
91397	Samsung Vina Insurance Co., Ltd.	Samsung Fire & Marine Insurance Co Ltd	aa+	Stable	A++	Stable	...	...
91508	Vietnam National Reinsurance Corp	...	bbb+	Stable	B++	Stable	aaa.VN	Stable

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on Vietnam's non-life insurance segment as of 29 July 2025. Positive factors supporting the outlook include the following:

- Structural economic advantages fuel the expansion of non-life insurance.
- Robust demand driven by health and personal accident, property and engineering, and motor insurance.
- Ongoing regulatory initiatives foster the continued development of the insurance industry.

Moderating factors include:

- Increased profitability pressure from market competition and higher reinsurance costs.
- Accommodative monetary policy weighs on investment returns.

Total premium income for Vietnam's insurance industry reached VND 227.5 trillion (USD 8.6 billion) in 2024, down 0.25% year over year, according to the estimated data published by the General Statistics Office of Vietnam. The overall premium decline was due to a 5% contraction in life premiums, which made up about 67% of total market.

The life segment's lacklustre performance for 2024 was primarily attributed to regulatory issues in bancassurance and broader economic challenges. Despite this, the segment is poised to return to growth in 2026, supported by rising household income, favourable demographic trends, and measures aimed at restoring consumer confidence.

Unlike the life segment, the non-life premium growth has remained robust and resilient, expanding by 10.2% to VND 78.3 trillion. The segment is expected to maintain its growth momentum over the near term, underpinned by rising insurance needs and a supportive economic and regulatory backdrop.

In 2024, the spike in non-life premiums was mainly fuelled by health and personal accident insurance owing to rising healthcare costs, increased health insurance awareness, and the growing use of digital distribution. Continued growth in property and engineering insurance, the second-largest non-life segment after health and personal accident, also contributed to the expansion of market premiums, buoyed by increasing government projects and foreign investments. Motor insurance, the third-largest segment, experienced a resurgence in its growth momentum, backed by stronger new car sales and the regulatory mandates for compulsory motor third-party liability insurance.

However, underwriting performance in the motor and health insurance segments remains pressured by intense competition and elevated medical inflation, which, in some cases, exceeded pricing assumptions. Additionally, reinsurance costs have risen due to increased claims and a reassessment of catastrophe risk following Typhoon Yagi, which hit northern Vietnam in September 2024.

While reinsurance coverage helped to limit the financial impact on domestic insurers, many companies were still faced with higher reinsurance rates during the 2025 reinsurance renewals. In addition, some have also increased their protection levels, leading to higher costs. Additionally, tropical storm Wipha, which made landfall in Northern Vietnam in July 2025, and typhoons Kajiki and Bualoi, which both made landfall in the central region in August and September 2025, may further test reinsurers' appetite for catastrophe risk in Vietnam in upcoming reinsurance renewals.

Investment returns, a vital component of non-life insurers' earnings, remain constrained by the persistent low-interest rate environment that has been in place since June 2023 due to ongoing accommodative monetary policy. In response, some insurers have increased allocations to riskier invested assets in pursuit of higher yields, potentially increasing their exposure to market volatility.

Regulatory and Risk Developments

A significant factor contributing to the continued development of Vietnam's insurance industry is the regulator's ongoing efforts to improve the regulatory framework and oversight. Notably, the government and the Ministry of Finance issued Decree No. 46 and Circular No. 67 to introduce new regulatory requirements to enhance the structure and stability of the insurance market, including strengthening RBC requirements, raising minimum charter capital, and imposing stricter conditions for bancassurance services. These guiding documents, issued in July and November 2023, provide a transitional period until 2028.

Decree 46 updates the capital requirements for insurance entities, replacing "legal capital" with "minimum charter capital." This update mandates insurers, reinsurers, and brokers to increase their capital reserves to meet new minimum levels by 2028. This aligns with international standards, ensuring that insurance companies have adequate financial buffers to cover potential liabilities.

The RBC framework under the new regulations requires insurers to assess capital adequacy based on actual risk exposure. In addition to stress testing and reporting requirements, the RBC framework calculates capital requirements for different types of risks separately—such as underwriting risk, market risk, credit risk, and operational risk. These capital requirements are then summed up to determine the total capital required for the insurer.

Essentially, Vietnam's RBC model moves beyond fixed solvency margins and introduces requirements to hold sufficient capital based on each entity's specific risk profile. This approach ensures that insurers maintain financial stability and are resilient against adverse events.

Natural Catastrophes and Climate Risks

Insurers in Vietnam face significant exposure to natural catastrophic risks, such as typhoons, floods, and landslides, which can require substantial capital reserves to cover potential losses. This exposure is exacerbated by Vietnam's vulnerability to climate change, which is expected to increase the frequency and severity of these events. Managing these risks while maintaining profitability is an ongoing challenge for the industry.

Vietnam has engaged in partnerships with international organisations, like the United Nations Development Program (UNDP), to promote disaster risk financing and develop innovative insurance products tailored for high-risk sectors, such as agriculture and small businesses.

Examples of innovative insurance solutions include the development of parametric and indemnity-based insurance, which could streamline and expedite post-disaster payouts, making recovery faster and more efficient.

Additionally, the Vietnamese government has introduced frameworks to encourage public and private sector collaboration on disaster risk management, aiming to increase insurance adoption across vulnerable areas and sectors.

Northeast Asia



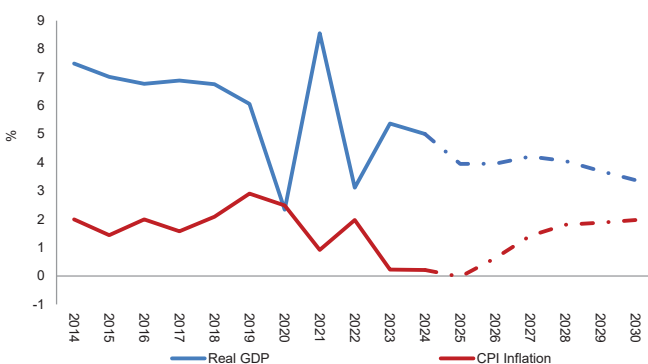
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China

China, a CRT-3 country, a low level of economic risk and moderate levels of political and financial system risk. This indicates that China has a developing legal environment, legal system, and business environment with developing capital markets; and developing insurance regulatory structure, making it a moderate-risk country for insurance operations.



China Economic Growth



Economic Risk: Low

- China remains the world's largest exporter, accounting for approximately 15% of global merchandise exports in 2024. Its export profile is dominated by electronics, machinery, textiles, and electric vehicles, with major destinations including the US, the EU, and ASEAN countries.
- Medium-term growth prospects are increasingly constrained by structural challenges, including misallocated investment, an ageing population, elevated public and corporate debt, and persistent state intervention in key sectors. State-owned enterprises (SOEs) retain a dominant presence in strategic sectors. Although SOEs represent a smaller share of total firms, they control a significant proportion of national assets and employment. Despite ongoing reforms and preferential policy support, productivity disparities between SOEs and private enterprises continue to hinder overall economic efficiency.
- China's property sector remains a vulnerability within the broader economy. Developers are burdened by high debt levels and constrained access to financing.

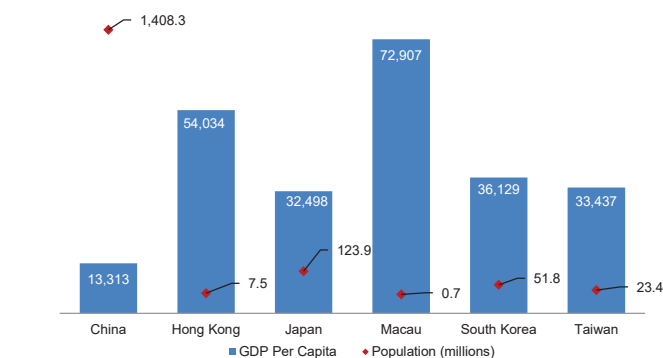
China - Political Risk Summary



Political Risk: Moderate

- President Xi Jinping, who also serves as General Secretary of the Chinese Communist Party, has further consolidated political authority by appointing loyalists to senior government and party positions. His confirmation for a third term at the 20th Party Congress in late 2022 underscores continued political centralisation and signals medium-term leadership continuity and stability.
- China ranks 76th out of 180 countries in Transparency International's latest Corruption Perceptions Index. Corruption in China remains a persistent challenge, particularly within local governments and SOEs.
- The country ranks 36th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

China - GDP Per Capita and Population



Financial System Risk: Moderate

- The National Financial Regulatory Administration (NFRA), established in 2023, is responsible for regulating China's insurance industry and overseeing broader financial sector stability.
- In 2024, China underwent a Financial Sector Assessment Program (FSAP) review by the IMF. The IMF acknowledged significant progress in regulatory oversight, including enhanced systemic risk monitoring, improved supervisory frameworks, and the steady adoption of international regulatory standards.
- The IMF highlighted key vulnerabilities in China's financial system, particularly rising debt associated with local government financing vehicles (LGFVs) and continued stress in the property sector.

China Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
90810	Aioi Nissay Dowa Ins (China) Co Ltd	MS&AD Insurance Group Holdings, Inc.	a-	Stable	A-	Stable	...	...
90956	China Continent Prop & Cas Ins Co Ltd	China Investment Corporation	a+	Stable	A	Stable	...	...
90957	China Life Reinsurance Company Ltd.	China Investment Corporation	a+	Stable	A	Stable	...	...
88692	China P&C Reinsurance Company Ltd	China Investment Corporation	a+	Stable	A	Stable	...	...
90955	China Reinsurance (Group) Corporation	China Investment Corporation	a+	Stable	A	Stable	...	...
74864	China Shipowners Mutual Assurance Association		a-	Stable	A-	Stable	...	...
95358	China United Property Insurance Company		a	Stable	A	Stable	...	...
95941	COSCO SHIPPING Captive Insurance Co Ltd	China COSCO SHIPPING Corporation Limited	a	Stable	A	Stable	...	...
91609	General Reinsurance AG (Shanghai Branch)	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
90079	Hyundai Insurance (China) Co., Ltd.	...	bbb	Negative	B++	Negative	...	...
91591	KBFG Insurance (China) Co., Ltd.	KB Financial Group Inc.	a-	Stable	A-	Stable	...	...
78649	Lloyd's Insurance Company (China) Ltd	Society of Lloyd's	aa-	Stable	A+	Stable	...	...
88779	Ping An Health Ins Co of China Ltd	Ping An Ins (Group) Co of China Ltd	a	Stable	A	Stable	...	...
88263	Ping An Property & Casualty Ins Co China	Ping An Ins (Group) Co of China Ltd	a+	Stable	A	Stable	...	...
95077	Qianhai Reinsurance Co., Ltd.	...	a-	Stable	A-	Stable	...	...
91590	Samsung Property & Casualty Ins. Co. (China), Ltd.		a	Stable	A	Stable	...	...
91102	Starr Prop & Cas Ins (China) Co, Ltd	Starr International Company, Inc.	a+	Stable	A	Stable	...	...
94637	Taiping Reinsurance (China) Company Ltd.	China Taiping Insurance Group Ltd.	a	Stable	A	Stable	...	...
90744	Tokio Marine & Nichido Fire Ins Co China	Tokio Marine Holdings, Inc.	a	Stable	A	Stable	...	...
94081	ZhongAn Online P & C Insurance Co., Ltd.	...	a-	Stable	A-	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on China's non-life insurance segment as of 30 October 2025. Key factors supporting the outlook include the following:

- Supportive regulatory policies and initiatives to foster market development.
- Sustained premium growth supported by new energy vehicles, health reforms, and emerging product developments.
- Increased efforts to utilise AI technologies to improve operational efficiency.

The following factor partially counters the positives:

- Prolonged subdued economic growth, weakening consumption, and uncertainty over stimulus effectiveness may weigh on future insurance demand.

Concerns about China's economic momentum are rising due to the IMF forecast of growth falling short of its 5% target through 2030, a slowdown in credit and export growth, and persistent weakness in the property sector. While exports

continue to lead growth, deflationary pressures remain a significant issue amid an environment of weak domestic demand, with both consumer and producer prices showing negative readings in 2025. The IMF projects China's overall inflation to be 0.0% in 2025 and 0.7% in 2026.

The People's Bank of China (PBoC) has cautiously responded to weak demand by balancing economic stimulus with a focus on encouraging deleveraging. The current one-year loan prime rate is 3%, with expectations of future easing being gradual and moderate. Going forward, the effectiveness of the PBoC's measures in stoking demand remains uncertain, whilst the country remains heavily reliant on investment and manufacturing.

The non-life insurance segment in China continues to demonstrate resilience amid persistent uncertainty, albeit experiencing a moderate slowdown in direct premiums written growth in recent years. Growth in non-motor lines has been outpacing the motor segment as insurers are actively diversifying their portfolios. However, the gap is narrowing as motor benefits from new energy vehicle (NEV) growth, while economically sensitive lines like commercial property, engineering, and liability reflect the broader economic slowdown.

Backed by government support for the green economy and tax incentives, domestic NEV sales remained robust. In the first half of 2025, NEVs accounted for over 40% of new vehicle sales, with the China Association of Automobile Manufacturers projecting the share to reach 50% for the full year. The surge in NEV sales has driven higher demand for NEV motor insurance.

While premiums for NEVs have been rising due to the growing market, the underwriting performance still lags internal combustion engine vehicles. Industry data shows higher NEV loss frequency and severity—the former linked to driver inexperience, and the latter to higher repair and replacement costs—contributed to overall insurance losses in 2024. Improved pricing, underwriting precision, and claims management helped narrow losses for NEV insurance in the first half of 2025, with some leading insurers reporting profits in this segment. To better manage risk, insurers are increasingly collaborating with NEV manufacturers to analyse vehicle data and identify ride-hailing usage patterns. Going forward, insurers also may benefit from easing regulatory rate guidelines due to greater pricing flexibility, which allows for more adequate pricing to cover risks.

China's ongoing medical reform aims to expand affordable healthcare access, control medical costs, and sustain the basic social insurance system. Meanwhile, increased health and insurance awareness has raised the demand for pharmaceuticals and treatments beyond social medical insurance. This is a driver of growth in commercial health insurance, particularly in the mid-to-high-end segment.

For non-life insurers, short-term health insurance remained a key growth driver in 2024 and through the first eight months of 2025. The popular high-limit, high-deductible "million-yuan policy," which was launched a decade ago, has since undergone multiple iterations to enable better market segmentation, offering more personalised variations rather than a one-size-fits-all solution. Variations include lower deductibles, coinsurance schemes, and different levels of coverage beyond basic social insurance. These products have gained significant traction over the past decade, especially among China's middle class, as they offer flexible supplementary coverage for special medicine and treatments not fully covered by social medical insurance. However, as the products hit the maturity phase and the market has become increasingly saturated, premium growth has plateaued in recent years.

In 2025, new products targeting populations with pre-existing conditions or chronic illnesses have surged in popularity. With an aging population and ongoing medical reforms, commercial health insurance is expected to play an increasingly vital role and remain a core growth engine for non-life insurers.

In September 2024, China's State Council issued guidelines to strengthen the country's insurance industry by tightening regulation, promoting high-quality development, and improving risk prevention. Additionally, the directive has identified

five strategic focus areas—green finance, inclusive finance, tech innovation, elderly care, and digitalisation—to align the industry with real-economy priorities. In response, non-life insurers are expanding coverage in emerging sectors such as green energy (solar, wind, and hydropower), the low-altitude economy (drones and related liabilities), and high-tech manufacturing. Furthermore, the country's focus on sustainability is boosting demand for liability products like safety production and environmental pollution insurance, and driving the development of inclusive finance.

In recent years, the adoption of digitalisation, automation, and Chinese-developed AI tools has accelerated, supporting functions from client servicing, underwriting, and auto-quotations to claims handling, fraud detection, and back-office operations. These technologies have boosted operational efficiency, though they also introduce associated risks.

Amid subdued economic growth and an increasingly competitive landscape, smaller insurers face challenges in maintaining profitability and market share. Over the long term, AM Best expects that non-life insurers with refined business-line management and a strong focus on efficiency are more likely to sustain their position in the market.

Regulatory and Risk Developments

To promote continued stability and growth, the National Financial Regulatory Administration (NFRA) has implemented a series of regulatory measures and initiatives designed to foster long-term industry development. The NFRA has extended the three-year transitional period for the China Risk-Oriented Solvency System (C-ROSS) Phase II by one year to the end of 2025 to alleviate the capital pressure faced by insurers since the solvency regime began in 2022. In response to the C-ROSS Phase II solvency reforms, some insurers have strengthened available capital through debt issuance and capital injections over the past few years. The NFRA's data shows that the non-life segment's average comprehensive solvency ratio remained stable in 2024 and through mid-2025, with a healthy buffer above the regulatory minimum.

The NFRA has continued easing equity investment limits and capital requirements for the insurance industry, with a goal of channelling insurance funds to support the domestic capital markets. While the equity markets enjoyed an uptrend in 2025, there was only a small uptick in insurers' investment allocation to listed equities, mainly high-dividend stocks, reflecting a prudent investment approach.

Additionally, the regulator has recently introduced guidance on controlling excessive underwriting expenses and enhancing data accuracy, with a focus on non-motor lines such as liability and commercial property. Similar reforms in the motor line segment have successfully lowered both expense and combined ratios in recent years. Insurers are now required to tighten control over acquisition costs and receivables to curb aggressive competition for market share, strengthen underwriting margins, and protect policyholders' interests.

Among the other regulations that were released by the NFRA in the recent period include the Guidelines on Supervision of Concentration Risks for Insurance Groups. These guidelines, issued on 26 January 2025, urge insurance groups to maintain adequate capital and liquidity buffers to fend off concentration risks. The NFRA has detailed the protocols and procedures insurance groups must follow to enhance risk management practices and promote stable operations.

Under the guidelines, insurance groups are required to formulate a concentration risk management strategy and mitigation mechanisms and hold the board of directors of the company responsible for concentration risk management. The regulator also requires companies to establish a concentration risk information disclosure mechanism and disclose annual concentration risk management information on official websites before 15 June each year. The disclosure should include the concentration risk management organisational system, management strategies and their implementation, risk status, and major concentration risk events.

Natural Catastrophes and Climate Risks

Natural disasters in China affected over 23 million people and resulted in direct economic losses of RMB 54.1 billion in the first half of 2025, according to media reports citing statistics from the emergency response ministry. A powerful earthquake in Tibet, deadly landslides in the southwestern provinces, and widespread flooding in the southern regions were among the most damaging events during the period. On a positive note, the economic toll was notably 72.2% lower compared to the same period in 2024, when extreme weather events such as flooding, drought, and extreme temperatures inflicted more than RMB 93.2 billion in economic losses.

Flooding is a significant natural disaster threat in China, with about two-thirds of the country's land area susceptible to floods. The country has seen record precipitation in recent years, exposing densely populated cities, including Beijing, to flood risks. The increased rainfall in the country's usually arid north has been linked to climate change, primarily driven by global warming. In 2024, China recorded its highest number of floods since 1998, with around 26 floods occurring in major rivers across the country, affecting millions of people as well as causing extensive damage and loss of life.

Typhoons typically make landfall on the southeastern coast between June and October and are accompanied by a multitude of secondary disasters, such as extreme winds, heavy rainfall leading to floods, and landslides. These events can lead to significant human casualties, extensive damage to urban infrastructures, and severe socio-economic losses. An average of seven to eight typhoons make landfall annually, mostly affecting coastal China but also bringing flooding to the Yangtze River valley and other inland areas.

China is among the world's most earthquake-prone regions due to the many intraplate faults and interactions between the Indian and Eurasian plates. The largest and most frequent earthquakes are concentrated in the west and southwest of the country. Eastern coastal regions are generally less exposed to seismic activity. The most severe recent major earthquake was the 8.0-magnitude Sichuan earthquake in 2008, which killed 69,195 people and caused an economic loss of RMB 834 billion.

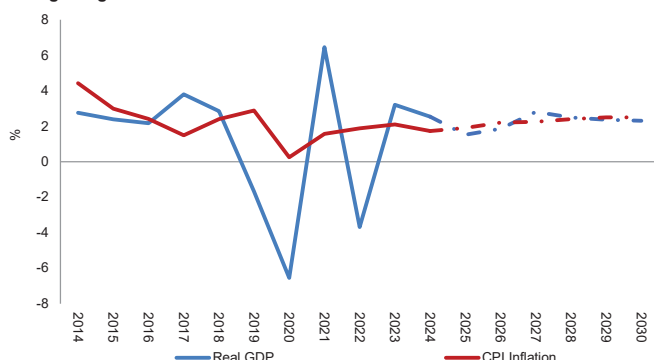
To enhance societal resilience against various natural perils, China is building a natural catastrophe protection system. The government has established various pilot municipal catastrophe programmes to protect citizens and their properties by purchasing regional catastrophe insurance from commercial insurers. In addition, many domestic insurance companies are shifting their focus to risk prevention and loss reduction for their policyholders. Despite a relatively low premium base, catastrophe insurance premiums are expected to grow rapidly in the future.

Hong Kong

As a CRT-2 special administrative region (SAR) of China, Hong Kong has very low levels of financial system risk, low levels of economic risk, and moderate levels of political risk. This indicates that Hong Kong has a predictable and transparent legal environment, legal system, and business infrastructure; sufficient financial system regulation; and mature insurance industry framework, making it a low-risk country for insurance operations.



Hong Kong Economic Growth



Economic Risk: Low

- Hong Kong's favourable business environment, characterised by low taxes, limited government intervention, and a traditionally open economy, has long attracted strong foreign investment. However, the enactment of the National Security Law has heightened uncertainty among international firms.
- Hong Kong is an open and trade-dependent economy, functioning predominantly as a re-export hub. A substantial share of its trade involves goods produced in Mainland China and re-exported to global markets. This structural reliance on global trade flows renders Hong Kong vulnerable to changes in external demand and trade policy developments.
- Hong Kong continues to advance its integration into the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), a strategic initiative to enhance regional economic cooperation. Efforts center on infrastructure and financial market connectivity, reinforcing Hong Kong's role as a gateway between international capital and Mainland China's industrial and consumer base.

Hong Kong - Political Risk Summary

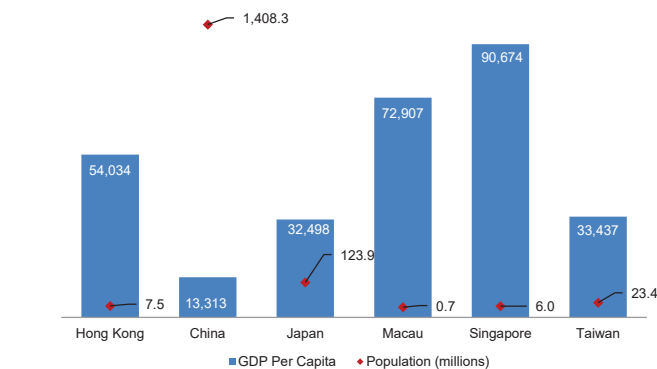


Political Risk: Moderate

- As a SAR, Hong Kong operates under the "One Country, Two Systems" framework. However, the imposition of national security legislation by Beijing in 2020 led to the arrest of activists and the closure of independent media outlets. In response, the US revoked Hong Kong's special trading status, citing the erosion of the city's autonomy and institutional independence.
- John Lee was elected Hong Kong's chief executive in May 2022. Previously serving as Secretary for Security, Lee played a central role in enforcing the 2020 national security law, leading to US sanctions against him.
- Hong Kong ranks 17th out of 180 countries in Transparency International's latest Corruption Perceptions Index. The Independent Commission Against Corruption (ICAC) is the agency responsible

for combating corruption. While the city maintains a strong reputation for anti-corruption enforcement, its global ranking has declined in recent years, reflecting concerns over institutional independence and political developments.

Hong Kong - GDP Per Capita and Population



Financial System Risk: Very Low

- The Insurance Authority is the SAR's regulatory body for the insurance industry.
- The IMF reports that Hong Kong's banking sector is resilient. Banks maintain strong liquidity positions and are well capitalised. While there has been an uptick in non-performing loans, particularly in the commercial real estate sector, the overall risk is mitigated by prudent underwriting standards.
- Hong Kong maintains a currency peg, fixing the Hong Kong dollar to the US dollar under a linked exchange rate system.

Hong Kong Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
91430	AIG Insurance Hong Kong Limited (CS)	American International Group, Inc.	a+	Stable	A	Stable	...	...
74861	Assicurazioni Generali S.p.A. HKB	Assicurazioni Generali S.p.A.	aa-	Stable	A+	Stable	...	...
93272	Bank of China Group Insurance Co Ltd	China Investment Corporation	a-	Stable	A-	Stable	...	...
77690	China BOCOM Insurance Company Limited	Bank of Communications Co., Ltd.	a-	Stable	A-	Stable	...	...
71783	China Reinsurance (Hong Kong) Co Ltd	China Investment Corporation	a+	Stable	A	Stable	...	...
85402	China Taiping Insurance (HK) Co. Ltd. (CS)	China Taiping Insurance Group Ltd.	a	Stable	A	Stable	...	...
84822	CMB Wing Lung Insurance Company Limited	China Merchants Group Limited	a	Stable	A	Stable	...	...
92800	Dah Sing Insurance Company Limited	Dah Sing Financial Holdings Limited	a-	Stable	A-	Stable	...	...
74619	FuSure Reinsurance Company Limited	Tencent Holdings Limited	a-	Stable	A-	Stable	...	...
86939	Hong Leong Insurance (Asia) Limited	Hong Leong Company (Malaysia) Berhad	a-	Stable	A-	Stable	...	...
92147	Min Xin Insurance Company Limited	Fujian Invest & Development Grp Co Ltd	bbb+	Stable	B++	Stable	...	...
93906	New India Assurance Company Ltd HKB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
91406	Peak Reinsurance Company Limited (CS)	Fosun International Holdings Ltd.	a-	Stable	A-	Stable	...	...
77936	Peoples Ins Co of China (Hong Kong)	People's Ins Co (Group) of China Ltd	a-	Positive	A-	Positive	...	...
90772	Starr International Ins (Asia) Limited	Starr International Company, Inc.	a+	Stable	A	Stable	...	...
87838	Sun Hung Kai Properties Insurance Ltd (C)	Sun Hung Kai Properties Limited	a	Stable	A	Stable	...	...
85029	Taiping Reinsurance Company Limited (CS)	China Taiping Insurance Group Ltd.	a	Stable	A	Stable	...	...
74928	Well Link Life Insurance Company Limited	Well Link Insurance Group Holdings Ltd	bbb-	Stable	B+	Stable	...	...

Source: **BESTLINK**

Insurance Industry Overview

Hong Kong's overall premium income rose sharply in 2024, lifted by double-digit growth in both life and non-life segments, supported by the following positive factors:

- Strong renewal and new-sales momentum of life business, with Mainland Chinese Visitors (MCV) premiums contributing a substantial portion.
- Improved underwriting profit of the non-life segment, contributed by general liability (including employees' compensation) and property damage businesses, while investment profit remains to be a major bottom-line contributor.
- Ongoing regulatory initiatives strengthen Hong Kong's role as a global risk management centre and regional insurance and reinsurance hub.

Moderating factors include:

- The largest line – accident & health – remains loss-making amid the current soft non-life market, mainly driven by direct group medical and facultative business.
- Market remains highly fragmented with intense competition pushing some insurers toward more aggressive pricing.
- Small-to-medium-sized insurers face challenges on resources and expenses when adopting HKFRS 17 and HKRBC.

Based on provision market statistics from the Insurance Authority (IA), Hong Kong's insurance industry achieved total gross premiums of HKD 637.8 billion (USD 81.26 billion) in 2024, a double-digit rise from HKD 549.7 billion in 2023, buoyed by expansions in the long-term (or life) and non-life segments.

The overall performance of the insurance market is driven by various factors such as increased consumer awareness, ongoing regulatory initiatives, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) project, and stable economic environment.

Following the implementation of the risk-based capital (RBC) regime on 1 July 2024, the IA advised that direct comparisons with previous years' figures for the non-life sector are not appropriate. In 2024, the non-life market generated gross premiums of HKD 100.5 billion and net premiums of HKD 69.7 billion, against which total gross claims of HKD 53 billion were paid. The overall operating profit for non-life business reached HKD 8.1 billion, including HKD 3.3 billion in underwriting profits.

In 2024, direct non-life business recorded gross premiums of HKD 51.4 billion and net premiums of HKD 35.8 billion, with HKD 28.1 billion in gross claims paid. Accident and health (A&H) insurance remains the largest line of business with HKD 22.8 billion, or a 44.4% share, of direct non-life gross premiums in 2024. It was followed by general liability (comprising employees' compensation) at HKD 12.1 billion (23.5% share), property damage at HKD 6.2 billion (12.1% share), and motor at HKD 5.4 billion (10.5% share). The two main compulsory insurances in Hong Kong are employees' compensation and motor.

The non-life market's underwriting profit was HKD 1.2 billion at the end of 2024, largely contributed by general liability (comprising employees' compensation) and property damage businesses but partly offset by losses incurred by the pecuniary loss and A&H segments. Our analysis shows that the A&H segment has been posting underwriting losses since 2021 despite the growth in premiums. Based on accident year data in 2024, the underwriting loss was mainly driven by direct group medical and facultative business, while both individual medical and travel insurance in direct business were profitable. One significant factor contributing to A&H underwriting losses is higher claims costs partially due to the lingering effects of the pandemic and persistent medical inflation.

In 2024, reinsurance inward business recorded gross premiums of HKD 49 billion and net premiums of HKD 33.9 billion, with gross claims of HKD 25 billion. A total underwriting profit of HKD 2.1 billion was mainly attributed to property damage business.

In the long-term segment, total revenue premiums of in-force business amounted to HKD 537.4 billion in 2024, an increase of 11.4% year over year, primarily from non-linked individual business at HKD 471.8 billion (up 11.2%), linked business at HKD 24 billion (up 1.8%), and retirement scheme business at HKD 35.7 billion (up 22%). Total claims and benefits paid to policyholders increased by 6% to HKD 352.5 billion.

During the same period, new office premiums (excluding retirement scheme business) of long-term business rose 21.4% to HKD 291.8 billion in 2024. This growth was driven by non-linked individual business, which spiked 22.8% to \$208.1 billion, comprising \$182.4 billion from participating business and other businesses of \$25.7 billion. Linked individual business remained stable at HKD 11.2 billion, while non-retirement scheme group business surged 46.5% to HKD 454 million. Around 70,000 qualifying deferred annuity policies were issued, bringing in HKD 4.5 billion or 2.1% of total premiums for individual business.

In 2024, new business premiums derived from mainland visitors increased by 6.5% to HKD 62.8 billion, making up 28.6% of total new office premiums for individual businesses. Whole life, critical illness, and medical policies accounted for 59%, 28%, and 5% of the total business, respectively. The resumption of cross-border travel is expected to further boost demand. This unique source of growth creates the scale necessary for improved pricing and creative innovation, which in turn adds traction for building customers across different economies, according to the IA.

Hong Kong's insurance market is highly fragmented and competitive, with a large number of local and international players. As of 2 September 2025, there were 159 authorised insurers in Hong Kong, including 86 pure non-life insurers (including five general reinsurers), 51 pure long-term insurers (including two long-term reinsurers), 19 composite insurers (including nine composite reinsurers), and three special purpose insurers. In the non-life market, excluding reinsurers, there is no single player that is a dominant force with more than 10% share, based on AM Best analysis of the IA data. In 2024, gross premiums written by the top 10 non-life players accounted for 47.0% of the market share, and by the top 20, it was 68.0%. Among the top 10 non-life insurers include three AM Best-rated entities which contributed 12.4% to total non-life gross premiums in 2024. Overall, the 12 AM Best-rated non-life insurers accounted for nearly 21% of the market premiums.

The pressure to maintain market share, in particular the life and health segments, has intensified as consumers become more discerning and cost-conscious. Insurers have responded by increasingly competing based on personalised service, innovative products, and the ability to leverage technology. To stay competitive, insurers are developing more tailored and flexible insurance products and offering value-added services, as well as forming partnerships with fintech and health tech startups. However, this also puts pressure on pricing, with some insurers resorting to aggressive pricing strategies, which can erode profitability in the long term.

Regulatory and Risk Developments

The RBC regime for the Hong Kong insurance industry became effective on 1 July 2024, aligning with global standards like Solvency II and the Insurance Capital Standard. The framework follows a three-pillar approach to ensure insurers hold sufficient capital proportionate to their individual risk profiles, thereby enhancing financial resilience, policyholder protection, and the stability of Hong Kong's insurance market.

The adoption of the RBC framework has increased the complexity of financial reporting and capital management. This shift is particularly challenging for smaller insurers or those with less sophisticated systems, as it demands substantial investments in actuarial modelling, risk management systems, and reporting capabilities.

In addition to the three-pillar RBC framework, the insurance authority also implements a group-wide supervision (GWS) framework to regulate designated insurance holding companies (DHICs) – namely, AIA Group Limited, FWD Management Holding Limited, and Prudential Corporation Asia Limited, and ensure the stability of larger insurance groups. Aligning with international standards, the GWS spells out principles and standards for DHICs on a wide range of

areas, including ERM, corporate governance, capital requirements, and public disclosure. The GWS framework is anchored to the three pillars of the HKRBC. (Source: [Best's Special Report: Hong Kong Regulatory Review](#)). The IA will continue to enhance the GWS framework to align with international standards and best practices, with a focus on the setting up of crisis management groups to enhance the preparedness and facilitate the recovery and resolution planning of the supervised groups.

The Hong Kong insurance industry officially implemented HKFRS 17 in January 2023. For non-life insurance companies, particularly small-to-medium-sized insurers, they are mainly using the Premium Allocation Approach (PAA), which has limited impact on their profit and loss and balance sheets.

The insurance industry is still in the transitional phase, with ongoing efforts to understand its impact and optimise disclosure and data-driven capabilities. Some insurance companies are still managing KPIs under HKFRS 4, while gradually exploring HKFRS 17 and evaluating how to best align KPIs with the new framework. While small-to-medium-sized insurers face challenges related to resources and expenses when adopting HKFRS 17 and HKRBC, they are engaging with external consultants and auditors and learning from large peers to smoothen the implementation process.

On another regulatory front, the IA on 17 October 2025 introduced a new framework for the classification of domestic systematically important insurers (D-SIIs). This classification identifies entities whose failure will significantly disrupt Hong Kong's financial system, making them subject to strengthened supervision. To manage this, the IA has recommended to the Financial Secretary that all D-SIIs should be scoped in under the Financial Institutions (Resolution) Ordinance (Cap. 628) to provide a wider suite of tools for resolvability assessments and resolution planning.

AIA Group Limited and Prudential Corporation Asia Limited have been designated as D-SIIs, both of which are Internationally Active Insurance Groups and are already subject to the IA's GWS framework. The IA will review these designations annually to ensure ongoing relevance and alignment with international best practices..

Natural Catastrophes and Climate Risks

Hong Kong, being a coastal city, is prone to weather-related threats such as typhoons, rainstorms, storm surges, floods, and landslides. Additionally, climate change has resulted in a continuous rise in the sea level, posing the risk of flooding and a potential threat to certain low-lying areas in the long run. These hazards are compounded by the city's high population density, dense development in coastal areas and on hillsides, and its mountainous terrain.

From Super Typhoons Hato and Mangkhut in 2017 and 2018 to Super Typhoon Saola and the Black Rainstorms in 2023, extreme weather events are hitting Hong Kong harder and more often, driving up insured losses and testing the resilience of the insurance industry. Data released by the IA at the end of September 2023 shows that total gross claims incurred by Typhoon Saola and the black rainstorm amounted to around HKD 1.9 billion, with property damage (86%) and motor (9%) being the most affected lines of business.

In response to increasingly frequent and intense weather events, the insurance industry has embarked on a comprehensive initiative to gather and analyse insurance claims data associated with typhoons and black rainstorms over the past decade. This collaborative effort with the Hong Kong Observatory, which began in 2018, has significantly strengthened the industry's ability to assess the actual damages incurred during these extreme weather incidents. By leveraging this data-driven approach, the industry is better equipped to develop tailored insurance solutions and refine underwriting practices to enhance coverage for policyholders.

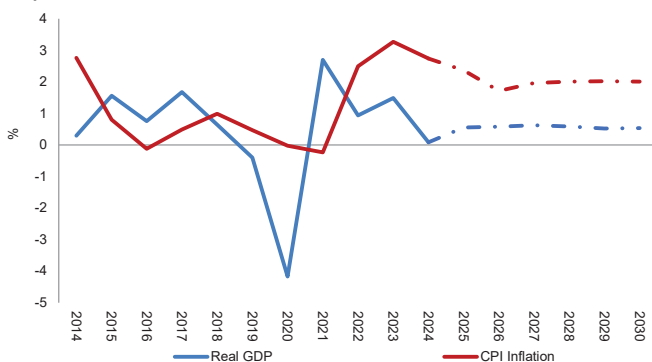
On its part, the IA will strive to forge an ecosystem that captures climate data harvesting, catastrophe risk modelling, parametric product design, education of institutional investors and issuance of insurance-linked securities by pooling together relevant risks borne by all 11 cities in the GBA.

Japan

Japan, a CRT-2 country, has low levels of economic, political, and financial system risk. This indicates Japan has a predictable and transparent legal environment, legal system, and business infrastructure, as well as sufficient financial system regulation and a mature insurance industry framework to make it a low-risk country for insurance operations.



Japan Economic Growth



Economic Risk: Low

- Japan maintains a well-diversified economy, anchored by strong automotive, industrial machinery, and construction sectors. However, limited domestic natural resources expose these industries to global commodity price volatility, increasing economic vulnerability.
- With one of the oldest populations globally and among the lowest shares of foreign workers in the OECD, Japan faces structural labour shortages that constrain workforce growth and economic productivity.
- Japan's public debt remains the highest among advanced economies, reaching approximately 250% of GDP in 2024. The IMF underscores the urgent need for a credible fiscal consolidation plan to address rising interest obligations and escalating social welfare costs.
- The country has an educated workforce, a stable political environment, and a transparent legal system and regulatory environment. However, Japan has relatively inflexible labour laws and a high corporate tax burden in comparison with other East Asian countries.

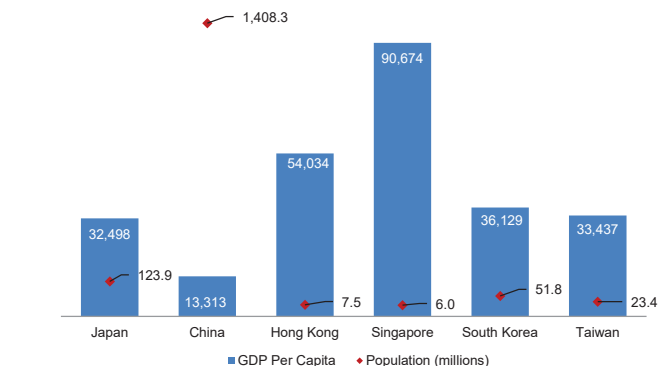
Japan - Political Risk Summary



Political Risk: Low

- The government's priorities include supporting the economy through investment, as well as supporting low-income households through a USD 250 billion stimulus package. The government has also pledged to enhance Japan's military capabilities amid rising regional security concerns.
- Japan ranks 20th out of 180 countries in Transparency International's latest Corruption Perceptions Index. While the score reflects relatively low corruption, recent scandals have raised public concerns over transparency and the enforcement of political finance laws.
- The country ranks 19th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Japan - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

Financial System Risk: Low

- The Financial Service Agency regulates the banking and insurance industries.
- According to the IMF's 2024 Financial Sector Assessment Program (FSAP), Japan's financial sector has demonstrated resilience through various external shocks. Nonetheless, the IMF recommends enhancing the supervisory framework by adopting a more risk-focused, forward-looking approach to better address emerging vulnerabilities.

Japan Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
95857	Aflac Life Insurance Japan Ltd.	Aflac Incorporated	aa	Stable	A+	Stable	...	...
85028	Aioi Nissay Dowa Insurance Company Ltd.	MS&AD Insurance Group Holdings, Inc.	aa	Stable	A+	Stable	...	...
85255	Dai-ichi Life Insurance Company, Limited	Dai-ichi Life Holdings, Inc.	aa-	Stable	A+	Stable	...	...
91222	Hyundai Marine & Fire Ins Co Ltd JPB	...	a	Stable	A	Stable	...	...
89451	Japan Ship Owners' Mut P&I Assn	...	a-	Stable	A-	Stable	...	...
85358	Meiji Yasuda Life Insurance Company	Meiji Yasuda Life Insurance Company	aa-	Stable	A+	Stable	...	...
84422	Mitsui Sumitomo Insurance Company Ltd	MS&AD Insurance Group Holdings, Inc.	aa	Stable	A+	Stable	...	...
93361	New India Assurance Company Ltd JPB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
85457	Nippon Life Insurance Company	Nippon Life Insurance Company	aa-	Stable	A+	Stable	...	...
85258	Sompo Japan Insurance Inc.	Sompo Holdings, Inc.	aa- u	Positive	A+ u	Positive	...	...
93225	Starr Indemnity & Liability Co (JPB)	Starr International Company, Inc.	a+	Stable	A	Stable	...	...
85179	The Toa Reinsurance Company, Limited	The Toa Reinsurance Company, Limited	a+	Stable	A	Stable	...	...
85100	Tokio Marine & Nichido Fire Ins Co Ltd	Tokio Marine Holdings, Inc.	aa+	Stable	A++	Stable	...	...

Source: **BESTLINK**

Insurance Industry Overview

AM Best maintains a Stable outlook for Japan's non-life and life insurance markets as of 14 May 2025 and 11 December 2024, respectively. Key supporting factors for the non-life segment include:

- Heightened regulatory oversight driving industry reforms.
- Disposal of strategic equity holdings to enhance profitability and capital stability of major companies.
- Improved profitability in the fire insurance line.
- Higher investment income from fixed income securities.
- New economic value-based solvency regulations will foster greater transparency.

These positive factors are partly moderated by challenges facing the automobile insurance business.

For the life segment, factors underpinning the stable outlook include:

- Growth in premium income to be supported by savings-type product sales in the near term.
- Stable core profits supported by higher investment income.
- Diversification of revenue streams by expanding into new markets and adjacent business lines.
- Transition to a new economic value-based solvency regime with greater transparency.

Japan's life insurance sector has reported sustained premium income growth over the past two years, largely supported by increased demand for single-premium savings-type products. In particular, sales of yen-denominated savings products have

gained further traction following the Bank of Japan's decision to hike interest rates in March 2024, which put an end to its eight-year negative interest rate policy. While sales of foreign currency-denominated products surged earlier due to global yield differentials, higher domestic rates have rebalanced product demand.

The increase in sales of savings-type products in a higher interest rate environment has also led to expansion in the annualised premiums of new policies. Additionally, despite an ageing and shrinking population in Japan, total annualised premiums in force have remained fairly stable in recent years. Against the backdrop of these supportive factors, the total premium income of 41 life insurers increased for four consecutive years, amounting to JPY 43 trillion (USD 292.3 billion) in fiscal year 2024 (FY2024). Our analysis of data published by the Life Insurance Association of Japan shows that the life premium growth of 14.7% in 2024 was a substantial increase from the 8.8% growth in FY2023 owing to increased sales of individual insurance and annuity products.

The life insurance market remains stable but continues to face the long-term challenges of an ageing and shrinking population. Major Japanese life insurers are actively seeking to diversify their revenue streams by expanding into new markets and adjacent business lines such as retirement solutions and employee benefits. These strategic moves illustrate how Japan's major life insurers are proactively responding to the long-standing challenges in the domestic market.

Similar to its life counterpart, Japan's non-life insurance market achieved higher top-line growth in FY2024, with net written premiums (NWP) growing nearly 5% compared to 0.1% in FY2023. The improvement was in part due to the General Insurance Rating Organization of Japan's efforts to revise premium rates and product designs for automobile and fire insurance.

Voluntary automobile insurance is the dominant business line in Japan's non-life landscape, accounting for 46.5% of NWP in FY2024. Despite premium growth, profitability remains a major challenge for the automobile insurance segment even though traffic accident rates have stabilised. One key issue is the persistent increase in repair costs, driven by rising expenses for spare parts and labour costs amid ongoing inflationary pressures. While non-life insurers have started implementing moderate premium rate hikes, profitability remains under strain as the loss ratio for automobile insurance continues to rise. To mitigate the impact of worsening loss ratios, insurers are focusing on improving microsegment underwriting, leveraging new technologies to bolster loss prevention practices, and strengthening claims management.

The fire insurance segment, the second-largest non-life business line, experienced a strong rebound in FY2024, with a 10.5% increase in NWP against a 5.3% decline in FY2023. The segment, which also covers natural disaster risks, has posted lacklustre underwriting results in recent years due to an increase in the occurrence and severity of natural catastrophes such as typhoons, torrential rains, and wildfires. In response to this challenge, non-life insurers have raised premium rates and tightened underwriting guidelines, such as shortening the maximum renewal period for homeowner products, adopting a more granular version of risk pricing, and making broader use of digital technology to enhance loss prevention measures. These various measures ensure that policies are more accurately priced according to actual risk exposure and reduce the likelihood of underwriting losses over time.

Japan's Financial Services Agency (FSA) has increased scrutiny of the non-life industry, including the strategic equity holdings of major non-life insurers in the recent period. In response, major non-life insurance groups have accelerated the disposal of strategic equity holdings and are committed to reducing these holdings to zero over the next five to six years. These moves are expected to improve the profitability of major non-life insurance groups in the short term as they realise gains from ongoing sales of strategic shareholdings. Over time, these divestments are also expected to support insurers' investment stability, as the move will reduce their exposure to stock market volatility. Additionally, the move will help insurers free up capital for a more diversified and less volatile investment portfolio over time, further supporting the capital base stability of major non-life insurance groups.

The improved interest rate environment following the BOJ's quantitative tightening is viewed favourable for non-life insurers with substantial bond portfolios. These insurers can now reinvest maturing fixed income securities' assets at higher yields, ultimately supplementing their investment returns over time. This trend is expected to persist in the coming period and contribute positively to non-life insurers' investment income.

Regulatory and Risk Developments

The FSA is set to implement the Insurance Capital Standard (ICS) in fiscal year 2025. Under the new regime, which the FSA terms an "economic value-based solvency regime," both assets and liabilities will be measured at market value. The current Solvency Margin Requirement will no longer apply after the implementation of the new regime.

Most Japanese life and non-life insurers have been preparing for this transition by augmenting their risk management frameworks and optimising their ALM strategies over the last few years. Additionally, many insurers have already embraced the Economic Solvency Ratio (ESR), a metric closely aligned with the ICS principles, in capital management to ensure that their capital adequacy is assessed based on economic value.

In light of the internal ESR levels reported by major life insurance companies in recent years, AM Best believes that meeting the capital requirement under the ICS will be manageable for these insurers. With ESR levels hovering at around 200%, well above the ICS minimum requirement of 100%, Japan's major life insurers are well positioned to handle the transition smoothly, particularly given the decline in interest rate risk following various efforts to improve ALM practices in recent years. As the industry transitions to the ICS framework, AM Best expects that life insurers will enhance their solvency assessments and manage risks more effectively, especially now that internal capital models are better aligned with regulatory requirements.

The new solvency regime is expected to have a less significant impact on Japan's non-life segment compared to the life sector. AM Best expects that the regulatory shift will lead to increased transparency and comparability for Japanese non-life insurers with global counterparts under similarly advanced regulatory frameworks, equipping them to navigate economic uncertainties more effectively and enrich global competitiveness over the long term.

For Japanese insurers, the adoption of IFRS 17 is not compulsory in Japan, as official disclosure requirements are still reported based on JGAAP.

Natural Catastrophes and Climate Risks

Japan is prone to natural disasters, including typhoons, earthquakes, tsunamis, and volcanic eruptions due to its geographical location. While Japan has a well-developed insurance market with relatively high penetration rates, there remains a significant protection gap, especially in property and catastrophe-related coverage. Many individuals and businesses are either underinsured or lack comprehensive coverage, particularly for earthquake and business interruption risks. Cultural attitudes toward risk, combined with complacency due to low-frequency but high-severity natural disasters, contribute to this gap. There is a growing need to enhance awareness around the value of comprehensive coverage, especially as climate and seismic risks evolve.

Japan has a longstanding Earthquake Reinsurance Scheme backed by the government, but the private market still somewhat struggles with the uptake of business interruption and comprehensive disaster insurance.

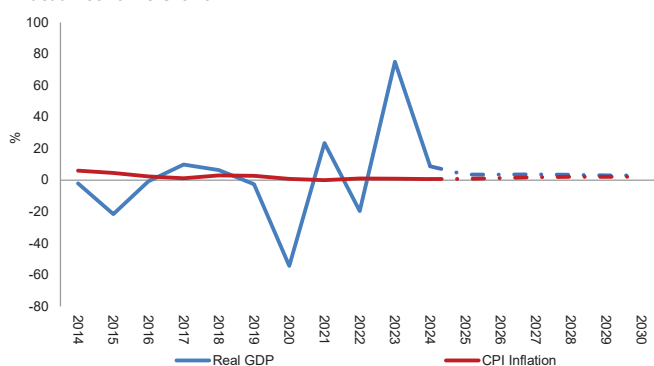
Nonetheless, there is an increasing interest in innovative solutions such as parametric insurance and climate resilience products, particularly for corporates exposed to supply chain or operational disruptions. Several collaborative initiatives between the public sector, insurers, and reinsurers are also underway to modernise risk modelling, enhance climate data availability, and promote new risk transfer mechanisms for local risk profiles.

Macau

Macau, a CRT-2 special administrative region (SAR) of China, has a low level of financial system risk and moderate levels of economic and political risk. This indicates that Macau has a predictable and transparent legal environment, legal system, and business infrastructure, sufficient financial system regulation, and a mature insurance industry framework to make it a low-risk country for insurance operations.



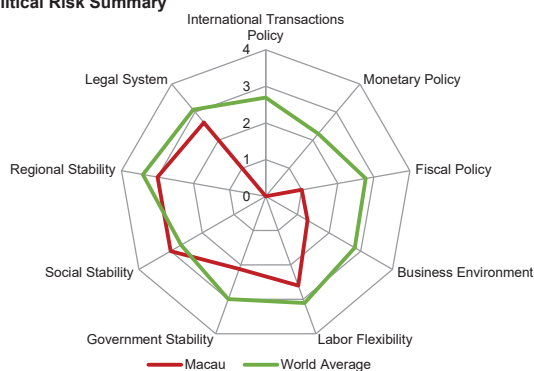
Macau Economic Growth



Economic Risk: Moderate

- Macau's tourism sector, anchored by the world's largest gambling market by revenue, is the dominant driver of the local economy. As the only jurisdiction in China where casino gambling is legal, Macau attracts substantial visitor traffic from the mainland, making tourism and gaming central to its economic performance.
- Macau is working to broaden its economic base by expanding the financial sector. The Monetary Authority of Macao (AMCM) has submitted plans to mainland authorities to establish an offshore renminbi-based securities exchange.
- According to the US Department of State's 2024 Investment Climate Statement, Macau maintains a generally open environment for foreign direct investment. There are no specific restrictions on foreign ownership, and the legal framework is transparent and consistent. However, challenges persist due to Macau's heavy reliance on a single industry and a limited domestic labour pool.

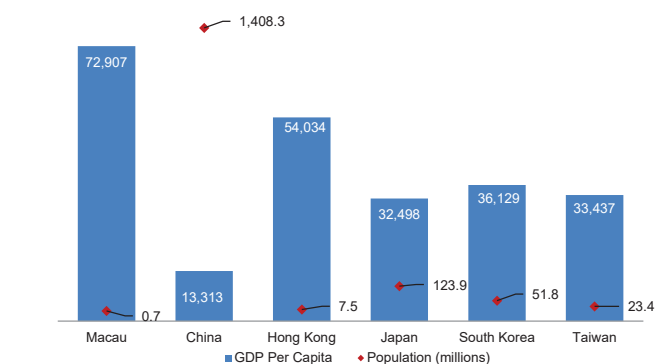
Macau - Political Risk Summary



Political Risk: Moderate

- Macau's political environment is broadly pro-Beijing, with policies closely aligned with mainland China. While Macau retains a moderate degree of autonomy over its internal affairs under the "One Country, Two Systems" framework, its governance remains firmly within the parameters set by Beijing. Chief Executive Ho Iat Seng has led the region since December 2019.
- Macau does not have formal political parties. Instead, various civic associations act as de facto parties, issuing platforms and contesting elections. However, opposition groups are largely sidelined, and political competition remains limited within the pro-establishment landscape.
- Macau faces climate challenges due to its low elevation, dense urbanisation, and exposure to extreme weather events such as typhoons and flooding. Sea-level rise threatens coastal infrastructure, while reliance on external water sources raises concerns about future supply.

Macau - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

Financial System Risk: Low

- Macau's insurance industry is regulated by the Insurance Supervision Department of the AMCM.
- Macau maintains a fixed exchange rate regime in which the Macanese pataca (MOP) is pegged to the Hong Kong dollar. The Hong Kong dollar, in turn, operates under a linked exchange rate system, pegged to the US dollar within a tight trading band, effectively making the MOP indirectly tied to the US dollar.
- The IMF has recommended that Macau enhance its insolvency and debt resolution frameworks and improve systemic risk assessment capabilities. Strengthening regulatory oversight would also help address vulnerabilities stemming from concentrated credit exposures and bolster overall financial sector resilience.

Macau Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
92127	AIG Ins Hong Kong Ltd (Macau Branch)	American International Group, Inc.	a+	Stable	A	Stable	...	...
78304	China Taiping Insurance (Macau) Co Ltd.	China Taiping Insurance Group Ltd.	a	Stable	A	Stable	...	...
89625	Luen Fung Hang Insurance Company Limited	...	a	Stable	A	Stable	...	...
84138	Macau Insurance Company Limited	Dah Sing Financial Holdings Limited	a-	Stable	A-	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

Macau's insurance market rebounded in 2024, backed by positive factors including:

- Life business driving the upturn through new whole-life and cross-border health products, while non-life business also showed a gradual recovery after the COVID-19 pandemic.
- Competition among non-life insurers remains moderate, leaving room for industry-wide profit.
- Digital technology transformation and Greater Bay Area integration support growth potential of the industry.

Moderating factors include:

- Sector's growth remains constrained by the uneven local economic recovery, with small-to-medium-sized businesses facing higher pressure compared to the more resilient large corporates, in particular in the key gaming industry.
- Limited local insurance market scale with small-to-medium-sized insurers facing greater competition.
- The cost impact of the new regulatory compliance requirements on insurers is expected to emerge over the short to medium term.

The Macau insurance market is set for continued growth, supported by the recovery of key sectors, accelerating digitalisation, and a strong focus on innovation and cross-border collaboration within the Greater Bay Area (GBA). The adoption of risk-based capital (RBC) frameworks, along with the government's push for economic diversification, is expected to enhance the industry's resilience and long-term potential.

Macau's insurance industry experienced a strong rebound in 2024, with total gross written premiums (GWP) increasing by 5.1% to MOP 38.9 billion (USD 4.8 billion), compared with a 3% decline in 2023, according to the latest annual data published by the Monetary Authority of Macao (AMCM). The increase was driven by the dominant segment, life

insurance, whose gross premiums rose 5.2% to MOP 36.0 billion in 2024 compared to a 3.9% drop in 2023, largely due to an upsurge of MOP 2.0 billion in premiums from whole life insurance policies.

Several factors contributed to the overall life premium growth including the continued development of innovative insurance products and the introduction of new health insurance products for cross-boundary outpatient services in the GBA. Within the life segment, life insurance and annuities accounted for the largest share at 93.1% of the overall life GWP in 2024. The second-largest component was health policies, with GWP of MOP 1.9 billion or a share of 5.2%. Gross premiums from investment-linked policies stood at MOP 0.2 billion, representing 0.4% of the total.

Gross premiums for the non-life segment grew by 2.9% to MOP 2.9 billion in 2024, up from MOP 2.8 billion in 2023, accounting for 7.5% of the total market.

With GWP of MOP 1.3 billion, property all risk insurance remains the major component in the non-life market, constituting 44.4% of the segment's GWP. In Macau, catastrophe property insurance — particularly for small- and medium-sized enterprises — is a highly sought-after product in the market due to the country's susceptibility to natural disasters such as floods and typhoons. Employees' compensation and motor insurance are the second and third largest non-life business lines, representing 16.8% and 12.8% of the total, respectively, with corresponding GWP of MOP 0.5 billion and MOP 0.4 billion in 2024.

The AMCM data shows that the insurance industry achieved a positive underwriting result of MOP 2.0 billion, a spike of 228.6% from the amount of MOP 0.6 billion in 2023. However, despite growth in total market GWP and improved underwriting results, the insurance industry reported a 36.1% contraction in net profit to MOP 4.4 billion in 2024. This was attributed to a sharp decline in insurers' financial income, which led to net financial and other losses totalling MOP 4.6 billion.

At the close of 2024, there were 27 authorised insurance companies operating in Macau, comprising 13 life insurers and 14 non-life insurers. Macau has a small population, which naturally restricts the size of the domestic insurance market. The penetration rate for certain types of insurance, especially life and health, is already quite high, limiting growth potential. With 27 insurance entities but a small population of around 700,000, the industry is expected to face several challenges, from intense competition to thin profit margins, in the coming years.

Regulatory and Risk Developments

The AMCM has strengthened and promulgated various regulatory measures in recent years to enhance the development and ensure the long-term stability and sustainability of Macau's insurance industry. To align the solvency regime of its insurance industry with international standards, the AMCM has carried out research on the "Risk-Based Capital Framework for the Insurance Industry." This initiative was aimed at establishing uniform valuation standards and risk-sensitive capital requirements to ensure that Macau's insurance entities maintain capital levels that are commensurate with the risks they bear.

The new framework, expected to come into effect by 2027, will move away from the current fixed minimum capital requirements and adopt a more dynamic approach, where capital requirements are directly linked to the specific risks associated with an insurer's operations.

Another recent regulatory development in Macau was the passing of the amended Insurance Intermediary Business Ordinance (Law 15/2024), which took effect on 1 August 2025. Key amendments to the ordinance include raising the entry and licensing requirements for insurance intermediaries, enhancing the supervision of insurance intermediary businesses, and increasing penalties for violations and non-compliance.

The AMCM has also constantly worked with regulatory authorities in other countries and regions to foster close collaboration in advancing supervisory measures, refining laws and regulations, and safeguarding the stability of the

financial system, as well as protecting the legitimate rights and interests of policyholders. Notable examples of cross-border supervisory cooperation include the ongoing development of the Guangdong-Macao In-depth Cooperation Zone in Hengqin (Cooperation Zone) and the integration of Macau's insurance industry with the GBA to drive innovation in cross-border motor vehicle insurance.

Natural Catastrophes and Climate Risks

Macau faces significant natural disaster risks, particularly from typhoons and flooding, due to its location in a subtropical monsoon zone and its vulnerability to rising sea levels. Other factors such as climate change and urbanisation further exacerbate these risks.

One of the strongest typhoons to impact Macau was Typhoon Hato, which occurred in 2017, which caused widespread flooding, infrastructure damage, and over MOP 12 billion in economic losses. Macau was hit by another powerful typhoon, Mangkut, in 2018.

After the devastation caused by Typhoon Hato and Typhoon Mangkhut, the Macau government launched a comprehensive disaster prevention and reduction plan (2019-2028). The 10-year disaster plan lists nine priority areas for the enhancement of prevention and mitigation work including the development of disaster prevention infrastructure; the creation of response management systems; the establishment of risk management, monitoring and early warning systems; the education of the public of the risks resulting from possible incidents; and the development of joint emergency operations between Guangdong, Hong Kong and Macau.

According to the plan, by 2023, Macau will have already optimised its unexpected event response management system, which will reduce the impact of major disasters, particularly in relation to loss of human life, damage of cultural heritage, and economic damage.

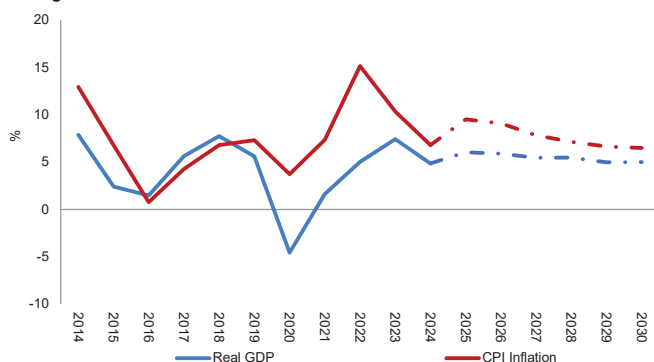
Additionally, the government has launched a flood resilience programme, with a specific focus on strengthening Coloane's flood defenses. This project, part of the government's mid-term disaster prevention strategies, involves building flood control and drainage facilities, including 1,200-metre-long embankments and a monitoring station. Scheduled for completion in August 2027, the project is capable of withstanding "one-in-200-year events" and enduring swelling tides that measure up to 3.85 metres.

Mongolia

Mongolia is a CRT-5 country with high level of economic and political risk, and very high levels of financial system risk. This indicates that Mongolia has an unpredictable and opaque political, legal, and business environment, with limited or non-existent capital markets, low human development, and social instability, as well as a nascent insurance industry.



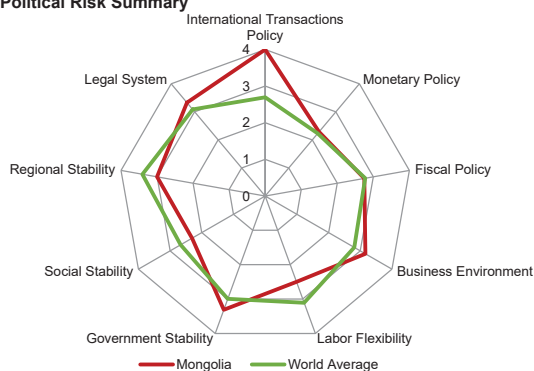
Mongolia Economic Growth



Economic Risk: High

- Mongolia possesses substantial mineral and metal reserves, with the mining sector contributing nearly 25% of GDP, over 50% of foreign direct investment, and approximately 85% of total exports. This high reliance on commodities exposes the economy to external demand fluctuations and global price volatility, underscoring the need for diversification.
- China is Mongolia's primary trading partner, accounting for over 80% of its exports. As a result, China's economic slowdown poses an external risk. In response, Mongolia is seeking to diversify sources of foreign direct investment by strengthening its regulatory environment and improving the business climate to attract a wider range of international investors.
- In 2024, Mongolia launched the Chinggis Fund, its first sovereign wealth fund, to manage mining revenues and reduce fiscal pro-cyclicality. The fund aims to promote macroeconomic stability, with initial capital sourced from mining proceeds.

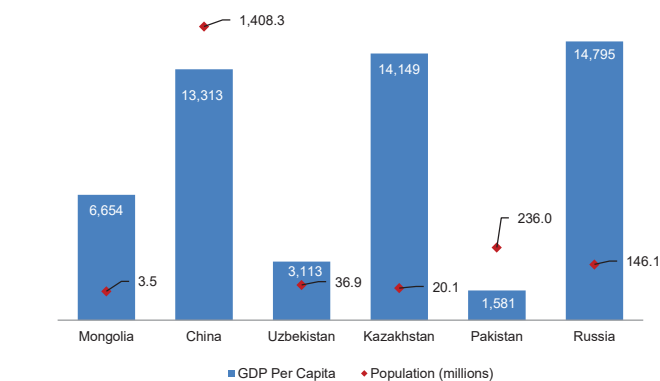
Mongolia - Political Risk Summary



Political Risk: High

- The Mongolian People's Party (MPP) has held a parliamentary majority since 2016 and remains the dominant political force. President Ukhnaagiin Khurelsukh, also from the MPP, has served since 2021. In the June 2024 parliamentary elections, the MPP secured a slim majority, which is expected to provide continuity in policymaking and political stability.
- Vision 2050, Mongolia's long-term development strategy approved in 2020, aims to transform the country's economic and social trajectory. The programme outlines nine strategic priorities, including economic diversification, governance reform, and environmental sustainability.
- Mongolia ranks 114th out of 180 countries in Transparency International's latest Corruption Perceptions Index. Despite having anti-corruption legislation in place, enforcement remains limited.

Mongolia - GDP Per Capita and Population



- Mongolia ranks 66th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive actions.

Financial System Risk: Very High

- The insurance industry in Mongolia is regulated by the Financial Regulatory Commission (FRC).
- According to the IMF, Mongolia's banking sector is highly concentrated, with the top five banks holding approximately 85% of total banking assets. This concentration presents systemic risks, as financial stress in any of these large institutions could have significant implications for the broader economy.
- To enhance financial sector resilience, the World Bank recommends strengthening the independence and governance of the Bank of Mongolia.

Mongolia Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
43214	Mongolian Reinsurance JSC	Ministry of Finance of Mongolia	bb+	Stable	B	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

Mongolia's insurance market remains nascent and evolving. Expansion in non-life premiums has been strong over recent years, supported by positive factors including:

- Significant growth momentum in motor and property insurance, predominantly related to the key mining industry.
- Gradual development of regulatory oversight, including the RBC regime, to align with international best practices and enhance market discipline.

Moderating factors include:

- The insurance penetration ratio remains very low at less than 1% of the nation's GDP.
- Mongolia is prone to various natural perils, including dzuds, droughts, floods, dust storms, wildfires, and earthquakes. The country has set up a national index-based linked insurance pool and ongoing pilot parametric insurance schemes to support rural resilience and financial inclusion.

Total premiums for the Mongolian insurance industry surged 28.3% year over year to MNT 502.9 billion (USD 139.8 million) in 2024, driven by strong double-digit gains in both the life and non-life sectors, according to our analysis of data published by the Financial Regulatory Commission (FRC). The industry also saw a substantial rise in claims payouts, disbursing MNT 160.4 billion in 2024, a 32.7% increase from MNT 120.9 billion in the prior year.

With a premium income of MNT 498.3 billion, non-life business is the dominant sector with a whopping 99.1% of the market share. Life insurance premiums expanded by 45.2% to MNT 4.5 billion, making up 0.9% of the total.

The 28.1% growth in non-life premiums was primarily attributed to the dominant motor and property segments, which grew by 34.5% and 47.1% to MNT 188.4 billion and MNT 12.7 billion, respectively. Motor insurance business comprises motor vehicle and mandatory driver's liability.

One of the most prominent sources of insurance premiums in the country is the Oyu Tolgoi copper-gold mine, located in the South Gobi region. The mine is jointly owned by the Mongolian government and international mining company Rio Tinto, making it a cornerstone of the insurance and reinsurance market in Mongolia.

In 2024, total assets of the life and non-life industry increased by 23.7% to MNT 600.5 billion. Non-life insurers reported a 24.2% asset growth from MNT 469.0 billion in 2023 to MNT 582.3 billion in 2024, while total assets of life companies amounted to MNT 18.2 billion, up 10.4% year over year.

Mongolia's insurance industry, however, remains underdeveloped compared with the global average and its regional peers. Its insurance market penetration, a key measure of the sector's development, remains low at 0.64% of Mongolia's GDP in 2024, far below the world average of 7.4%. This limited uptake is influenced by cultural attitudes toward risk, economic constraints among rural and low-income communities, and a general lack of understanding of how insurance functions. Public education regarding the value of insurance and trust in the financial system is still developing.

Despite the challenges, the industry has potential for further growth and development, as Mongolia's economy continues to expand and its population becomes more affluent and sophisticated. The growth is also expected to be bolstered by a growing middle class, rapid urbanisation and increased awareness of the benefits of insurance, as well as supportive regulations and guidelines introduced by the regulator.

Regulatory and Risk Developments

Mongolia's insurance industry is still in its nascent stage and continues to evolve. To promote development and enhance the coverage and accessibility of the insurance segment, the FRC is focused on improving the legal and regulatory framework, strengthening the regulatory risk management system, developing a reliable insurance database, and aligning with international best practices.

The insurance industry transitioned from a traditional rule-based solvency approach to a risk-based solvency approach in October 2023. To further enhance the calculation of insurers' solvency, the FRC has updated and approved the "Solvency Indicators for Insurers and the Regulation for Monitoring Them," effective on 1 January 2024. With the implementation of this regulation, Mongolian insurers are better equipped to operate more efficiently in accordance with their capabilities, reduce the amount of non-performing assets, and determine and accumulate the necessary capital or equity in line with their assumed risks. Insurers have also focused their efforts on these areas to ensure sound financial management.

As of 2024, Mongolia's insurance regulatory framework incorporates elements of a risk-based capital (RBC) approach. Insurers are required to maintain minimum paid-up share capital, which varies by business line: MNT 5 billion for non-life insurance, MNT 6 billion for long-term (life) insurance, and MNT 15 billion for reinsurance companies. Importantly, the capital must be funded solely through share capital; capital raised through loans is not permitted.

The solvency oversight is primarily based on the Proper Ratio of Solvency. For non-life insurers, this ratio is calculated as admitted assets divided by the sum of mandatory assets, debts, and payments, multiplied by 100%. If the ratio falls below 100%, the insurer is considered insolvent. Long-term insurers are subject to a stricter requirement: their proper ratio of solvency must be at least 110%. A ratio between 100% and 110% places the insurer under heightened scrutiny, while a ratio below 100% signals insolvency.

Additionally, insurers must maintain a solvency margin—the difference between admitted assets and liabilities—at or above a Minimum Solvency Requirement (MSR). The MSR is determined using an actuarial percentage of reserve funds

and a valuation percentage of insurance risk. Should an insurer fail to meet this requirement, the fallback calculation is based on the FRC's prescribed minimum capital thresholds. While the current system reflects early stages of risk-based supervision, it provides a foundation for strengthening capital adequacy and prudential oversight in Mongolia's evolving insurance market.

Natural Catastrophes and Climate Risks

Mongolia is vulnerable to a wide range of natural disasters, including dzuds (harsh winters following dry summers), droughts, floods, dust storms, wildfires, and earthquakes. In particular, climate change is exacerbating the weather-related hazards, with rising temperatures and altered precipitation patterns intensifying the risks to human populations and ecosystems. The continued growth of low-density urban sprawl in Mongolia, driven by the expansion of ger areas in its three largest cities (UB, Erdenet, and Darkhan), has also worsened climate risks. With the intensification of natural disasters, the estimated annual damage costs are estimated to be approximately MNT 50 billion-MNT 70 billion.

These risks pose serious challenges to the underwriting profitability and capital resilience of insurers, particularly given Mongolia's vast geography and climate volatility. The government and development partners, including the World Bank and the Asian Development Bank, have been exploring index-based and parametric insurance schemes, especially for livestock and agriculture, to support rural resilience and financial inclusion. Pilot programmes like the Index-Based Livestock Insurance Program (IBLIP) have seen moderate success and continue to be refined to improve payout efficiency and farmer participation.

However, more efforts are needed to build a comprehensive approach to disaster risk reduction and management in light of an increasingly volatile climate. According to the Mongolia Country Climate and Development Report 2024 published by the World Bank, the country's current laws and policies, such as the Law of Disaster Protection and the National Adaptation Plan, mainly focus on disaster preparedness and emergency response but do not adequately cover disaster risk reduction, financing, or insurance—and where measures do exist, implementation is generally weak. The report highlights the need to strengthen physical and financial resilience by comprehensively integrating disaster risk reduction into the budget process and supporting the development of the natural disaster insurance market and other disaster risk financing and insurance (DRFI) instruments for households (including herders), businesses, and the government.

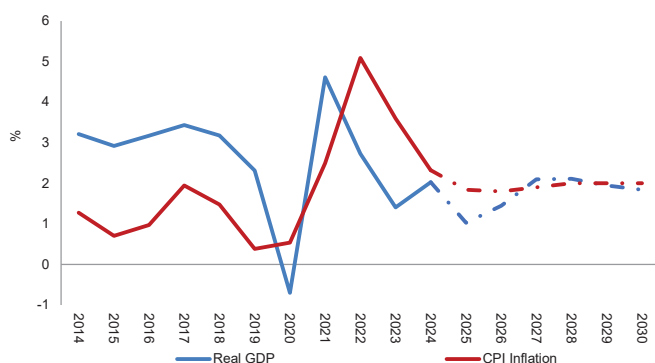
While the Disaster Protection Law requires all legal entities – government agencies and private companies – to have insurance against the risk of a natural disaster, the regulatory framework regarding disaster risk management and risk transfer needs strengthening, especially with the draft Disaster Risk Insurance bill yet to be enacted into law. The shortcomings in the regulatory framework have limited the development of the private risk insurance market, particularly in areas such as flood and earthquake insurance products.

South Korea

South Korea is a CRT-2 country with a very low level of economic risk and low levels of political and financial system risk. This indicates that South Korea has a predictable and transparent legal environment, legal system, and business infrastructure, as well as sufficient financial system regulation and a mature insurance industry framework, making it a low-risk country for insurance operations.



South Korea Economic Growth



Economic Risk: Very Low

- South Korea operates a highly export-oriented, free-market economy. While its export base is geographically diversified, the country remains exposed to fluctuations in global demand and shifts in international trade conditions, which can significantly impact growth.
- South Korea is heavily reliant on energy imports, sourcing nearly all of its energy requirements from abroad. It is the world's third-largest importer of liquefied natural gas, following Japan and China, making it particularly sensitive to global energy price volatility and supply chain disruptions.
- The South Korean government actively promotes a pro-business climate and encourages foreign direct investment. The country benefits from a skilled workforce, advanced infrastructure, and strong institutional frameworks. However, investors often cite regulatory opacity and bureaucratic complexity as challenges.

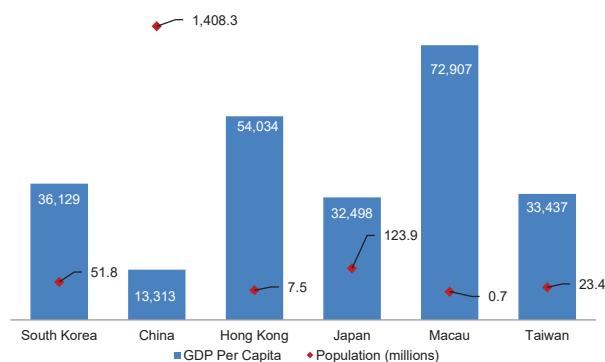
South Korea - Political Risk Summary



Political Risk: Low

- In December 2024, former President Yoon Suk Yeol was impeached and removed from office after invoking martial law in response to tensions with an opposition-controlled parliament. In June 2025, Lee Jae-myung was elected president. Lee's victory returns the Democratic Party of Korea (DPK) to power following its loss to the People Power Party (PPP) in 2022.
- Political uncertainty has intensified alongside economic headwinds, including subdued growth and trade-related challenges. In this context, the government is expected to prioritise restoring macroeconomic stability and rebuilding public confidence in political institutions.
- The country ranks 30th out of 180 countries in Transparency International's latest Corruption Perceptions Index. Despite a relatively favourable position, recent high-profile indictments, including those of former presidents, highlight persistent corruption.

South Korea - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

Public trust remains low despite institutional reforms.

- South Korea ranks 15th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness to adaptive actions. Nonetheless, the country faces mounting climate-related challenges, including more frequent wildfires, floods, and extreme rainfall events.

Financial System Risk: Low

- The insurance industry is regulated by the insurance division of the Financial Services Commission and the Financial Supervisory Service.
- According to the IMF, South Korea's banking sector has remained resilient amid global economic headwinds. The IMF highlights the country's solid macroeconomic fundamentals and prudent policy framework, which have collectively supported financial stability and enabled the system to absorb external shocks effectively.

South Korea Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
93314	ACE American Insurance Co Korea (KRB)	Chubb Limited	aa+	Stable	A++	Stable	...	...
93791	Construction Guarantee Cooperative	...	a+	Stable	A	Stable	...	...
87968	DB Insurance Co., Ltd.	DB Insurance Co., Ltd.	aa-	Stable	A+	Stable	...	...
92056	General Reinsurance AG (KRB)	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
86796	Hanwha General Insurance Company Ltd	Hanwha Life Insurance Co., Ltd.	a	Stable	A	Stable	...	...
85468	Hyundai Marine & Fire Insurance Co Ltd	...	a	Stable	A	Stable	...	...
86459	KB Insurance Co., Ltd.	KB Financial Group Inc.	a	Stable	A	Stable	...	...
92701	Korea P&I Club	...	bbb+	Negative	B++	Stable	...	...
85225	Korean Reinsurance Company	Korean Reinsurance Company	a+	Stable	A	Stable	...	...
85600	Meritz Fire & Marine Insurance Co., Ltd.	Meritz Financial Group Inc.	a	Stable	A	Stable	...	...
93309	NongHyup Property & Casualty Ins Co Ltd	Natl Agricultural Cooperative Federation	a-	Stable	A-	Stable	...	...
88873	RGA Reinsurance Co KRB	Reinsurance Group of America, Inc.	aa-	Stable	A+	Stable	...	...
85850	Samsung Fire & Marine Insurance Co Ltd	Samsung Fire & Marine Insurance Co Ltd	aa+	Stable	A++	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on South Korea's non-life insurance segment as of 3 June 2025. Key factors supporting the outlook include:

- Continued refinement of the local solvency standards calls for strengthening of insurers' capital management.
- Moderate growth in long-term and general insurance.
- As the market continues to mature, there is potential for new opportunities to meet evolving customer needs.
- Efforts to improve profitability with a focus on long-term insurance and investment strategies.

The following factor partially counters the positives:

- Slow growth prospects and weakened underwriting profitability in auto insurance.

South Korea's non-life insurers reported total direct premiums of KRW 127.6 trillion (USD 91.4 billion) in 2024, up 1.9% year over year and representing 52.9% of the overall insurance market premium income. This growth, which trailed 2023's growth by 2.3 percentage points, was primarily fuelled by increased sales in long-term insurance (+5.2%) and general P&C (+7.4%), despite declines in premium income from motor insurance (-1.8%) and retirement annuity (-7.2%). Long-term insurance, composed mainly of personal line products such as health insurance, remains the largest segment within the non-life industry with nearly 55% of total market share.

Both the long-term insurance and general P&C business segments are expected to continue to support the overall market expansion with mid-single-digit growth. In long-term insurance, non-life insurers remain strategically focused on sales of long-term protection-type insurance to enlarge contractual service margin (CSM), which is unearned future profits of insurance contracts under IFRS 17, while the general P&C line is expected to see continued demand in the property line and rising needs in the liability line, partly by expansion of compulsory coverages.

The long-term insurance premium growth, however, may face headwinds from macroeconomic uncertainties that could weaken consumer sentiment to purchase or maintain insurance coverage. Simultaneously, intensified competition could undermine sustainable growth as the non-life market becomes saturated with many insurers competing for the same product offerings.

Motor insurance, which was the second largest non-life segment until it was surpassed by retirement annuity in 2022, has experienced a slowdown in its premium growth in recent years, owing to sluggish vehicle registrations and a series of premium rate cuts to support the consumer economy. With the fast-growing online auto insurance market, large insurers are more likely to maintain premium growth as they benefit from factors such as economies of scale, strong marketing capability, and digital infrastructure. Conversely, smaller insurers face challenges in attracting new policyholders due to weaker technological capabilities and limited brand power.

Overall profitability of South Korean non-life insurers is expected to endure challenges, and improvements could hinge on long-term insurance and effective investment strategies. In long-term insurance, the ability to secure or increase the CSM balance is an important indicator of long-term profitability, particularly given the significant size of the CSM of non-life insurers amortised to its revenue each year. However, any deterioration in new business profit margins from increased competition and adverse developments in actuarial assumptions, such as loss ratio and lapse ratio, may hinder CSM growth.

Motor insurance profitability is expected to remain under pressure because of rising loss ratios, which had soared in 2024 due to the combined effect of accumulated rate cuts and inflationary pressures on repair costs. Against this backdrop, insurers are expected to prioritise underwriting quality and cost efficiency to restore auto insurance underwriting margins.

Investment income remains a key contributor to the South Korean non-life insurers' bottom line. However, ongoing global and domestic economic uncertainties may cause additional volatility in equities and real estate-linked investments. Despite these challenges, South Korean non-life insurers will be able to source relatively stable investment income backed by their holdings of substantial fixed-income assets.

South Korea's non-life market is dominated by five top-tier players, three of which are former affiliates of major chaebol (industrial conglomerates). These insurers collectively control nearly 80% of the market, with Samsung Fire & Marine alone holding over 20%. This creates intense competition, especially for smaller players, many of which lack scale and struggle with high expense ratios. The smaller firms are gradually losing both market share and key underwriting talent to the dominant incumbents, making upward mobility increasingly difficult without strategic partnerships or acquisitions.

Regulatory and Risk Developments

Since January 2023, the Korean Insurance Capital Standard (K-ICS) has replaced the risk-based capital (RBC) regime in South Korea. This new capital regime, which came into force alongside the implementation of IFRS 17, requires insurance

companies to measure their assets and liabilities at market value and use a full fair-value balance sheet to calculate the required capital. It allows risk measurement to be more precise using shock scenarios, and the required capital of an insurer is defined as the value-at-risk (VAR) of the insurer's own funds subject to a confidence level of 99.5%. With K-ICS becoming effective, the supervisory regime of the Korean insurance industry now aligns with global best practices and standards.

Insurance companies in South Korea have proactively prepared for the adoption of K-ICS, as their capital buffers could be squeezed when both assets and liabilities are measured at market value under the new capital regime. To bolster their capital, they have been taking various measures, such as issuing subordinated debt or hybrid capital securities, entering into coinsurance deals, and adjusting their product portfolios.

However, in recent times, the non-life industry is increasingly facing capital pressure as insurance liabilities increase. In response, the Financial Supervisory Service (FSS) has pushed for more realistic actuarial assumptions and is cutting discount rates through 2027 via a phased plan, with the aim of improving the credibility and comparability of insurers' financials.

Additionally, the FSS and the Financial Services Commission (FSC) announced a capital regulation enhancement plan – including lowering the recommended capital adequacy ratio under the K-ICS and introducing a mandatory core capital requirement for insurers – for the insurance sector. Following a regular meeting on 11 June 2025, the FSC approved a partial revision of the insurance industry supervision regulations that include tightening solvency requirements for insurance companies by lowering the K-ICS ratio to 130% from 150%. The revision, the first downward adjustment of the capital adequacy ratio since 2001, is expected to ease the capital procurement burden for insurers.

These ongoing regulatory changes, coupled with decreasing domestic interest rates, are expected to pose a considerable burden to insurers' solvency, especially those with relatively weaker capital positions. However, AM Best expects these changes will promote economic value-based capital management for insurers to maintain sound capital adequacy across the industry. Insurers have been observed increasing long-term bond investments to extend asset duration, issuing supplementary capital securities in a judicious manner, and utilising reinsurance to manage their capital effectively.

Natural Catastrophes and Climate Risks

South Korea faces a wide array of natural disasters, with the most prominent being typhoons, heavy rainfall, and heat waves. The majority of extreme precipitation events take place during the summer monsoon season in July and August, with property losses typically occurring in July. In addition, summer is associated with poor air quality due to atmospheric pollution. Heavy snowfall can also be disruptive and cause extensive damage and economic losses across the country.

In 2025, South Korea experienced multiple natural disasters, including severe flooding in July and August and devastating wildfires in March. The back-to-back floods, triggered by torrential rain, resulted in numerous deaths, widespread displacement, and significant infrastructure damage. The authorities put the total estimated damage and economic loss from the torrential rainfall in mid-July at more than KRW 1 trillion.

The wildfires in March, the most destructive on record, resulted in at least 30 fatalities, evacuation of approximately 37,000 residents and the destruction of more than 7,700 structures, leading to nearly 5,000 claims and economic losses of approximately KRW 1.4 trillion.

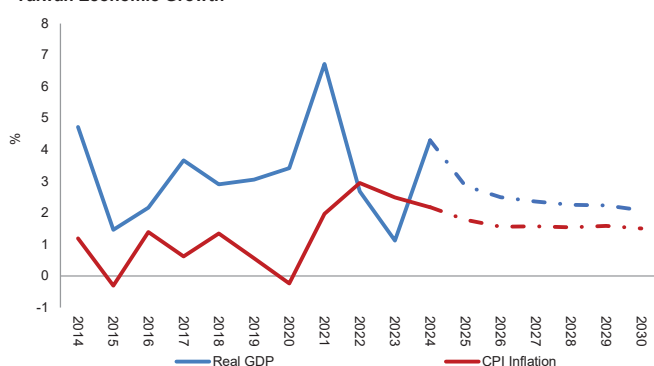
Climate change will likely cause these extreme weather events to become more frequent and destructive. While the main natural perils are typhoons, heavy rainfall, and heat waves, cedants also include earthquakes through all layers of their excess of loss programmes. Because of low household penetration, catastrophe programmes mainly relate to the industrial sector. Programme limits are therefore quite low, ranging from KRW 100 billion to KRW 300 billion. Some insurers cancelled their bottom layers in 2023 due to uneconomic pricing.

Taiwan

As a CRT-2 region, Taiwan has low levels of economic and financial system risk, and moderate levels of political risk. This indicates that Taiwan has a predictable and transparent legal environment, legal system, and business infrastructure; sufficient financial system regulation; and a mature insurance industry framework, making it a low-risk country for insurance operations.



Taiwan Economic Growth



Economic Risk: Low

- Exports account for approximately 65% of Taiwan's GDP, underscoring the economy's dependence on external demand. China and the US remain Taiwan's primary export markets, with electronics, particularly microchips, dominating outbound trade. Elevated trade uncertainties may weigh on export prospects, especially for Taiwan's critical semiconductor sector, which is sensitive to geopolitical developments and global supply chain shifts.
- Taiwan maintains a low unemployment rate, supported by government initiatives promoting skills development and innovation-led employment. These programs have contributed to strong job creation and sustained productivity. In 2024, GDP per capita reached approximately USD 33,500. The World Bank classifies Taiwan as a high-income economy with one of the most skilled and educated labour forces in the region.
- Government debt is low at approximately 30% of GDP. A ceiling on government borrowing and consistent budget surpluses keep debt at low levels. However, rising expenditure needs, particularly in defense and social welfare, have placed upward pressure on public spending in recent years.

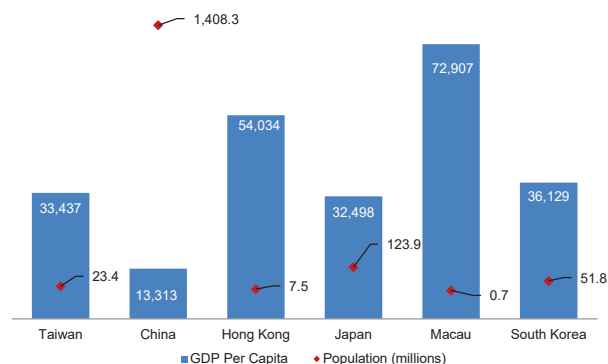
Taiwan - Political Risk Summary



Political Risk: Moderate

- Lai Ching-Te, of the ruling Democratic Progressive Party (DPP) secured a third consecutive presidential term for the party in the January 2024 election, an unprecedented outcome in Taiwan's democratic history. President Lai is expected to prioritise reducing economic dependence on mainland China and strengthening security cooperation with Western partners.
- No single party secured a legislative majority in the 113-seat Legislative Yuan. The DPP won 51 seats, resulting in a fragmented parliament. This outcome is likely to lead to legislative gridlock, political uncertainty, and challenges

Taiwan - GDP Per Capita and Population



Taiwan Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
77106	Cathay Century Insurance Co Ltd	Cathay Financial Holding Co., Ltd.	a	Stable	A	Stable	...	...
86496	Central Reinsurance Corporation	Evergreen International Corporation	a	Stable	A	Stable	...	...
93203	CTBC Insurance Company Ltd	CTBC Financial Holding Co., Ltd.	bbb+	Stable	B++	Stable	...	...
86888	Fubon Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	a	Negative	A	Negative	...	...
86271	Hotai Insurance Co., Ltd.	Ho Tai Motor Co., Ltd.	a-	Positive	A-	Positive	...	...
90633	Insurance Company of North America (TWB)	Chubb Limited	aa+	Stable	A++	Stable	...	...
88822	Nan Shan General Insurance Co., Ltd.	Ruentex Group	a-	Stable	A-	Stable	...	...
90622	Shinkong Insurance Company Limited	...	a+	Stable	A	Stable	...	...
84184	South China Insurance Co Ltd	Hua Nan Financial Holdings Co. Ltd.	a	Stable	A	Stable	...	...
78994	Union Insurance Company Limited	...	a-	Stable	A-	Stable	...	...

Source: **BESTLINK**

Insurance Industry Overview

AM Best maintains a Stable outlook on Taiwan's non-life insurance segment as of 30 October 2025. Key factors supporting the outlook include:

- Robust premium growth prospects, supported by steady economic conditions and strong insurance demand.
- Healthy operating profitability as insurers maintain a profit-oriented strategy and a disciplined approach to underwriting, with the 2024 industry average ROE reaching 16%.
- Regulatory initiatives support improving the quality of underwritten risks. Adoption of IFRS 17 and TW-ICS in 2026 to bolster the long-term development despite additional operating costs.

The following factor partially counters the positives:

- Continued exposure to natural catastrophes leads to volatility in underwriting results, though these are partially mitigated by reinsurance protection.
- Capital market volatility and exchange rate fluctuations may negatively impact investment yields.

in advancing key policy initiatives, complicating the government's ability to implement its economic and national security agenda.

- Civil unrest in Taiwan is infrequent and generally peaceful. Demonstrations typically focus on domestic social issues, including housing affordability, retirement protections, and the defense of democratic values.

Financial System Risk: Low

- The Insurance Bureau, a branch of the Financial Supervisory Commission (FSC), is the main insurance regulator.
- The New Taiwan Dollar (TWD) operates under a managed floating exchange rate regime overseen by the central bank. While the currency's value is primarily determined by market forces, the central bank intervenes when necessary to curb excessive volatility and maintain macroeconomic and financial stability, particularly given Taiwan's export-dependent economy.

Taiwan's non-life market achieved double-digit growth in direct premiums written during the first half of 2025, continuing the growth momentum from the past two years. This compares favourably with Taiwan's real GDP growth, which is projected by the IMF to expand by 3.7% in 2025 before falling to 2.1% in 2026. Economic growth has remained resilient despite concerns about rising tariffs due to soaring global demand for AI-related products. Whilst Taiwan should continue to benefit from its leading position in the AI manufacturing sector, uncertainties in global demand and US trade policy, especially for the technology sector, cloud the outlook. Notwithstanding, Taiwan's central bank will likely continue to act cautiously as it strives to maintain flexibility and cushion the economy from negative shocks.

The commercial fire, engineering, and accident and health (A&H) lines are key drivers of premium revenue growth. The written premium income of the non-life market comes mainly from the direct sales channel of the insurance companies, followed by agent companies and brokers.

Despite softening global reinsurance rates, commercial fire reinsurance costs remain elevated, which have been passed on to policyholders. Engineering insurance has been boosted by the island's infrastructure development, renewable energy projects, and high-tech industry. The A&H lines, particularly travel insurance, are poised to continue the recovery and growth post-pandemic, with the expectation that the total number of overseas travels in 2025 will exceed 2019 levels.

The non-life segment generates diverse profits from both personal and commercial lines, with motor lines driving stable underwriting profits with moderate margins, whereas commercial fire offers higher profit margins but is more volatile. Following the adverse pandemic losses, the industry players have strengthened their underwriting strategies. Benefitting from profit-oriented underwriting strategies, the industry has recorded good underwriting margins over the past two years. The industry average return-on-equity (ROE) ratio in 2024 reached 16%.

The personal lines segment has become the main area for insurers to compete with their innovative initiatives and ability to effectively reach and acquire customers in a competitive market. The non-life segment's digital transformation primarily focuses on digitalising manual processes, enabling full-process online services such as consultations, policy issuance and management, and claim settlements, enhanced by AI and blockchain.

Recent regulatory updates for electric vehicle (EV) motor insurance and medical insurance are supportive of improving the quality of underwritten risks. For instance, EV-specific motor policies now cover non-traditional risks such as batteries and charging rods, as well as enable insurance companies to apply tailored rates by addressing unique EV risks with higher visibility and improved efficiency.

On the other hand, the profitability of medical insurance has been under pressure over the past few years. Effective July 2024, the regulatory body rolled out stricter rules on medical insurance claims, with the goal to promote product fairness and curb moral hazard risk.

In terms of investment, the non-life segment allocated approximately 15% of its overall portfolio to foreign investments in 2024 and has consistently applied foreign exchange (FX) derivatives with a high hedging ratio over the past few years. The segment's profit and loss and capital position have remained resilient. FX risk management is embedded as a key component of Taiwanese insurers' enterprise risk management. AM Best expects the non-life segment to remain vigilant and prudent in managing FX risk through enhancing hedging effectiveness and controlling the overall exposure to foreign investments.

Regulatory and Risk Developments

Taiwan's insurance industry will simultaneously roll out the new generation solvency regime, known locally as TW-ICS, alongside the adoption of IFRS 17, by 2026. The local regulator, the Financial Supervisory Commission, has taken a phased-in approach to implement TW-ICS and roll out transitional measures to support gradual alignment with international standards. We believe that AM Best-rated non-life companies are not likely to face solvency pressure under the upcoming new solvency regime.

Under the new solvency regime, insurers are required to use fair value measurements for assets and liabilities to provide a more realistic basis for assessing financial strength and risk exposure. Insurers will replace the current overlay approach with IFRS 9 accounting standards for financial asset valuation, as well as measure the insurance contract liability based on prevailing discount rates under the new accounting standards. Non-life insurance companies' net assets reported under IFRS 17 are not expected to deviate significantly compared to IFRS 4, while both assets and liabilities are expected to moderately decrease.

AM Best believes the rated companies will maintain a healthy capital level under the upcoming new solvency regime. While the transitions to new accounting and solvency standards may bring additional operating costs over the short term, enhanced comparability and alignment with international standards will promote comparability over the long run.

Natural Catastrophes and Climate Risks

Taiwan is located in a catastrophe-prone area, where earthquakes, typhoons, and subsequent secondary flood disasters pose persistent threats to onshore and offshore properties. Droughts, worsened by industrial and agricultural water demands, are also an increasing concern.

The Taiwanese non-life insurers have shown prudence in structuring their reinsurance programmes, as evidenced by the controlled level of net catastrophe losses in the last two years, for example, the 2024 Hualien earthquake, the 2025 Tainan-Chiayi earthquake, and several major typhoons.

Loss experiences of catastrophe reinsurance protection have added additional reinsurance cost pressure to the commercial fire and engineering segments. Nevertheless, primary insurers have been able to take appropriate actions in the past few years, such as primary rate increases, increasing policyholder's self-retention, and tighter terms and conditions, to improve underwriting quality.

Oceania



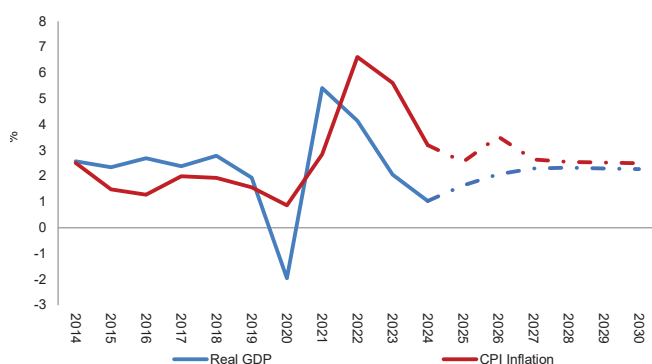
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Australia

Australia, a CRT-1 country, has very low levels of economic, political, and financial system risk. This indicates that Australia has a predictable and transparent legal environment, legal system, and business infrastructure; sophisticated financial system regulation with deep capital markets; and a mature insurance industry framework.



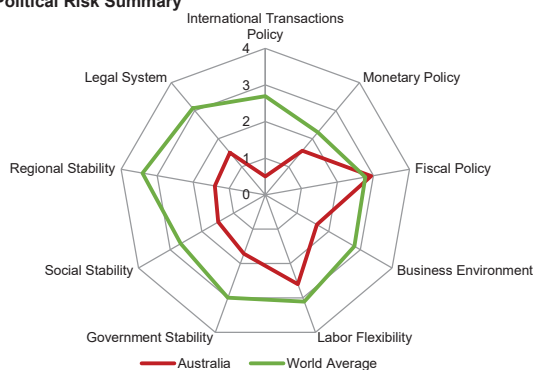
Australia Economic Growth



Economic Risk: Very Low

- Australia maintains a highly developed and globally integrated economy, with exports of goods and services equating to over a quarter of GDP. As of 2024, the country benefited from a relatively high GDP per capita, which exceeded USD 66,000.
- Extractive industries are a major contributor to Australia's GDP, with iron, coal, and petroleum products accounting for over half of Australia's exports. Key trading partners include China, Japan, and the US.
- The increased use of protectionist measures by the US, and uncertainty over the sustainability of China's economic growth could create headwinds for Australia's economy. A material deterioration in either source could prompt further monetary easing.
- While Australia's labour market has loosened from the low unemployment rate of 3.4% seen in October 2022, estimates suggest the unemployment rate stabilised at 4.1% for the first five months of 2025.

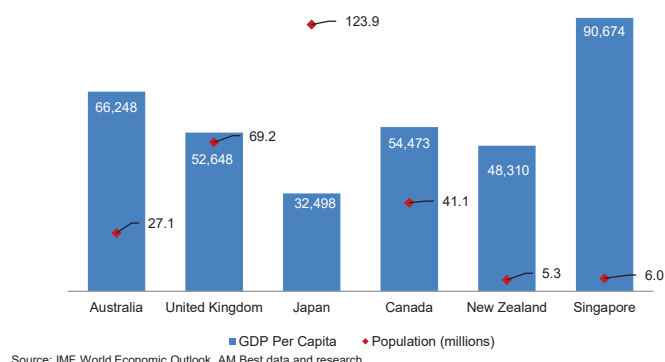
Australia- Political Risk Summary



Political Risk: Very Low

- After taking office following the results of the May 2022 elections, Anthony Albanese retained his position as prime minister after a strong performance by the Labor party in 2025. The Labor Party gained an additional 17 seats in the House of Representatives, giving it control over 94 out of 150 seats—the largest number of seats ever won by a single party in the history of Australian elections.
- In June 2025, the Pentagon announced that it would review the 2021 AUKUS submarine deal. The potential cancellation of this deal, which was intended to enhance regional defense capabilities, could strain diplomatic relations between Australia and the US. The review coincides with mounting pressure by the US government on Australia to increase defense spending.
- Australia ranks 10th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption

Australia - GDP Per Capita and Population

**Financial System Risk: Very Low**

- The Australian Prudential Regulation Authority oversees the regulation of the country's insurance industry.
- The Reserve Bank of Australia (RBA) began easing its policy rate in the first half of 2025, reducing the policy rate by 50 basis-point reduction by the end of the period. Additional cuts remain possible if inflationary pressures continue to ease.
- Australia's Financial Stability Review for April 2025 noted that the country's banking sector has ample capital and large asset buffers. Despite a recent rise in the non-performing loan ratio, the figure remains relatively low.
- According to data from the RBA, mean housing prices exceeded AUD 1,000,000 as of the first quarter of 2025.

Australia Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
86552	Ansvar Insurance Limited	Benefact Trust Limited	a-	Stable	A-	Stable	...	...
86993	First American Title Ins Co of Australia	First American Financial Corporation	a	Stable	A	Stable	...	...
86052	General Reinsurance Australia Ltd.	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
86652	General Reinsurance Life Australia Ltd.	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
77834	Guild Insurance Limited	The Pharmacy Guild of Australia	a-	Stable	A-	Stable	...	...
93909	New India Assurance Company Ltd AUB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
78302	Pacific International Insurance Pty Ltd (CS)	Badger Mutual Wealth (Pty) Ltd	bbb	Stable	B++	Stable	...	...

Source: **BESTLINK****Insurance industry overview**

The Australian insurance industry remains resilient and stable against a backdrop of an increasingly complex risk landscape. Positive factors supporting the non-life market include:

- Premium repricing in the property and motor segments to boost underwriting margins of non-life insurers.
- Higher investment returns continue to support insurers' earnings.
- Robust regulatory oversight and conservative capital frameworks support insurance industry resilience.

Moderating factors include:

- Material exposure to natural catastrophe events continues to drive claims volatility.
- Increased frequency of extreme weather events due to climate change, has driven up insurance costs and premiums. This has exacerbated insurance affordability issues. Increased collaboration between insurers and governments to address these concerns.
- Challenge for insurers to develop well-suited and cost-effective cyber insurance products, with the fast-evolving nature of cyber risk.

The Australian direct non-life sector reported an insurance revenue of AUD 73.3 billion (USD 46.7 billion) for the fiscal year ended 30 June 2025 (FY2025), with insurance service expenses amounting to AUD 57.3 billion, according to the latest full-year data published by the Australian Prudential Regulation Authority (APRA).

There were 78 direct insurers operating in the direct non-life market in FY2025 as per the regulator's data. Their aggregate insurance service result reached nearly AUD 7.6 billion in FY2025. In the March-June 2025 quarter alone, the sector recorded a 108.6% jump in the insurance service result to AUD 2.4 billion, reflecting improved margins.

Investment results reached AUD 5.4 billion at end-FY2025, supported by two consecutive quarters of positive growth following a 47% decline in the October-December 2024 quarter. On the other hand, the sector's net insurance financial result through profit or loss remained negative throughout the fiscal year, expanding from a loss of AUD 424 million in March 2025 to a loss of AUD 540 million in June 2025. Total investments increased in each quarter of FY2025, eventually reaching AUD 340.3 billion for the full year. Profit after income tax amounted to AUD 6.7 billion in FY2025, owing to a 115.7% surge in earnings to AUD 2.1 billion in the March-June 2025 quarter. The prescribed capital amount coverage ratio slightly improved, moving from 1.82 in March 2025 to 1.89 in June 2025.

During the fiscal year, the Australian non-life industry generated total gross written premiums (GWP) of AUD 81.5 billion, driven by the short-tail property, long tail and inward reinsurance lines of business. The short-tail property segment, comprising commercial motor, domestic motor, fire and industrial special risk, and households, produced combined GWP of AUD 48.7 billion and accounted for nearly 60% of total market premiums.

In Australia, home insurance affordability is likely to be a long-term challenge. A decline in affordability could impact financial stability by increasing the number of uninsured and underinsured households, weakening their resilience to loss events, and exposing mortgage providers to larger losses if the loss events cause mortgage defaults. According to a 2024 Actuaries Institute of Australia report, an estimated 15% of Australian households face annual home insurance premiums that cost more than four weeks' worth of their income. This figure is a three percentage points increase year over year compared to March 2024 and represents approximately 1.6 million households.

The report, published in August 2024, said affordability pressures had worsened following a 9% rise in median insurance premiums. Properties facing the 5% of highest premiums, typically due to floods and cyclones, endured the steepest rise in premiums, up by more than 30%. To mitigate rising insurance costs, the Australian government, as part of the 2024-2025 federal budget, established the Insurance Affordability and Natural Hazards Risk Reduction Taskforce to understand the issues impacting insurance affordability and coordinate cross-government efforts to reduce risk from natural disasters.

For the 12 months ending 30 June 2025, the Australian reinsurance sector reported total insurance revenue of around AUD 4.4 billion, while insurance service expenses reached AUD 2.4 billion. As a result, the aggregate insurance service result of the nine reinsurers amounted to AUD 900 million at end-FY2025. The reinsurance sector achieved total investment returns of AUD 429 million, though the net insurance financial result showed an overall full-year loss of AUD 242 million. Profit after income tax totalled AUD 594 million. Total assets stood at AUD 53.4 billion, with net assets amounting to AUD 20.0 billion. The prescribed capital amount coverage ratio fell marginally to 1.88 at end-June 2025 from 1.98 at end-March 2025.

In FY2025, the 22 life insurance entities reported total insurance revenue of AUD 23.4 billion, with insurance service expenses of AUD 21.1 billion, leading to an insurance service result of AUD 1.7 billion. Investment returns were strong at AUD 6.8 billion, though the net insurance financial result recorded a combined full-year loss of AUD 3.8 billion. Profit after income tax totalled AUD 1.1 billion at the end of FY2025, down slightly from AUD 1.2 billion in the previous fiscal year. The life sector's total assets amounted to AUD 532.7 billion, while net assets stood at AUD 73.7 billion. The prescribed capital amount coverage ratio inched down to 2.06 in June 2025 from 2.08 in March 2025.

Regulatory and Risk Developments

The APRA's new Prudential Standard CPS 230 Operational Risk Management took effect on 1 July 2025. This standard requires insurers and other APRA-regulated entities to build and maintain operational resilience against severe disruptions.

The aim is to promote sound operational risk management and resilience to limit risks and losses resulting from disruptions in material internal and external operations. This will require APRA-regulated entities to identify their critical operational and set tolerance levels; these standards need to be maintained during disruptions of business operations and/or services from service providers. Critical operations and associated tolerance levels should be recorded in a business continuity plan, which sets out how business operations will be maintained in the event of a disruption.

Given the growing reliance on third parties, rapid technological advancements, and geopolitical uncertainty, effective implementation of CPS 230 is critical to maintaining financial safety and stability. During the 2025-2026 period, APRA will engage with entities to ensure they are meeting their new obligations. The initial focus of APRA's supervision programme will be on the largest entities (significant financial institutions), including through targeted prudential reviews of some entities.

To enhance industry culture and customer support, the Financial Accountability Regime (FAR) was given the green light by the Australian Parliament in September 2023 to replace the Banking Executive Accountability Regime (BEAR). The regime commenced for the banking industry on 15 March 2024 and took effect for the insurance and superannuation industries on 15 March 2025.

Unlike the BEAR, which was supervised solely by APRA, the FAR is jointly administered by the APRA and the Australian Securities and Investments Commission (ASIC). The APRA will oversee the prudential soundness of regulated entities and overall financial stability, while the ASIC will focus on impacts to market integrity and consumer protection in the financial and payments systems.

The FAR imposes a strengthened responsibility and accountability framework for APRA-regulated entities and their directors and senior executives, with a key objective to improve the risk and governance cultures of those entities.

For the insurance industry, the FAR will also introduce new expectations for insurers and their most senior executives by requiring them to conduct their activities in accordance with broader obligations such as integrity, skill, and cooperation with regulators.

Natural Catastrophes and Climate Risks

Australia faces significant risks from natural disasters, including bushfires, floods, cyclones, heat waves, and severe storms, all of which are projected to increase in frequency and intensity due to climate change. Other risks include coastal hazards, droughts, landslides, and earthquakes.

In recent years, Australia has been hard hit by extreme weather events. Data published by the Insurance Council of Australia (ICA) in June 2025 shows that the total insured cost of extreme weather events over the past five years hit AUD 22.5 billion, an average of AUD 4.5 billion a year and an increase of 67% on the previous five years. Extreme weather losses as a percentage of GDP tripled from 0.25% in the second half of the 1990s to almost 0.75% of GDP in the first half of the 2020s.

In 2025, the total insured cost of extreme weather events that impacted Australia in the first half has exceeded AUD 1.8 billion, with around 148,437 claims, according to the ICA. A breakdown of these claims shows that the Mid-North Coast and Hunter Floods incurred 11,500 claims amounting to almost AUD 200 million as of 2 July 2025. Incurred claims from Ex-Tropical Cyclone Alfred, the most costly and widespread event that struck in March 2025, exceeded 125,000 claims totalling nearly AUD 1.4 billion. Additionally, incurred claims from the North Queensland floods in February reached AUD 274 million across more than 11,000 claims.

To address climate risks in the insurance industry, the APRA plans to release the results of its Climate Vulnerability Assessment for the non-life sector in the second half of 2025-2026. This assessment has involved Australia's five largest non-life insurers and has included detailed analysis of granular, modelled premium data. The findings will provide governments, insurers, policyholders, and the broader community with a clearer understanding of how general insurance affordability may evolve over the medium term in response to the physical and transition risks associated with climate change.

New Zealand

New Zealand is a CRT-2 country with very low levels of political and financial system risk, and a low level of economic risk. This indicates that New Zealand has a predictable and transparent legal environment, legal system, and business infrastructure; sufficient financial system regulation; and a mature insurance industry framework, making it a low-risk country for insurance operations.



Economic Risk

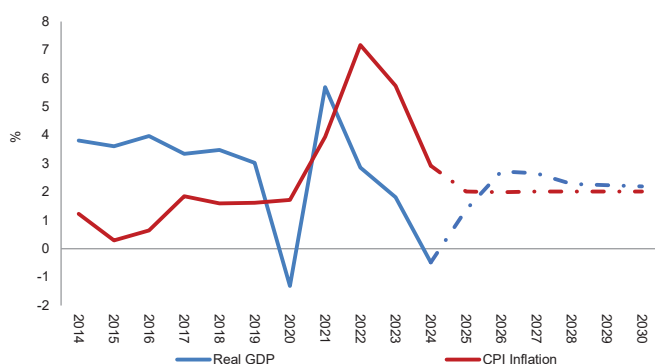


Political Risk



Financial System Risk

New Zealand Economic Growth



Source: IMF World Economic Outlook, AM Best data and research

Economic Risk: Low

- New Zealand maintains a small, open, and highly developed economy, with the service sector accounting for the majority of economic output. The country remains highly dependent on imports.
- Exports as a percentage of GDP have been trending downward over the past few decades, falling to approximately a quarter of GDP in 2023. Key trading partners include China, the US, and Australia, with agricultural products accounting for a significant portion of goods exported.
- The increased use of protectionist measures by the US and uncertainty over the sustainability of China's economic growth could create headwinds for New Zealand's economy. Despite this, the percentage of goods exported to China appears to have trended downward in recent years.
- According to the IMF, the government of New Zealand is projected to run a fiscal deficit in excess of 5% in 2025, with gradual reductions expected in subsequent years. Gross government debt as a percentage of GDP is projected to rise to 55% in 2025 compared to just over 50% in 2024.

New Zealand - Political Risk Summary



Source: AM Best data and research

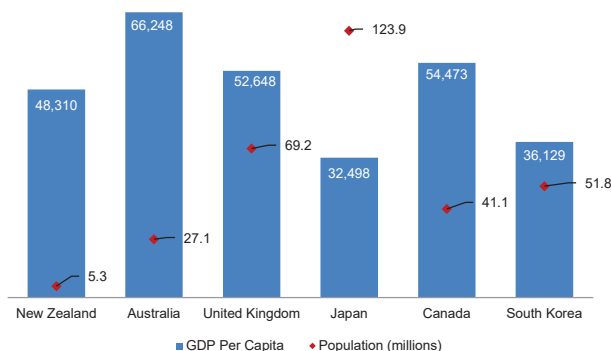
Political Risk: Very Low

- Christopher Luxon of the National Party was sworn in as prime minister in October 2023. Luxon's government is likely to prioritise tackling New Zealand's persistently high living costs through tax relief programmes and by repealing laws introduced by the previous Labour Party government.
- Prime Minister Luxon reached an agreement with New Zealand First Party (NZF) and ACT New Zealand (ACT) to form a three-party coalition. There is minimal overlap between the three parties, making policy coordination difficult.
- New Zealand ranks 4th out of 180 countries in

Transparency International's latest Corruption Perceptions Index. This was a slight deterioration from the 3rd place rank held the prior year.

- New Zealand ranks 7th out of 187 countries in the Notre Dame Global Adaptation Initiative Index, which evaluates countries' vulnerability to climate disruption and assesses its readiness for adaptive action.

New Zealand - GDP Per Capita and Population



Source: IMF World Economic Outlook, AM Best data and research

Financial System Risk: Very Low

- The Reserve Bank of New Zealand (RBNZ) is responsible for regulating the country's insurance industry.
- The RBNZ began its loosening cycle in the second half of 2024, bringing its policy rate down to 3.25% by the end of the first half of 2025. A continued easing of inflationary pressures could allow for additional cuts by the central bank.
- New Zealand's May 2025 Financial Stability Report notes that the banking sector's non-performing loan ratio has increased in recent years; however, it remains below 1%.

New Zealand Domiciled Rated Companies

Ratings as of 3 October 2025

AMB#	Company Name	AMB Ultimate Parent	Best's ICR	ICR Outlook	Best's FSR	FSR Outlook	Best's NSR	NSR Outlook
90607	Aioi Nissay Dowa Insurance Co Ltd NZB	MS&AD Insurance Group Holdings, Inc.	aa	Stable	A+	Stable	...	...
90237	American Income Life Insurance Co NZB	Globe Life Inc	a+	Stable	A	Stable	...	...
90856	Autosure Insurance Limited	Turners Automotive Group Limited	bbb+	Stable	B++	Stable	...	...
92576	Beneficial Insurance Limited	Beneficial Holdings Limited	bbb+	Stable	B++	Stable	...	...
86363	Chubb Life Insurance New Zealand Limited	Chubb Limited	a+	Stable	A	Stable	...	...
91826	Co-operative Life Limited	The Co-operative Bank Limited	bbb+	Stable	B++	Stable	...	...
90784	Fidelity Life Assurance Company Limited	...	a-	Stable	A-	Stable	...	...
90857	First American Title Ins Co AU Pty NZB	First American Financial Corporation	a	Stable	A	Stable	...	...
78332	FMG Insurance Limited	Farmers' Mutual Group	a	Stable	A	Stable	...	...
78699	Foundation Life (NZ) Limited	Foundation Life Nominees Pty. Ltd.	nr		nr		...	...
91811	General Re Life Australia Ltd. (NZB)	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
77165	General Reinsurance Australia Ltd. (NZB)	Berkshire Hathaway Inc.	aa+	Stable	A++	Stable	...	...
77172	Mitsui Sumitomo Insurance Co Limited NZB	MS&AD Insurance Group Holdings, Inc.	aa	Stable	A+	Stable	...	...
95487	Momentum Life Limited (CS)	BlueInc Group Pty Limited	bb u	Negative	B u	Negative	...	...
90239	New India Assurance Company Ltd NZB	New India Assurance Company Limited	bbb+	Stable	B++	Stable	...	...
86466	New Zealand Medical Indemnity Ins Ltd	...	bbb-	Stable	B+	Stable	...	...
93644	Pacific International Ins Pty Ltd (NZB)	Badger Mutual Wealth (Pty) Ltd	bbb	Stable	B++	Stable	...	...
91252	Partners Life Limited (CS)	Dai-ichi Life Holdings, Inc.	a	Stable	A	Stable	...	...
92782	Pinnacle Life Limited	Greenstone Holdco Pty Limited	bbb-	Stable	B+	Stable	...	...
91290	Police Health Plan Limited	New Zealand Police Association	a-	Negative	A-	Negative	...	...
43532	PPS Mutual Limited	PPS Holdings Limited	bbb-	Stable	B+	Stable	...	...
92486	Provident Insurance Corporation Limited	Nominee No. 2 Limited	bbb-	Stable	B+	Stable	...	...
94509	Quest Insurance Group Ltd	Federal Pacific Group Limited	bb+	Stable	B	Stable	...	...
91824	Tokio Marine & Nichido Fire Ins Co (NZB)	Tokio Marine Holdings, Inc.	aa+	Stable	A++	Stable	...	...
89186	Tower Limited (CS)	Tower Limited	a-	Stable	A-	Stable	...	...
91065	Union Medical Benefits Society Limited	...	a	Stable	A	Stable	...	...
86425	Veterinary Professional Ins Society Inc	...	bb+	Stable	B	Stable	...	...
90234	Virginia Surety Company, Inc. NZB	Assurant, Inc.	aa-	Stable	A+	Stable	...	...

Source: BESTLINK

Insurance Industry Overview

AM Best maintains a Stable outlook on New Zealand's non-life and life insurance segments as of 11 November 2024. Key supporting factors for the non-life segment include:

- Solid premium growth supported by rate adjustments, particularly in the property, motor and commercial segments, despite a challenging economic environment.
- Good capital buffers, which support insurers' ability to absorb some shocks from claims volatility.
- Robust investment yields amid high domestic interest rates, despite recent rate cuts.
- Improved market discipline driven by regulatory refinements to strengthen financial conduct.

Moderating factors to the non-life outlook include: increasingly volatile weather conditions, which continue to pose challenges to non-life insurers, prompting tighter underwriting and greater reliance on reinsurance; reinsurance capacity constraints and high reinsurance costs, which, despite showing signs of stabilisation, may continue to affect primary insurers' earnings; and regulatory and disclosure requirements, which, while beneficial in the long term, may increase short-term operational costs for insurers.

For the life segment, factors supporting the stable outlook include:

- Robust capital adequacy, owing to a conservative approach to capital management.
- Improved market discipline driven by regulatory refinements to strengthen financial conduct.
- Investment in technology, leading to operational efficiency and product innovation.

Moderating factors to the life outlook include subdued premium growth amidst challenging economic conditions; elevated compliance costs owing to a growing regulatory burden; and heightened data security and cyber risk.

New Zealand has recently experienced a period of challenging economic conditions, with low GDP growth and high interest rates. Although inflation has declined steadily, from its peak at 7.3% in the second quarter of 2023 to 2.7% in the June 2025 quarter, the cost of living remains high compared with the pre-COVID-19 pandemic years, with many New Zealanders facing financial difficulties. These challenges have contributed to a decline in demand for life insurance in recent periods, with lapse ratios rising, as life insurance policies are generally not viewed as a necessity. The life segment recorded subdued premium growth of approximately 3% in the 12 months ending June 2024.

In addition, life insurers' declining profits, driven by both higher claims costs and lower premium revenues, continued to pressure earnings in the recent period. These challenges have necessitated strategic cost controls and efficiency improvements, which remain critical to maintaining profitability.

Despite challenging economic conditions and reduced profitability, life insurers in New Zealand are generally well capitalised, supported by conservative capital management strategy and strict regulatory oversight. With the interim solvency standards taking effect on 1 January 2023, life insurers opted to hold capital buffers to ensure their capital adequacy remains appropriate. Although the shift to the new standard resulted in some recalibration of reported solvency ratios, the underlying financial strength of the country's life insurance segment generally remains robust.

The New Zealand life insurance industry has witnessed a number of consolidations over the past few years. Most of these transactions involved the acquisition of New Zealand life insurers by international players. By being part of a global insurance group, these insurers benefit from improved financial flexibility and capital agility.

In non-life, total gross written premiums (GWP) have achieved steady growth in recent years. In the 12 months to 2024, non-life GWP increased by 8.6% to NZD 10.8 billion (USD 6.3 billion), driven by gains in key business lines including motor, domestic buildings and contents, commercial material damage and business interruption, and earthquake insurance.

Gross claims incurred significantly decreased to NZD 4.6 billion from NZD 9.2 billion in 2023, indicating lower claim payouts.

At end-December 2024, net written premiums and net earned premiums rose to NZD 7.3 billion and NZD 6.9 billion from NZD 6.6 billion and NZD 5.8 billion in 2023, respectively. Net claims incurred shrank 12.8% to NZD 3.6 billion at the end of December 2024, a positive development for the non-life segment. During the same period, the loss ratio fell sharply from 70.64% to 51.88%, while business costs rose from NZD 1.6 billion to nearly to NZD 1.9 billion. Consequently, the combined ratio improved significantly to 78.56% from 97.92%, reflecting better overall financial performance in 2024 compared to 2023.

Non-life premium growth is expected to remain robust over the near term and on par with prior years, when New Zealand's non-life GWP recorded average annual growth in the mid- to high single digits.

In 2024, the distribution of GWP in the non-life market saw some shifts compared with 2023. The dominant motor insurance segment saw a minor dip in market share from 32.83% to 32.68%. The domestic and commercial segments increased their market share from 27.56% and 14.66% to 29.29% and 14.81%, respectively. Earthquake insurance, comprising earthquake domestic, commercial material damage, business interruption, and marine cargo, remains the fourth largest line of business, accounting for 11.31% share on non-life GWP, down marginally from 11.36% in 2023. The liability insurance line observed a decrease in market share from 8.37% to 7.80%, while the share of marine insurance dropped from 1.80% to 1.66%. The combined share of other miscellaneous segments fell from 3.35% to 2.40%. Overall, the domestic segment gained prominence, while the liability and other classes saw the largest declines in premium share in 2024.

For New Zealand's insurance industry, 2024 has been a relatively benign year from a catastrophe risk perspective, with fewer significant weather-related events than in prior years, easing some of the pressure on insurers' claims expenses and allowing them to build up their capital buffers. The risk-adjusted capitalisation of New Zealand's non-life insurers provides them with a buffer to absorb some earnings volatility. This is typically supported by conservative investment strategies and robust reinsurance programmes, placed with partners of good credit quality.

Regulatory and Risk Developments

The New Zealand IFRS 17 and the Interim Solvency Standard 2023 (ISS) came into force on 1 January 2023. The interim standard is designed to streamline solvency calculations and facilitate sound solvency management in line with the implementation of IFRS 17.

The second amendment of the ISS, issued in December 2024, became effective from 1 March 2025 for all insurers who are subject to New Zealand solvency standards. The second amendment does not introduce new policy or require an increase in capital requirements beyond what was intended when the ISS was first issued, according to the Reserve Bank of New Zealand (RBNZ). However, the second amendment has addressed remaining issues relating to the structure of the solvency regime and handling of NZ IFRS 17. Key changes include ensuring that sufficient capital is set aside against pricing risks, guaranteeing that capital is set aside against credit risk on bonds, and assuring that pre-paid reinsurance premiums fully count toward solvency capital.

From 31 March 2025, the Conduct of Financial Institutions (CoFI) regime also became effective, with the Financial Markets Authority (FMA) expecting banks, insurers, and non-bank deposit takers to put New Zealand consumers at the forefront of their decisions and actions.

Under the CoFI regime, financial institutions are required to establish, implement, and maintain a fair conduct programme. The programme needs to be designed in a way that ensures their compliance with the fair conduct principle, and they need to display summary information about it on their website so consumers can understand how their chosen provider should be treating them.

In addition, the New Zealand regulator is working on modernising insurance law. On 15 November 2024, the government passed two major pieces of insurance law reform, namely the Contracts of Insurance Act 2024 and Contracts of Insurance (Repeals and Amendment) Act 2024. The legislation provides for phased implementation over a three-year period, after which it will be fully in force. The Act's purpose is to modernise and consolidate New Zealand's insurance law, replacing many older pieces of legislation with a single, comprehensive law.

Natural Catastrophes and Climate Risks

New Zealand is at high risk from several natural disasters, particularly earthquakes, volcanic activity, tsunamis, landslides, and severe weather events like floods and storms. The country's geography, coupled with factors like population growth, urbanisation, and ongoing climate change, intensifies these risks, which could result in significant disruptions and cause widespread damage and economic losses.

Data published by the Insurance Council of New Zealand shows natural disasters have caused more than NZD 31.2 billion in insurance claims since 2010, split between earthquakes (80%) and extreme weather events (20%). This does not include the damage to infrastructure such as roads, rail, and electricity and telecommunications networks. Overall, New Zealand is estimated to have spent more than 4% of GDP per year recovering from natural disasters over the last 20 years.

Excluding earthquakes, extreme weather has caused over NZD 6 billion in claims since 2010, with over 60% of that came from the Auckland Anniversary Weekend flooding and Cyclone Gabrielle events in early 2023. The two events caused between NZD 9 billion and NZD 14.5 billion in economic losses and more than 118,000 private insurance claims with a total value of around NZD 3.8 billion. Insurance claims paid out included NZD 1.8 billion in house claims, NZD 267 million in contents claims, NZD 215 million in motor claims, and NZD 1.5 billion in business claims. These two weather events are a reminder of the impact such hazards have on lives, property, and wellbeing, as well as the social, community, and economic disruption they bring.

While New Zealand is generally well-insured, climate change risks are significant and rising. The Climate Change Commission reported around 750,000 people and 461,000 buildings in the country are at risk of coastal inundation or inland flooding, involving many billions of dollars in assets.

A parliamentary report in late 2024 showed a general political consensus on the challenges ahead from climate change and the need to adapt to protect peoples' lives and property, underscoring the critical need for various stakeholders to act urgently to reduce the risks climate change poses to future generations.

Delegated Underwriting Authority Enterprises (DUAEs)

Best's Performance Assessment for DUAEs

In recognition of the increasingly important role DUAEs play in the (re)insurance ecosystem, AM Best has developed its Performance Assessment for DUAEs (PA for DUAEs).

This globally applicable assessment supports transparency and due diligence by providing a forward-looking, independent, and objective non-credit opinion of a DUAE's ability to service their business partners and evaluate underwriting capabilities, governance and internal controls, financial condition, organisational talent, and the span of the DUAEs' depth and breadth of relationships in the market.

A DUAE is a third-party entity that is appointed by a (re)insurer, through contractual agreements, to perform underwriting, claims handling, and/or administrative functions on behalf of their carrier partners. "DUAE" is a blanket term for:

- Appointed representatives
- Managing general underwriters
- Coverholders
- Programme administrators
- Direct authorisations
- Programme underwriters
- Managing general agents
- Underwriting agencies

Overview of a Performance Assessment for DUAEs

AM Best's Process for Assessing DUAEs

AM Best uses quantitative and qualitative elements to assess the strengths and weaknesses of a DUAE.

Our interactive process entails:

- Gathering information.
- Engaging with clients in a formal management meeting.
- Assessing key factors.
- Assessment of committee interaction.
- Public dissemination (if the DUAE agrees).
- Performance Assessment Report.



Best's Performance Assessment Scale

A PA is assigned globally using a simple scale, differentiated by assessment category, representing AM Best's opinion of a DUAE's relative ability to perform services on behalf of its insurance partners. For example, a better overall PA indicates that the DUAE is more likely to achieve greater long-term stability through effective business underwriting, maintain a strong financial profile, have excellent access to business, provide high-level service, and support strong business relationships and governance, as opposed to a DUAE that receives a lower PA.

Best's Performance Assessment for Delegated Underwriting Authority Enterprises

Assessment Category	Assessment Symbol	Assessment Range	Key Characteristics
Exceptional	PA-1	34-40	• Exceptional relative ability to perform services on behalf of its insurance partners • Diverse or niche profitable book of business • Staffed with expert underwriters that use technology in every aspect of business • Exceptional governance and internal controls enable the DUAE to effectively manage risks, translating to superior profitability • Financial performance indicators are exceptional and sustainable, with a clear path toward continued growth • Partners with a broad range of strong, high-profile insurers; relationships with outside parties are stable and long term • Internal controls are regularly updated and enforced through periodic reviews of policies, procedures, and risk management reviews
Excellent	PA-2	27-33	• Excellent relative ability to perform services on behalf of its insurance partners • Profitable book of diversified or niche business spread among many programmes • Experienced underwriters who use technology in most of their processes • Excellent governance and internal controls enable to appropriately manage risk and continuously generate profit • Financial performance indicators are excellent and the DUAE benefits from stable, long-term partnerships with financially strong insurers
Strong	PA-3	20-26	• Strong relative ability to perform services on behalf of its insurance partners • Diverse portfolio and appropriate underwriting expertise • A clear plan is in place to implement technology into its processes or integrate shared systems with carrier partners • Financial performance indicators are stable and sustainable • Programmes perform well and have been profitable for a number of years, with financially secure insurance partners • Governance and internal controls and risk-management processes are appropriate for the DUAE's size
Fair	PA-4	13-19	• Fair relative ability to perform services on behalf of its insurance partners • Some niche or diversified risk, and underwriting expertise is adequate • Financial guarantees mitigate the risk posed by partnerships with financially insecure insurers • Financial performance indicators seem adequate • The DUAE recognises the importance of technology and system integration with carrier partners but does not consistently apply these principles throughout the organisation • Governance and internal controls and risk-management processes are present but are ineffective or may lack proper coverage for the DUAE's size
Weak	PA-5	Up to 12	• Weak relative ability to perform services on behalf of its insurance partners • Underwriting expertise is less than adequate and risk concentration or a lack of specialisation is present • Financial performance indicators are either weak, unavailable, or inadequate • Insurance partners are financially insecure or lack financial guarantees • Relies on manual processes, with little to no investment in technology or system integration with carrier partners • Governance and internal controls are deficient

Source: AM Best

Benefits of a Performance Assessment

- Establishes credibility and trust within the insurance industry.
- Differentiates capabilities from competitors to assist the DUAE in securing capacity from carriers and capital from investors.
- Demonstrates expertise and effectiveness in key operational areas.
- Provides a uniform and independent evaluation of DUAEs from a respected third party.
- Offers a global benchmark across all types and sizes of DUAEs.
- Showcases transparency to the marketplace.
- Enhances a DUAE's marketing and promotional efforts.

Global Outlook

AM Best maintains its Positive outlook for the global DUAE segment as of 21 November 2024, owing to the following key factors:

- DUAE distribution channel's sustained growth and resilience globally.
- Niche expertise and tailored solutions for specialty lines and emerging risks.
- Continued investment in talent and technology, which supports versatility.

Factors countering these positives include:

- Capacity challenges.
- Additional scrutiny of DUAEs by market participants.

Key Developments in Asia-Pacific

While managing general agents (MGAs) are an established model in insurance, their presence remains limited in the APAC region, primarily concentrated in the more developed markets of Australia, Hong Kong, and New Zealand.

Australia

Australia stands as a significant and growing market for DUAEs and is expected to maintain an upward trajectory amid a new regulatory framework governing DUAEs.

Australia's new prudential standard, CPS 230 – effective from July 2025, enforces rigorous risk assessments, governance standards, and resiliency planning for outsourced service providers, explicitly covering DUAEs and other intermediaries operating under binding authority agreements. Insurers are now required to assess the operational risk posed to them by their material service providers, including MGAs. Specifically, they are required to assess and determine whether their service provider's internal operational risk framework is sound and operates effectively. All service providers (including MGAs) are required to demonstrate the prudent identification and management of risks, controls, obligations, incidents, and issues.

As per Australia's prudential standard on information security, CPS 234, insurers must have, implement, and maintain information security capabilities such that they can deal with information security vulnerabilities and threats. Third-party service providers, including MGAs, must also implement adequate information security controls to protect any APRA-regulated entity data.

Compliance will require insurers and DUAEs to adapt internal systems to demonstrate control over delegated functions. A DUAE and carrier can use the PA to assist them in meeting their CPS 230 and CPS 234 requirements.

With more than 100 corporate members, the Underwriting Agencies Council of Australia (UAC) represents the vast majority of Australian underwriting agencies. According to the UAC, its member underwriting agencies are responsible for more than AUD 7.5 billion of premiums spent by Australian businesses and consumers annually. Steadfast Group, the largest group of insurance underwriting agencies in Australasia with 30 specialist agencies, achieved AUD 2.3 billion of network gross written premiums for FY2024.

For more information on how our PA for DUAEs can assist Australian carriers and MGAs, please refer to [AM Best: DUAЕ Performance Assessment \(October 2025\)](#).

Hong Kong

MGAs have long existed in Hong Kong as a small but notable segment of the insurance community, and in recent years, they have seen a resurgence in popularity, which may be influenced by technology adoption.

In Hong Kong, MGAs are considered as “insurance agencies”, by the Insurance Authority (IA).

There is no minimum capital requirement for setting up an insurance agency, but applicants must demonstrate that they meet the “fit and proper” criteria set out in the *Guideline on Fit and Proper Criteria for Licensed Insurance Intermediaries under the Insurance Ordinance* (Cap. 41).

The maximum number of insurers that a traditional insurance agency may represent is limited to four, of which two may be life insurers.

Hong Kong completed the transition from a self-regulatory system for insurance intermediaries to direct licensing by the IA in 2022. This is intended to lead to higher standards of consumer protection through the promulgation of codes of conduct, higher qualification standards, and the requirement for insurers to establish dedicated intermediary management functions.

In addition, MGAs are subject to the *Guideline on Outsourcing* (GL14), which requires insurers outsourcing to MGAs to conduct risk assessments and due diligence, establish clear contractual terms, ensure compliance with all relevant laws (particularly those relating to client confidentiality), implement ongoing monitoring, and maintain a contingency plan to ensure business continuity.

New Zealand

New Zealand’s DUA market is expected to continue its upward trajectory, driven by increased M&A in the region. In April 2025, the Envest Group (Envest), part of The Ardonagh Group, completed its acquisition of a significant stake in Ando Insurance Group Limited (Ando), one of the leading underwriting agencies in New Zealand, managing over NZD 500 million in gross written premiums across personal and commercial lines.

The growing presence of niche insurers is evidenced by the launch of the New Zealand Underwriting Agencies Council of New Zealand (NZUAC) in 2020. The NZUAC now boasts more than 40 member agencies. Its members include Delta International Limited (Delta), which received a PA-2 Excellent rating by AM Best, an independent validation of the excellence of its operating principles.

On 10 September 2024, AM Best affirmed the Performance Assessment (assessment) of PA-2 (Excellent) of Delta Insurance New Zealand Limited (New Zealand) and Delta Underwriting Private Limited (Singapore), with a Stable outlook. The companies are assessed on a consolidated basis under their parent, Delta. This assessment reflects Delta’s Strong underwriting capabilities, Excellent governance and internal controls, Strong financial condition, Excellent organisational talent, and Strong depth and breadth of relationships.

For more information on the performance assessment, please visit: [AM Best Affirms Performance Assessment of Delta International Limited’s Affiliates](#)

Performance Assessments for DUAEs

Ratings as of 3 October 2025

AMB#	Company Name	Country of Domicile	DUAЕ Performance Assessment	Outlook	Effective Date
41053	Ryan Specialty Underwriting Managers	United States	PA-1	Stable	5/27/2025
41013	Amwins Group	United States	PA-1	Stable	11/4/2024
41025	Excess Reinsurance Underwriters	United States	PA-2	Stable	10/4/2024
41034	Dynamic Reinsurance LLC	Mexico	PA-2	Stable	6/30/2025
41003	Delta International	New Zealand	PA-2	Stable	9/10/2024
41022	Corin Underwriting Limited	United Kingdom	PA-3	Stable	10/11/2024
41024	Redbridge Group	United States	PA-3	Stable	2/20/2025
41002	First Indemnity Insurance	United States	PA-3	Stable	9/9/2024
41000	CargoCorp Underwriters Inc.	United States	PA-3	Positive	7/17/2025
41033	Kay International	UAE	PA-3	Stable	4/4/2025
41027	Keane Specialty Insurance LLC	United States	PA-4	Stable	7/10/2025

Source: AM Best data and research

Appendix

AM Best APAC Reports (2024-2025)

TITLE OF REPORT	PUBLICATION DATE	COUNTRY/ SAR
Market Segment Outlook: China Non-Life Insurance	30-Oct-2025	China
Market Segment Outlook: Taiwan Non-Life Insurance	30-Oct-2025	Taiwan
Market Segment Outlook: Indonesia Non-Life Insurance	9-Oct-2025	Indonesia
Riots Impose Financial Strain on Nepal's Insurers and Reinsurers	24-Sep-2025	Nepal
Asia in Focus: A Two-Way Street for Reinsurance Diversification	21-Aug-2025	All APAC
Market Segment Outlook: Vietnam Non-Life Insurance	29-Jul-2025	Vietnam
Taiwan Non-Life Segment's Operating Performance Supported by Tighter Underwriting Guidelines	16-Jun-2025	Taiwan
Market Segment Outlook: South Korea Non-Life Insurance	3-Jun-2025	South Korea
Market Segment Outlook: Philippines Non-Life Insurance	15-May-2025	The Philippines
Market Segment Outlook: Japan Non-Life Outlook	14-May-2025	Japan
Taiwan Dollar Rallies, Life Insurers More Exposed to Foreign Exchange Risk	9-May-2025	Taiwan
Japan Insurers See Growth Through Reinsurance, Acquisitions	7-Apr-2025	Japan
DeepSeek Could Improve Operating Efficiency of Mainland China Insurers, Albeit with Risks	24-Mar-2025	China
Strong Profitability for Thailand Non-Life Insurers in 2023	3-Mar-2025	Thailand
Market Segment Outlook: India Non-Life Insurance	16-Jan-2025	India
China's New Energy Vehicle Boom Transforms Motor Insurance Market	6-Jan-2025	China
Market Segment Outlook: Malaysia Non-Life Insurance	18-Dec-2024	Malaysia
Market Segment Outlook: Japan Life Insurance	11-Dec-2024	Japan
Market Segment Outlook: New Zealand Life Insurance	11-Nov-2024	New Zealand
Market Segment Outlook: New Zealand Non-Life Insurance	11-Nov-2024	New Zealand
Market Segment Outlook: Indonesia Non-Life Insurance	8-Oct-2024	Indonesia
Asia-Pacific Benchmarking: Positive Signs While Navigating Climate and Geopolitical Uncertainty	23-Sep-2024	All APAC
Hong Kong's New Risk-Based Capital Regulatory Framework To Enhance Companies' Enterprise Risk Management Practices	23-Sep-2024	Hong Kong
Asia-Pacific Benchmarking: Positive Signs While Navigating Climate and Geopolitical Uncertainty	23-Sep-2024	All APAC
Market Segment Outlook: China Non-Life Insurance	17-Sep-2024	China
Market Segment Outlook: Taiwan Non-Life Insurance	17-Sep-2024	Taiwan
Typhoon Yagi Likely an Earnings Event for Vietnam's Non-Life Insurers	12-Sep-2024	Vietnam
Asia-Pacific Reinsurers Achieve Strong Results in Improved Investment Environment	6-Sep-2024	All APAC
Market Segment Outlook: Vietnam Non-Life Insurance	31-Jul-2024	Vietnam
Market Segment Outlook: Philippines Non-Life Insurance	28-May-2024	The Philippines
Declining Investment Yields Pose Challenges to Meet Cost of Capital for China Insurers	30-Apr-2024	China
Taiwan Earthquake Claims Unlikely to Exceed 2016 Levels	10-Apr-2024	Taiwan
Increased Regulatory Scrutiny of Bancassurance to Impact Vietnam Insurance Industry	13-Mar-2024	Vietnam
Implementation of K-ICS Continues To Pressure South Korean Insurers' Capital Management	19-Feb-2024	South Korea
Market Segment Outlook: Japan Non-Life Insurance	31-Jan-2024	Japan
Frequently Asked Questions: AM Best's Country Risk Evaluation of China	24-Jan-2024	China
AM Best Expects Insured Losses from Japan's January 2024 Earthquake To Have Limited Credit Ratings Impact	4-Jan-2024	New Zealand

SAR = Special Administrative Region

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