IUMI's 2021 analysis of the global marine insurance market

STATS

IUMI

45

Introduction

In this document we present data on the global marine insurance market set in the context of world economic performance, trade and the shipping industry. We also offer commentary and opinion based on the data we have collected.

The International Union of Marine Insurance (IUMI) represents 45 national and regional marine market insurance and reinsurance associations. Its Facts & Figures Committee compiles and analyses data submitted by national insurance associations and cooperates with other data providers. Our thanks go to those IUMI member associations for their continued support and to the other data providers, who are identified at the end of this report, for supporting IUMI with extensive and up to date information on the relevant trends that impact the marine industry. Special thanks are offered to the Nordic Association of Marine Insurers (Cefor) for annually compiling global marine insurance data on behalf of IUMI and supporting IUMI with up to date hull trend analyses from the Nordic Marine Insurance Statistics database (NoMIS).

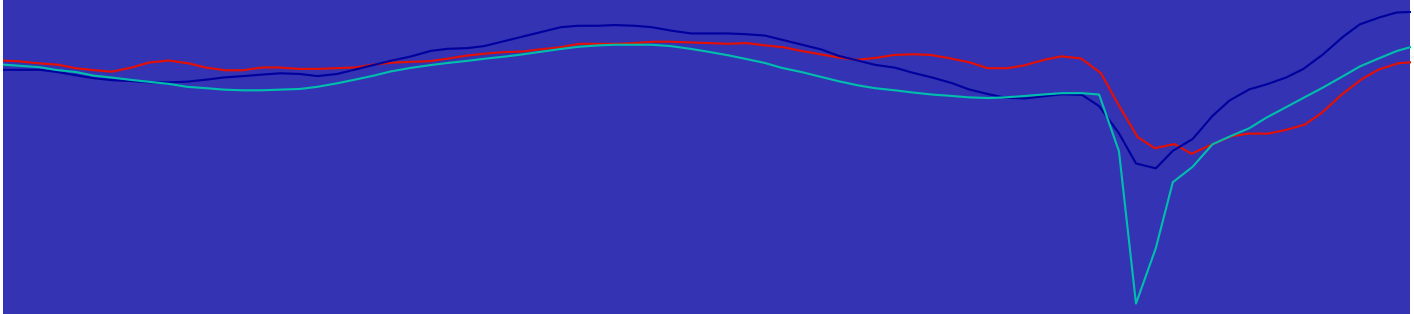
The majority of the graphs in this report originate from the presentations given at the IUMI conference 2021 by Facts & Figures Committee Chair Philip Graham and Vice Chair Astrid Seltmann. These contain further graphs and market trends for reference.

Philip Graham
IUMI Facts & Figures Committee Chair

Lars Lange
IUMI Secretary General

Highlights

The global economy appears to have bounced-back more strongly than expected post the outbreak of COVID-19. Consumer and business confidence are at their highest levels since the financial crisis of 2008.

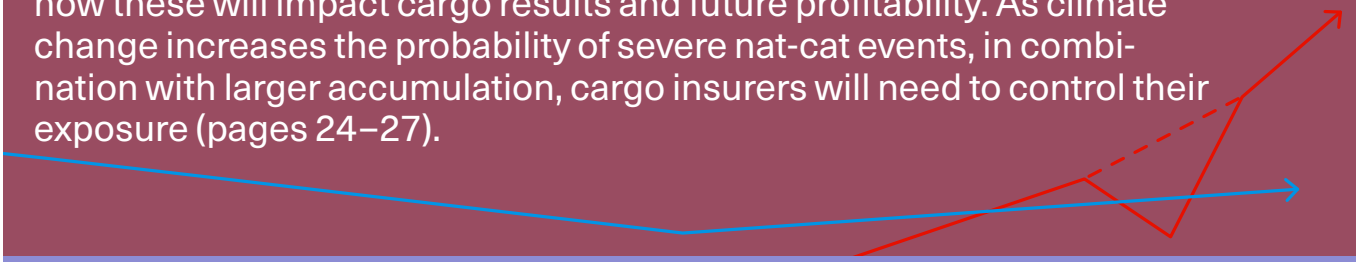


World seaborne trade has also returned strongly and 2021 trade is likely to exceed that achieved in 2019. Some shipping sectors (containers, dry bulk and gas) have already returned to pre-pandemic activity levels. The global fleet continues to age and fleet growth has slowed to its lowest level this century (pages 4–17).

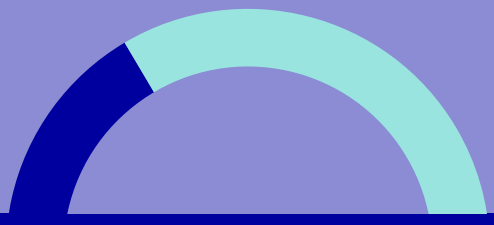
Global marine insurance premiums in 2020 reached USD 30 billion – a 6.1% increase on 2019 and demonstrating real market development in all marine insurance lines except P&I. Although a positive result for 2020, early indications in 1H 2021 show that continued development is uncertain (pages 18–19).

Premiums for ocean hull underwriting in 2020 grew by 6% to reach USD 7.1 billion. The gap between global premiums and global tonnage has begun to reduce. Loss ratios have improved returning the sector to a technical break-even position for 2019 and 2020 underwriting years after many years of unprofitability. As recovery started from a very low level concern remains over the continued improvement in the premium base and a likely return to a stronger claims impact due to the normalisation of shipping activity (pages 20–23).

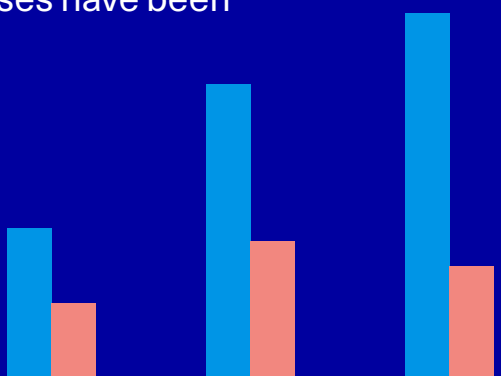
Cargo premiums for 2020 were reported as USD 17.2 billion, an increase of 5.9% on 2019. Growth was largely aligned with strong global trade which looks set to continue. Loss ratios have also improved and a technical break-even position was achieved in 2020. As 2021 shows an increase in nat-cat events around the world, it remains to be seen how these will impact cargo results and future profitability. As climate change increases the probability of severe nat-cat events, in combination with larger accumulation, cargo insurers will need to control their exposure (pages 24–27).



The downturn in the offshore energy premium base stopped in 2020 at a total of USD 3.6 billion. A strengthening (albeit volatile) oil price may encourage reactivation of offshore assets and create new underwriting potential. However, reactivation is equally likely to cause a trend change in claims impact, which has, in the last years until 2020, been extraordinarily low – both man-made and nat cat (pages 28–30).



For the second year, IUMI is publishing the analysis of its major claims database. 25 countries are now involved and 9000 claims records amounting to USD 14 billion of major losses have been collected (pages 31–37).



In context

5–6%

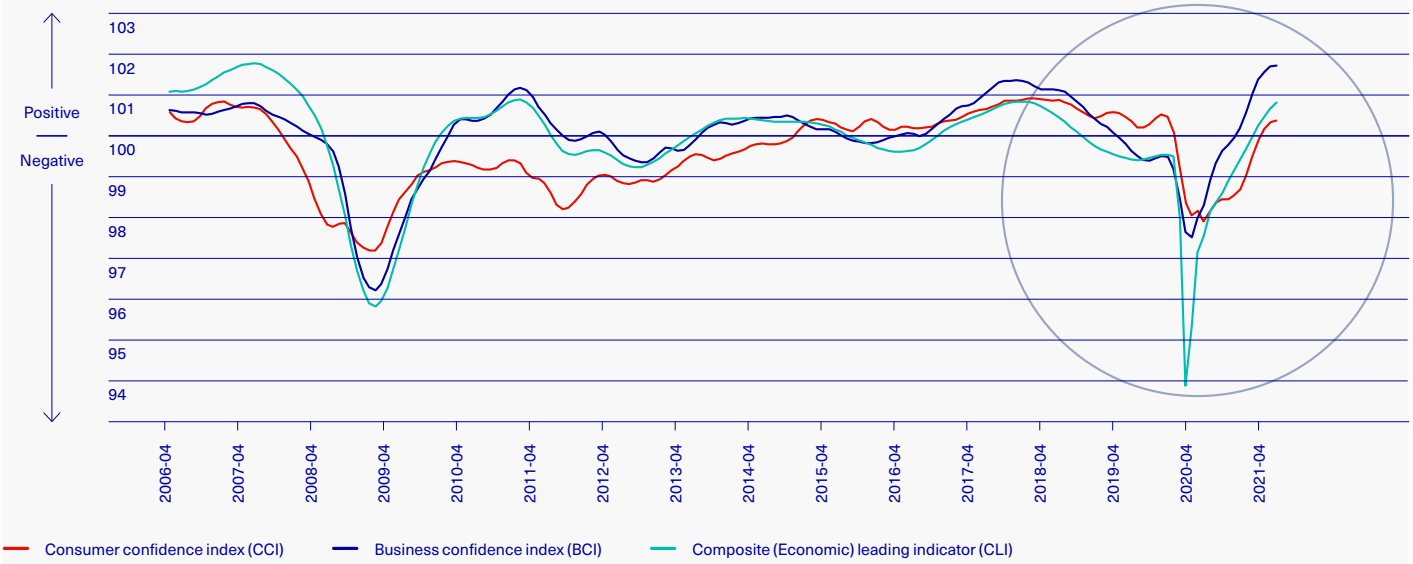
growth of global economic performance

Economic and business confidence is returning post pandemic outbreak

According to OECD indicators, consumer and business confidence has returned strongly since the sharp dip seen at the outbreak of the pandemic in 2019/20 (chart 1). Today, confidence levels are at their highest since the global financial crisis of 2008. Global economic performance has bounced back from a 3.5% decline in 2020 to a growth of between 5% and 6% as reflected in the positive Purchasing Manager's Indices (chart 2).

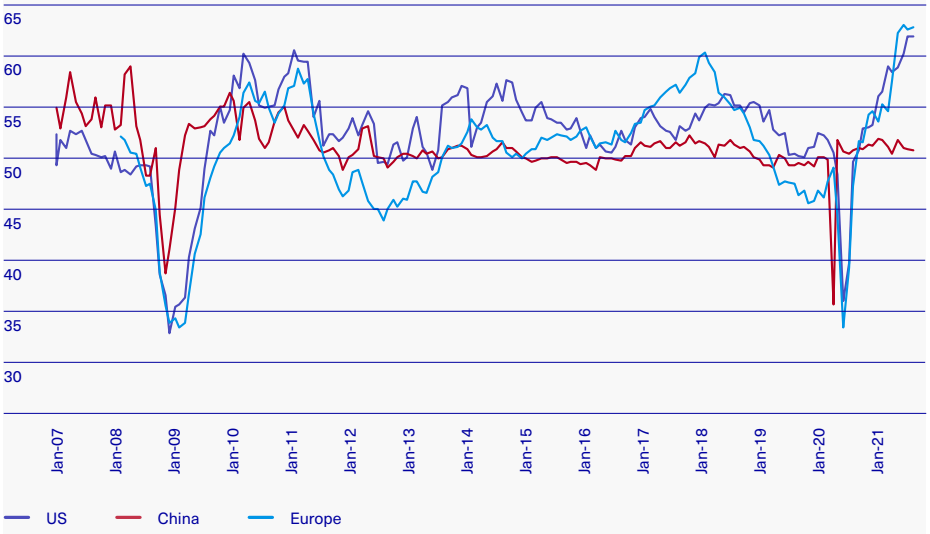
Similarly, global seaborne trade (chart 3) has also returned strongly and is on track to be above 2019 levels in 2021.

Chart 1: OECD indicators of economic activity



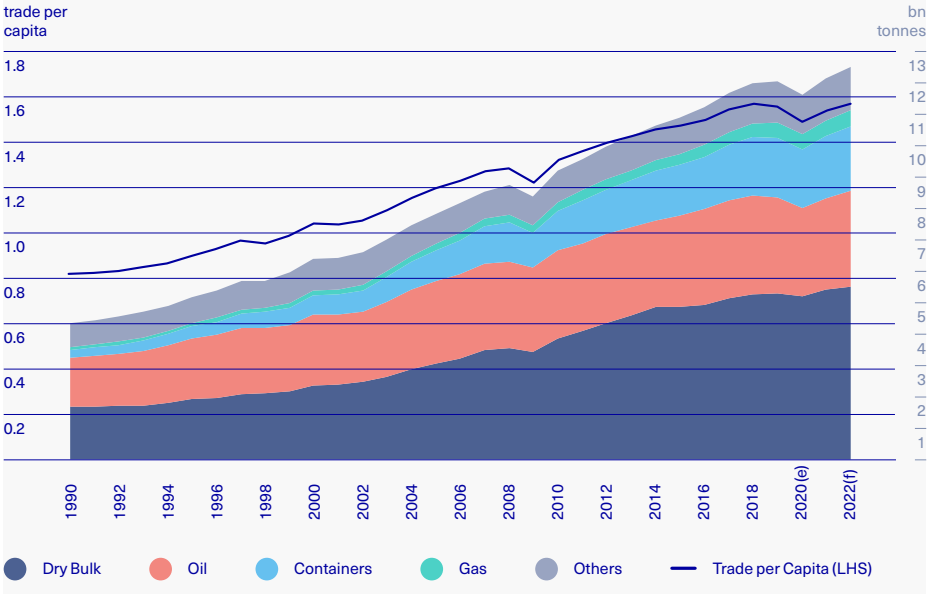
Source: Swiss Re Institute, OECD

Chart 2: Purchasing Managers' Indices



Source: Clarksons Research, IMF, Industry Sources

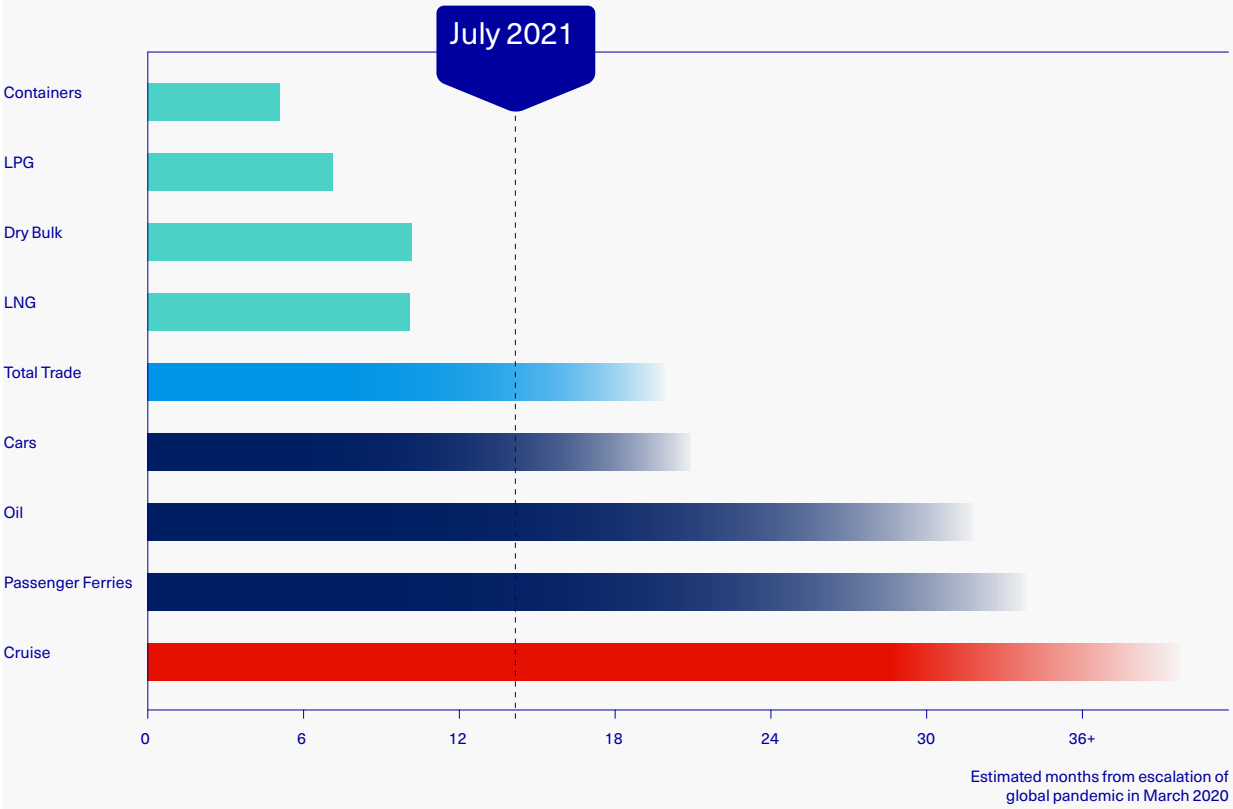
Chart 3: Global seaborne trade



Source: Clarksons Research, Seanet

Chart 4: Recovering Trade Volumes

Estimated Time for Return to Pre-Pandemic Trade / Activity Levels

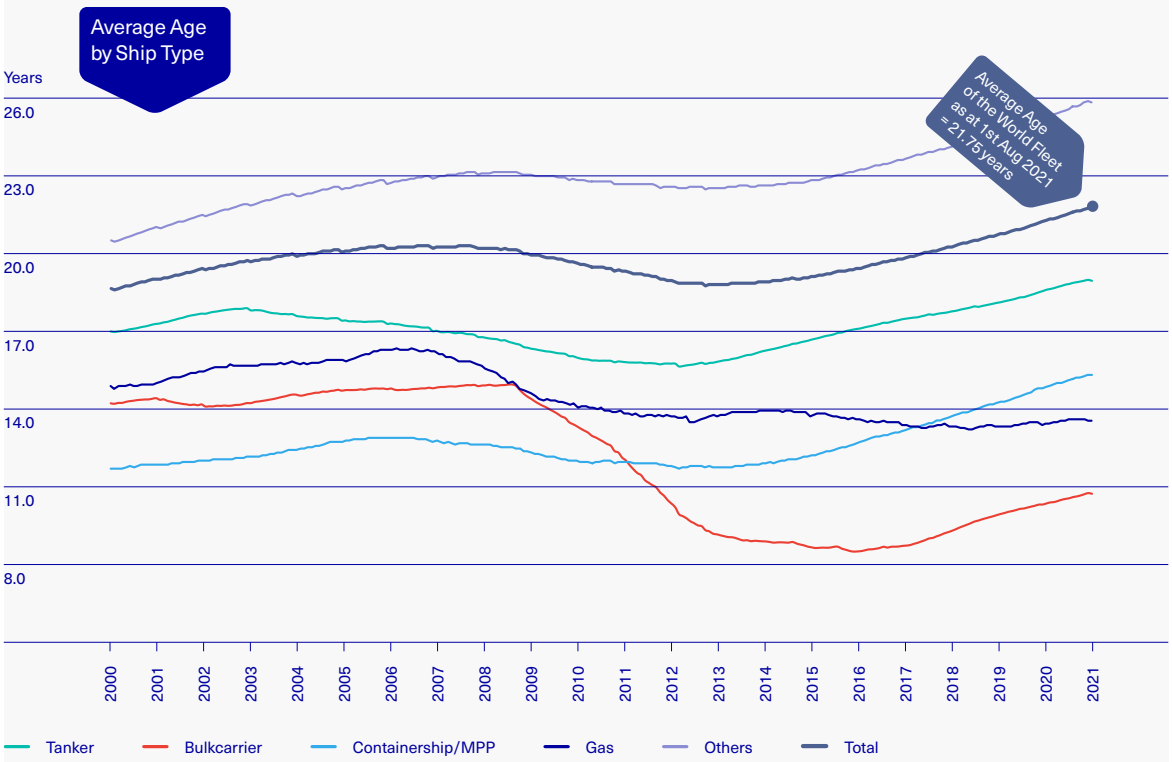


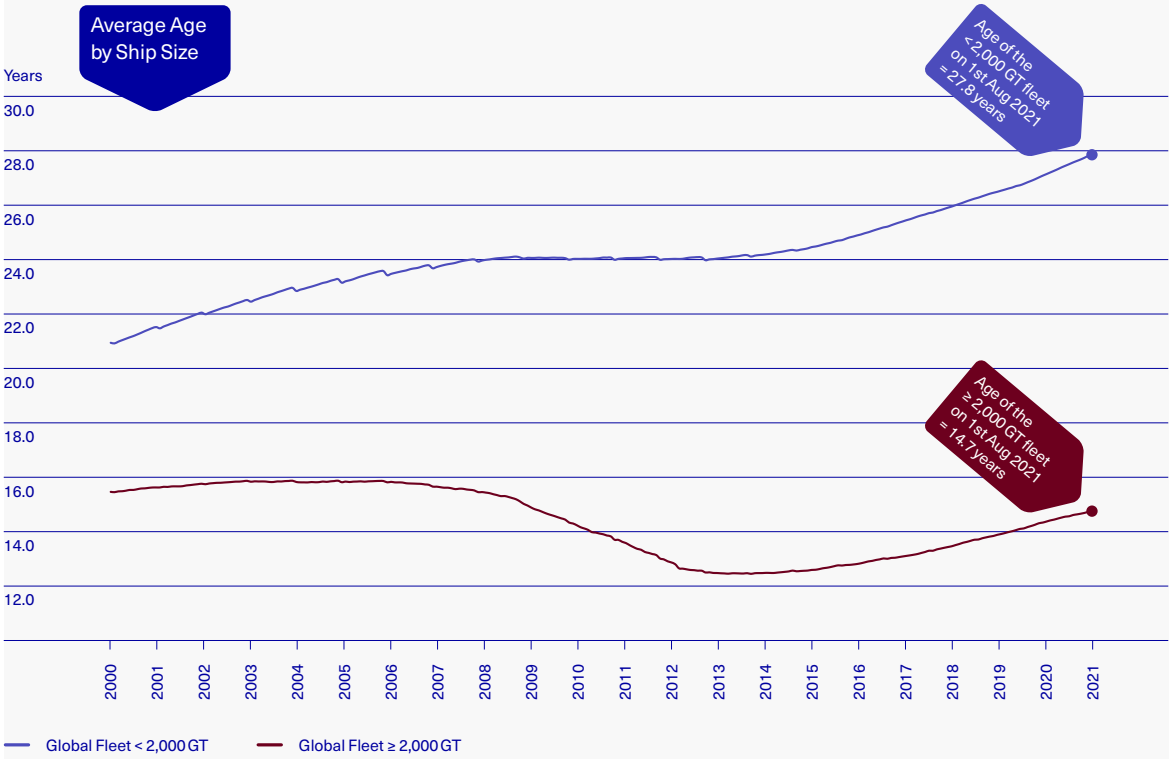
Source: Clarksons Research

Chart 4 shows how the various shipping sectors have returned – or are returning – to pre-covid levels. Container trades achieved 2019 activity levels in August 2020 closely followed by the LPG, dry bulk and LNG sectors. It is expected that car carriers, tankers, passenger and cruise ships will take longer to return to more normal levels, perhaps not until 2022.

"Container trades returned to pre-pandemic levels in August 2020"

Chart 5: Average Age of the World Fleet





Note (1): Includes all vessels in these categories above 100 GT.
Note (2): Average age is calculated using number of vessels. Calculations are based on year and month of build.

Source: Clarksons Research

14.7

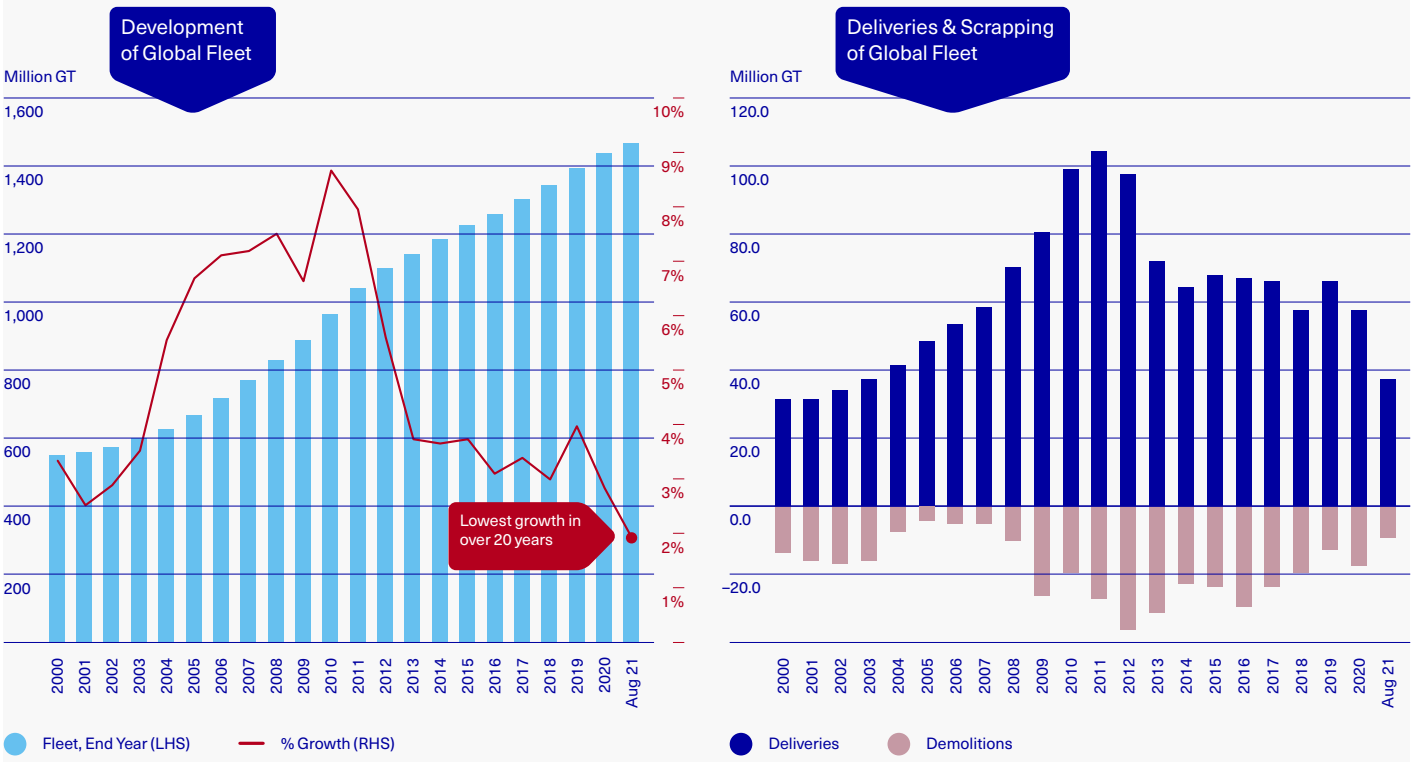
years average age of a vessel greater than 2000 GT

2%

lowest global fleet growth in 20 years

Slow growth for an ageing merchant fleet
The global merchant fleet continues to age and the average now stands at 21.75 years, or 14.7 years for vessels greater than 2000 GT (chart 5). Growth has now slowed to 2% in terms of GT which is the lowest growth rate recorded this century. Unsurprisingly, deliveries are down year-on-year but scrappings have largely remained static (chart 6).

Chart 6: Global Fleet



Note (1): Includes all vessels above 100 GT.

Source: Clarksons Research

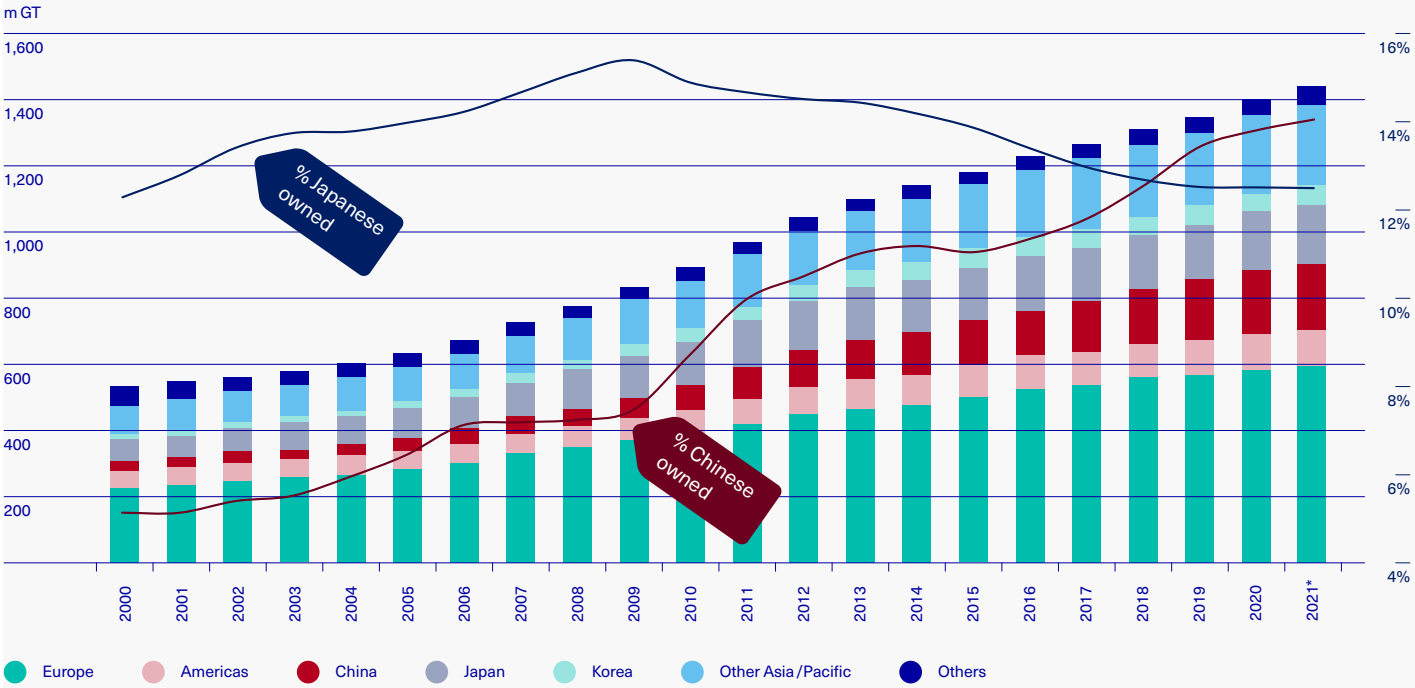
In terms of ownership (chart 7), China's appetite for owning commercial vessels continues to grow strongly and 42% of all tonnage is now owned in Asia. Greece retains its premier ownership position but is likely to be unseated by China over the coming few years.

42%

of all tonnage is now owned in Asia

Chart 7: World Fleet Ownership

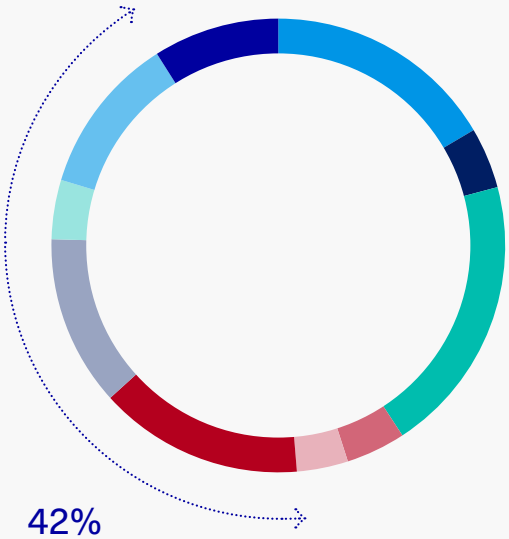
Long Term Regional Fleet Development (start-year)



Note (1): Includes all vessels above 100 GT.
Note (2): 2021* = year-to-date

Source: Clarksons Research

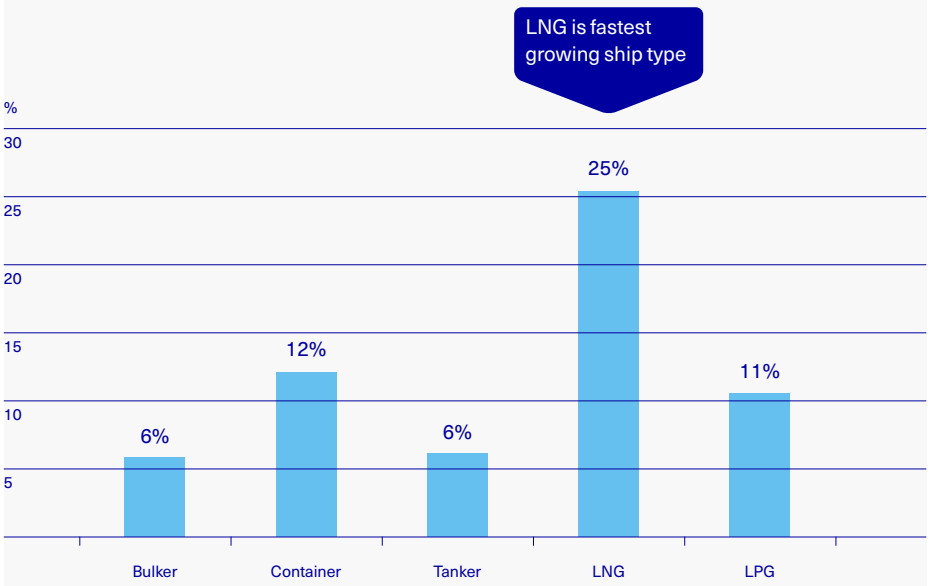
Regional Ownership – August 2021



Greece	17%
Germany	4%
Other Europe	20%
United States	4%
Other Americas	4%
China	15%
Japan	12%
Korea	4%
Other Asia/Pacific	11%
Others	6%

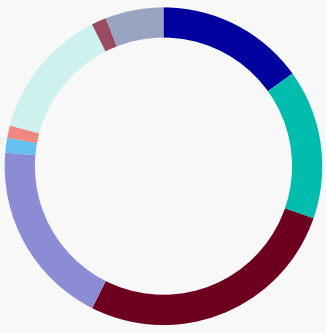
42%
in Asia

Chart 8: Vessels on order by % of live fleet



Source: Vessels Value

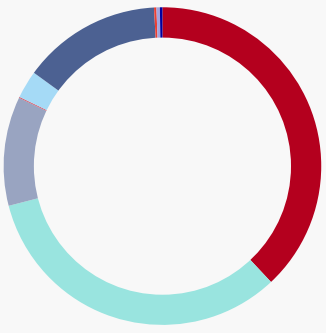
Chart 9: Share of Orderbook (CGT)



- Tankers
- Bulkcarriers
- Container/MPP
- Gas
- RoRo/PCC
- Other Cargo
- Cruise/Ferry
- Tugs/Dredgers
- Offshore/Other

Source: Clarksons Research

Chart 10: Share of Orderbook (CGT)



- China
- Korea
- Japan
- Taiwan
- Other Asia
- Europe
- Brazil
- USA
- Others

Source: Clarksons Research

251 bn

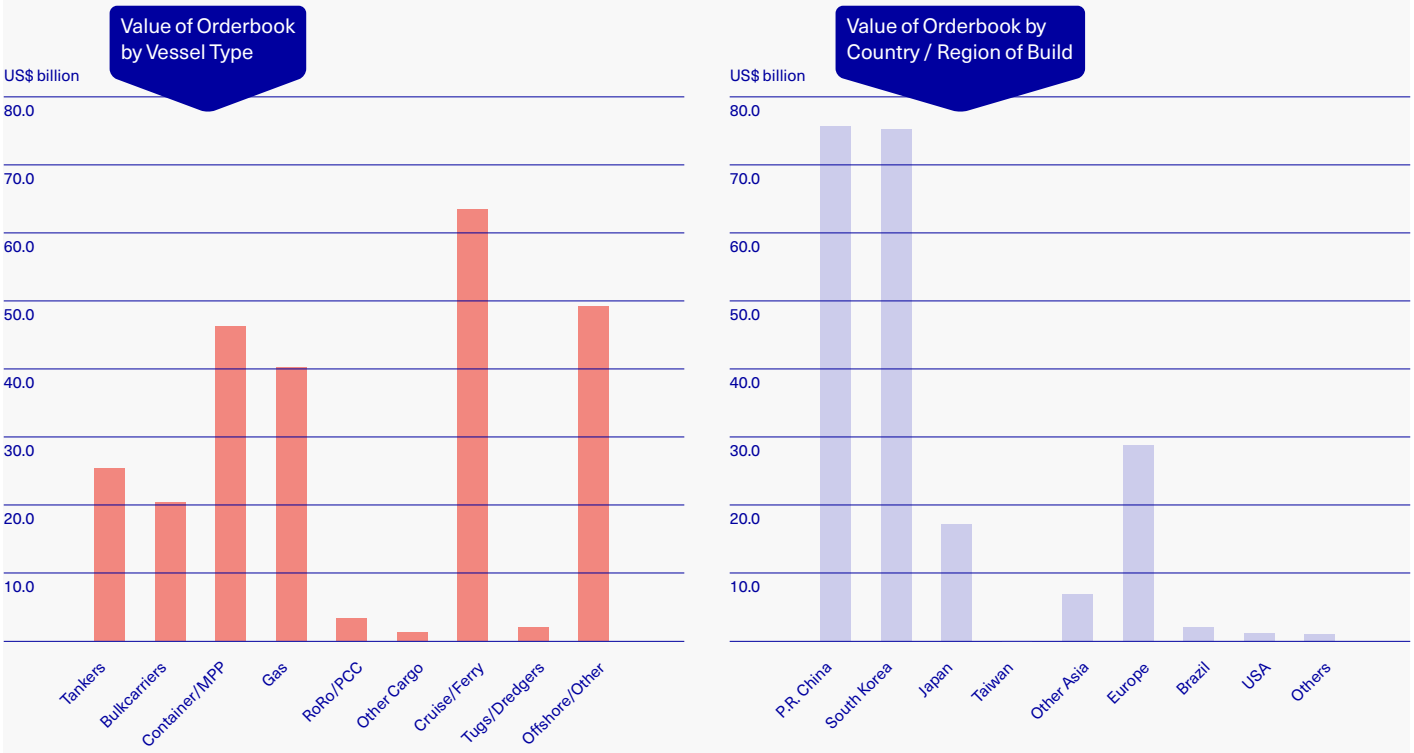
USD value of
current orderbook

A “short” orderbook

The global orderbook is much “shorter” than in recent years at just around 4% of the total fleet – in 2008, it stood at more than 50%. Its contracted value at 1 August 2021 stood at USD 251.18 billion representing 3914 vessels or 86 million GT. The majority of new ships are being built in China and Korea with new cruise vessels being constructed mainly in Europe. The fastest growing newbuild sectors are cruise/ferry followed by the offshore/ other vessels (thought to also include yachts) and then containerships and gas carriers (charts 8,9,10 & 11).

Chart 11: Global Orderbook by Value

Total Value of Newbuilding Orderbook as at 1 August 2021 = USD 251.18 billion (Contracted Values)



Source: Clarksons Research

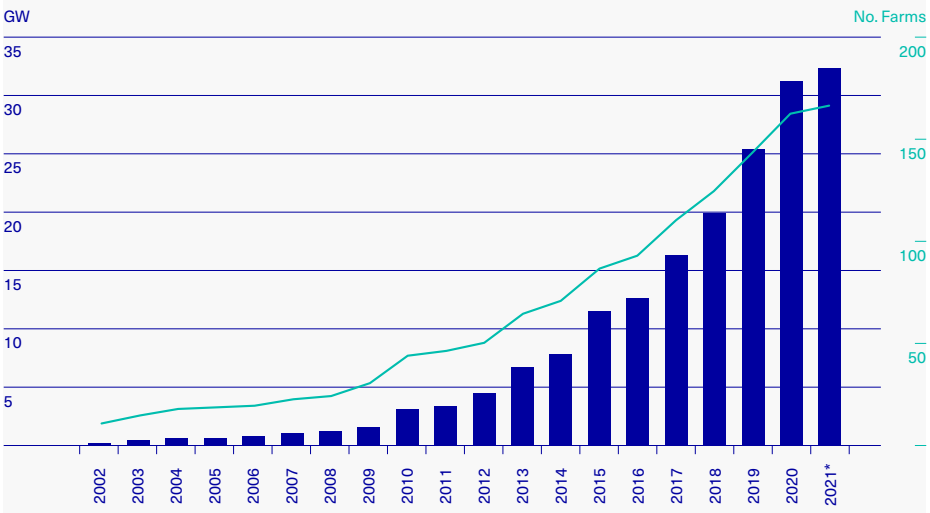
57 bn

estimated USD value of
sanctioned offshore wind projects

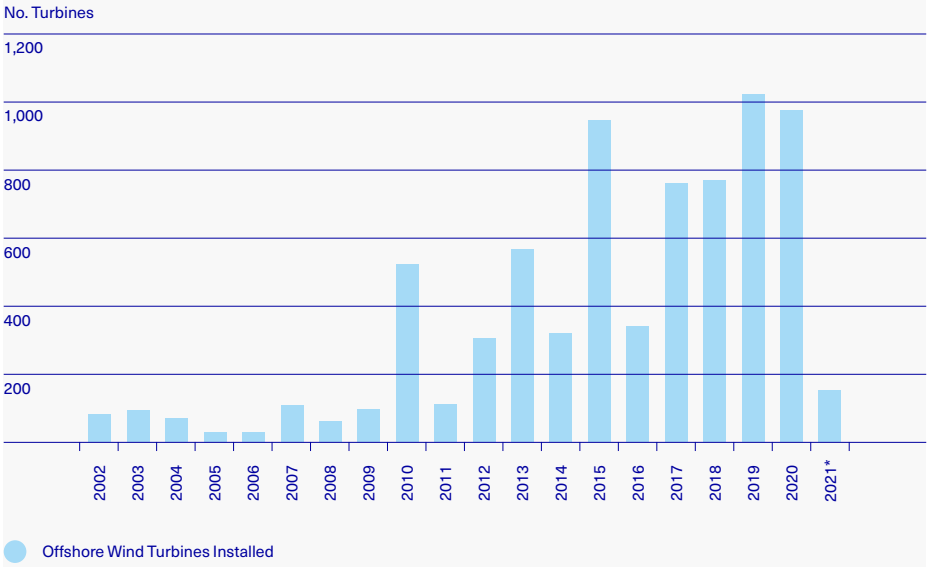
Continued growth for offshore wind
2020/21 saw a record number of offshore wind projects sanctioned at an estimated value of USD 57 billion, overtaking projects sanctioned in the offshore oil and gas sector (USD 43 billion) for the first time. Offshore wind farms, both in number and capacity, have continued to grow over the past five years (chart 12).

Offshore wind continues to represent a very small element of the global energy mix at just 0.2%. Coal and oil & gas will dominate for some years to come, but society's move to sustainable fuels will assist further growth in the offshore renewable sector (chart 13).

Chart 12: Growth Of The Offshore Wind Industry



End year. *2021 data basis year to date

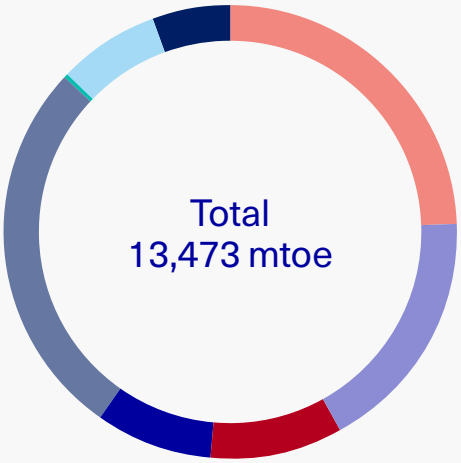


End year. *2021 data basis year to date

Source: Clarksons Research

Chart 13: Offshore Production In The Energy Mix

Global Energy Mix
2020, mtoe

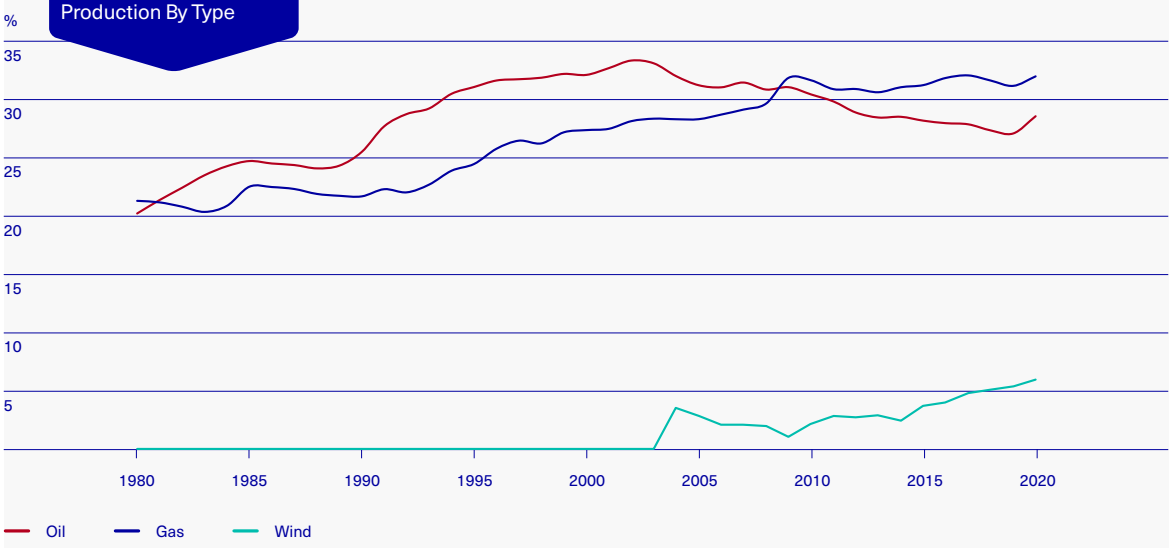


Onshore Oil	3119	24%
Onshore Gas	2259	18%
Offshore Oil	**1250**	**10%**
Offshore Gas	**1069**	**8%**
Coal	3506	27%
Offshore Wind	**21**	**0.2%**
Hydro	930	7%
Other Onshore Renewables	751	6%

Offshore wind small but growing.

Offshore oil & gas account for 17% of the global energy mix.

Offshore Share Of Energy Production By Type



Source: Clarksons Research

25%

of the world's fish stocks are depleted or over-exploited

Environmental, Social, Governance (ESG) matters

IUMI's Facts & Figures committee is also tracking three ESG issues related to the UN's sustainable development goals. These are: illegal, unreported, unregulated (IUU) fishing activities; ship recycling; and greenhouse gas emissions.

Around a fifth of all fish are caught illegally and over 25% of the world's fish stocks are depleted or over-exploited. This risks food security and potential disruption to social cohesion and the possibility for conflict. IUMI is tracking regional performance through the IUU index.

More than 80% of vessel demolitions were conducted under rudimentary and sub-standard conditions. IUMI is backing the yet-to-be-ratified Hong Kong Convention and tracking progress of the Ship Recycling Transparency Initiative.

The important issue of greenhouse gas emissions and shipping's role in reducing its carbon output will be tracked by IUMI and reported on an annual basis.

In time, the Committee will widen its ESG activities to produce further reports and statistics.

ESG initiatives

IUMI's Facts & Figures Committee is currently focusing on:

— IUU – Illegal, Unreported, Unregulated Fishing Activities

— Ship Recycling

— Greenhouse Gas (GHG) Emission

Marine insurance

30 bn

USD marine insurance premiums in 2020

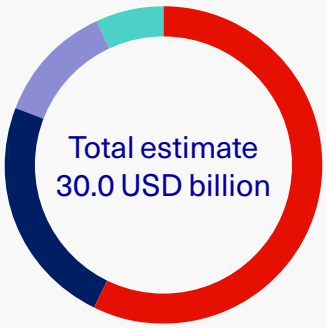
Positive market development in global marine premiums

The total of global marine insurance premiums collected by IUMI for the 2020 accounting year was USD 30 billion which represented an increase of 6.1% from 2019. As with previous years, that largest share of the premium base was contributed by the cargo sector (57.2%) followed by hull (23.8%), offshore energy (12.1%) and marine liability (excluding P&I) (6.8%) (chart 14). This split was relatively stable compared with 2019.

The reported increase in absolute premiums for 2020 was derived as a combination of volume – trade, values, global fleet size – and rates per insured unit. The effects of exchange rates, particularly for the cargo market, must also be taken into account.

Europe remained the dominant underwriting market with a 47.7% share (chart 15). After many years of premium decreases, it appears that the bottom of the current cycle had been reached and

Chart 14: Marine Premiums 2020 by line of business



Change 2019 to 2020

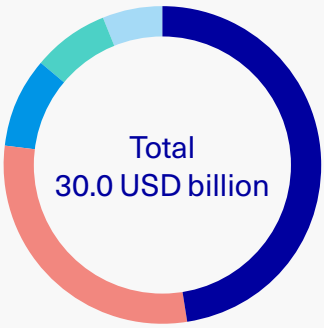
+6.1% ↗

Transport / Cargo	57.2%
Global Hull	23.8%
Offshore / Energy	12.1%
Marine Liability	6.8%

Marine liability does not include P&I business covered by the International Group of P&I Clubs

Source: IUMI

Chart 15: Marine Premiums 2020 by region

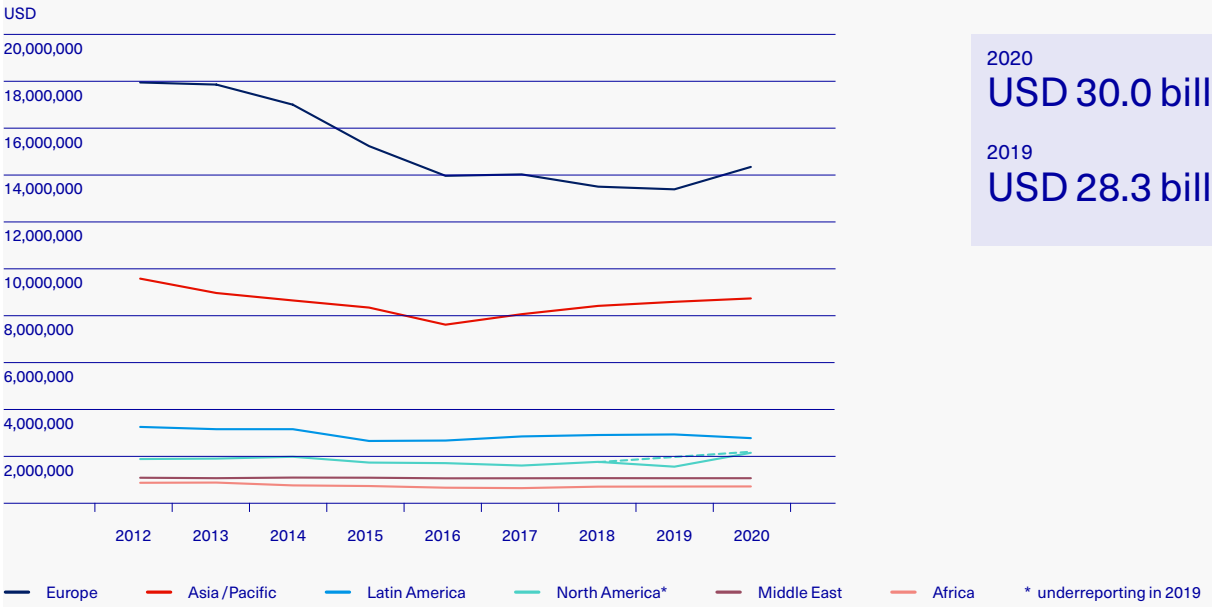


Europe	47.7%
Asia/Pacific	29.3%
Latin America	9.3%
North America	7.7%
Other	6.0%

Some figures from previous years have changed retrospectively and so this graph is not directly comparable with those from previous reports.

Source: IUMI

Chart 16: Premium (USD) by region 2010–2020



2020
USD 30.0 billion

2019
USD 28.3 billion

Source: IUMI

"In general, positive development has been seen from most insurance lines but from a very low base"

2020 reported a slight uptick for the European market. The rise of the Asia/Pacific market continued in 2020 from an upturn in 2016 to stand at 29.3%. Other regions remained relatively stable although the numbers from North America were under-reported in 2019 and have since been corrected as shown by the dotted line in chart 16.

In general, positive market development has been seen from most insurance lines (except P&I) with regard to income as well as results; and from most geographic regions. This is due to the combination of an increased premium base, an extraordinary low claims environment in 2020, and a better-than-expected economic bounce-back following the initial effects of the pandemic.

Whilst a positive trend, recovery began from a very low base and is already appearing to falter in some markets. It is unclear how sustainable the 2020 uptick will be. The extraordinary drop in claims frequency in 2020 needs to be seen in connection with reduced activity in parts of the shipping sector as a reaction to the pandemic. This is particularly true for the container sector (which has since returned very strongly) and the cruise market which has just begun to recover slowly. With the economy recovering and shipping and offshore activity increasing, it is expected that claims frequency and severity will normalise during 2021.

Global marine hull insurance

7.1 bn

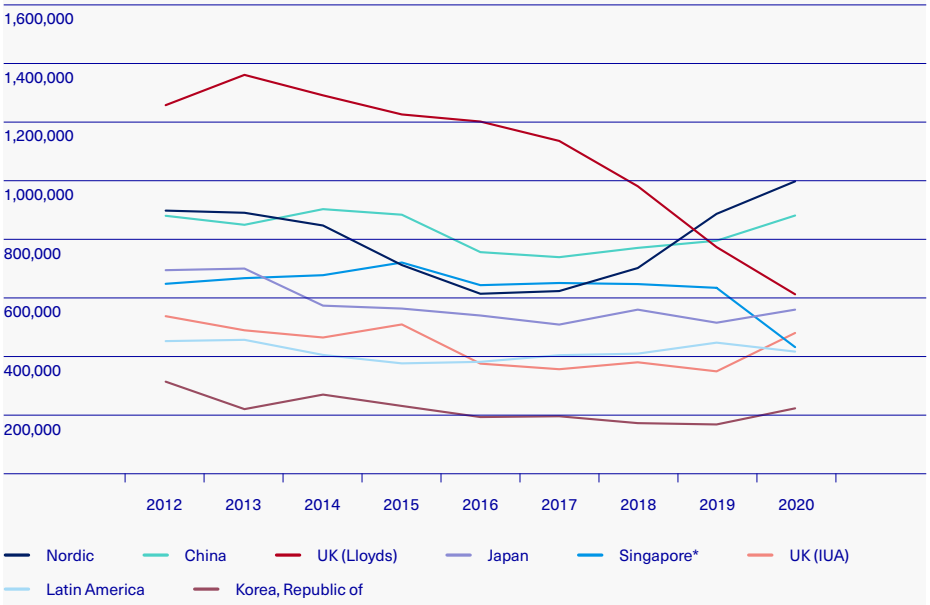
USD marine insurance premiums in 2020

Too soon for optimism for global hull underwriters

Global marine hull insurance premiums reached a total of USD 7.1 billion for 2020 – an increase of 6% from 2019. A particular feature was the redistribution of market shares between the major hull markets, with strong growth from the Nordic market, a minor increase in the UK (IUA) as well as a number of Asian markets, while the decline in the UK (Lloyd's) market continued (chart 17).

As chart 18 illustrates, the gap between average vessel size and insured value, which began opening in 2014 and increasing year-on-year, appears to be closing slightly from 2020. Similarly, the gap between global fleet size and global premiums which had been increasing since 2012 showed signs of reducing in 2020, albeit modestly. As this trend change started from a low level producing unsustainable underwriting results over a couple of years, it is still early days and remains to be seen if these positive trends can be sustained.

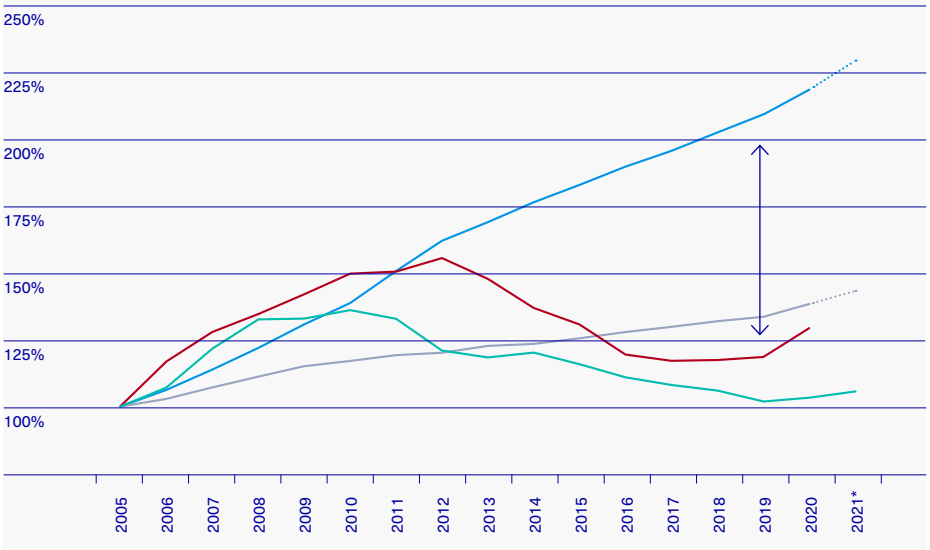
Chart 17: Hull premium 2012–2020
Selected markets



* Revised figures for all years

Source: IUMI

Chart 18: Hull premium vs world fleet



* as of 1st July

Sources: world fleet data: ISL Bremen, insured values: The Nordic Association of Marine Insurers (Cefor), hull premiums: IUMI

"Hull underwriting returned to profitability in 2020 but the future remains uncertain"

As the recent 2021 mid-year hull trend analysis published by the Nordic Association of Marine Insurers (Cefor) illustrates[1], the frequency of hull and machinery claims continued its long-term downward trend with an extraordinary drop in 2020. This was likely due to the pandemic reducing shipping activity in some sectors. Total loss frequency is also extremely low although with some limited oscillation. Valid concerns remain that claims will inevitably begin to rise as shipping activity returns to more normal levels, particularly in the cruise sector.

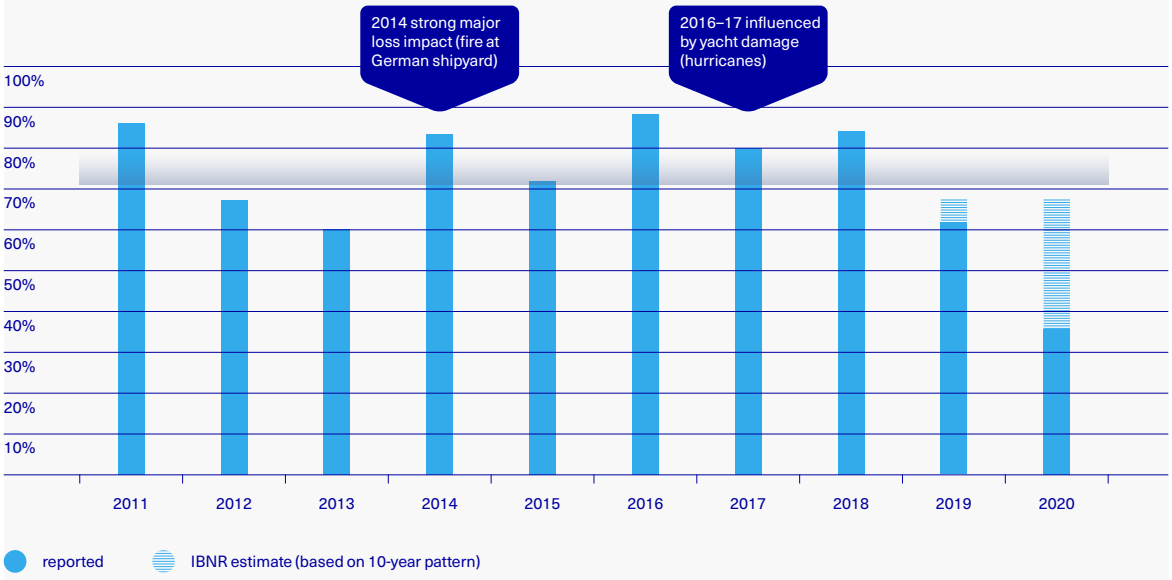
Loss ratios for 2019/2020 were much more encouraging than in previous years and it seems that ocean hull underwriting had returned to a technical break-even following many years of unprofitability (charts 19 & 20). This is largely due to reduced shipping activity stemming from the pandemic and a consequent low level of claims. However, the hull sector had been operating from a very low position and the premium base had only recently begun to creep upwards following a sustained decline since 2012.

Indications in 1H 2021 appear to show that any market improvement might have slowed or even plateaued and this, coupled with an inevitable rise in claims as activity levels normalise, is likely to dampen the modest recovery. Uncertainty remains.

[1] https://cefor.no/statistics/nomis/2021/2021-cefor-june-hull-trends-report/

Chart 19: Hull – Ultimate gross* loss ratios – Europe

Underwriting years 2011–20, gross premiums, paid and outstanding claims (USD)

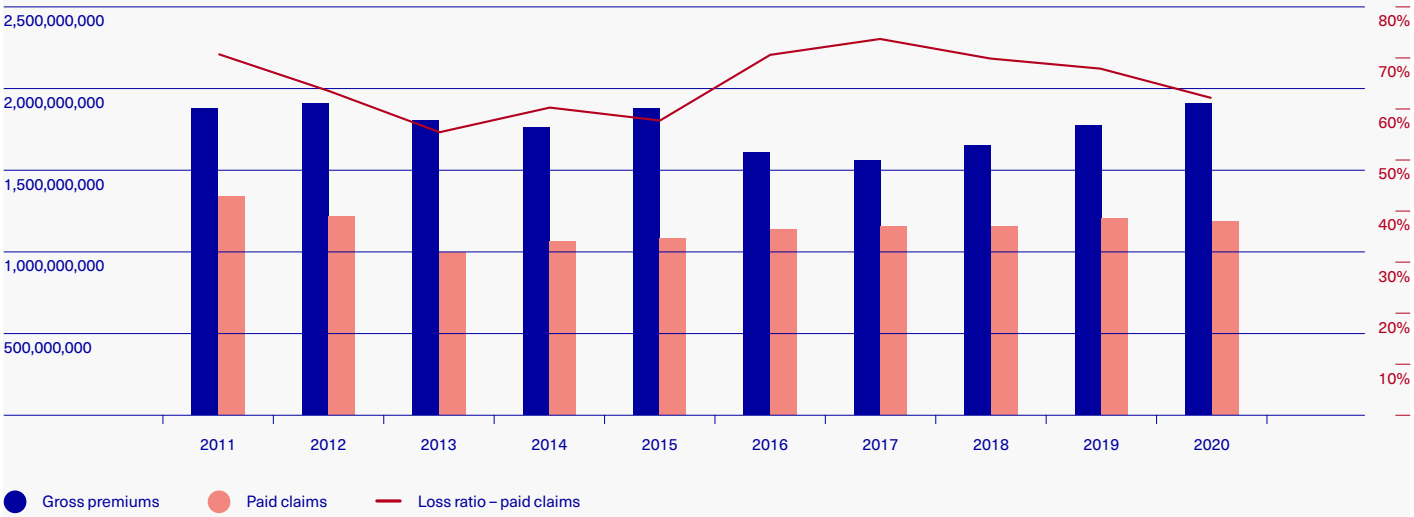


* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)
** Data included from: Belgium, France, Germany, Italy, Nordic (Cefor), UK

NB: Data included changed compared to previous years' presentations (partly revised figures Europe; no US figures included)

Source: IUMI

Chart 20: Hull – Gross loss ratios accounting year – Asia*



* China, Japan, Hong Kong. India from 2015. Singapore not included. Incurred figures available but cannot be split, for China, Japan, Hong Kong only paid available.

Source: IUMI

"The frequency of containership fires continues at the same level contrary to a drop in all other types of claims"

No let-up of containership fires

The latest analysis (as of June 2021) by the Nordic Association of Marine Insurers (Cefor)[1] clearly shows that the frequency of fires on container vessels has not declined contrary to the overall claims frequency. In the preceding 2020 fire trend analysis[2], Cefor illustrated and explained that this is particularly true for large container vessels. These are more prone to fires because the higher the number of containers on board, the greater the probability that at least some of the containers may contain cargo which may self-ignite. There are many challenges inherent in fighting a fire on such a large vessel at sea and it will impact seafarers, the environment and cargo, hull and liability insurance and must be urgently addressed.

Shipping's move to decarbonization will also impact the hull market. As new fuels and innovative propulsion methods are introduced, more and varied claims are likely to arise over the coming period.

[1] https://cefor.no/statistics/nomis/2021/2021-cefor-june-hull-trends-report/
[2] https://cefor.no/globalassets/documents/statistics/nomis/2019/2020-the-fire-challenge---containers-et-al..pdf

Global marine cargo insurance

17.2 bn

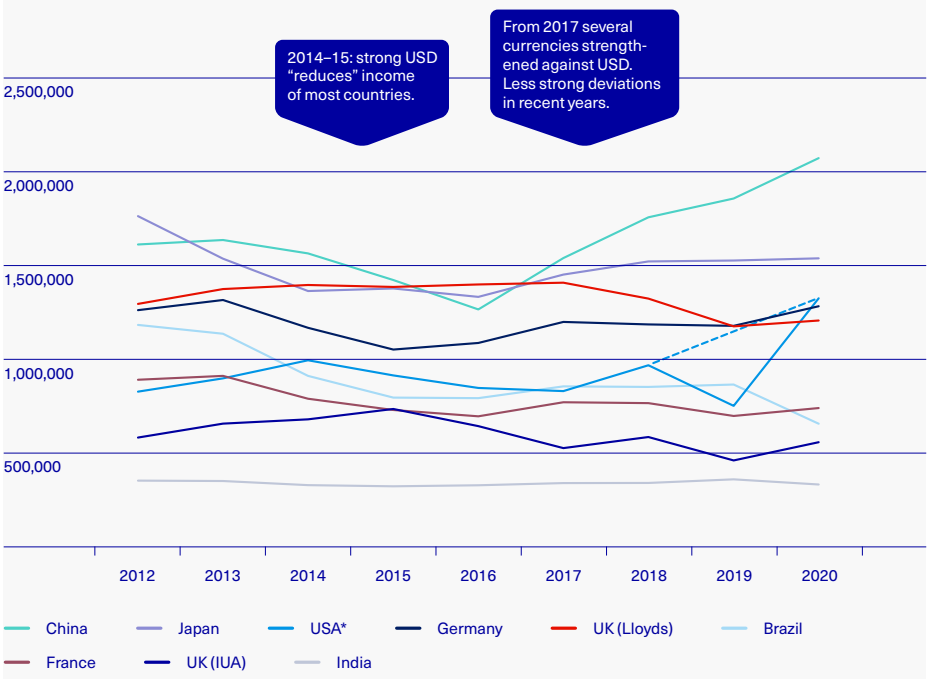
USD marine insurance premiums in 2020

Market correction underway but uncertainty prevails

In 2020 the cargo market reported a global premium base of USD 17.2 billion representing a 5.9% increase on the previous year. China continues to enjoy the strong growth path it embarked upon in 2016 with other regions performing moderately well with the exception of Brazil and India. (chart 21). It should be noted that exchange rates effect cargo premiums more than other marine insurance lines.

The potential income in the cargo market tends to follow trends in world trade which has bounced-back more strongly than expected post the outbreak of the pandemic. Predications from the International Monetary Fund are positive for the coming period which bodes well for a continuing upwards trend of the overall cargo premium income (chart 22). However, frailties in global supply chains, exposed by the pandemic, are likely to result in a re-organisation and, perhaps, bring manufacturing bases closer to consumers. Other issues include port delays due to a shortage of manpower (including in warehousing and trucking) and the current spate of containership blank sailings from the US to Asia. All this will inevitably impact on the cargo sector along with other factors such as the effects of climate change and an increase in nat cat events.

Chart 21: Cargo premiums 2012–2020 (selected markets)

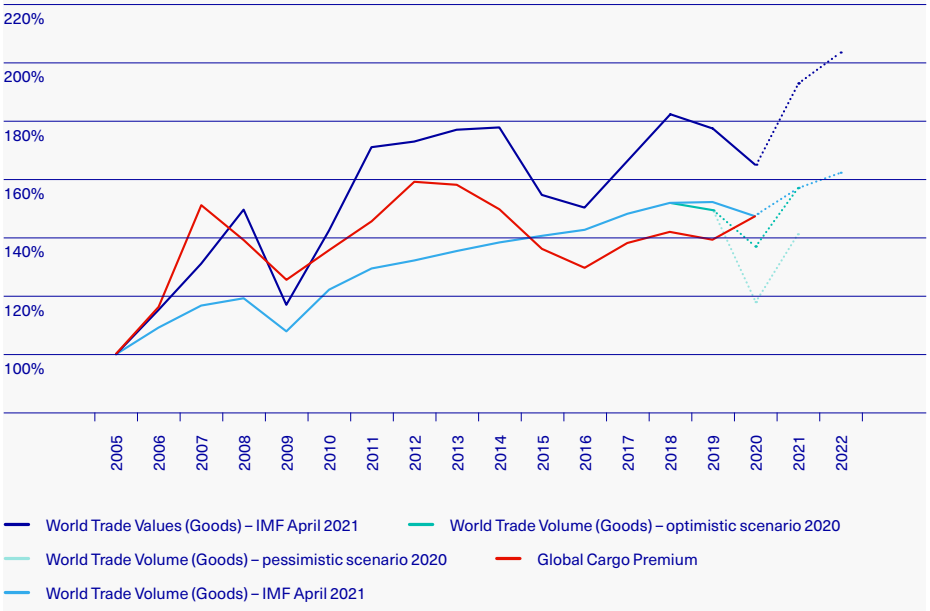


* underreporting in 2019

Source: IUMI

Chart 22: Cargo premiums vs world trade values and volume

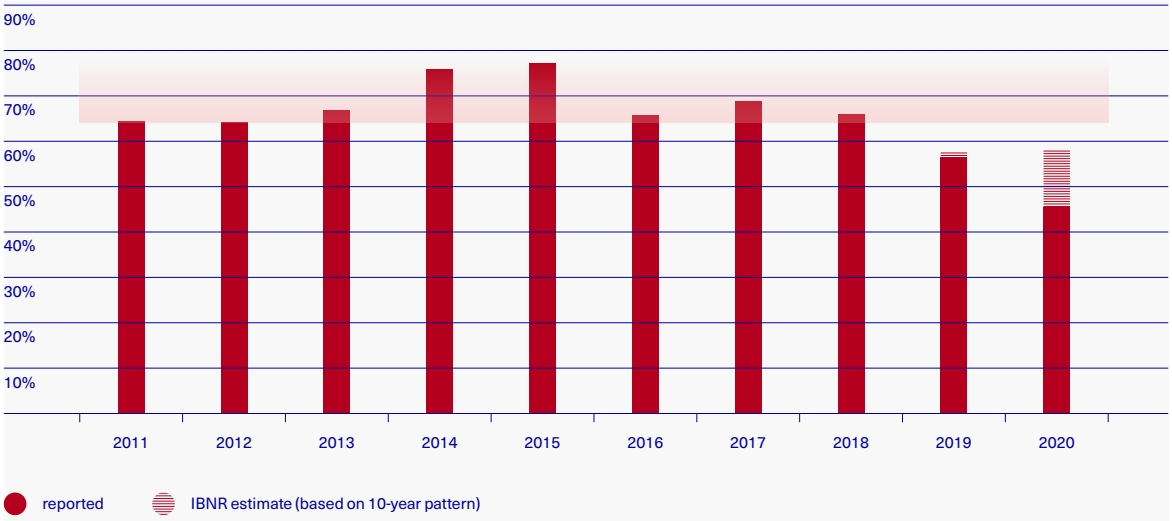
Index, 2005=100%



Sources: world trade data: International Monetary Fund, cargo premium: IUMI

Chart 23: Cargo – Ultimate gross* loss ratios uw year – Europe**

Underwriting years 2011–20, gross premiums, paid and outstanding claims (USD)



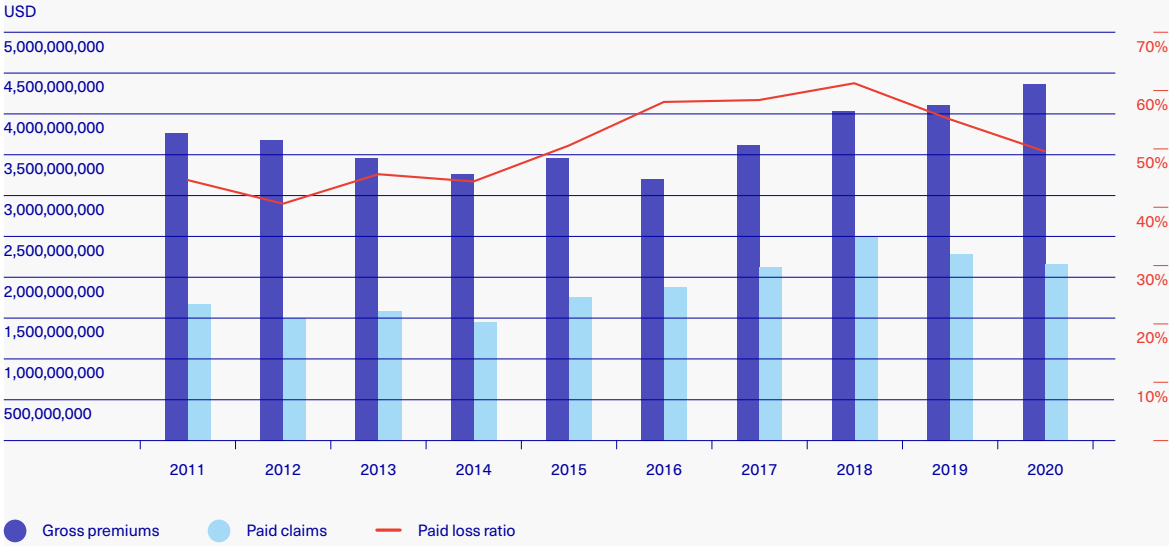
* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)**
** Data included from: Belgium, France, Germany, Netherlands, Italy, UK

NB: Data included not identical with previous year's presentations (partly revised figures Europe; US figures excluded)

Source: IUMI

Chart 24: Cargo – Loss ratios accounting year – Asia*

Gross premiums, paid claims (USD)



* China, Japan, Hong Kong, and India (new!) from 2015. Singapore not included (incurred figures available but cannot be split), China, Japan, Hong Kong only paid available.

Source: IUMI

"Cargo underwriting returned to technical break-even in 2020 but 2021 is looking to be less optimistic."

Overall, loss ratios improved in 2019/20 and have returned the sector to a technical break-even for the first time in many years (charts 23 & 24). Over the past decade, large event claims caused by weather and navigational events had contributed to supress technical profitability. The low claims impact in 2020 helped improve the profitability of cargo underwriting in 2019 and 2020.

2021 is looking less optimistic as it appears that the frequency and severity of claims is increasing again. This is particularly due to the increase in severe nat cat events which can be observed in many places around the world such as the summer floods in Germany and China or hurricanes Ida and Nicholas in America. Climate change, supply chain disruption and the accumulation of risk all contribute to increased claims impact. The trend for storing large amounts of cargo at single sites or on single vessels exposes high values to nat cat or man-made events and thus increases the potential for new record claims. From that perspective, there is an urgent need for marine insurers to control their portfolio exposure with regard to such potential event losses.

Global offshore energy insurance

3.6 bn

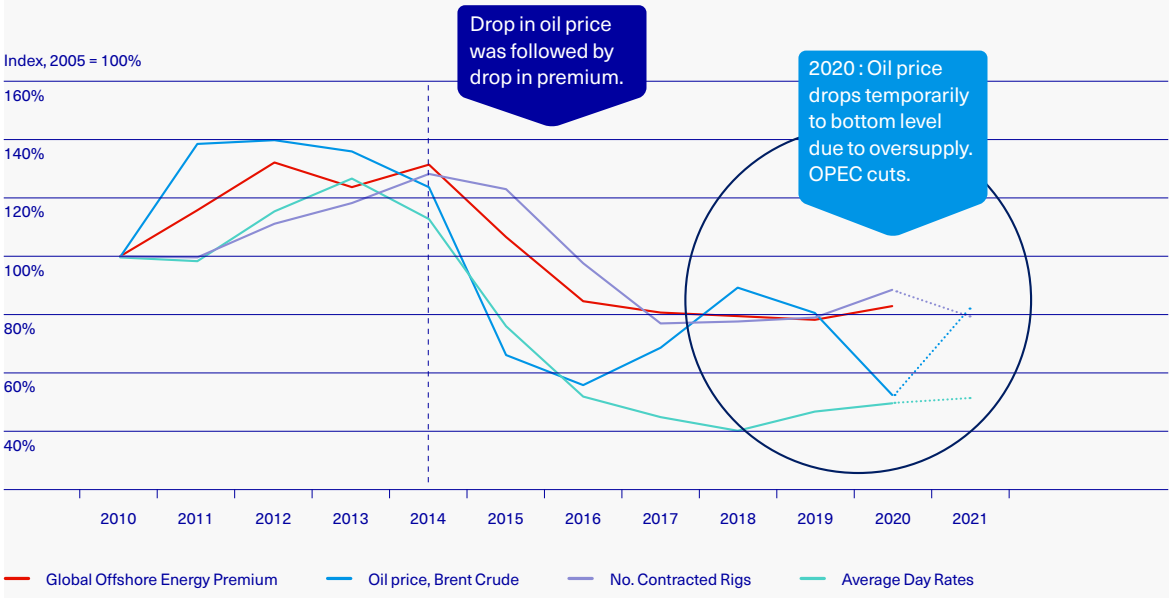
USD offshore energy premiums in 2020

The fragile balance between low claims and low premium base continues

The offshore energy market reported a global premium base of USD 3.6 billion, representing for the first time an increase in premiums since 2019 of 8.6%. This is the first real increase in premium base since the 2014 drop in oil price which drove an equally strong drop in premiums over those years.

Chart 25: Energy premium versus mobiles, day rates, oil price

mobiles, day rates, oil price as of July 2021



Sources: Average day rates, contracted rigs: Clarksons Research; oil price, World Bank; commodity price data, premiums: IUMI

"The ongoing reduction in premium base appears to have reached the bottom of the current cycle"

In this sector, premium income mirrors the oil price and the premium base may have reached the bottom of the cycle in 2019. However, the oil price remains volatile and was impacted significantly in 2020 by the pandemic when it dropped dramatically (chart 25). Since then, a price rally seems to be underway but it will take a number of months before the offshore energy market follows. Historically, an 18–24 month time lag exists between a change in the oil price and activity levels catching up. On the other side of the equation, events such as Hurricane Ida and the pandemic have the potential to end the period of low claims impact and put the brakes on any underwriting improvement.

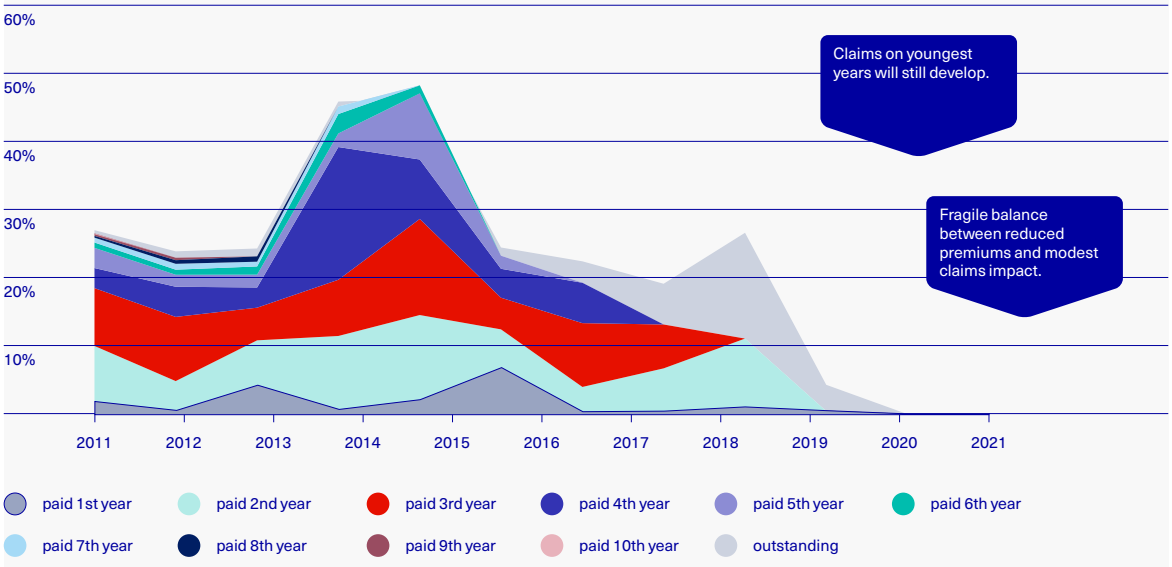
"The offshore energy sector is on-track to record the fewest upstream claims this century."

In 2020, claims were at an all time low and on track to produce the fewest upstream claims this century – both in numbers and value. However, reactivation in the sector driven by stronger oil prices has the potential to reverse this trend. Similarly, nat cat events – to which the offshore energy sector is particularly susceptible – had been relatively benign in recent years but the outcome of hurricanes Ida and Nicholas on offshore energy claims is not yet fully known at publication. This could easily offset the current fragile balance. Chart 26 shows that loss ratios are improving but the youngest years will continue to develop over time.

In recent years, more risk has been retained by the oil companies meaning less business has entered the global insurance market where capacity has largely remained static. For the longer term, traditional energy sources are starting to give way to more sustainable fuels and renewables, hydrogen and carbon capture and storage processes will begin to grow in importance. Although there will be a continuing need to insure conventional offshore energy assets, the risks associated with new sources will create additional opportunities for energy underwriters.

Chart 26: Offshore energy gross loss ratios – Europe*

Underwriting years 2011–2020, incl. liability, as of Dec. 2020, paid and outstanding as reported



NB: Data included not identical with previous year's presentations (partly revised figures Europe; US figures excluded)

* Lloyds, IUA, Nordic

Source: IUMI

Major claims database

9,000

records totalling
USD 14 billion of major losses

This is the second year that IUMI has presented its major claims database analysis. Since last year, three new reporting countries have joined the project bringing the total to 25. The total number of claims records included have now reached around 9,000 representing total losses of more than USD 14 billion.

Cargo underwriting is more evenly spread geographically than hull and so the cargo data collected is considered robust and reliable enough to be published for a second year. Thirteen data fields are now being reported on and, as a result, major cargo losses have been analysed with respect to loss severity, frequency, location and cause.

Work is ongoing to improve the reliability of the hull loss data collected and to engage further with the hull underwriting community. Once achieved, it is IUMI's intention to publish hull loss data also.

The following charts have been produced through a close working relationship with IUMI Professional Partner, the Boston Consulting Group. IUMI wishes to thank the Boston Consulting Group and the IUMI project team members for their valuable contribution to the IUMI major claims database.

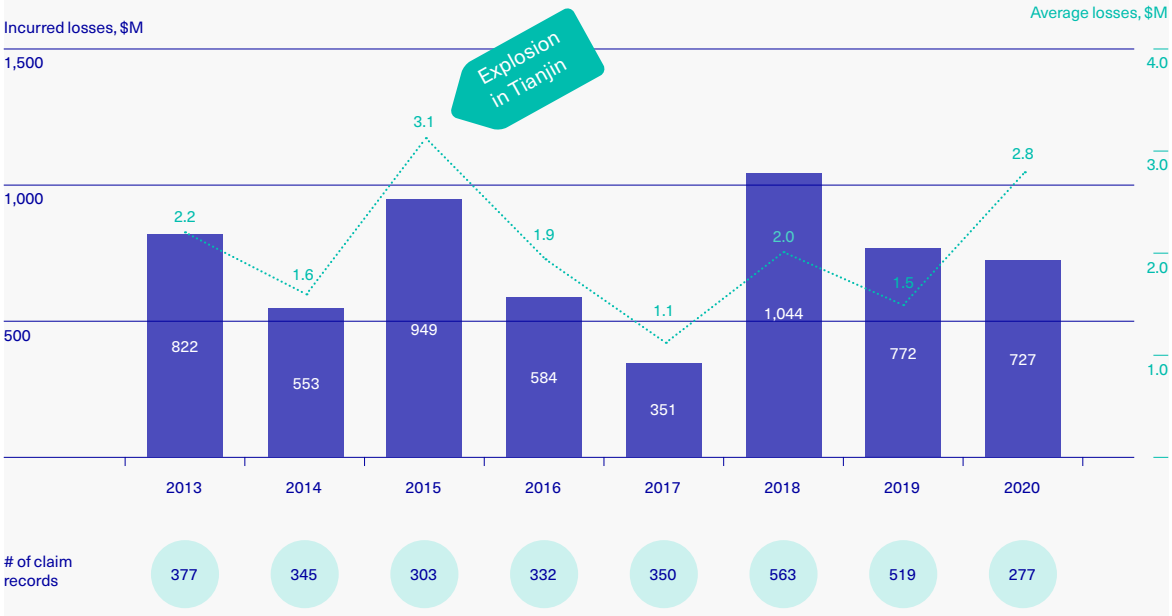
Note: Figures reflect the state of reporting and will likely change retrospectively as they are updated. Reported figures are as accurate as possible but may not be fully consistent for all countries. All data given is of an informational and non-binding character only.

"Smaller cargo losses are increasing in number whereas larger losses are decreasing."

Chart 27 shows the number of cargo losses and their total and average value for the period 2013–2020. The average loss for 2020 (USD 2.8 million) was the second highest incurred for the period after 2015, which was heavily impacted by the explosion in Tianjin.

Chart 28 records the number of losses within specific size buckets across the 2013–2020 period and also the percentage increase or decrease for that size of loss. It appears that smaller losses are increasing whereas larger losses are decreasing in number.

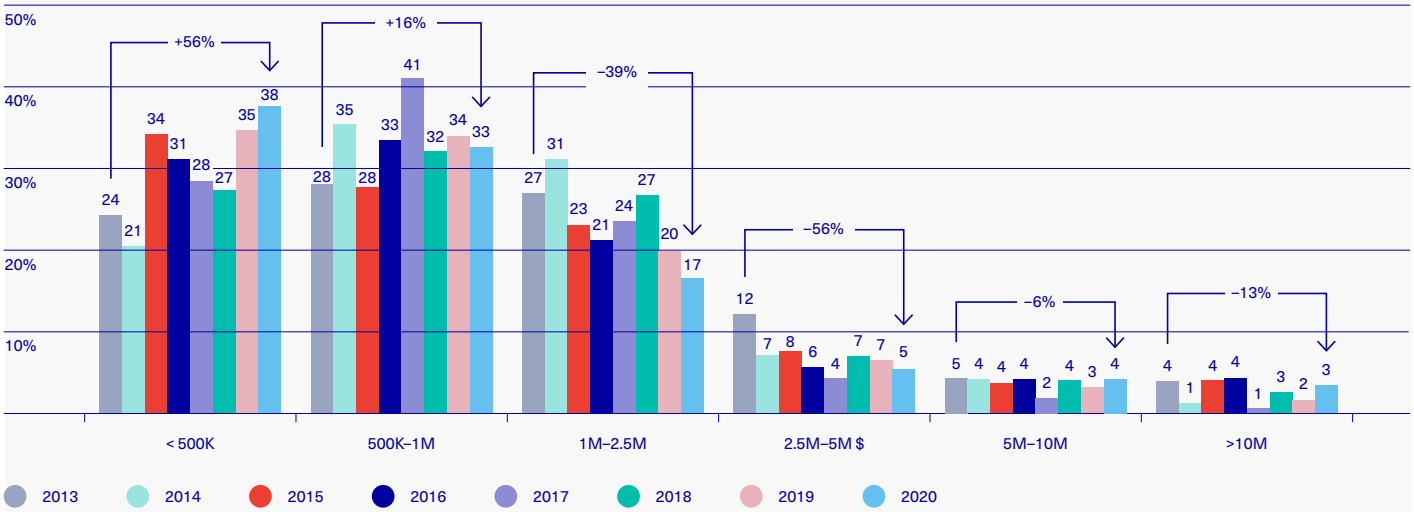
Chart 27: Cargo: Incurred losses and average losses in the period 2013–2020



Note: More than 99% of all observations can be used for analysis

Source: IUMI Major Claims Database

Chart 28: Normalized* number of losses across different loss size buckets in the period 2013–2020



* Number of losses divided by number of claim records for every year

Note: More than 99% of all observations can be used for analysis
Note: Losses are categorized by individual claim records rather than aggregates/events

Source: IUMI Major Claims Database

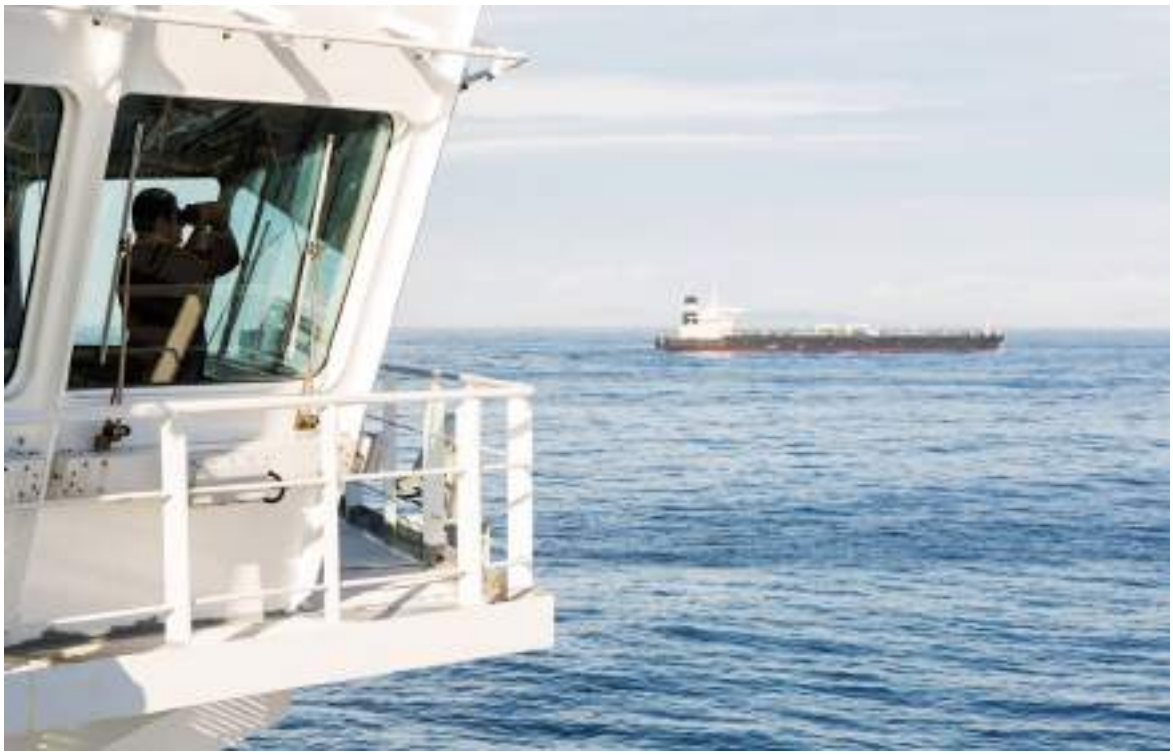
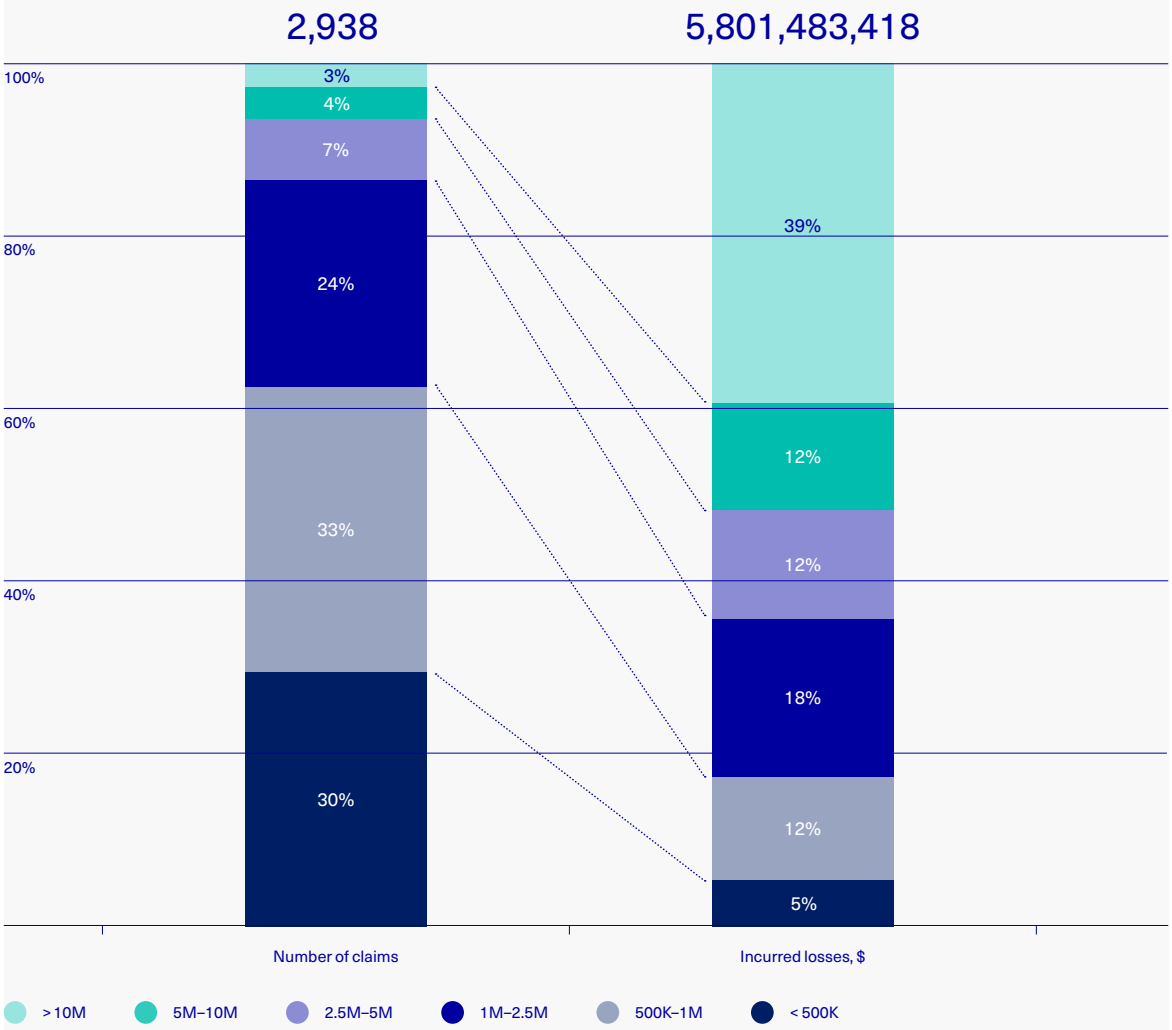


Chart 29: Number of claims and incurred losses by size categories for the 2013–2020 accident years

Distribution of claims by claim size categories, %



Note: 96% of all observations can be used for analysis
Note: Losses are categorized by individual claim records rather than aggregates/events

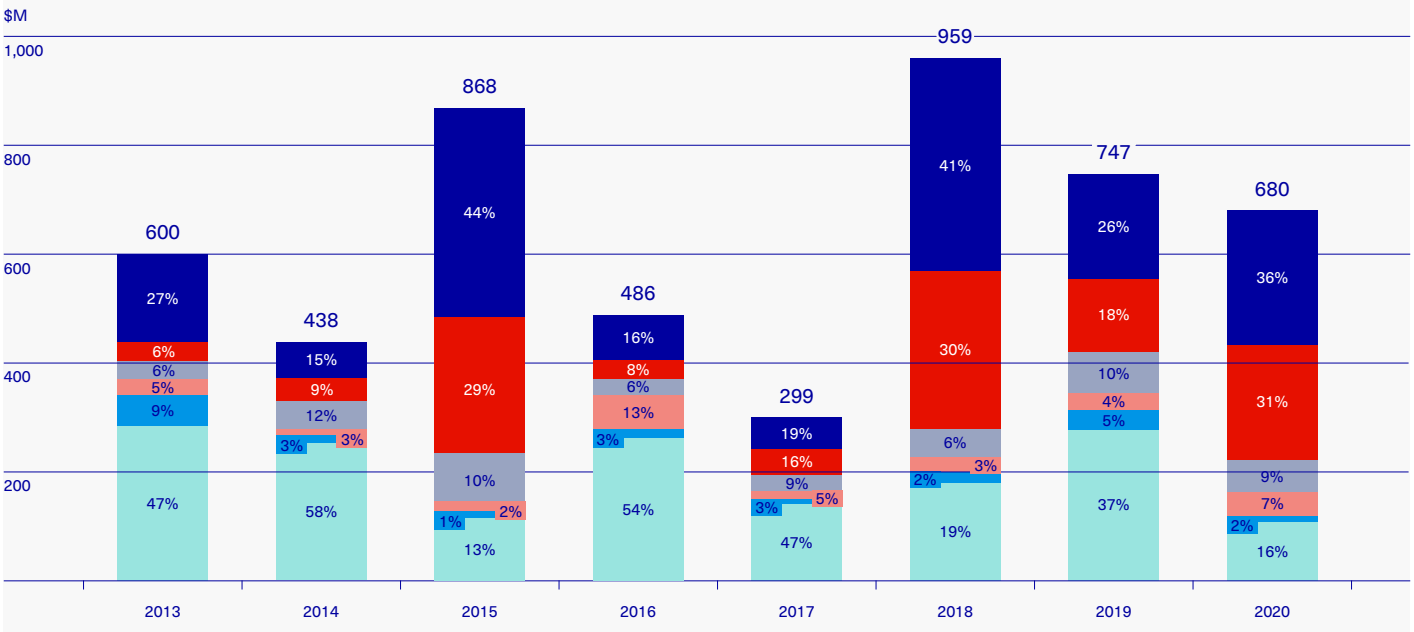
Source: IUMI Major Claims Database

Chart 29 compares the number of claims with the total percentage of incurred losses. For example, 30% of claims were below USD 500,000 and this accounted for just 5% of the incurred loss total.

Charts 30–34 give further breakdown and analysis of major cargo losses by type and also by mode of transport. It should be noted that charts 36 & 38 excludes the impact of nat cat events (which are included in other charts) to provide further analysis and detail.

"Thirteen data fields are now being reported on and, as a result, major cargo losses have been analysed with respect to loss severity, frequency, location and cause."

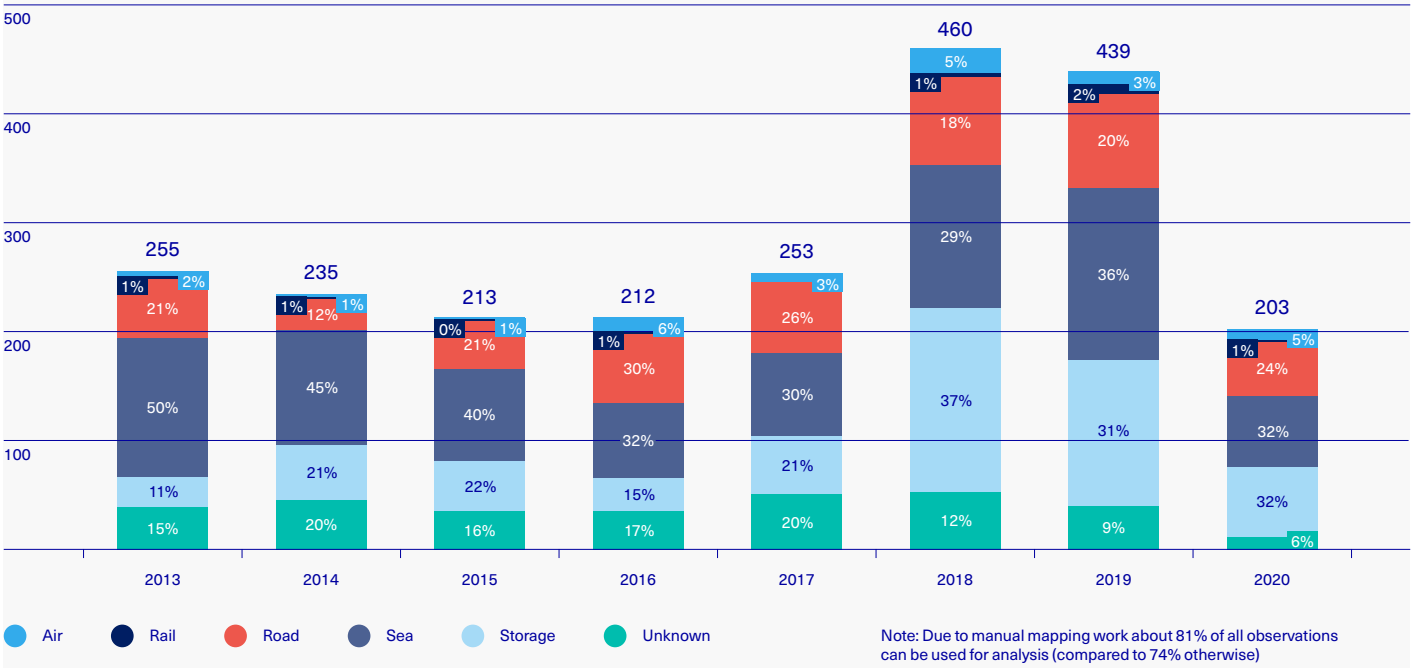
Chart 30: Top 5 major losses by type of loss in the period 2013–2020



Note: Due to manual mapping work about 87% of all observations can be used for analysis (compared to 76% otherwise)
Note: Other/unknown also includes minor types of losses (e.g. Piracy)

Source: IUMI Major Claims Database

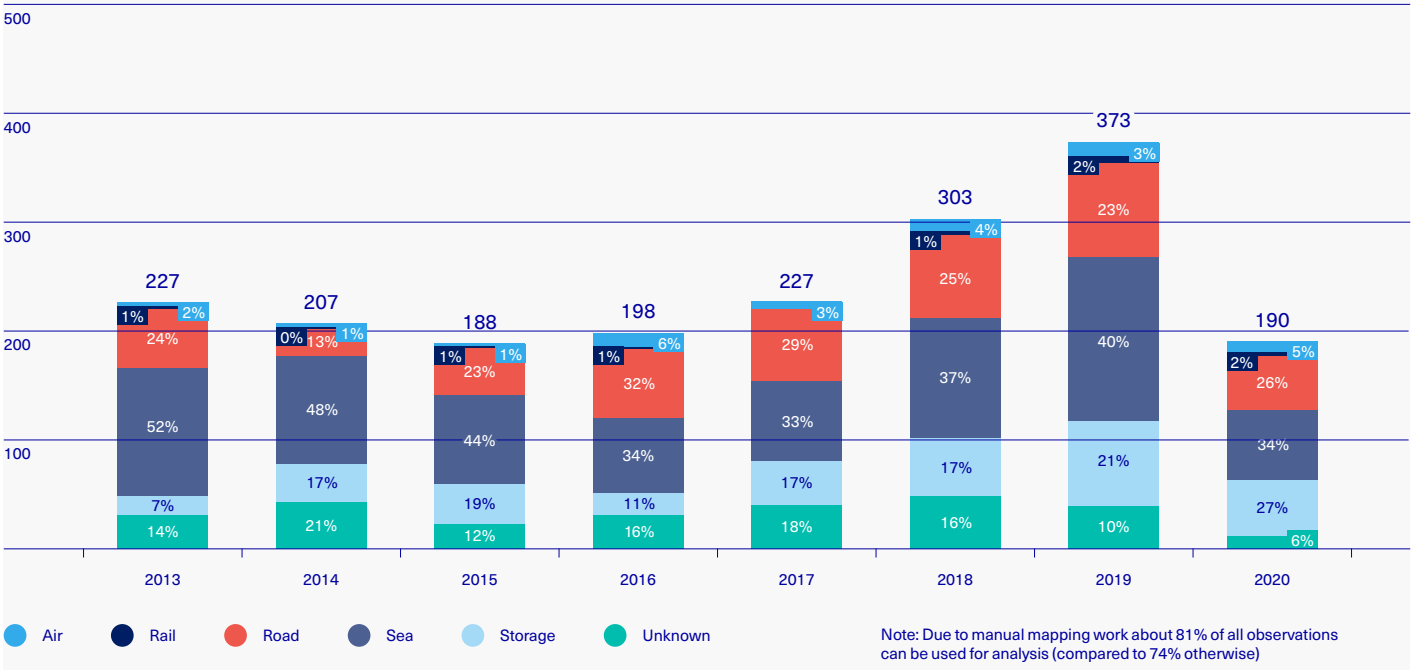
Chart 31: Number of losses by mode of transport in the period 2013–2020



Note: Due to manual mapping work about 81% of all observations can be used for analysis (compared to 74% otherwise)

Source: IUMI Major Claims Database

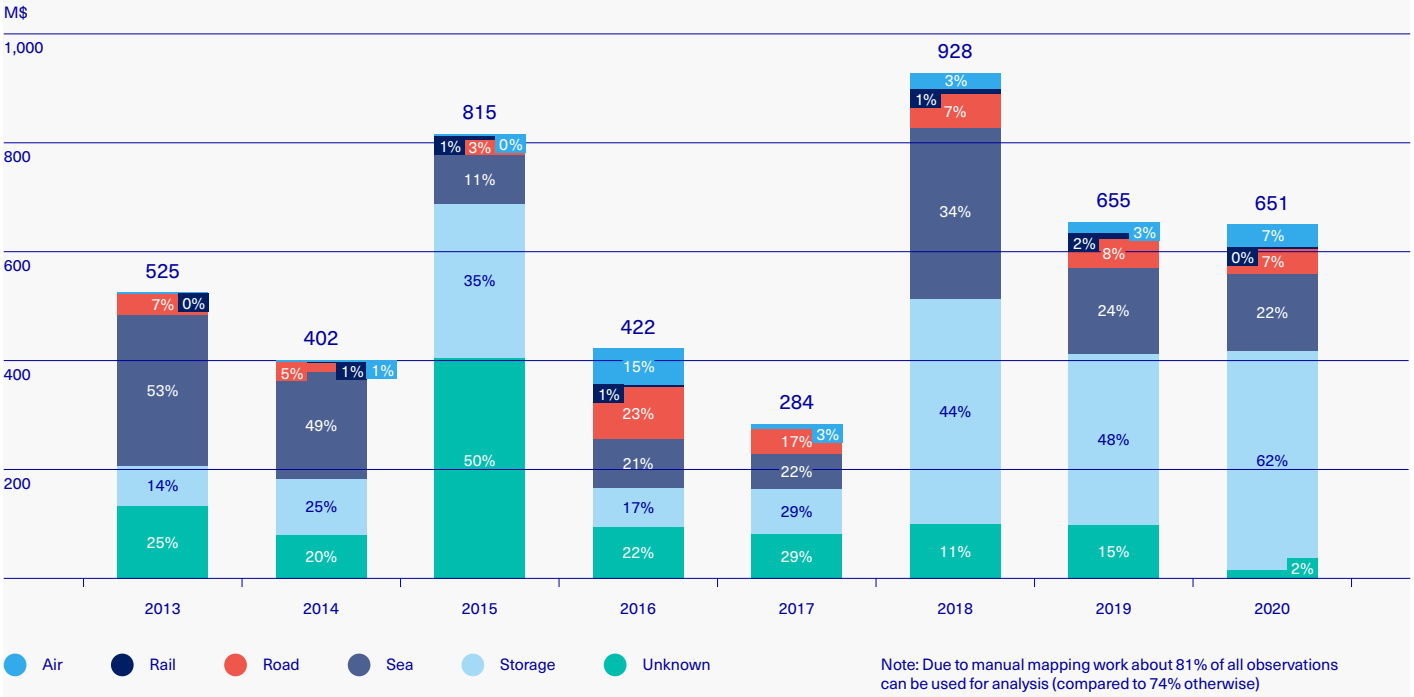
Chart 32: Number of losses by mode of transport without NatCat events or natural perils in the period 2013–2020



Note: Due to manual mapping work about 81% of all observations can be used for analysis (compared to 74% otherwise)

Source: IUMI Major Claims Database

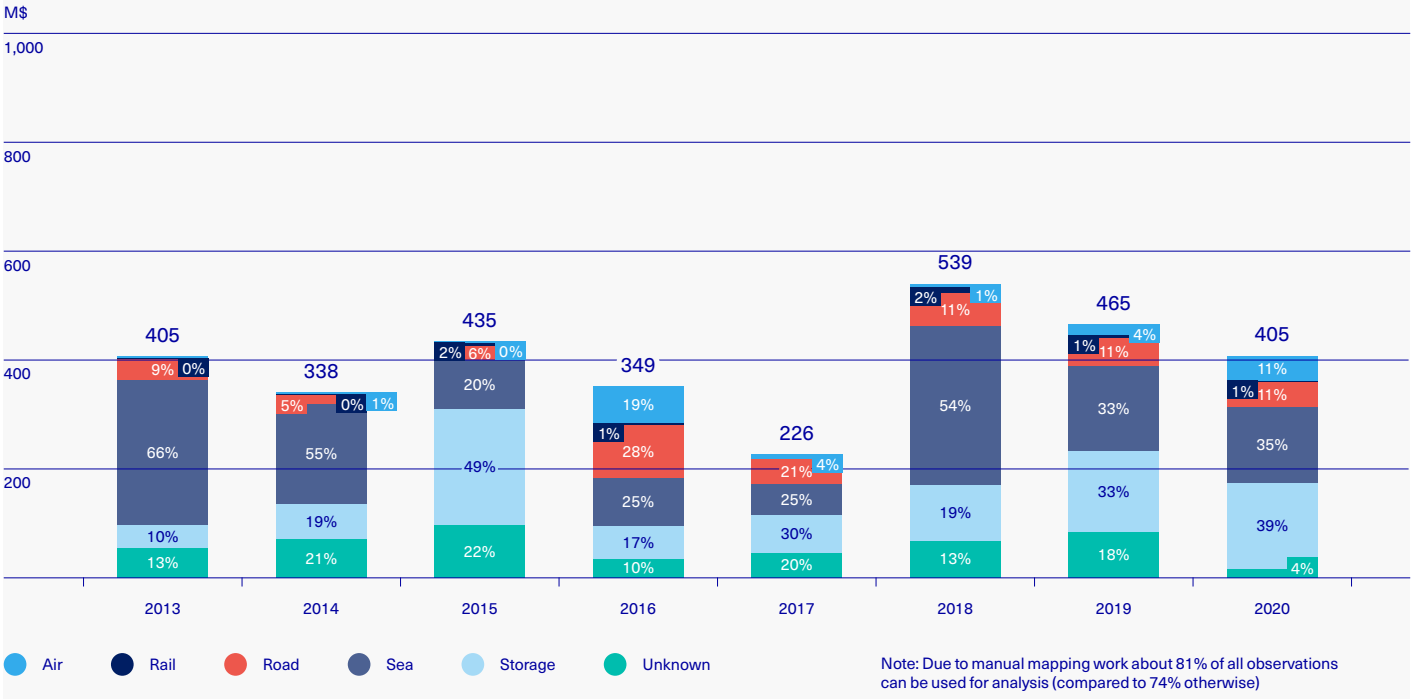
Chart 33: Cargo – Incurred losses by mode of transport in the period 2013–2020



Note: Due to manual mapping work about 81% of all observations can be used for analysis (compared to 74% otherwise)

Source: IUMI Major Claims Database

Chart 34: Cargo – Incurred losses by mode of transport without NatCat events or natural perils in the period 2013–2020



Note: Due to manual mapping work about 81% of all observations can be used for analysis (compared to 74% otherwise)

Source: IUMI Major Claims Database

Notes

More information
Information about IUMI data standards, the Global Marine Insurance Report and Facts and Figures press releases are available from IUMI's public statistics page
iumi.com/statistics/public-statistics

Listen to a recent podcast where Facts & Figures Committee Chair Philip Graham and Vice Chair Astrid Seltmann explain the latest market trends:
iumi.com/news/podcast/the-numbers-say-it-all

Additional information such as marine premiums by country, loss ratio triangulations for cargo, hull and offshore energy, and hull and cargo inflation indices are available for IUMI members from the member statistics section of IUMI's website
iumi.com/statistics/iumi-member-statistics

Data sources
Information sources are clearly stated at the foot of each chart. IUMI thanks its partners who have kindly supplied charts or data for this document.

IUMI data
IUMI's total world-wide premium includes data from all relevant marine insurance markets in all continents. Loss ratio data is collected from a number of selected countries which are able to provide such data. Since 2017, IUMI has been adding information about accounting year loss ratios from major Asian and Latin American markets and in 2021 also from the US, in addition to the underwriting year loss ratios reported from major European marine insurance markets.

Care should be taken when making comparisons with earlier figures as data coverage varies in different years and a number of figures will be updated retrospectively. Underwriting year results do develop over several years due to a time lag in claims reporting and payments. The ultimate results as presented in the graphs for the youngest years are thus estimates derived from typical historical development patterns. When interpreting statistics, caution should always be applied regarding what the data actually relates to.

IUMI stresses that all figures released by IUMI's Facts and Figures Committee are global market sums or averages. While these reflect the average performance of the marine insurance market, individual companies' or countries' results may differ substantially. As with all averages, individual underwriting units may over or underperform compared with the average. IUMI does not make any statements about what actual applied premium rates were or should be. The aim of IUMI is solely to provide data as available and raise awareness for the importance of a critical evaluation of the risks covered.

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About IUMI

The International Union of Marine Insurance (IUMI) represents 45 national and marine market insurance and reinsurance associations. Operating at the forefront of marine risk, it gives a unified voice to the global marine insurance market through effective representation and lobbying activities. As a forum for the exchange of ideas and best practice, IUMI works to raise standards across the industry and provides opportunities for education and the collection and publication of industry statistics. IUMI is headquartered in Hamburg and traces its roots back to 1874.

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IUMI thanks its key data and content providers

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