



IUMI Statistics show total hull loss fall

The International Union of Marine Insurance (IUMI) has released its Spring Statistics which found the percentage of total hull losses have fallen to a record low.

The figures which are the most comprehensive study into hull, cargo and energy insured losses available reported the frequency of total losses for ships above 500 GT increased marginally in 2012 compared to preceding years.

However, overall, the trend of reduced total losses over the last 15 years continued. The frequency declined in 2013, now standing at a record low of 0.13% in terms of numbers and 0.05% in terms of tonnage.

Age appears to be more of relevance for total losses of bulker carriers than for tankers. More than 60% of the dry cargo ships lost were bulkers older than 25 years in the period 2009-2013.

However, weather continues to be the major cause of the total losses representing almost 50% of the vessels lost between 2009 and 2013. Grounding is the second most frequent cause accounting for 25% of the cases.

The number of major incidents including total losses also continued to fall in 2013. The major single cause of serious losses remains from incidents occurring to the machinery and in the engine room. This category represents 35% of the cases. Navigation however – groundings and collisions combined – stands for almost 50% of the claims in terms of numbers. Vessels older than 25 years generated 35% of the losses.

The loss of the *MOL Comfort* dominated the cargo market with an expected insured loss of between \$300 million and \$400 million.

However, the loss highlighted the growing concerns of the cargo underwriters given the *MOL Comfort* was carrying 4,382 containers and the market is set to welcome a new breed of container vessel which have a capacity of 24,000 TEU

In the energy market there are signs that the construction boom which began in the mid 2000 is reaching its peak, with the number of rig deliveries set to reach its highest next year.

The worldwide mobile fleet has continued to grow and is at a record number, with utilisation rates overall increasing sharply in all areas of the world.

In term of rigs, attritional loss activity remains relatively high compared to the 1990's and early 2000's. This is believed to be due to the fact that there is significantly more offshore drilling activity now than in those prior periods.

Copies of the full statistics and analysis can be found on the IUMI website at www.iumi.com

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IUMI currently has 54 national associations as members, protecting and advancing their interests. It also provides an essential annual forum to discuss and exchange ideas, information and statistics of common interest, attended by marine underwriters and other marine professionals. IUMI's roots date back to 1874.

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