

New S&P Global Market Intelligence insurance industry outlook projects the status quo won't suffice in post-pandemic landscape

NEW YORK, Nov. 9, 2021 /PRNewswire/ -- Insurance companies will need to accelerate the evolution of everything from distribution and pricing to customer and investor relations, according to the newly released 2022 Insurance Industry Outlook Report from S&P Global Market Intelligence.

Published by S&P Global Market Intelligence's Financial Institutions Research team, the report spotlights several key themes for the insurance industry that include emerging perils, the evolving nature of globalization, balance sheet rationalization and the permeation of technology in all aspects of the insurance value chain. It argues that a growing number of insurers will need to rethink their operating models to address significant structural changes in the competitive environment and rapid evolution in the macroeconomic landscape.

"The very essence of what it means to be an insurance company is changing in front of our eyes," said Tim Zawacki, principal research analyst at S&P Global Market Intelligence. "Reliance on data and analytics in underwriting, pricing and risk-modeling took on increased importance since the onset of COVID-19. And it will only grow as the industry takes a leading role in the global response to climate change, preparing for future pandemics and providing protection against financial fallout from cyber-attacks."

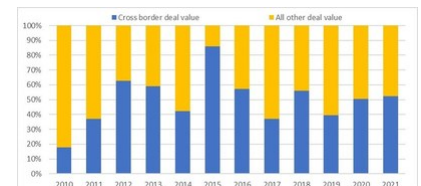
Predictions in the report include:

- A proactive response to the threats posed by economic inflation in the form of rising prices for goods and services as well as social inflation, a trend towards larger jury verdicts and legal settlements, in both pricing and underwriting. Historically favorable results in the personal auto business during the depths of the pandemic in 2020 may become a distant memory by 2022 as vehicle repair and replacement costs rise.
- A growing role for reinsurance in the life insurance and annuity markets as established carriers explore ways to minimize volatility and maximize profitability of both new and in-force business. The confluence of a growing supply of solutions-providers and heightened demand for new approaches to balance sheet management favors an acceleration of this transformation.
- The continued digitalization of underwriting and distribution functions particularly in commoditized product lines, fueled by greater access to data and analytics, the success of insurtech disruptors and strategic shifts by carriers to more channel-agnostic approaches to selling insurance.
- Continued active investment by established carriers and venture capital providers, alike, in emerging insurance markets in Southeast Asia, with a particular emphasis on insurtechs. China and India, which are collectively home to nearly half of private insurtech companies in the Asia-Pacific region, will continue to attract the lion's share of investor interest.
- More M&A activity across international borders. Some sellers may continue to trade out of non-core geographies while buyers seek opportunities in business lines and geographies characterized by favorable economics and demographics.

The S&P Global Market Intelligence 2022 Insurance Industry Outlook is part of a "Big Picture Outlook" series published by the division's research group that provides a look ahead to key strategic trends and opportunities. To learn more about this "Big Picture Outlook" research series, please visit [here](https://www.spglobal.com/insurance).

To request a copy of report, please contact pressinquiries.mi@spglobal.com.

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