

# Challenges for Marine Insurance in Latin America

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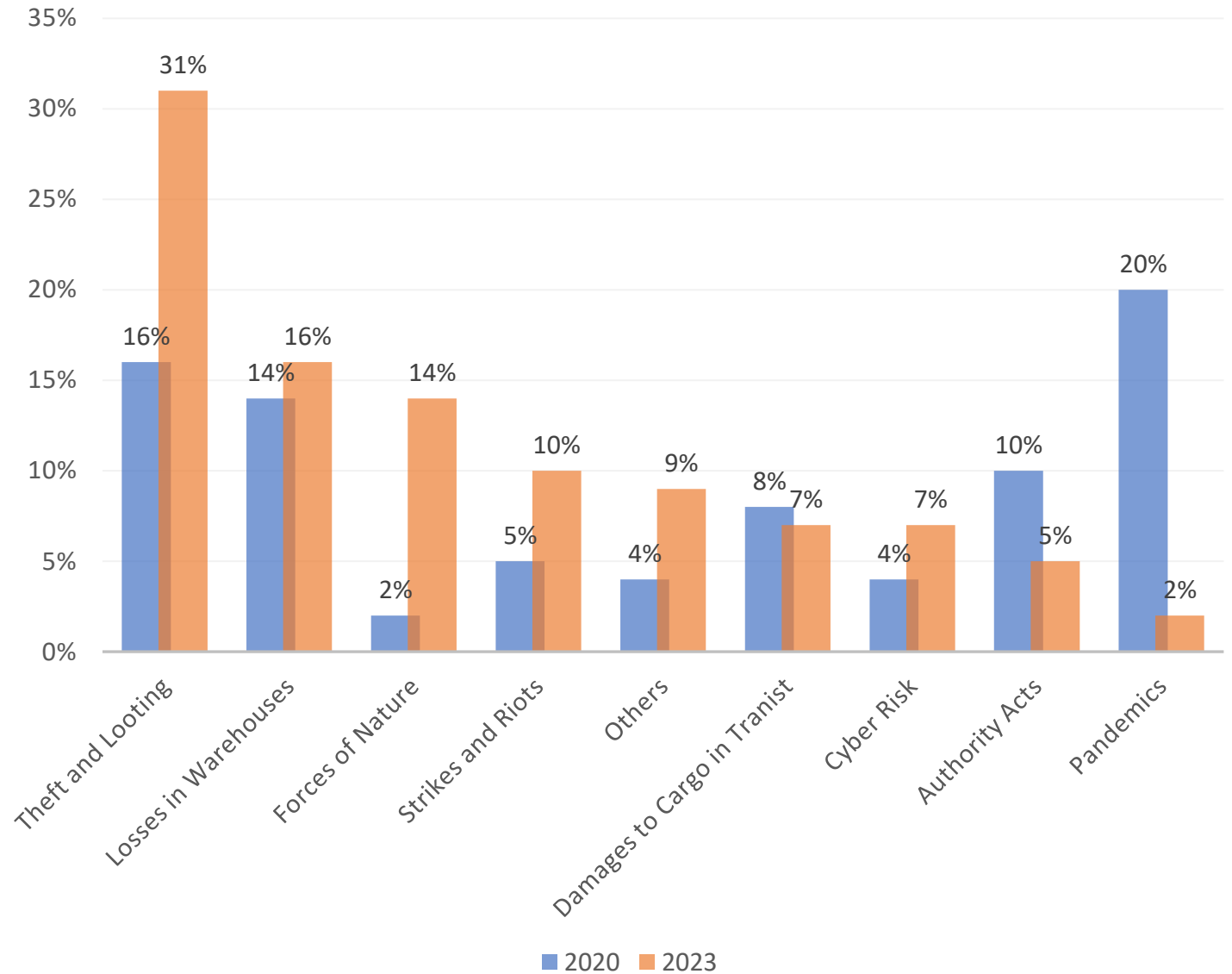
Member of Cargo Committee of ALSUM

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# Concerns on causes of Loss 2020 vs 2023

• *Source: Survey by ALSUM to +300 actors of Marine Insurance Industry in LatAm*



# Concerns on Causes of Loss 2020 per Country



- Authority Acts
- Losses in Warehouses
- Damages to Cargo in Transit
- Pandemic
- Theft and Looting

*\*Source: Survey by ALSUM to +300 actors of Marine Insurance Industry in LatAm*

# Concerns on Causes of Loss 2023 per Country



- Losses in Warehouses
- Damages to Cargo in Transit
- Forces of Nature
- Strike and Riots
- Theft and Looting

*\*Source: Survey by ALSUM to +300 actors of Marine Insurance Industry in LatAm*

## Some stats for Latin America Marine Market

- Source: Recollection by [LatinInsurance](#) from official figures published by regulators/associations across the region

Marine KPI's	2019	2020	2021	2022
Issued Premiums	USD 2.685.394	USD 2.100.989	USD 2.740.104	USD 2.982.897
Ceded Premiums	USD 1.525.843	USD 1.138.829	USD 1.519.659	USD 1.490.896
Cession %	57%	54%	55%	50%
Gross Loss Ratio	42%	47%	45%	53%
Gross Combined Ratio	66%	75%	68%	78%

# Breaking 2022 Down by Country

- Source: Recollection by [LatinInsurance](#) from official figures published by regulators/associations across the region

Country	Issued Marine Premiums	Ceded Premiums	Cession %	Gross Loss Ratio	Gross Combined Ratio
Argentina	USD 218.925.611	USD 87.039.220	40%	26%	56%
Bolivia	USD 19.146.908	USD 7.801.940	41%	42%	88%
Brasil	USD 1.149.783.354	USD 331.021.662	29%	52%	79%
Chile	USD 245.450.586	USD 204.062.898	83%	62%	86%
Colombia	USD 115.867.271	USD 49.442.940	43%	35%	70%
Costa Rica	USD 18.339.295	USD 5.172.386	28%	34%	75%
República Dominicana	USD 25.833.701	USD 17.153.659	66%	21%	48%
Ecuador	USD 112.610.748	USD 71.803.302	64%	36%	62%
Guatemala	USD 34.390.478	USD 15.534.415	45%	37%	54%
Honduras*	USD 12.927.522	USD 0	0%	23%	23%
México	USD 804.905.147	USD 572.712.790	71%	71%	93%
Nicaragua	USD 4.968.241	USD 3.325.938	67%	29%	29%
Panamá*	USD 63.105.864	USD 47.203.010	75%	0%	0%
Paraguay	USD 20.331.002	USD 11.626.218	57%	49%	83%
Perú	USD 103.846.826	USD 57.228.090	55%	53%	74%
Uruguay	USD 32.464.710	USD 9.767.645	30%	15%	51%

\* Panamá does not report loss information / Honduras does not report Expense Ratio information



## Identified Challenges for Marine Insurers in Latin America

Impacts of the War and disrupted supply chain

Impacts of COVID and lockdowns in China

Increased volatility in commodity prices

World Inflation added to internal natural inflationary pressures

# Identified Challenges for Marine Insurers in Latin America

Theft wave on the rise

Political instability and populism surges.

Inequality leading to Strikes/Riots – Political conflicts

Disrupted global supply chain → older tonnage assigned to LatAm

“Creativity” in interpreting wordings



# Identified Challenges for Marine Insurers in Latin America

Reduced reinsurance capacity

Disappearance of capacity for static risk in certain regions

Aggregation in Nat Cat zones

Aggregation in Ports and lack of tracking

Usage of less experimented carriers due to concentrated demand

Extreme competition at the small account segment