

IUMI reports rising cargo insurance premiums

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The International Union of Marine Insurance (IUMI) reports an increase in the 2021 cargo insurance premium base (from 2020) of 8% to USD 18.9 billion alongside an improvement in overall loss ratios. Speaking at this year's Chicago conference, Isabelle Therrien, Chairperson of the IUMI Cargo Committee said:

"The cargo market has shown growth in 2021 partly due to a rise in the volume of cargo shipped globally combined with the pricing corrective measure still prevalent in that underwriting year. The much-needed correction has yielded favourable

underwriting performance. However, the industry is still facing headwinds as the global supply chain remains volatile and is still dealing with the aftershock of the pandemic while now adding inflationary pressures to the mix."



Cargo premiums increased in most markets, with China leading the growth in 2021. China now accounts for 14% of the cargo market, with the UK (Lloyd's of London and the International Underwriting Association) having a 12.2% market share. With 2021 claims starting at a low level due to subdued activity in 2020, loss ratios continue to improve in all markets.

She noted that companies are redesigning and diversifying their supply chains with concepts such as near-shoring, reshoring and friendly-shoring gaining in traction. These developments have the potential to change risk profiles in cargo insurers' portfolios.

Isabelle Therrien added: *"The pandemic has shown that factors such as stability and reliability when it comes to supply chains, are key to product availability. Our assureds are now also looking at different logistics, transportation and insurance solutions to manage this constantly evolving risk ."*

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Further information from:

Bill Lines, Navigate PR (London)

T: +44 (0)20 3326 8460

E: blines@navigatepr.com

Notes to editors:

The International Union of Marine Insurance (IUMI) represents 44 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.