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Press Release

Milliman study: Insurers across Asia report double-digit embedded value growth through 2019

HONG KONG – 28 August 2020 – Milliman today announced the findings of its annual study on reported year-end 2019 embedded value (EV) and value of new business (VNB) results for 53 major multinational and domestic life insurers across Asia. The *Milliman 2019 Embedded Value Results: Asia* report highlights trends in published EV results, including a total growth in reported EV in 2019 of 11.1% to USD 816 billion but a VNB fall of 3.6% to USD 51.1 billion. The report also provides an in-depth analysis of the EV methodologies and assumptions adopted, as well as the impact of key regulations and other market developments in the region.

“All of Asia’s markets, apart from Japan, reported positive growth in EV results for the year.” said Milliman Principal and Consulting Actuary Paul Sinnott. “VNB results were more mixed, with some markets being adversely affected by record low interest rates and reduced sales volumes. It is important to recognise that the effects of the COVID-19 pandemic are yet to be felt in these results, however, as most Asian markets have a 31 December financial year-end.”

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

A few key insights from the report include:

- The China and Hong Kong markets led EV growth, posting increases of 20% and 19% respectively. Several other markets also reported double digit growth in EV.
- China Life continues to report the largest EV among insurers across Asia. Among multinationals, AIA continues to be the largest insurer in Asia, both by EV and VNB.
- Strategic shifts towards selling more protection business continue, as interest rates fall throughout the region, making traditional savings-oriented business less profitable.
- Risk Based Capital regulations continue to evolve across Asia and will have an impact on EV and VNB in the longer term.
- Traditional Embedded Value methodologies continue to be most popular in the region, with Market Consistent EV/VNB reporting being prevalent in Japan and India, as well as in European insurers’ Asian subsidiaries.
- The 2019 EV results act as a useful starting point for analysing the effects of the COVID-19 pandemic, which will be partially reflected in insurers’ H1 2020 EV disclosures and are expected to show up to a greater extent in the 2020 year-end EV results.

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About Milliman



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