

Facts and Figures Meeting via Conference Call
23.03.2020

Present:

Philip Graham (UK Lloyds) - Chairman

Astrid Seltmann (Nordic Cefor) - Vice Chairman

Marika Svalskulla (Sweden)

Lars Lange (EC observer)

Javier Alonso (Spain)

Andrea Mazza (Italy)

Dave Matcham (UK IUA) - Secretary

Emiel Paaij (Netherlands)

Stephan Klein (Germany)

Robert Copp (US)

Atsushi Tabata (Japan)

Paul Hackett (Singapore)

Jun Lin (UK/IUA)

Apologies:

Li Zhang (China)

Erika Schoch (USA/ALSUM)

Mathieu Daubin (France)

Also attending:

Sebastian Kindlein, Boston Consulting Group

Jürgen Bohrmann, Boston Consulting Group

1. Facts and Figures Committee Updates

Logistics – The chairman thanked everyone for attending the meeting via conference call, which in the current difficult times was the most effective manner to meet.

Given the finite amount of time available, certain agenda items would be covered off line and not discussed during the meeting.

The chairman thanked Marika for her time as secretary of the committee. He welcomed Dave as the new secretary and recognised the good work and coordination already performed by Dave and his PA Nicky.

Committee membership changes – The chairman welcomed Sanjiv Singh to his first meeting and noted that Ben Chung had stepped down due to a change in employment situation.

Election Process – The chairman reminded the committee that the next opportunity to elect members to the committee was after the Stockholm meeting.

2. Minutes of the meeting held in Toronto

The chairman invited members to submit comments on the minutes of the Toronto meeting by the 30th March.

3. Review of 2020 Spring presentations

Hull – The chairman said that the format for the report was similar to previous years and that there was more data on non-cargo issues and fishing vessels. The total loss count was falling but serious losses showed steady increases.

He observed that world fleet statistics and oil price fluctuations in light of the current Coronavirus crisis will likely see the economic data change materially when we meet in Stockholm. This means that data shown in the report may soon be out of date but as Lars Lange commented that something must be published as a benchmark for the future.

Slide 46 gave further information towards the sustainability agenda of IUMI. The shipping carbon footprint information indicated that the maritime industry was making progress. This may be a possible discussion point for Stockholm.

If members had any further feedback they were asked to submit comments within 1 week of the meeting.

Cargo – In the absence of Mathieu, Javier update the committee on progress towards producing the draft cargo report. He made a similar observation about data quality and the need for a benchmark. Andrea noted that the IHS economic data was 1 year old and that he was chasing daily to obtain the most current information.

Energy – Jun reported that he awaited the Clarkson's update and was chasing regularly. The fluctuating oil price would have a major impact on the industry by the time we meet in Stockholm. Once the report was ready, it would be distributed to the committee as soon as possible. (Post meeting note report received and distributed 26th March)

4. Major Claims Database

Dave gave a report on the current status of the project. He said that as we enter year 3, at least 20 countries have provided data. This showed a real commitment by member associations towards the project. Many associations had invested time and money into data collection facilities. There had also been discussions in the London market about their possible participation. These discussions had led to a more positive disposition to providing data if the thresholds were significantly raised, for London only for example \$5000000 Hull, \$1000000 cargo. The London discussion also highlighted a need for IUMI executive committee to revisit and restate the business value of the project. This discussion was held during the IUMI winter meeting at which the decision to carry on with the database was unanimously agreed. The Exco also welcomed London's further consideration to take part and did not feel that higher thresholds for that market would be a problem.

One further central tenet of the London discussions was to explore in more detail the possibility to publish cargo loss data during 2020. It was recognised that the global spread of cargo business showed no single market as a major dominant factor, and thus there is a better chance to publish statistically significant data.

BCG presented the highlights of their PowerPoint presentation to the committee. Jürgen began by identifying that 4,600 claims records have been collected with up to 14 data fields completed. He asked the committee if they knew of any data sources which would illustrate the total losses of hull and cargo which would assist in validating current data sets. Astrid said that there exists various publications of total loss trends for hull but asked how a cargo loss would be identified as a total loss. Other members agreed that this area was more complicated but there may be ways to equate a total loss to an order of magnitude.

Jürgen explained the various trends and analyses that were shown on the next few slides. These graphs were familiar to the committee but as yet unpublished. Jürgen observed that despite the London market using different thresholds, the sample size would increase for the higher value losses and the lower value data could be normalised.

The committee then considered how the cargo data could be improved. The list of data fields were discussed and agreed to all be important for this year's exercise. This included IMO number and underwriting year. The committee also looked at the levels of consistency and quality for each data field. They focused on the date of accident, noting its high levels of consistency and quality. It felt that this field would be very useful to validate other data fields that were less well presented. The committee suggested that an algorithm could be written to provide such validation around the date of accident. Jürgen added that a drop down menu of major event names would be added to the event name field. This list will be obtained from Lloyds, although it was noted that this list is not exclusively dedicated to marine events.

The committee agreed that any forms of standardisation via drop down menus would be useful for this exercise.

In conclusion, Dave summarised that BCG would make the agreed amendments to the template, including the addition of drop down menus and work on the date of accident algorithm. The plan was to send out the template to member associations as early as possible in April, via the IUMI secretariat. A deadline for data submission would be the end of June. He thanked BCG for all their work to date and for the continued support of the committee and IUMI Exco.

5. Data Related Issues

Reporting of carrier's liability – Marika confirmed that only 4 countries had submitted data, meaning that there was not enough response to produce any meaningful statistics. It was agreed to report back to the cargo and liability committees that this item had been removed from the facts and figures committee agenda.

Cyber – Stephan commented that aside from 1 or 2 markets, the wider international community was not really involved in marine cyber insurance. The committee agreed with this observation and concluded that it was too early to produce a report from the committee. As such, this item would be removed from the committee's agenda.

Fishing vessels – There was very little to report however it was felt that there was data available either through national associations or other sources. Work would continue on this issue.

Non IUMI Asian Premiums – Astrid reported that someone needed to assist her in identifying non IUMI Asian premiums. This entailed collecting data from 4 countries and assistance was previously given by Ben Chung. Sanjiv agreed to take on this responsibility.

6. Speakers for IUMI Stockholm

The committee conducted a detailed discussion on the speaker programme for the facts and figures session at the annual conference. The chairman said that both his and Astrid's presentation would remain part of the programme however one further speaker was required.

The committee debated the merits of covering the following topics:

IMO 2020; Major Claims Database; Coronavirus/pandemic issues; (model impact of disruptive events on global economy) Global Supply Chains/economic update (Maersk).

In summary it was felt that it was too early to discuss IMO 2020. The committee agreed that any published data for the major claims database should be covered within the conference but this did not necessarily have to feature in the facts and figures programme. It might be possible to cover this item under the president's workshop. This principle also applied to Coronavirus developments. It was agreed therefore that on balance the third speaker should focus on economic updates, recognizing that this might include pandemic modeling. There were various options from which to source a speaker e.g. Maersk or the actuarial industry.

7. IUMI Statistics Report

The chairman said that the IUMI statistics report was well received but tough to prepare. One of the biggest challenges was briefing Navigate in a way that proof reading of initial drafts produced by Navigate maybe minimized.

It was agreed that a working group should be formed to agree the best way to prepare and publish this report. The working would comprise Phil, Astrid, Dave, Marika, Andrea and Jun. This group would meet in May in time for the published date of September 2020.

8. Any Other Business

The chairman reminded the committee to submit any comments on the minutes or spring meeting reports within the next 7 days.

The committee was also asked to submit any feedback to Astrid regarding the global marine insurance report.

Astrid noted that the statistics section of the IUMI website needed improvement to separate public and non-public information and add some additional information. She would forward suggestions to Lars on this matter.

Regarding the deputy chairmanship of the committee, Jun Lin volunteered to assume this role. The committee expressed their thanks to Jun.

Robert said that he was happy to receive ideas from the committee for articles in the IUMI Eye. He noted that he would check the minutes of this meeting for possible stories. This would include summaries of the Hull, Cargo and Energy reports.

The next meeting of the committee would be held on Sunday 13th September in Stockholm, hopefully in person and as part of the annual conference.

