# Country Reports

## IUMI Cargo Committee

150 YEARS
IUMI
BERLIN
2024
15.- 18. SEPTEMBER

IUMI Annual Conference 2024
Cargo Committee Meeting

IUMI
150

# IUMI TC
# Cargo Committee
# 2024/2025

## TC Cargo Committee

Mike Brews, Horizon Underwriting Managers (Pty) Ltd; Chair

Howard Potter, Aviva Global Corporate & Specialty, Vice Chair

Mikaela Tamm, Insurance Sweden, Secretary, Sweden

Magdalena Cruz, MAPFRE Insurance Company, Spain

Thomas Eßig, R + V Versicherung AG, Germany

Ola Hussein, Allianz, Egypt

Fumiaki Ichimura, Tokio Marine & Nichido Fire Insurance Co., Ltd., Japan

Danielle Jackson, Falvey Insurance Group, Canada

Andrew Kidd, NTI Limited, Australia

Sujoy Maitra, ICICI Lombard General Insurance Company Ltd.India

Nicole Pousson, AIG, France

Karla Scott, The Hartford, USA

Sibesh Sen, HDFC Ergo General Insurance Company Limited, India

Qing (David) Shang, Huatai P&C Insurance Company Ltd, China

Tobias Sigurdsson, HDI Global Specialty SE, Nordic Countries

Massimo Spinetta, Generali Global Corporate & Commercial Italy, Italy

Mark Watts, Allied World Assurance Company, Ltd, Singapore

Chris Wittoeck, Jean Verheyen SA/NV, Belgium

## Observers

Eric De Smet, Policy Forum Liaison

Matthias Kirchner, AXAXL, Executive Committee Liaison
Isabelle Therrien, Falvey Insurance Group, Education Forum

María Fernanda Alonso , ALSUM, Swiss Re

## Junior Observers

Max (Zhoujing) Liu, Munich Re Beijing, China

Malmfrid Wirstad, Gjensidige Forsikring ASA, Norway

**Agenda**
Sunday 15 September 2024, 09.30 – 12:30 CEST
Intercontinental Berlin, room Tiergarten I &II

### 1) Welcome
Attendance & Introduction of Agenda
*Mike Brews*
Policy Statement, Attachment 1a
Compliance Guideline, Attachment 1b

### 2) Election of Cargo Committee
*Mike Brews*
Election information
Guideline and Procedures - Members of the Committee Re-Appointment of TC Members with expiring Tenure, Attachment 2, TC vacant seats after Berlin and contact information, Attachment 3
For further information, please see IUMI Articles of the Association https://iumi.com/about/articles-of-association

### 3) Chairman's presentation
*Mike Brews*

### 4) Overview of the German Market
*Thomas Eßig*, R + V Versicherung AG

### 5) Technical Presentations Workshop "Cargo" Wednesday, 18 September 2024
*Mike Brews & Howard Potter*

**Chair's Report & Introduction**
**"Building on 150 Years of Enabling Global Commerce"**
*Mike Brews*

**Presentation IPP (Mike Brews)**
**Changes in the New UAE Maritime Law Regarding Cargo Insurance**
*Jasmin Fichte*, Managing Partner, Fichte & Co, UAE-Dubai

**Presentation 1: (Mikaela Tamm)**
**Geopolitics with cargo shipments in the line of fire**
***Oliver Tomac*****,** Senior Intelligence and Operations Advisor, The Norwegian Shipowners' Mutual War Risks Insurance Association

**Presentation 2: (Howard Potter)**
**War and Strike Clauses their application in the Red Sea – and beyond?**
***Kishore Sharma***, Barrister, The 36 Group
***Professor Charles Debattista*****,** Barrister and Arbitrator, Joint Head, 36 Stone, The 36 Group

**Presentation 3: (Karla Scott)**
**Trends in Global Cargo Thefts**
***Thorsten Neumann****,* President & CEO, TAPA EMEA

**Discussion / Q&A**
**Conclusion and Takeaways**

## 6) Panel Discussions

*Mike Brews & Howard Potter*
Questions for the Q&A for the panel on the workshop
Polling Questions

## 7) Country Reports

*Mike Brews, All*
Round the table, please note the limited time so please hold the presentation and discussions concisely.

## 8) Other business

*Mike Brews, All*

- IUMI Eye Contribution

- Update from Policy Forum
*Eric De Smet*

- Consequences of the IUMI-approved wording of GA security letters
*Eric De Smet*

- CIF Incoterms 2020, Port of Arrival X"
*Tobias Sigurdsson*, Discussion, All
How far does the insurance obligation extend for a CIF sale?
If we have a customer who sells CIF to his buyer and the goods are damaged during unloading at the port of arrival, is this damage covered under the seller's insurance obligation, or has it already ceased? We imagine that the seller did not specify anything other than "CIF Incoterms 2020, Port of Arrival X" in the documents. Looking forward to an interesting discussion and happy information about where you find support for your respective position?

- Updated and Revised Information on Cargo Watch List
*Howard Potter*

- IUMI strategy 2030
*Matthias Kirschner*

- Education Forum Info
- *Isabelle Therrien*

## 9) Closing of the Meeting

*Mike Brews*

10 min break will be held at a suitable moment
Dress code: Business Casual

A light lunch will be provided for those committee members attending the meeting on Sunday, 18th September. Lunch will be from 12.30 – 14.00 at Intercontinental (conference venue), room Köpenick I & II

**Australia**
**Author: Andrew Kidd**

**Cargo Market**

**2023 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 Working Group.

(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 | 2023 |
|---|---|---|---|---|---|---|
| **GWP USD** | 208m | 223m | 220m | 240m | 254m | 264m |
| **Exchange Rate** | 0.720 | 0.780 | 0.685 | 0.70 | 0.70 | 0.70 |

Market Performance - unfortunately the official numbers combine Marine & Aviation, so no official breakdown is available. Additionally the Australian Prudential Regulation Authority has changed it's reporting to quarterly figures rather than annual ones. As a guide to market performance the Marine & Aviation market results for Quarter December 2023 below:

| **Quarter Ended (AUD$ million)** | |
|---|---|
| | **Dec-23** |
| GWP | 312 |
| Number risks ('000s) | 298 |
| | |
| Insurance revenue | 285 |
| Incurred claims | -157 |
| | |
| Average premium per risk ($) | 1,047 |
| cession ratio | 24.7 |
| | |
| net combined ratio | 78.40% |

Source: Australian Prudential Regulation Authority (July 2024 ). Quarterly general insurance performance statistics, Sept 2023 to March 2024.
Updated July 2024.
Retrieved from: https://www.apra.gov.au/publications/general-insurance-claims-development-statistics

## Australia
## Author: Andrew Kidd

### Large Losses and Notable Incidents

After the natural weather events of 2022, the first quarter of this year saw multiple flood events in eastern and northern regions, however no reports of major cargo losses. Severe Tropical Cycloen Jasper cross the northern Queensland coast in December as a category 3 cyclone, luckily it crossed in an area of minimal development.

Market discussions indicate a benign year of large notable losses.

### Underwriting Trends and Hot Topics

Interest rates climbed a further +0.75ppts during 2023 to finish at 4.35. Inflation finished at 4.1% down from a peak of 7.8% in the prior year. Claims inflation on cargo lines remains at approx. 7% given the increased costs of consumables and household goods which are dominate proportions of domestic cargo books. Freight costs continue to rise on both overseas and local shipments.

The road freight industry remains under acute pressure to deliver freight due to increased operating costs and a lack of drivers. This pressure combined with deteriorated road conditions is seeing increased Cargo losses caused by trucks being involved in accidents in turn causing a frequency of working losses in cargo portfolios.

October 2023 saw many Insurers issue notice of cancellation of W&S risks cover for Israel, Palestinian Authority incl Gaza and West Bank and Lebanon. Given Australia's limited trade volume with the region this was accepted by Brokers and clients.

### 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 – Allianz Marine Agency – this Marine agency is currently merging with Allianz's Heavy Motor Agency GT 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 via MGA's and local syndicate offices.

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. Business package policies covering property, continue to offer small cargo covers free of charge.

## Australia
## Author: Andrew Kidd

**Noteworthy Trade position**

In 2023 Australia's total exports rose only 0.30% over 2022, whilst Imports increased 2.6% reflecting the broader global economic circumstances.

Australia's top 5 Exporting partners remained unchanged from prior year also

- China
- Japan
- Korea, Republic of (South)
- India
- United State of America

Australia's top 5 importing partners were

- China
- United States of America
- Japan
- Korea, Republic of (South)
- Singapore

*(Australian Bureau of Statistics 2024)*

**Belgium**
**Author: Chris Wittoeck**

**Statistics:**

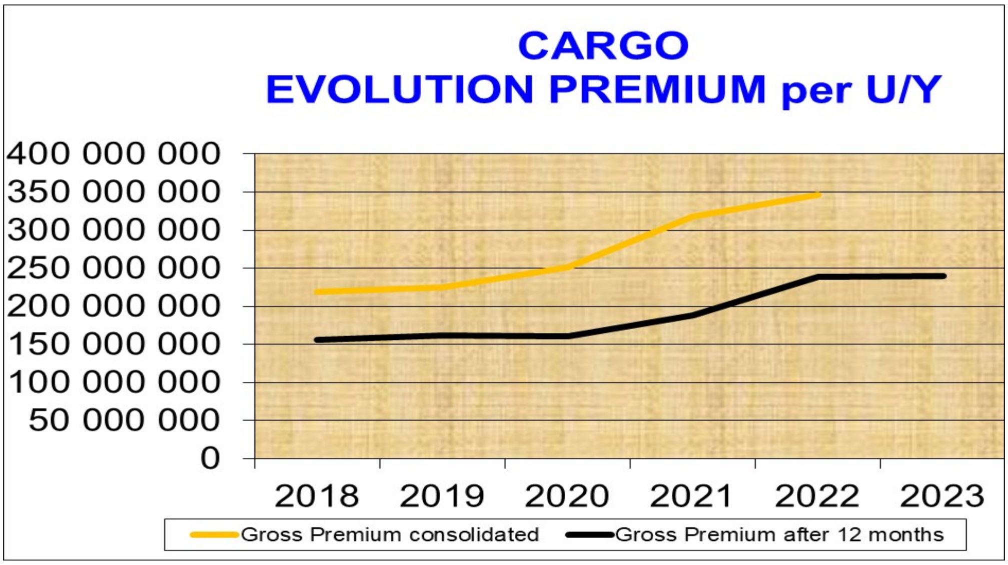
On an underwriting year (AY) basis, Belgian Marine Cargo premium remains stable/slightly increases (+0.7%) from € 369.5 million (2022) to € 372 million (2023). The result substantially improved from 76% gross loss ratio (2022) to 55% gross loss ratio (2023). Accounting year 2022 was substantially affected by claims which find their origin in the Russian Ukrainian war (trapped vessels and storage locations). The amount of such claims represent 27.5% of the major claims reported in 2022.

On an underwriting year (UY) basis and at 31st of December 2023, we find the same stability in premium. In terms of performance and with the exception of UY20, the Belgian market has been performing within the 60% gross loss ratio profitability threshold since UY19:

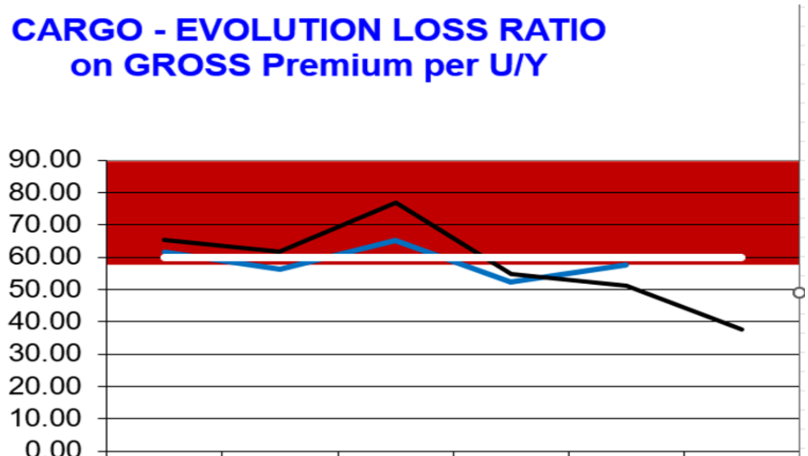
| UY | YR | GR PREM | PAID CLAIMS | OUTST | TOTAL CLAIMS | LR on GROSS |
|---|---|---|---|---|---|---|
| **18** | 18 | 156,286,431 | 43,904,981 | 58,185,064 | 102,090,045 | **65.32** |
| | 19 | 214,625,357 | 95,795,669 | 51,123,852 | 146,919,521 | **68.45** |
| | 20 | 220,965,139 | 116,110,135 | 29,357,019 | 145,467,154 | **65.83** |
| | 21 | 219,656,021 | 123,089,701 | 19,586,140 | 142,675,841 | **64.95** |
| | 22 | 219,168,016 | 127,096,377 | 18,206,290 | 145,302,667 | **66.30** |
| | 23 | 219,391,132 | 124,592,246 | 10,152,792 | 134,745,039 | **61.42** |
| **19** | 19 | 161,188,608 | 51,353,633 | 48,202,453 | 99,556,086 | **61.76** |
| | 20 | 222,683,205 | 92,755,458 | 41,489,216 | 134,244,674 | **60.29** |
| | 21 | 224,784,127 | 109,954,583 | 28,411,306 | 138,365,889 | **61.56** |
| | 22 | 224,490,635 | 114,604,204 | 17,478,865 | 132,083,069 | **58.84** |
| | 23 | 225,302,998 | 115,453,129 | 11,047,206 | 126,500,335 | **56.15** |
| **20** | 20 | 160,331,243 | 81,754,723 | 41,367,787 | 123,122,509 | **76.79** |
| | 21 | 233,905,500 | 123,483,546 | 36,449,896 | 159,933,441 | **68.38** |
| | 22 | 241,596,044 | 145,150,816 | 22,081,661 | 167,232,477 | **69.22** |
| | 23 | 250,733,430 | 151,922,130 | 11,755,325 | 163,677,455 | **65.28** |
| **21** | 21 | 188,025,372 | 35,244,097 | 67,959,659 | 103,203,756 | **54.89** |
| | 22 | 306,596,920 | 95,669,312 | 84,525,344 | 180,194,657 | **58.77** |
| | 23 | 317,482,310 | 129,719,489 | 36,758,331 | 166,477,820 | **52.44** |
| **22** | 22 | 238,399,076 | 44,371,043 | 77,756,905 | 122,127,948 | **51.23** |
| | 23 | 346,985,308 | 135,795,738 | 63,846,551 | 199,642,289 | **57.54** |
| **23** | 23 | 239,237,493 | 38,677,919 | 51,695,582 | 90,373,500 | **37.78** |

Apart from a change in the reporting in 2021 (consolidation of premium written by agencies at Insurance Company level and including captive premiums), the further gradual increase in premium over the recent years results from a hardening market (underwriting discipline), increase in commodity prices, increase in transported volumes, additional war premium and a favourable USD/EUR conversion rate.

## Belgium
## Author: Chris Wittoeck




In terms of performance and with a reduction in major claims frequency and intensity, UY23 outperforms the previous 5 years with a 38% gross loss ratio.




| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| L.R. on gross consolidated | 61.42 | 56.15 | 65.28 | 52.44 | 57.54 | |
| Loss Ratio on gross after 12 months | 65.32 | 61.76 | 76.79 | 54.89 | 51.23 | 37.78 |
| loss/profit | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |

**Large Losses and Notable Incidents:**

2023 major claims figures show a reduction in frequency and intensity of major claims activity. In 2022 there have been 46 major claims reported for a total amount of €/$ 80 million (considering 1 USD = 1 EURO), averaging €/$ 1.7 million per claim. In 2023, the reported number is 26 for a total amount of €/$ 38.3 million (considering 1 USD = 1 EURO), resulting in an average of €/$ 1.4 million per claim.

As mentioned earlier, 2022 was heavily impacted by claims related to vessels trapped in Ukrainian ports following the outbreak of the war between Russia and Ukraine. This claims origin corresponds to €/$ 22 million, which represents 27.5% of the total amount of major claims reported in 2022.

Whilst frequency and intensity is down in 2023, we have seen NATCAT events and wetting claims increasing and claiming a higher percentage of the overall number and amount of major losses.

## Belgium
## Author: Chris Wittoeck

**Underwriting Trends and Hot Topics:**

The Belgian Marine Cargo insurance market is closely linked with neighbouring markets. Slightly more than half (54%) of the Marine Cargo premium is produced by non Belgian brokers or by direct non Belgian clients (amongst which captives). The other way round, Belgian brokers may also seek underwriting capacity in the neighbouring Marine Cargo markets.

Apart from renewed interest by the classic established insurers, due to the good performance of Marine Cargo over recent years, also new players enter the market with new set ups, own staff and appetite. There is fear that this situation may lead to overcapacity and a softening of the market.

Due to geopolitical tensions worldwide and the favourable impact additional war risk premiums have on the performance, it is expected that a potential softening may not immediately or substantially impact the result and the cycle may last longer than usual.

Apart from rolling out the Five Powers War clause, geopolitical tensions worldwide and the repeated cancellation of war covers (following the conflict in Ukraine and after the Houthi attacks in the Red Sea/Gulf of Aden) also led to the introduction of a new “war additional premium” clause. The clause foresees that there is no cover for war risk for countries and regions which are rated as “Severe” or “Extreme” according to the Joint Cargo Committee Global Cargo Watch List.

The Association of Belgian Marine insurers are also discussing with representatives of Belgian brokers the introduction of a new Lead Underwriter clause, clearly defining the extent of the authority of the lead insurer. This clause is expected to find its implementation later this year.

Another topic of concern, induced by the geopolitical situation worldwide, is creating clarity within the Belgian Marine Cargo Market Policy (referred to as the Antwerp Policy) that political risks fall outside the scope of cover. An appropriate wording is being discussed between the respective associations of insurers and brokers.

**Market Players:**

As indicated earlier, the Belgian Marine Cargo market is closely linked with the neighbouring markets. Foreign brokers produce business to Belgian Insurers. Belgian brokers may seek capacity on the French, Dutch, German or UK market.

As such, evolutions on the neighbouring markets have their impact on the Belgian market. In terms of producers, we have seen restructuring at Marsh Europe/Marsh Antwerp and AON Benelux. Further, Howden has been aggressive in developing their offices in Western Europe through hiring new teams and acquiring existing brokers.

At insurers side, the Belgian market consists of 15 Belgian based insurers or underwriting agents. We see new players entering the market/hiring people and setting up own offices in France: QBE, Everest, Sompo, Liberty. These offices will spread their action radius to Belgium, ie provide capacity to Belgian specialised marine cargo brokers.

Baloise, who is an established insurer in Belgium, sold their marine activity to DUPI, which together form DUPI Underwriting Agencies (DUA), which is itself owned by SMA, a French property and engineering underwriter. This former Baloise marine activity as such moves from an insurance company to and underwriting agency.

**References:**

ABAMBVT market statistics

## Canada
## Author: Danielle Jackson

**Cargo Market**

**2023 Statistics (MSA Research Data)**

The Canadian Market Total Direct Marine written premium sits at $659,055,000 (MSA Research), a jump of roughly 3.35% on a year-over-year basis.
The overall Net Loss Ratio (all lines combined) is 67.32% (MSA Research).
The Cargo Line of business (according to historical CBMU statistics) represents approximately 34% of the total written premium i.e. $224,078,700.
Historically, the overall market industry data by line of business has represented a challenge for the Canadian market as there was a lack of consistency in numbers reported year-over-year. For the first time we are seeing some consistency in the figures.

**Large losses and Notable Incidents**

**Large Losses**

No known large losses were reported during 2023.

**Notable Incidents**

2023 held an unprecedented frequency of catastrophic events across Canada with an insured damage estimate of $3.1B+, according to Catastrophe Indices and Quantification Inc. (CatIQ). In July and August alone, Canada saw more catastrophic events than ever previously seen in an entire year. No single event or region dominated the industry losses.

Canada’s most impactful catastrophic events during 2023 included:

- Wildfires in the Okanagan and Shuswap, British Columbia - $720M
- Severe Summer Storms in Ontario - $340M
- Spring Ice Storm across Ontario and Quebec - $330M
- Flash Flooding across Nova Scotia – $170M
- Wildfire in Tantallon, Nova Scotia – $165M
- Hailstorm in Winnipeg, Manitoba - $140M

2023 was a year of record-breaking wildfires for Canada. They were fuelled by widespread drought and record high temperatures. The wildfire season was the most destructive ever recorded with more than 6,000 fires burning 15 million hectares of land across the country. To put that in perspective, that’s an area larger than England and more than double the previous record set in 1989. Historically, an average of 2.5 million hectares of land are consumed by wildfires in Canada every year.

**Underwriting Trends and Hot Topics**

5 Powers War Exclusion Clause adopted.

Rates started to level off.

Expense reduction still a priority.

In 2022, truck, trailer and cargo load thefts across Canada reached their highest point since 2019. 2023 saw a reduction in thefts of almost 30% due to the creation of special dedicated cargo theft taskforce units in Ontario and many thieves moving their theft focus to automobiles.

## Canada
## Author: Danielle Jackson

### Noteworthy Local Economic / Political / Societal Highlights

### Highlights

Canada's economy slowed to 1.2% growth in 2023 (2022 3.8%); however, within the G7 economies Canada saw the 3rd strongest growth behind the United States and Japan. The prime motivators of the economic downturn were the effects of inflation and interest rates which resulted in a reduction in household spending and investment. A recession was avoided through Canada's continued growth in goods and services exports (1.4% or $965.1B) aided by population growth. The primary driver of the growth in exports was the increased costs of goods and services.

Service industries led by the transportation and warehousing services were the key contributor for the 2nd year in a row (up 2% over 2022).

The top 3 export commodities were energy, motor vehicles and parts and metal and non-metallic mineral products, representing 47.7% of total merchandise.

Industries which saw a decline were residential construction as well as agriculture, forestry and fishing which were all impacted by dry conditions in Western Canada.

As Canada continued to emerge from the effects of the pandemic in 2023, the two-way international investment flows picked up again but remained behind the highs of 2021. Finance and insurance drove investment abroad in the amount of $110.0B (up 1.8%) while manufacturing was a key driver of investment growth in Canada in the amount of $62.3B (up 3.7%).

The Canadian labour market stabilized 2023 as more full-time positions were added in the economy with the unemployment rate landing at 5.8% (2022 5.3%). The number of working-age persons either employed or looking for employment remained unchanged and approximately 475,000 full-time jobs were added to the economy.

Looking ahead, climate change, environmental and geopolitical concerns impact international supply chains which in turn affect Canadian businesses. Resiliency, diversification and process improvements are some of the ways to positively counteract these uncertainties.

### Markets and Competition

The Canadian Cargo market remained a stable market in 2023 with the continuation of a general easing of corrective measures. We have not seen any new cargo capacity enter the market in the past 12 months. Renewal business continued to be renewed with a slight rate increase or as expiring depending on the account's performance. Cargo markets include Intact Financial Group, Lloyd's, CNA, Northbridge, Allianz, Great American, Chubb, Liberty, AIG, Travelers, Zurich and Starr. Managing General Agents include Falvey Insurance Group, Burns & Wilcox and Eagle Underwriting.

**References**


Canadian Insured Losses from Catastrophic Events Exceed CAN $3 Billion in 2023
https://www.canadianunderwriter.ca/inspress/canadian-insured-losses-from-catastrophic-events-exceed-can-3-billion-in-2023/

Canada's record-breaking wildfires in 2023: A fiery wake-up call
https://natural-resources.canada.ca/simply-science/canadas-record-breaking-wildfires-2023-fiery-wake-call/25303

Severe Weather in 2023 Caused Over $3.1 Billion in Insured Damage
https://www.ibc.ca/news-insights/news/severe-weather-in-2023-caused-over-3-1-billion-in-insured-damage

Annual exchange rates
https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/

Global Affairs Canada. Office of the Chief Economist
https://www.international.gc.ca/transparency-transparence/state-trade-commerce-international/2024.aspx?lang=eng#1_1

## China
**Author: David Shang & Max Liu**

**Statistics:**

**CNY 10k**

| Year | Gross Premium | Earned Premium | Loss | Loss Ratio |
|---|---|---|---|---|
| 2021 | 1,686,985 | 1,215,536 | 700,317 | 58% |
| 2022 | 1,792,358 | 1,307,999 | 789,981 | 60% |
| 2023 | 2,274,256 | 1,716,667 | 1,021,289 | 59% |

The growth ratio of China cargo market in 2023 is 26.88%. The factors that contribute to this growth include,

Export of EVs, Lithium batteries and solar products together rose 29.9% to USD151b in 2023.

Import and export volume relating to cross border e-commerce rose 15.6% to USD340b in 2023.

Rapid growth of freight return insurance. In previous years, the premium of this product is mainly contributed by traditional online sales platform like Taobao (an online platform of Alibaba). With the booming of short video platforms (similar with Tiktok) in recent years, live streaming selling has developed rapidly. According to statistics by China's Ministry of Commerce, the sales volume of live streaming selling of China rose 60.6% to USD 275b in the first 3 quarters of 2023. According to incomplete statistics, premium of return freight insurance of China market has reached USD1.3b in the first 5 months of 2023, and the annual volume of it is estimated to be over USD2.5b. In China market, freight return insurance is classified as cargo insurance by several local insurers. Therefore, the whole cargo market has benefited a lot from the growth of freight return insurance.

In past 3 years, net loss ratio of China cargo market has maintained a stable level which is between 50%~60%.

### Large Losses and Notable Incidents

A well-known Chinese manufacturer dedicated to security monitoring system suffered a loss over USD6m in Mexico and it is reported that such loss was caused by robbery.

Another big loss is related to robbery of mobile phones which were exported from China to Europe, and the reported loss is about USD6m.

The following are several large losses occurred in China or related with goods from China.

| Vessel Name | Date of Loss | Cause of Loss | Description of Loss |
|---|---|---|---|
| YONG XING 56 | 23-Feb-23 | Vessel Sinking | Breach of its hull whilst the vessel was located at Tatar Strait Anchorage, south of Vanino, Russia, laden with a cargo of alumina, sank at the Tatar Strait Anchorage on 1 March 2023 after the hull was breached by ice floes. |
| XIN YUAN LONG 6 | 17-Jul-23 | Collision | In collision with a sand carrier whilst departing from the port of Ningbo, China on 17 July 2023. 40 containers are reported to have been lost overboard from the vessel and cargo stowed to any containers remaining on board the vessel have sustained severe wet damage and physical damage due to capsizing of the vessel. |
| KMTC SHENZHEN | 12-Aug-23 | Fire | A total of nine containers located in the forward section of the vessel are reported to have been affected by fire. Other cargo stowed in the vicinity of the fire may be affected by heat, smoke and/or wet damage as a consequence of the fire-fighting operation. |
| SHENG YOU 229 | 22-Aug-23 | Fire | The tanker was loaded with 6,858 tons of diesel oil. The 7,056-dwt ship caught fire in the cargo tanks area. It then spread to the rest of the vessel at Qinzhou anchorage, China on 22 August 2023. |
| MAYVIEW MAERSK | 22-Dec-23 | Cargo Overboard | Experienced a loss overboard of approximately 46 containers whilst navigating the Skagerrak, on 22 December 2023. It has visited and been loaded goods in several Chinese ports. |

## China
## Author: David Shang & Max Liu

### Underwriting Trends and Hot Topics

The cargo market continues its downward trend. Local clients pay more attention to cost control when purchasing insurance (include cargo insurance). This has driven a continuous price decline locally.

The development of cross boarder e-commerce shows a strong momentum. Online retailers have strong demand for storage protection to their goods in overseas warehouses, where goods with value over USD10m or even up to USD100m are stored. STP policies have been issued by some local insurers as a solution to such demand. Another demand related to this industry is solutions of losses to online retailers arising from return of goods.

The export of EVs from China has kept rapid growth in past 2 or 3 years. This has contributed a lot to local cargo insurers, whilst brought big challenges due to high potential fire risk of EVs during RO-RO transit. However, there is uncertainty of premium output of this industry because of trade tension between China and EU on EVs. The export of lithium and BESS also develops rapidly. But it is worth noting large volume of transit of these new energy products brings risk accumulation problem to cargo insurers. It is very often the case that a vessel carries BESS with value over USD50m or even up to USD100m from China to overseas countries.

Red sea war risks also draw attention of cargo insurers. Although many shipping companies choose to sail around the Cape of Good Hope to avoid Houthi attacks, a part of them still sail through The Red Sea for the purpose of saving cost and time. Therefore, we have seen growth of additional war risk insurance premium for Red Sea voyages in China, with reinsurance support from overseas market (mainly from Llyod's of London).

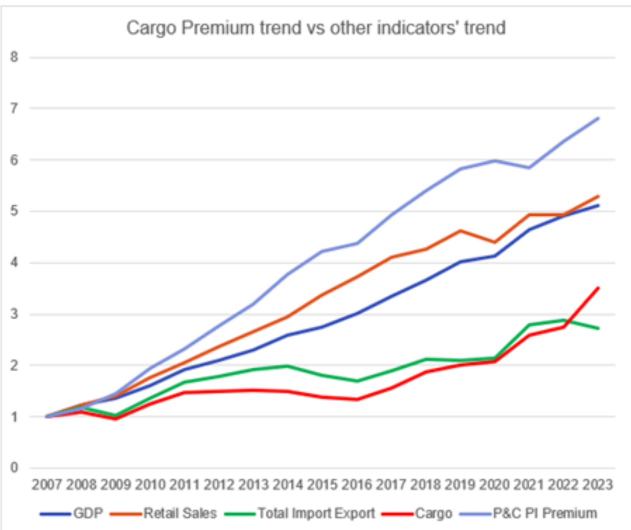
For domestic inland transits, which has been the majority segment of cargo portfolio in China, many cargo owners no longer buy cargo insurance, and they would usually pass the risk on to inland carriers. Thus, inland carriers would usually buy cargo insurance on behalf of cargo owner or buy liability insurance to cover damage to goods. The problems brought by this include,

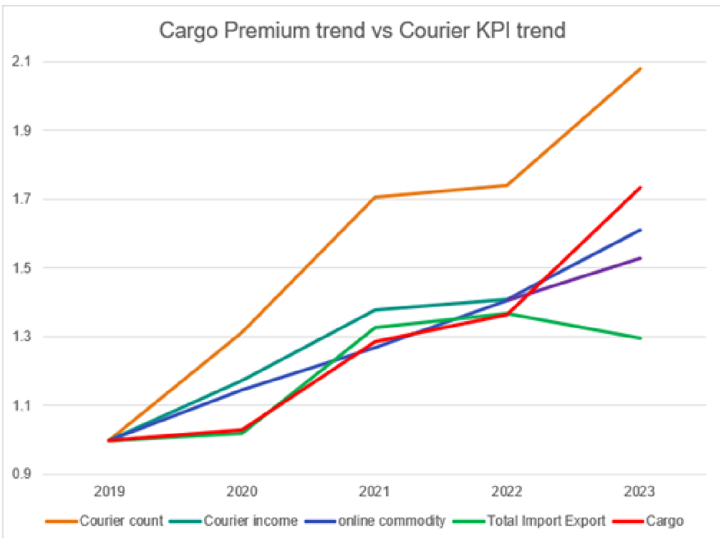
Unlike cargo insurance arranged by cargo owner, cargo value is unknown to carriers. The sum insured declared by inland carrier under cargo insurance is very rough and usually based on their estimation. For purpose of cost control, they would like to declare an amount less than the actual amount, which will lead to inadequacy of premium. In addition, they will always require monthly declaration which would provide opportunity for them not to make full and complete declaration.

If they buy freight liability policy, the premium is charged usually based on their annual freight income. But it is hard for insurers to get accurate number of their income, which in turn will lead to inadequacy of premium also.

Below graphs show cargo premium trend vs other indicators.

One phenomenon that needs to be noticed is from 2022 cargo premium (excluding freight return insurance premium) began to go to the opposite direction against other indicators. One of the reasons behind it is severe fluctuations of freight rate in past 3 years. To avoid the uncertainty brought by such fluctuations, more and more sellers in China began to choose FOB other than CIF as the trade condition. And this in turn leads to fall of traditional cargo premium.



## China
## Author: David Shang & Max Liu

### Market Players

China cargo market is a highly concentrated and the structure of it is very stable. 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) continue to be top 3 and they are defined as tier 1 players. CR3(concentration ratio) of the top 3 is 51.2% in 2023, which is of minor fluctuation compared with previous years.

For tier 2 players, Sunshine Property & Casualty Insurance Co., Ltd. (Sunshine) rose to top 4. The following in tier 2 are China Life Property and Casualty Insurance Company Ltd. (China Life), China Continent Property Insurance Co., Ltd. (CCIC), Taiping General Insurance Co., Ltd. (Taiping) and Huatai Property and Casualty Insurance Company Ltd. (Huatai). Total market share of players in tier 2 is about 27.5%.

### Noteworthy Local Economic/Political/Societal Highlights

Chinese government pays more attention of the development of marine insurance in recent years. In the third plenary session of the 20th CPC central committee that just ended this July, the communique of this meeting has placed a special emphasis on marine insurance, stating 'increasing the capacity and global service capability of marine insurance' which shows the willingness of Chinese government to develop China marine insurance market and to participate in the cooperation with overseas marine insurance market. This is the first time that marine insurance is mentioned and emphasized in such an important meeting. A serial of policies will be made to implement the decision of the meeting, which may bring opportunities not only to local marine insurers but also to those in overseas market.

**Egypt**
**Author: Ola Hussein**

**Local Economic/Political/Societal Highlights**

Egypt's net international reserves (NIRs) surged at the end of April to its highest level in four years to post $41 billion

Egypt's annual urban inflation increase to 32.55% in 2024, from 24.39% in 2023

The Egyptian government targets achieving a gross domestic product (GDP) growth rate of 4.2% this fiscal year (FY) 2024/2025

Egypt reportedly received second tranche of IMF loan disbursements worth USD820mn.

S&P Global Ratings upgraded Egypt's outlook from stable to positive due to the increase in foreign direct investments and the recent measures made by the Central Bank of Egypt (CBE).

Foreign investors reportedly inject USD14-16bn in local fixed income debt since the official FX move on 6 Mar-24.

The Egyptian pound experienced a significant drop declining by 62 percent against the US dollar and euro

Egypt's trade deficit decreases by 10.3% in May 2024

Despite these challenges, Egypt's medium-term macroeconomic outlook is expected to improve as the country pushes ahead with stabilization and structural reforms

**Cargo Market:**

**Statistics**

According to FRA annual report (Egyptian regulator ) In 2022/2023 there are 22 P&C Insurance company in the Egyptian market generating Egyptian pound 34,500M insurance premium with growth of 36%

Marine premium represent 5% from total insurance premium

| Premium in Egyptian pound(millions) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 |
| Cargo | 334 | 321 | 323 | 462 | 577 | 613 | 554 | 497 | 613 | 935 |
| inland | 124 | 122 | 123 | 156 | 183 | 205 | 188 | 184 | 200 | 305 |
| Hull | 182 | 186 | 192 | 218 | 275 | 328 | 332 | 313 | 432 | 564 |

Total claims paid Egyptian pound 12.27M

Marine claims paid represent 3% from total claims paid

| Claims paid in Egyptian pound (millions) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 |
| Cargo | 100 | 98 | 101 | 145 | 114 | 116 | 115 | 106 | 141 | 242 |
| inland | 19 | 25 | 21 | 21 | 29 | 22 | 34 | 28 | 33 | 48 |
| Hull | 119 | 69 | 66 | 86 | 74 | 109 | 114 | 101 | 138 | 106 |

## Egypt
## Author: Ola Hussein

### Large Losses and Notable Incidents

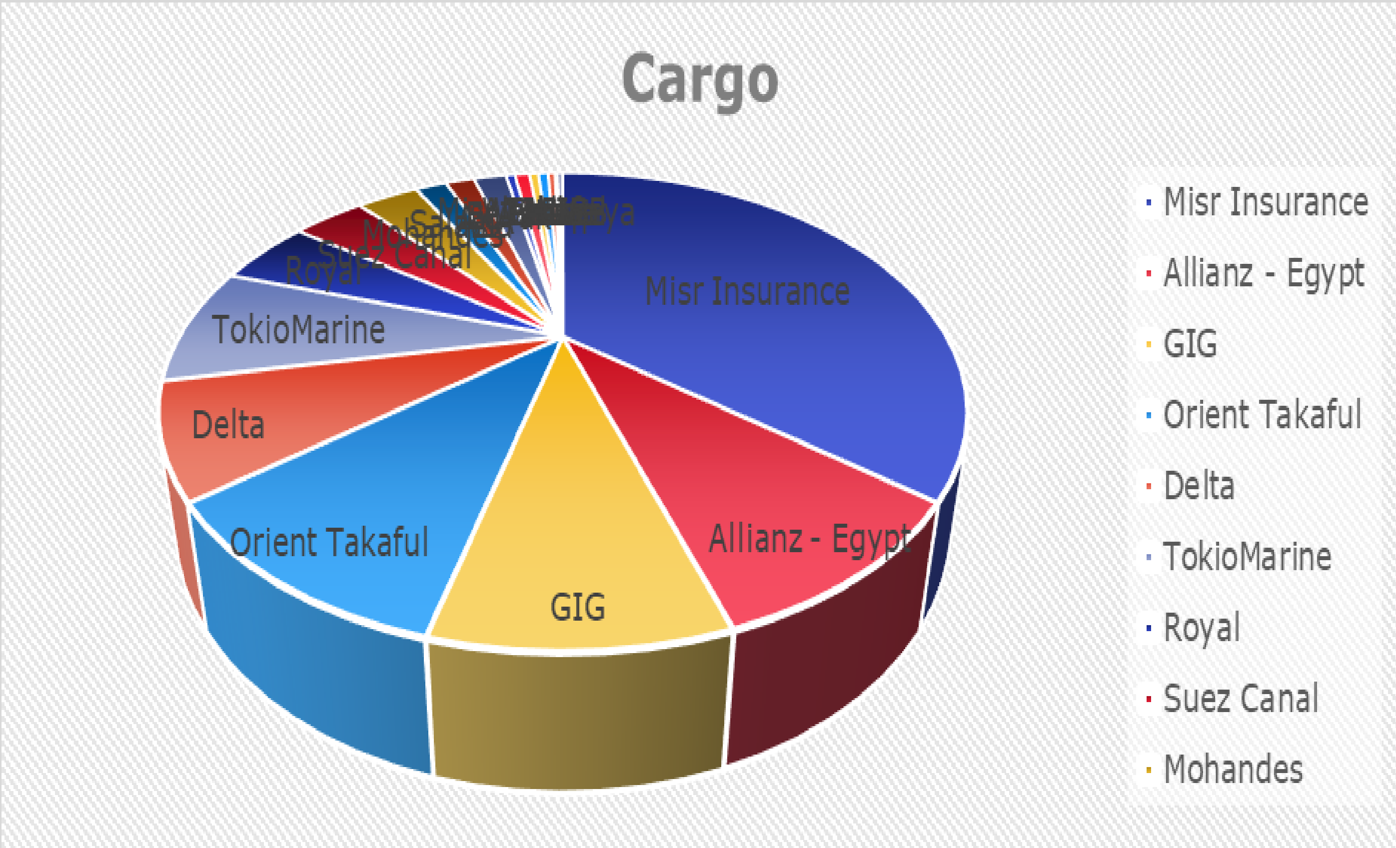
2 major losses during 2023

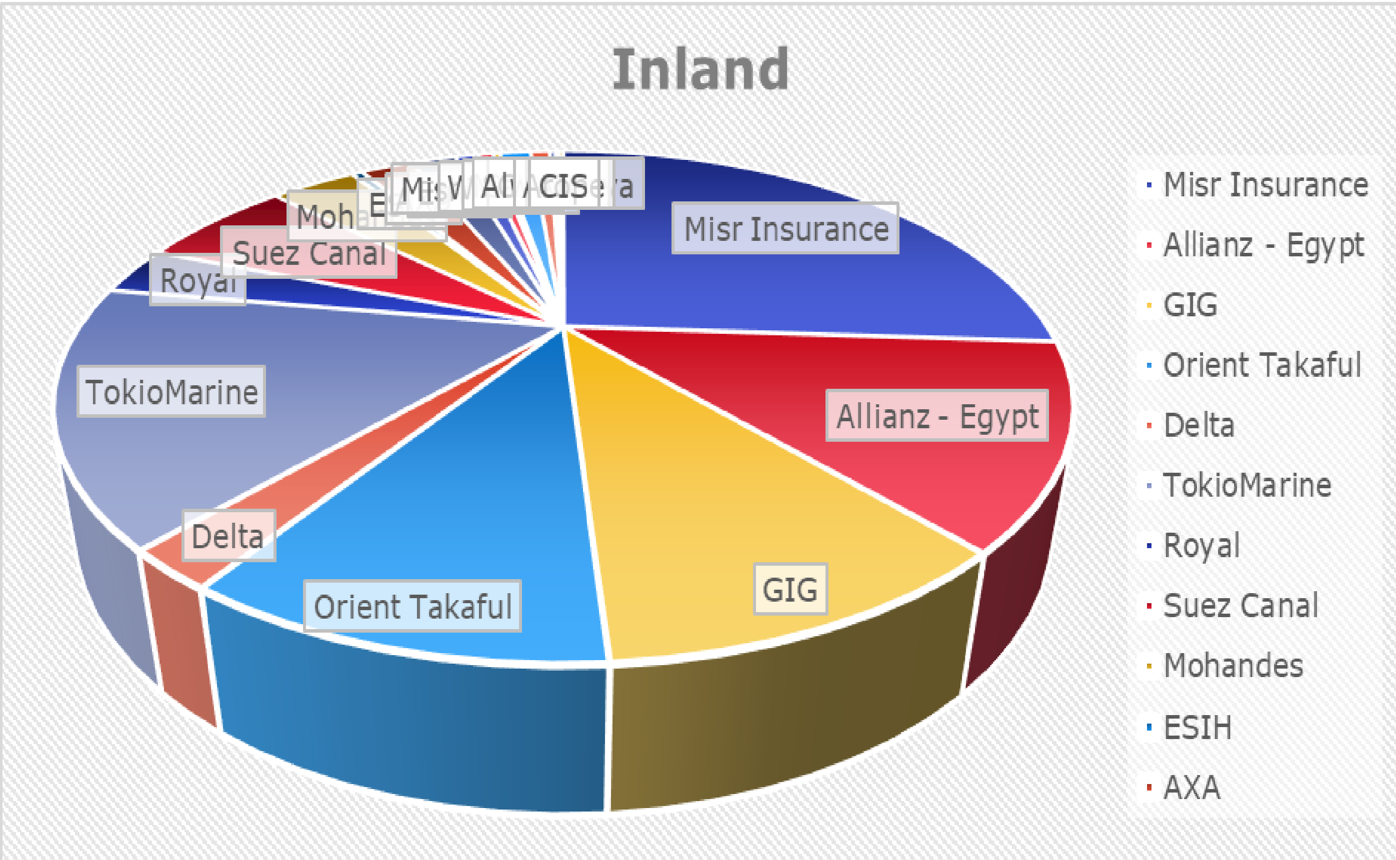
| Claim amount | Type of Loss | Vessel name |
|---|---|---|
| $ 590,000 | a fire was reported by stevedores during the loading operation | ATLANTIC SPIRIT |
| $ 309,607 | Truck accident during the inland transit | Omer Sofuoglu |

### Market Players

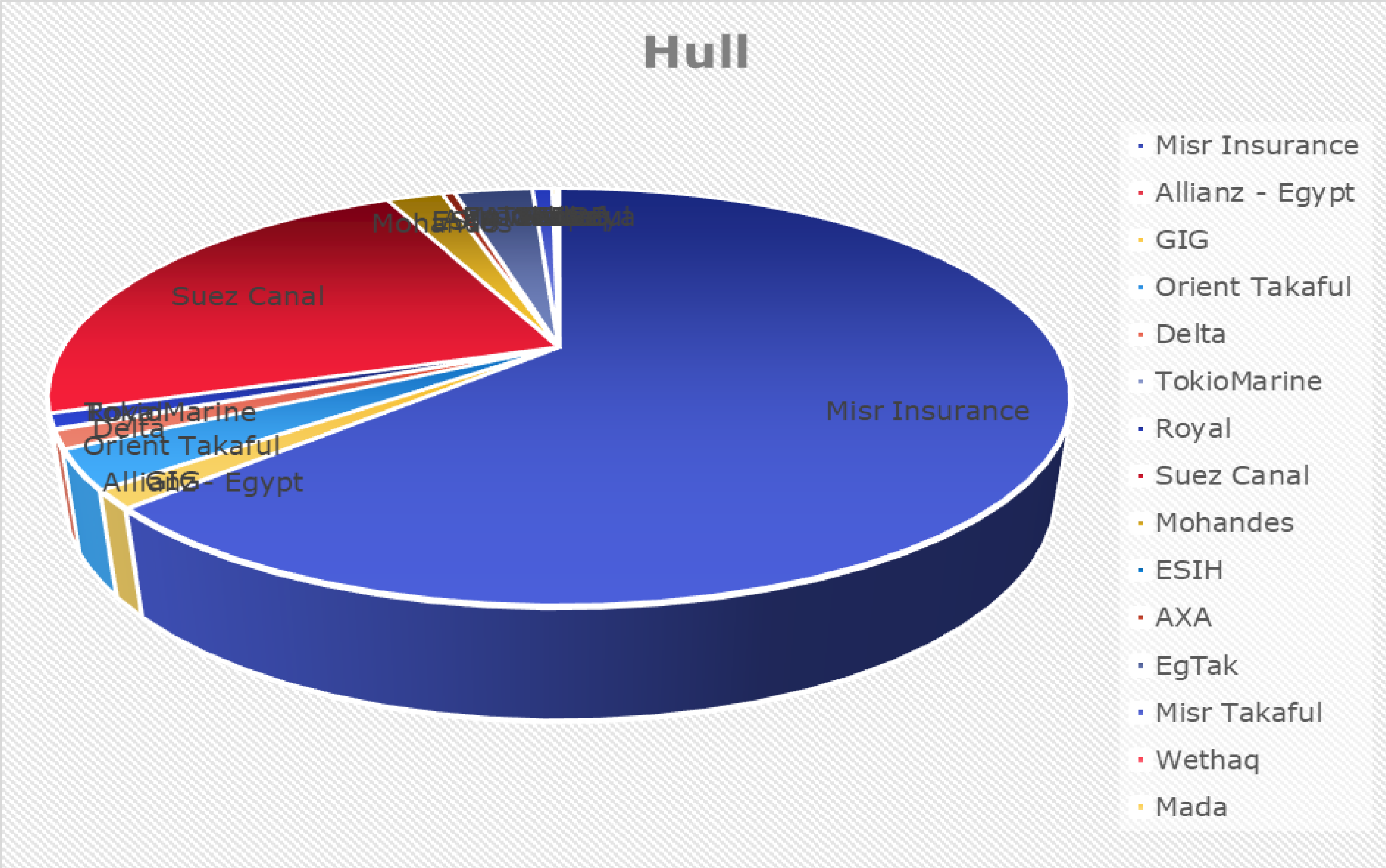
| Company | Direct Premiums ( in thousands) | | | | | |
|---|---|---|---|---|---|---|
| | Cargo | | Inland | | Hull | |
| Misr Insurance | 333,370 | 36% | 79,260 | 26% | 355,223 | 63% |
| Allianz - Egypt | 87,177 | 9% | 38,044 | 4% | - | 0% |
| GIG | 84,437 | 9% | 31,862 | 3% | 7,991 | 1% |
| Orient Takaful | 96,749 | 10% | 31,465 | 3% | 16,797 | 3% |
| Delta | 70,899 | 8% | 7,268 | 1% | 7,729 | 1% |
| TokioMarine | 75,942 | 8% | 48,674 | 5% | 500 | 0% |
| Royal | 44,941 | 5% | 9,660 | 1% | 6,456 | 1% |
| Suez Canal | 35,260 | 4% | 19,126 | 2% | 130,607 | 23% |
| Mohandes | 30,562 | 3% | 10,961 | 1% | 12,454 | 2% |
| Salama | 15,823 | 2% | 1,444 | 0% | - | 0% |
| AXA | 14,488 | 2% | 6,714 | 1% | 2,871 | 1% |
| EgTak | 16,329 | 2% | 5,889 | 1% | 17,436 | 3% |
| Misr Takaful | 4,735 | 1% | 3,071 | 0% | 4,527 | 1% |
| Wethaq | 7,449 | 1% | 1,883 | 0% | - | 0% |
| Mada | 4,533 | 0% | 922 | 0% | 975 | 0% |
| Sarwa | 4,924 | 1% | 4,062 | 0% | 208 | 0% |
| CHUBB | 3,469 | 0% | 2,528 | 0% | - | 0% |
| Alwataniya | 1,611 | 0% | 814 | 0% | 185 | 0% |
| Iskan | 2,087 | 0% | 466 | 0% | 195 | 0% |
| AIG | - | 0% | - | 0% | - | 0% |
| Arope | 470 | 0% | 544 | 0% | - | 0% |
| CIS | 41 | 0% | 24 | 0% | | 0% |
| | 935,296 | | 304,681 | | 564,154 | |

**Egypt**
**Author: Ola Hussein**



## Egypt
## Author: Ola Hussein




**France**
**Author: Nicole Pousson**

**Statistics:**

2023 gross written premium for Cargo business in France: **€760.9M** (composed of: direct Cargo €523.7M + direct Freight liability €173.4M + inward reinsurance €63.8M), a +2.8% increase from prior year (€739.8M in 2022).

| | Direct | | Inward Reinsurance | | TOTAL | |
|---|---|---|---|---|---|---|
| | *Amount (M€)* | *Evolution (%)* | *Amount (M€)* | *Evolution (%)* | *Amount (M€)* | *Evolution (%)* |
| 2016 | 512.6 | -9% | 71.1 | 14% | 583.7 | -7% |
| 2017 | 484.4 | -5% | 53.2 | -25% | 537.6 | -8% |
| 2018 | 557.5 | 15% | 46.9 | -12% | 604.4 | 12% |
| 2019 | 618.0 | 11% | 58.6 | 25% | 676.6 | 12% |
| 2020 | 601.7 | -3% | 31.8 | -46% | 633.5 | -6% |
| 2021 | 622.2 | 3% | 33.0 | 4% | 655.2 | 3% |
| 2022 | 671.4 | 8% | 68.4 | 107% | 739.8 | 13% |
| **2023** | **697.1** | **4%** | **63.8** | **-7%** | **760.9** | **3%** |

(France Assureurs)

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

| UWY | 1st year | 2nd year | 3rd year | 4th year | 5th year | 6th year |
|---|---|---|---|---|---|---|
| 2018 | 64% | 79% | 75% | 74% | 75% | **73%** |
| 2019 | 47% | 50% | 50% | 47% | **48%** | |
| 2020 | 54% | 48% | 46% | **48%** | | |
| 2021 | 50% | 52% | **49%** | | | |
| 2022 | 46% | **45%** | | | | |
| **2023** | **50%** | | | | | |

(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 |
| 2018 | 81% | 102% | 98% | 99% | 100% | 99% |
| 2019 | 59% | 67% | 73% | 69% | 70% | |
| 2020 | 73% | 62% | 62% | 63% | | |
| 2021 | 62% | 67% | 65% | | | |
| 2022 | 61% | 63% | | | | |
| 2023 | 61% | | | | | |

(France Assureurs)

## France
## Author: Nicole Pousson

In 2023, Cargo premium represented 36.8% of total premiums of the French Marine/Aviation/Space market (vs. 34.3% in 2021)

(France Assureurs)

**b) Large Losses and Notable Incidents:**

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

A claim valued at $5M in Q4 2023 for a loss involving M/V ARCH MICHAEL in Lebanon

A claim valued at $2.5M in Q4 2023 for an accident during loading/unloading operations in respect of a land transport in France

**c) Underwriting Trends and Hot Topics:**

Close monitoring of the evolution of war/SRCC risk levels, in particular for Israel and Red Sea/Gulf of Aden zones, reflected in updates of the market grading scale maintained by the CESAM:
https://rg.cesam.org/en

Publication of English translations of recently updated French market war/SRCC clauses (“Special Clauses ‘RG GE 2023’ for the Insurance of Cargo Against Risks of War, Terrorism and Strikes – Extended Cover” and “Special Clauses ‘RG WB 2023’ for the Insurance of Marine Cargo Against Risks of War, Terrorism and Strikes – Waterborne Cover”)

Among the topics addressed at “Le Rendez-vous ParisMat” French Marine market conference (held in Paris in June 2024, attended by 600+ participants): Electric vehicles and lithium-ion batteries; Geopolitical risks: to a more fragmented world?; Fine art and specie transport; IA, data and new technologies applicable to marine and aviation insurance.

**d) Market Players:**

Top 5 overall insurers of the Marine/Aviation/Space market in France (based on 2023 premium): Helvetia, AXA XL, Allianz, Generali, AXA France (France Assureurs)

Recent new insurer entrants to French Marine market: Sompo International, Everest Insurance International and Zurich France

Further reinforcement of Howden in French market with the acquisition in Q2 2024 of Normandy-based broker Ofracar, following previous acquisitions by Howden (announced in 2022 and 2023) of French corporate brokers Théorème and CRF and of specialist Marine broker Seasecure.

References:
France Assureurs. (2024 July). *L’Assurance Transports en 2023*.

## Germany
## Author: Thomas Essig

Cargo Market:

**Statistics**

**Accounting year 2023**

| | | |
|---|---|---|
| **Cargo (incl. freight forwarders, CMR and Carriers liability etc.)** | | |
| Gross premiums | $1,158,020,608 | (-3.753%) |
| **Pure Cargo** | | |
| Gross premiums | $807,608,608 | (-8.356%) |
| **Carriers Liability** | | |
| Gross premiums | $337,435,507 | (+3.800%) |

**Underwriting year 2023 as per 31.12.2023:**

| | |
|---|---|
| **Cargo (incl. freight forwarders, CMR and carriers liability etc.)** | |
| Gross premiums | $835,216,045 |
| Paid claims | $169,380,405 |
| Total claims incl. outstanding | $574,757,577 |
| Loss ratio paid | 20,28% |
| Total loss ratio | 68,82% |
| **Pure Cargo** | |
| Gross premiums | $558,584,264 |
| Paid claims | $129,068,850 |
| Total claims incl. outstanding | $362,195,410 |
| Loss ratio paid | 23,11% |
| Total loss ratio | 64,84% |
| **Carriers Liability** | |
| Gross premiums | $276,631,781 |
| Paid claims | $40,311,555 |
| Total claims incl. outstanding | $212,562,168 |
| Loss ratio paid | 14,57% |
| Total loss ratio | 76,84% |

**Large Losses and Notable Incidents (Cargo)**

Losses due to war had have little impact on the German cargo insurance market. The cargo loss to FREMANTLE HIGHWAY is covered also in the German market but was not reported to GDV.

**Large losses in 2023 exceeding EUR 500,000**

| | |
|---|---|
| Reported losses | 12 |
| Total amount | approx. $88,000,000 |

| **Notable incidents in 2023** | **German market share** |
|---|---|
| Warehouse shortage (Guatemala) | approx. $ 25,000,000 |
| Warehouse fire | approx. $5,000,000 |

## Germany
## Author: Thomas Essig

**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 KRAVAG-LOGISTIC, ALLIANZ – ESA, , ERGO, AXA XL, HDI 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*

Germany is still strong when it comes to manufacturing and exporting products including services.
In 2022 Germany exported roughly 1,405.19 billion USD to other countries.

The 3 main manufactory industries are automotive, mechanical engineering and chemical/pharmaceutical.

The main export partners in 2021 were the United States with 9%, China with 8%, France with 8%, the Netherlands with 6% and the UK with 6%.

Due to Germany's strong dependency on trade volume (i.e. imports, exports and domestic trade) the insurance premium is also highly cyclical and therefore should be put into context.

However, increased global trading volumes are not fully reflected in premium growth as the current market competition still plays a significant role. This means, to distinguish between pure rate changes and/or changes in the underlying risk incl. changes in volume is hardly possible.

## Hong Kong
**Author: Clara Yip (QBE HKSI)**

**2023 Statistics & Market Players [1]**

In 2023, 59 insurers are currently providing cargo insurance in Hong Kong, as indicated by the Provisional Statistics on Hong Kong General Insurance Business. The total gross premium for the year is HKD 1.72 billion, reflecting a 6% decrease compared to HKD 1.83 billion in 2022.

For Hull, P&I & Marine Liability insurers, the total gross premium is HKD 3.44 billion, reflecting a 12% increase compared to HKD 3.07 billion in 2022.

The Top 10 market players in the marine cargo insurance sector represent a substantial share of the Total Gross Written Premium. The leading companies in this field are primarily large international insurers, whose market positions have remained stable. Notable players include XL Insurance, Starr, Chubb Insurance, MSIG Insurance, AXA General, Generali, Tokio Marine, China Taiping Insurance, Liberty Specialty Markets, and QBE HKSI. This concentrated market, dominated by established global insurers, highlights the competitive dynamics and maturity of the marine cargo insurance industry.

**Large Losses and Notable Incidents**

No major loss in the market.

**Underwriting trends and Hot Topics**

Marine Market

The cargo market continues to be soft, while the hull market is facing a downturn in pricing due to portfolio adjustments made in recent years during the hard market, coupled with the capacity available in the MGA market.

Notice of cancellation – Red Sea

The majority of insurers have issued cancellation notices concerning coverage for the Red Sea area to all brokers and their respective insured. As a result, many shipping lines are now rerouting their vessels around the Cape of Good Hope to avoid entering the Red Sea area. As some vessels are still transiting through the Red Sea, leading to an emerging trend of purchasing reinstated war coverage for this region.

**Noteworthy Local Economic / Political / Societal Highlights**

The Hong Kong Government has announced the Action Plan on Maritime and Port Development Strategy to support the sustainable growth of the maritime and port industry, enhancing its long-term competitiveness. Secretary for Transport and Logistics, Mr. Lam Sai-hung, emphasized Hong Kong's potential to become a leading international maritime center (IMC) due to its strategic location and economic advantages. The Action Plan outlines 10 strategies, and 32 action measures aimed at improving port competitiveness, developing high value-added maritime services, promoting the Hong Kong maritime brand, and nurturing talent. It also focuses on making Hong Kong a green and smart port to meet global zero-carbon emission targets. The Transport and Logistics Bureau will work with the Hong Kong Maritime and Port Board and industry stakeholders to implement and review these strategies to adapt to market changes. For more details, please visit our website. [2]

Reference:

[1] Insurance Authority. (2023). *Market & Industry Statistics - Quarterly Release of Provisional Statistics for General Business 2023* [January 2023 to December 2023]. https://www.ia.org.hk/en/infocenter/statistics/market_6_2023.html

[2] Transport and Logistics Bureau. (31 October 2023). *Action Plan on Maritime and Port Development Strategy.* [Publications].https://www.tlb.gov.hk/eng/publications/transport/publications/index.html

# India
Author: Sibesh Sen & Sujoy Maitra

**Namaste from India**

Following a successful moon mission, India is positioned to emerge from 2023 with increased stability and optimism for its growth and future prospects. The industrial manufacturing sector has experienced a significant boost, attracting global technology giants like Apple eager to expand their supplier networks within India.

**Macro-Economic Indicators**

Boasting a GDP of US$3.75 trillion, India is the fifth largest economy in the world. The Indian economy is on track to hit US$5 trillion by 2027 on the back of developments in the financial sector and the country's demographic advantage.

The country's real gross domestic product (GDP) or GDP at constant prices (2011-12) registered a faster-than-expected growth rate of 7.6 percent in the July-September quarter of 2023. This is above China's at 4-5 percent and above the world economy (3 percent) and that recorded in advanced economies (1.5 percent).

India's manufacturing sector also witnessed growth. The manufacturing sector currently contributes about 17 percent of the Indian GDP, which is hoped to grow to 21 percent in the next six to seven years. The government wants the Indian manufacturing market to reach around US$1 trillion by 2025-26.

The country dropped by a spot to be the fifth on the list of the highest-funded geographies in 2023.

Top service sector performers are telecom, computer, information, transport, and travel. Segments like tourism, hospitality, and medical value tourism are also rebounding after the pandemic. India aims to achieve US$1 trillion in services exports by 2030.

**Sectoral Analysis: Trade**

India's combined exports of merchandise and services for April-October 2023 was estimated at US$437.54 billion, showing negative growth of (-) 1.61 percent compared to the same period in 2022. During April-October 2023, overall imports were estimated to be US$495.17 billion, showing a negative growth of (-) 7.37 percent compared to April-October 2022.

In April-October 2023, within the spectrum of merchandise exports, 14 out of the 30 key sectors demonstrated growth in comparison to the same period in 2022. Notable sectors exhibiting growth include

Iron ore (157.03%), oil meals (37.71%), electronic goods (27.7%), oil seeds (24.39%), ceramic products & glassware (23.65%), tobacco (12.99%), fruits & vegetables (12.82%), drugs & pharmaceuticals (8.14%), cereal preparations & miscellaneous processed items (6.32%), cotton yarn/fabs./made-ups, handloom products etc. (5.65%), meat, dairy & poultry products (4.54%), coffee (4.02%), spices (2.35%), and cashew (0.72%).

India's strategic focus on reducing logistics costs is pivotal for its ambition to become a key player in global supply chains and become a US$5-trillion-economy by the end of 2025.

## India
## Author: Sibesh Sen & Sujoy Maitra

**Sectoral Analysis: Logistics**

**PM's Gati Shakti (An impetus for faster logistical movements)**
A digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.

The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people.

Amalgamation of various initiatives

Incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala (Highways), Sagarmala (Ports), inland waterways, dry/land ports, UDAN (Aviation) etc.

Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & make Indian businesses more competitive.

It will also leverage technology extensively including spatial planning tools with ISRO imagery developed by BiSAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics).

**Road:** The progress of national highways in India has been remarkable in the last 10 years, reflecting a significant increase in budget allocation and construction pace
The National Highway (NH) network has expanded by 60% from **91,287 km in 2014 to 1,46,145 km** by the year 2023
Since 2014, there has been a 500% increase in the road transport and highway budget allocation,
25 Greenfield high-speed corridors have been envisaged for development under Government initiatives.

**Rail:** India's railway development reflects a remarkable stride towards modernization and improved connectivity
94% of the total network is now electrified. Approx 61508 kms.
Dedicated Freight Corridor (DFC) for better connectivity, reach and faster carriage of cargo by Rail
Dedicated freight corridors cover: 2,843
Route kilometers and pass through 7 states of India
Mega-railway projects with a total track linkage of: 6,000+ kilometers
2800 Kms or approximately 90 percent of (DFC) is now operationalized.
Indian Railways launches Rail Post Gati Shakti Express Cargo Service (Joint Parcel Product of Railways and India Post) with following Key Features

**Doorstep Pick-Up and Delivery:** India Post will pick up the consignment at the doorstep of the customer and transport to the Railway Station (first mile activity) and at the destination railway station, India Post will transport the consignment from the station to the destination address and deliver the consignment at the doorstep of the addressee (last mile activity).
**Flexibility of Quantum of Load:** There is no fixed obligation of loading as party can book small load of 100 kg also.

**Time Tabled Service:** Parcel Train operated under JPP Scheme is a time tabled train with scheduled departure and arrival of Train at Originating, intermediate and Destination stations which

**Safe Transmission**: Indian Railways will provide intermediate transmission between origin and destination railway stations (middle mile activity), in secured sealed boxes, ensuring safe and secured passage through time tabled trains.

## India
## Author: Sibesh Sen & Sujoy Maitra

**Insurance**: Dept. of Post offers third party insurance facility at an affordable rate of cargo value to the customers availing JPP Service.

**Affordable Tariff**: First mile and last service charges at Rs 6/- per kg gives competitive and cost-effective solution to the customers in comparison to existing road rates.

**Single Point of Contact**: India Post will be the single point of contact for the customer for the dispatch of consignment from pick up till delivery.

**Mobile Application**: A mobile app is being developed where customers availing JPP service can book the consignment with online payment facility and also can track the status of consignment with live tracking facility.

**Inland Waterways:** India's waterways have seen significant development, with 111 waterways designated as National Waterways (NW) under the National Waterways Act, 2016.
839 projects worth investments of approximately Rs. 5.8 Lakh crore for implementation under the Government Program. Includes projects from various categories such as modernization of existing ports and terminals, enhancement of port connectivity, fishing harbors, skill development and technology centers, etc.

**Sectoral Analysis: Cargo Insurance**

Marine Cargo Insurance Canvas: Landscape with Rolling hills

Amid all the promising sparkles about Indian economy and its growth levers, marine cargo insurance market in India has its own share of ebb and flow.

Although the industry has come out of woods following unprecedented pandemic, head winds, in form of geopolitical developments and global inflation has shown its toll on the topline of 2023-24. Without fundamental being in place, we are very confident that domestic consumption followed by robust export and import shall provide necessary headroom to bring back growth trajectory.

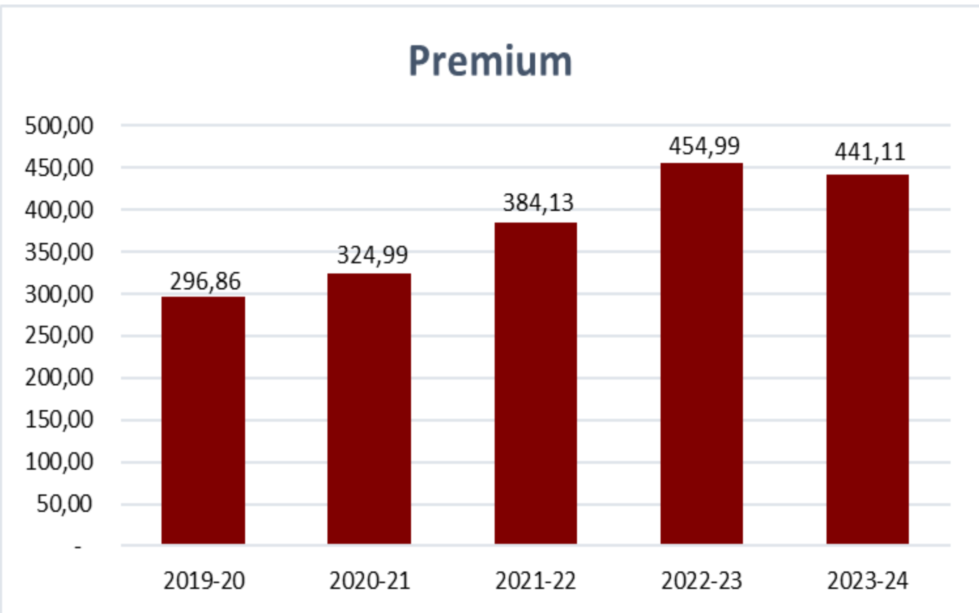



Fig in $ Million

*Note - 1 $ = ₹ 83.54

## India
## Author: Sibesh Sen & Sujoy Maitra

**Top 5 cargo underwriters FY 24**

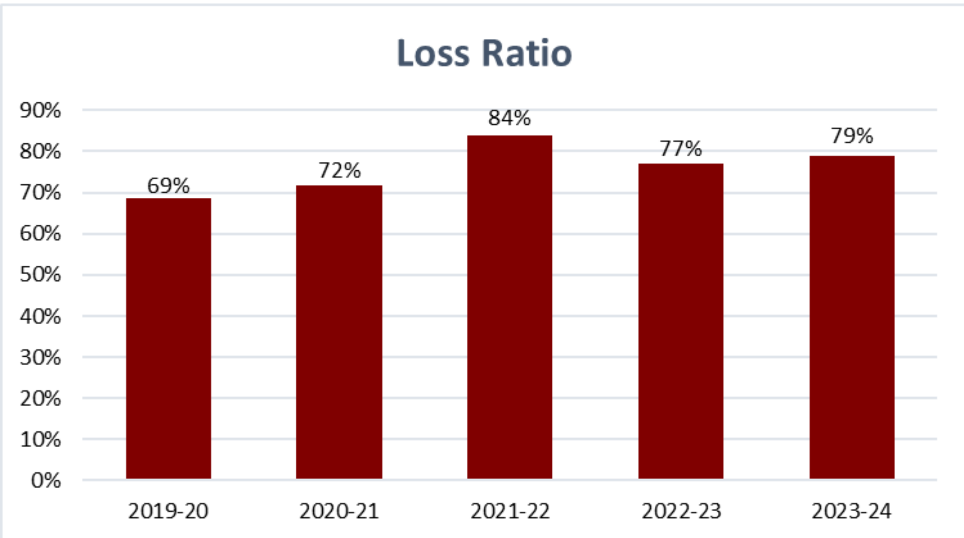
| | USD in Mln | |
|---|---|---|
| **Insurer** | Premium | Market Share |
| **ICICI Lombard** | 84 | 19% |
| **Tata-AIG** | 77 | 17% |
| **New India** | 53 | 12% |
| **Bajaj Allianz** | 34 | 8% |
| **Oriental** | 27 | 6% |
| **Industry** | 444 | |

1 USD= 83 INR

India, being a soft market, availability of capacities stressing very pecuniary performance of marine cargo book. However, many players, have developed inhouse capabilities to identify and to arrest, wherever its possible, attritional losses that creates fissures in their cargo book.

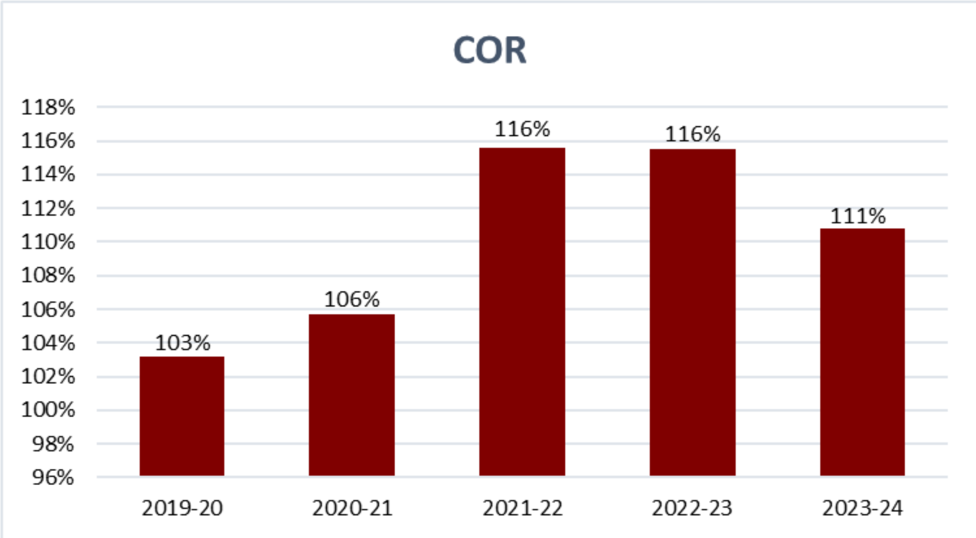
Loss ratios are at 79% which largely due to pressure on cargo rate that has been reduced by 9 to 10% without complimenting the exposure that has grown by around 15%.

Further, underwriters tighten the expenses for the fiscal year 2023-24 have brought down the expense ratio to 15%, down from 24% in 2022-23.



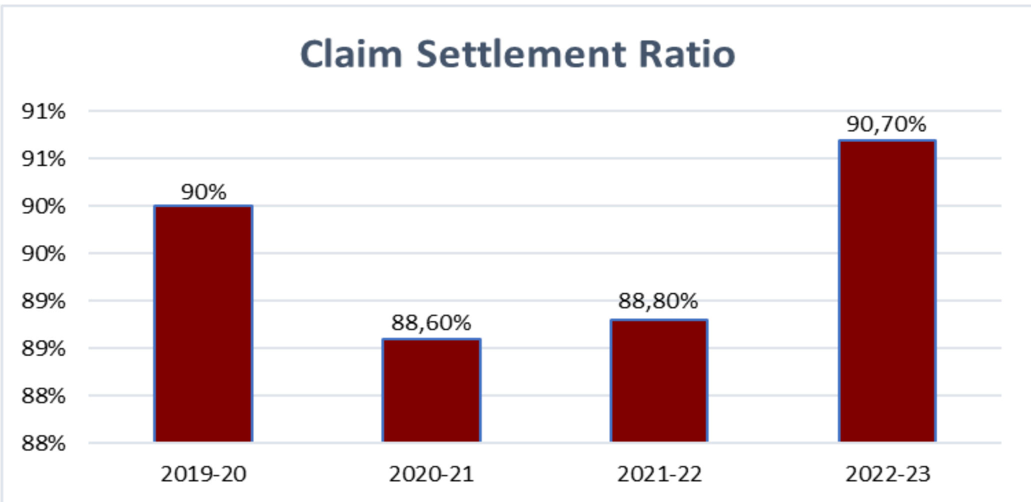

*Note – 2023-24: estimated

## India
## Author: Sibesh Sen & Sujoy Maitra




*Note – 2023-24: estimated

However, when it comes to servicing, regardless of premium and policy rate, customer always holds the pivotal position. So, except for the covid period, industry never allowed the ball to drop and always maintain claim settlement ratio of 90% and above.




*Note - 1 $ = ₹ 83.54

Source: GI Council, IRDAI, Internet.

**Italy**
**Author: Massimo Spinetta**

**Cargo statistics**

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

*Source: Associazione Nazionale Imprese Assicuratrici (ANIA)*

| Underwriting Year | | as at … years | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 2019 | Gross premiums | 132.656.863 | 189.673.630 | 187.847.032 | 184.693.960 | 194.877.243 |
| MARKET SHARE: 54,19% | Paid claims | 15.266.083 | 68.288.800 | 86.332.513 | 88.538.103 | 110.744.879 |
| | Total claims incl. outstanding | 62.704.069 | 105.617.702 | 100.721.696 | 99.878.041 | 93.210.187 |
| | Loss ratio paid | 11,5% | 36,0% | 46,0% | 47,9% | 56,8% |
| | Total loss ratio | 47,3% | 55,7% | 53,6% | 54,1% | 47,8% |
| 2020 | Gross premiums | 151.702.179 | 195.501.696 | 195.220.437 | 214.765.767 | |
| MARKET SHARE: 54,16% | Paid claims | 16.246.587 | 54.730.570 | 75.652.015 | 89.162.276 | |
| | Total claims incl. outstanding | 43.913.264 | 98.360.507 | 100.004.007 | 102.102.557 | |
| | Loss ratio paid | 10,7% | 28,0% | 38,8% | 41,5% | |
| | Total loss ratio | 28,9% | 50,3% | 51,2% | 47,5% | |
| 2021 | Gross premiums | 151.406.763 | 215.943.635 | 237.988.380 | | |
| MARKET SHARE: 58,36% | Paid claims | 17.189.683 | 65.002.526 | 96.343.784 | | |
| | Total claims incl. outstanding | 59.951.261 | 120.020.394 | 131.269.876 | | |
| | Loss ratio paid | 11,4% | 30,1% | 40,5% | | |
| | Total loss ratio | 39,6% | 55,6% | 55,2% | | |
| 2022 | Gross premiums | 163.416.847 | 238.008.855 | | | |
| MARKET SHARE: 59,07% | Paid claims | 16.130.361 | 68.053.197 | | | |
| | Total claims incl. outstanding | 58.522.521 | 118.638.125 | | | |
| | Loss ratio paid | 9,9% | 28,6% | | | |
| | Total loss ratio | 35,8% | 49,8% | | | |
| 2023 | Gross premiums | 258.048.708 | | | | |
| MARKET SHARE: 75,75% | Paid claims | 37.333.777 | | | | |
| | Total claims incl. outstanding | 113.675.544 | | | | |
| | Loss ratio paid | 14,5% | | | | |
| | Total loss ratio | 44,1% | | | | |

*In 2023, 1 more Company (representing a share of 15,53% of the cargo sector) has joined the survey*

**Large Losses and Notable Incidents**

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

**Total Large losses** (>250K) occurred in 2023: € 7.6M + US $. 2.9M split as follows:

**Inland transit:** € 2.7M (1.7M Hail storm – 0.7M theft/robbery/burglary – 0.3M breakage)

**Ocean voyage:** € 0.7M (0.5M loading/unloading – 0.2M temperature damage)
US $ 2.9M (1.4M war/piracy - 0.5M contamination – 0.6M theft/robbery/burglary - 0.4M wetting)

**Storage:** € 4.2M (2.9M nat-cat – 0.7M theft/robbery/burglary - 0.3M flooding – 0.3M wetting)

Source: ANIA Associazione Nazionale fra le imprese Assicuratrici

## Italy
## Author: Massimo Spinetta

### Underwriting Trends and Hot Topics

Business still under competition with frequent remarketing actions requested by Clients.

Increased risks related to Nat-Cat perils due to climate change.
2023 extreme weather events in Italy increased by +22% compared to 2022 with billions in damage to the territories and the death of 31 people. Floods, landslides, storm surges, hailstorms and exceptional temperatures are increasing. Most affected regions: Lombardy, Emilia-Romagna and Tuscany.

Russia-Ukraine conflict: strong limitation to trading due to new international sanctions added by EU to existing measures imposed on Russia since 2014.
At the end of 2023 EU issued the 12th package of sanctions against Russia.

Israeli-Palestinian conflict: most of the Insurers issued war & strikes NOC in respect of shipments involving some areas of Gulf of Aden, Southern Red Sea, Indian Ocean. Possible reinstatement on case by case.

Inflation reduced if compared to 2022 (+8.1%) but remaining still high (+5.7%) with impact on the average cost of claims.

Adoption of new clauses:
“Price Cap Clause”
“Five Power War Clause”

### Market Players

2023 GWP for Cargo direct business in Italy amounting to € 398,9M (+12% vs 2022)

2023 Top five Cargo Insurers:

| | Total Premium (€ thousand) | variation 2023/2022 | Market share |
|---|---|---|---|
| GENERALI | 97,291 | 10.6% | 24.39% |
| CHUBB EUROPEAN GROUP | 61,939 | 17.4% | 15.53% |
| GRUPPO ASSICURATIVO UNIPOL | 61,028 | 14.0% | 15.30% |
| XL INSURANCE COMPANY | 35,191 | 3.5% | 8.82% |
| GRUPPO ASSICURATIVO ALLIANZ | 23,023 | 2.8% | 5.77% |

### Distribution channel:

| | |
|---|---|
| Brokers: | 67.9% |
| Agencies: | 27.8% |
| Direct: | 4.0% |
| Banks/financial advisors: | 0.3% |

*Source: ANIA Associazione Nazionale fra le imprese Assicuratrici – Premi del lavoro diretto italiano 2023*

### Noteworthy Local Economic/Political/Societal Highlights

During 2023 international tensions have worsened: the continuing conflict in Ukraine, the outbreak of a new crisis in the Middle East and the growing contrast between US and China still influence economic and trade policy.
In this context marked by a general weak of global trade, Italian exports of goods fell in 2023, but remained well above the pre-pandemic level. Compared to 2022 exports increased in the North-west, and in the South & Islands, while they decreased in the North-East and, more strongly, in the Center.
Exports of “Made in Italy” (especially textiles, clothing, footwear, furniture, ceramics) have lost ground due to emerging countries competition. However, Italy has lost less ground in machinery exports and has strengthened its specialization in food products and some clothing niches.
Imports of goods have decreased, in particular from non-EU countries including Russia and China. However, purchases of goods linked to low carbon footprint technologies increased.

## Italy
**Author: Massimo Spinetta**

Italy's GDP grew by 0.9%. The strong reduction compared to 2022 (when GDP increased by 4%) was mainly affected by the end of the recovery of the activities most impacted by the pandemic, the weakness of global demand and more restrictive monetary conditions. The growth was positive in all country areas (+1.1% in the North-East and North-West, +0.8% in the Center and +0.7% in the South) and it was mainly supported by internal demand (contribution +2%) with the household spending returned to pre-pandemic levels.

In 2023, average inflation remained high (+5.7%), despite recording a drastic decline compared to the record level reached in 2022 (+8.1%). Inflation rate was mainly affected by the increase in food prices, in acceleration compared to the previous year (+9.8%, with a contribution to inflation average equal to +1.78%). However, the upward race of energy products was interrupted increasing by just over 1% with a contribution to inflation average equal to 0.1%.

Worthy of mention is the 17 Sustainable Development Goals (SDGs) adopted by all UN Member States. Since 2022 the Italian Insurers Association "ANIA" has started a research project called "Sustainability in the Italian insurance industry". 2023 project involved 56 insurance Companies representing 76% of Italian insurance market in terms of premium income. All Companies formulated ESG development objectives and mapped their contribution to achieving the 17 SDGs.  The most quoted goals were: 13) Climate Action (95% of the sample); 3) Good health and well-being (86%); 8) Decent work and economic growth (76%); 5) Gender equality (71%); 7) Affordable and clean energy (62%).

**Sources**:
Istat Istituto Nazionale di Statistica – Rapporto annuale 2024 – La situazione del Paese
ANIA Associazione Nazionale fra le imprese Assicuratrici - L'Assicurazione Italiana 2023 - 2024
Banca d'Italia – Relazione annuale anno 2023

## Japan
## Author: Fumiaki Ichimura

**Statistics**
Japanese Cargo Market Overview of 2023 Fiscal Year (April 2023 to March 2024)

**Gross Written Premium :**
JPY247 billion (equivalent to US$ 1.6 billion (based on the exchange rate of US$1=JPY151)) This is +13.5% compared to FY2023.

**Gross Paid Claims :**
JPY95 billion (equivalent to US$ 627 million (based on the exchange rate of US$1=JPY151)) Gross paid claims of FY2023 was JPY98 billion.

**Loss Ratio (G/G):** 38% (Net/Incurred basis is 47%)

Ref. The General Insurance Association of Japan http://www.sonpo.or.jp/en/statistics/
Exchange rate of US$=JPY151 is based on the final day of FY2023.

***Large Loss***
No major incidents on cargo. Some flooding from heavy rain, but cargo losses have been minimal. No major typhoon losses striking the Japanese islands.

Looking back, FY2021 through to FY2023 has been exceptionally well with good results (loss ratio) with less heavy Nat cat events.

***Underwriting Trends and Hot Topics***
Premium increase has leveled off back to normal with more stability compared to past few years with bounce backs from pandemic downturn and affects by inflation. A factor still to bear in mind would be the rate of exchange, being the weakening of the Japanese yen against foreign currency (mainly US Dollar and Euro). The weak position of the Japanese yen is commonly explained by the low interest rates in Japan compared to other countries. The Bank of Japan is still keeping the interest rates in a relatively low range compared to those of US (FRB) and EU (ECB). However, it is speculated that monetary policies will influence the decision made by the Bank of Japan to gradually bring up the interest rates in the future.

Trading has recovered quickly after the decline seen through the pandemic in FY2020. Commodity prices have also contributed to the past few years of spiked increase in cargo amounts.

Without major Nat cat events affecting the cargo market, FY2023 has been a good year for the underwriters and rates have been stable during FY2023. There were increase of rates during FY2019-2020 for the loss affected accounts by 2018 typhoon Jebi . (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% were flood water damage while stored at ports).

Claims arising from Russian Ukrainian/ Israel territorial conflicts remain minimal, whilst we have seen a few constructive total losses in the past years due to the deprivation of possession on cargo, not encountered further expansion of losses.

***Market Players***
The number of Domestic Insurers are counted to 29, of those 18 are Foreign International companies. 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*

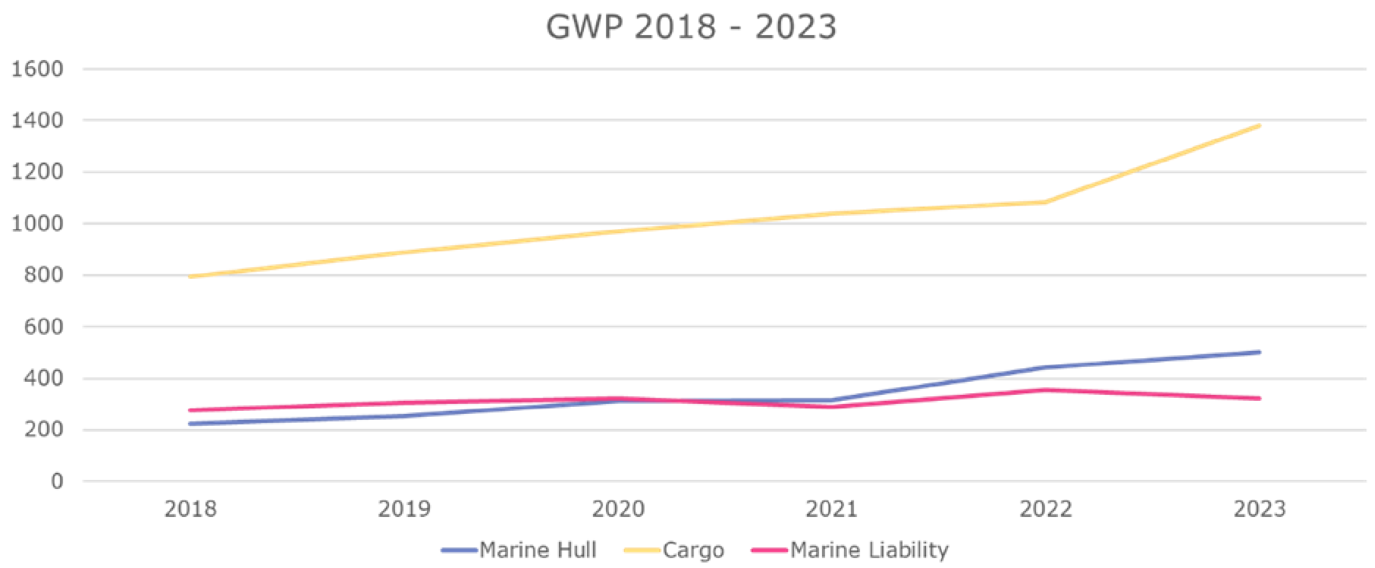
# Nordic Countries (Denmark, Finland, Norway and Sweden)
Author: Tobias Sigurdsson

Cargo Market:

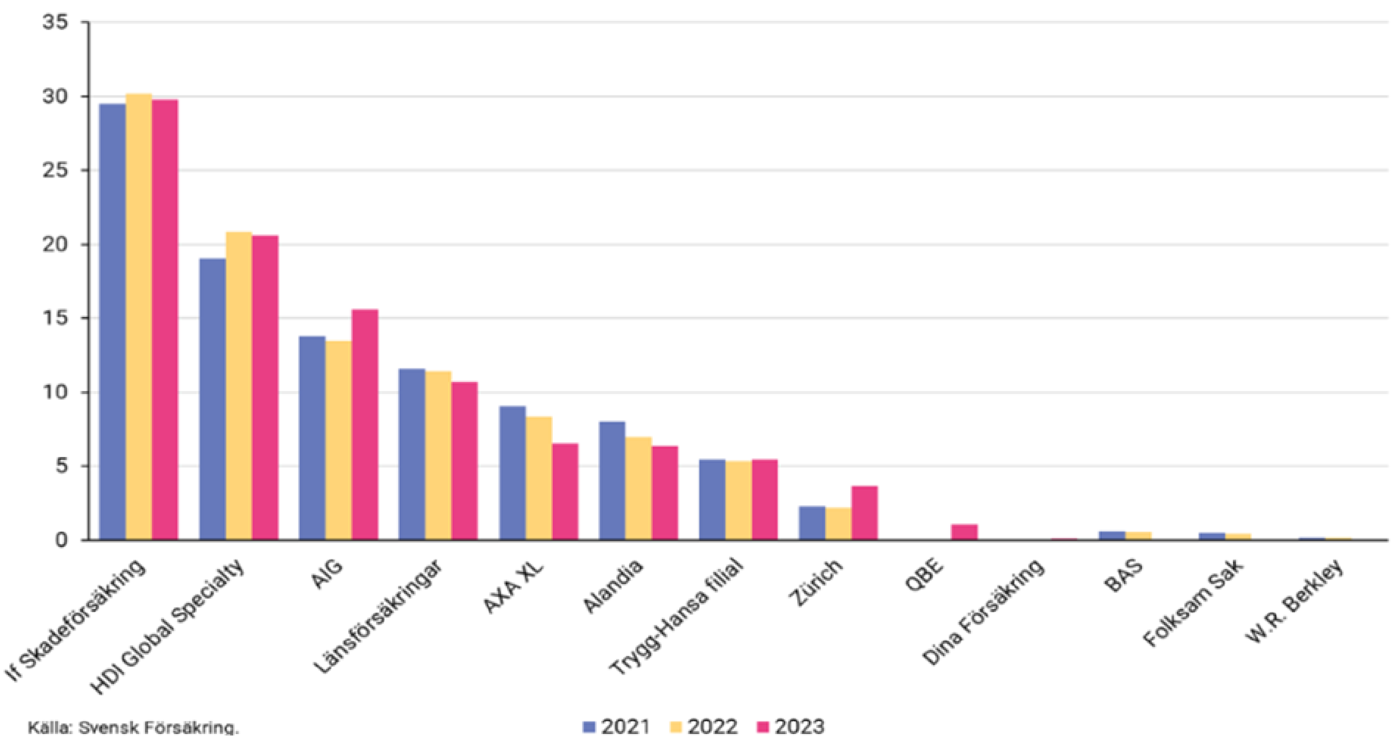
a) Statistics

The statistics presented are gathered by Insurance Sweden.

Marine market Sweden 2018 – 2023, GWP all Marine lines (general):

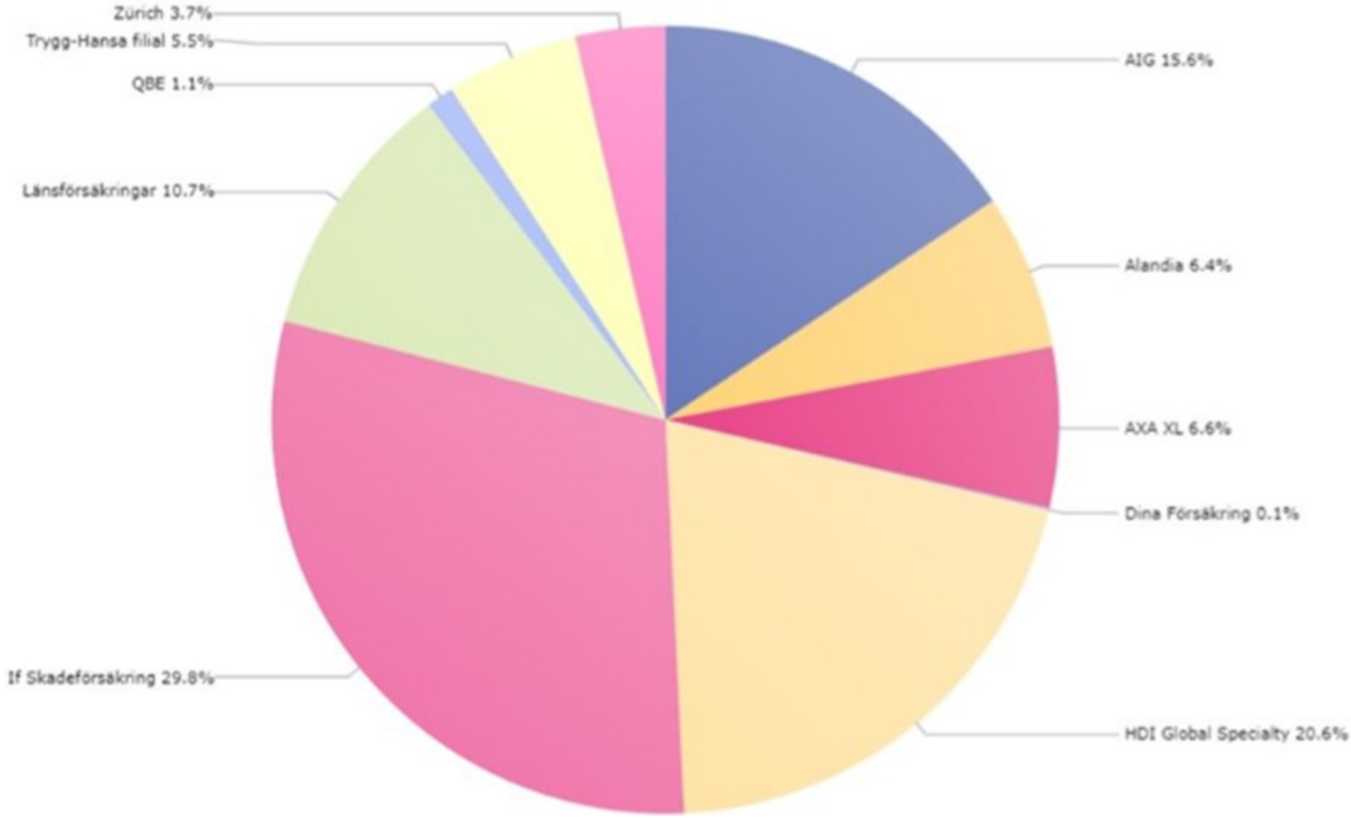



Marine market Sweden 2021 – 2023, GWP all Marine lines (company specific):



## Nordic Countries (Denmark, Finland, Norway and Sweden)
## Author: Tobias Sigurdsson

Marine market Sweden 2023. Market shares in percentage of total GWP all Marine lines:




The 2023 total Swedish Marine premium (excl. Hull) was SEK 1.7 billion (about USD 160m as of Aug. 2024), which is a 16% increase from 2022.

Unfortunately, not other Nordic marine insurance organisation produces market statistics, except Insurance Sweden, but the total estimated Nordic Cargo premium is USD 330 million, with the following estimated split:

| | |
|---|---|
| Sweden | 48% |
| Finland | 23% |
| Denmark | 22% |
| Norway | 6% |

### Large Losses and Notable Incidents

No specific losses notable to mention, but Denmark has seen quite a few losses in respect of temperature-controlled goods.

### Underwriting Trends and Hot Topics

After a few years with less submission activity, the pace has picked up, but market conditions remain stable, with limited rate changes.

## Nordic Countries (Denmark, Finland, Norway and Sweden)
## Author: Tobias Sigurdsson

Continued M&A activities, where the larger brokers are acquiring the smaller and more niche marine brokers.

There is a continued push from the broking market – not only by the larger players – to implement new cargo facilities, also encompassing clients on the small sized enterprise segment.

There is no market interest to insure anything with a Russian nexus, a view shared by all markets.

The market is fully compliant with sanctions on Russia and almost all Nordic cargo clients have left or sold out their Russian subsidiaries.

RUB clauses and/or Territorial Exclusion clauses have been implemented and could be considered a market standard. We also see inclusions of the Five Powers clause.

**Market Players**

| | |
|---|---|
| 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 |
| Cover holders: | First, Fender Marine, RiskPoint, Mainpro |

## Singapore
## Author: Mark Watts

### 1 – Statistics

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

2023 Unaudited figures for Cargo

Gross Premium (SGD mil)

| | SIF | OIF | Total |
|---|---|---|---|
| 1Q 2023 | 39.40 | 133.90 | 173.30 |
| 2Q 2023 | 24.70 | 95.10 | 119.80 |
| 3Q 2023 | 25.40 | 74.90 | 100.30 |
| 4Q 2023 | 23.50 | 82.60 | 106.10 |
| | **Total** | **SGD** | **499.50** |
| | | ROE | 1.3186 |
| | **Total** | **USD** | **378.81** |

**Incurred Loss Ratios**

| Year | Cargo (SIF) | Cargo (OIF) |
|---|---|---|
| 2022 | 36.3% | 51.9% |
| 2023 | 30.8% | 42.1% |

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

### 2 - Large Losses and Notable Incidents

Nothing notable to mention

### 3 - Underwriting Trends and Hot Topics

The following all remain Hot topics in the Singapore Cargo Market

Russia / Ukraine conflict
Transportation of Lithium batteries & EV's
Red Sea / Gulf of Aden
Accumulation

Overall the market is stable, there were 38 Companies writing Cargo Insurance in 2023 (not including Lloyds syndicates) this has changed in 2024 with a number of new Markets entering Singapore off the back of some strong results in previous years.

There is still a conservative approach to capacity deployment & Insurers are still focussing on bottom rather than top line results.

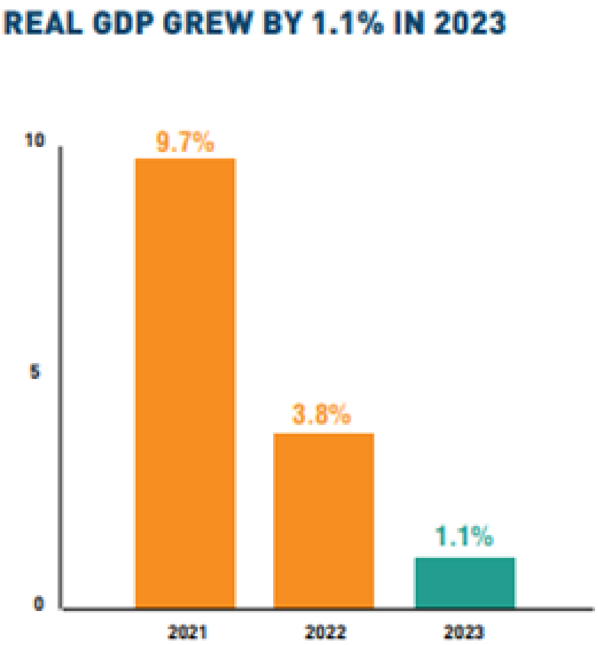
**Singapore**
**Author: Mark Watts**

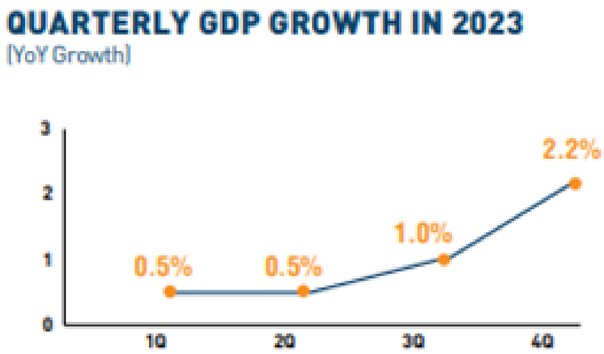
### 4 – Noteworthy Local Economic/Political/Societal Highlights

Presidential elections were held in Singapore on 1 September 2023 & the PAP (Peoples Action party) remained in power. Tharman Shanmugaratnam was voted in as the new president & Mr Lawrence Wong took over as Prime Minister in May 2024 from Mr Lee.

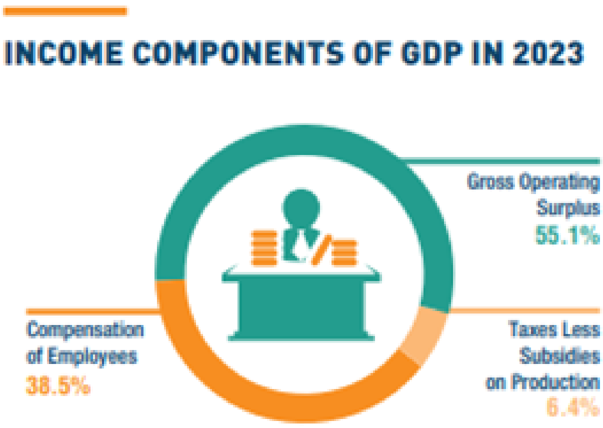
The Singapore economy grew by 1.1 per cent, easing from the 3.8 per cent expansion in 2022. By sectors, the manufacturing sector shrank by 4.3 per cent in 2023, a reversal from the 2.7 per cent growth in the preceding year. All clusters saw a fall in output for the year, except for the transport engineering cluster.

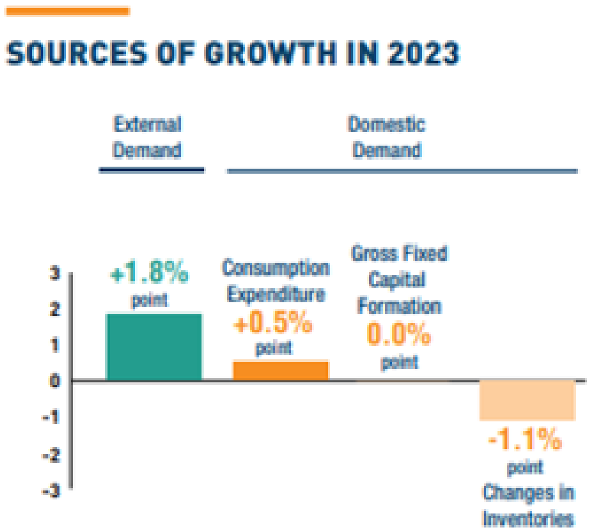
The ripple effects of the post-COVID-19 recovery were palpable, as Singapore's visitor numbers gradually rebounded, surpassing one million passenger arrivals per month .



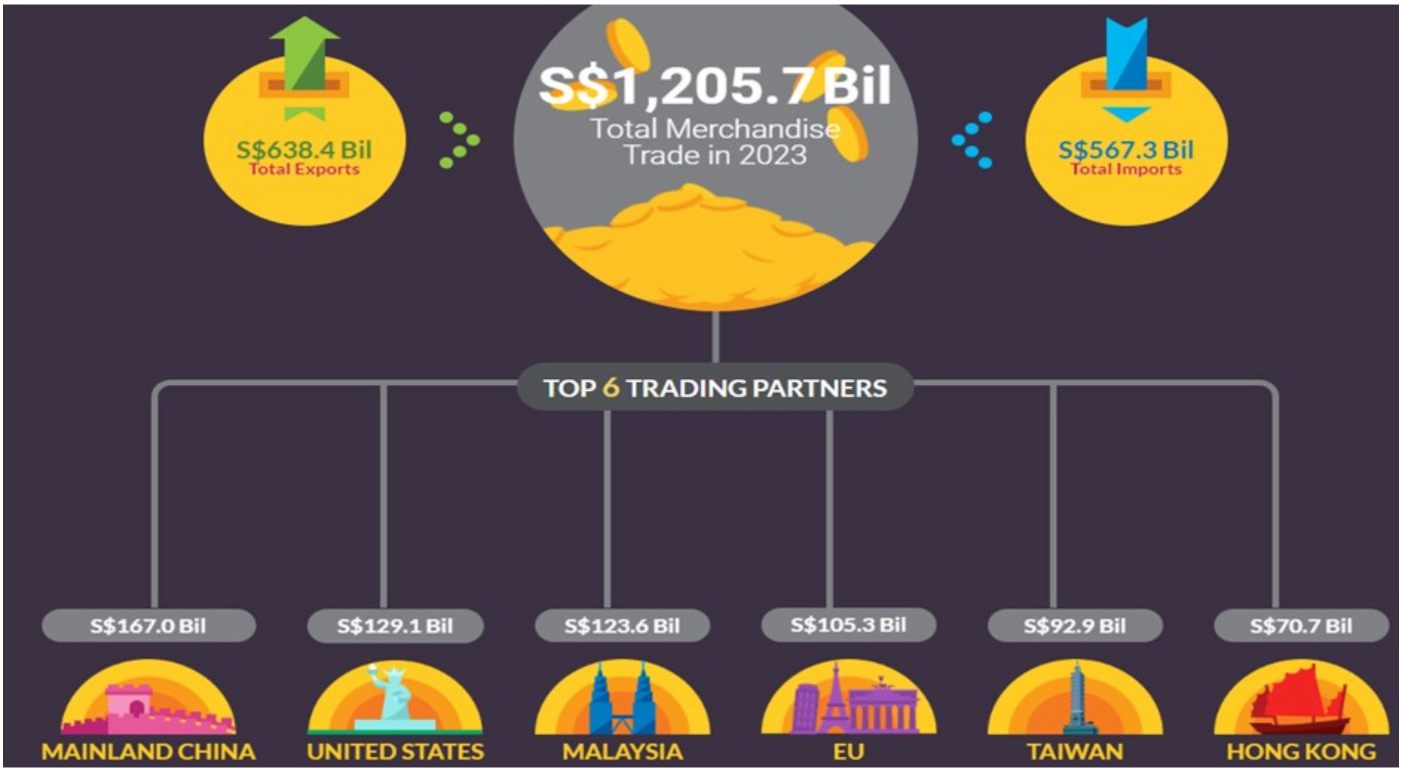




**Singapore**
**Author: Mark Watts**

**Singapore's Top 6 Trading Partners in 2023**




https://www.mas.gov.sg/statistics/insurance-statistics/quarterly-unaudited-statistics

**5 - Market Players**

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

| Name |
|---|
| **LLOYD'S ASIA** |
| **XL CATLIN** |
| **GAIC** |
| **AIG** |
| **AWAC** |
| **AGCS** |
| **HDI** |
| **TOKIO MARINE** |
| **STARR** |
| **MSIG** |

## South Africa
## Author: Mike Brews

### South African Marine Insurance Market

#### Overview

South Africa continues to recover numerous incidents resulting in massive claims over the past few years. Floods, unrest, and some major fire losses resulted in the SA marine market seeing pressure on underwriting profits.

The past 2 years have been relatively profitable for the marine market however we are still seeing pressure on rates and cover conditions. The market is considered stable at present and no longer hardening.

Underwriting focus has turned to poor performing accounts to manage losses through risk control measures, rates and cover options.

There have been no new entrants in our market since the COVID pandemic with markets preferring to maintain and manage current books of business rather than expand into new sectors. The increase in available capital in foreign markets are likely to bring about some new entrants over the coming years however the cost of business acquisition is likely to be quite high.

#### Premiums

AMUSA have put forward the following estimates regarding the marine market 2023. The South African Rand has weakened from ZAR16.9/US$1 to ZAR18.3/US$1 over the reporting period.

Transport/Cargo - $166’297’470 Global Hull - $15’000’000 Marine Liability - $2’100’000

Total - $183’397’470 (Up from $148’650’318)

#### Economic & Political Review Elections

South Africa recently held national elections on 29 May where the ruling party, ANC, lost their over 50% majority which has been held since 1994.

Despite concerns, the elections went off without any major unrest.

This now means that the government must negotiate with minor parties in order to pass any laws which will hopefully reduce the amount of corruption seen over the past 30 years. Business confidence has slowly started to improve. In Quarter 2, the Business confidence index increased by 35 points over the previous quarter.
*www.tradecconomics.com

#### GDP

Real GDP increased by 0.1% in the fourth quarter of 2023 following a decrease of 0.2% in the third quarter. This was led by Transport, Storage and Communication industries which increased by 2.9% While the Primary sector consisting of Agriculture, forestry and fishing, decreased by 9.7%

Exports of goods and services increased by 0.6% while the Imports of goods and services increased by 4%. South Africa remains a net exporter, but the net trade remains at around R1.2bn (approx. $67m)

*Statistics South Africa

#### Inflation

After holding steady between 5-6% for the past 10 months, inflation slowed to 4.6% in July 2024, the lowest in three years since July 2021 *Statistics SA

Average inflation for the 2023 year was 6% (6.9% in 2022) with the highest reading in March (7.1%) and the lowest in July (4.7%)

Local bank lending rates remain high with the central Reserve Bank not reducing interest rates as yet, but rather electing to keep the prime lending rate at 11.75% based on a repo rate of 8.25% The latest inflation figures makes a rate cut in September 2024 more likely.

## South Africa
## Author: Mike Brews

Unemployment

South Africa’s unemployment rate rose for a second quarter in a row to 32.9% (Up from 32.1% in Q4 of 2024 which many feel was a massive contributor to the ANC losing their majority in the national elections.

KPMG reported that if the economy continues to grow below 1% and population grows at about 1.5% per annum, this figure is likely to climb

Of big concern is the youth (ages 15 – 24) unemployment figure of 60.8% in Q2 of 2024

*Reuters

**Conclusion**

The new government has brought about some calm and positivity to the SA market going forward. We are hoping to see some steady growth over the coming years which could led to expansion in our economy and some much-needed capital investment

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

The power grid has stabilised with “loadshedding” being suspended since 26 March 2024. This is great news for businesses who suffer economically every time the power goes out. Inflation outlook remains moderate, and an anticipated repo rate cut will aid investment.

References:

Trade Economics Stats SA

Reuters

SA Reserve Bank Business Day

## Spain
## Author: Magdalena Cruz

**Statistics**

General information Spanish Insurance market

Insurers' premium income stood at €76,463 million at the end of 2023, 18% more than in the previous year.

Of the turnover achieved throughout the year, 43,011 million corresponded to the non-life line and the remaining 33,452 million to life, according to data collected by the Cooperative Research of Insurance Entities (ICEA).

All major business lines showed strong dynamism. The turnover of the non-life line was positive in all its modalities, recording a year-on-year rebound of 6.81% compared to the end of 2022. Business policies totalled 10,507 million euros and increased by 7.31% in the last 12 months. Multi-risk insurance rose by 6.76% to 9,158 million, while motor insurance generated 12,108 million euros throughout the year, 6.63% more than a year earlier. For its part, health insurance grew by 6.59% from one year to the next and contributed 11,238 million.

The life business, reflected in premium income, recorded an increase of 36.34% in year-on-year terms, driven by the effects on the savings line of rate hikes and the good performance of the markets throughout the year. The volume of savings managed by insurers rose by 5.39% year-on-year, so that technical provisions stood at €204,056 million at the end of 2023.

Total Direct Marine written premium, (marine, cargo & aviation) has experienced significant growth of 13 points, reaching 646 million in premium volume, which is representative of the improvement in the economic situation and the positive trend of economic recovery that we are having., even do the sector represents a 1,5% of the total Spanish market.

This growth has been driven by cargo insurance with an increase of 15 points, and which is being the main player in the growth of the Transport sector with an excellent result in claims. Logistical problems have improved in 2023, freight rates have been reduced, reducing costs, and partially mitigating the increase in inflation and export/import levels are consolidating.

In Hull, the renewals followed the line of last year with a conservative tendency but seeking profitability not only with an increase in premiums but also with formulas for transferring risks to customers via deductibles and limits on annual aggregates, among others. Shipbuilding has also contributed to this growth.

The Aviation business also continues its course with double-digit growth, over 26%, derived from the tightening of renewals and high reinsurance support costs.

Loss ratio for all the lines has experienced a decrease of 4,5 points giving the final figure of 49,6% of earned premium reaching the 271 million of Euros.

Cargo insurance:

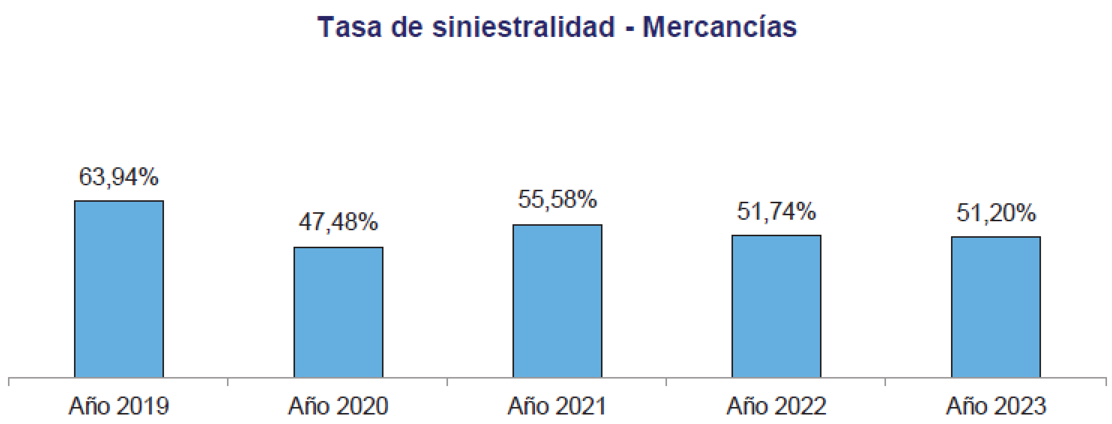
As said above, direct premium of Spanish Market experienced an increase of 15% with a total premium volume of 325 million euros.

## Spain
## Author: Magdalena Cruz

The loss ratio has increased 12,2 in 2023 reaching almost 133 million of Euros comparing to 119 million of last year. The number of claims has also increase (0,5) but not in the same level as losses paid which means an increase in claims quantities.

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

*DRAWING LOSS RATE 5 YEARS:*




**Large Losses and Notable Incidents**

Spain is not a country exposed to heavy catastrophic climate in general. Only small, located floods, affecting mainly personal lines insurance.

Nevertheless, we do have reports about claims with total losses above 300.000 euros.

Type of cargo and amounts:

| Mercancías | |
|---|---|
| **Clase de Mercancía** | **Importe (€)** |
| Gasóleo | 2.140.049 |
| Perfumería | 654.316 |
| Ferro Molibdeno | 508.471 |
| Confección, calzado, moda | 320.582 |
| | |
| | |
| | |
| TOTAL | 3.623.418 |

Total loss amounting more than 2 million Euros for diesel oil, following perfumery cargo and ferrous material ending with clothing and fashion cargo.

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

## Spain
## Author: Magdalena Cruz

**Mercancias**

| Clase de Vehiculo | Causa del Siniestro | Clase de Mercancía | Fecha | Importe (€) |
|---|---|---|---|---|
| Terrestre | Robo | Alta joyería | 02/05/2023 | 3.545.037 |
| Buque | Contaminación carga | Gasóleo | 04/11/2022 | 2.140.049 |
| Terrestre | Granizo | Vehículos | 31/07/2023 | 680.864 |
| Camión | Robo | Perfumería | 30/06/2023 | 654.316 |
| | | | TOTAL | 7.020.266 |

Causes of claims:

Thief, contamination, and hail (car carrier inland by truck)

**Underwriting Trends and Hot Topics**

Reinsurance treaty renewal without any controversial or special topic.

Spanish market is in general reticent to use the Five Power Clause.

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.

War risk notices cancelation for the Red Sea has been advise and the area has been, and it is, being closely monitored to see developments.

**Market Players**

the first 3Q of 2023 was easy and stable for Marine & Cargo underwriters. But the end of 2023, showed that market was going to have new players, a reality confirmed in 2024.

Sompo has arrived in Spanish market as direct insurance for almost all lines, together with Everest, with more interest in Marine than in cargo. Nevertheless, they are putting more capacity in the market thus softening renewals.

Traditional national writers remain the same: Allianz, Generali, Helvetia, Catalana Occidente, Reale, AXA, Zurich, Fiat.

Specialty IAI agencies: Tractio, Names, Helix

Foreign subsidiaries: RSA, Chubb, Mitsui Sumitomo

**Noteworthy Local Economic/Political/Societal Highlights**

The Spanish economy showed resilience, although a slowdown has already been observed due to the tightening of financial conditions. In Q3 2023, the economy grew by 0.3% (1.8% YoY), following a Q2 with 0.4% QoQ growth. Household consumption continues to grow (1.1% YoY), as does public spending (4.3% QoQ) thanks to expansionary fiscal policies and the impact of the Recovery Fund. Investment, however, lost momentum (0.2% YoY, -2.5% QoQ), because of more expensive financing, and construction slowed (-11% YoY), driven by a decline in mortgages (-23% YoY). Industrial production was also slightly down (-1.5% YoY in October).

With respect to leading activity indicators, the PMIs for December were positive, except for manufacturing (46.2 points).

Retail sales were up 5.2% YoY (0.9% MoM) in November, the consumer confidence index rebounded somewhat to -18.6, and the retail survey was in slightly negative territory (-1.0 in December).

Meanwhile, December inflation stood at 3.1%; harmonized inflation grew at 3.3% and core inflation rose by 3.8% . Food continued to rise at 9.0%, while inflation dampening measures enacted in 2022 will be phased out.

Short-term risks to the Spanish economy include tighter financial conditions stemming from the ECB's monetary policy, a slowdown in construction and mortgage lending, a slowdown in industrial investment, and the need for growth via tourism and exports. Spending plans and the stability of the coalition government are also factors to watch.

Spain faces additional challenges. In the current uncertain geopolitical context, accelerating the green transition will continue to be a key priority. In addition, further progress is required on fiscal sustainability, tackling structural barriers to business growth and productivity, addressing key social issues, such as housing affordability and child poverty, the correction of macroeconomic imbalances, and the circular economy. Addressing these challenges will also help make further progress in achieving the SDGs where Spain currently shows room for further improvement, namely those relating to poverty according to European Commission Report.

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## UK, United Kingdom (IUA & LMA)

## Author: Howard Potter

**Market Overview**

The Cargo market in the UK remains split between the smaller IUA company market and the larger Lloyd's market (LMA).

Domestic UK Cargo business is primarily written by IUA members, mainly out of London, but with moderately sizeable Cargo markets in Manchester and Birmingham, and to a lesser extent Glasgow, whereas the Lloyd's market is predominantly comprised of international business coming into the London Market usually on a wholesale basis, and this forms the lion's share of the total. Many underwriters are "dual stamp" enabling them to write business both as a company market and for the Lloyd's syndicate, but the numbers remain separate and as reported below.

**Country Overview**

In the UK, a level of economic and political stability was realised with a decisive win for the opposition Labour Party in the general election of 4th July 2024. The result was generally welcomed by stock markets and currency traders, and one of the longer-term hopes is that the political (and therefore trading) relationship with the European Union will improve, given that the previous government had been the authors of a "hard" Brexit. Inflation had already reduced to 2% by this time (from a post Covid peak of over 10%), and GDP stable at USD 3.3 trillion (#6 economy in the world by size). The challenge going forward will be to inject greater growth into the economy which has been damaged by Brexit and the Covid pandemic.

**Market Technical Matters**

From a technical point of view, most of the discussions in the Cargo Market in the early part of 2024 revolved around War coverage on both the Middle East (Israel/Palestine/Red Sea) and the continuing war in Ukraine. Losses on Cargo vessels caused by action of Houthi rebels in Yemen caused a number of losses in the earlier part of the year leading to notice of cancellation being given for War under many contracts, subsequently rewritten with an appropriate rate for this element of the risk. A new Notice of Cancellation Clause (JC2024-025) was introduced which enabled follow markets to give their own independent NOC, which has had some take up. On the other hand, the exposures presented by these events have also led to an increase in a number of new facilities for war insurance in both the cargo and hull markets.

The other main new clause appearing this year was the Joint Excess of Loss Committee Cyber Exclusion Clause (JX2023-019), which is intended for use in reinsurance contracts, and gives some flexibility in terms of underlying wordings, notably in the area of coverage for isolated theft losses with cyber causation and allows for aggregation of named cargo perils. Whilst there was relatively little take up of this clause on treaties renewing at 1/1/24, it had become commonplace by the time of the 1/4/24 renewals.

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.

**Underwriting and Market Trends**

Capacity remains plentiful in the UK Cargo market and has increased since the beginning of the year leading to a notable erosion in pricing from the end of Q1 2024 onwards. Significant headwinds remain through increasing exposure and the unpredictability of risk through weather and climate related issues and political and civil tensions. Several carriers both in London and in the UK Regions have sought to expand their teams, which goes hand in hand with 3-5 year growth plans. Two major global carriers have re-entered the market. All of this has resulted in further movement of underwriters.

The other notable trend is a return to increased facilitisation (lineslips, binders etc) which are broker driven and often have the effect of driving up acquisition costs for underwriters.

## UK, United Kingdom (IUA & LMA)

## Author: Howard Potter

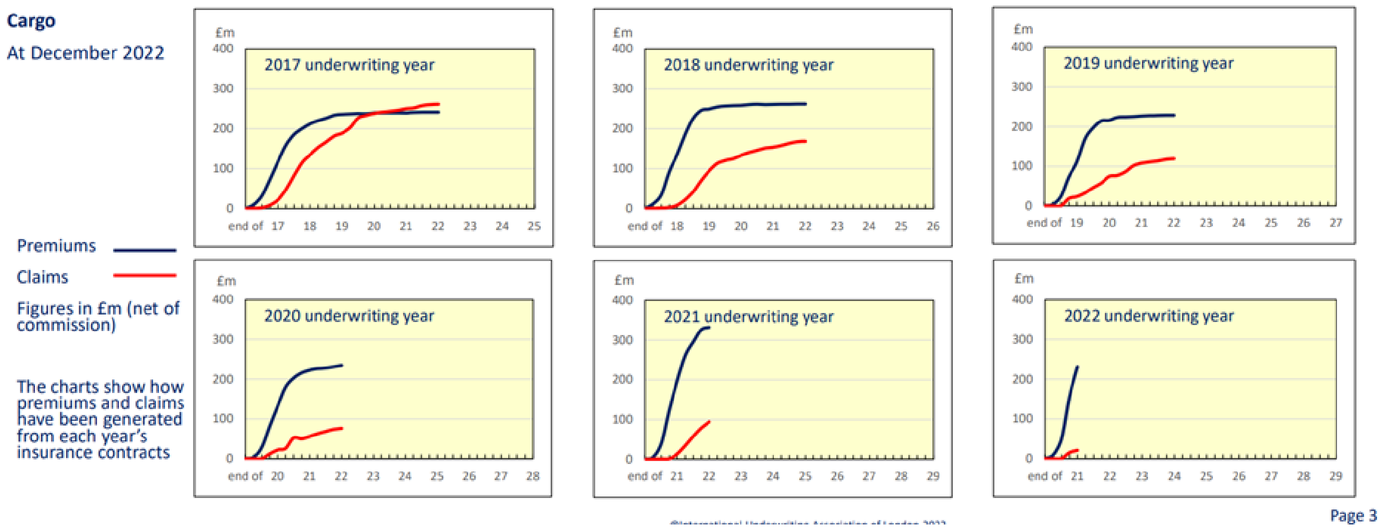
### Market Losses

Large market losses in 2024 at the time of writing (July 2024) include a number of warehouse (including cold store) fires in the USA and a large tornado loss also in the USA, all likely to exceed USD100m each on 100% basis. Additionally, there has been a similarly sized warehouse fire in Chinese Taipei, also written under a London Wholesale Market Cargo policy.

Underwriters are watching the summer hurricane season in the Atlantic Ocean and Caribbean Sea closely given predictions earlier in the year of an anticipated more than usual number of hurricanes making land.

Premium and Claim Statistics from the IUA are presently as below published September 2023, and will be updated again in September 2024. These numbers only represent business transacted on XIS (London Market System) so there will be additional agency / regional premium to add to this. LMA numbers are also on Year of Account basis, therefore subject to ongoing development and claim deterioration for the most recent years.

### IUA Figures




(Quarterly Stats 12 Months 2022 – with permission of the IUA)

### LMA Figures

| Year of Account | GGP (GBP) | Loss Incurred (GBP) | Loss Ratio |
|---|---|---|---|
| 2014 | 891,883,192 | 857,196,301 | 96% |
| 2015 | 915,451,313 | 619,379,865 | 68% |
| 2016 | 957,722,580 | 741,061,094 | 77% |
| 2017 | 1,021,661,623 | 790,900,644 | 77% |
| 2018 | 972,018,098 | 684,225,693 | 70% |
| 2019 | 753,170,634 | 386,679,525 | 51% |
| 2020 | 908,600,078 | 441,856,228 | 49% |
| 2021 | 1,111,245,625 | 539,160,525 | 49% |
| 2022 | 1,193,789,500 | 341,016,835 | 29% |
| 2023 | 1,014,910,274 | 120,544,521 | 12% |
| 2024 at July 2024 | 29,924,435 | 677,034 | 2% |

(V Code - “Voyage” Triangulation Summary at Q1 2024 on Year of Account Basis, undeveloped)

## USA
## Author: Karla Scott

The year 2023 was the fifth year that the cargo market in the US had experienced firming conditions. The firm/ hardened conditions were a result of several factors: the 2017 Harvey, Irma, Maria storms contracted capacity in US, the Lloyds market was undergoing decile 10 with all delegated authority slips retracted in the US, and the property market was also undergoing hardened market conditions. This allowed the cargo market to recover some ground after decades of declining rates.

While trading conditions are still excellent in the US Cargo Market, new entrants, reemergence of Lloyd's competition with larger limit stretches, and softening property rates contribute to a more competitive market for 2023 and into 2024.

It is estimated that there are roughly 10 new or rebooted entrants into the US market in 2023/2024. The new capacity not only puts pressure on rating, but also on the limited pool of talent for marine insurance in the United States. The US marine insurance industry has some gaps in its talent pool with many companies only reinvesting in these past 5 years in training and developing staff, leaving a gap where 10 -15 year experienced marine underwriters are very limited in quantity.

While most US based carriers writing Ocean Marine lines had produced profitable results in 2023, pressurizing results is the frequency and severity of cargo theft in the United States. Inflationary conditions increased the average value of shipments, coupled with sophisticated thefts of entire shipments has increased the value per incident by 68% in 2023, with the average theft being now $546,045. A theft of that size will affect all cargo insureds big and small, and particularly the smaller shippers who cannot bear increased insurance costs.

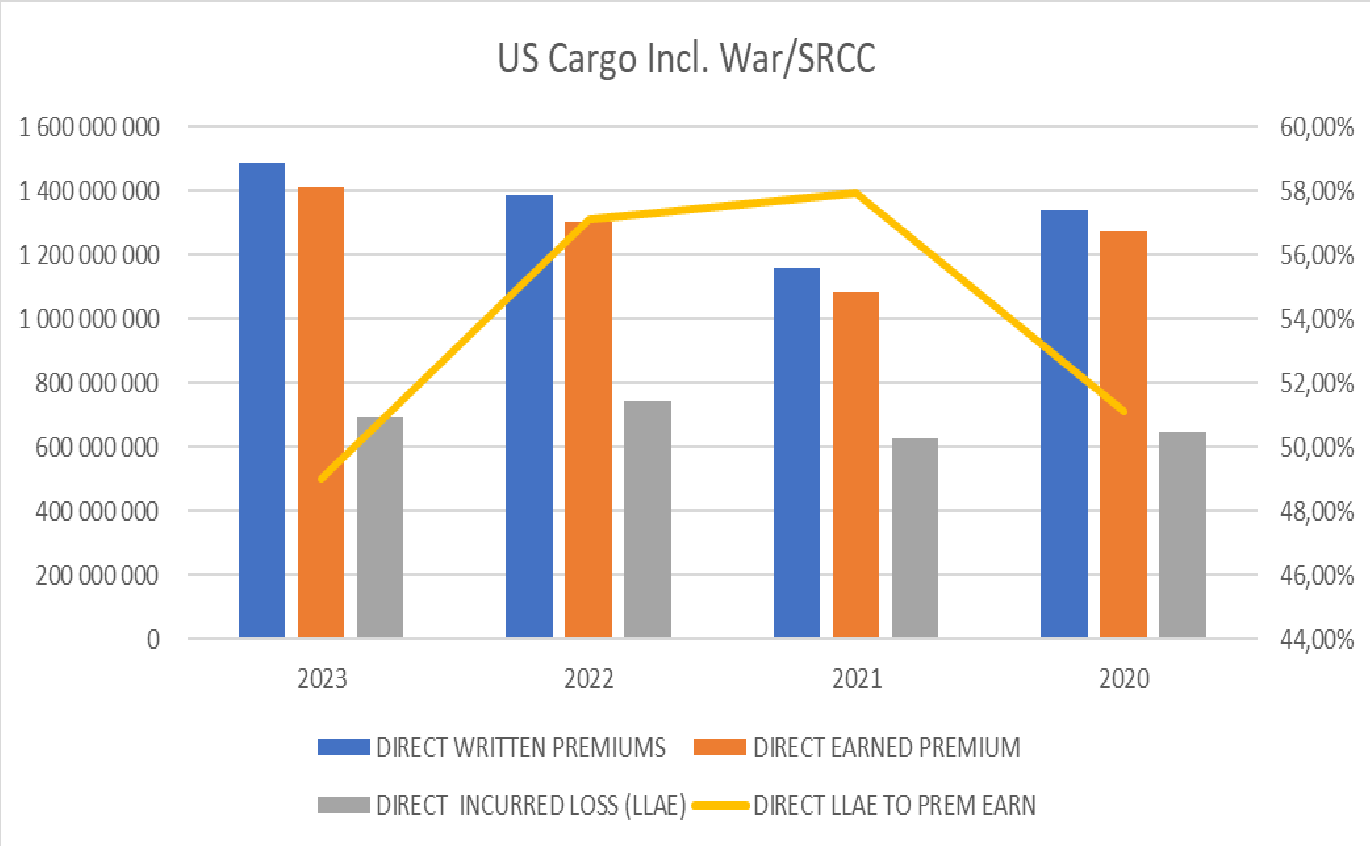
Thefts are occurring after discharge from the vessel, on connecting conveyances, both truck and rail. One issue that has emerged as a cause of the theft rises are fraudulent truckers who obtain Federal motor carrier licenses, bid on cargo, subcontract loads, and then disappear after a theft. Additionally, criminals will embed themselves in legitimate transportation carriers by making the trucker complicit or falsify documentation to misdirect cargo to a criminal operation. The severity of these thefts, and methodology have cargo insurers evaluating whether these are cyber claims. The US cargo market uniformly issues the CL380 cyber exclusion stating:
"*in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system".*
Most of thefts in the US are dancing along this line, and the market has quietly been discussing this emerging issue. . The US also struggles because there is a lack of law enforcement addressing cargo theft which creates opportunity.

Other solutions that are taking shape is some legislation being introduced in the US senate; while the initiative doesn't go far enough to dent the issue, it does certainly raise awareness and urgency. Insureds and logistics companies are getting involved with requirements to avoid load boards and carrier vetting requirements. Insurers are actively looking for ways to help mitigate this disturbing trend.

The US alternative energy market is growing rapidly, with legislation in place to increase sales of electric vehicles. As a result of increased electric vehicle consumption, we are seeing significant increase in the chargers and generators that power the grid for electric cars. These generators and lithium ion batteries continue to pose challenges for US insurers on how to safely transport untested commodities.

Continued challenges are the data centers that power all cloud computing. Tech companies moving servers in rack create very difficult risks combining very high valued commodities that are incredibly sensitive to rough handling. Coverage offerings on these commodities are limited and come with narrow terms, creating challenges for brokers.

## USA
## Author: Karla Scott




**AIMU**

**DIRECT (GROSS)**

**CALENDAR YEAR LOSS/LAE RATIOS (2020 - 2023)**

**PRIMARY UNDERWRITERS (OCEAN MARINE)**

**MEMBERSHIP (PRIMARY) PARTICIPATION:**

**2023: 18 COMPANIES**

**2022: 21 COMPANIES**

**2021: 19 COMPANIES**

**2020: 18 COMPANIES**

## See you in Singapore...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