



# 2021 Global Marine Insurance Market

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*Data sourced from IUMI 2022 Facts and Figure Committee Presentation*



Big thanks to Astrid Seltsmann  
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Marine Insurers (Cefor)  
Vice chair, IUMI Facts & Figures Committee

### Please Note & Disclaimer

Figures reflect the 2022 state of reporting and will change retrospectively. Some figures are estimates.

For comparison purposes, therefore compare the updated premiums and loss ratios at [www.iumi.com](http://www.iumi.com) !

All information given is of informational and non-binding character.

Figures related to the marine market's performance reflect market averages.

They do not disclose single companies' or local markets' results. As with all averages, individual underwriting units may out- or underperform compared to the average.

IUMI's aim is to provide information as available and raise consciousness for the importance of a fact-based evaluation of the risk exposure covered – and inspire everyone to do their own critical evaluation of real and seeming facts.



### Market overview

Income by line / by region

### Cargo

Premiums / Loss ratios

### Hull

Premiums / Vessel values / Loss ratios

### Canada

Premiums / Loss ratios / Market View

### Additional data

<https://iumi.com/statistics/iumi-member-statistics>



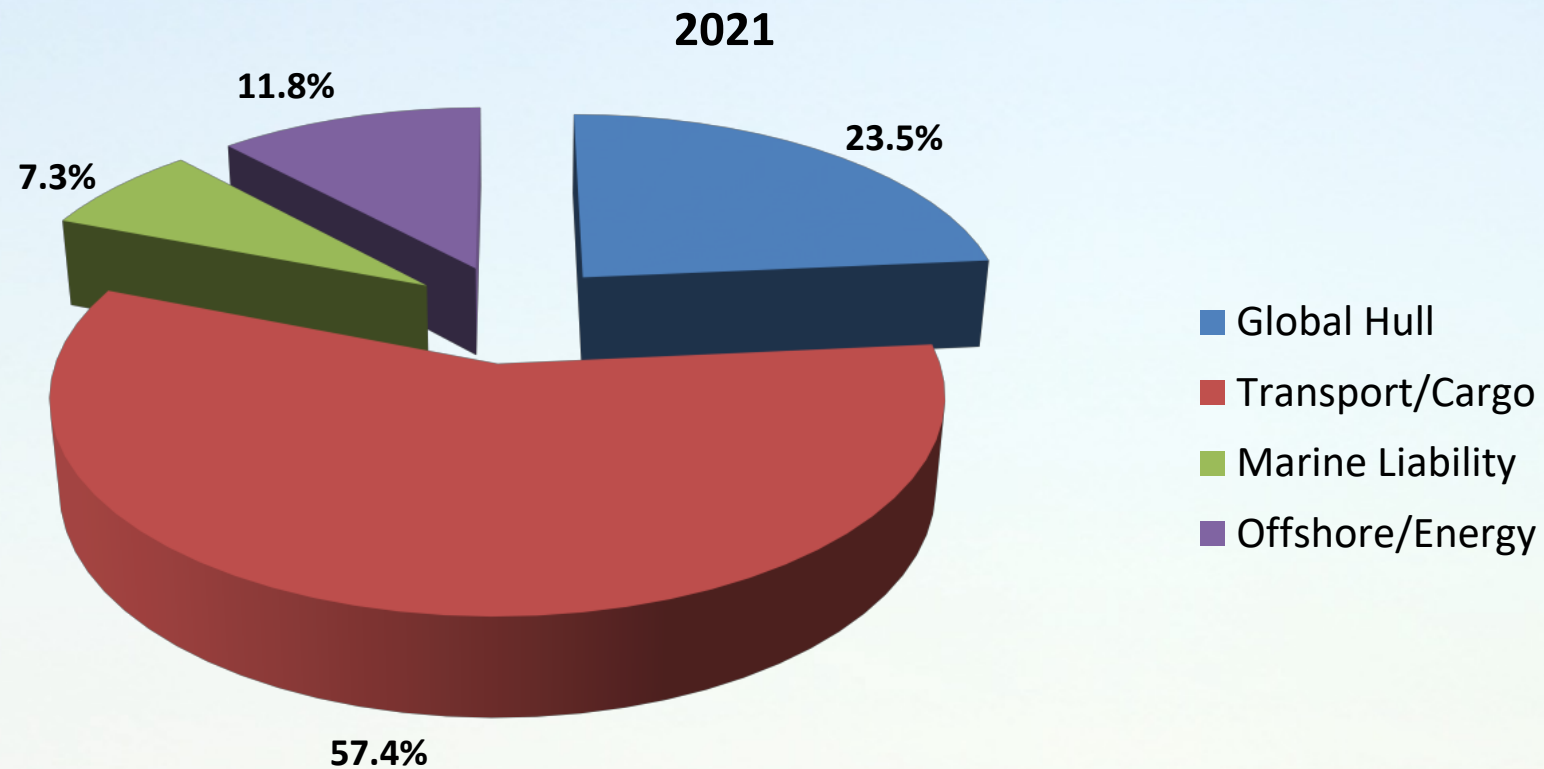
- Ukraine /Russia war – sanctions, claims, energy prices
- Global economy being impacted by inflation – values, cargo, energy/fuels, claims
- Global marine insurance premiums in 2021 reached US\$ 33 bn – a 6.7% increase.
- World seaborne trade had a strong return, but projections were adjusted downwards after outbreak of war.
- Loss ratios for cargo have been improving since 2019. 2022 results are expected to be impacted by the war in Ukraine, new pandemic waves, increasing Nat-cat risks and supply chain bottlenecks.
- The global Hull fleet continues to age and insured values continue to rise in certain sectors.
- Hull underwriting profitability improved since 2019, but return to full shipping activity post-Covid, value increases, new designs and fuel types are likely to impact the future claims.
- The frequency of containership fires continues at the same level contrary to a drop in all other types of claims.

The full report is available to download from IUMI's website: <https://iumi.com/statistics>



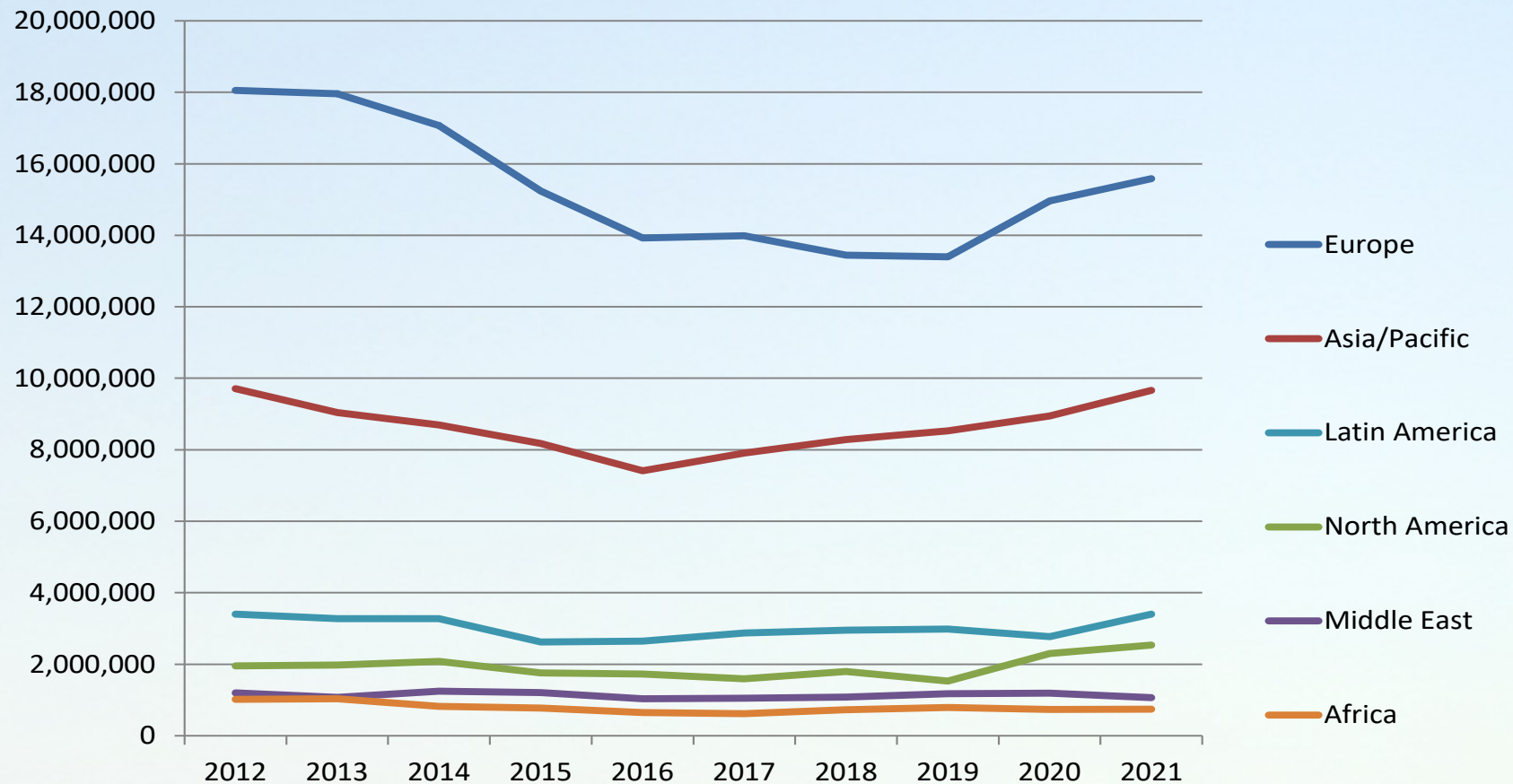
## Global Marine Premium 2021 (By Line of business)

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





## Marine premiums by region 2012-2021



Europe: After years of decreases, bottom passed with upward trend starting 2020.

Asia: increase continues.

Various influences.  
Market conditions, exchange rates



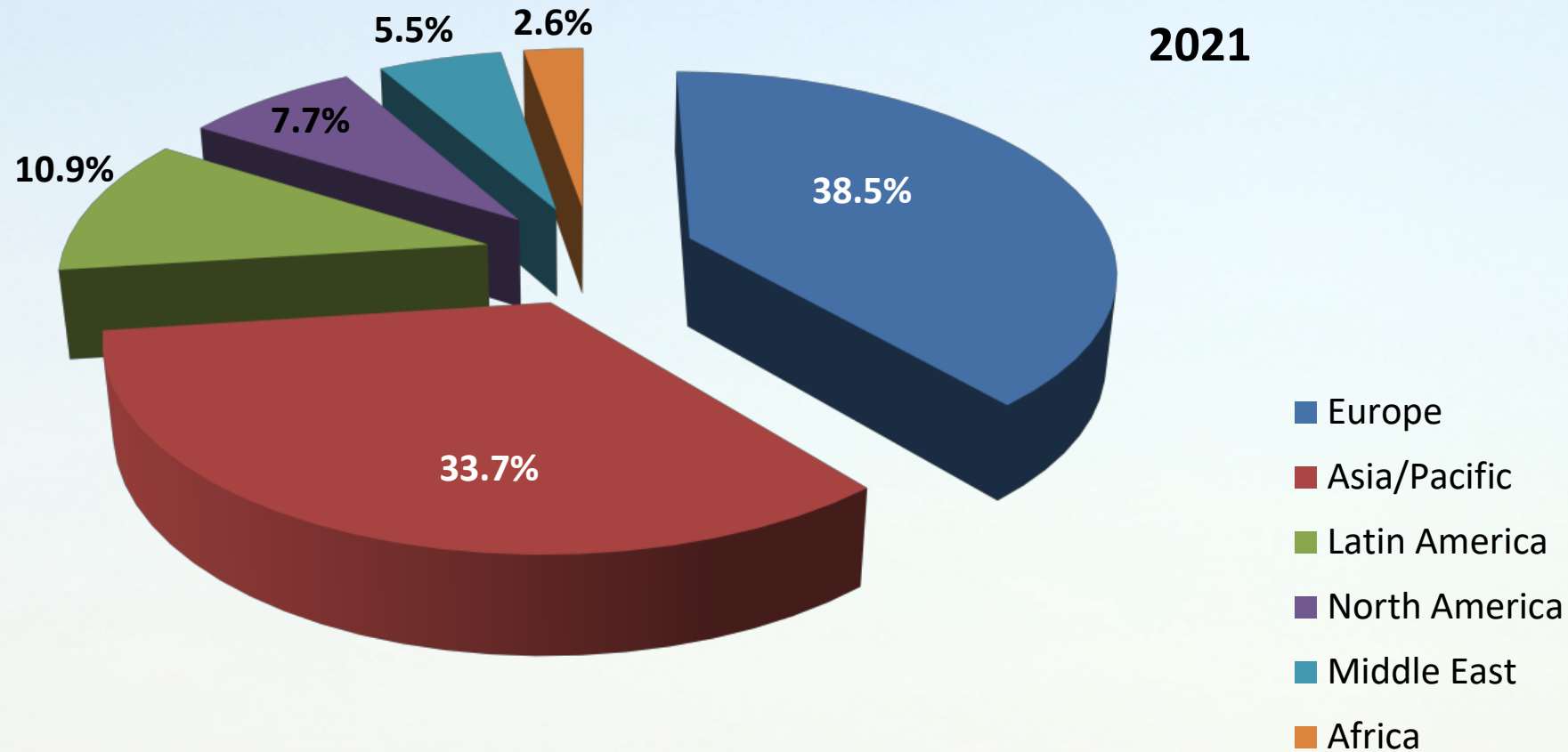
# Global Cargo Results 2021

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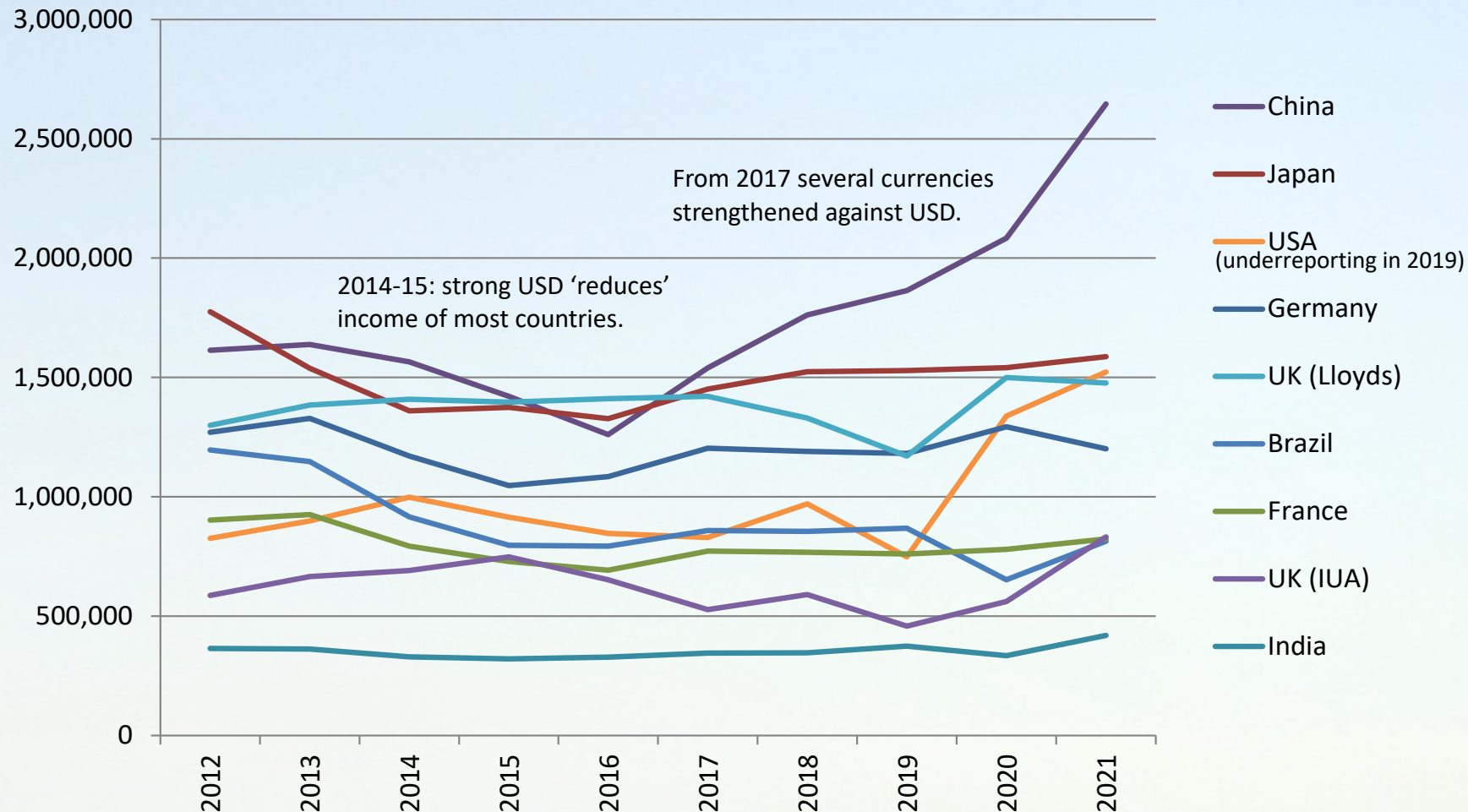
## Global Cargo Premium 2021 (By Region)

Total estimate: 18.9 USD billion / Change 2020 to 2021: 8.0%  
Exchange rate effects strongest on cargo premium.



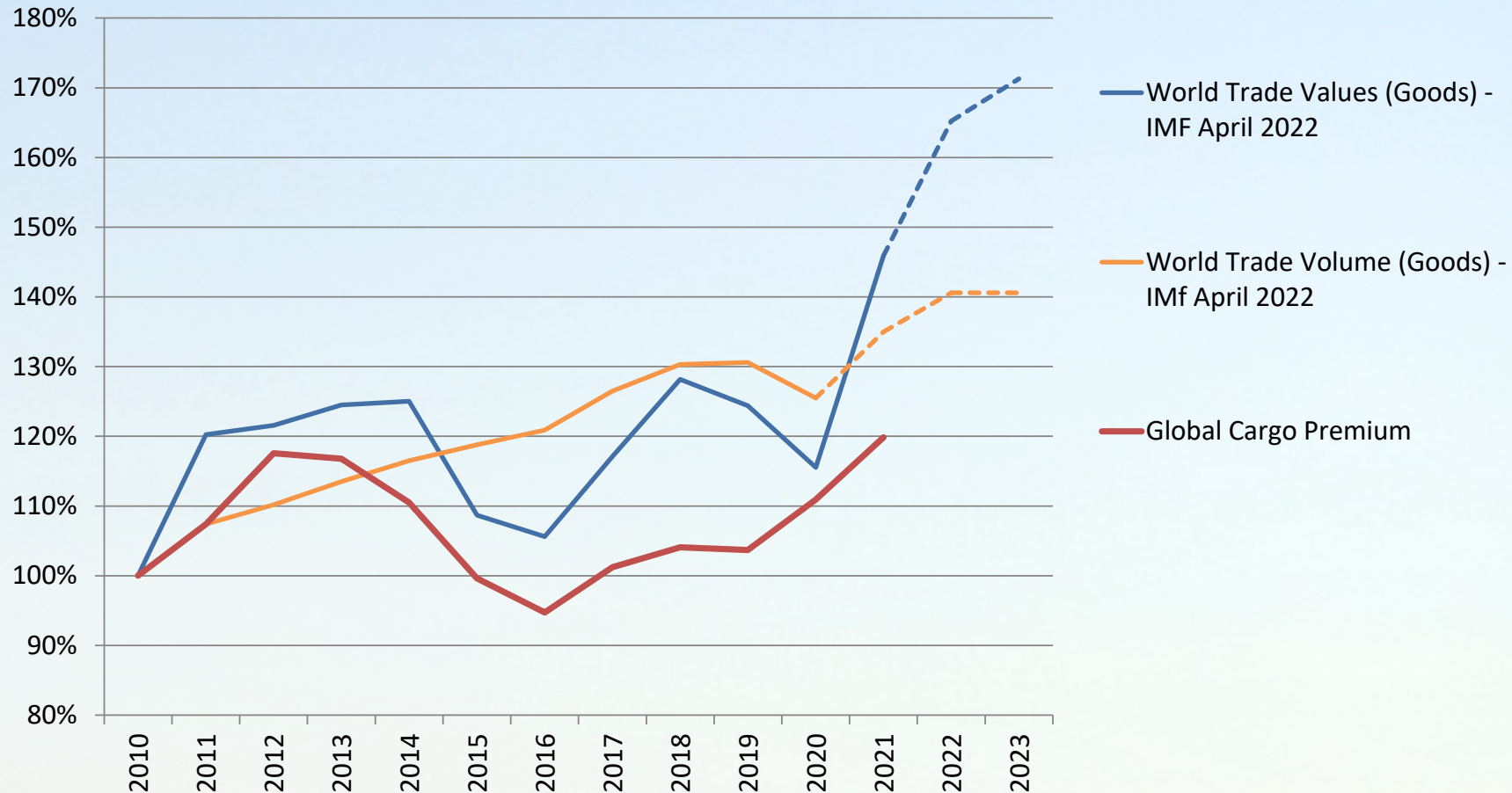


## Global Cargo Premium 2021 (By Market)





## World Trade Values and Exports



COVID-19 caused short-term reduction in world trade, followed by strong recovery.

Cargo premium follows world trade values. Lagged behind 2017-19 but upswing since 2020.

Extended risk covers & increasing risk of event losses (accumulation) need to be taken into account.

**IMF update July 2022\*:**  
“Outlook gloomy and more uncertain”: Trade estimates adjusted downwards.

\*<https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>



**CBMU**  
The Canadian Board of Marine Underwriters

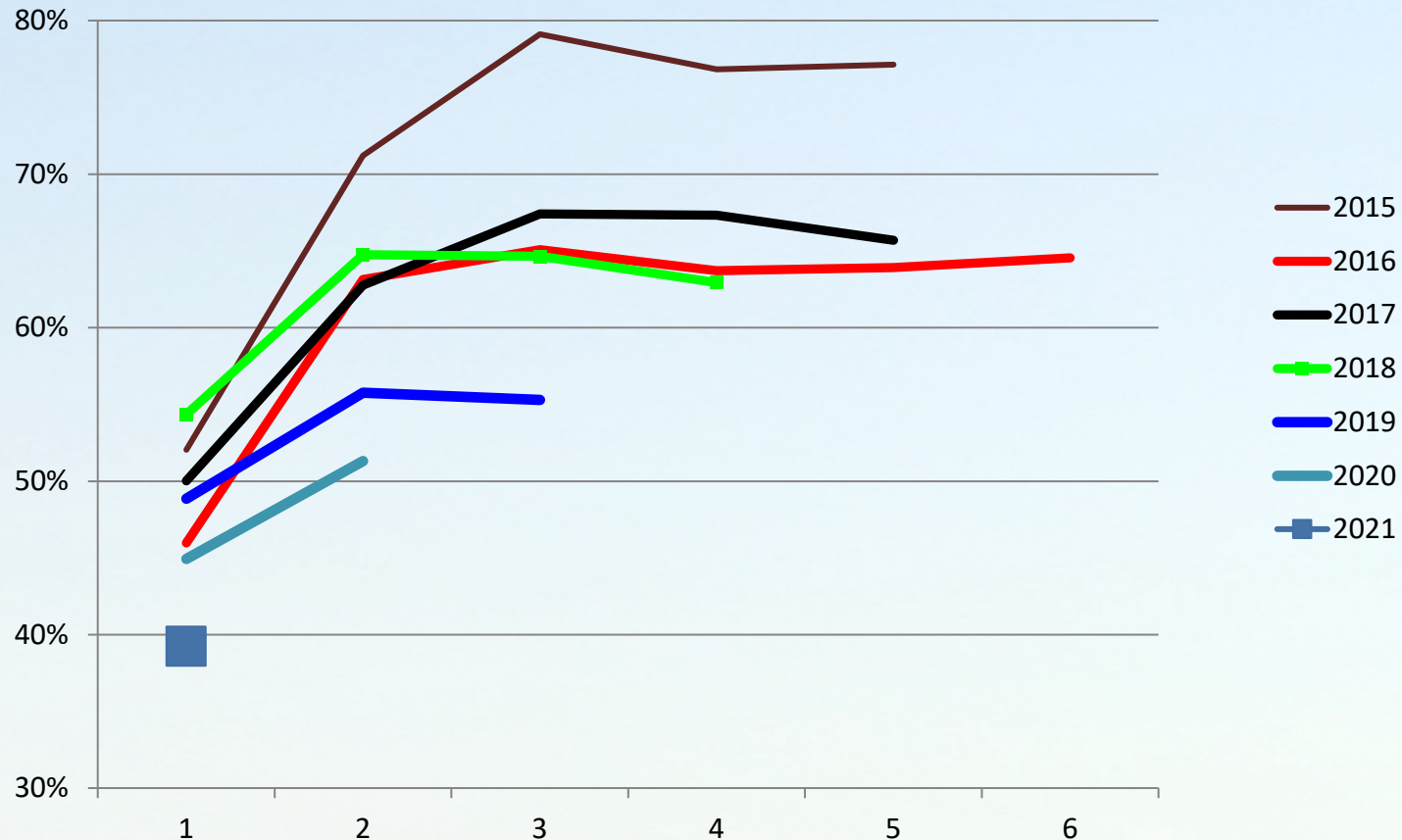
And then...There's the Cargo Loss Ratio!

!





## Cargo Gross Loss ratio ( UW Years 2011-2021) – Europe only!



### 2015, 2016:

Steeper increase than average pattern (increase in losses second year).

### 2017 – 2019:

Return to more 'normal' (=flatter) development pattern.

**2020** starts at a low level.

**2021** starts at very low level.

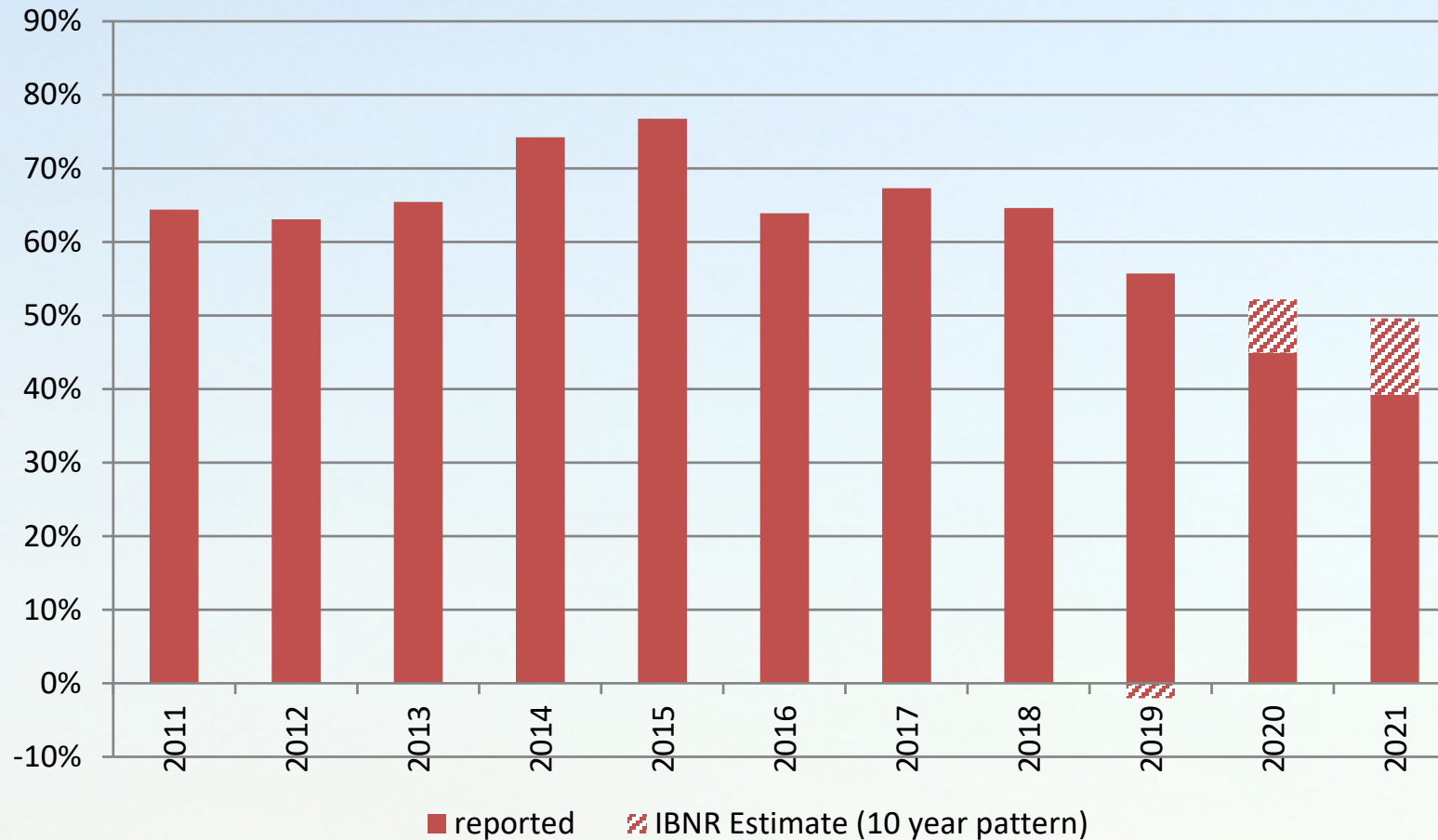
Lasting improvement, or only intermediate relief due to pandemic effects (reduced trade/activity in periods, supply chain issues etc.)?

\* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)

\*\*Data included from: Belgium, France, Germany, Netherlands, Italy, UK



## Cargo Loss Triangulations ( UW Years 2011-2021) – Europe only!



After a number of years with heavy event impact, some improvement since 2019.

Outlier & Nat-cat event losses:

- 2015: Tianjin port explosions
- 2016: Hanjin, Amos-6 satellite
- 2017: Hurricanes / Nat Cat
- 2018: Mærsk Honam / Hurricanes
- 2019: Fires, Golden Ray capsized
- 2020: Nashville Tornados
- 2021: X-Press Pearl, Ever Given (GA), Hurricane Ida, One-Apus
- 2022: Wildfires/draughts (Europe, USA, China), Pakistan floods, fires (Felicity Ace), active hurricane season?

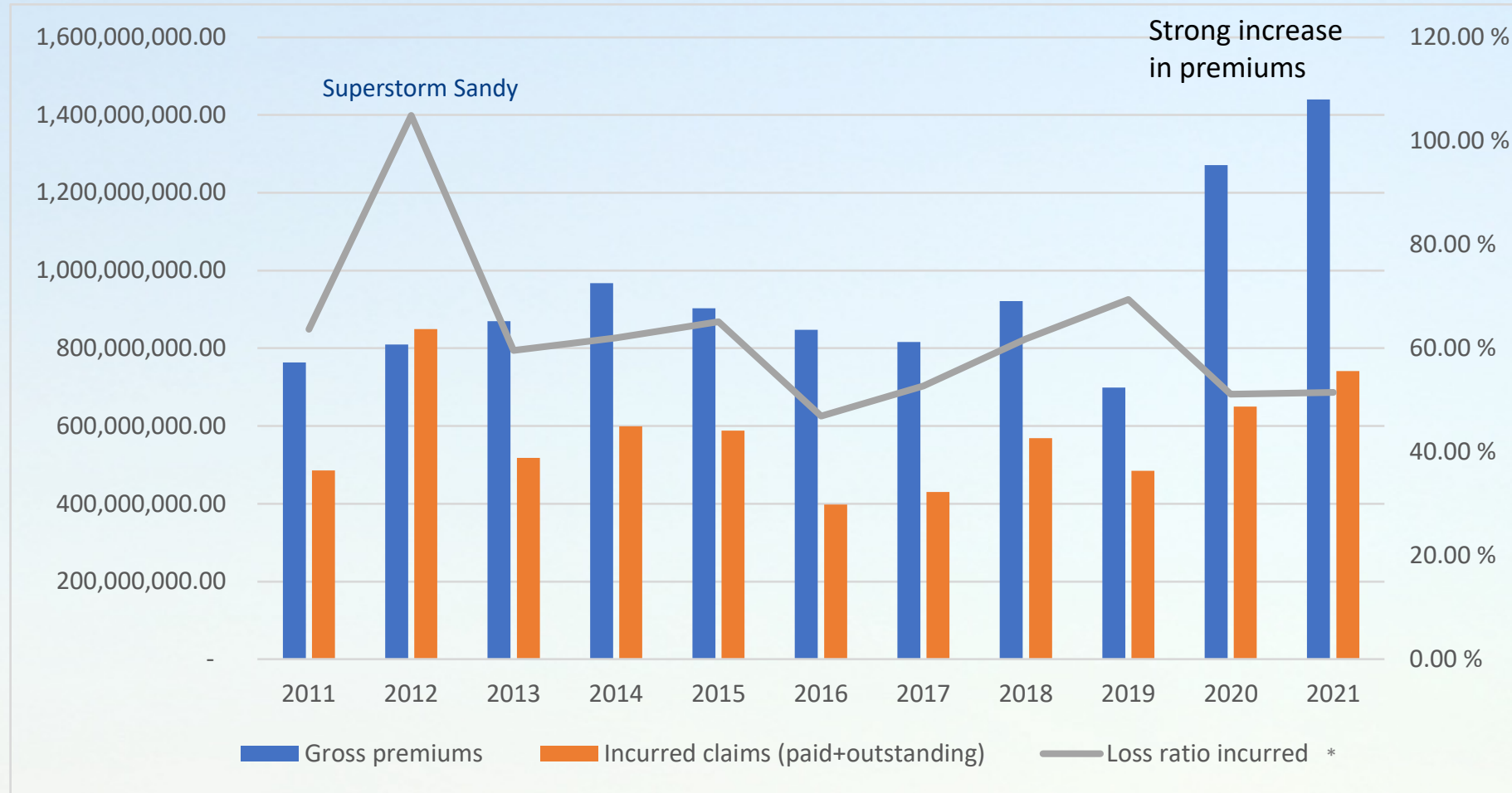
\* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)

\*\*Data included from: Belgium, France, Germany, Netherlands, Italy, UK



## Cargo – Gross loss ratios accounting year – US

Gross premiums, paid claims



Note this is US only

\* Underreporting in 2019



### 1 Growth

Global trade rebounded, but outlook uncertain. Inflation impact on cost of goods



### 2 Results

2020 and 2021 look profitable after years of losses on Cargo.  
2022 TBA after Felicity Ace, Hurricane Ian



### 3 Claims

Fires & Mis-declared cargo  
Nat Cat events & Accumulation  
Geo-political tensions



### 4 Outlook

Uncertain – war, Covid-19, climate change, supply chain issues, chip crisis  
Increasingly stock rather than just transit exposure.  
Increasing accumulations.  
CAT events every year.



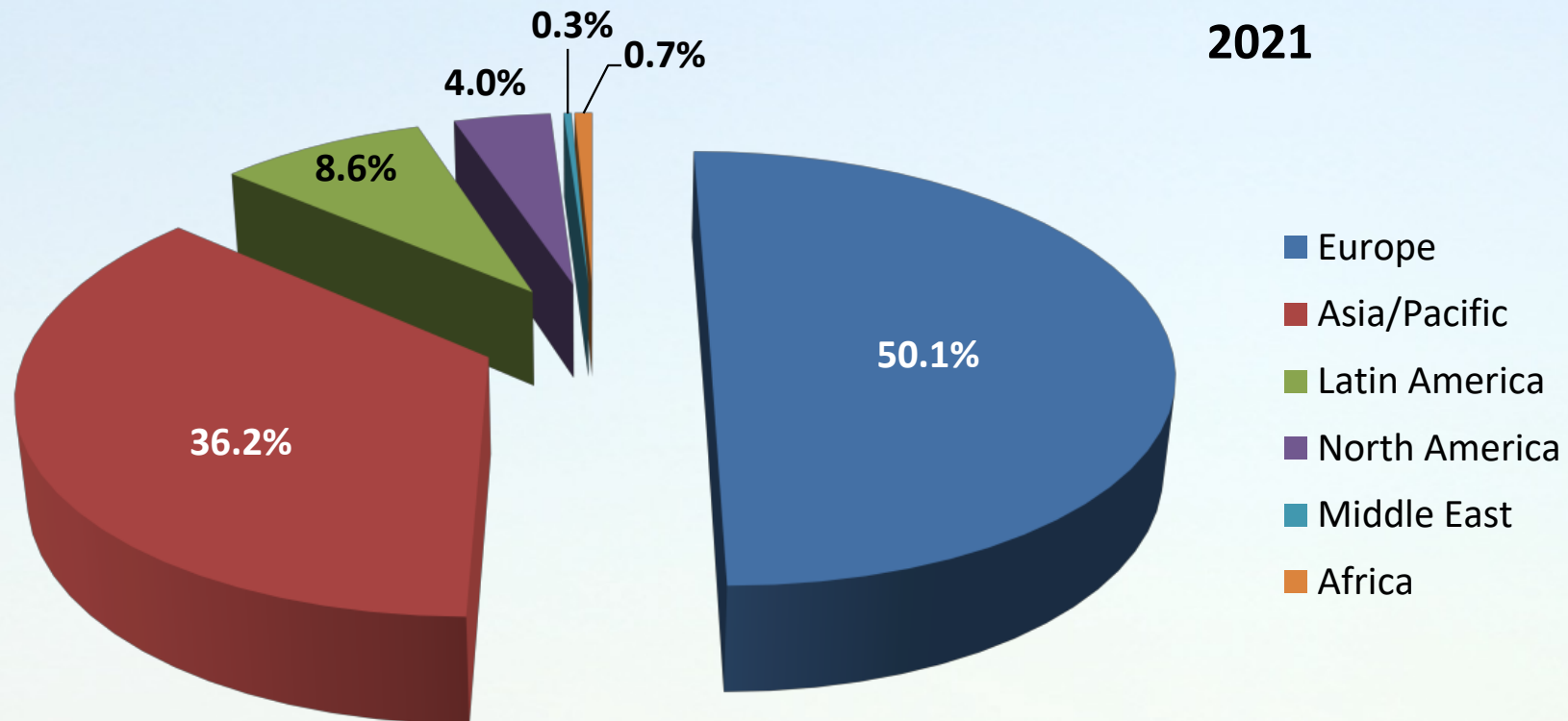
# Global Hull Results 2021

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## Global Hull Premium 2021 (By Region)

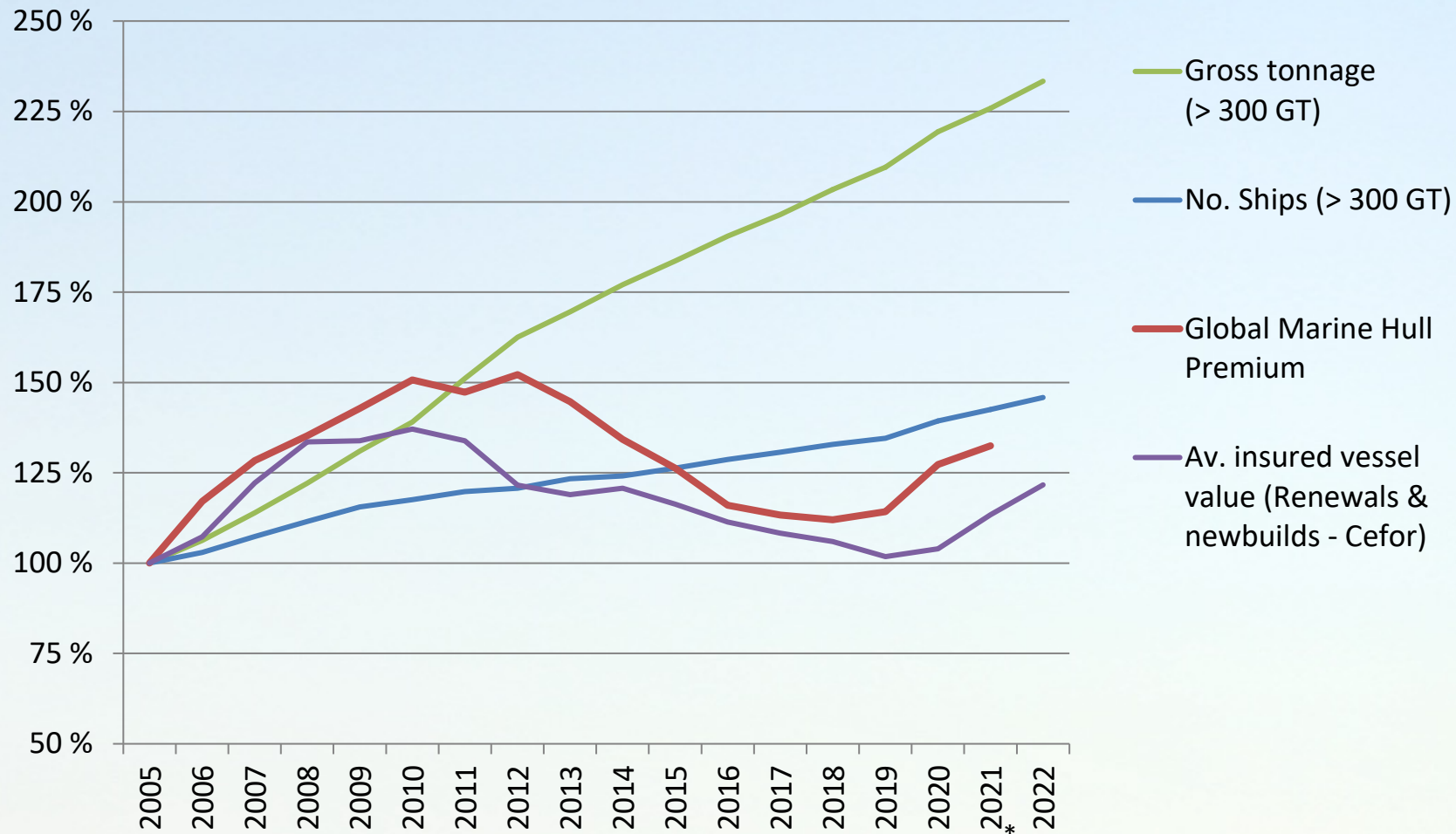
Total estimate: 7.8 USD billion / Change 2020 to 2021: 4.1%



NB: Some figures changed retrospectively, graph not directly comparable with previous presentations.



## Hull Premium / World Fleet



World fleet growth continues.

Downward trend in hull premium and vessel values started to reverse in 2020.

Upward trend in values driven by strong demand for particularly container vessels.

\* as of 1<sup>st</sup> July



## And then...There's the Hull Loss Ratio!



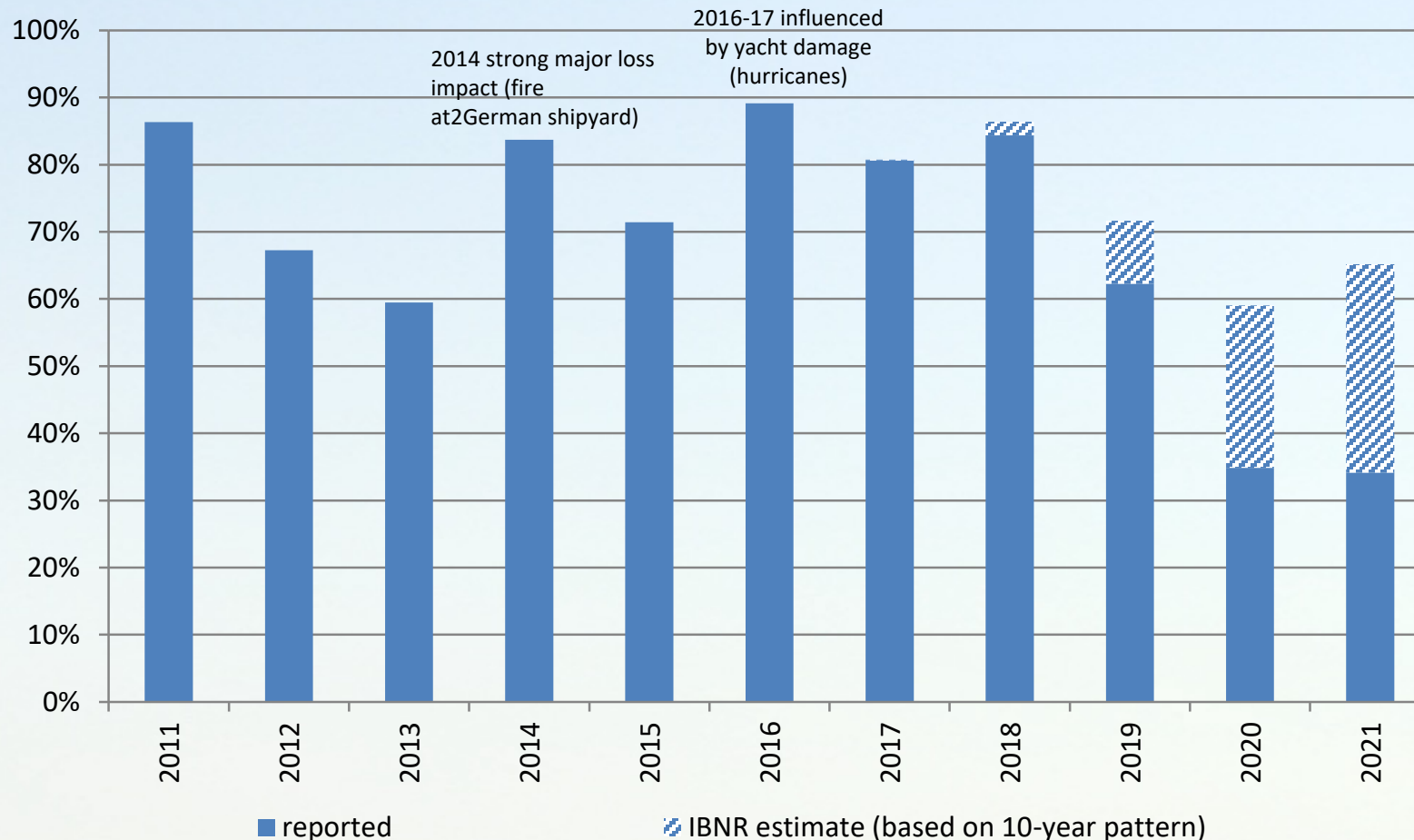
The Felicity Ace - Ro/Ro caught fire and sank March 2022.

Vessel value estimated at \$32M and carrying vehicles estimated at \$400M



## Hull – Ultimate Loss Ratio\* (UW Years 2011-2021 - Europe\*\*)

NB: Data included changed compared to previous years' presentations (partly revised figures Europe; some US figures included)



Improvement since 2019 after years of unsustainable results.

2020 (and 2021?) pandemic effects: Extraordinary low claims impact due to reduced shipping activity / supply chain issues in periods.

Some increase in 2021 as expected but still moderate.

2022 and beyond difficult to predict due to disruptions in market environment.

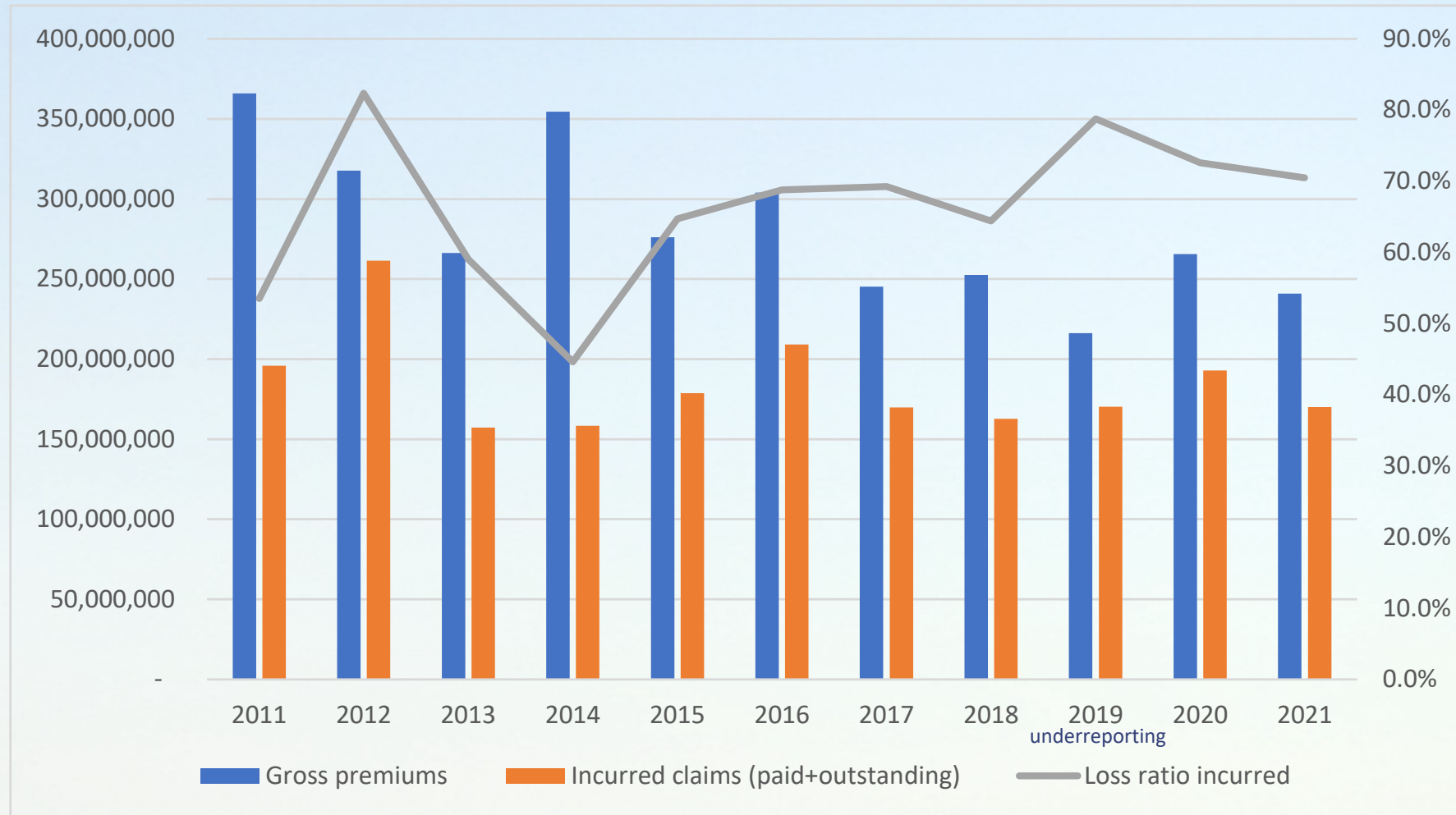
Return to full shipping activity and inflation increase probability of upward trend in claims frequency and cost.

\*Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)

\*\* Data included from: Belgium, France, Germany, Italy, Nordic (Cefor), UK, some US data



## Hull – Gross Loss Ratios accounting year – 2011-2021 - US)



Note this is US hull market only



### Exposure

- Premium development passed bottom with recent upward trend.
- Gap between fleet growth and premiums/values starting to reduce.
- Big value increases in some segments (container) reflect demand. Supply/offshore not yet recovered.
- High-value segments (container, cruise) back in business.

### Claims

- Claims frequency and cost show recent increase but still at very moderate levels into first half year 2022.
- Total loss frequency: long-term positive trend continues.
- Major loss impact low in recent years into 2022. Exception were fires.

### Results

- Improved since 2019 due to combination of rising premiums and low claims impact.
- Return to full shipping activity, value increases, inflation, new designs, propulsion and fuels types likely to impact claims trends going forward.



# Canadian Marine Insurance Market

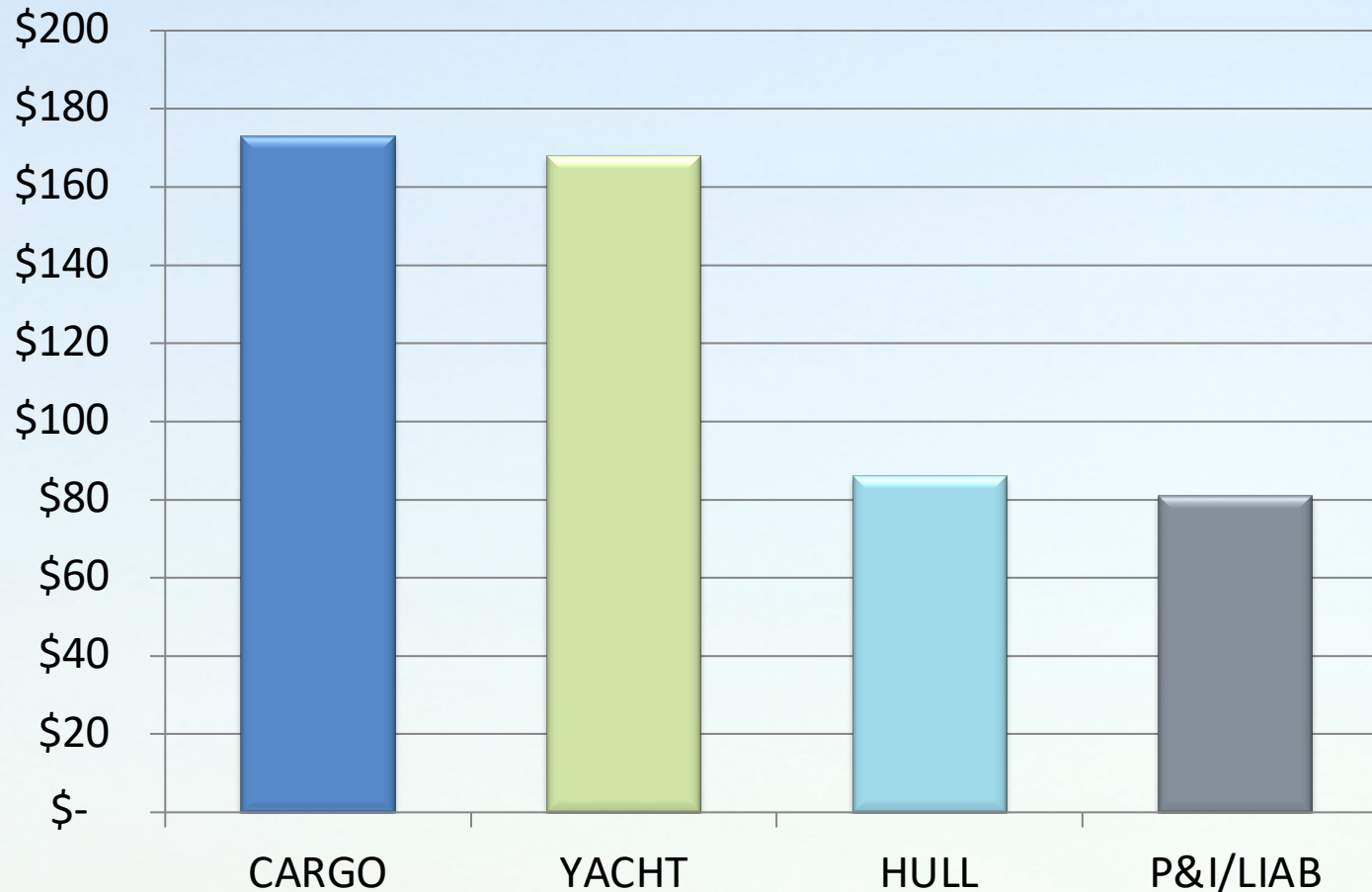
## 2021 Results

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## 2021 Direct Canadian Marine Premium

Premium in Millions (CAD)



(MSA Research)

**Total DWP: \$509M<sub>CAD</sub>**

**Cargo \$173M**

**Yacht \$168M**

**Hull \$86 M**

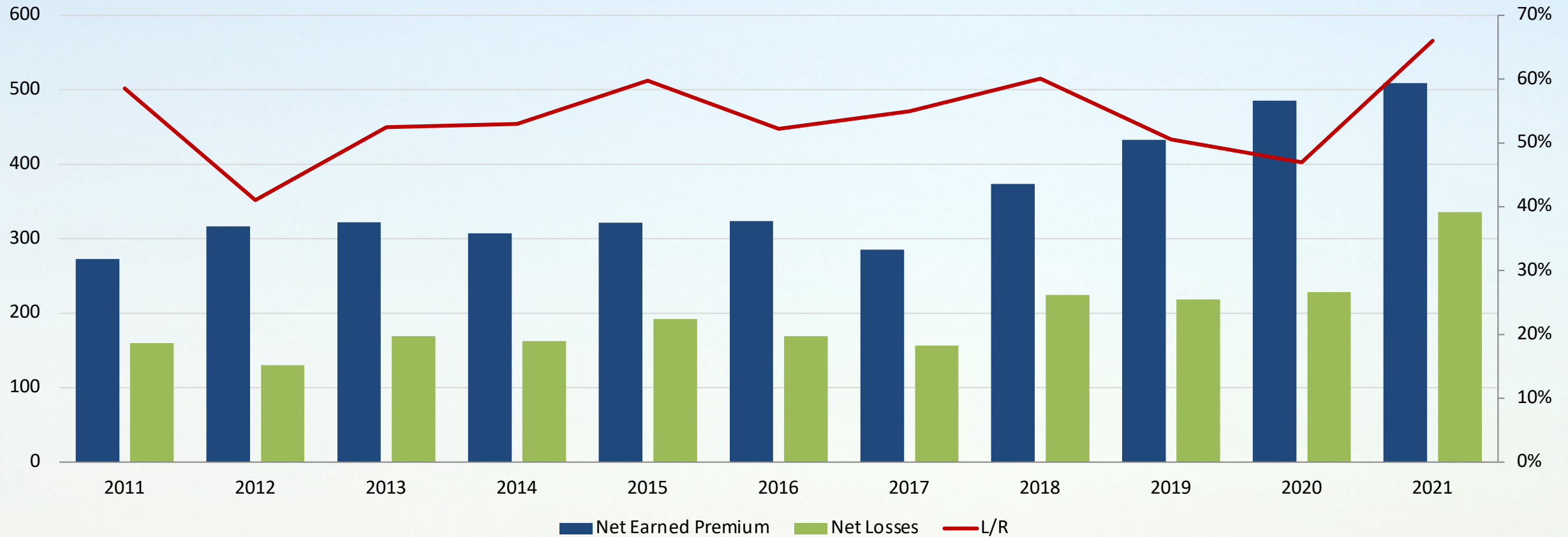
**P&I/Liab \$81 M**

**\$509CAD = \$406USD**

**5% increase from \$485m in 2021**

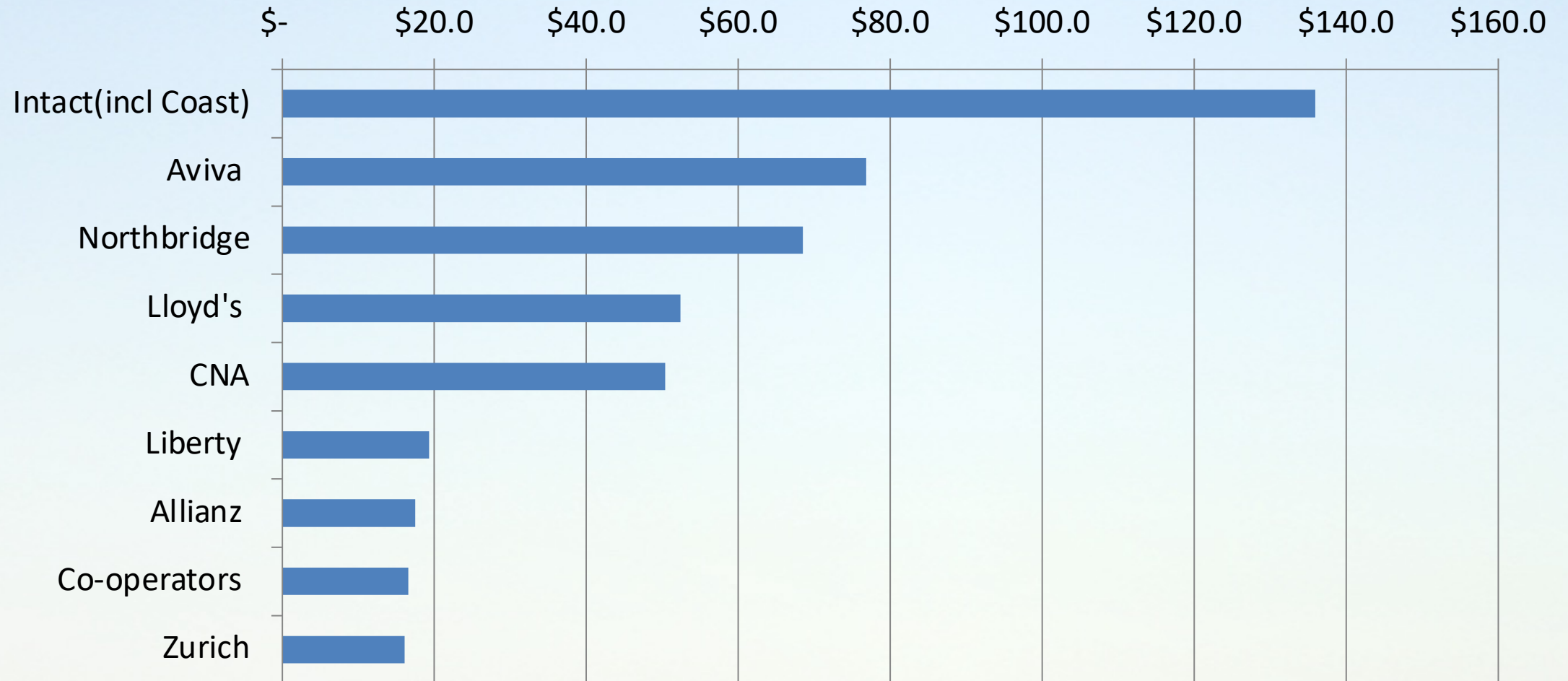


### Net Marine Premium/Losses – All lines Combined (MSA Research)





## Top 10 Companies by 2021 DWP (\$CADm) (MSA)





My own personal observations....

- Capacity strong
- Volumes up
- Increasing demand for stock throughputs
- CAT events and accumulation a concern

Cargo



- Capacity stable for profitable risks
- Increase in loss activity (number & costs)
- Aging fleet
- Higher P&I limits

Hull/P&I



- CAT Losses
- Ltd capacity for US CAT, hovercraft, Parasail.
- Claims inflation

Yachts



- Capacity stable
- Excess, Auto, Spec Ops harder to place
- Claims inflation – e.g. US exposures

Liabilities



The Canada Marine market's growth in 2021 was more moderate than the double-digit growth seen in the three years prior. The loss activity in 2021 is at the highest level in the last ten years.