



Q2 2023 MARKET TRENDS

Multinational



Multinational Casualty

The multinational casualty marketplace experienced an anticipated recurrence of short and long-term historical trends, with flat to marginal rate reductions driven by multinational casualty carrier profitability. On a global program basis, the flat to marginal rate decreases are often based on the program's global scale and policy count, given continued satisfactory portfolio loss performance. The expense ratios and costs related to program administration often play a significant role in multinational programs' rate and minimum premium funding requirements.

Auto liability and physical damage cover often represent the loss leader for multinational casualty portfolios, given pricing pressures in numerous global jurisdictions with expected claims volume and severity for sizeable corporate fleet exposures. There is a limited marketplace for global casualty carriers able to effectively implement and manage the claims for large global auto fleets. Multinational carriers with global auto capabilities frequently offer this coverage to help secure the more favorably performing general liability, workers' compensation and employer's liability programs.

The general liability market outlook is favorable, with guaranteed cost programs receiving rate decreases where merited and increases limited to account-specific loss trends. The overall U.S. multinational casualty portfolio performance suggests considerations for alternative program structures are required, evaluating the total cost of risk to help ensure the more conventional guaranteed cost solutions continue to reflect an equitable solution for global insureds.

Regulatory Policies and Reporting Requirement Considerations

The evolving regulatory landscape requires routine evaluation and unique considerations based on each multinational program's mix of coverage lines, jurisdictions and underlying business operations and activities. Penalties for non-compliance vary substantially by country, although recent trends include an increasing severity, particularly in emerging markets for which insurance and tax-related requirements are expanding rapidly.

Geopolitical changes and the resulting regional instability impact local, regional and often even global regulatory environments as immediate and longer-term regulatory policies evolve. With so much change, multinational programs must operate through continuous improvement and assessment. This is driven by proactive planning and review as well as taking action on an established recurring cadence well beyond the traditional annual renewal cycles.



Technology and Online Platforms

An increased focus on real-time access to global insurance details places an increasing need for collaboration between the insured, broker and carrier - creating a reliance upon effective technology and tools to drive global program transparency and efficacy.

Technology-focused resources allow multinationals to operate without interruption while planning for prospective global growth. However, technology platforms offered as part of global programs through the global broker or carrier have been historically underutilized. More recently, they are a prerequisite for managing a dynamic global program.



How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving property & casualty program.

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