Marine premiums stagnate despite fleet growth and upswing in trade

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Global marine premiums fell by 1.7% last year, dropping from $34.8bn in 2012 to $34.2bn according to the latest statistics released by the International Union of Marine Insurance at its 2014 annual conference in Hong Kong.

Astrid Seltmann, Vice Chairman of the organisation's Facts and Figures Committee, told the conference that Europe has an overall marine premium market share of 52.6%, the Asia-Pacific region has 25.5% share and Latin America 10.1%.

In the $18.2bn cargo premiums market, Europe has a 43.8% market share, with the Asia-Pacific region contributing 29.2% of premiums. In terms of countries, China is now leading the way in cargo with a 9.3% market share, followed by Japan with 8.5%. It should however be noted that part of the reason why China passed Japan in terms of USD cargo premium as a result of the Yen/USD exchange rate. The other two major cargo markets are in Europe: Lloyd's with 7.6% and Germany with a further 7.2%.

Seltmann said although the global trade volume is increasing again, cargo premiums are stagnating despite claims costs unlikely to decrease; it is a similar story for hull premiums - which stagnate despite a continuous increase of the world fleet and high-value vessels especially.

Hull premiums for 2013 were $8.52bn, down 0.8% on 2012. Europe still has the most business with 52.6%, followed by Asia on 32.4%. Lloyd's is the largest individual market with 16%, followed by China on 10.4%.

Although the loss ratio improved overall with large losses in particular declining, the hull market still recorded its 18th consecutive loss making year in 2013.

Meanwhile, in the volatile offshore energy market premiums dropped 7.5% to $5.2bn.