Country Reports

IUMI Cargo Committee

IUMI

IUMI2023

EDINBURGH | 17-20 SEPTEMBER

IUMI Annual Conference 2023
Cargo Committee Meeting
Sunday, 17 September

No warranties are made regarding the thoroughness or accuracy of the information contained in this content or any part of it. Nothing in this information should be interpreted as providing definitive guidance on any question relating to policy interpretation, underwriting practice, or any other issues in insurance coverage. Comments do not necessarily represent the opinion of IUMI.

IUMI TC
Cargo Committee
2023

TC Cargo Committee

Isabelle Therrien, Falvey Cargo, Canada, Chairperson
Mike Brews, Horizon Underwriting Managers (Pty) Ltd; Vice Chairperson
Mikaela Tamm, Insurance Sweden, Secretary, Sweden

Paul Ashworth, Sompo International, United Kingdom
John Barnwell, AIG, USA
Niklas Bengtsson, HDI Global Specialty SE, Sweden/Nordic
Magdalena Cruz, MAPFRE Insurance Company, Spain
Richard Golder, Tokio Marine HCC, United Kingdom
Ola Hussein, Allianz Egypt, Egypt
Andrew Kidd, NTI Limited, Australia
Matthias Kirchner, AXA XL, Germany
Nicole Pousson, AIG, France
Sibesh Sen, HDFC Ergo General Insurance Company Limited, India
Qing (David) Shang, Huatai P&C Insurance Company Ltd, China
Tom Shinya, Tokio Marine & Nichido Fire Insurance Co., Ltd. Japan
Massimo Spinetta, Generali Global Corporate & Commercial, Italy
Mark Watts, Allied World Assurance Company Ltd, Singapore

Observers

Eric De Smet, Policy Forum Liaison
Kosuke Hashimoto, Executive Committee Liaison
Diego Calderón R, Starr International Seguros Generales S.A , South Latin America

Cargo Committee

2023

2021

Australia
Author: Andrew Kidd

2022 Statistics

The Gross Written Premium for the Australian cargo market is highlighted in the below table, as reported to the IUMI Facts and Figures Committee. These figures are compiled by industry leaders represented on the Insurance Council of Australia's Marine Committee.

(*Note: Australian Prudential Regulation Authority (APRA) report industry statistics as combined Marine and Aviation, so no official cargo statistics available.)*

Acc year	2018	2019	2020	2021	2022
GWP USD	208m	223m	220m	240m	254m
Exchange Rate	0.720	0.780	0.685	0.70	0.70

Market Performance (*NB Statistics are for All Marine – Cargo, Hull and Liability)

Ultimate loss ratio
(%)

Accident year	Gross earned premium ($ million)	Development year 0	1	2	3	4	5	6	7	8	9	10
2008	465					67.0%	66.1%	66.3%	67.3%	58.9%	58.8%	58.9%
2009	480				64.0%	63.9%	63.5%	63.1%	55.4%	55.2%	55.2%	55.0%
2010	484			66.5%	65.1%	64.6%	64.6%	57.5%	57.3%	57.3%	57.0%	57.8%
2011	499		75.3%	74.1%	72.2%	71.1%	61.9%	62.2%	61.7%	61.5%	61.5%	61.5%
2012	498	63.7%	63.3%	62.8%	63.2%	55.6%	55.1%	55.2%	55.0%	55.1%	55.0%	53.9%
2013	496	82.4%	83.6%	79.7%	71.4%	71.1%	70.1%	70.5%	70.5%	70.0%	69.4%	
2014	504	65.9%	59.6%	50.9%	50.4%	50.5%	50.3%	50.9%	50.2%	49.6%		
2015	512	60.8%	59.8%	59.1%	56.1%	56.8%	56.7%	56.4%	54.5%			
2016	530	57.4%	61.8%	60.7%	60.5%	61.5%	60.5%	57.2%				
2017	586	68.3%	70.1%	67.7%	66.6%	66.9%	64.5%					
2018	581	52.9%	51.7%	50.8%	51.3%	50.2%						
2019	623	48.4%	49.6%	47.5%	42.6%							
2020	664	51.2%	51.6%	44.9%								
2021	736	50.3%	47.4%									
2022	818	57.7%										

Source: Australian Prudential Regulation Authority (December 2022). General Insurance Claims Development Statistics, Table 10 – Marine.
Last Updated July 2023.
Retrieved from: https://www.apra.gov.au/publications/general-insurance-claims-development-statistics

Australia
Author: Andrew Kidd

Large Losses and Notable Incidents

Australia was impacted by stronger and longer LaNinas, from late 2020 to mid-2022 which is being attributed as increasing the impact of Nat cat events. Feb 2022 saw Australia impacted by its most costly insurance events since the East Coast flooding. Large market events are listed below:

Feb / Mar 2022 South-East Australia flooding - insured losses of AUD $6.5B
April 2022 – Tropical Cyclone Seroja - insured losses AUD $408m
Oct 2022 – Vic, NSW and Tasmanian floods – Insured losses of AUD $726m

Whilst specific marine losses from these events are unavailable, numerous large Cargo and stock throughput, and Carriers load losses, are known to have occurred in the above events. 2022 also saw the introduction of the Australian Cyclone Pool, however cargo (including stock throughput) is not a protected product under the pool.

Summer 2023 will likely see a return to El Nino and an increased risk of bushfires in Australia, in addition to impacts on crop volumes.

Underwriting Trends and Hot Topics

Claims Inflation, Interest rate increases. Russia, Ukraine & Belarus exclusions.
Inflation in Australia climbed from 4% in January 2022 to peak at 8.4% December 2022. Resultant claims inflation became the major discussion point in the market throughout 2022, with an inflation rate of circa 7% impacting cargo lines. Whilst previously observed rate hardening slowed, the market remains vigilant on claim impacted accounts. A disciplined approach remains evident towards conditions of cover, and co-insurance remains at elevated levels on large corporate style accounts.

Subdued GDP growth, combined with inflationary pressures and a very tight labour market are impacting the market as well as everyday life. During 2022 unemployment fell to 3.5% its lowest level in 50 years. GDP grew at 2% in 2022 and is expected to slow to 1.5% in 2023. (*Reserve Bank of Australia 2022)*

Market Players

The leading Marine Insurers in the market remain stable, (in no particular order)

- NTI Marine Protect – Insurance Agency under the National Transport Insurance banner, which underwrites on behalf of CGU Insurance (50%) and Vero Insurance (50%)
- QBE Insurance – Leading Australian global insurance company, underwriting all classes of marine insurance under several brands.
- Zurich Insurance – Subsidiary of Zurich Insurance Switzerland, underwriting all classes of marine cargo and liability insurance.
- AM&T – A Company of Allianz – A marine insurance agency owned and backed by Allianz Australia, offering all lines of marine insurance.
- Chubb, HDI, Berkshire Hathaway, Liberty International, AIG and Axa XL all have a solid marine presence in the market as well.
- Lloyds Australia – Continues to have a presence in the marine market.

Cargo business predominantly is placed by Insurance Brokers, with all the major international broking houses having offices in Australia. In total there is 5,440 Insurance Brokerages in Australia, with 48% dealing in commercial Insurance products (IBISWorld April 2023). Large cluster groups such as Steadfast and AUB Group dominate and utilise their own Underwriting Agencies as well as the open market for Marine placements.

Specialist Marine brokers remain limited in number, and a large proportion of SME Cargo policies are placed electronically.

Australia
Author: Andrew Kidd

Noteworthy Local Economic/Political/Societal Highlights

May 2022 saw the Australian Labour Party return to Government following the national election. With a focus on the environment, particularly around Australia's energy production moving away from coal to sustainable energy sources, as well as improving minimum wages. Re-establishing trade relationships with China is also a priority given China is Australia's major trading partner.

In 2022, total exports increased 29% over the prior year to US$412.18B, while exports increased 33% to US$309.19B. Agricultural products recorded exports of AUD$78.1 Billion in 2022, this resulted from both high export volumes and strong global prices saw record exports for canola, sorghum, cotton, wheat, lentils and barley.

Australia's top 5 Exporting partners were (noting change over prior year)

China (-2%)
Japan (+84%)
Korea, Republic of (South) (+42%)
India (+42%)
United State of America (+28%)

Australia's top 5 importing partners were

China (+22%)
United States of America (+29%)
Singapore (+65%)
Korea, Republic of (South) (+42%)
Japan (+131%)

(Australian Bureau of Statistics 2023)

Domestically retail spending increased 9.2% in 2022, with online purchases growing to 18.1% of total sales resulting in further growth of last mile deliveries (*Australia Post 2023*).

References

Inside Australian Online Shopping, Australia Post (2023)

https://auspost.com.au/content/dam/auspost_corp/media/documents/ecommerce-industry-report-2023.pdf

Reserve Bank of Australia (May 2022)

https://www.rba.gov.au/publications/smp/2023/feb/

IBISWorld (April 2023)

Insurance Brokerage in Australia, Industry Report K6420

Australian Government (July 2023):
https://www.apra.gov.au/publications/general-insurance-claims-development-statistics

Australian Bureau of Statistics 2023

https://www.abs.gov.au/statistics/economy/international-trade/international-trade-supplementary-information-calendar-year/latest-release

Belgium
Author: Eric De Smet

Statistics

Total premium volume on accounting year basis for 2022 amounted to 516.665 mio EUR, with a gross L/R of 66,12% , 71,79% net after commissions and 98,32% including working costs (estim.).

	GROSS PREMIUM	PAID CLAIMS	RECOVERIES	OUTSTANDING	TOTAL CLAIMS	L/R GROSS	BROKERAGE
CARGO	369.412.655	143.560.874	11.635.361	149.719.186	281.644.699	76,24	52.826.010

	NETT PREMIUM	L/R NETT	ACQUISITION	TOTAL COSTS	NETTNETT PREMIUM	L/R NETTNETT	
CARGO	316.586.645	88,96	46.176.582	99.002.591	270.410.063	104,15	73,2

These figures represent a large increase of almost 40% influenced by:

- New reporting standards including captive premiums
- Increased insured values (commodity prices and freight)
- Inflation
- USD/EUR exchange rate

Cargo and overall underwriting year figures are shown below:

A working group at ABAM BVT discussed the L./R threshold and in accordance with IUMI standards it was decided to put this at 60% on gross premium level.

Underwriting cargo premium income shows an upwards tendency, as explained above and mainly driven by underlying insured values of the existing book and not new business.

All recent underwriting years show positive results, however 2018 and 2020 are well above the 60% L/R on gross threshold. For U/Y 2022 it is too soon (stats closed at 31/12/2022).

U/Y 2020 is influenced by outstandings relating to the Ukraine conflict, however not complete so it may worsen.

CARGO RESULTS AS PER 31.12.2022 IN €

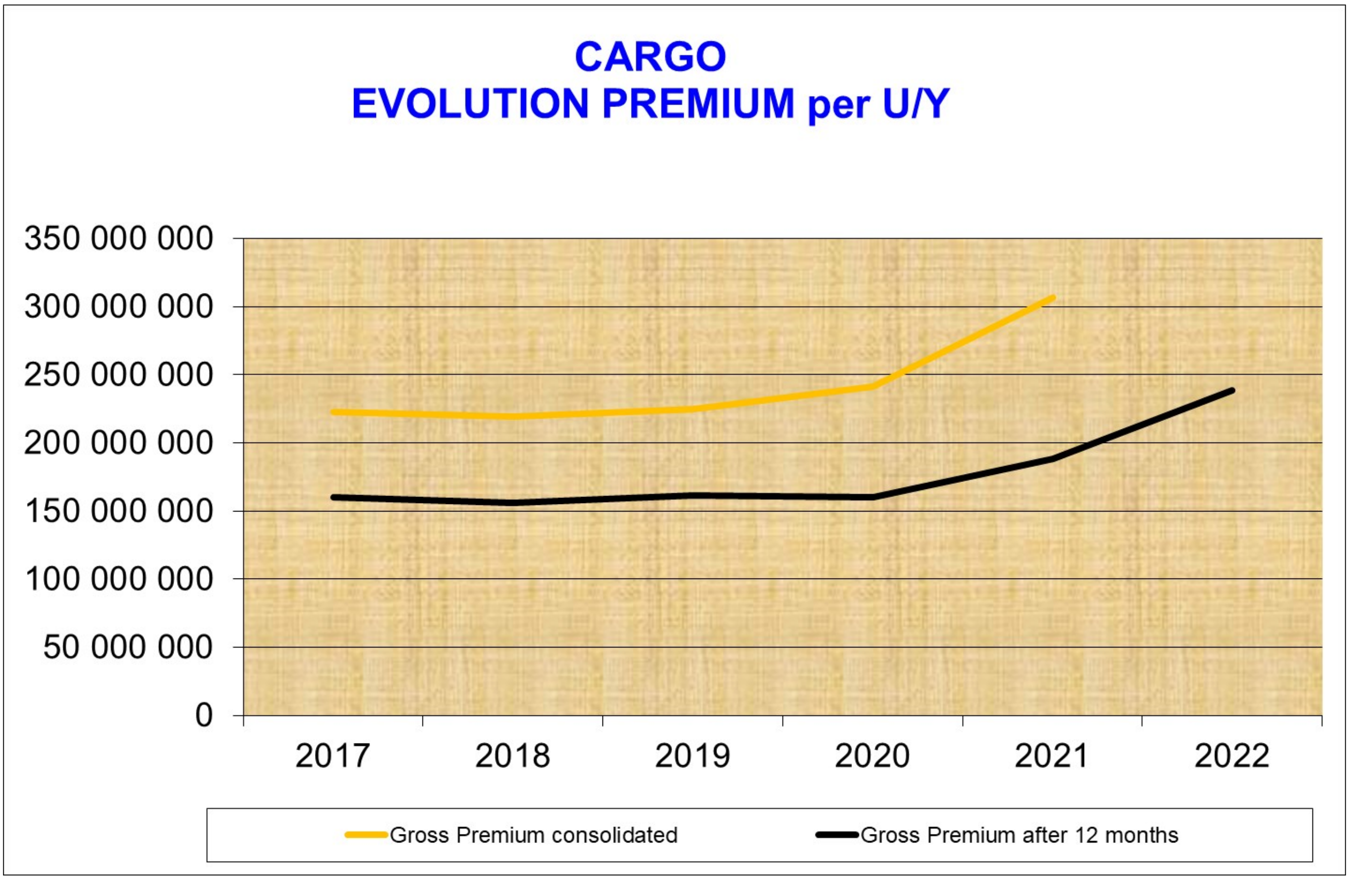
UY	GROSS PREMIUM	COSTS	PAID CLAIMS	OUTST	TOTAL CLAIMS	LR on GROSS	LR on N/N
17	223.038.805	62.921.098	128.668.752	5.681.481	134.350.233	**60,24**	**83,91**
18	219.168.016	61.606.228	127.096.377	18.206.290	145.302.667	**66,30**	**92,22**
19	224.490.635	62.277.792	114.604.204	17.478.865	132.083.069	**58,84**	**81,43**
20	241.596.044	68.540.545	145.150.816	22.081.661	167.232.477	**69,22**	**96,64**
21	306.596.920	83.686.342	95.669.312	84.525.344	180.194.657	**58,77**	**80,84**
22	238.399.076	61.314.506	44.371.043	77.756.905	122.127.948	**51,23**	**68,97**

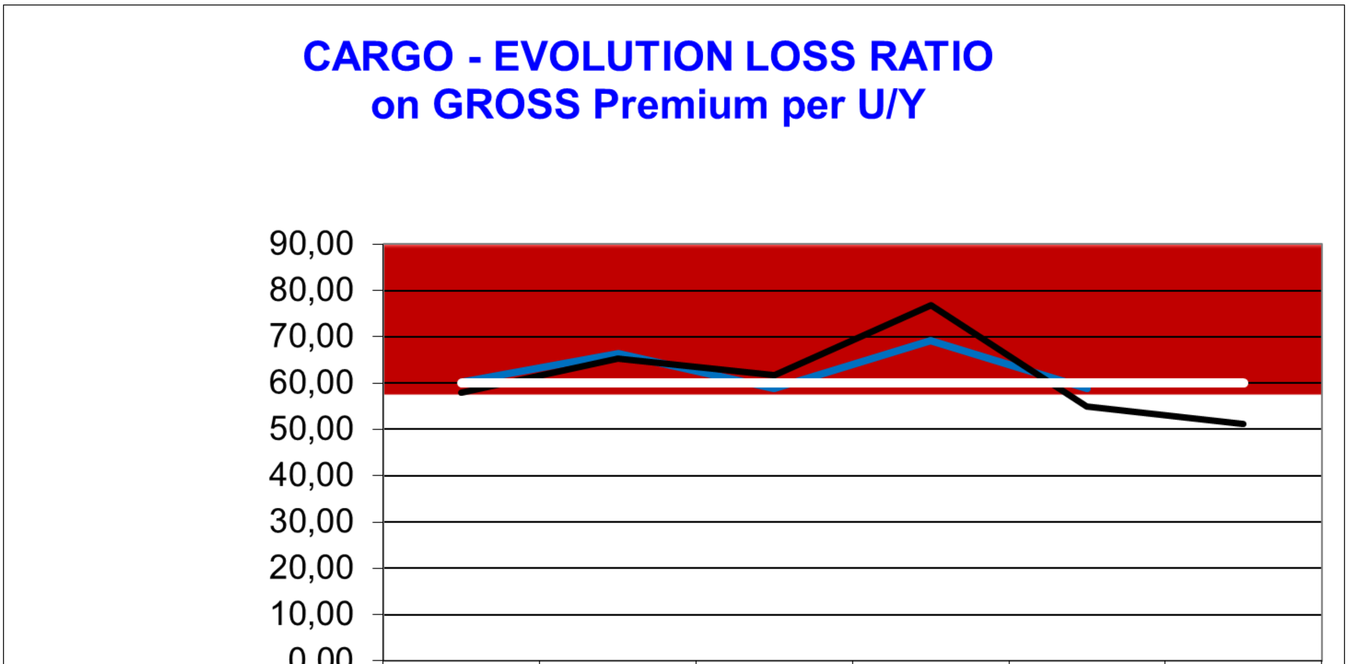
Belgium
Author: Eric De Smet

CARGO RUN-OFF AS PER 31.12.2022 IN €

UY	YR	GR PREM	COSTS	PAID CLAIMS	OUTST	TOTAL CLAIMS	LR on GROSS	LR on N/N	growth
17	17	160.397.142	45.310.006	39.928.471	53.156.055	93.084.525	**58,03**	**80,88**	
	18	220.006.049	61.839.920	100.828.319	39.613.998	140.442.317	**63,84**	**88,79**	
	19	224.321.376	63.276.197	118.290.510	20.355.494	138.646.004	**61,81**	**86,09**	
	20	225.522.309	63.454.949	124.911.033	7.845.971	132.757.005	**58,87**	**81,91**	
	21	223.303.768	62.994.938	126.940.374	6.524.014	133.464.387	**59,77**	**83,25**	
	22	223.038.805	62.921.098	128.668.752	5.681.481	134.350.233	**60,24**	**83,91**	
18	18	156.286.431	43.655.160	43.904.981	58.185.064	102.090.045	**65,32**	**90,64**	
	19	214.625.357	59.935.067	95.795.669	51.123.852	146.919.521	**68,45**	**94,98**	
	20	220.965.139	61.949.287	116.110.135	29.357.019	145.467.154	**65,83**	**91,48**	
	21	219.656.021	61.730.745	123.089.701	19.586.140	142.675.841	**64,95**	**90,34**	
	22	219.168.016	61.606.228	127.096.377	18.206.290	145.302.667	**66,30**	**92,22**	
19	19	161.188.608	44.290.378	51.353.633	48.202.453	99.556.086	**61,76**	**85,16**	
	20	222.683.205	60.914.103	92.755.458	41.489.216	134.244.674	**60,29**	**82,99**	
	21	224.784.127	62.171.966	109.954.583	28.411.306	138.365.889	**61,56**	**85,09**	
	22	224.490.635	62.277.792	114.604.204	17.478.865	132.083.069	**58,84**	**81,43**	
20	20	160.331.243	43.080.824	81.754.723	41.367.787	123.122.509	**76,79**	**105,01**	
	21	233.905.500	63.638.564	123.483.546	36.449.896	159.933.441	**68,38**	**93,93**	
	22	241.596.044	68.540.545	145.150.816	22.081.661	167.232.477	**69,22**	**96,64**	
21	21	188.025.372	49.575.460	35.244.097	67.959.659	103.203.756	**54,89**	**74,54**	
	22	306.596.920	83.686.342	95.669.312	84.525.344	180.194.657	**58,77**	**80,84**	
22	22	238.399.076	61.314.506	44.371.043	77.756.905	122.127.948	**51,23**	**68,97**	126,79

Belgium
Author: Eric De Smet





	2017	2018	2019	2020	2021	2022
L.R. on gross consolidated	60,24	66,30	58,84	69,22	58,77	
Loss Ratio on gross after 12 months	58,03	65,32	61,76	76,79	54,89	51,23
loss/profit	60,00	60,00	60,00	60,00	60,00	60,00

Large Losses and Notable Incidents

The claim information has been provided to IUMI Facts & Figures Committee.

Total Ukraine linked clams are note fully accounted for but are believed to total about 12 mio. EUR at 31/12/2022.

Canada
Author: Isabelle Therrien

Cargo Market

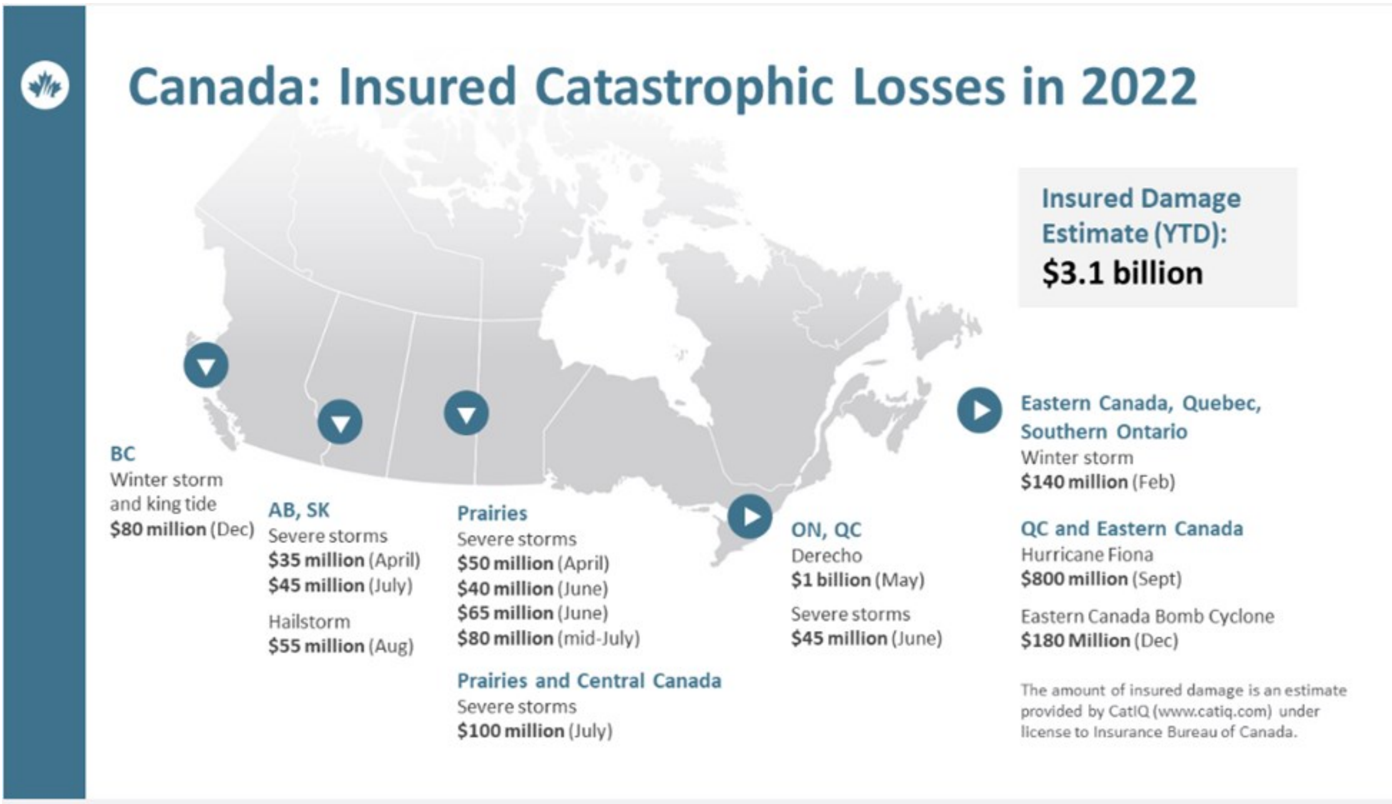
2022 Statistics (MSA Research Data, Canadian Underwriter Stats Guide)

The Canadian Market Total Direct Marine written premium sits at $637,697,000 CAD
(MSA Research) a jump of 22% on a year-over-year basis.
The overall Net Loss Ratio (all lines combined) is 49.69% (MSA Research)
The Cargo Line of business (according to historical CBMU statistics) represents approximately 34% of the total WP i.e. $216.8M CAD
Overall market industry data by line of business represents a challenge for the Canadian market as there is a lack of consistency in numbers reported year-over-year

Large losses and Natural Catastrophes

The weather in 2022 was much less dramatic compared to the weather the year before – 2021 was the most expensive, disruptive, and destructive year for weather in Canadian history. Canada faced the wrath of Fiona - the most intense, largest and likely the most expensive hurricane ever to enter Canada. Floods were another big weather story in 2022, including both traditional snowmelt-ice jamming floods and deluges of heavy rain on frozen ground; and a new age flood of an urban kind. 2022 produced a quiet wildfire season, with only half the forest hectarage burned compared to a recent 10-year average. Though for residents in Central Newfoundland-Labrador, it was the worst fire season in over 60 years. Across Canada the first 10 months of 2022 averaged almost a degree warmer than normal, making it 18 consecutive such periods with warmer-than-normal conditions from 2005 to 2022.

2022 now ranks as the 3rd worst year for insured losses in Canadian history. While the $3.1 billion figure is alarming, no single catastrophic event nor any region accounted for the majority of losses.



Source: Insurance Bureau of Canada

Canada
Author: Isabelle Therrien

Underwriting trends and Hot Topics

Merger of Intact and Coast Underwriters is now completed.
Underwriting discipline remains a priority however the market is starting to see a stabilization of the market correction that happened in 2020

Noteworthy Local Economic / Political / Societal Highlights

Highlights

In 2022, Canada's economy was at 103% the size it was before the pandemic, marking the fastest recovery of the last four recessions, and the second strongest recovery in the G7. Resilient household and business finances and strong population growth, supported by the government's COVID-19 Economic Response Plan and Immigration Levels Plan, underpinned this strong economic performance. Canada's strong recovery has supported the strongest labour market in several decades. About 830,000 more Canadians are employed compared to the pre-pandemic period, and at just 5%, the unemployment rate is near its record low of 4.9%. After growth of around 3% annualized over the first three quarters of 2022, economic activity in Canada was unchanged in the final quarter. So far, the consequences of moderating growth have been concentrated in housing markets, with higher mortgage rates pushing resales down 40%, and prices down 16% from their peaks in February 2022. New construction is also slowing. Inflation, elevated interest rates, and higher costs, driven by global factors such as Russia's illegal invasion of Ukraine, are also creating affordability pressures for many Canadians.

Markets and competition

The Canadian Cargo market was considered a stable market in 2022 although there was a general easing of corrective measures. We have not seen cargo capacity enter the market in the past 12 months. Renewal business is renewed at a slight rate increase or as expiring depending on the account's performance.

Cargo markets include Lloyd’s, CNA, Coast, Northbridge, Allianz, Great American, Chubb, Liberty, AIG, Travelers

Managing General Agents include Falvey Insurance Group, Coast Underwriters, Burns & Wilcox, Eagle Underwriting

References

Global Affairs Canada. Office of the Chief Economist.

Retrieved from https://www.international.gc.ca/transparency-transparence/state-trade-commerce-international/2022.aspx?lang=eng

Canadian Underwriter. (2023). Stats Guide. Available to Subscribers. https://www.newcom.ca/product/canadian-underwriter-statistical-issue/

Severe Weather in 2021 Caused $2.1B in Insured Damage
https://www.ibc.ca/news-insights/news/severe-weather-in-2022-caused-3-1-billion-in-insured-damage-making-it-the-3rd-worst-year-for-insured-damage-in-canadian-history

Canada’s Top 10 Weather stories of 2021
https://www.canada.ca/en/environment-climate-change/services/top-ten-weather-stories/2022.html

China
Author: David Shang—not updated

Statistics：

Year	Gross Premium	Net Loss	Net Loss Ratio
2020	1,359,610.03	566,320.33	55.79%
2021	1,686,985.48	700,316.51	57.61%

Compared with 2020, China cargo market has about 24% growth in 2021. This is a remarkable achievement, considering less than 10% growth ratio in 2020 and 2019.

Owing to lack of relevant data, we choose net loss amount and net loss ratio to show the performance of China cargo market in 2021. In past 5 years, net loss ratio of China cargo market has maintained a stable state at the range of 50%~60%.

Large Losses and Notable Incidents

Each year, there are a lot of goods exporting from the "World Factory" China to worldwide. In 2021, there were several major incidents relating to such export shipments, which have led to large losses to cargo owners and finally to insurers from China. These incidents could be split into two types. One is cargo overboard or sinking of the carrying vessel, which includes COSCO NAGOYA (IMO 9380271), RISE SHINE (IMO 9164550), MAERSK EINDHOVEN (IMO 9456771), MAERSK ESSEN (IMO 9456783). The other is GA, which includes ZIM KINGSTON (IMO 9389693), KENT TRADER (IMO 9236652), NYK DELPHINUS (IMO 9337652), INTERASIA CATALYST (IMO 9439711), EVER GIVEN (IMO 9811000). For example, there are about 750 containers falling overboard from MAERSK ESSEN (IMO 9456783) during its trip from China to USA. The probable loss to insurers shall be tremendous. But as these are confidential information of insurers, reports of these losses are not available.

Underwriting Trends and Hot Topics

In 2021, the China cargo market has continued the trend of softening. This is mainly caused by sufficient or, to some extent, surplus capacity. In addition, insurers still could gain profit from most of the cargo business, and this encourages them to become more and more aggressive. Rate below 0.01% has become popular for those business with huge T/O, like over CNY10 billion. But it is considered that such low price has hit the bottom.

With rapid development of new energy industry in China, insurers have been given more and more opportunities to write transit of lithium battery or lithium battery packed with equipment. This is not the only situation in traditional lithium battery industry. In 2021, there are over 300,000 new energy cars being exported from China to Europe or Southeast Asia. In addition, more and more solar product manufacturer in China has begun to develop energy storage system (ESS), which is actually an aggregation of dozens of lithium batteries. Please note that all top 10 solar manufactures come from China. A shipment of ESS loaded onto one carrying vessel with sum insured over USD200m has been seen in China market. Considering dangerous nature of such cargo, this is a big challenge to insurers in China market.

ESG has become a hot topic in China market. Many local insurers have taken steps to develop and implement their ESG strategy. As to cargo insurance area, some insurers begin to implement preferential policies on clean energy industry. They would like to give more support to wind power and solar energy industry when providing insurance service.

China
Author: David Shang

Market Players

China cargo market could be considered as a highly concentrated market to some extent. Top 3 includes PICC Property and Casualty Company Limited (PICC), Ping An Property & Casualty Insurance Company of China Ltd (Ping An) and China Pacific Property Insurance Co., Ltd. (CPIC). CR3 of cargo insurance in 2021 is about 54.7%. They could be defined as tier 1 players.

Tier 2 players include China Life Property and Casualty Insurance Company Ltd. (China Life), China Continent Property Insurance Co., Ltd. (CCIC), Sunshine Property & Casualty Insurance Co., Ltd.(Sunshine), Taiping General Insurance Co., Ltd. (Taiping) and Huatai Property and Casualty Insurance Company Ltd. (Huatai). Total market share of these tier 2 players is about 24%.

Noteworthy Local Economic/Political/Societal Highlights

CNY Billion

Year	Trade Volume of Import	Trade Volume of Export
2017	12,479.00	15,331.00
2018	14,088.00	16,413.00
2019	14,325.00	17,237.00
2020	14,293.00	17,928.00
2021	17,366.00	21,735.00

We could see from the above table that the trade volume of import & export of China in 2020 did not maintain a rapid growth rate as it has done in past few years. The chaos resulting from the impact of COVID-19 has disturbed normal international trade globally at the very beginning of the outbreak of COVID-19. Clearly, China has also been impacted greatly. While China's import & export has recovered quickly from this situation and has achieved over 21% growth in 2021. It is the most important reason that the China cargo insurance market could also achieve about 24% growth.

Egypt
Author: Ola Hussein

Cargo Market:

Statistics

According to FRA annual report (Egyptian regulator) In 2021/2022 there are 23 P&C Insurance company in the Egyptian market generate premium Egyptian pound 25,658M marine premium represent 5% from total premium .

Premium in Egyptian pound (in millions)									
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Cargo	334	321	323	462	577	613	554	497	614
Inland	124	122	123	156	183	205	188	184	200
Hull	182	186	192	219	275	328	333	313	433

Marine claims paid represent 3% from total claims paid

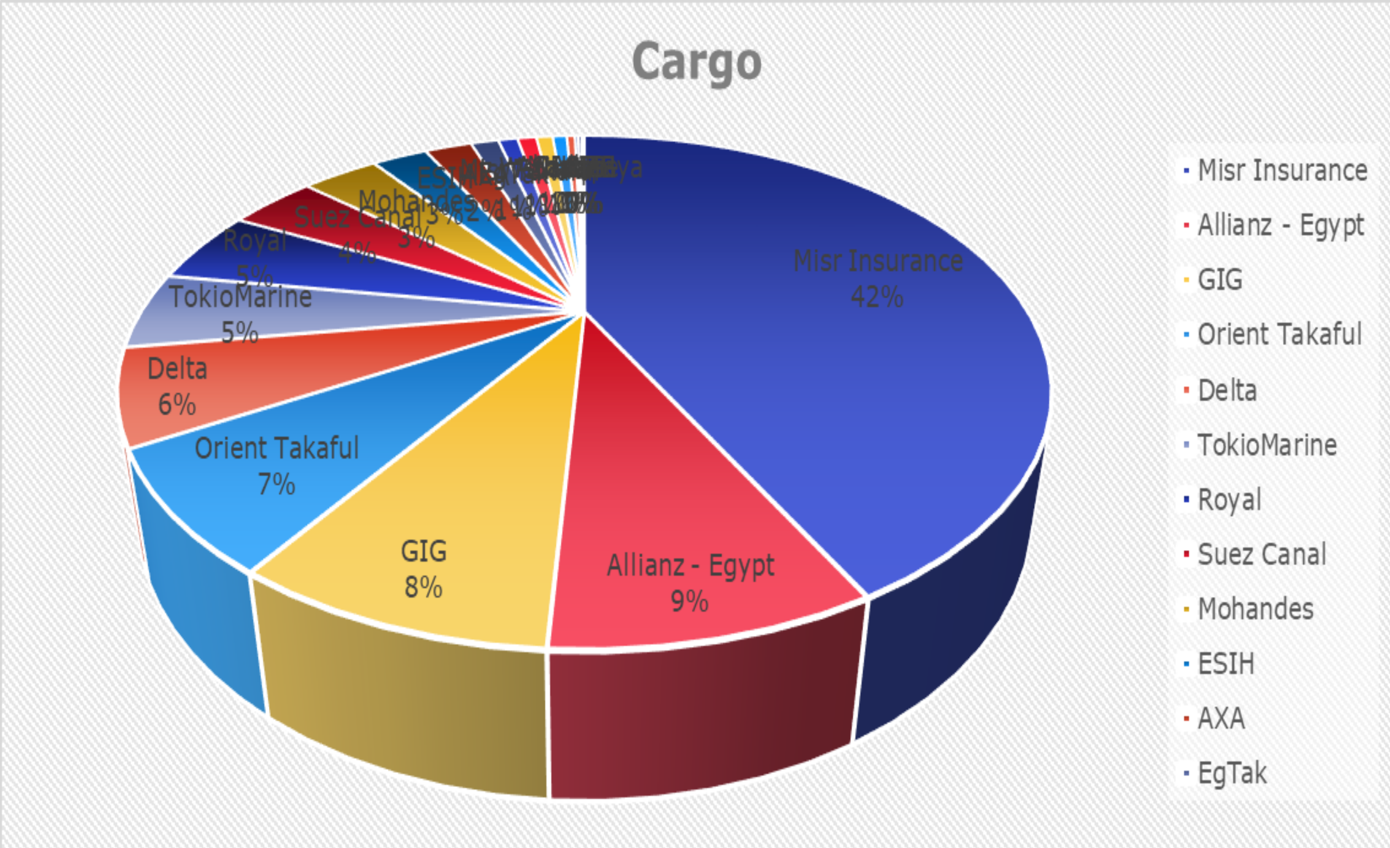
Claims paid in Egyptian pound in millions									
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Car-go	100	98	101	145	114	116	115	106	141
In-land	19	25	21	21	29	22	34	28	33
Hull	119	69	66	86	74	109	114	101	139

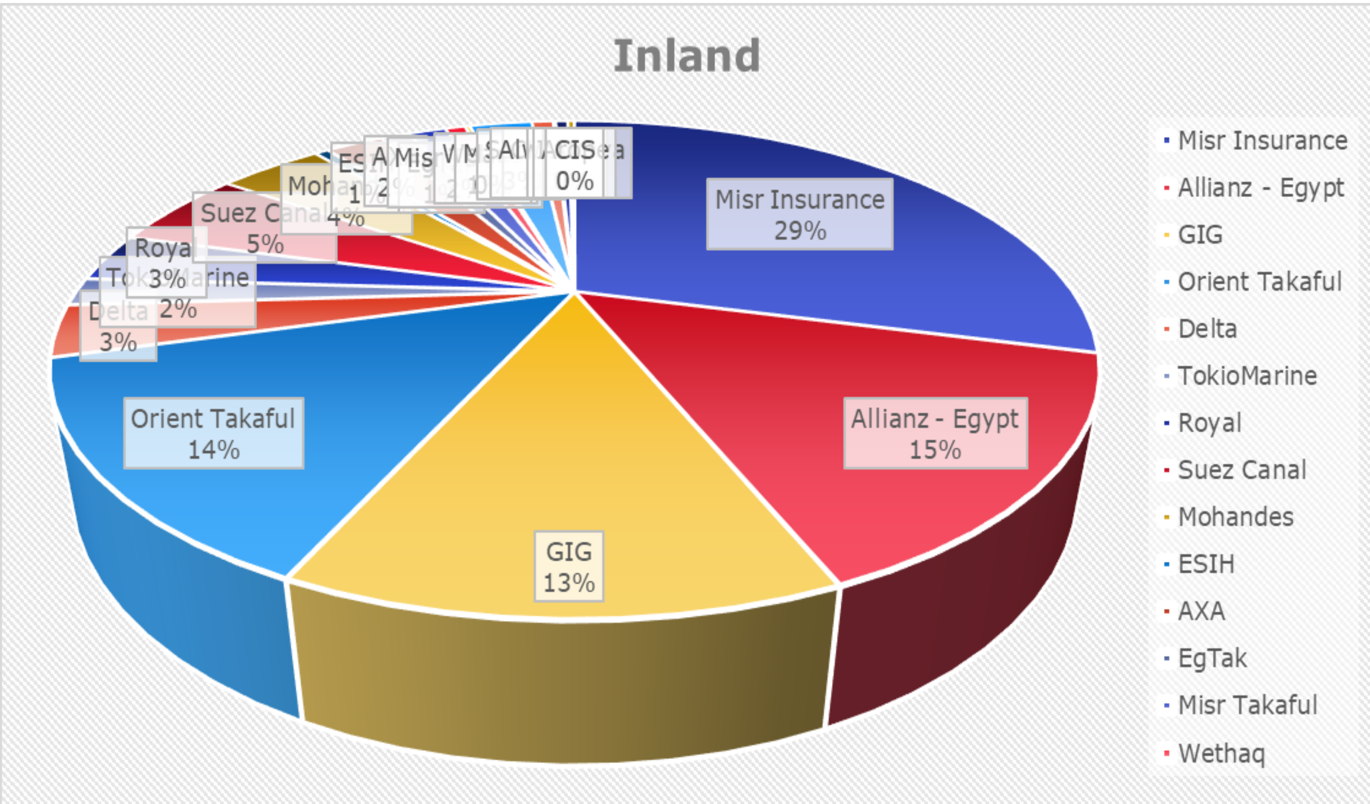
Egypt
Author: Ola Hussein

Market Players

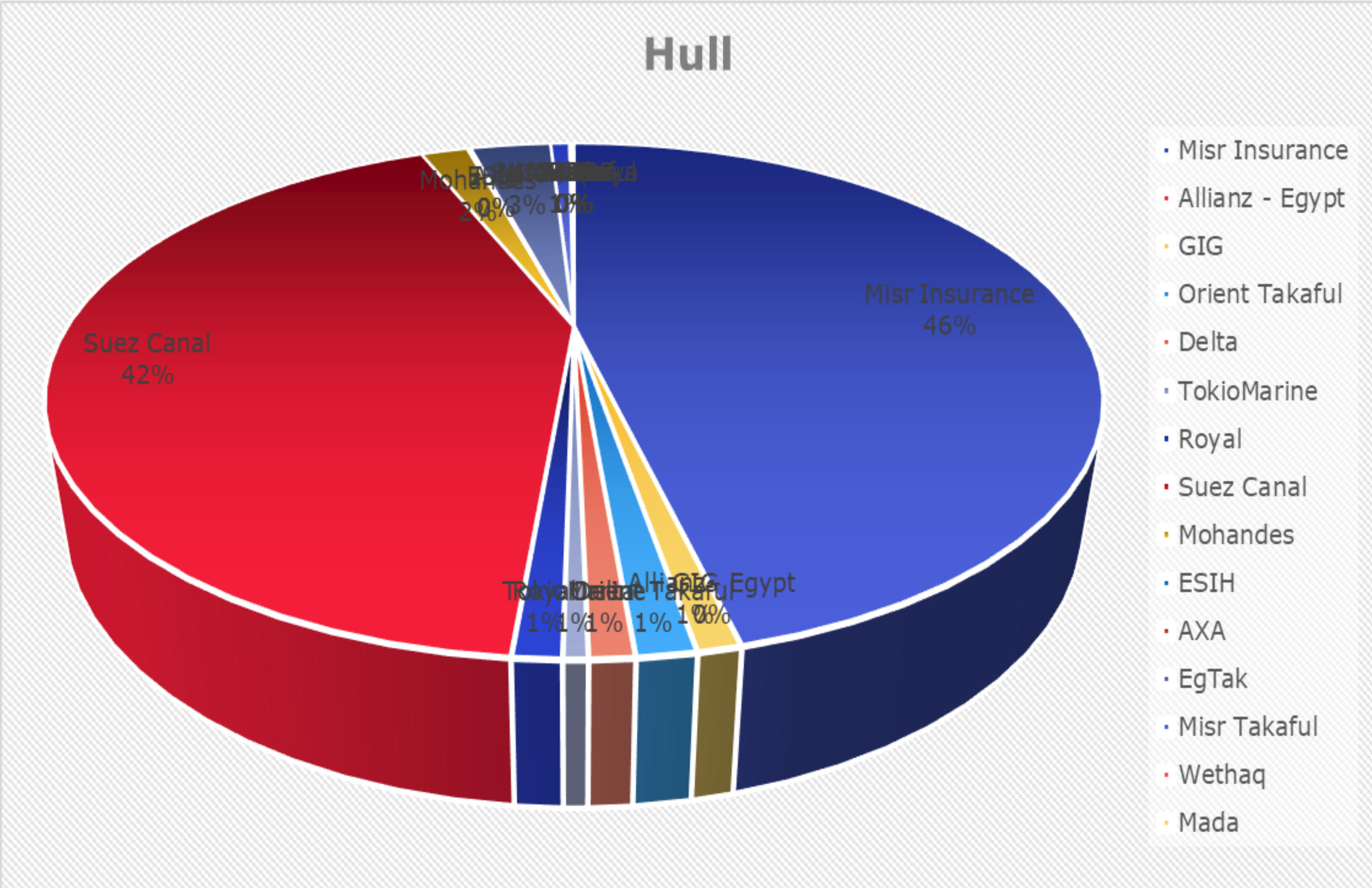
Company	Direct Premiums (in)					
	Cargo		Inland		Hull	
Misr Insurance	260,101	42%	58,258	29%	199,765	46%
Allianz - Egypt	52,336	9%	29,657	5%	-	0%
GIG	51,877	8%	25,844	4%	4,459	1%
Orient Takaful	44,674	7%	27,851	5%	6,058	1%
Delta	36,768	6%	6,851	1%	4,579	1%
TokioMarine	30,264	5%	3,723	1%	2,500	1%
Royal	30,037	5%	6,566	1%	4,986	1%
Suez Canal	23,874	4%	10,850	2%	183,226	42%
Mohandes	21,421	3%	8,457	1%	8,160	2%
ESIH	15,738	3%	1,149	0%	-	0%
AXA	13,478	2%	4,792	1%	621	0%
EgTak	7,933	1%	2,344	0%	14,054	3%
Misr Takaful	5,604	1%	3,168	1%	3,315	1%
Wethaq	5,496	1%	1,673	0%	-	0%
Mada	4,744	1%	412	0%	335	0%
Sarwa	4,108	1%	5,240	1%	186	0%
CHUBB	2,353	0%	1,809	0%	-	0%
Alwataniya	980	0%	197	0%	81	0%
Iskan	955	0%	1,034	0%	208	0%
AIG	524	0%	-	0%	-	0%
Arope	280	0%	557	0%	-	0%
CIS	31	0%	19	0%	-	0%
	613,576		200,451		432,533	

Egypt
Author: Ola Hussein





Egypt
Author: Ola Hussein



France
Author: Nicole Pousson

Cargo Market

Statistics:

2022 gross written premium for Cargo business in France: **€739.8M** (composed of: direct Cargo €515.5M + direct Freight liability €155.9M + inward reinsurance €68.4M), a +13.1% increase from prior year (€654.3M in 2021).

	Direct		Inward Reinsurance		TOTAL	
	Amount (M€)	*Evolution (%)*	*Amount (M€)*	*Evolution (%)*	*Amount (M€)*	*Evolution (%)*
2016	512.6	-9%	71.1	14%	583.7	-6.6%
2017	484.4	-5%	53.2	-25%	537.6	-7.9%
2018	557.5	15%	46.9	-12%	604.4	12.0%
2019	618.0	11%	58.6	25%	676.6	12.0%
2020	601.7	-3%	31.8	-46%	633.5	-6.0%
2021	621.3	3%	33.0	4%	654.3	3.3%
2022	**671.4**	**8%**	**68.4**	**107%**	**739.8**	**13.1%**

(France Assureurs)

Loss ratio triangles for direct Cargo business in France (based on premium gross of acquisition costs):

YEAR	1st year	2nd year	3rd year	4th year	5th year	6th year
2012	58%	53%	51%	51%	50%	50%
2013	58%	55%	49%	49%	50%	50%
2014	65%	61%	59%	59%	58%	57%
2015	63%	60%	55%	55%	53%	53%
2016	58%	57%	60%	58%	57%	61%
2017	65%	66%	69%	69%	70%	**70%**
2018	64%	79%	75%	74%	**75%**	
2019	47%	50%	50%	**47%**		
2020	54%	48%	**46%**			
2021	50%	**52%**				
2022	**46%**					

(France Assureurs)

Loss ratio triangles for the overall French Marine/Aviation/Space market in respect of direct business in France (based on premium gross of reinsurance):

UWY	At end of year N + i					
N	i=0	i=1	i=2	i=3	i=4	i=5
2017	78%	79%	78%	77%	82%	**80%**
2018	81%	101%	97%	98%	**98%**	
2019	59%	67%	73%	**69%**		
2020	73%	63%	**62%**			
2021	62%	**67%**				
2022	**61%**					

(France Assureurs)

In 2022, Cargo premium represented 34.3% of total premiums of the French Marine/Aviation/Space market (vs. 34.8% in 2021)

(France Assureurs)

France
Author: Nicole Pousson

Large Losses and Notable Incidents:

Latest claims information provided to IUMI Facts & Figures Committee includes the following:

War risk claims directly arising from the Russian invasion commencing February 2022:

100+ storage locations in Ukraine: $50M

Vessels trapped in port with cargo onboard:

ARAYA: $12M

NAVISTAR: $4M

NORDVIRGO: $4M

A claim valued at €20.5 in Q1 2022 in respect of the Felicity Ace car fire

A claim valued at €14.5 in Q2 2022 in respect of machinery/equipment due to flooding

A claim valued at $5.1M in Q2 2022 in respect of fire/explosion onboard the vessel KNIDOS

Underwriting Trends and Hot Topics:

Standard French market translation of the Five Powers War Clause released in July 2023

Updates made to French market war clauses (« *Conventions spéciales pour l'assurance des marchandises transportées contre les risques de guerre, de terrorisme et de grève – Garantie étendue* »)

Among the topics addressed at "Le Rendez-vous ParisMat" French marine market conference (held in Paris in June 2023, attended by 700+ participants): Marine security & containers lost at sea; Decarbonization of air and marine environments; How the air and maritime ecosystem manages cyber risk increase; Theft of transported goods by land in Europe.

Market Players:

Reinforcement of Howden in French market with the acquisition in Q2 2023 of specialist marine broker Seasecure (which since a 2018 merger comprised two operating entities: Seasecure and Guian), following previous acquisitions by Howden (announced in Q3 2022) of French corporate brokers Théorème and CRF.

References:

France Assureurs. (2023 July). *L'Assurance Transports en 2022*.

Germany
Author: Matthias Kirschner

Statistics

Accounting year 2022

Cargo (incl. freight forwarders, CMR and Carriers liability etc.)

Gross premiums	$1,200,475,000	(+0,00%)
Pure Cargo		
Gross premiums	$874,363,892	(+2,098%)
Carriers Liability		
Gross premiums	$326,110,608	(-5,612%)

Underwriting year 2022 as per 31.12.2022:

Cargo (incl. freight forwarders, CMR and carriers liability etc.)

Gross premiums	$897,4904.061
Paid claims	$244,987.827
Total claims incl. outstanding	$684,374.149
Loss ratio paid	27,30%
Total loss ratio	76,26%
Pure Cargo	
Gross premiums	$633,547.364
Paid claims	$204,288.659
Total claims incl. outstanding	$488,900.886
Loss ratio paid	32,25%
Total loss ratio	77,17%
Carriers Liability	
Gross premiums	$263,856.697
Paid claims	$40,699.168
Total claims incl. outstanding	$195,473.262
Loss ratio paid	15,42%
Total loss ratio	74,08%

Large Losses and Notable Incidents (Cargo)

Losses due to war in the Ukraine had have little impact on the German cargo insurance market. On the other hand, the Felicity Ace loss has clearly left his mark.

Large losses in 2022 exceeding EUR 500,000

Reported losses	49
Total amount	$227,716.97

Notable incidents in 2021	**German market share**
FELICITY ACE	approx. $150,000,000
Chemicals (South Korea)	approx. $15,000,000

Germany
Author: Matthias Kirschner

Underwriting Trends and Hot Topics

- Accumulation risks in Marine Cargo war insurance
- Sanctions on Russia, Belarus
- Inflation, rising costs
- Local tax
- NatCat - Warehouse/storage accumulation risks
- Digital Marine insurance policy

Market Players

- Overall a large number of competitors
- Major players are ERGO, HDI GLOBAL, KRAVAG-LOGISTIC, ALLIANZ – ESA, AXA XL etc.
- Several large speciality insurers in niche segments with clearly defined product and customer segments (eg. travel insurance) as HANSEMERKUR, ERV

Noteworthy Local Economic/Political/Societal Highlights

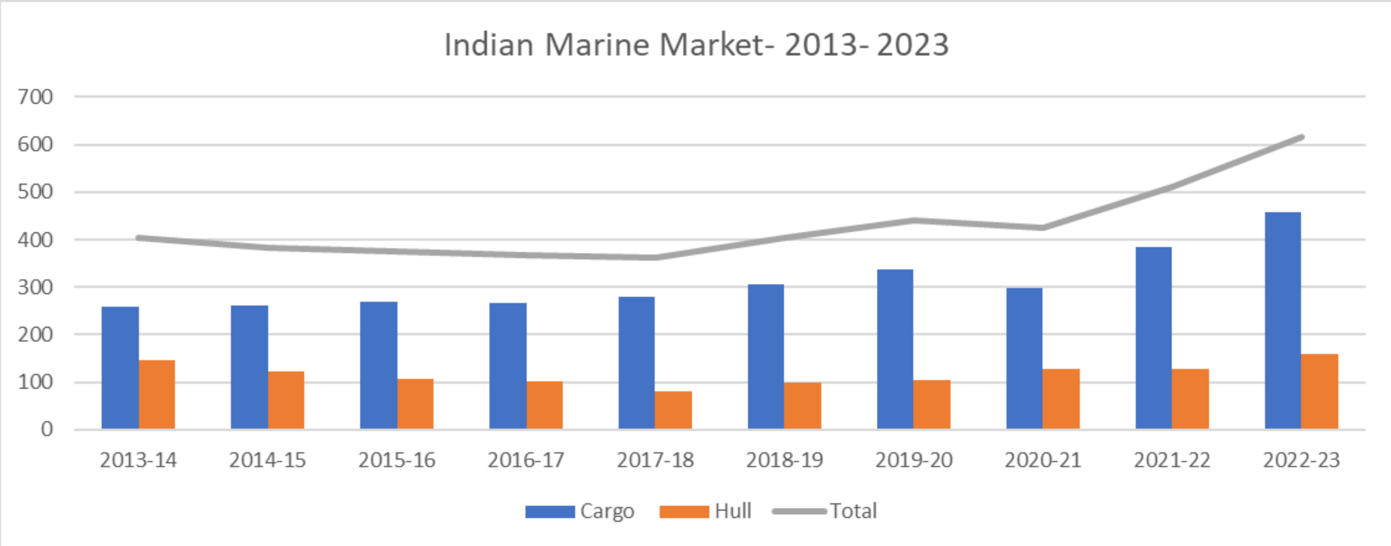
Due to their strong dependence on trade volume (imports, exports and domestic trade), the insurance premium is highly cyclical. However, increases in the global trading volume, in particular, are not fully reflected in premium growth because insurance premiums are rather based on competition in the market but on the increased insured risk.

India
Author: Sibesh Sen

Marine Story

The movement of Indian Cargo and Hull business over the last decade since 2013-14 is as under (all figures in USD Million):

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Cargo	258	261	268	267	280	305	336	297	383	458
Hull	145	123	107	101	81	100	104	128	128	158
Total	403	384	375	368	361	405	440	425	511	616



The growth of the marine insurance in India has seen a good growth in the last two years post Covid period. Accretion of USD 86M and USD 105M is substantial in comparison to the previous periods of growth which has been almost flat between 2014-15 to 2020-21. However when compared to the overall growth of the Indian Insurance Industry in the same period, the actual growth of marine business in India has been very negligible. Marine is among the smallest line of business occupying 1.9% of total general insurance business in India.

India Growth Story

India is now the fifth-largest economy in the world GDP rankings list due to its strong economic foundations, thriving domestic demand, careful financial management, high saving rates, and favourable demographic trends. The country's major economic contributors are traditional and modern agriculture, technology services, the handicraft industry, and business outsourcing.

Rank	Country	GDP in USD	Annual Growth rate
1	United States of America	23.3 trillion	1.58%
2	People's Republic of China	17.7 trillion	6.30%
3	Japan	4.9 trillion	1.30%
4	Germany	4.3 trillion	0.20%
5	India	3.75 trillion	7.20%

India
Author: Sibesh Sen

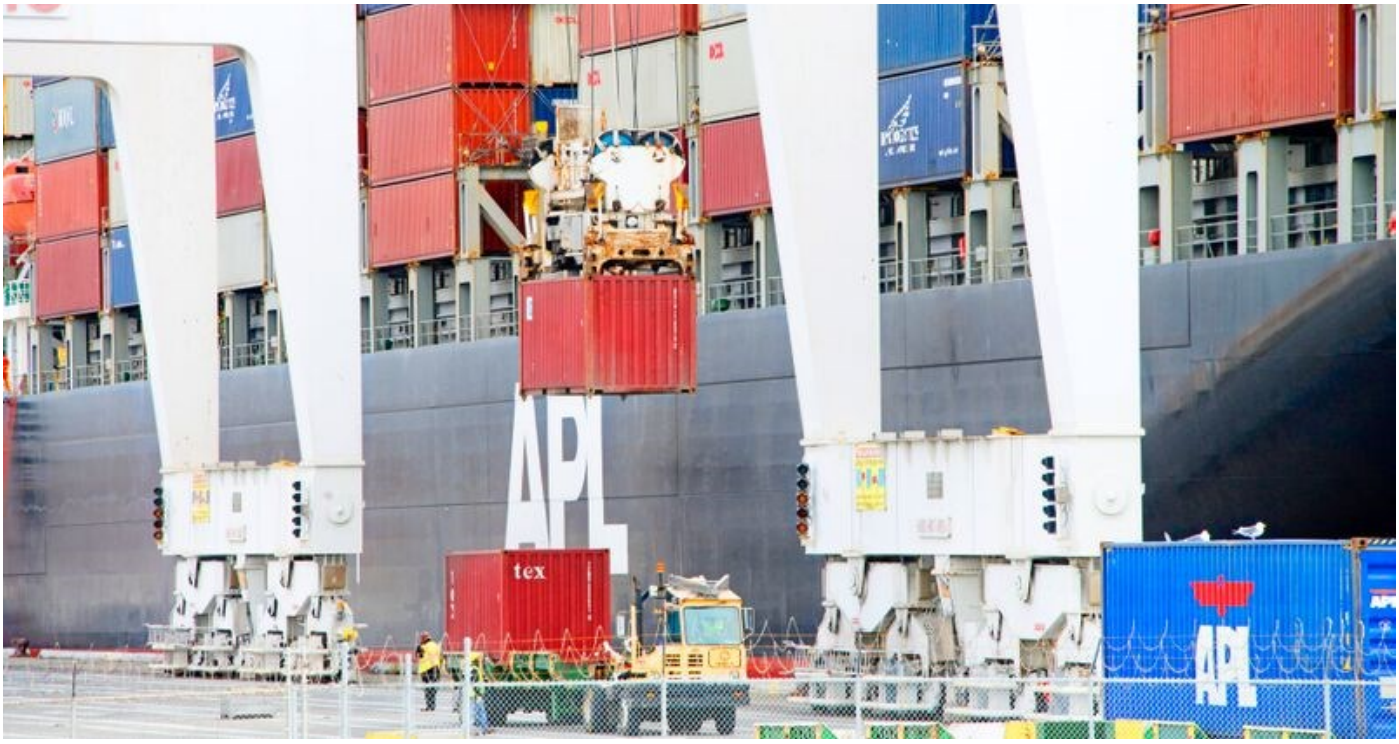
The Indian economy has embarked on an ambitious project of becoming a USD 5 trillion economy by 2025 and it is expected that marine business especially cargo will show even better growth trends in the coming years. The Indian Insurance Regulator (IRDAI) is pushing insurance companies to innovate and increase penetration which is currently low. They have taken on an even more aggressive goal of achieving 100% insurance penetration by 2047 and all insurance companies are working diligently towards creating new products and increasing distribution network to increase insurance awareness and penetration. It is expected that marine business will also benefit from these major policy initiatives and grow to a larger share in the overall industry pie.

The Marine Players

The Indian Market has 23 general insurance companies who write marine cargo business and not more than 5-6 write hull business. The market is segregated between government insurance and private insurance companies. The business split currently is 65% for private players and 35% for government ones. The six major players in the market constitutes over 60% of the total business:

Insurance Companies	**Premium USD M**	**Market Share%**
ICICI Lombard General Insurance Co Ltd	81.40	17.76
Tata AIG General Insurance Co Ltd	79.74	17.40
The New India Assurance Co Ltd	59.40	12.96
IFFCO-Tokio General Insurance Co Ltd	35.27	7.70
Bajaj Allianz General Insurance Co Ltd	31.32	6.83
Indian Marine Cargo Market	**458.39**	

All the major international brokers like Marsh, Aon, Gallagher, Willis have their presence here with over 500 local brokers. The broking business constitutes over 60% of the business, 20% being direct and the remaining done through individual agents. The treaty reinsurance in most cases is on XOL basis with the National Re (General Insurance Corporation) being the lead player.



India
Author: Sibesh Sen

Soft Market

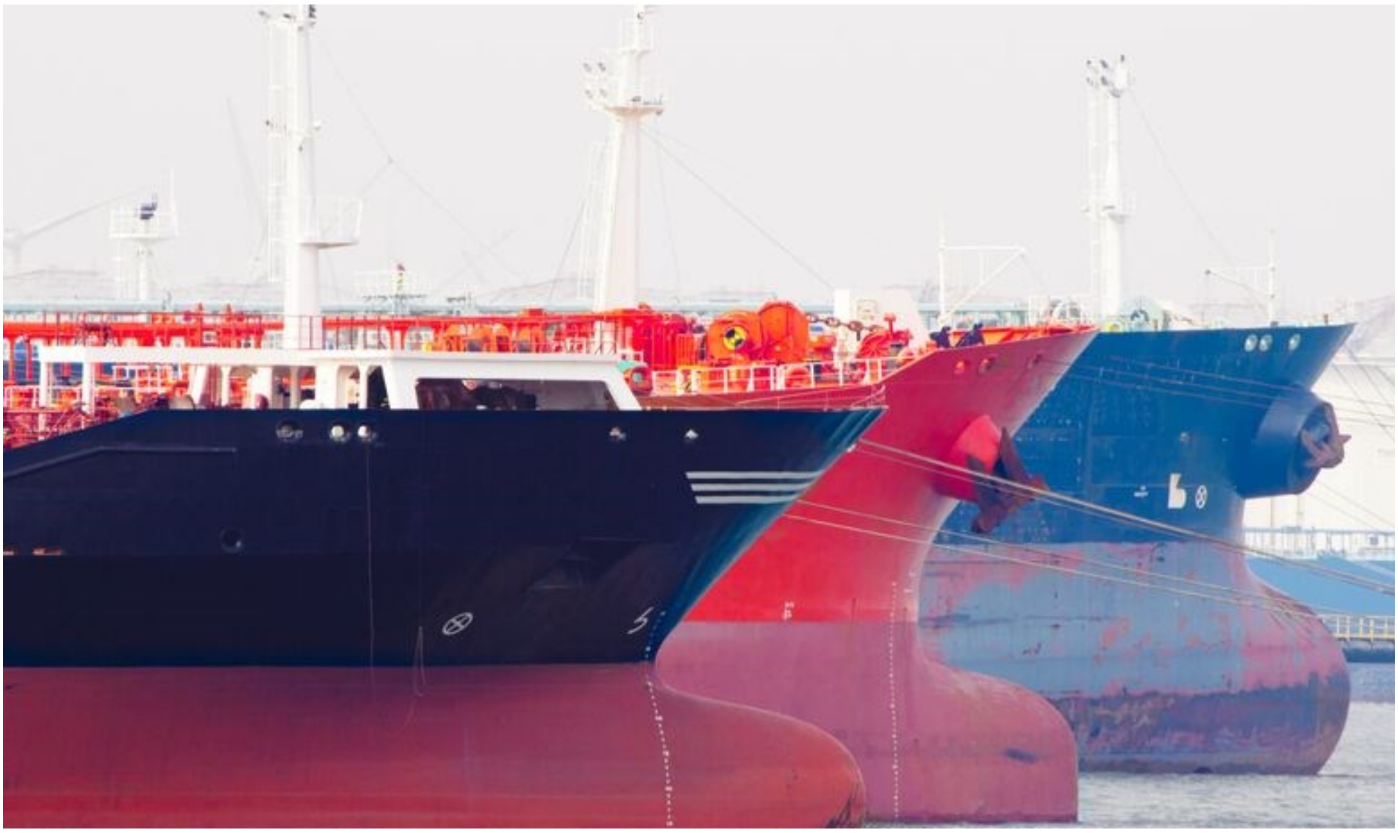
India continues to remains a soft market with the fall in rates for cargo showing little signs of improvement. With large domestic capacities, most risks are underwritten locally at low rates and deductibles. Profitability for most insurers on standalone marine is a challenge however with a controlled pricing and covers for Property and Engineering risks, the portfolio approach is considered the usual practice for large corporates. The smaller entities are however underwritten on case to case basis but with the proliferation of multiple intermediaries and intense competition, pricing often is compromised. Given below is the Incurred Claims Ratios for the decade for the Indian cargo market.

Years	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Gross ICR %	69	82	93	77	65	85	68	73	82	76

When acquisition and management costs are added, the combined ratio of the industry exceeds the threshold limits and has not been profitable for a majority of insurance companies.

Cargo Pool

India has a dependence on the Russian trade. Major imports include crude, fertiliser, coal and edible oil and major exports are rice, gems and jewellery, engineering and manufactured goods. Since the Sanctions Clause LMA 3100 in conjunction with Specified Areas Exclusion meant all shipments to and from Russia, Belarus and Ukraine were off bounds for Indian interests, at the behest of the Indian Government, all the insurance companies got together under the aegis of National Re and created a Marine Cargo Pool to cover imports of crude, fertiliser and coal on port to port basis. Later project cargoes of national interest, steel and edible oil were added to the list of commodities that could be insured by the Pool. The uptake of the Pool is quite limited and it appears that many Indian importers including for crude are buying on DAP terms where the supplier is arranging for the insurance of the overseas leg. All the companies agreed to put in twice their net capacities to create the pool which has the ability to write risks up to USD 65M on a first loss basis. This pool has a separate UW and Claims Committees and all the risks written are reinsured by the pool in proportion to each company's contributions.



Italy
Author: Massimo Spinetta

Statistics

Marine Cargo figures of the last five years (amounts in US $):

Underwriting Year		as at ... years				
		1	2	3	4	5
2018	Gross premiums	121.204.695	157.775.492	178.735.468	167.567.030	159.559.647
MARKET SHARE: 39,51%	Paid claims	32.256.706	75.924.319	103.757.121	99.732.388	94.871.572
	Total claims incl. outstanding	91.796.565	116.120.179	139.275.132	109.234.717	101.143.460
	Loss ratio paid	26,6%	48,1%	58,1%	59,5%	59,5%
	Total loss ratio	75,7%	73,6%	77,9%	65,2%	63,4%
2019	Gross premiums	111.739.312	160.936.487	156.376.064	150.060.359	
MARKET SHARE: 43,89%	Paid claims	10.893.076	54.876.808	69.377.764	68.722.753	
	Total claims incl. outstanding	50.222.573	85.244.995	80.082.517	77.762.426	
	Loss ratio paid	9,7%	34,1%	44,4%	45,8%	
	Total loss ratio	44,9%	53,0%	51,2%	51,8%	
2020	Gross premiums	133.102.825	167.741.047	163.414.783		
MARKET SHARE: 43,98%	Paid claims	13.363.239	42.252.351	59.214.749		
	Total claims incl. outstanding	34.369.327	76.279.418	75.741.642		
	Loss ratio paid	10,0%	25,2%	36,2%		
	Total loss ratio	25,8%	45,5%	46,3%		
2021	Gross premiums	130.753.408	183.756.326			
MARKET SHARE: 47,05%	Paid claims	14.000.258	52.603.033			
	Total claims incl. outstanding	48.098.684	98.136.192			
	Loss ratio paid	10,7%	28,6%			
	Total loss ratio	36,8%	53,4%			
2022	Gross premiums	140.256.172				
MARKET SHARE: 45,81%	Paid claims	13.296.675				
	Total claims incl. outstanding	47.270.576				
	Loss ratio paid	9,5%				
	Total loss ratio	33,7%				

Source: ANIA Associazione Nazionale fra le imprese Assicuratrici

Large Losses and Notable Incidents

Cargo claims figures have been reported by ANIA to IUMI Facts & Figures Committee.

Total Large losses (>250K) occurred in 2022: € 7.3M + US $. 6.2M split as follows:

Inland transit:
€ 0.6M (rail accident)

Ocean voyage:
€ 3.6M (1.8M theft/robbery/burglary – 1.4M denting/breakage 0.4M contamination)
US $ 4.2M (2.1M theft/robbery/burglary - 1.5M contamination – 0.6M denting/breakage)

Storage:
€ 3.1M (2M fire– 0.8M theft/robbery/burglary - 0.3M nat-cat)
US $ 2M (contamination)

Source: ANIA Associazione Nazionale fra le imprese Assicuratrici

Italy
Author: Massimo Spinetta

Underwriting Trends and Hot Topics

Insurers more and more committed to ESG strategy
Increased fire risk on vessels carrying electric vehicles and/or lithium batteries
Increased risks related to Nat-Cat perils due to climate change
Business still under competition at renewal negotiation
Frequent remarketing action asked by Clients despite policy's technical results
Russia-Ukraine conflict: strong limitation to trading due to new international sanctions added by EU to existing measures imposed on Russia since 2014
International Sanctions: different approach among Insurers in managing shipments involving sanctioned Countries
Rise of inflation causing increase in average cost of claims of 2.6% compared to 2021
Adoption of new clauses:

"Marine Cyber Endorsement LMA 5403" replacing Clause 380
"Communicable Disease: Clause JC2020-011"
"Price Cap Clause" issued on December 2022

Market Players

2022 GWP for Cargo direct business in Italy amounting to € 357,8M (+18.2% vs 2021)

Cargo premium representing 41% of MAT 2021 global premium

2022 Top five Cargo Insurers:

	Total Premium (€ thousand)	variation 2022/2021	Market share
GENERALI	89,133	10.8%	24.91%
GRUPPO ASSICURATIVO UNIPOL	53,547	36.3%	14.97%
CHUBB EUROPEAN GROUP	52,765	29.9%	14.75%
XL INSURANCE COMPANY	33,999	23.9%	9.50%
GRUPPO ASSICURATIVO ALLIANZ	21,216	6.2%	5.93%

Distribution channel:
Brokers: 69.4%
Agencies: 27.2%
Direct: 3.2%
Banks/financial advisors: 0.2%

Source: ANIA Associazione Nazionale fra le imprese Assicuratrici – Premi del lavoro diretto italiano 2022

OPTIONAL: Noteworthy Local Economic/Political/Societal Highlights

After the end of the national health system state of emergency in the first quarter of 2022, new critical elements have emerged. The strong increase of energy and raw material prices, accentuated by the conflict in Ukraine, conditioned the evolution of the economy with significant increases in production costs. Italy was one of the countries most affected by such increases, in particular as regards electricity (+72.4% since 2020) so as to become the highest among the major European economies.

In the weeks leading up to the start of Russia-Ukraine conflict general commodities price index began to grow reaching a peak of 30% in June 2022 compared to the beginning of the year. The annual average increase in raw material price was around 15%.
The price of oil (Brent) reached a record level of 130 dollars a barrel in the days immediately following the beginning of the conflict. Towards the end of the year – also mainly due to the imposition by the G7 Countries, the EU Countries and Australia of a "price cap" on oil imported from Russia – the oil price has relatively stabilized, hovering around 80 dollars per barrel.

2022 GDP grew by 3.7%. The growth was more sustained in the North-East (+4.2%) and in the Center (4.1%) and more limited in the South (+3.5%) and in the North-West (+3.1%).

Italy
Author: Massimo Spinetta

The Italian inflation rate was higher than the euro area average. Average inflation recorded a very strong acceleration in 2022, reaching a level of 8.1%, over 6% more than 2021. The reason for the increase was the exceptional surge in prices of energy goods (+50.9%, with a contribution to average inflation of +5.14%), linked to turbulence on the commodities markets caused by the war in Ukraine.

2022 exports grew by 20.9%. The strong increase in exports was associated with a marked acceleration in that of imports (+36.4%), supported by the rise in raw materials, especially energy.
The increase in the price of natural gas has led to changes in our country's procurement policy.
In 2022 LNG purchases from Russia decreased by 50% and were mainly replaced by supplies from USA, Algeria and Qatar (representing 80% of total LNG purchases).

Export of some manufacturing sectors, mainly of a traditional type, achieved in 2022 a very strong growth (above all food products, clothing and furniture). Refined petroleum products and pharmaceuticals also performed well. Italy's main trading partners (US, Germany, France, Spain, UK, Russia and China) overall concentrate around half of the manufacture export flows. Germany, France and US are the three main outlet markets for more traditional products related to clothing and furnishings. About 40% of food sales goes to Germany, followed by France and US.

Mechanical products, electrical machinery, pharmaceuticals, clothes, leather and energy items made a significant contribution to the increase of 2022 imports. Main imports increases are recorded from Germany, China, US and Switzerland. On the other hand, imports from UK decreased by 30% compared to 2019 and imports from Russia decreased by almost a third.

Living without depleting the natural systems from which we draw resources is a condition for a sustainable development. A growing awareness and attention to environmental issues has been expressed by the Italians. Over 70% of the population considers climate change or the increase in the greenhouse effect as a major concern.
Seven goals out of seventeen *"Sustainable Development Goals"* of the United Nations 2030 Agenda are directly attributable to environmental protection and sustainable development.

In February 2022, the Italian Chamber of Deputies definitively approved a legislative proposal which includes the protection of the environment among the fundamental principles of the Constitution.

One of the major criticalities of the Italian environment is the scarcity of natural resources, with particular regard to water. In 2022 the reduction of rainfall together with the increase in temperatures recorded a reduction in national water availability of almost 50% less than the last thirty years 1991-2020.
In 2022, almost 60% of manufacturing companies adopted measures aimed at strengthening the sustainability of production processes. 50.3% of businesses have adopted environmental protection practices, 44.6% have implemented social sustainability initiatives and 38.6% have promoted economic sustainability actions.

Sources:
Istat Istituto Nazionale di Statistica – Rapporto annuale 2023 – La situazione del Paese
ANIA Associazione Nazionale fra le imprese Assicuratrici - L'Assicurazione Italiana 2022 - 2023
Banca d'Italia – Relazione annuale anno 2022

Japan
Author: Tom Shinya

Statistics

Japanese Cargo Market Overview of 2022 Fiscal Year (April 2022 to March 2023)

GWP :

JPY251 billion (equivalent to US$ 1.9 billion (based on the exchange rate of US$1=JPY133))   This is +14.3% compared to FY2022.

Gross Paid Claims :

JPY98 billion (equivalent to US$ 734 million (based on the exchange rate of US$1=JPY133)) Gross paid claims of FY2022 was JPY91 billion.

Loss Ratio (G/G) :   39% (Net/Incurred basis is 43%)

Ref. The General Insurance Association of Japan http://www.sonpo.or.jp/en/statistics/

Exchange rate of US$=JPY133 is based on the final day of FY2022.

Large Loss

No major incidents on cargo. Some flooding from heavy rain, but cargo loss was minimal. No major typhoons striking the Japanese islands.
Some major warehouse fire losses.
FY2022 and FY2021 has been exceptionally good in loss ratio.

Underwriting Trends and Hot Topics

The premium rised significantly compared to the previous FY. This is mostly due to the Japanese yen weakening againt US dollar and euro. Most trades being payed on US dollars or euro, the yen positiong weaker turned out to increase the yen based premium. The weak position of the Japanese yen is explained by the difference of the policy interest rates. The Bank of Japan is still keeping the interest rate in a relatively low range compared to the constantly rising rates of US(FRB) and EU(ECB). However it is expected that the Bank of Japan will start raising interest rates in the near future.
Trading has recovered after the fall of FY2020. The inflated commodity prices has been driving the insured amount in a high range.
Without major nat cat affecting cargo, FY2022 was not a bad year for the underwriters. Rates have been rather stable during FY2022. There was an increase of rates during FY2019-2020 for the loss affected accounts at typhoon Jebi of 2018. (Jebi was the largest loss event in the Japanese insurance history with cargo loss over US$500 million (US$16 billion for all lines). Main Locations of losses were Port of Kobe, Port of Osaka and Kansai Airport. Approx.80% was flood water damage while stored at ports).
For the Russian Ukrainian war, there are few constructive total losses due to the deprivation of possession on cargo.

Market Players

The number of Domestic Insurers are 29, Foreign companies are 18. The three major insurers being ; Mitsui Sumitomo Insurance Co., Ltd., Sompo Japan Insurance Inc., Tokio Marine & Nichido Fire Insurance Co., Ltd.

Ref. The General Insurance Association of Japan http://www.sonpo.or.jp/en/statistics/

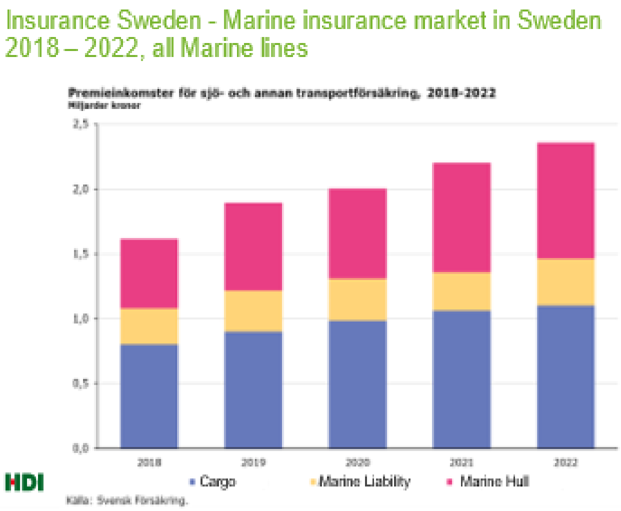
Nordic Countries (Denmark, Finland, Norway and Sweden)

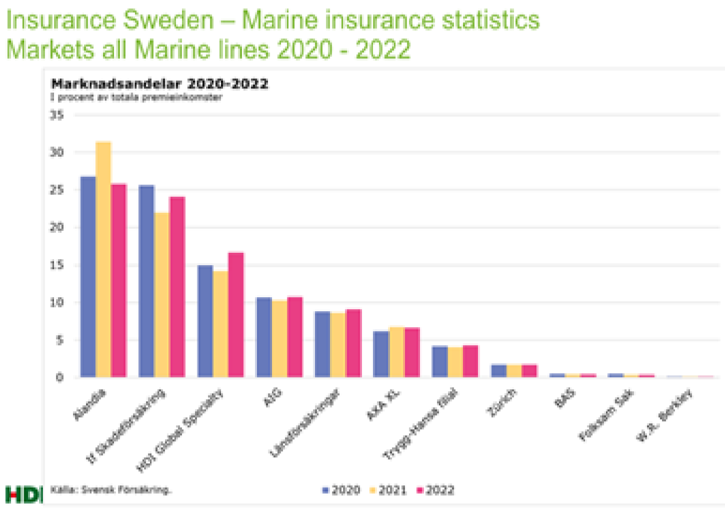
Author: Niklas Bengtsson

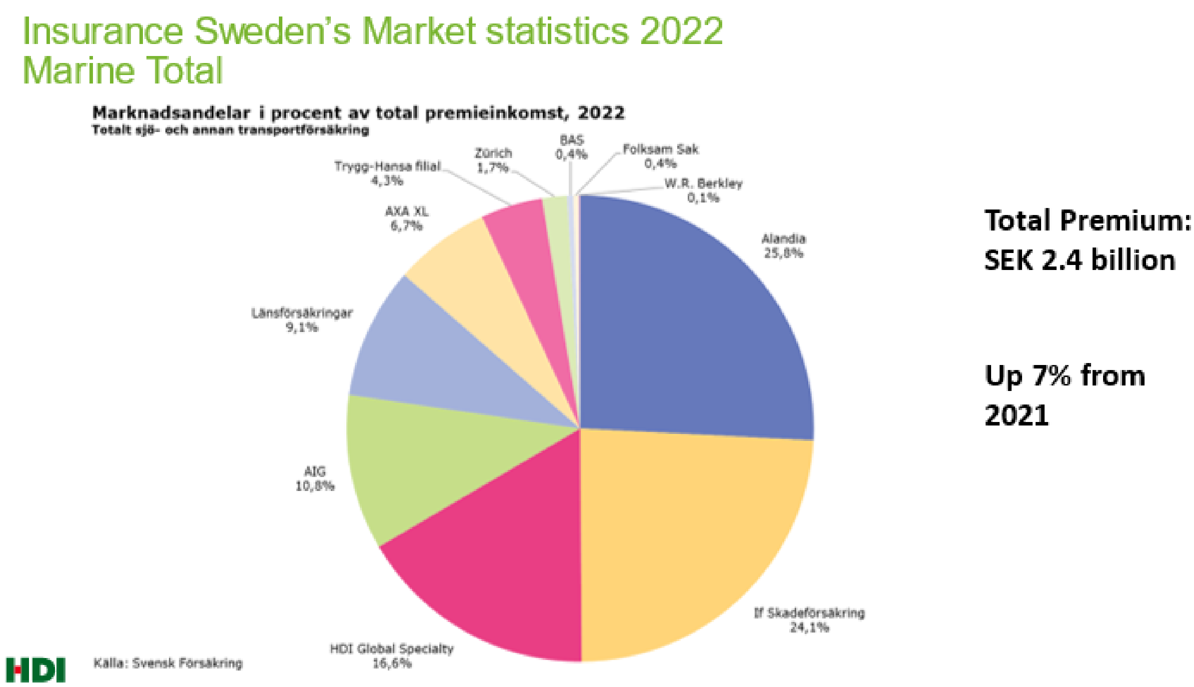
Statistics

Gross Written Premium 2022: abt. USD 300m
Sweden 50%
Finland 26%
Denmark 17%
Norway 7%

Swedish Cargo insurance market 2022. Unfortunately, no other Nordic marine insurance organisation produce market statistic except Insurance Sweden.

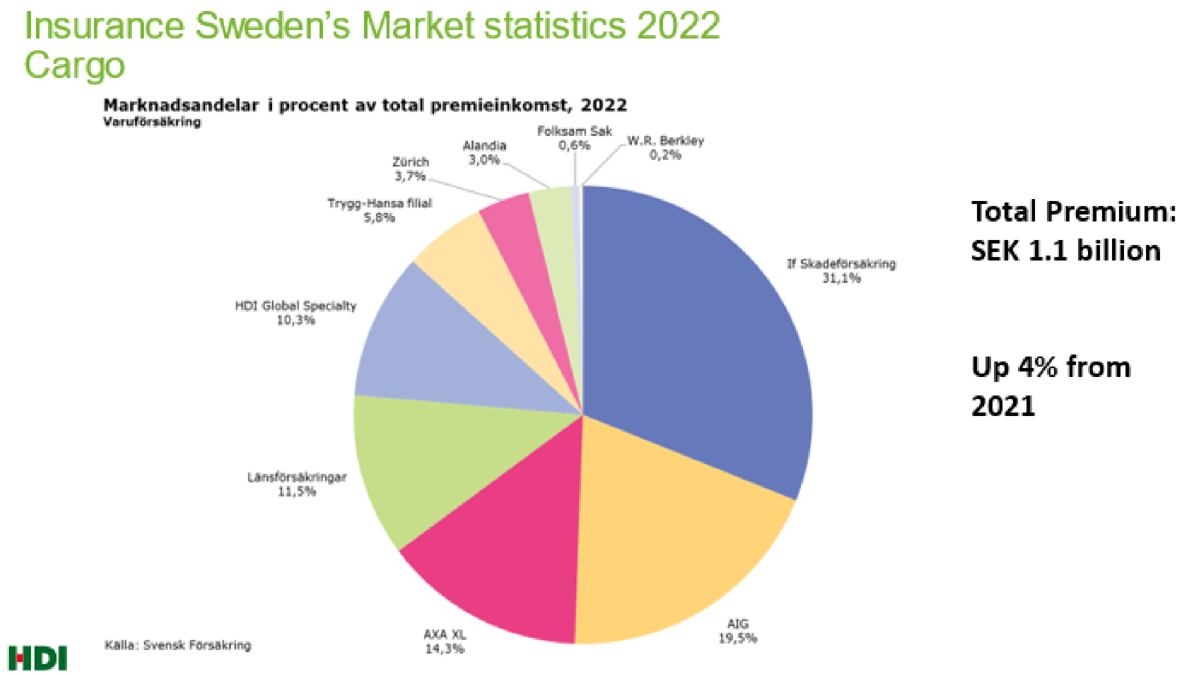






Nordic Countries (Denmark, Finland, Norway and Sweden)

Author: Niklas Bengtsson



Large Losses and Notable Incidents

Fires onboard vessels and at warehouses.

Flooding in Sweden and Norway but limited losses to the Cargo segment

Underwriting Trends and Hot Topics

M&A activities remains with the larger brokers acquiring the smaller niche marine brokers.

All markets have the same view and not insuring anything with a Russian nexus.

Market fully compliant with sanction on Russia and almost all Nordic cargo clients have left or sold out their Russian subsidiaries.

RUB clauses or similar have been implemented.

QBE starting up Cargo underwriting in Sweden, covering all Nordic countries.

Stabile market conditions with limited rate changes

New cargo insurance market in Sweden, Dina Försäkringar with staff from Alandia

Market Players - Cargo insurance

Pan-Nordic: If P&C Insurance, HDI Global Specialty/HDI Global, AIG, AXA XL, Zurich, Alandia, CNA Hardy, Chubb, Tryg/Trygg-Hansa, Berkley Nordic, QBE

Domestic: Länsförsäkringar, Topdanmark, OP/Pohjola, Lokal/Tapiola, Gjensidige, Alm. Brand/Codan, NEM Forsikring, Dina Försäkringar

Coverholders: First, Fender Marine, RiskPoint, Mainpro,

Singapore
Author: Mark Watts

Statistics

The statistics below are collected by the MAS (Monetary Authority of Singapore) from all of their members. To date the stats currently 'unaudited' and represent Gross Cargo premiums split between Singapore Insurance Fund (SIF) & Offshore Insurance Fund (OIF).

2022 unaudited figures for Cargo (source: MAS)
Gross Premiums - (SGD mil)

2022	Cargo (SIF)	Cargo (OIF)	Total
Q1	34.0	96.9	130.9
Q2	33.5	100.4	133.9
Q3	25.2	70.1	95.3
Q4	25.2	82.0	107.2
Total SGD	117.9	349.4	467.3
ROE			1.3446
USD			**347.54**

Incurred Loss Ratios

	Cargo (SIF)	Cargo (OIF)
2021	14.8%	40.1%
2022	29.3%	54.8%

Source: https://www.mas.gov.sg/statistics/insurance-statistics

Large Losses and Notable Incidents

Nothing notable to mention

Underwriting Trends and Hot Topics

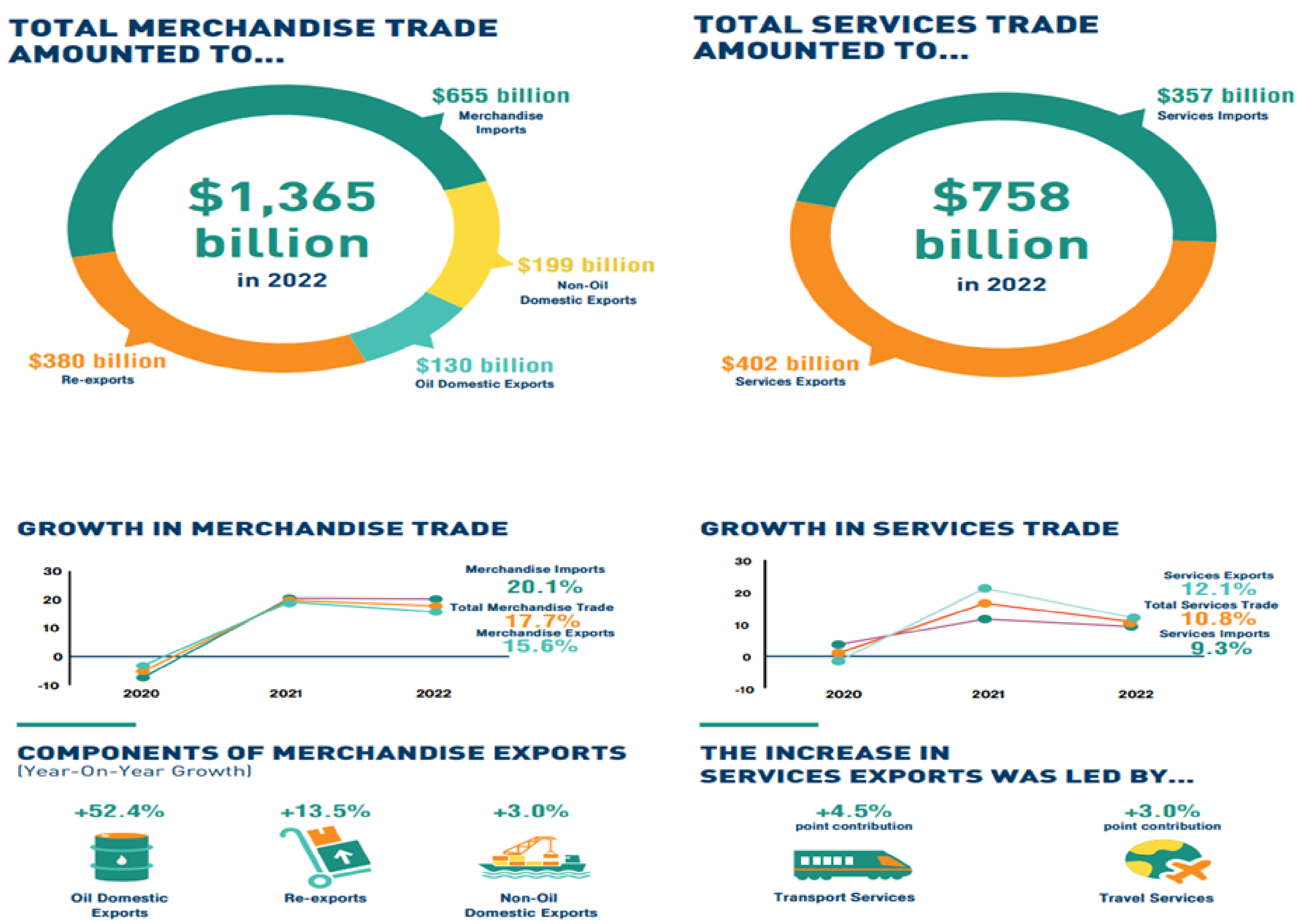
Inflation & Russia Ukraine conflict are still the Hot topics in the Singapore market.

The positive rating environments of the past few years are starting to slow down, there is still a conservative approach to capacity deployment but overall Singapore insurers remain focused on bottom-line profitability, with continued scrutiny of insuring terms and conditions.

Noteworthy Local Economic / Political / Societal Highlights

In 2022, Singapore's total merchandise trade surged by 17.7 per cent to $1.4 trillion, from $1.2 trillion in 2021. Oil trade expanded by 47.5 per cent amidst higher oil prices compared to a year ago, while nonoil trade grew by 11.9 per cent. Merchandise exports and imports increased by 15.6 per cent and 20.1 per cent respectively. Total services trade rose robustly by 10.8 per cent to $758 billion in 2022, from $684 billion in 2021. Services exports and imports increased by 12.1 per cent and 9.3 per cent respectively in 2022

Singapore
Author: Mark Watts



<u>Singapore's Major Trading Partners</u>

Source [Singapore Department of Statistics | Infographic - Singapore's International Trade (singstat.gov.sg)]

Singapore
Author: Mark Watts

Source Ministry of Trade & Industry www.mti.gov.sg

Market Players

The top 10 Cargo insurers in Singapore by GWP are listed below – Source General Insurance Association of Singapore (GIA) stats

Company
LLOYD'S ASIA
AXA XL
MSIG
GAIC
TOKIO MARINE
AWAC
AIG
MS FIRST CAPITAL
ZURICH
QBE

South Africa
Author: Mike Brews

Economic & Political Review

GDP

Like much of the world, the local economy in South Africa, has come under tremendous strain. After contracting by a revised 1,1% in the fourth quarter of 2022, real gross domestic product (GDP) edged higher in the first quarter of 2023 (January–March), expanding by an estimated 0,4%. Eight of the ten economic activities reported positive growth rates in the first quarter, with manufacturing (+1.5% vs -1.2% in Q4) and finance, real estate & business services (+0.6% vs -1.6%) making the biggest contributions to growth. Also, transport (+1.1% vs +0.9%), personal services (+0.8% vs -0.1%) and trade, catering & accommodation (0.7% vs -2.2%) supported the expansion. On the expenditure side, exports were buoyant in Q1, expanding by 4.1%, while imports advanced by 4.4%. Year-on-year, the GDP advanced by 0.2% in Q1, in line with market estimates, following a downwardly revised 0.8% rise in the previous period.

Inflation

Annual consumer inflation slumped to 4,7% in July from 5,4% in June. This is the lowest reading since July 2021, when the rate was 4,6%

Unemployment: The unemployment rate was 35.3% in the first quarter of 2023, unchanged from the previous quarter but dropped to 32.9% in Q2

South Africa's public debt is at 70.9% of GDP. This is a major constraint on the government's ability to stimulate the economy.

Key Challenges

Here are some of the key challenges facing the South African political landscape:

Corruption: Corruption is a major problem in South Africa, and it has eroded public trust in the government. The ANC has been accused of corruption on a grand scale, and this has been a major factor in its declining popularity.

Economic mismanagement: The South African economy has been struggling for several years, and this has led to increased poverty and inequality. The government has been criticized for its economic policies, which have been seen as ineffective and inequitable.

Rising crime: Crime is a major problem in South Africa, and it has a negative impact on the economy and society. The government has been unable to effectively address crime, and this has contributed to the sense of insecurity among South Africans.

Political instability: South Africa has experienced a number of political scandals and crises in recent years. This has led to a sense of uncertainty and instability in the country.

South Africa will be holding general elections in 2024 and the ANC ruling party is likely to come under tremendous pressure. Numerous new political parties have emerged with many of them being ex-ANC senior politicians.

BRICS

The BRICS summit is an annual meeting of the leaders of Brazil, Russia, India, China, and South Africa. The summit is held to discuss a range of issues of common interest, including trade, investment, development, and security.

Some of the potential benefits of the BRICS summit for South Africa:

Increased trade and investment: The summit can provide an opportunity for South Africa to sign new trade deals and attract foreign investment.

Enhanced cooperation on development: The summit can help to strengthen cooperation between South Africa and other BRICS countries on development projects.

Increased political and economic influence: The summit can help to raise South Africa's profile on the global stage and increase its political and economic influence.

Improved access to markets: The summit can help South Africa to gain access to new markets in other BRICS countries.

Enhanced technology transfer: The summit can help South Africa to access new technologies from other BRICS countries.

South Africa
Author: Mike Brews

However, there are also some potential risks associated with the BRICS summit for South Africa:

Increased competition: The summit can increase competition for South Africa in areas such as trade and investment.

Increased pressure on South Africa to align with other BRICS countries: The summit can increase pressure on South Africa to align its policies with those of other BRICS countries.

Increased criticism of South Africa: The summit can provide an opportunity for other BRICS countries to criticize South Africa's policies.

South African Marine Insurance Market

South Africa is just recovering from numerous incidents resulting in massive claims over the past 3 years. Floods, unrest, and some major fire losses have resulted in the SA marine market seeing pressure on underwriting profits.

Over the past year, claims seem to have returned to pre-COVID levels with an industry loss ratio dropping to below 60%. Much of this is due to improved underwriting standards and hardening market.

The hardening of the market has levelled off, but few underwriters are offering rate reductions at this stage. The industry is currently stable with no new entrants coming into the market.

Premiums

AMUSA have put forward the following estimates regarding the marine market 2022.

Rates are stable.

The South African Rand has weakened from ZAR15.9/US$1 to ZAR 16.9/US$1 over the reporting period.

Transport/Cargo - $133’037’974

Global Hull - $13’526’642

Marine Liability - $2’085’702

<u>Total - $148’650’318</u> (Up from $136 718 275)

The volatility of the economy makes is very difficult to predict any clear trends going forward.

High unemployment will continue to result in higher theft losses as citizens try to feed their families.

Claims have stabilised as has the Re-insurance market, resulting in stabilising of marine policy rating.

Capacity is still difficult to come by, so we are unlikely to see new players entering our market any time soon.

South African elections may be a cause for unrest again and the market is monitoring this closely.

References:

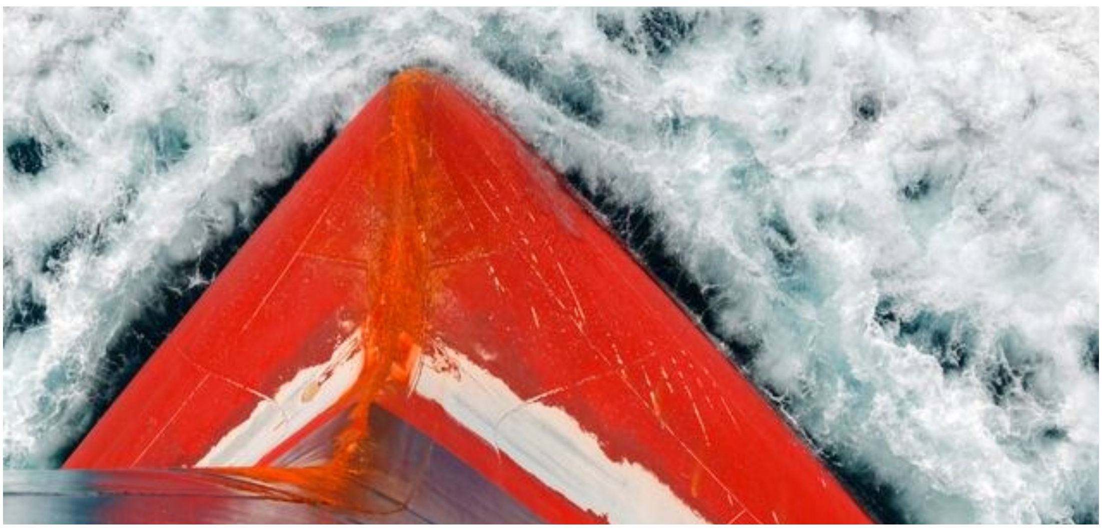
Trade Economics

Stats SA

CEIC Data

SA Reserve Bank

Business Day



South Latin America
Author: Diego Calderón

Statistics

Cargo	Gross Premiums (Cargo)			Claims			Loss Ratio			GDP (2022)	Inflation	Economy Rank	Cargo Premium
	2021	2022	Var	2021	2022	Var	2021	2022		(USD Millions)		Wold Bank	as % of GDP
Mexico	512.204.783	562.159.023	10%	256.889.123	314.462.770	22%	50,15%	55,94%	12%	1.414.187	7,90%	14	0,0398%
Brazil	374.790.722	501.426.028	34%	143.002.155	221.903.112	55%	38,16%	44,25%	16%	1.920.096	9,30%	11	0,0261%
Chile	163.961.117	215.331.319	31%	91.354.856	88.460.564	-3%	55,72%	41,08%	-26%	301.025	11,60%	46	0,0715%
Argentina	139.646.930	182.481.526	31%	13.324.943	21.824.151	64%	9,54%	11,96%	25%	632.770	N/A	22	0,0288%
Colombia	94.805.794	107.320.816	13%	32.754.628	30.722.026	-6%	34,55%	28,63%	-17%	343.939	10,20%	44	0,0312%
Peru	66.901.753	74.151.981	11%	29.691.851	37.939.099	28%	44,38%	51,16%	15%	242.632	8,30%		0,0306%
Ecuador	59.513.341	69.321.840	16%	14.105.202	13.876.697	-2%	23,70%	20,02%	-16%	115.049	3,50%	63	0,0603%
Guatemala	29.903.574	33.704.790	13%	2.890.721	6.540.464	126%	9,67%	19,41%	101%	95.003	6,90%	69	0,0355%
Uruguay	31.032.883	30.725.977	-1%	7.411.922	4.611.678	-38%	23,88%	15,01%	-37%	71.177	9,10%	79	0,0432%
Panama	25.221.230	30.224.423	20%	5.939.061	7.114.254	20%	23,55%	23,54%	0%	76.523	2,90%	74	0,0395%
Dominican Republic	19.935.682	24.781.818	24%				N/A	N/A		113.642	8,80%	65	0,0218%
Paraguay	18.922.408	20.275.146	7%	5.637.064	8.973.308	59%	29,79%	44,26%	49%	41.722	9,80%	97	0,0486%
Costa Rica	12.714.062	17.853.165	40%	5.530.493	5.618.012	2%	43,50%	31,47%	-28%	68.381	8,30%	83	0,0261%
Bolivia	15.329.000	16.323.000	6%	6.839.000	7.567.000	11%	44,61%	46,36%	4%	43.069	1,70%	96	0,0379%
El Salvador	16.015.020	15.583.258	-3%	3.535.963	3.370.143	-5%	22,08%	21,63%	-2%	32.489	7,20%	101	0,0480%
Honduras	9.339.796	11.692.529	25%	3.898.761	3.009.769	-23%	41,74%	25,74%	-38%	31.718	9,10%	102	0,0369%
Nicaragua	4.169.469	4.984.360	20%	584.198	1.423.282	144%	14,01%	28,55%	104%	15.672	10,50%	131	0,0318%
	1.594.409.585,81	1.918.343.021,65	20%	623.391.963,41	777.418.349,85	25%	39,10%	40,53%	4%	5.559.094			0,0345%

*Guatemala, Uruguay, Paraguay and Nicaragua do not differentiate Cargo and Hull premiums, so figures include the sum of both.

**Panama does not report claims data

***Source: GPW and Claims: ALSUM data collection from different local regulators, superintendencies and Insurers Associations. / GDP, Inflation, Ranking: World Bank published information on-line

****World Bank does not hold official Inflation information for Argentina

Large Losses and Notable Incidents

We've not seen much notable incidents aside from the not so exceptional hurricane season that impacted the Caribbean but the impacts on the cargo market were mostly concentrated in the US market rather than the LatAm market.

There was a heavy rain event during June 2023 affecting the central and south zones of Chile, generating flooding event in Chile which impact on the Cargo and Stock throughput market is still starting to appear as first loss reserves are being posted. Some markets report various claims above USD 1M arising from this incident. How deep the impact will be is still to be seen. Is noteworthy to add that most STP policies in Chile are reinsured back to the London and US markets so the impact on net retentions will not be so deep.

South Latin America
Author: Diego Calderón

Underwriting Trends and Hot Topics

Truck Theft is on the rise in countries such as Chile and Ecuador, which is a relatively new trend on a peril that used to be much more associated with Mexico, Brazil and Argentina. This is a hot topic all over the region and risk management techniques have acquired a much more relevant role at the time of underwriting cargo accounts.

Market Players

The Latin American market is very diverse in terms of players, but there are a couple of large multinational groups with deep footprint in the region such as: Chubb, Allianz, Zurich, Mapfre, Starr, Liberty and Talanx (via HDI) as well as the large Colombian insurance group SURA. In each country there is also a handful of smaller local companies with rich history which deeply relay on reinsurance support from the traditional big reinsurers (Swiss Re, Munich Re, Lloyd's, etc).

There was a recent announcement that Liberty has sold their local operations in Brazil, Chile, Colombia, and Ecuador to the German group Talanx. While the actual details of the operation are still being worked out, it is a signal of market consolidation in the region which has seen lots of M&A activity in the past five years.

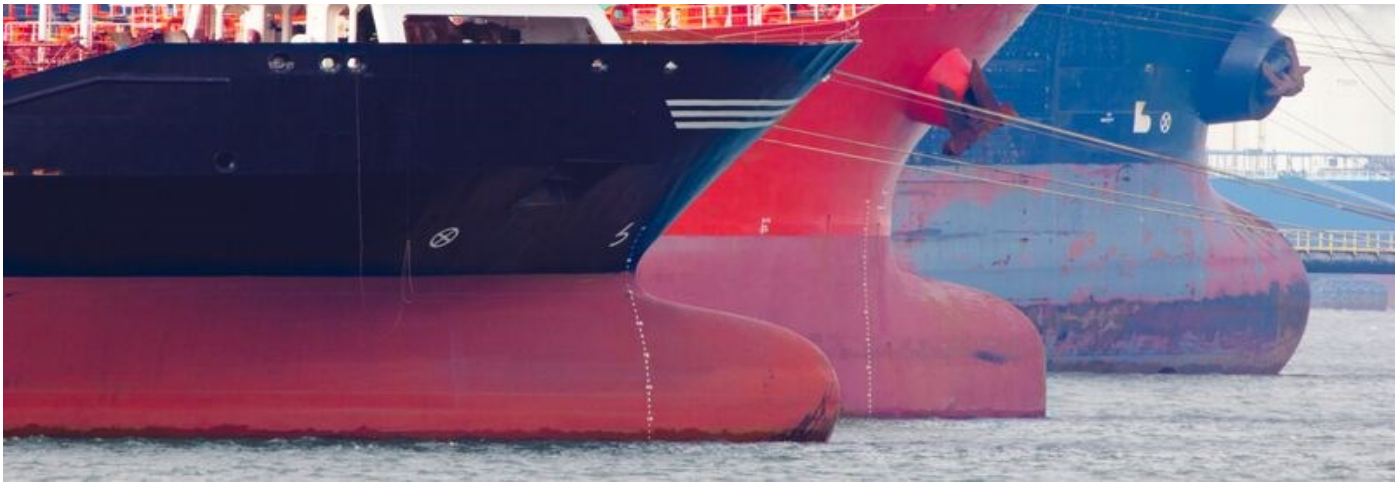
Noteworthy Local Economic/Political/Societal Highlights

Please note – the section on general economics/trade/politics is optional since this information is supplied by HIS. Please feel free however to include in your report a few lines about any noteworthy local economic related situation in your territory, if you wish to do so

Some relevant topics that are being discussed throughout the region are:

Nearshoring: this is one of the hot topics in the post-covid world and is seen as the golden opportunity in much of Latam countries that look to establish themselves as the regional hub for various multinational companies. This has come along with investment in port infrastructure. Some of the industries that are expected to push this imput are: Auto manufacturing, Textile, Pharma and Renewable Energies.

Mining – Lithium Reserves: The largest lithium reserves are in Latin America. The Mineral Commodity Summaries 2023 by the USGS states that the "identified lithium resources are distributed as follows: Bolivia, 21 million tons; Argentina, 20 million tons; Chile, 11 million tons; Australia, 7.9 million tons; China, 6.8 million tons; Germany, 3.2 million tons; Congo (Kinshasa), 3 million tons; Canada, 2.9 million tons; Mexico, 1.7 million tons; Czechia, 1.3 million tons; Serbia, 1.2 million tons; Russia, 1 million tons; Peru, 880,000 tons; Mali, 840,000 tons; Brazil, 730,000 tons; Zimbabwe, 690,000 tons; Spain, 320,000 tons; Portugal, 270,000 tons; Namibia; 230,000 tons; Ghana, 180,000 tons; Finland, 68,000 tons; Austria, 60,000 tons; and Kazakhstan, 50,000 tons." (pag 108. Report available in https://pubs.er.usgs.gov/publication/mcs2023)



South Latin America
Author: Diego Calderón

This means that 63.8% of the identified Lithium reserves are distributed in 3 countries of the region (Bolivia, Argentina and Chile) with other countries in the region with smaller potential. This data has impacted all the political strategies in these countries which are fastly developing new ways to increase their production and gain larger share in the Lithium market in view of the high demand of this mineral for its usage in batteries for Electrical Vehicles and battery banks for non traditional renewable energy plants.

This should carry out an increase in exports out of these countries that will certainly have a large impact on the local cargo market.

Social Unrest: this has been a hot topic lately in the region with the Chile unrests from 2019, Colombia in 2020 and others followed. Nowadays Peru is under heavy political instability, but their economy has been very resilient.

On the road to elections in 2024:

Salvador general election, 4 February and 3 March

Dominican Republic general election, 19 May

Mexico general election, 2 June

Panama general election, 5 May

Uruguay general election, 27 October

Venezuela presidential election

South Latin America

Author: Diego Calderón

Statistics

Cargo	Gross Premiums (Cargo)			Claims			Loss Ratio			GDP (2022)	Inflation	Economy Rank	Cargo Premium
	2021	2022	Var	2021	2022	Var	2021	2022		(USD Millions)		Wold Bank	as % of GDP
Mexico	512.204.783	562.159.023	10%	256.889.123	314.462.770	22%	50,15%	55,94%	12%	1.414.187	7,90%	14	0,0398%
Brazil	374.790.722	501.426.028	34%	143.002.155	221.903.112	55%	38,16%	44,25%	16%	1.920.096	9,30%	11	0,0261%
Chile	163.961.117	215.331.319	31%	91.354.856	88.460.564	-3%	55,72%	41,08%	-26%	301.025	11,60%	46	0,0715%
Argentina	139.646.930	182.481.526	31%	13.324.943	21.824.151	64%	9,54%	11,96%	25%	632.770	N/A	22	0,0288%
Colombia	94.805.794	107.320.816	13%	32.754.628	30.722.026	-6%	34,55%	28,63%	-17%	343.939	10,20%	44	0,0312%
Peru	66.901.753	74.151.981	11%	29.691.851	37.939.099	28%	44,38%	51,16%	15%	242.632	8,30%		0,0306%
Ecuador	59.513.341	69.321.840	16%	14.105.202	13.876.697	-2%	23,70%	20,02%	-16%	115.049	3,50%	63	0,0603%
Guatemala	29.903.574	33.704.790	13%	2.890.721	6.540.464	126%	9,67%	19,41%	101%	95.003	6,90%	69	0,0355%
Uruguay	31.032.883	30.725.977	-1%	7.411.922	4.611.678	-38%	23,88%	15,01%	-37%	71.177	9,10%	79	0,0432%
Panama	25.221.230	30.224.423	20%	5.939.061	7.114.254	20%	23,55%	23,54%	0%	76.523	2,90%	74	0,0395%
Dominican Republic	19.935.682	24.781.818	24%				N/A	N/A		113.642	8,80%	65	0,0218%
Paraguay	18.922.408	20.275.146	7%	5.637.064	8.973.308	59%	29,79%	44,26%	49%	41.722	9,80%	97	0,0486%
Costa Rica	12.714.062	17.853.165	40%	5.530.493	5.618.012	2%	43,50%	31,47%	-28%	68.381	8,30%	83	0,0261%
Bolivia	15.329.000	16.323.000	6%	6.839.000	7.567.000	11%	44,61%	46,36%	4%	43.069	1,70%	96	0,0379%
El Salvador	16.015.020	15.583.258	-3%	3.535.963	3.370.143	-5%	22,08%	21,63%	-2%	32.489	7,20%	101	0,0480%
Honduras	9.339.796	11.692.529	25%	3.898.761	3.009.769	-23%	41,74%	25,74%	-38%	31.718	9,10%	102	0,0369%
Nicaragua	4.169.469	4.984.360	20%	584.198	1.423.282	144%	14,01%	28,55%	104%	15.672	10,50%	131	0,0318%
	1.594.409.585,81	1.918.343.021,65	20%	623.391.963,41	777.418.349,85	25%	39,10%	40,53%	4%	5.559.094			0,0345%

**Guatemala, Uruguay, Paraguay and Nicaragua do not differentiate Cargo and Hull premiums, so figures include the sum of both.*

***Panama does not report claims data*

****Source: GPW and Claims: ALSUM data collection from different local regulators, superintendencies and Insurers Associations. / GDP, Inflation, Ranking: World Bank published information on-line*

*****World Bank does not hold official Inflation information for Argentina*

We've not seen much notable incidents aside from the not so exceptional hurricane season that impacted the Caribbean but the impacts on the cargo market were mostly concentrated in the US market rather than the LatAm market.

There was a heavy rain event during June 2023 affecting the central and south zones of Chile, generating flooding event in Chile which impact on the Cargo and Stock throughput market is still starting to appear as first loss reserves are being posted. Some markets report various claims above USD 1M arising from this incident. How deep the impact will be is still to be seen. Is noteworthy to add that m

ost STP policies in Chile are reinsured back to the London and US markets so the impact on net retentions will not be so deep.

Underwriting Trends and Hot Topics

Truck Theft is on the rise in countries such as Chile and Ecuador, which is a relatively new trend on a peril that used to be much more associated with Mexico, Brazil and Argentina. This is a hot topic all over the region and risk management techniques have acquired a much more relevant role at the time of underwriting cargo accounts.

Market Players

The Latin American market is very diverse in terms of players, but there are a couple of large multinational groups with deep footprint in the region such as: Chubb, Allianz, Zurich, Mapfre, Starr, Liberty and Talanx (via HDI) as well as the large Colombian insurance group SURA. In each country there is also a handful of smaller local companies

Spain
Author: Magdalena Cruz

Statistics

General information Spanish market

The volume of premiums at the aggregate level of the Spanish insurance sector in 2022 amounted to 64,775 million euros, representing a growth of 4.8% (4.9% in 2021), in an environment marked by economic recovery and inflation that reached levels not seen in decades (8.4% on average in 2022).

In this environment, the growth of the insurance business did not manage to overcome the growth in prices, in addition to the inflationary process being a drag on profitability in the Non-Life insurance segment, which was offset by the good performance of the profitability of the Life business, after overcoming the strong upswing in claims due to the pandemic in the previous two years.

Transport insurance (marine, cargo & aviation) obtained a premium volume of €570 million in 2022 which represented 1.4% of all non-lifelines, experiencing an increase of 5.8% compared to 2021.

Cargo insurance experienced an increase of almost 11 points, with a total premium volume of 230 million euros. However, the number of policies decreased by almost 24%.

The loss ratio has increase by 2.9% in 2022 to nearly 119 million euros, compared with 115 million euros last year. The number of claims, in the other hand, has fell a 9%.

The loss ratio of the direct business on imputed premiums obtained an index of 51.8%

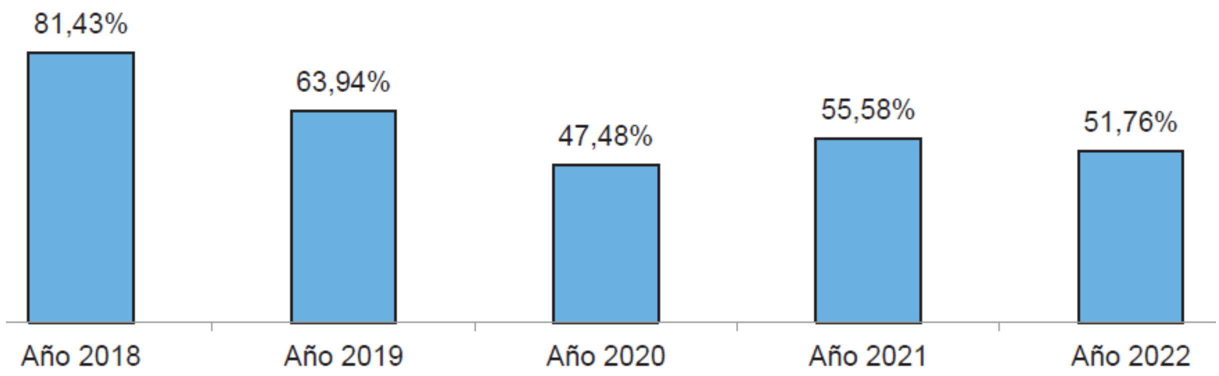
premium (euros)		Variation (%)	policies		Variation (%)
2021	2022		2021	2022	
206.767.800	220.100.090	10,8	176.711	134.393	-23,95

Spain
Author: Magdalena Cruz

Claims Files		Variation (%)	Amount paid		Variation (%)
2021	2022		2021	2022	
57.267	52.011	-9,18	115.555.391	118.867.161	2,87

Loss Rate	
2021	2022
55,58%	51,76%

DRAWING LOSS RATE 5 YEARS:

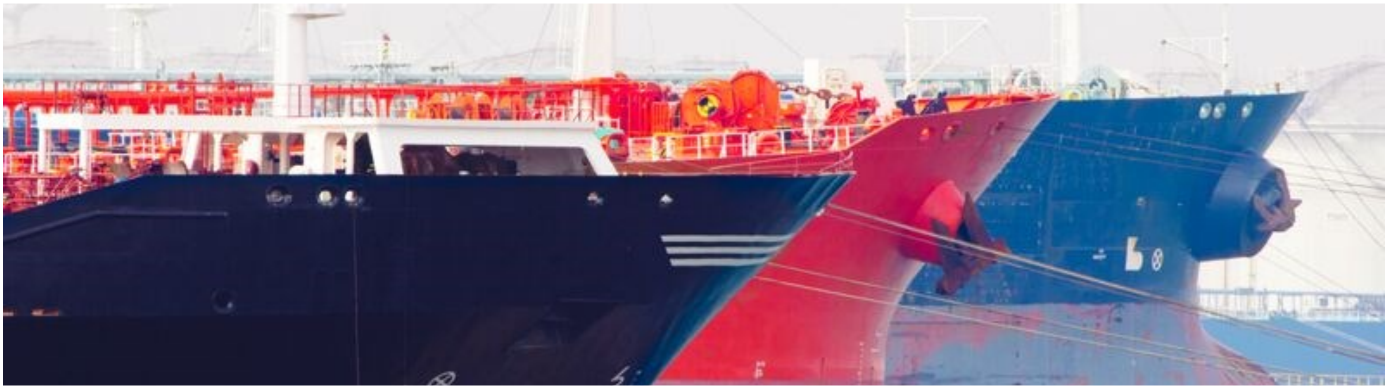


The result of this insurance segment has been positive, with a reduction in claims, both gross and net, despite the increase in exports and imports. Thus, the combined ratio has improve maintaining excellent levels.

Large Losses and Notable Incidents

Claims reported above 300.000 Euros.

Type of cargo and amounts:



Spain
Author: Magdalena Cruz

Clase de Mercancía	Importe (€)
Ropa y zapatos	2.176.222
Ropa y zapatos	1.779.660
Pescado congelado	1.391.967
Valores	1.178.000
Ropa y zapatos	1.149.993
Productos famacéuticos	989.974
Productos famacéuticos	614.951
Productos famacéuticos	387.900
Productos famacéuticos	365.048
Productos eléctricos	339.417
Mercancía refrigerada	335.223
TOTAL	**10.708.355**

Clothes & shoes, farma cargo, frozen cargo, tuna frozen and cargo

Means of transportation & cause of claim (above 600.00 Euros)

Mercancias

Clase de Vehículo	Causa del Siniestro	Clase de Mercancía	Fecha	Importe (€)
restre	Incendio	Ropa y zapatos	23/02/2022	2.176.222
restre	Avería de maquinaria	Ropa y zapatos	15/09/2021	1.779.660
squero	Contaminación	Pescado congelado	12/04/2022	1.391.967
rcancías	Robo	Valores	14/10/2022	1.178.000
restre	Incendio	Ropa y zapatos	16/09/2022	1.149.993
restre	Cambio de temperatura	Productos famacéuticos	21/02/2022	989.974
restre	Contaminación	Productos famacéuticos	22/11/2021	614.951
			TOTAL	**9.280.767**

Mainly truck inland carrier (all but one)

Fire, contamination, theft, temperature alteration, truck breakdown

Underwriting Trends and Hot Topics

Reinsurance renewals, in two aspects/views:

Increase in economic terms,

and exclusions clauses, not only Ukraine and Black Sea but **Five Power Clause**, which is not actually applying in the Spanish market. It is an issue, and it will be more in the future.

Port risk accumulation has been also a discussion with reinsurance linked with the 5 Power Exclusion Clause and the difficulties to limit cargo risks.

Inflation is in the road, but it is being stable.

The general insurance market is stable with some hardening trends as the economy improves post Covid 19 and portfolio's return to normalised claim trends together with the increase in costs due to inflation. It has been the property and casualty insurance that has seen the greatest increase and tightening of conditions.

The cargo market is seeing growth since the average value of commodities has raised and the e commerce has had good behaviour in 2022. But experts see a different tendency in first semester of 2023 with a warn of a slowdown in

UK
Author: Richard Golder / Paul Ashworth

From a London view the market has continued to come to grips with the new hybrid way of working. There has been a notable increase in the numbers of Underwriters and brokers returning to the city on a more regular basis and an increasing attendance in the Lloyd's building, specifically Tuesday to Thursday. The re-organisation of the Lloyd's room has led to its part closure during the summer of 2023 and it will be interesting to see attendance levels upon re-opening. There are varied thoughts on how the market should and will operate in the future, however, there remains a significant desire, including from the younger market practitioners, for the maintenance of face-to-face trading. This is also likely to be an important factor in educating the next generation and helping to maintain London's position and importance to the global Marine Insurance marketplace.

The war in Ukraine has remained a focal point and significant support has been given from the London market to the Black Sea grain initiative JCC. Challenges however remain for Underwriters, including a change in appetite from some treaty reinsurers where they look to further manage potential exposures in the Black Sea region and with war coverage in general.

Notice of cancellation issues were highlighted in London following the outbreak of the Russian Invasion of Ukraine and whilst work has been undertaken to address this there remains no structured market application for the handling of future events to date.

Like many countries the UK is experiencing significant impacts from inflation and subsequent higher interest rates with significant impacts on energy and food prices and the costs of repairs. Whilst cargo to some extent is insulated with rating against turnovers there are undoubtably some impacts in portfolio performance especially through deductible erosion.

Given the global nature of the business that is written through the London market there are significant exposures and aggregation to Catastrophe risks from all over the world. In addition, the common placement of both transit and storage risks further exposes Underwriters to large risk events. London continues to manage these exposures through subscription placements.

Fire losses have been a major contributor to the larger losses noted in London in the last year.

Noted Large Losses to London Market			
Loss date	**Estimated Quantum 100%**	**Area**	**Cause of Loss**
Aug-22	$25m	USA	Fire
Nov-22	$25m	USA	Fire
Sep-22	$??	USA	Hurricane Ian
Dec-22	$26m	USA	Fire
Mar-23	$60m	USA	Hail
Apr-23	$40m	Netherlands	Fire
Jul-23	$100m +	North Sea	Fire

Underwriting Trends

Capacity remains plentiful in the UK Cargo market, however, to date the market discipline has remained despite an apparent increase in most participants capacity for the 2023 Underwriting year. This is assisted with the increase of new/ returning business after the consolidation in the market during 2019-21. In addition London has been offered opportunities due to market hardening in other associated lines of business.

Significant headwinds however remain through increasing exposure and the unpredictability of risk through weather and climate related issues and political and civil tensions.

Cat exposures were again brought into focus through exposures to Hurricane Ian and with a more robust renewal position taken from many reinsurers for the 2023 treaty renewals which has also assisted market Underwriting discipline.

UK
Author: Richard Golder / Paul Ashworth

Market Players

There has not been any notable withdrawal from the London market in the last year. Capacity has flowed into the London Market again following market improvements in 2020, both from increased appetite from existing markets and a significant backing for new MGA's. For the current year the market has remained steady and capacity gaps have been helped by turnover increases and new business opportunities rather than through rate rises.

The previously reported improvements in the cargo market are now appearing to flow through in the figures (see below)

These figures reflect pure Underwriting year of account and show an increasing income pattern from the low in 2019 and a significantly improved net loss ratio. It should be noted that this represents the Lloyd's figures and does not include IUA.

Lloyd's Market Results

Lloyd's V Risk Code 1Q23

(Net of Brokerage)

Currency: GBP

UW Year	Net Premium	Claims Paid	Claims Incurred	Net Paid LR	Net Incurred LR
2015	727,888,216	633,833,009	648,984,130	87.1%	89.2%
2016	757,788,940	768,847,096	787,983,416	101.5%	104.0%
2017	803,064,418	800,435,234	834,685,236	99.7%	103.9%
2018	767,882,683	666,363,237	710,481,963	86.8%	92.5%
2019	605,326,332	357,525,867	398,510,312	59.1%	65.8%
2020	731,041,916	414,590,732	468,330,379	56.7%	64.1%
2021	851,227,566	384,858,045	512,321,888	45.2%	60.2%
2022	723,731,701	76,985,484	164,813,292	10.6%	22.8%
2023	21,746,415	266,207	753,044	1.2%	3.5%

USA
Author: John Barnwell & Andrew D'Alessio

Statistics:
In 2022, US imports of goods increased $425.7bn (+16.6%) to $3.3tn; additionally, the export of goods increased 324.2mn (+14.3%) to $2tn (full year 2021 vs 2022).

https://www.bea.gov/news/2023/us-international-trade-goods-and-services-december-and-annual-2022#:~:text=Imports%20of%20goods%20increased%20%24425.7,and%20materials%20increased%20%24160.9%20billion.

January to June 2023 US imports of goods saw a decrease of $104bn (-6%) to $1.6tn, compared to the same period in 2022. January to June US exports were relatively flat compared to the same period in 2022, totalling $1tn.

Source: US International Trade in Goods and Services June 2023
https://www.bea.gov/news/2023/us-international-trade-goods-and-services-june-2023
Exhibit 5 US Trade in Goods (pg 17/55) in full release version.

In 2022, US Direct Written Ocean Cargo Premiums increased to $1.81bn, a 19% increase from 2021.

The 2022 Direct Loss and Loss Adjustment Expense for US Ocean Cargo is 50.24%, a slight decrease compared to the 2021 result of 51.45%.

2022 US Ocean Cargo represents 56% of the total DWP ($3.3bn) for US Ocean Marine.

Source: 2022 AIMU Annual Statistical Survey. Note that the number of AIMU member companies reporting for 2022 is 21. The number of member companies reporting for 2021 was 19.

In the US Market, Marine Lines (both Ocean Marine and Inland Marine) are defined by the 1976 Nationwide Marine Definition. Certain lines including, but not limited to, Motor Truck Cargo Legal Liability, Fine Arts & Specie, and Inland Transportation (domestic only) are classified as Inland Marine where elsewhere outside the US these may be included in Cargo Account statistics.

Global marine cargo insurance market size was valued at $19.6 bn in 2022, and is projected to reach $29.9bn by 2032 as reported by Yahoo Finance.

https://finance.yahoo.com/news/marine-cargo-insurance-market-reach-151900362.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAAknjgtlGUfx2BNmQgbTAJHIxykL89RBqTk43lCR7NFQoeVelWWgVBPuXA_FJ6EBHTSDZd8Di3U_1XrMiMWTWiBObPi19Lg7qaT7vTMJPgCsf2r9HTz3g4YSGEximDPREeie9EYPnDXcSiYRRo47gqc8FXho5vHMyLh6peUFKyg7

USA
Author: John Barnwell & Andrew D'Alessio

Large Losses and Notable Incidents:
Grande Costa d'Avorio: Roro vessel that burned for days in the Port of Newark with tragic loss of life – July 2023.

Fremantle Highway: Ship fire off coast of Netherlands with thousands of new cars—500 EVs as reported in this August 2023 article.
https://apnews.com/article/cargo-ship-cars-fire-towed-netherlands-port-93134c6e82af5cb8c3963ca85b9eace0

West Coast Cargo Theft - Thieves using fraudulent documents to abscond with truckloads of goods is on the rise.

Decrease in number of lost containers compared to the annual average.

Natural Catastrophes – Wildfires, Convective Storms (Tornado and Hail), Hurricanes (Idalia), Winter Flooding in New England and California, Extreme heat throughout the US.

Global warming temperatures (2023 potentially the hottest year ever recorded)

Global natural catastrophe economic losses reach $77bn in Q1 2023 (Gallagher Re)
https://www.reinsurancene.ws/global-nat-cat-economic-losses-reach-77bn-in-q1-2023-gallagher-re/

Insured cat losses in Q2 2023 estimated to reach ~$17bn (Goldman Sachs)
https://www.reinsurancene.ws/insured-cat-losses-in-q223-estimated-to-reach-17bn-goldman-sachs/
*$13bn within the US (primarily from severe storms in Texas and other southern states)

https://www.supplychainquarterly.com/articles/8190-cargo-ships-lost-661-containers-at-sea-in-2022-wsc-report-says

Underwriting Trends and Hot Topics:
Territory Restriction Endorsement
Five Powers Clause
Increase in requests to add storage to cargo programs due to firming conditions in the property market.

Market Players:
Global writers include: AGCS (Allianz), AIG, AXA XL, Chubb, Zurich, Starr Marine, Liberty Mutual, FM Global, Sompo International, HDI Global.

National writers include: Travelers, CNA, Hartford (Navigators)

Specialty writers include: Intact (formally IMU / One Beacon), Great American, RLI, Markel, Berkshire Hathaway

Foreign subsidiaries writing in US include: Tokio Marine, Mitsui Sumitomo

Lloyd's US Writers: Canopius, Ascot, Argo, Aspen

MGA's include: Falvey, Southern Marine and Aviation, Roanoke (Munich Re Specialty), Safe Waters (Ryan Specialty), Continental UW's (Houston Casualty Co.), RB Jones / Burns and Willcox (Prosight), Corvus and Parsyl.

Noteworthy Local Economic/Political/Societal Highlights:
Inflation has slowed, dropping to its lowest levels since March 2021
As of June 2023, US unemployment rate at 3.6%

150 YEARS

IUMI

BERLIN

2024

15.- 18. SEPTEMBER

IUMI

IUMI, International Union of Marine Insurance

At the forefront of marine risk

Grosse Elbstrasse 36, 22767 Hamburg, Germany

info@iumi.com, WWW.IUMI.COM, Telephone +49 40 2000 747-0