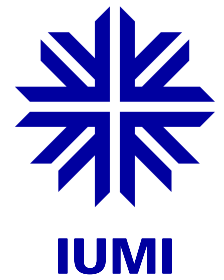


# IUMI reports sustained improvement for cargo insurance market



18th September 2024

Speaking at today's International Union of Marine Insurance (IUMI) annual conference in Berlin, Germany, Mike Brews, Chair of the IUMI Cargo Committee reported a sustained improvement for the marine insurance cargo market.

According to IUMI's own analysis, global cargo premiums for 2023 were USD 22.1 billion representing a 6.2% increase on the previous year. This increase demonstrated positive market development which has been sustained for a number of consecutive years. Similarly, cargo loss ratios (the total of premiums earned less the amount paid out in claims) were improving across many regions. In general, loss ratios tend to develop (ie increase) over time but the starting point for 2023 was significantly lower than in previous years. This, coupled with relatively low and stable claims, has created a positive environment for cargo underwriters.



“In general, the cargo market is healthy and in a good place”, said Mike Brews, “we appear to be in a good part of the cycle. Losses have improved over the past five years with major losses down year-on-year. It appears that carriers and operators are focusing much more on loss prevention which is good for all concerned, particularly those serving at sea.”

However, Mike Brews highlighted a number of areas which require careful monitoring, notably the change in global weather patterns. Major storms were becoming a concern for all insurance classes but with marine bearing the brunt. Marine cargo losses due to extreme weather events were no longer localised and resultant losses were starting to increase – this included static and in-transit cargoes. Similarly, containers lost at sea were also on the rise.

International conflict continued to be a concern with cargoes being affected as they transit high-risk areas such as the Red Sea and the Russia/Ukraine war zone. Hijackings were also reported to be on the increase globally.

Accumulation of risk on single vessels or in ports or other shoreside facilities continued to be an

issue but assureds and underwriters were much more aware of the issue than previously, said Mike Brews:

“Multiple consignments will always gather in single locations and ever-larger vessels will always carry large high-value cargoes. But today, the market is much more aware of stocks and values and is cognizant of the potential risk. Our knowledge of the issue is so much better and so we can take steps to mitigate that particular risk”.

He continued,

“Today, insurance companies are paying more attention to their marine business than in recent years. Although marine is usually a small part of the overall portfolio, losses can be significant. Underwriting discipline is improving and companies are focusing on their loss ratios and not chasing business based on premiums alone. This is good news and, as a result, the market appears to be moving in a positive direction”.

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About IUMI The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals.

IUMI currently represents 42 national and marine market insurance and reinsurance associations.

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