



2021 CASUALTY TRENDS

Jun Lin, Chair of IUMI Facts and Figures Committee

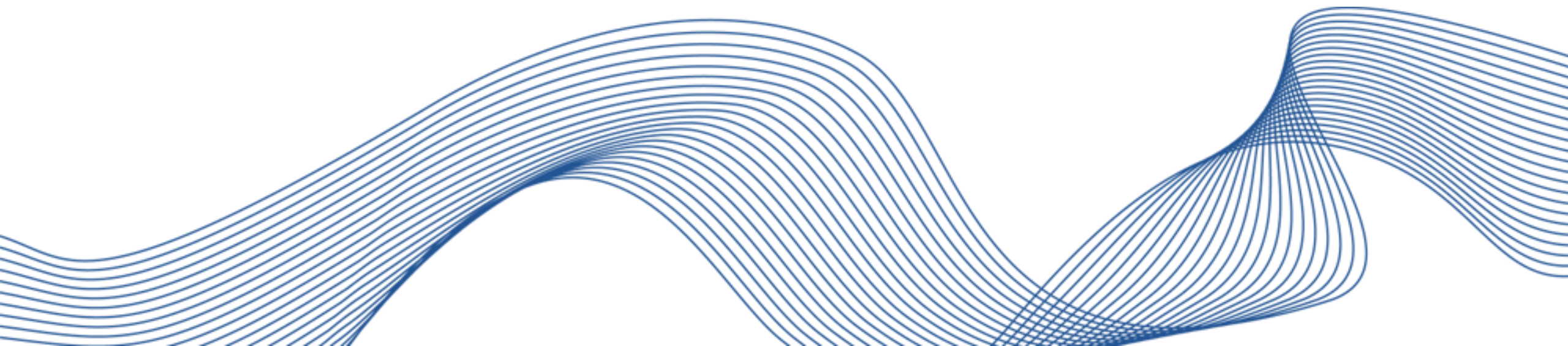
10 November 2022

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- Global Marine Insurance Market
- Global Fleet Development
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ABOUT IUMI AND FACTS & FIGURES COMMITTEE



ABOUT IUMI AND FACTS & FIGURES COMMITTEE

- The International Union of Marine Insurance (IUMI) represents national and international marine insurers and considers issues of interest to the worldwide marine insurance industry.
- The Facts & Figures Committee provides IUMI with up-to-date key shipping and marine insurance data and statistics, as well as an overview of trends in the marine, offshore and related industries.



[HTTPS://IUMI.COM/STATISTICS](https://iumi.com/statistics)



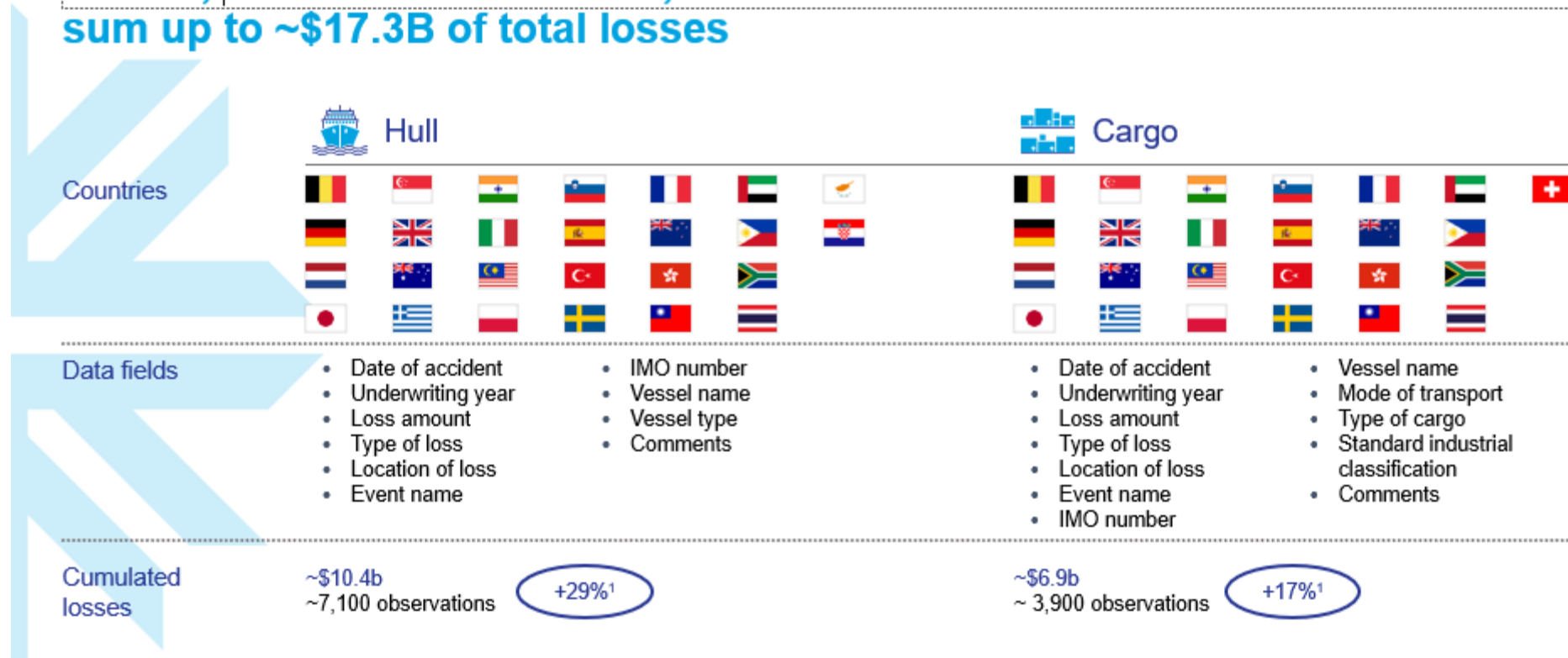
- IUMI reporting formats
- Global Marine Insurance Report
- F&F press release
- IUMI Stats Report
- IUMI Major Claims Database



MAJOR CLAIMS DATABASE

Started in 2018; now participation of 27 countries

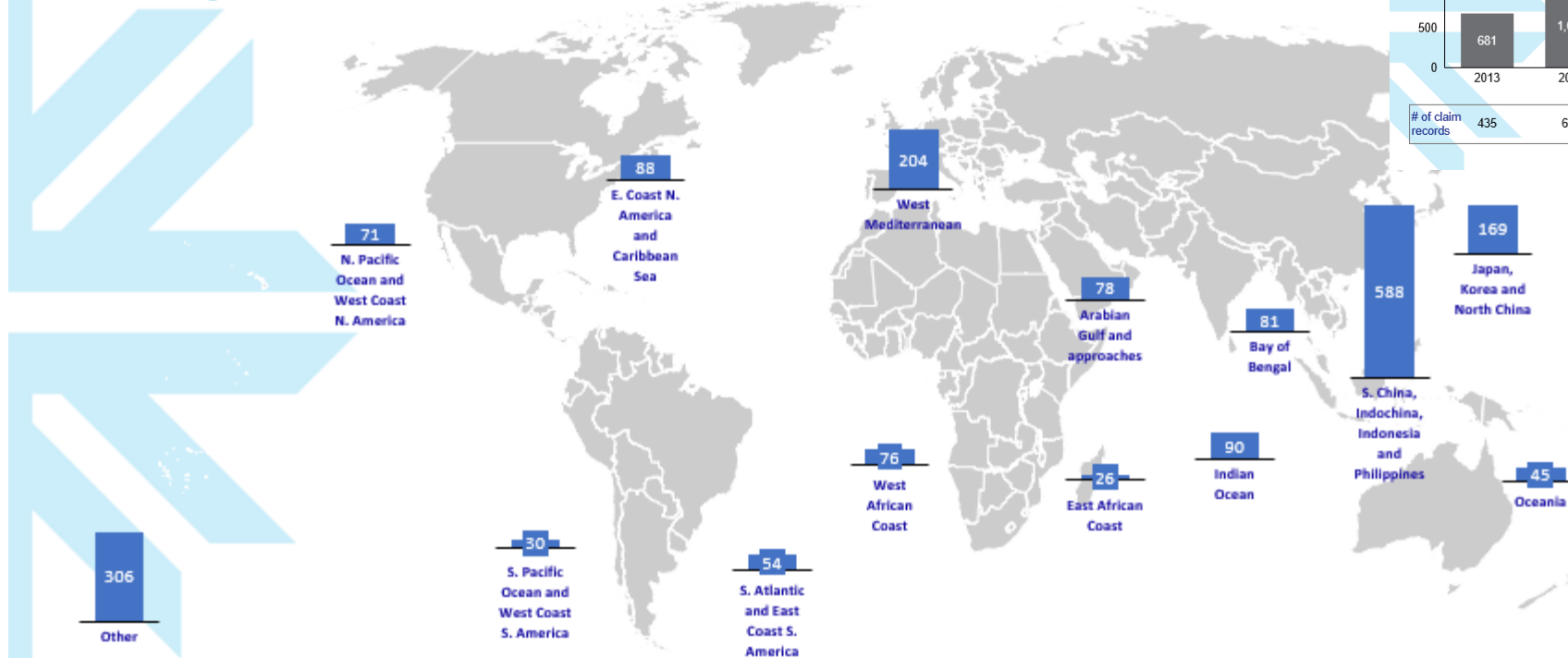
In total, we have collected ~11,000 claim records from 27 countries that sum up to ~\$17.3B of total losses



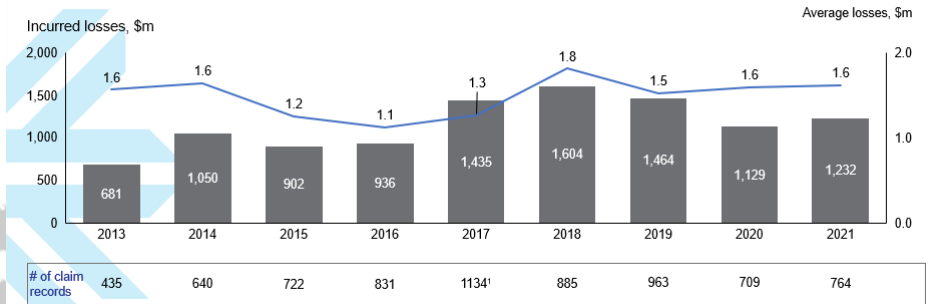
MAJOR CLAIMS DATABASE

In 2022 we start to publish Hull major claims info

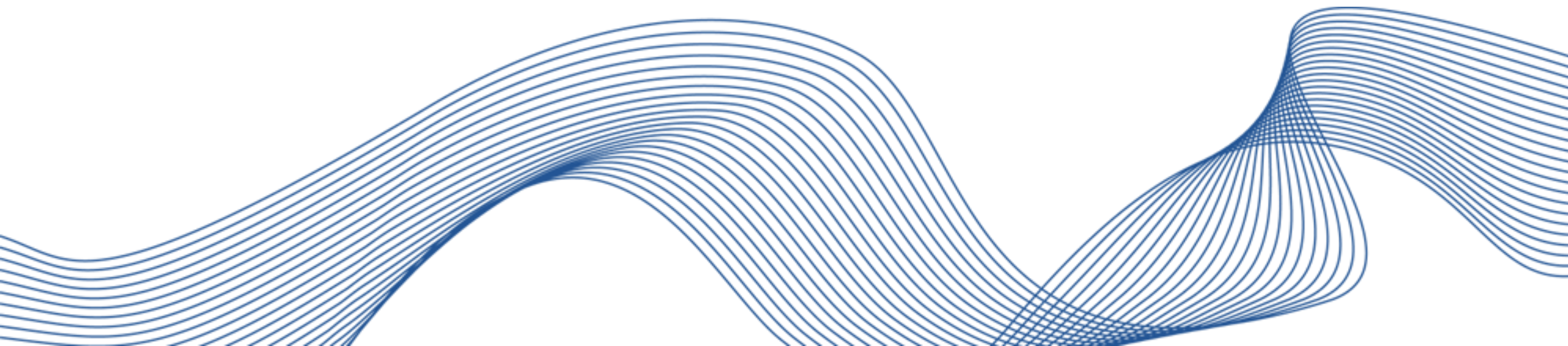
Hull: Incurred losses by loss location for ocean voyage in the period 2013-2021, \$m



Hull: Incurred losses and average losses in the period 2013-2021, \$m

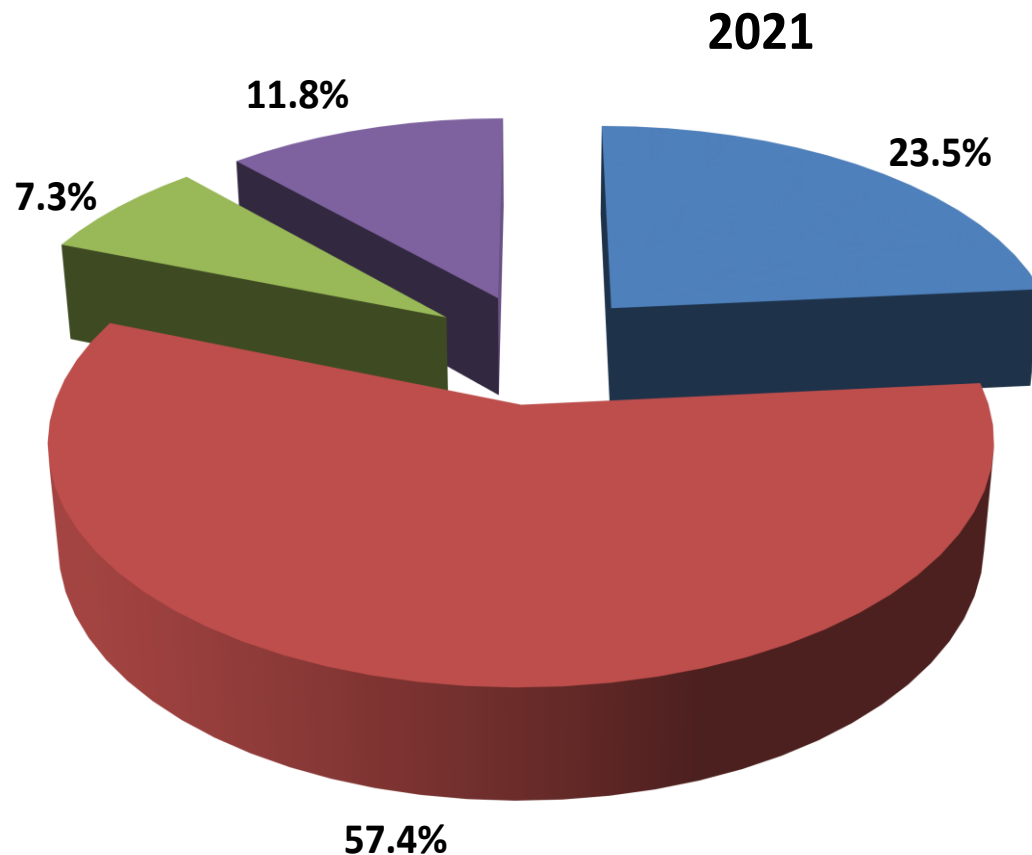


GLOBAL MARINE INSURANCE MARKET



GLOBAL MARINE INSURANCE MARKET

Marine premiums 2021 – by line of business



Total estimate 2021: 33.0 USD billion / Change 2020 -> 2021: 6.7%
NB: Exchange rate effects

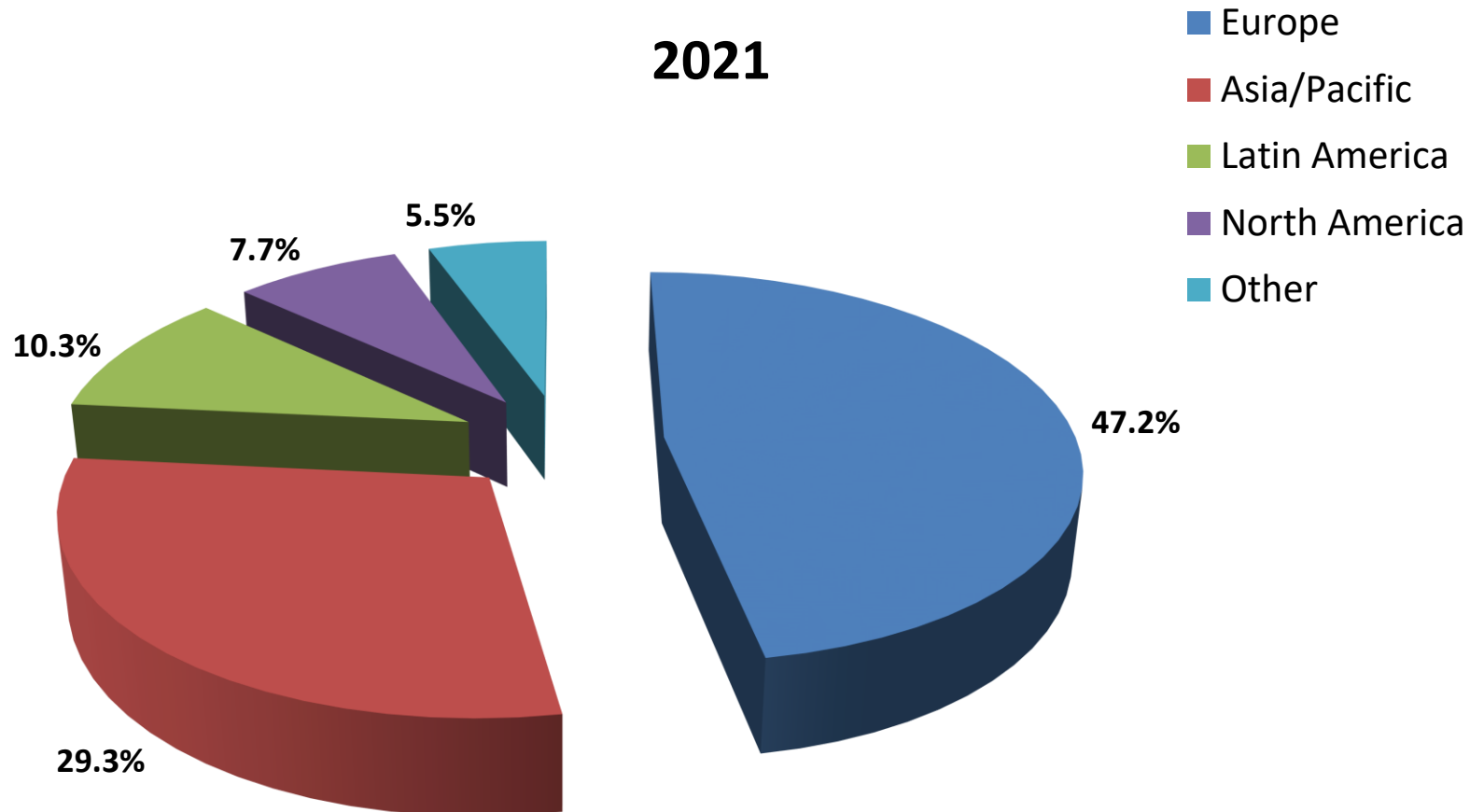
- Global Hull
- Transport/Cargo
- Marine Liability*
- Offshore/Energy

* other than P&I covered by clubs of International Group.



GLOBAL MARINE INSURANCE MARKET

Marine premiums 2021 – by region



Total estimate 2021: 33.0 USD billion

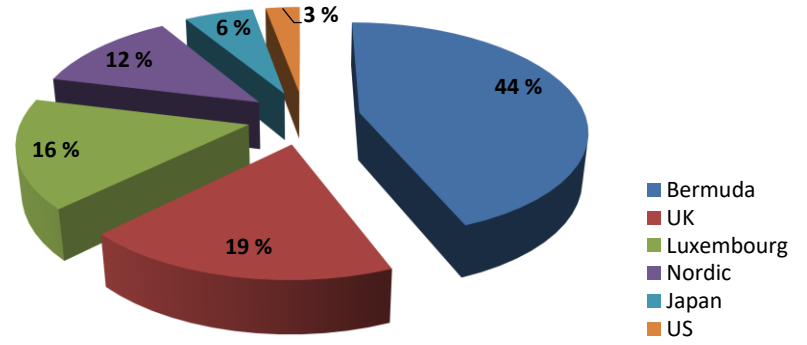
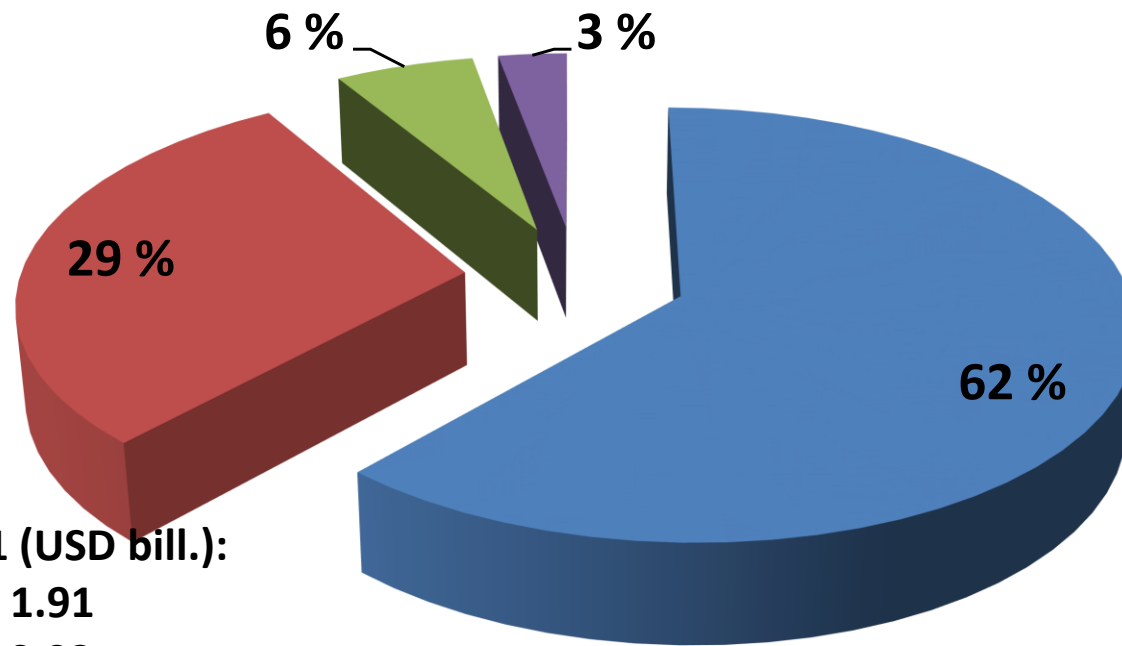


IUMI



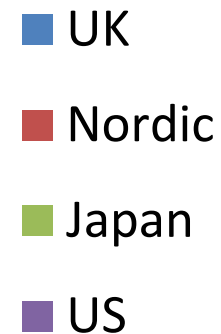
Cefor

P&I INTERNATIONAL GROUP – BY OPERATIONAL LOCATION



Calls 2021 (USD bill.):

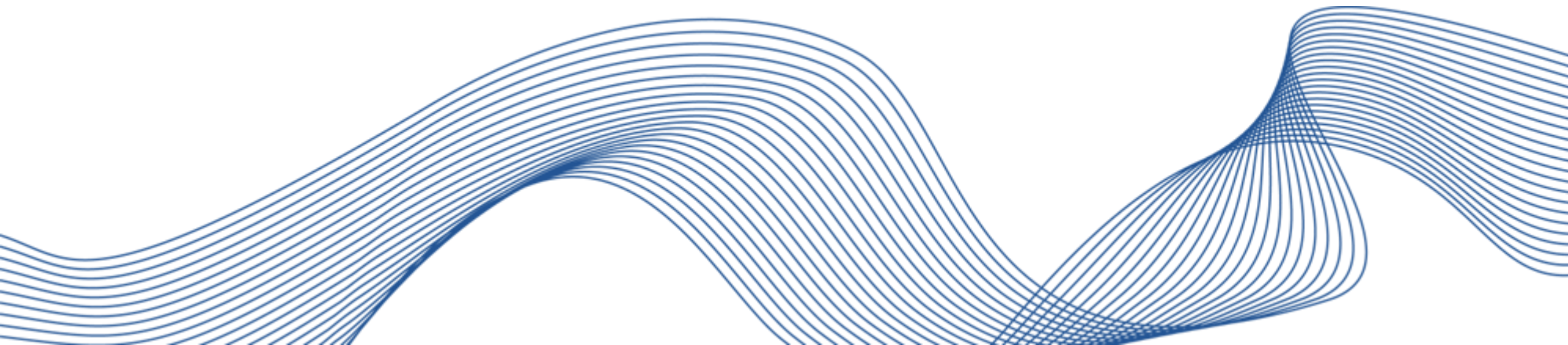
UK:	1.91
Nordic:	0.02
Japan:	0.18
US:	0.09
Total:	3.10



- Source: International Group of P&I Clubs



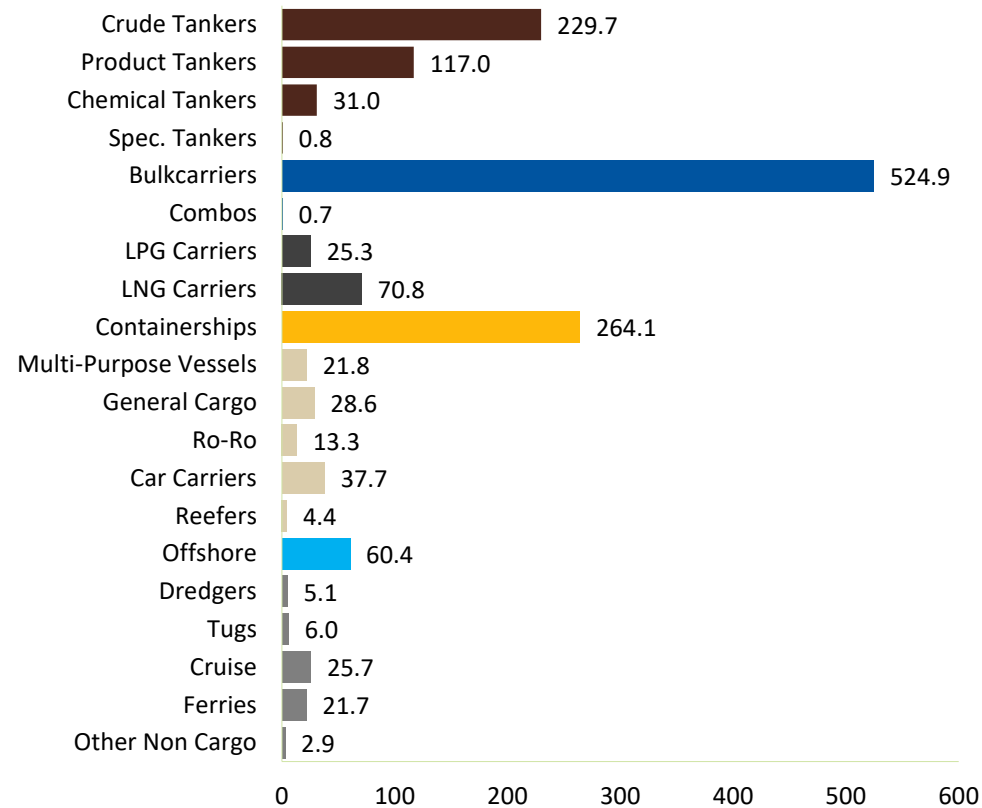
GLOBAL FLEET DEVELOPMENT



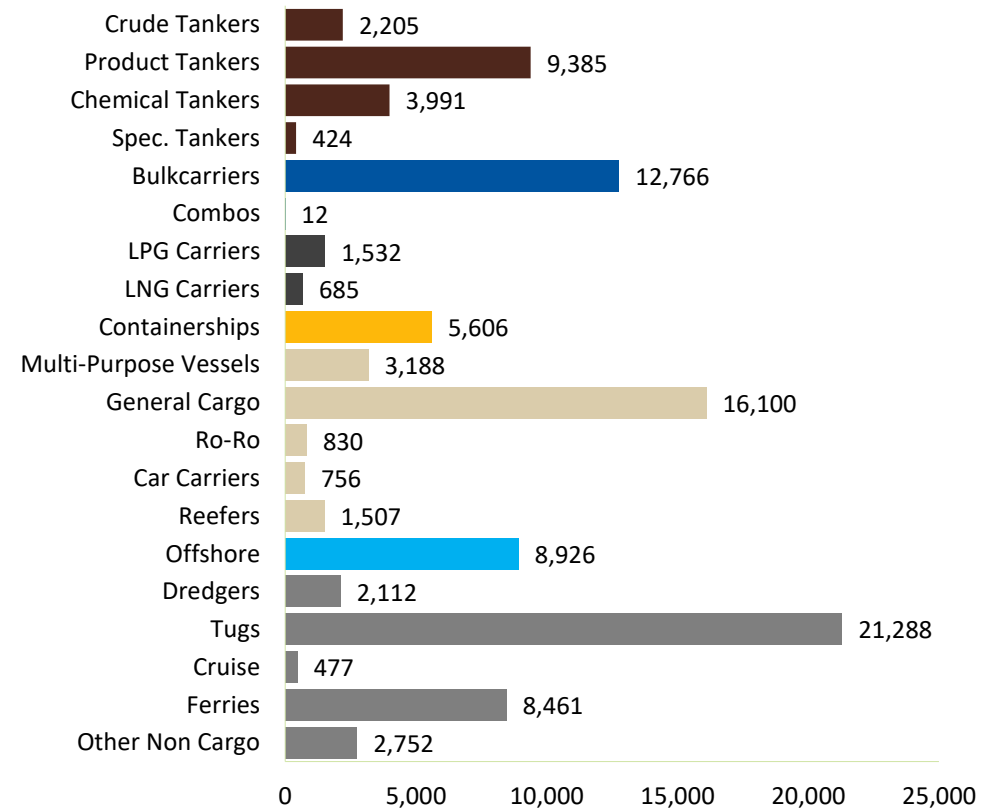
GLOBAL FLEET AT 2022

The world fleet stands at 1.5 bn GT or 2.2 bn DWT and 103k vessels

World Fleet as at March 2022, million GT



World Fleet as at March 2022, No. Vessels



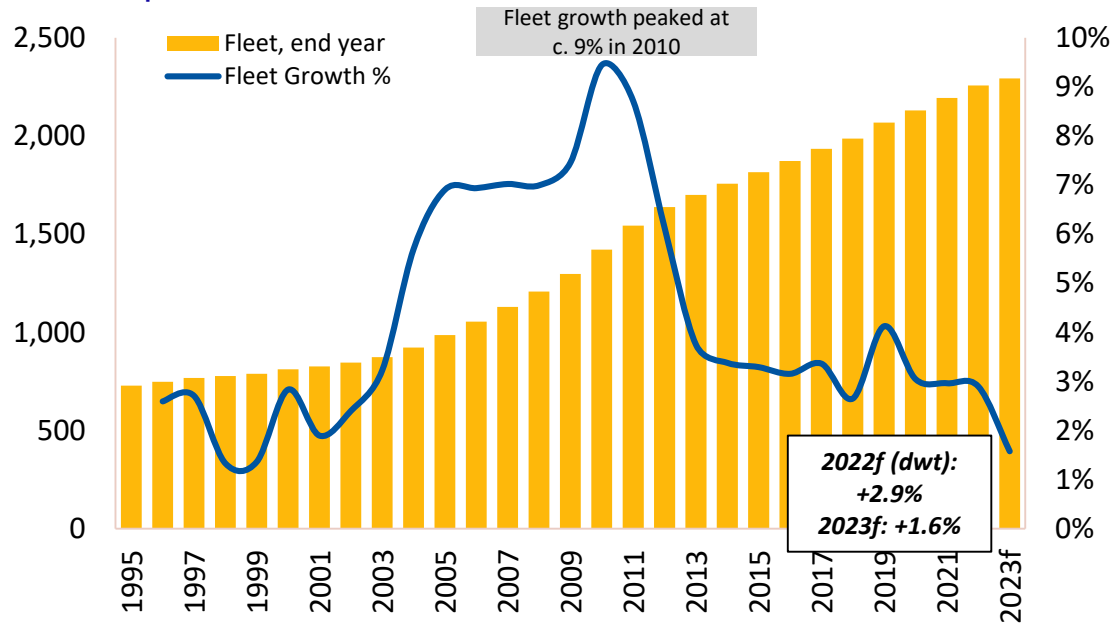
Source: Clarksons Research, September 2022



FLEET & ORDERBOOK DEVELOPMENT STILL SUPPORTIVE

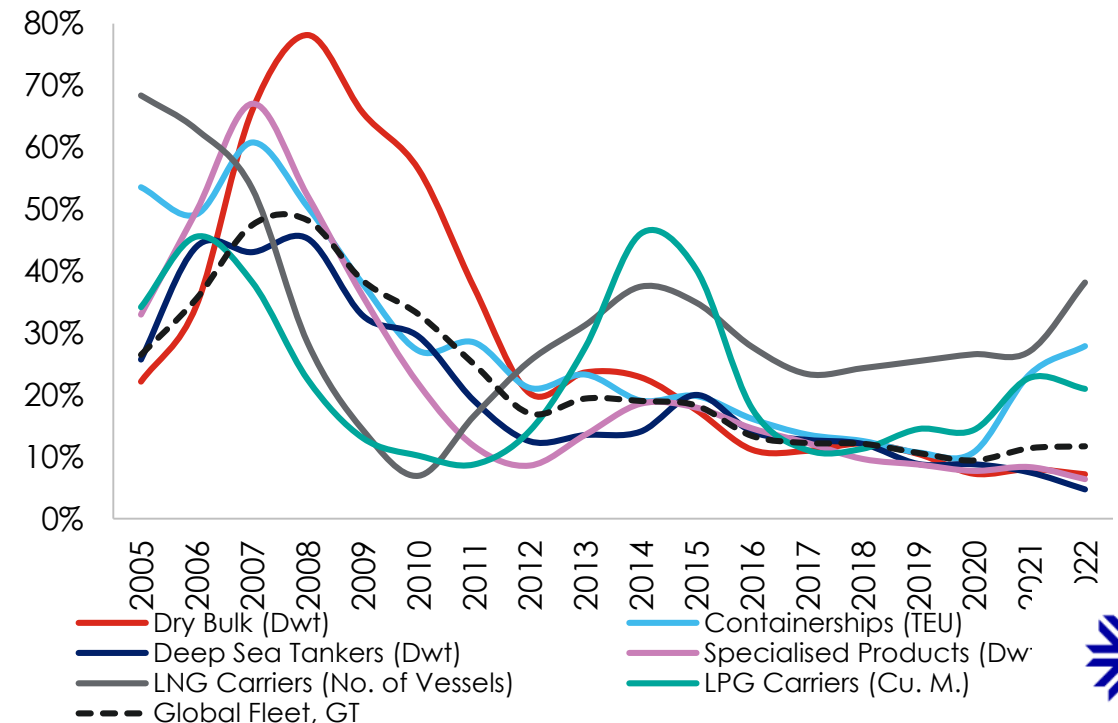
Growth slowing – combination of economic outlook and new technology adoption

Development of World Fleet, m dwt



- World fleet c.90% larger than 2008
- c.40% more cargo being moved than 2008

Orderbook as % Fleet, end year/YTD



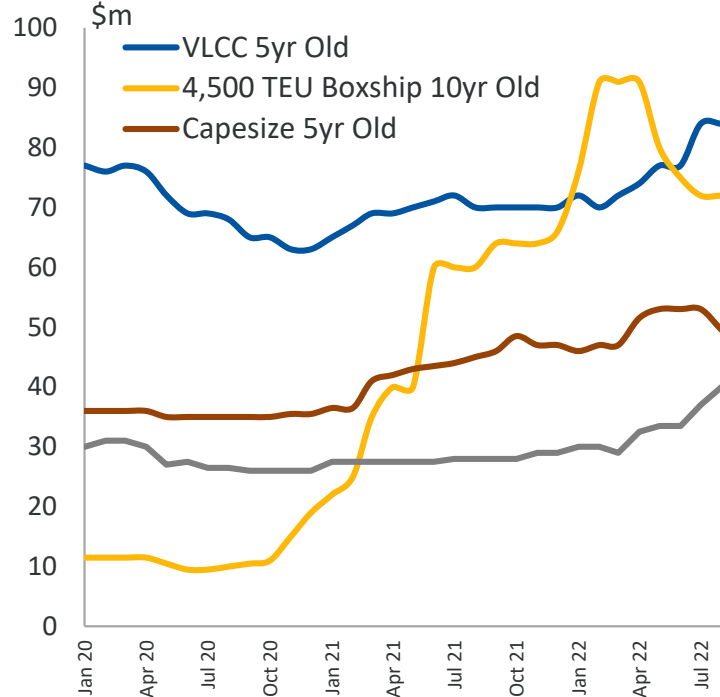
Source: Clarksons Research, September 2022



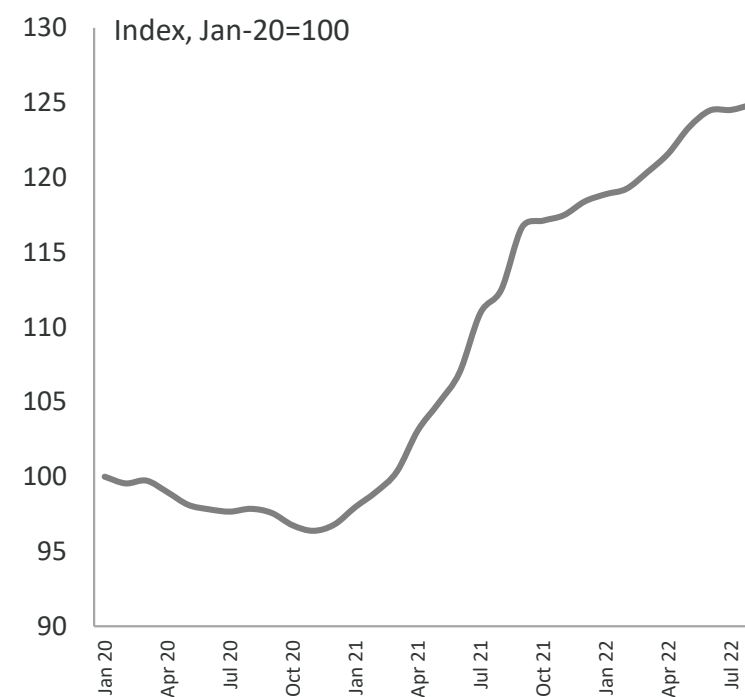
VESSEL VALUES TRENDING UPWARD SINCE PANDEMIC

Outlook less certain giving the economic headwinds

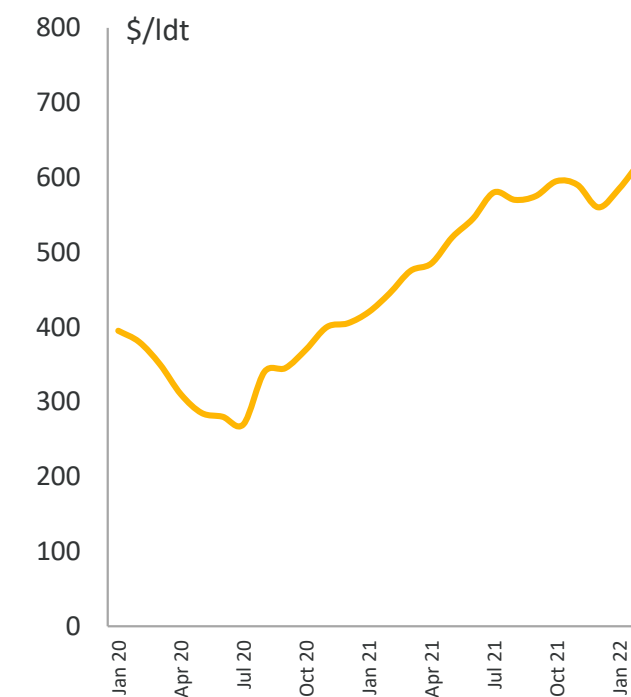
Secondhand Prices



Newbuilding Price Index



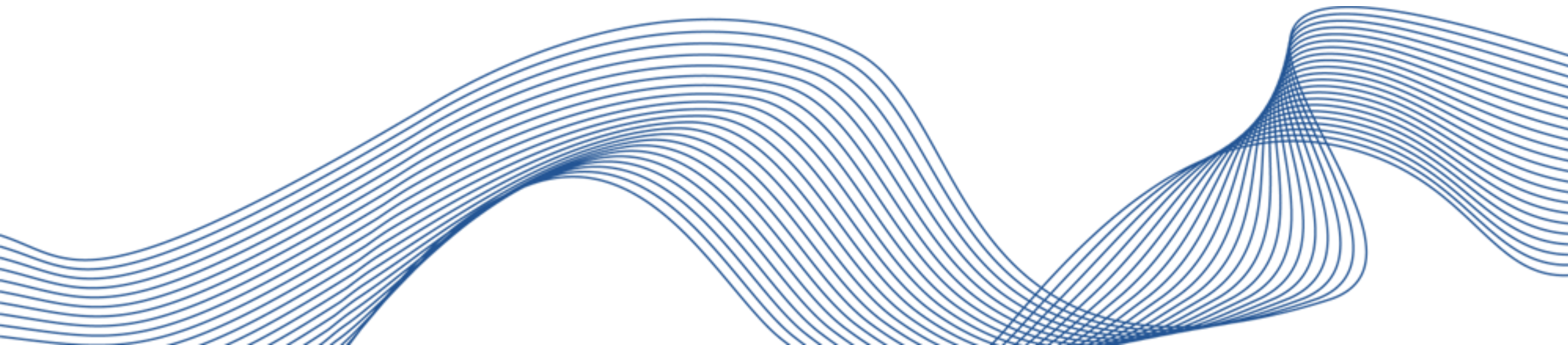
Indian Scrap Price



Source: Clarksons Research. Prices as at end month. Scrap price basis Capesize bulker.

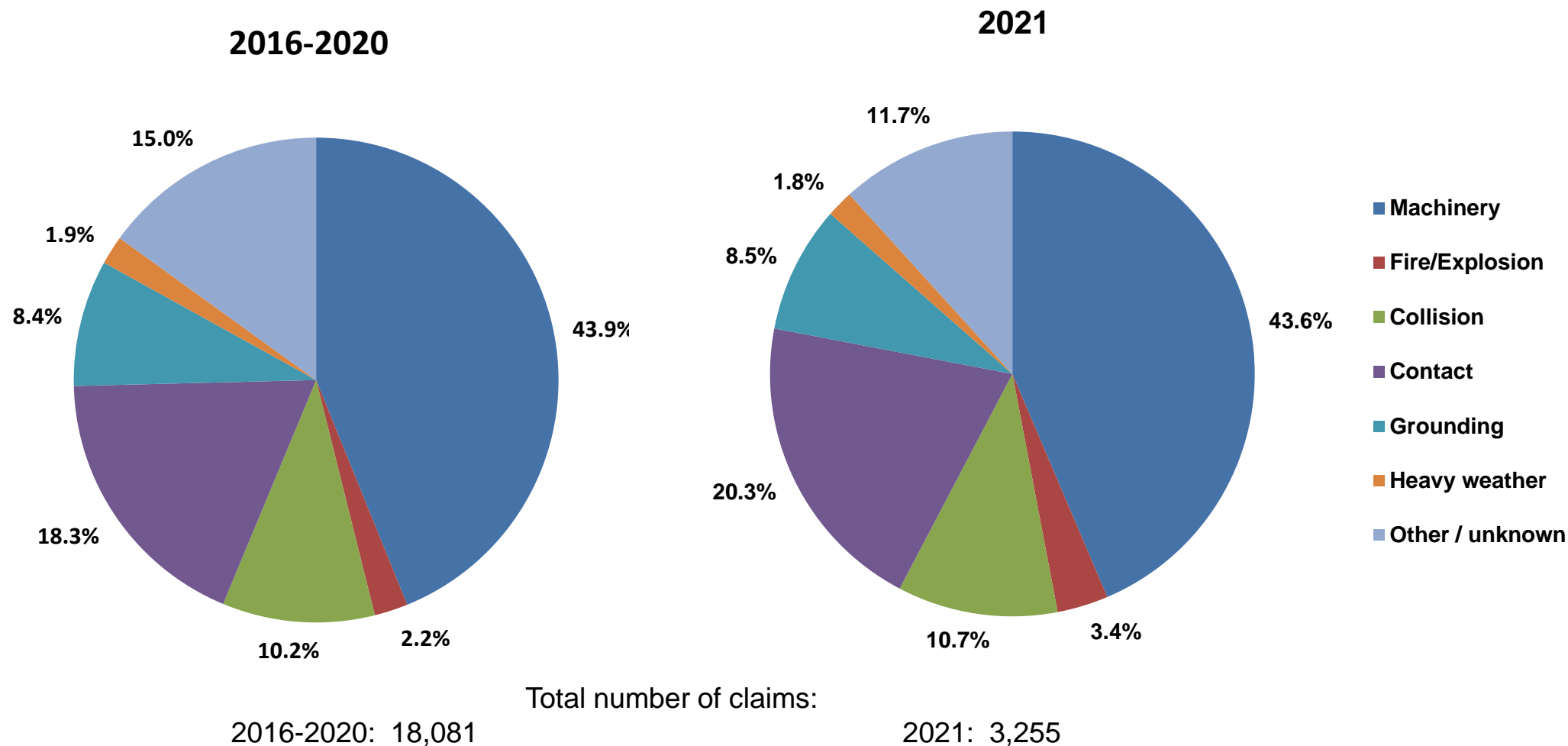


CEFOR CASUALTY TRENDS



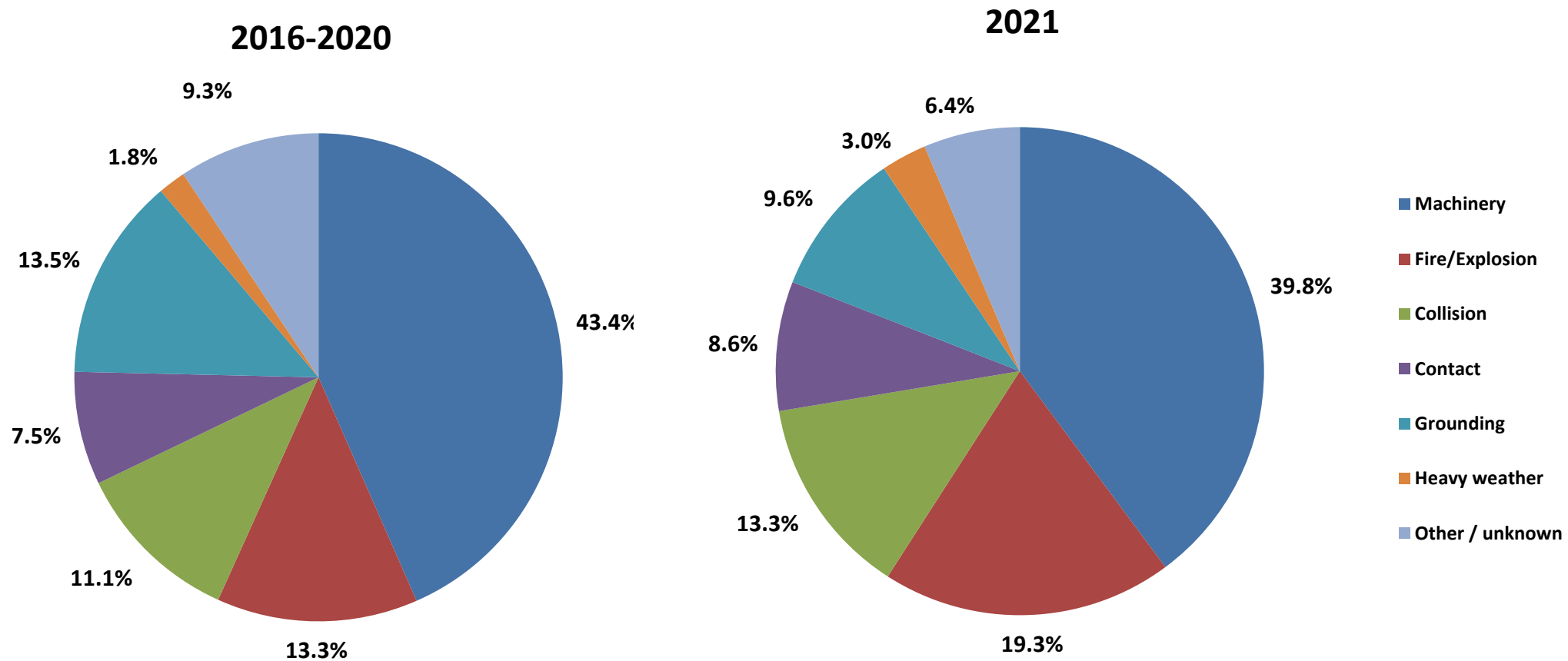
BREAKDOWN OF NUMBER OF CLAIMS BY TYPE OF CASUALTY

2021 follows the pattern in recent years



BREAKDOWN OF CLAIMS COST BY TYPE OF CASUALTY

Fires/explosions stronger impact on cost.

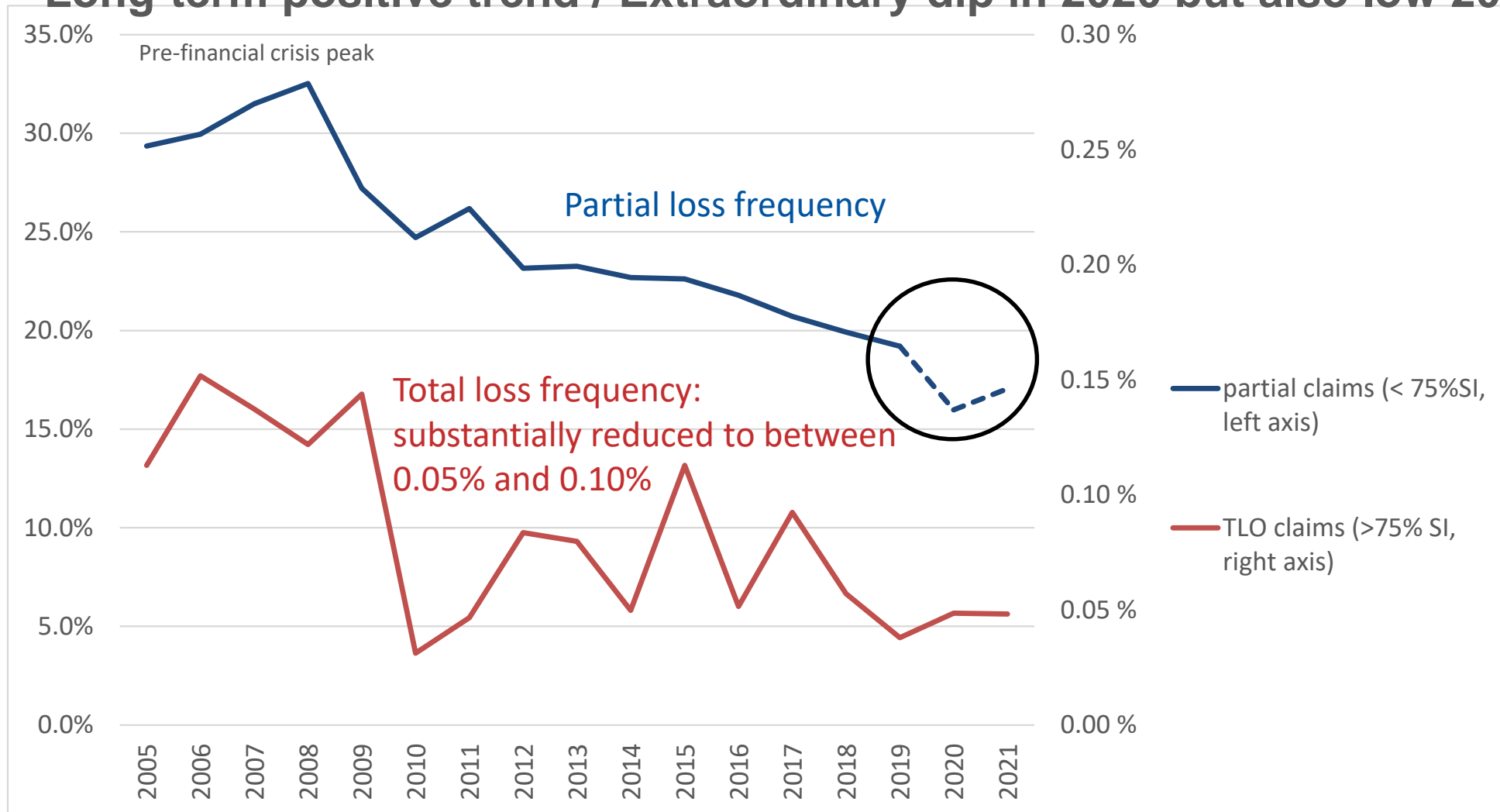


Total cost of claims in USD million:
2016-2020: 4,920.7

Total cost of claims in USD million:
2021: 945.4

CLAIMS FREQUENCY

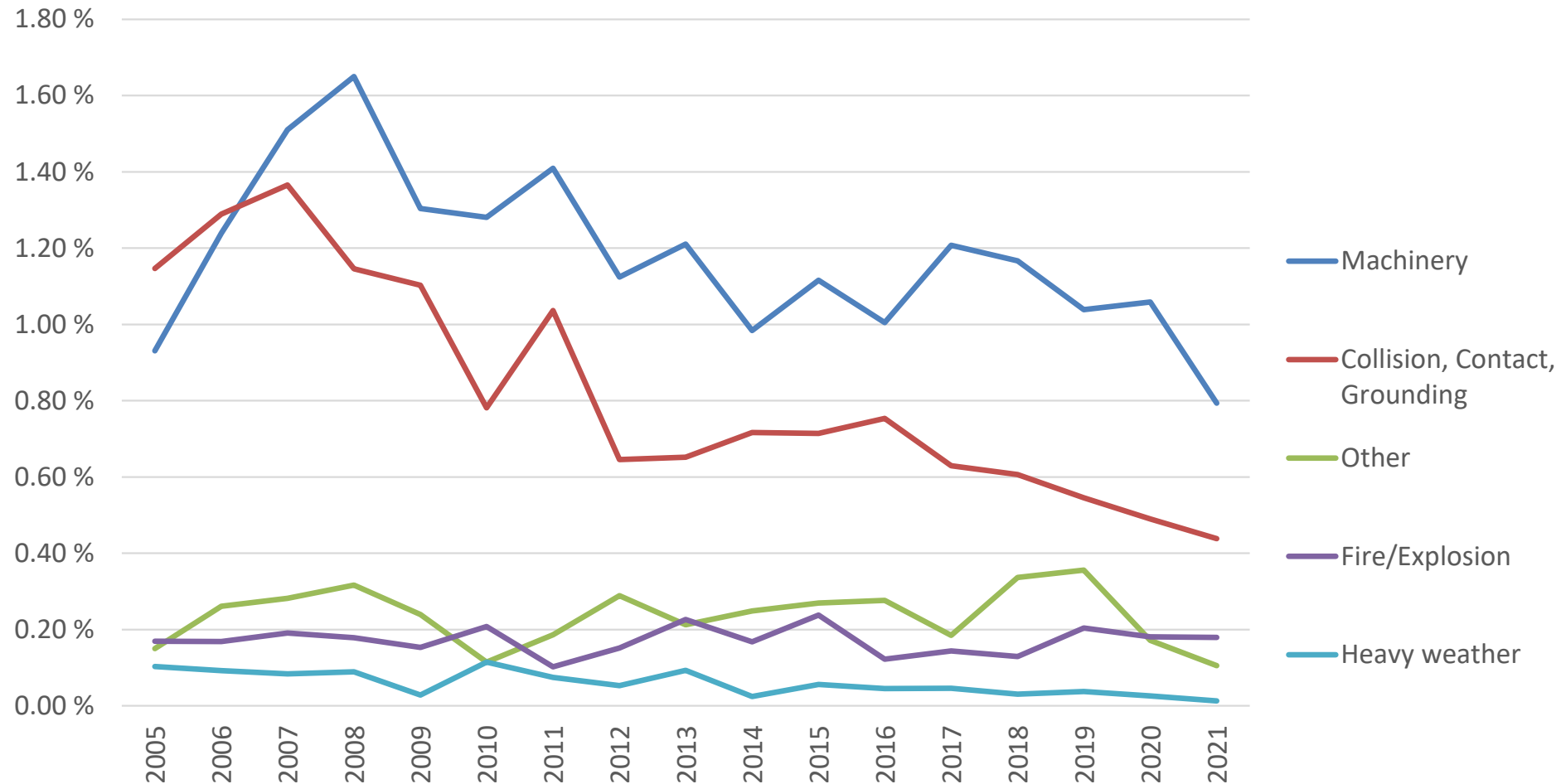
***Long-term positive trend / Extraordinary dip in 2020 but also low 2021**



* = Number of claims divided by number of insured vessels

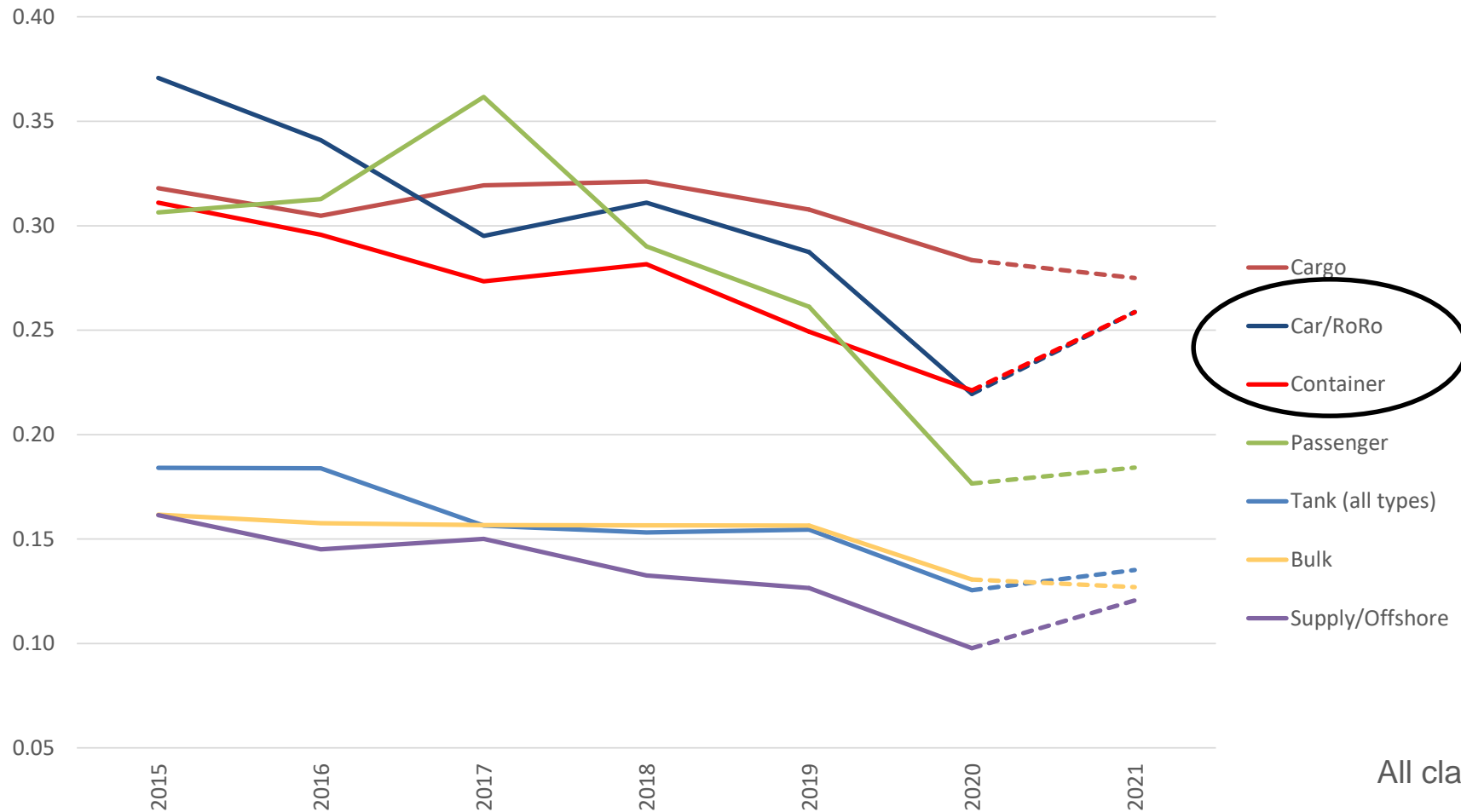
FREQUENCY OF CLAIMS > USD 500,000

Further reduction in machinery & nautical-related claims



CLAIMS FREQUENCY BY VESSEL TYPE*

passenger: Big reduction / container and Car/Roro: Increase

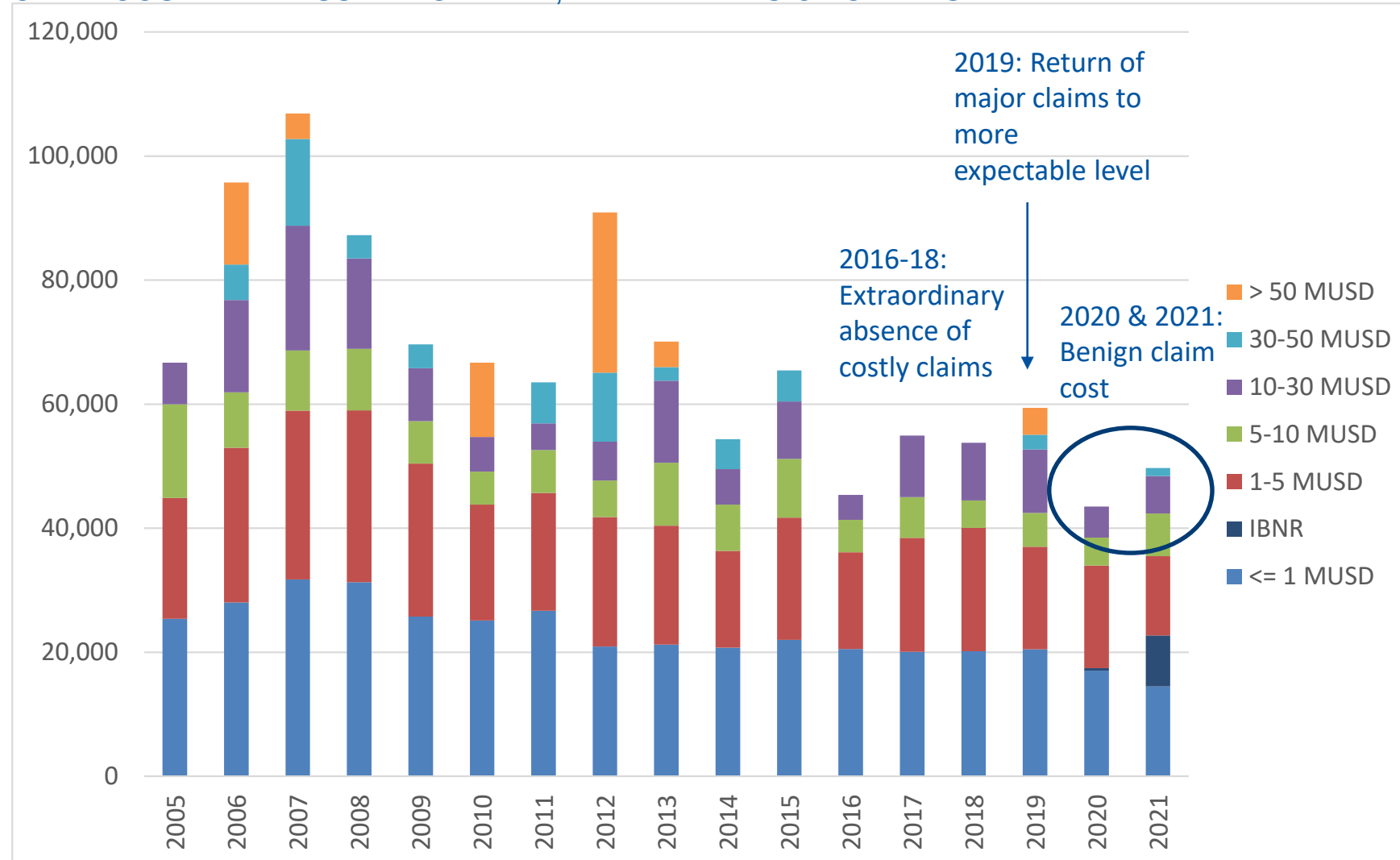


All claims, including IBNR*

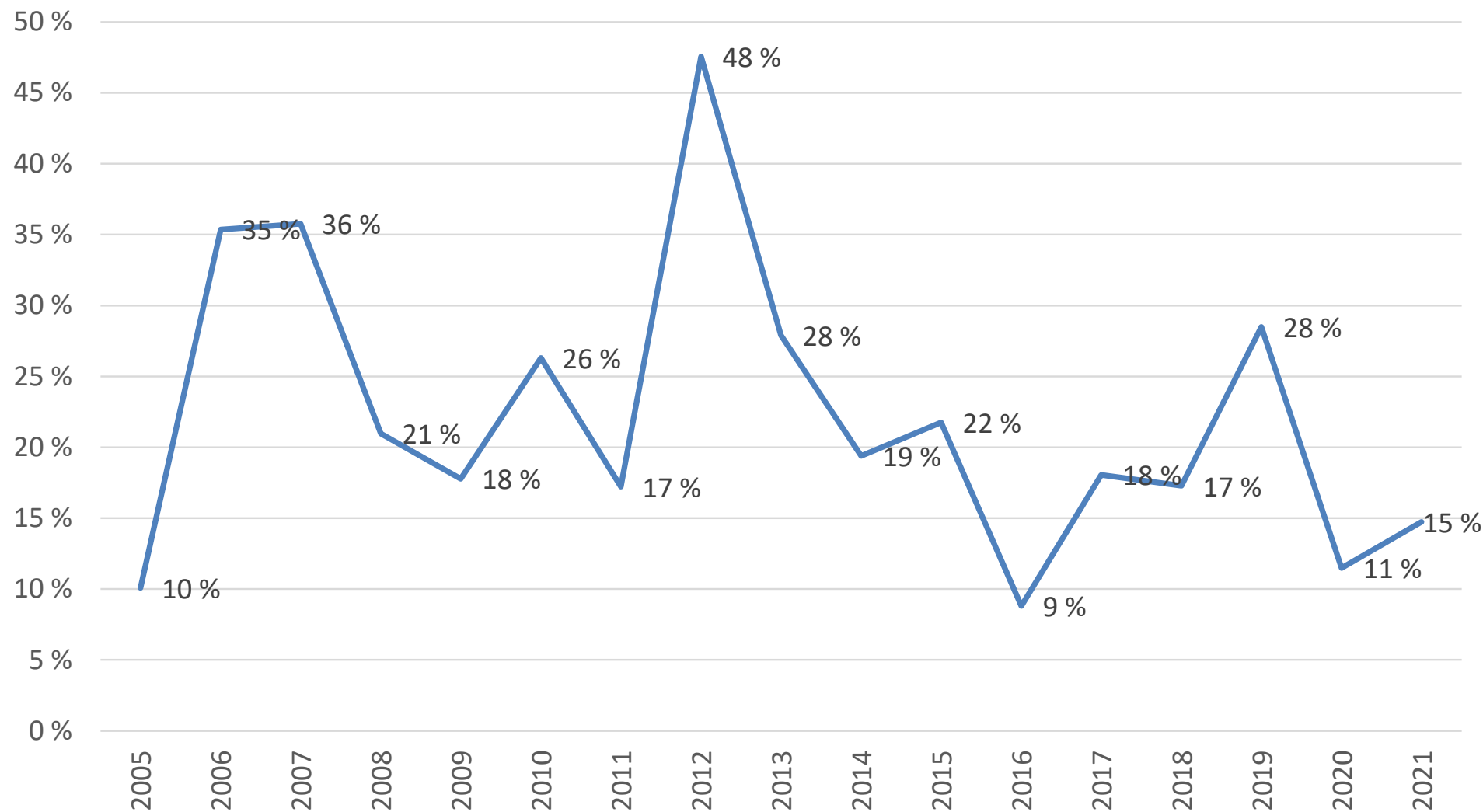
* IBNR = Incurred but not reported = reserve for claims adjustments and registration backlog

CLAIM COST PER VESSEL: RISING AFTER EXTRAORDINARY 2020 DROP BUT NOT ABOVE LOW 2017/2018 LEVEL

CLAIM COST PER VESSEL INCL. IBNR, BY INTERVALS OF CLAIM SIZE

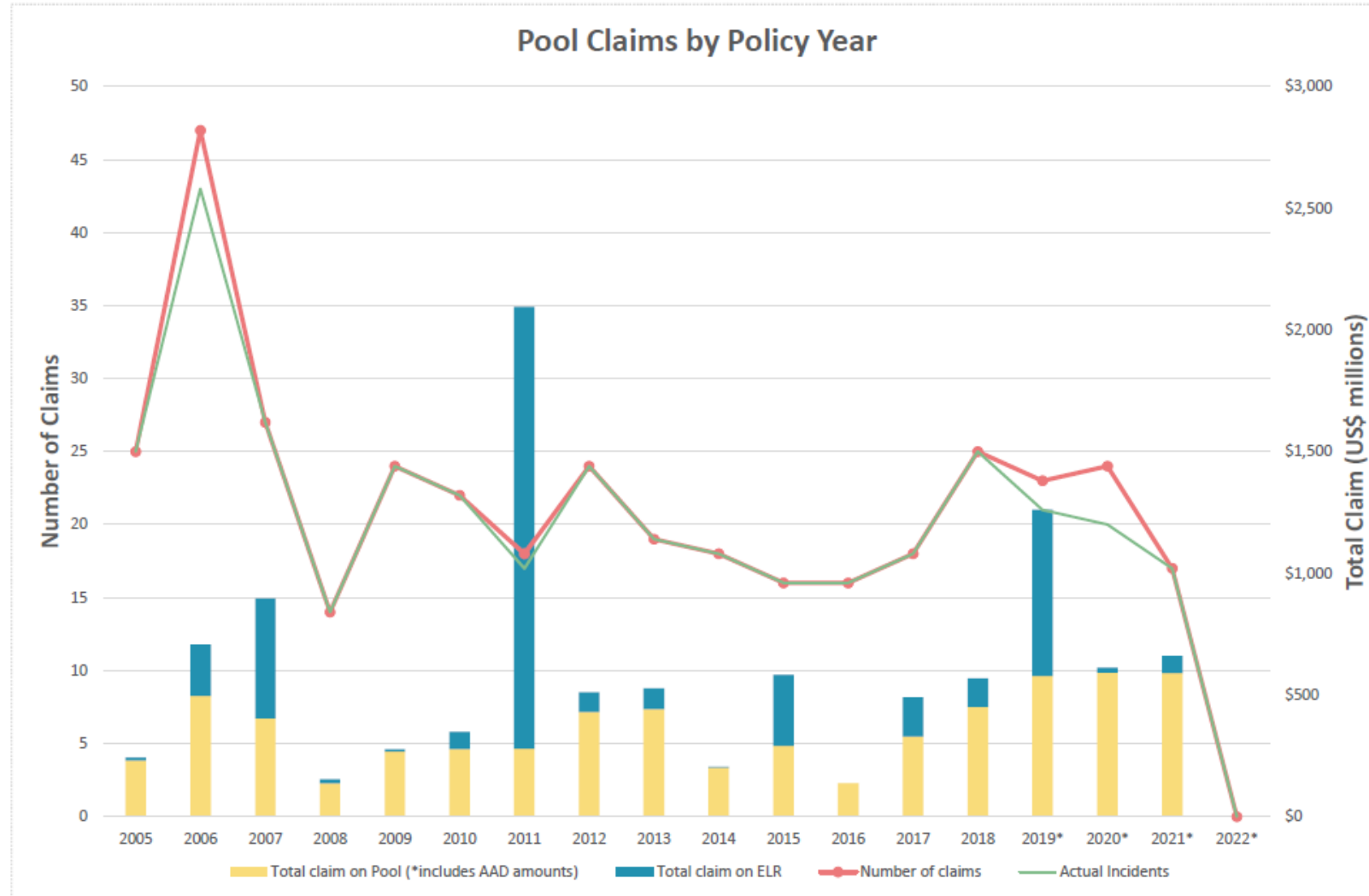


CLAIMS > USD 10 MILLION IN % OF TOTAL CLAIMS COST*

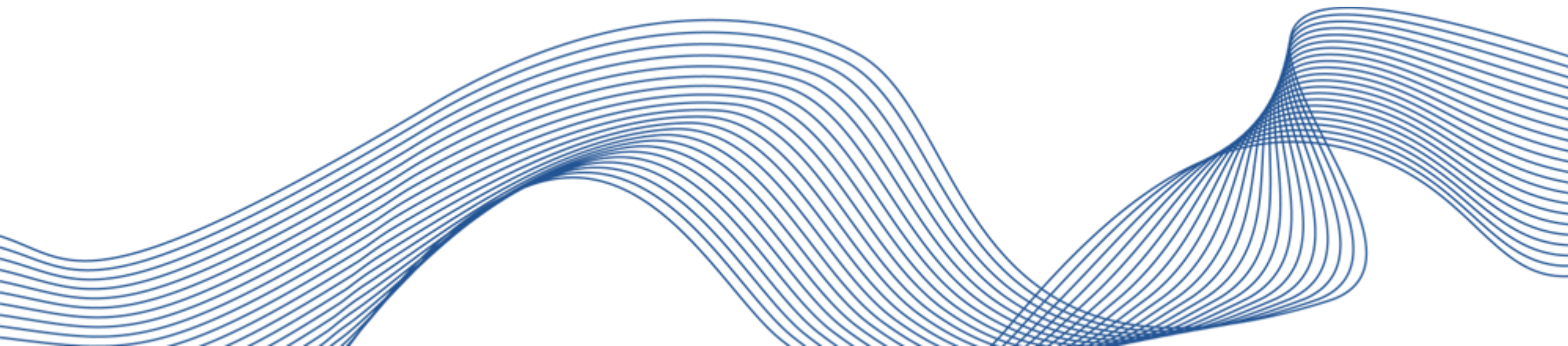


2020 & 2021
Low major loss
impact

IG P&I POOL CLAIMS TRENDS

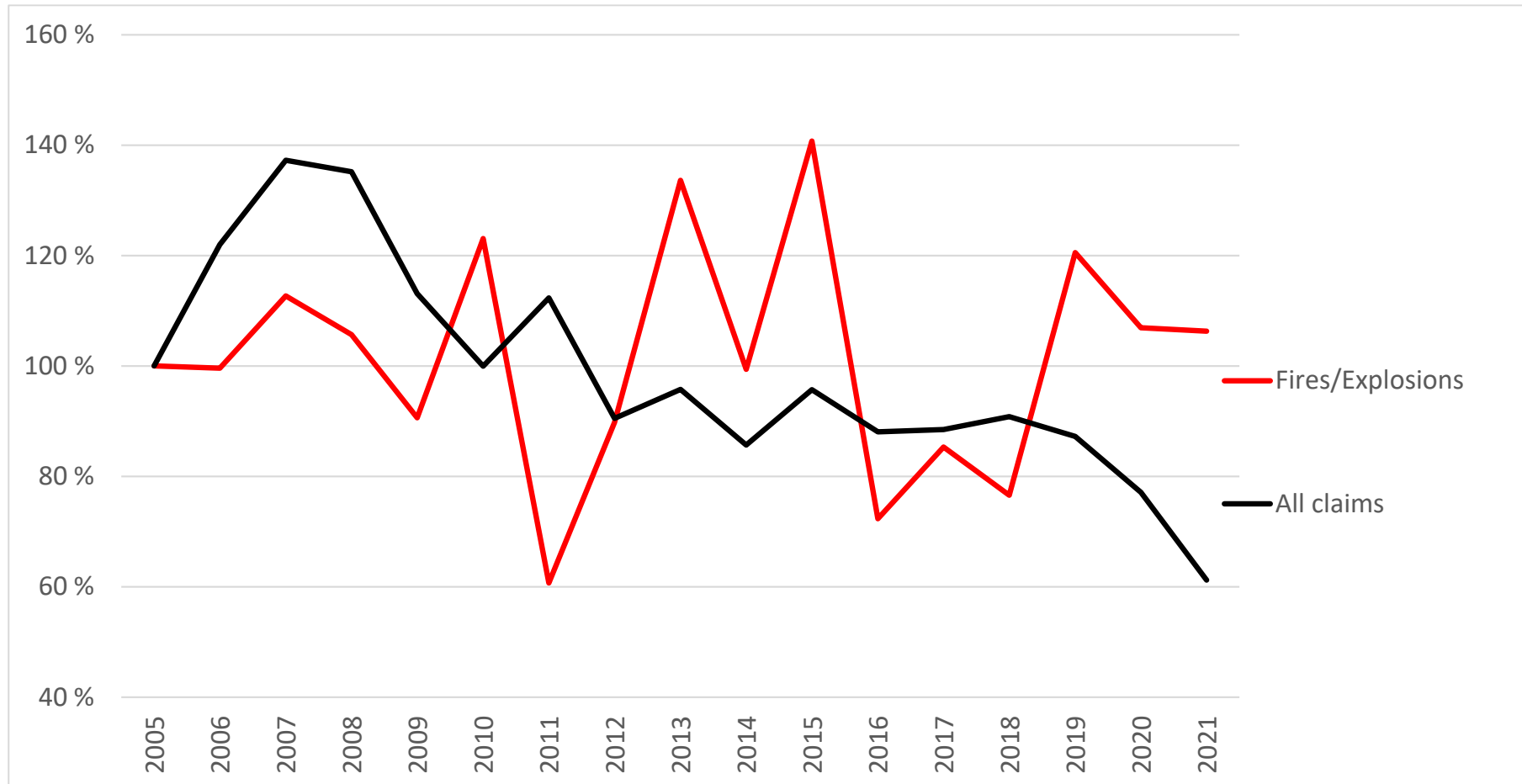


MORE FOCUS ON FIRE CLAIMS



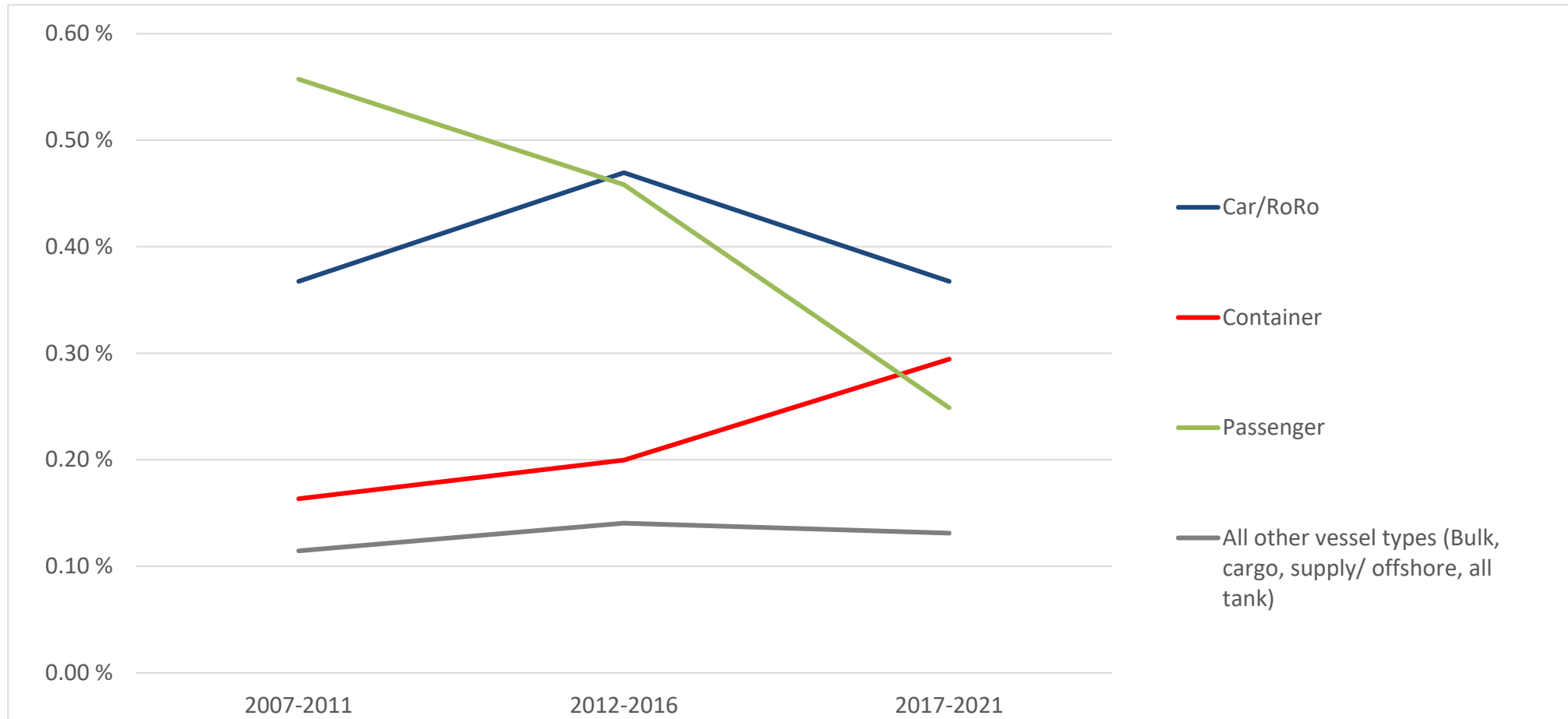
FIRE FREQUENCY: NO DOWNWARD TREND CONTRARY TO OTHER CASUALTY TYPES

INDEX FREQUENCY OF CLAIMS > USD 500,000, ALL VESSEL TYPES, 2005 = 100%



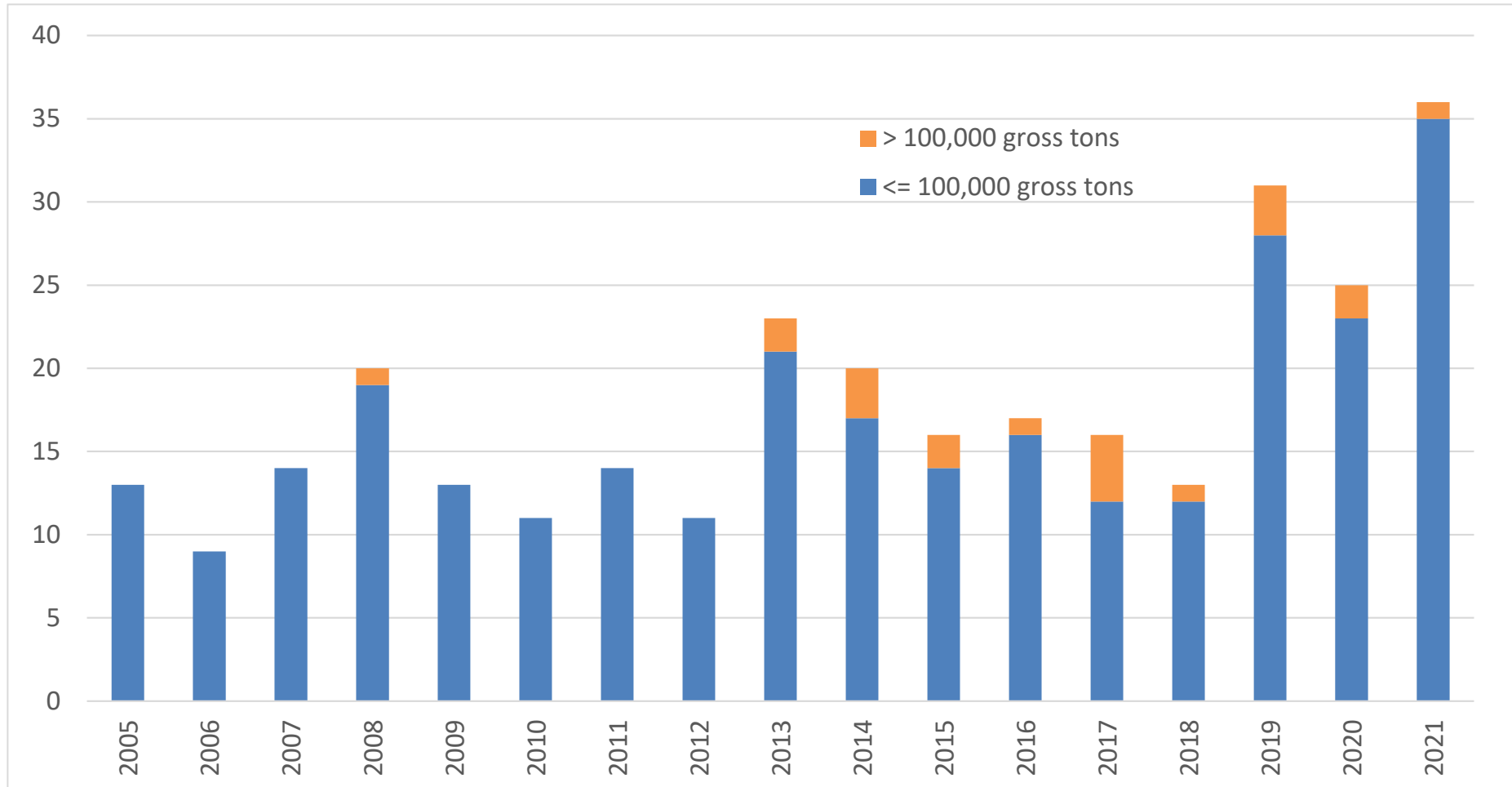
FIRE FREQUENCY BY VESSEL SEGMENT:

CAR/RORO: REMAINS HIGH
CONTAINER: INCREASING TREND
PASSENGER: BIG REDUCTION



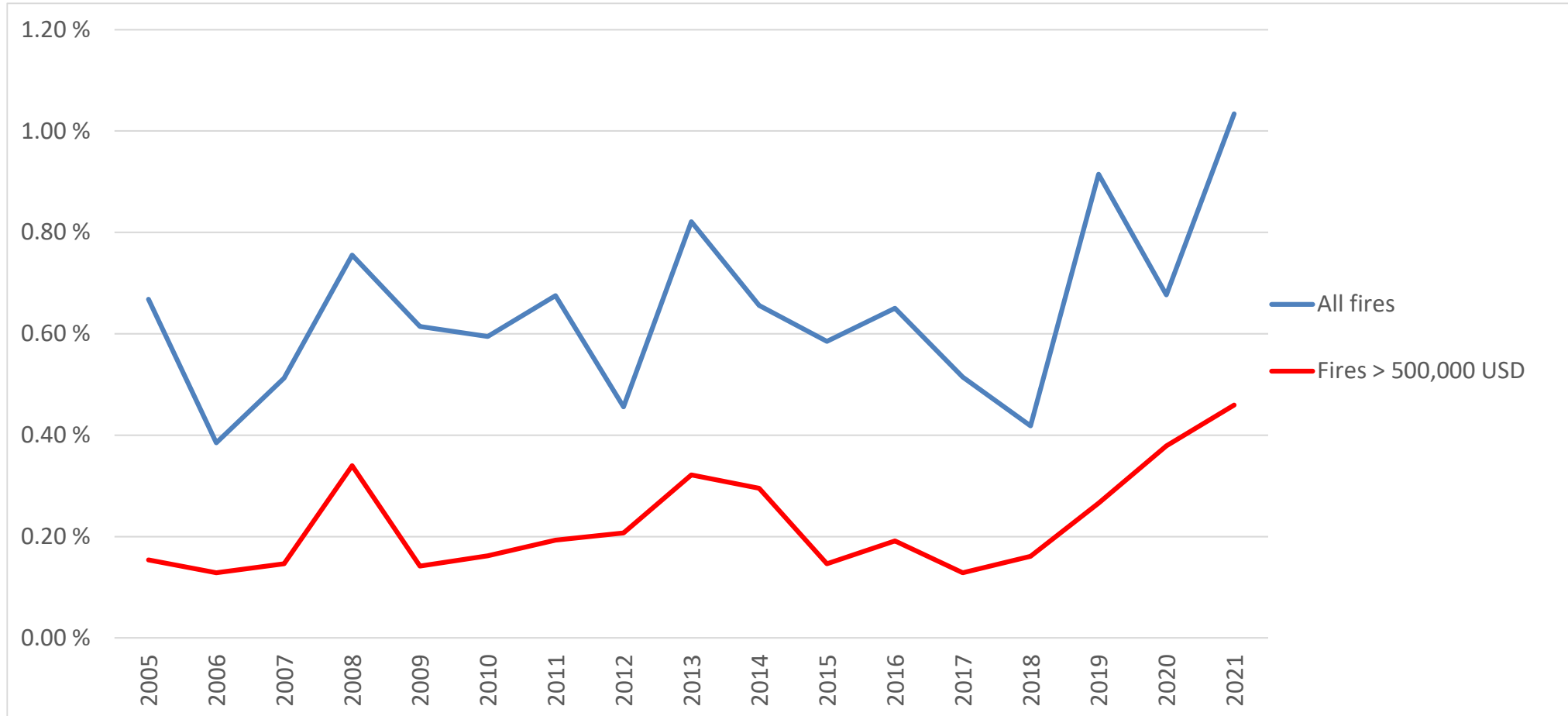
CONTAINER VESSELS: INCREASING NUMBER OF FIRES

NB: NEEDS TO BE SEEN IN RELATION TO INCREASING NUMBER OF CONTAINER VESSELS IN WORLD FLEET

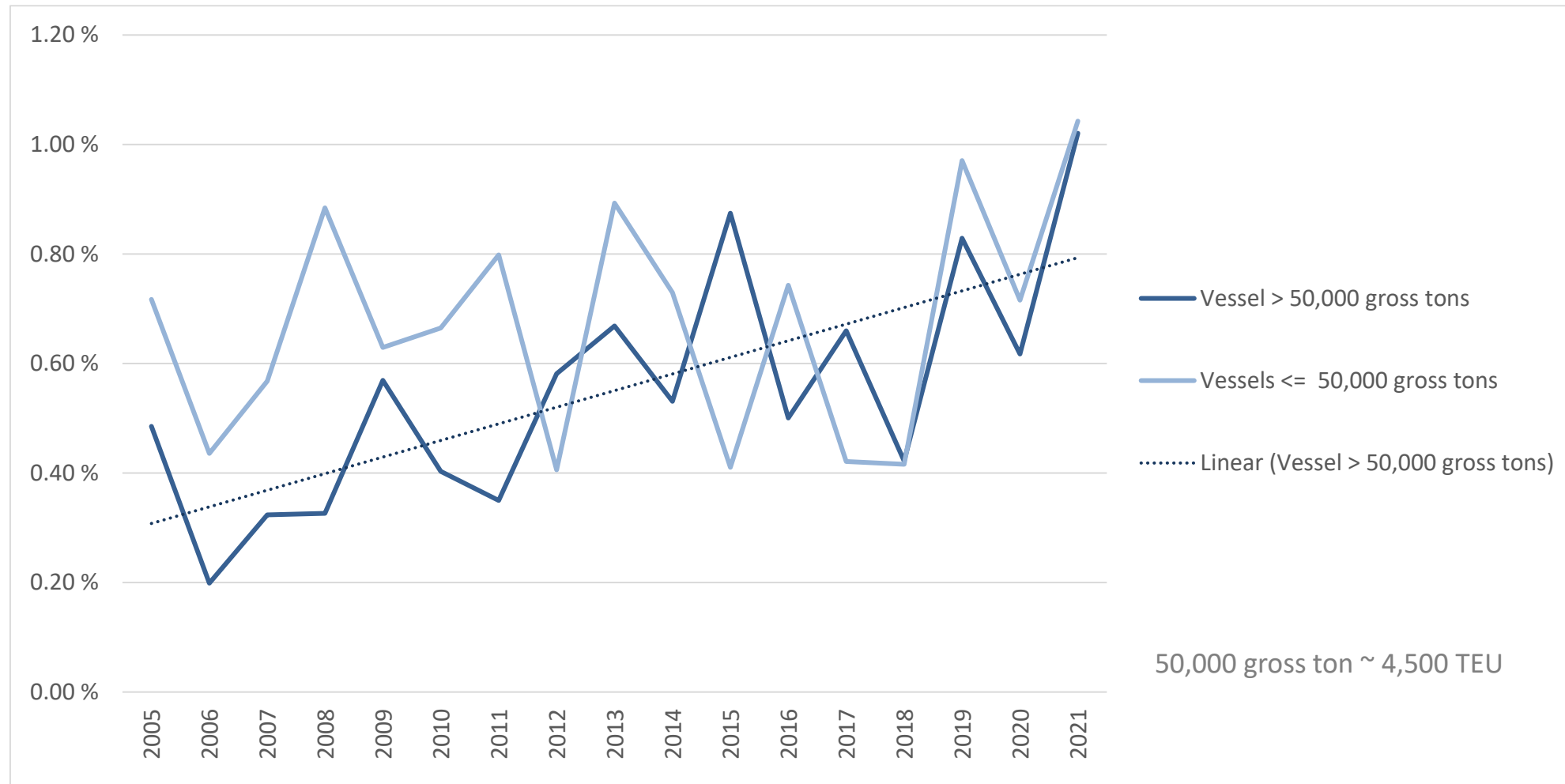


INCREASING FIRE FREQUENCY ON CONTAINER* VESSELS

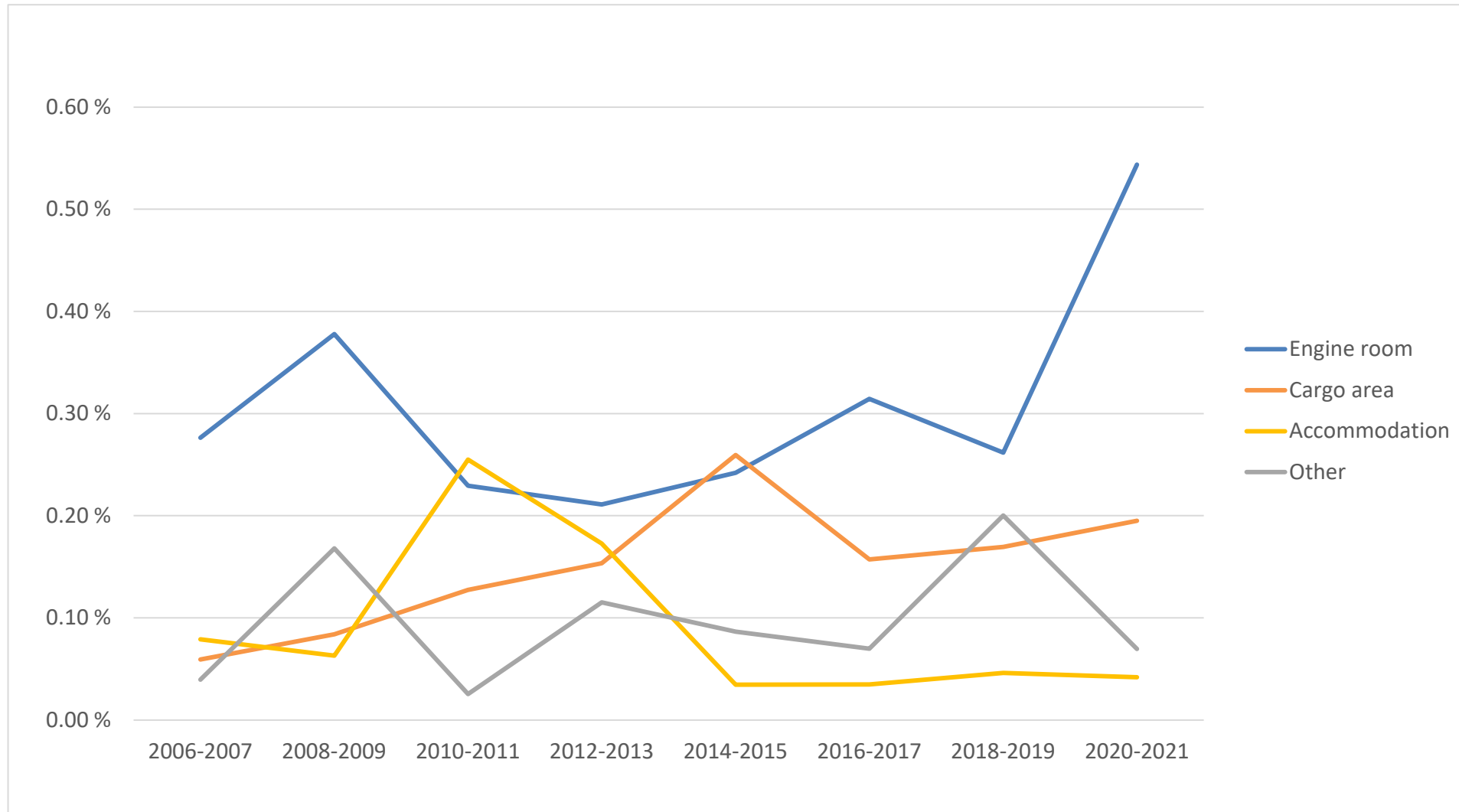
* INCLUDING FULLY CELLULAR CONTAINER VESSELS AND RORO WITH CONTAINER-CARRYING CAPACITY



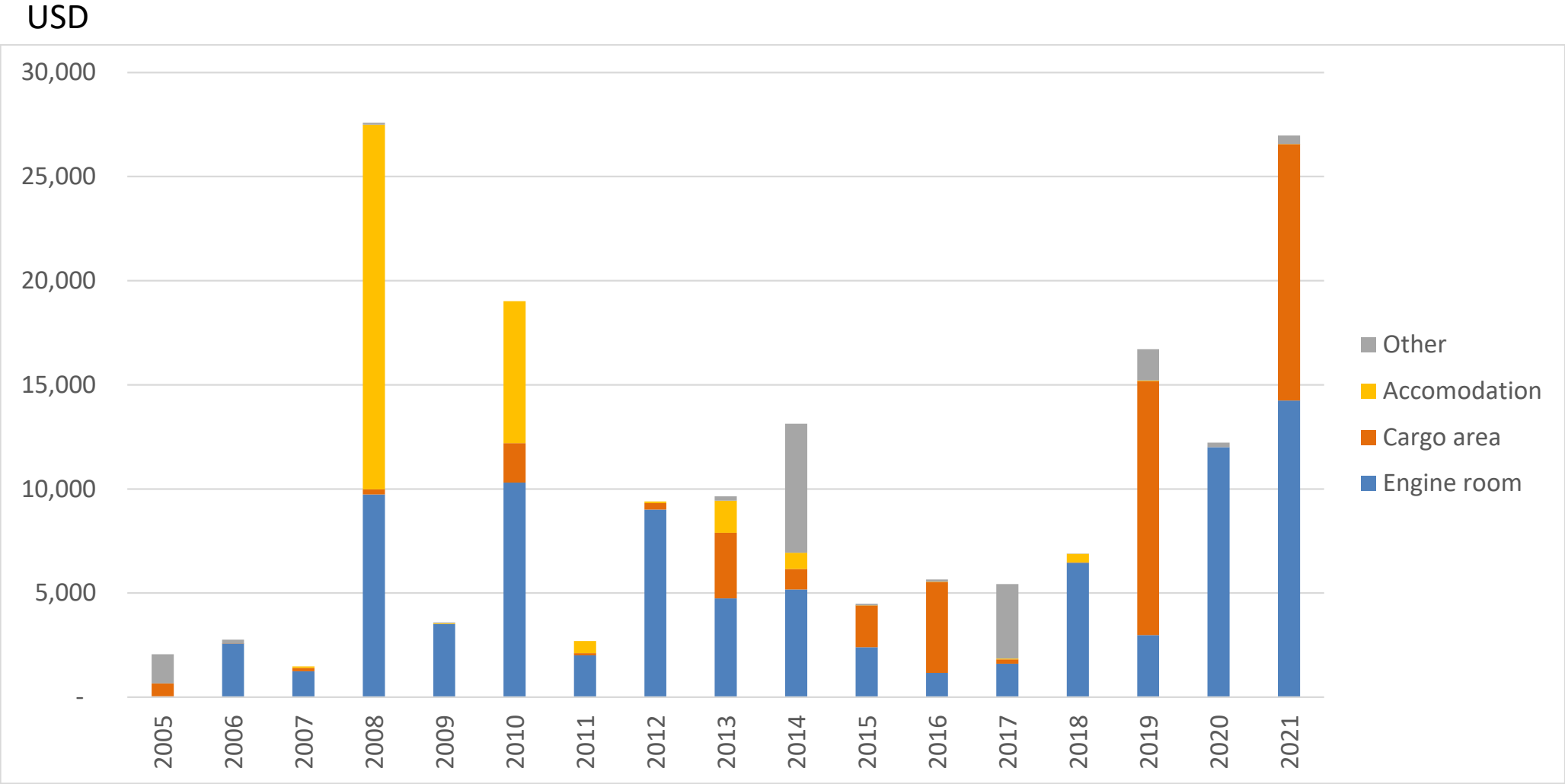
FIRE FREQUENCY ON CONTAINER VESSELS: UPWARD TREND PARTICULARLY ON LARGER VESSELS



FIRE FREQUENCY ON CONTAINER VESSELS: CONTINUOUS INCREASE IN CARGO FIRES & RECENT INCREASE IN ENGINE ROOM FIRES

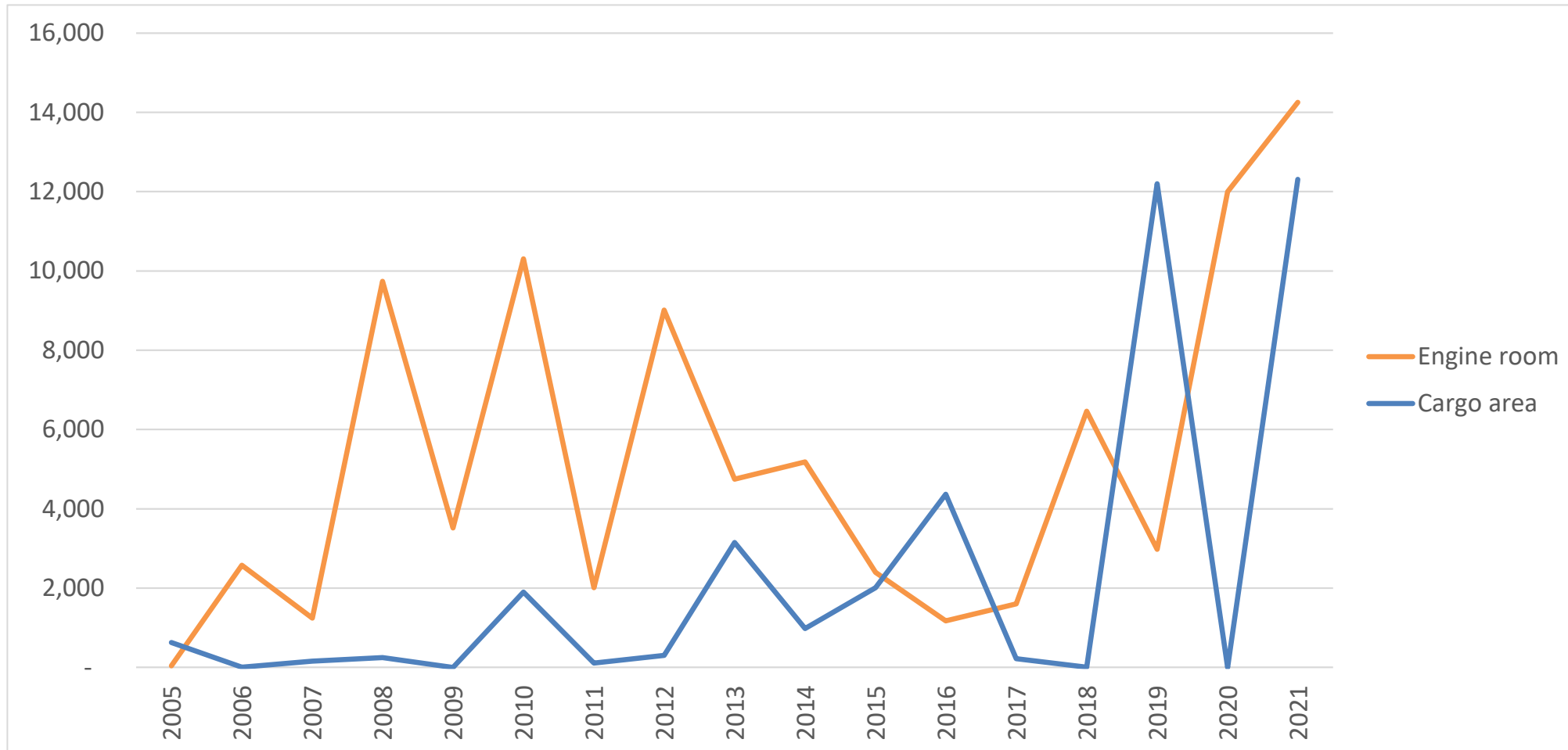


CONTAINER FIRE CLAIM COST PER VESSEL (USD): RECENT HIGH CONTRIBUTION FROM CARGO FIRES



2019-2021: FIRE COST PER VESSEL HEAVILY INFLUENCED BY BOTH CARGO AND ENGINE ROOM FIRES

USD



INDUSTRY ISSUES



High-value risks



Human factor/
Crew qualification



Supply chain issues

Emission reduction/ESG goals

Fuel quality & price, oil price

Climate change/
Increase in Nat-cat

Fires (RoRo & Container vessels)

Changes in regulation (liabilities)



Value accumulation (in ports and on vessels)

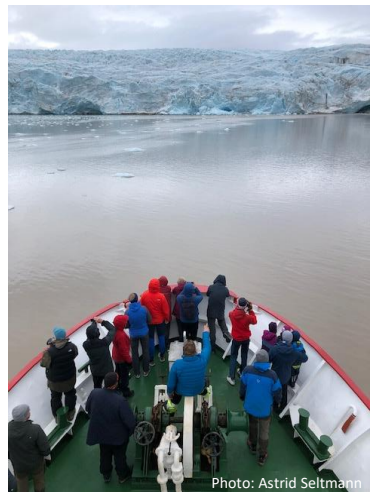
Geopolitical tensions/sanctions

Cyber risk

Ukraine war

Arctic risks

New/complex technology



Inflation

Navigation



