

Decisions, decisions...

By Dave Matcham, IUMI Policy Forum, 6th February 2019



Information is key to good decision making and effective underwriting. We can only identify, assess and price risk if we completely understand our environment, its activities and, importantly, its history. Whilst investment companies continue to recite “past performance is no guarantee of future results”, for underwriters, having a firm handle on past performance is a key ingredient to assessing future risk. Individual underwriters maintain records, as do many national insurance associations, but most don't share – and for good reason. IUMI, as the international umbrella, has worked tirelessly for many years to gather data on the underwriting market and to report those results to its membership. This helps equip the market with vital information and allows better decisions to be made. We want to extend this good work to harness, analyse and share more information across the marine insurance sector.



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By involving national associations, we are now developing a database of large claims – those in excess of US\$250,000. We've already collected pilot data from half a dozen countries and we've taken care to avoid overlap by only asking associations to report where their members have taken the lead on an individual case. With our friends and colleagues at the Boston Consulting Group, we've cleansed the raw data, eliminated inconsistencies and begun to identify trends. This is a great start.

Now we've proven the concept, next on the list is to widen the reporting constituency and standardise the reporting format. This will not always be an easy ask as some associations don't currently collect this data from their membership. So far, we've added France and Italy to the list and we are confident that other nations will join shortly. Growing the database will always be an ongoing task but as it gets bigger we'll be able to perform further analysis and report on the trends and stories that emerge.

Our ambition is to develop a unique tool containing claims information not available elsewhere. Our hope is that underwriters will use this data to compare with their own book and tailor their business based on a breadth of information not available until now. Better informed decision making will deliver more effective marine underwriting and that can only be good for our clients and ourselves.