IUMI Global Marine Insurance Report

By Mariella Dauphinee

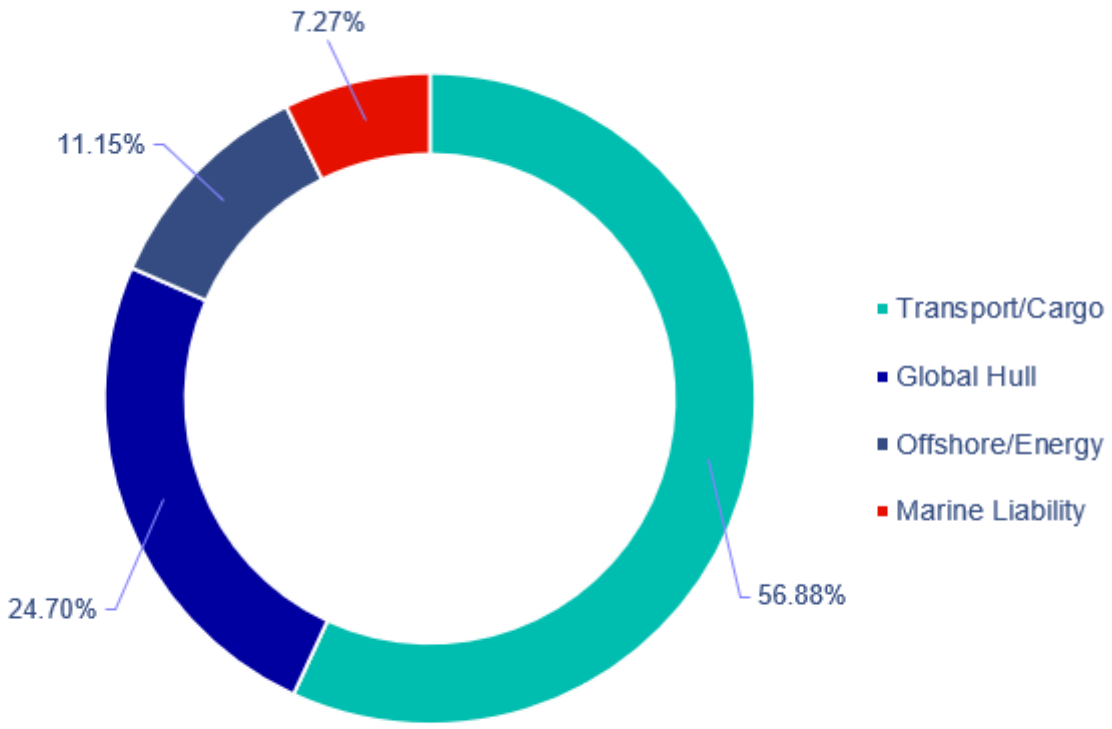
Vice Chair, IUMI Executive Committee

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Global Marine Insurance Market

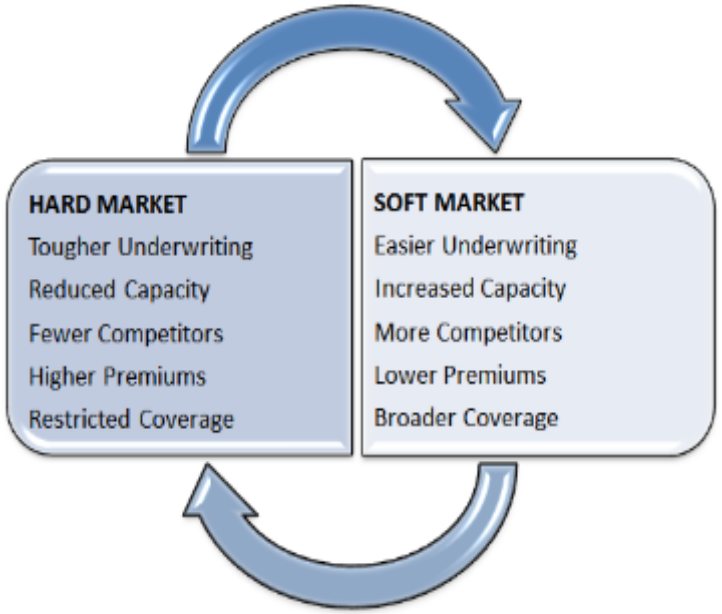
Global Marine Premium 2025



Global marine insurance premium income increased by 5.5% in 2025 to USD 42.6 billion.
Transport/cargo remained the largest business line, accounting for 56.88% of global premiums, followed by ocean hull at 24.7%, offshore energy at 11.15% and marine liability, excluding P&I business covered by the International Group of P&I Clubs, at 7.27%.

Global premium /Comments

- The headline increase, however, masks a continuing soft market across most marine insurance business lines.
- Currency movements, increased capacity and competitive pressures have all contributed to underlying market conditions remaining challenging.
- As summarized by IUMI Chief Analyst Veith Huesmann:
- *“Although we report an increase in global premium income, 2025’s reporting figures are heavily supported by exchange rate effects. The weakness of the US dollar has had a significant impact on the global figures, with major countries reporting currencies appreciating by around 7-13%. Once currency effects are taken into account, the market remains soft across all major business lines, with increased capacity adding to competitive pressure in most sectors.”*



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Cargo

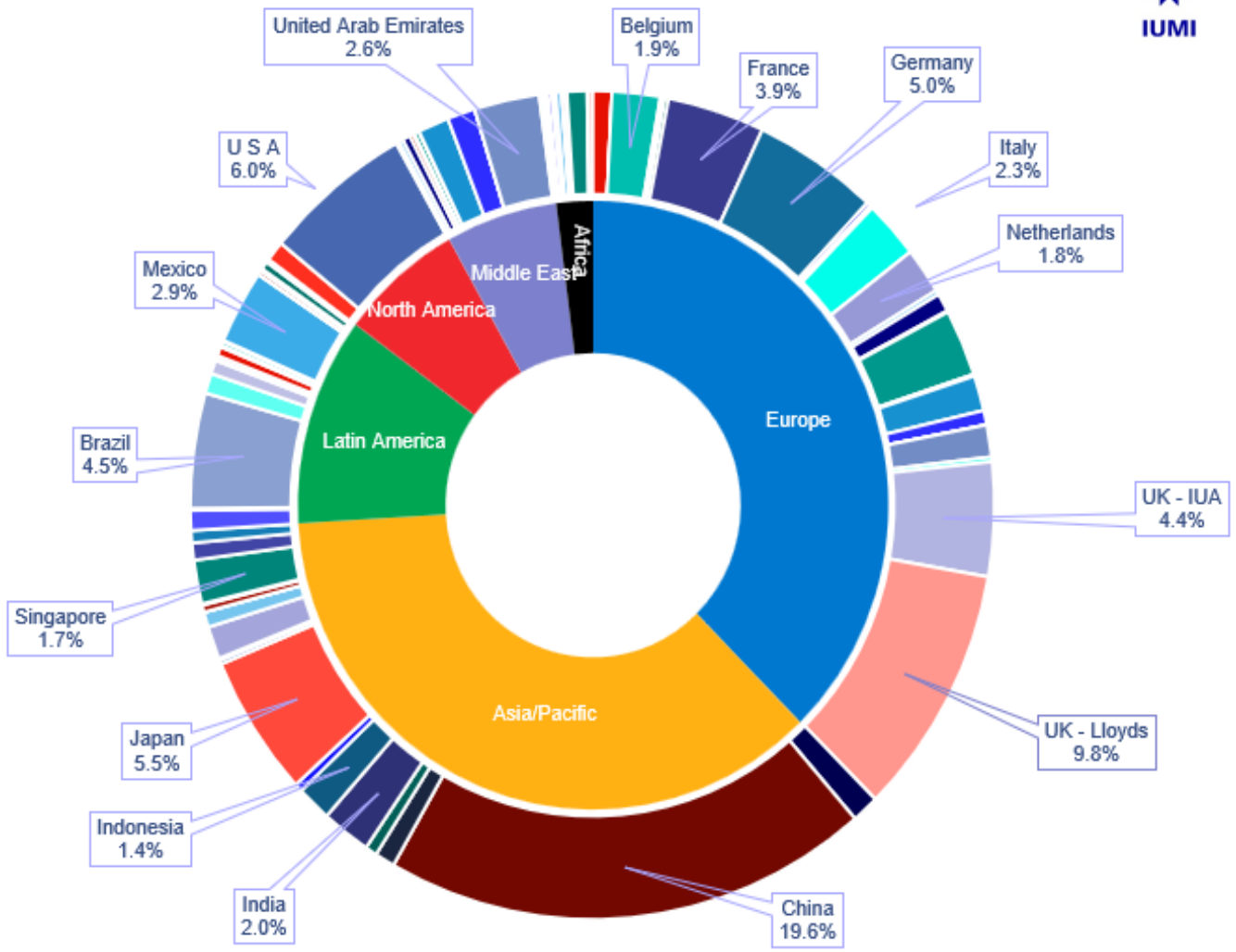
Cargo

Cargo insurance continues to account for the largest share of the global marine insurance premium base.

In 2025, cargo premium reached US$ 24.2 billion, representing 56.88% of the global total and an increase of 6.9% on 2024.

As explained by Mike Brews, Chair of the Cargo Committee:

"*A 6.9% uplift in our premium base in 2025 is welcome but we should recognize that the depreciation of the US dollar against European currencies has accounted for much of this growth rather than underlying market development. The majority of real growth has come from Asia, predominantly China.*"



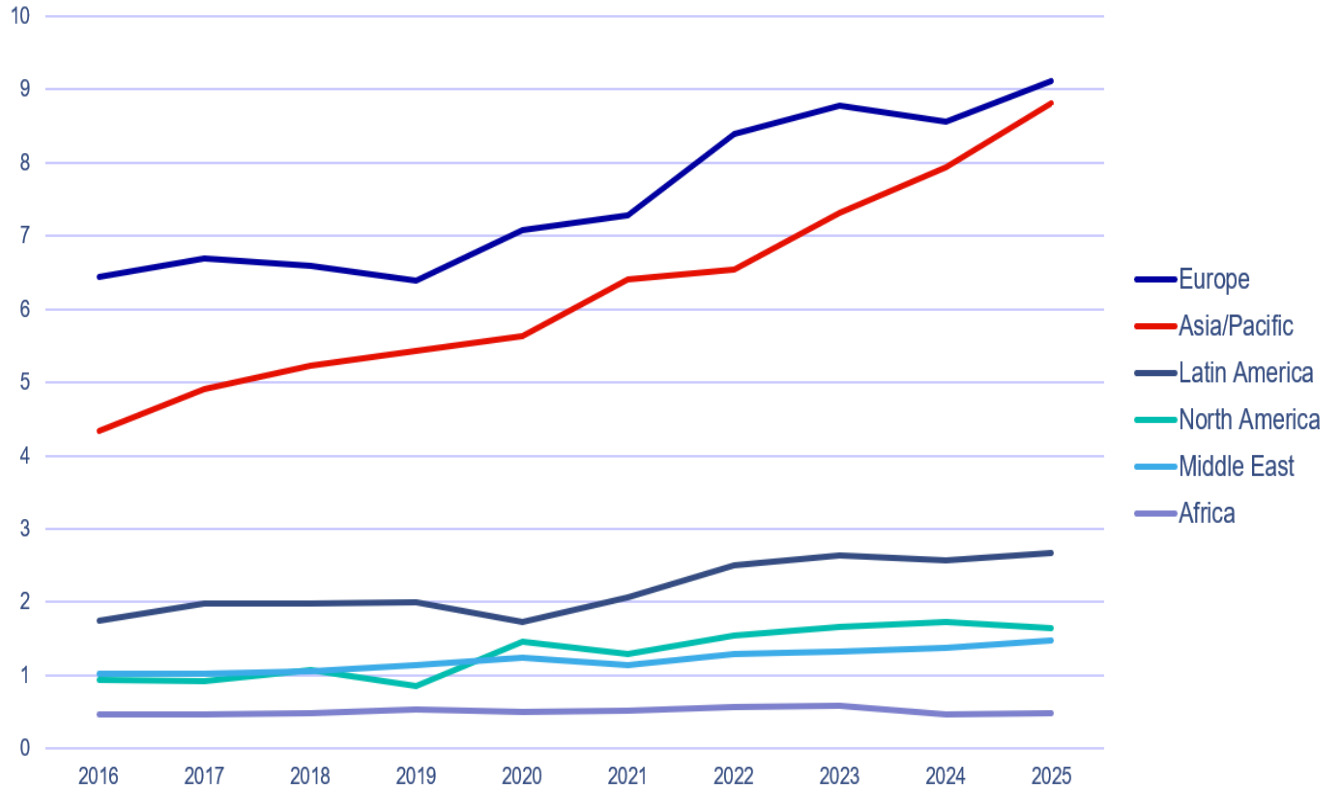
Cargo/Comments

- Europe continued to account for the largest share of the global cargo market in 2025 at 37.6%, but Asia is rapidly closing the gap.
- The difference in premium share between the two regions narrowed to just 3.3% percentage points in 2025, compared with 7.8% percentage points in 2024.
- The Chinese market continues to be a significant driver of growth.
- Chinese cargo premiums increased by an impressive 19% in 2025, significantly outpacing other national and regional markets, supported particularly by new products deriving from an increasing of national e-commerce and return-insurance schemes but also high value exports such as EVs (electric vehicles), PVs (photo voltaic) and lithium batteries.

- Singapore also recorded strong growth of 13%, driven in part by high-tech and semiconductor shipments moving through the city-state.

Asia closes in on Europe

Lines could cross in 2026



Cargo/Comments

TARRIFS:

Last year the discussion was dominated by tariffs and their potential impact on global trade. We have not seen them influence the cargo market as strongly as some had predicted. Insured values have held up and, although volumes have slowed, they have not declined as sharply as many expected.

Trade Allocation: Between China and countries like Vietnam, Malayia , India, Indonesia, Thailand and the Philliphines has accelerated as global supply chains adjust to U.S. tariffs and trade restrictions. Not rerouting of China's exports and no little value added. Instead, it involves actual production, an assembly and transshipment bridge in these countries.

LOSS RATIOS: The claims environment has remained favourable and this is reflected in the loss ratios.

Europe: 40% : Loss ratios continue to trend downward since 2019

Latin America 45%: Upward trajectory but still below the 50%

Asia 70% upward trend, continuing an upward trend since 2020

North America 40% down from 75% (This may partly reflect under-reporting)

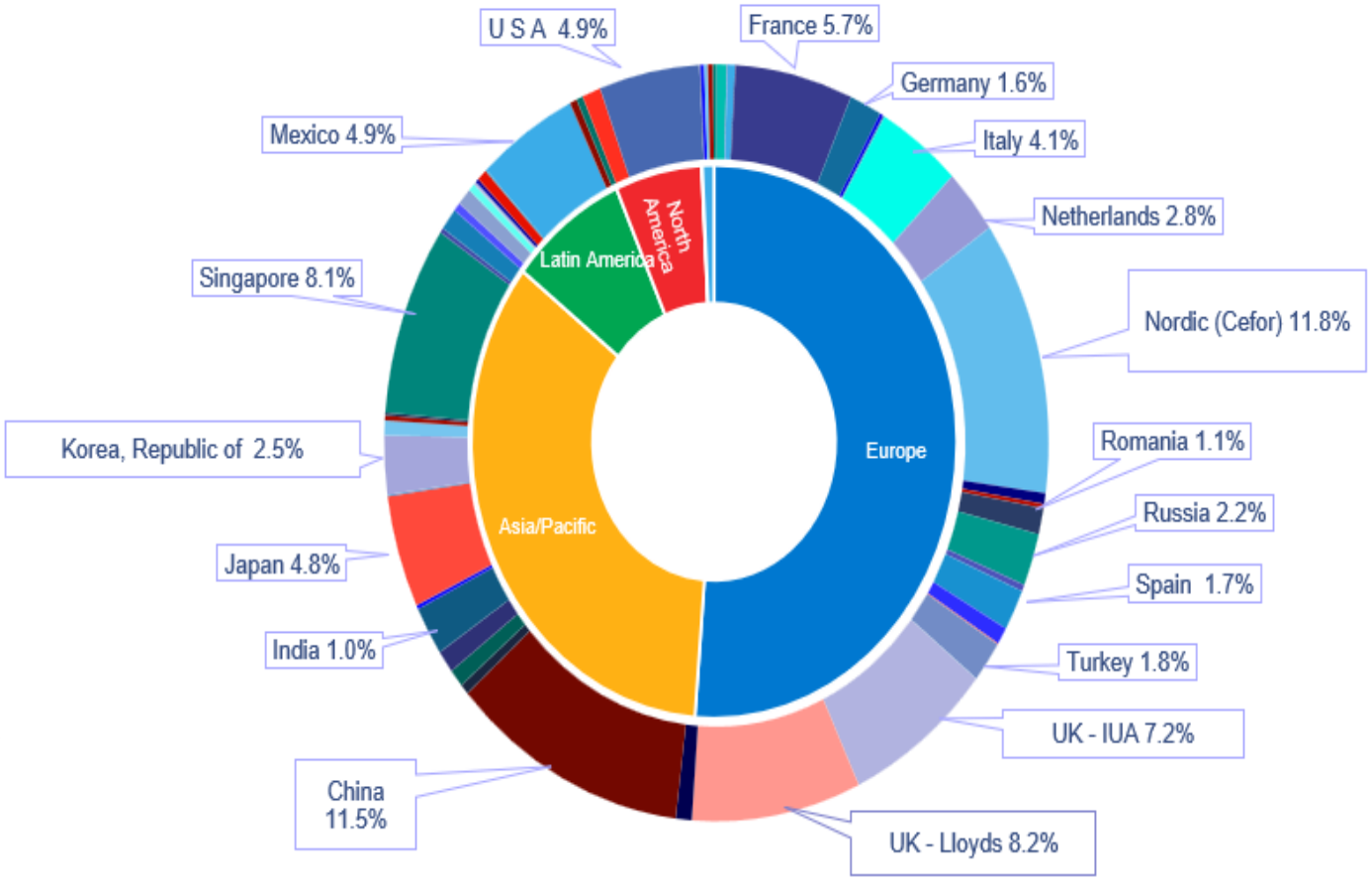
The absence of major catastrophic losses in 2025, combined with largely contained attritional losses, contributed to a stable claims environment. Nevertheless, competitive pressures and continued influx of capital by MGAs continued to soften the global cargo market.

Hull

Hull

Global ocean hull premium income reached USD 10.5 billion in 2025, an increase of 9.4% on the previous year.

According to Ilias P.Tsakiris, Chair of the Ocean Hull Committee:
"A 9.4% increase in premium income needs to be viewed in context. Fleet growth, elevated vessel values and exchange-rate movements all contribute to that increase. Headline premium growth should not be mistaken for stronger rates or improved underwriting profitability. Despite the increase in premium income, the underlying hull market continues to soften."



Hull/Comments

- Europe remains the dominant market, accounting for 51.3% of global ocean hull premiums.
- China has maintained its strong growth trajectory since 2016. Much of this growth reflects the increasing volume of Chinese newbuild tonnage being insured domestically.
- By contrast, the strong growth recorded by the Nordic markets in recent years appears to have moderated.
- Freight rates are moderately moving up, as Clark Sea index indicates.
- Vessel values have not come down from elevated values.
- Fleet expansion: Global fleet growth continues, although at a slower pace than in previous years, and is expected to reach approximately 3% by the end of 2026. The global fleet growth continues to outpace growth in the ocean hull premium base, a trend that does not indicate a strengthening market.
- No significant scrapping: With vessel scrapping remaining subdued, the global merchant fleet is continuing to age. The average age of a merchant vessel has now reached 22.4 years, creating additional pressure for hull underwriters. Older vessels generally require more frequent maintenance and repair, while shortages of spare parts, particularly for older tonnage, are contributing to higher claims costs.

Hull/Comments cont'd

- Reported loss ratios remain relatively favourable in several major markets, although the figures are compiled on different accounting bases.
- Loss ratios in Europe appear to be returning towards more normal levels following the post-Covid period of lower claims activity with the 2025 estimate at around 60% based on paid and outstanding claims.
- Asia's figure of around 50% reflects and increase from 2024 and it is calculated based on a claim paid basis.
- Latin America reported a lower paid loss ratio, influenced partly by premium-reporting effects,
- The US market also continued to improve, with a reported loss ratio of around 50% in 2025, based on paid and outstanding claims. This market represents almost entirely inland hull.

- Changing relationship between hull and war insurance. Historically, hull business has, in some portfolios, been partially cross-subsidised by war premiums. However, that model is becoming increasingly difficult to sustain as war-related losses rise. This is creating additional pressure on an already competitive hull market, with insurers having to balance premium adequacy against a broader and increasingly complex risk landscape.

Tension and conflict in the Middle East has forced many vessels to re-route

- Suez Canal: Although the waterway has remained open, many vessels continue to travel around the Cape of Good Hope due to threats near Yemen and the Bab el-Mandeb Strait at the southern entrance to the Red Sea with the Houthi-aligned forces threatening to resume attacks on commercial shipping.
- Strait of Hormuz: The Strait of Hormuz has effectively closed to many Western-aligned commercial ships due to warnings from Iranian officials and reported attacks on vessels.



Strait of Hormuz attacks

- More than 120 commercial ships have been attacked in and around the Strait of Hormuz since the conflict involving Iran and the United States began.
- October 2026 has seen the highest concentration of violence with 29 ships hit during that month.
- At least 24 seafarers and port workers have been killed.
- Traffic remains far below pre-war levels (which exceeded 100 -140 ships daily) to 2 to 4 AIS-visible low-profile ships per day.



MT Petro Dolphin, a Nicaragua-flagged tanker, was hit by a suspected Iranian drone on Oct. 11, 2026.

Piracy

- In 2026, piracy remains a significant risk in marine insurance, with a notable increase in incidents and a shift in the sophistication of pirate networks.

- The International Maritime Bureau (IMB) reports that piracy incidents rose from 116 in 2024 to 137 in 2025, with a notable rise in kidnappings and armed attacks.

- The Gulf of Guinea and the Caribbean are among the most dangerous regions for crew kidnappings and violent maritime crime.



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Thank you!

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