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Press Release

Milliman study: Insurers in Asia report steady embedded value growth amid COVID-19 pandemic

HONG KONG – 26 January 2021 – Milliman, a premier global consulting and actuarial firm today released its annual '2020 mid-year embedded value results: Asia' report. This update supplements the '2019 embedded value results: Asia' report released in September 2020, and includes 2020 mid-year embedded value (EV) and value of new business (VNB) results posted by major multinational and domestic life insurers across Asia.

"Most companies in the region recorded steady EV growth in the first half of 2020 despite the economic impact of the COVID-19 pandemic," said Milliman Principal and Consulting Actuary Paul Sinnott. "The growth in VNB was mixed across Asian markets, with new business sales in some markets severely affected by government restrictions in response to the coronavirus."

A complimentary copy of the report is available for download [here](#).

A few key insights from the report include:

- The China and Japan markets led EV growth in the Asia region with most insurers recording double-digit growth in EV.
- When compared with the first half of 2019, changes in VNB and new business margins in the first half of 2020 were varied. China, which entered and exited lockdown earlier than other Asian markets, was less affected than most VNB, growth-wise. In Hong Kong, the continuing social unrest, restrictions on travel from mainland China, virus-related lockdowns and lower interest rates all contributed to a significant decline in VNB.
- All multinationals disclosing results reported a decline in VNB, which they commonly attributed to lower new business sales, unfavourable economic changes and changes to operating assumptions in key markets.
- The COVID-19 pandemic led to a greater focus on product innovation and digital transformation across the region. Insurers and regulators have taken steps to facilitate digital sales in response to lockdowns and social distancing measures adopted by most governments. This helped insurers in some markets mitigate reductions in sales to an extent.
- The pandemic has also typically increased demand for protection products across Asia.

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About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and



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