

Global ocean hull premiums down 2.3% but general risk profile and trading conditions showing some improvement, reports IUMI



18th September 2018

At yesterday's IUMI conference in Cape Town, Chair of the Ocean Hull Committee, Mark Edmondson, highlighted a continuing deterioration of premium income against the more positive picture of an improving risk profile. However, the international market has shown signs of improvement during 2018, although continuing volatility and uncertainty in many sectors remained a concern.



“Whilst the shipping industry in general is showing some positive trends and the claims climate remains relatively stable, particularly for total losses and major partial losses, there does not appear to be any direct correlation between that and overall underwriting performance”, he said.

“However, we estimate around USD100 million of capacity has been removed from the market over the past year due to very low start-up activity and the withdrawal of a number of high profile hull insurers. Facilitation would appear to be under increasing pressure due to worsening performance and heightened regulatory scrutiny. Overall the deterioration of underwriting results, over what has been a considerable period, has appeared to have triggered a brake in the decline in market conditions.”

An enhanced risk profile stemming from better quality tonnage and greater regulatory influence has encouraged a consistent improvement in the frequency of major casualty. However, the ocean hull market is still being buffeted by lower asset values, reduced utilisations, year-on-year erosion of premiums and ever present volatility.

The sector continues to come to terms with the potential impact of cyber exposure (both malicious and non-malicious); incoming environmental regulations and their impact on hardware and operations; autonomous vessels; bunker contamination; and the accumulation of risks that quickly build as containership continue to grow both in size and capacity.

Ends

Further information from:

Mike Elsom, Navigate PR (London)

T: +44 (0)20 3326 8464 / +44 (0)7968 196077

E: melsom@navigatepr.com

Notes to editors:

The International Union of Marine Insurance (IUMI) represents 40 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.