
INSURANCE ASIA NEWS

[Insights](#)[People](#)[Videos](#)[Awards](#)[Print Edition](#)[More](#)

[Account](#)[Logout](#)

Marsh's Rohan Bhappu on advice, exclusions, pricing and risk transfer

NOVEMBER 19 2020

by Andrew Tjaardstra and Yvonne Lau

[Interview](#)[People](#)[Q+A](#)[Brokers](#)[Pandemic](#)[Pricing](#)[Hong Kong](#)[Macau](#)

InsuranceAsia News (IAN) recently spoke with Rohan Bhappu, chief executive of Marsh Hong Kong and Macau, about the past eventful 18 months in the two SARs.

Hong Kong saw dramatic protests in 2019, and this year, after an initial period of calm at the start, the city has been grappling with Covid-19, a deep recession and strict travel restrictions. One example of changing travel patterns is the lack of ferries going between Macau and Hong Kong – normally there is at least one every 15 minutes but instead they all sit idle. On the plus side for Macau, the SAR has now opened a travel bubble with mainland China.



We asked Bhappu how these events have been impacting brokers — and how clients have been responding, including which covers they have been prioritising.

IAN: How has the broking sector in Hong Kong been impacted by recent events, such as the protests and Covid-19?

Bhappu: Covid-19 has brought immense changes across the globe for all companies, and continues to have a significant impact on individuals, society, business and the wider economy in Hong Kong. [Thus], it's not just the broking sector. The insurance

industry has not escaped its impact, but both brokers and insurers have responded swiftly.

As the broader economy recovers and responds to the situation in Hong Kong, industry players will face numerous challenges but we also see many new opportunities. With cost constraints faced by our clients and reduced coverages being pushed by the market, our clients need us more than ever during this unprecedented time.

IAN: What are some of the key insurance requirements of corporates in Hong Kong at this time?

Bhappu: Entities are seeking to transfer as much risk exposure as possible — and at a cost-effective price. [During] these times, corporates are turning to their brokers for increased advice and help in obtaining comprehensive cover at competitive prices.

In addition, corporates are seeking alternatives to the traditional methods of transferring risk and are seeking our advice on innovative solutions that are emerging to combat price increases and curtailment of cover.

IAN: How is Marsh explaining increased insurance pricing in the region to clients?

Bhappu: [The] increase in premium prices are being felt for [practically] all classes of insurable risk. Marsh's Global Insurance Market Index [is] our quarterly online publication which comprehensively conveys these effects to our corporate clients and prospects. [The index] is a proprietary measure of global commercial insurance premium pricing change at renewal, representing the world's major insurance markets and comprising nearly 90% of Marsh's premium.

The report categorises the various risk classes and then tables year-on-year increases globally and for all regions, including Asia. We also endeavour to provide relevant commentary specific to Hong Kong and Macau.

We find this an extremely valuable tool for our clients and believe it is a broker's responsibility to provide data led insights for our clients in budgeting and managing their cost of risk. We advise our clients to start their renewal discussions early and to stay engaged with insurers to ensure the best possible outcomes.

IAN: In which lines of business does Marsh see growth opportunities, and in which areas is the company innovating?

Bhappu: As the broader economy recovers and responds to the pandemic situation here in Hong Kong, we see many new opportunities to continue to support our clients. The scope and profile of opportunity in Hong Kong is quite wide even in these distressed times, but below are three examples where Marsh sees growth.

The need for healthcare advice, counselling, benchmarking and traditional insurance solutions has increased. We have experience in both risk management and insurance placement for healthcare institutes, both in the private and public sectors.

There's an increased demand for alternative [risk] solutions to the norm including risk financing options, captive creation and parametric products. Many clients are approaching us regarding these exciting new opportunities in an attempt to seek a more viable and sustainable method of insuring risk.

Risk consulting and advisory – one of the adverse features of the current market especially, in the property damage [segment] is a scaling back of insurer capacity and, worse still, the declination of certain risks. Against that background, many insurers are showing preference to those risks which can demonstrate an enterprise risk management awareness, culture and discipline.

As a result, there has been an increased demand for our advisory services, which encompasses physical fire and engineering management, surveys, risk modelling and analytical studies (on EML/PML), and business interruption values. The demand also applies to our employees' compensation (EC) clients where we find that our pre and post-loss capabilities enable us to have a positive impact on claims and also on their risk profile.

Our innovation largely focuses on digital engagement with clients and communities – under the new normal, digitisation with flexibility is essential to meet both clients' and the communities' needs. Marsh provides end-to-end platforms to enhance customer experience and develops ecosystems with bite-sized products to support clients and communities.

The Covid-19 pandemic presents a dynamic and challenging situation. Our clients have never relied more on our expertise and guidance. We can help clients adapt to, and navigate through, these uncertain times.

SHARE ARTICLE



MORE FROM: PEOPLE