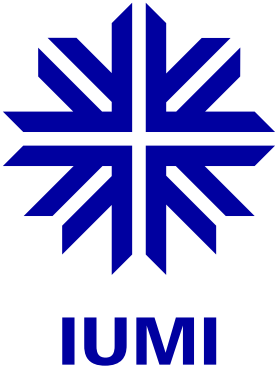




STATS



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Introduction

Building on the gains made in 2020, 2021 was another positive year for marine insurers. It was the year when global trade saw a tentative recovery, absolute premiums rose, claims impact was benign, and as a result loss ratios improved. However, this position is tempered by the big economic uncertainties the world is facing today.

We are reporting this data at a time when several shocks have hit a world economy already weakened by the pandemic. There is no end in sight for the war in Ukraine and we face soaring global energy costs and inflation, a gloomy outlook for trade and the possibility of further climate and pandemic related disruptions. Indicators in many economies now point to an extended period of subdued growth. Marine underwriters are navigating some extremely complex issues.

This report presents data on the global marine insurance market set in the context of world economic performance, trade and the shipping industry. We also offer commentary and opinion based on the data we have collected.

IUMI's total world-wide premium includes data from all relevant marine insurance markets. Care should be taken when making comparisons with earlier figures as data coverage varies in different years and some figures will be updated retrospectively.

Similarly, the presented loss ratios for hull, energy and cargo do not encompass all countries per region, and underwriting year results do develop over a couple of years due to a time lag in claims reporting and payments. When interpreting statistics, caution should always be applied regarding what the data actually relates to.

IUMI stresses that all figures released by IUMI's Facts and Figures Committee are global market sums or averages. While these reflect the average performance of the marine insurance market, individual companies' or countries' results may differ substantially. As with all averages, individual underwriting units may over or underperform compared with the average. IUMI does not make any statements about what actual applied premium rates were or should be. The aim of IUMI is solely to provide data as available and raise awareness for the importance of a critical evaluation of the risks covered.

IUMI represents 44 national and regional marine market insurance and reinsurance associations. Our Facts & Figures Committee compiles and analyses data submitted by national insurance associations and cooperates with other data providers.

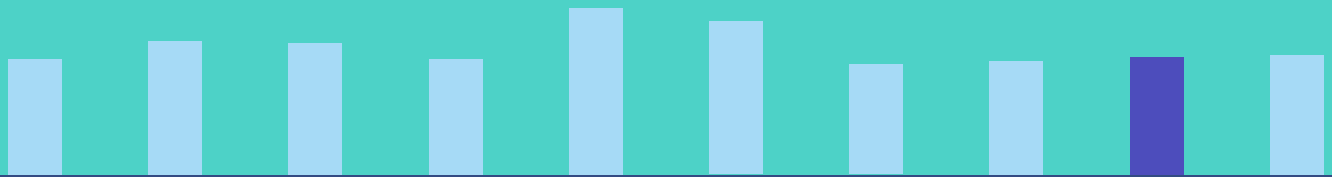
Our thanks go to those IUMI member associations for their continued support and to the other data providers, who are identified at the end of this report, for supporting IUMI with extensive and up to date information on the relevant trends that impact the marine industry.

Special thanks are offered to the Nordic Association of Marine Insurers (Cefor) for annually compiling global marine insurance data on behalf of IUMI and supporting IUMI with up-to-date hull trend analyses from the Nordic Marine Insurance Statistics database (NoMIS).

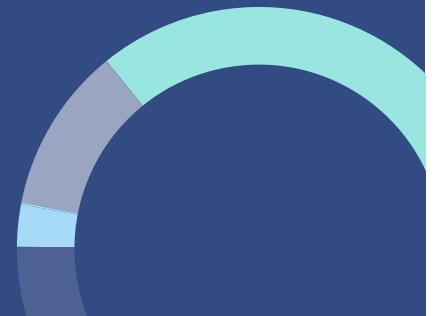
Lars Lange
IUMI Secretary General

Highlights

2021 saw strong macro-economic recovery, but in 2022 worries of inflation and recession are gathering. International Monetary Fund (IMF) has lowered (Oct 2022) its projection of global growth to 2.7%. 2023 slowdown will be broad-based, with countries accounting for about one-third of the global economy poised to contract this year or next. According to the IMF, the three largest economies, the United States, China, and the euro area will continue to stall.



In 2021 world seaborne trade returned strongly, although Clarksons Research is per August 2022 projecting 12.2 bn tonnes of seaborne trade in 2022, down from a 12.4 bn tonnes forecast at the start of the year. Global fleet size up 3.04% in 2021, reaching 2,134,640,000 dwt (Clarksons/UNCTAD).



Global marine insurance premiums in 2021 reached USD 33 bn, up 6.4% on 2020. Since 2021, premiums have been lifted by a combination of increased global trade volumes, a stronger US dollar, increased offshore activity, higher vessel values and a reaction to deteriorating results in previous years. Insurers in Europe and Asia in particular saw premium growth.



The positive trend for ocean hull business, starting in 2021, continued into 2022. Premiums grew 4.1% in 2021 reaching USD 7.8 bn. There was a continued rapid growth in the Nordic region as well as China, but much weaker in the UK (Lloyd's) market where the decline of recent years continued. The extraordinary benign claims impacted both the frequency and the cost in recent years, and the recovery of previous years' negative results could be achieved.

The value of insured vessels continued to rise significantly in 2021 renewals, driven primarily by the large increase in containership prices which were up 35%. Dry bulk and general cargo vessel values also saw gains in 2021. Supply/offshore vessel values continued to decrease in 2021 but the recent oil price rally may have some positive influence on this segment going forward.

The cargo market saw an increase in premiums for 2021 to USD 18.9 bn, mostly driven by increased global trade volumes. Also, in this segment claims impact was comparably benign in 2021 and loss ratios in most markets improved.



Also, the offshore energy sector saw an increase in overall premiums, reaching USD 3.9 bn in 2021, representing an 6.9% increase on 2020. This is a second year of rises after six-year period of declines (2014–2019). The demand for offshore energy insurance typically tracks oil prices as projects become viable. Historically, there is an 18-month time lag between improved oil prices and authorised offshore expenditure and unit reactivation. Loss ratios kept in recent years a fragile balance with major loss events being absent, but with a long backlog in claims reporting the youngest years still have to mature. With the oil price rally in 2022 more activity and thus more demand for offshore energy insurance may be expected going forward.

In context

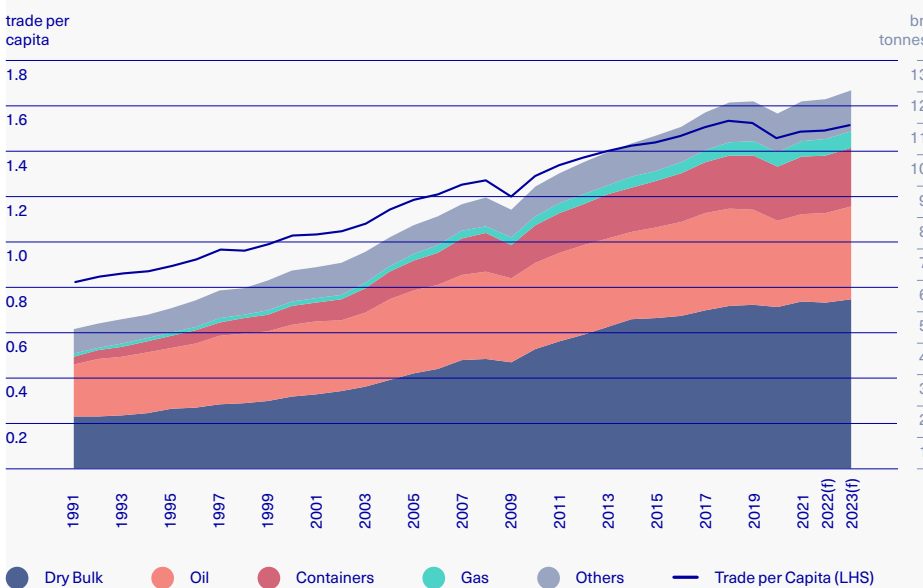
2.7%

The International Monetary Fund (IMF) lowered its projection of global growth to 2.7%.

Despite strong post-Covid recovery in 2021, growth is slowing in 2022 amid material macroeconomic headwinds. In October 2022, the International Monetary Fund (IMF) lowered its projection of global growth to 2.7%. It says that 2023 slowdown will be broad-based, with countries accounting for about one-third of the global economy poised to contract this year or next. According to the IMF, the three largest economies, the United States, China, and the Euro area will continue to stall. This trend is reflected in forecast global seaborne trade volumes.*

Clarksons Research is now projecting 12.2 bn tonnes of seaborne trade in 2022, down from a 12.4 bn forecast at start year. The global fleet size up 3.04% in 2021, reaching 2,134,640,000 dwt (Clarksons/UNCTAD).

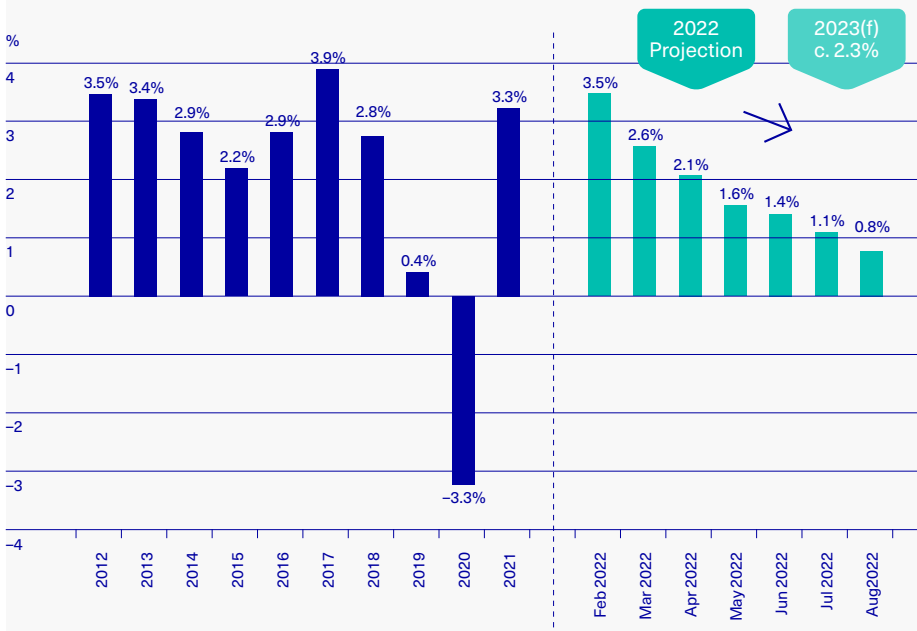
Chart 1: Global seaborne trade
bn tonnes



Source: Clarksons Research. Monthly seaborne trade series based on 'basket' of dry bulk, oil, container, gas, chemical and car trades, representing c.80% of global seaborne trade.

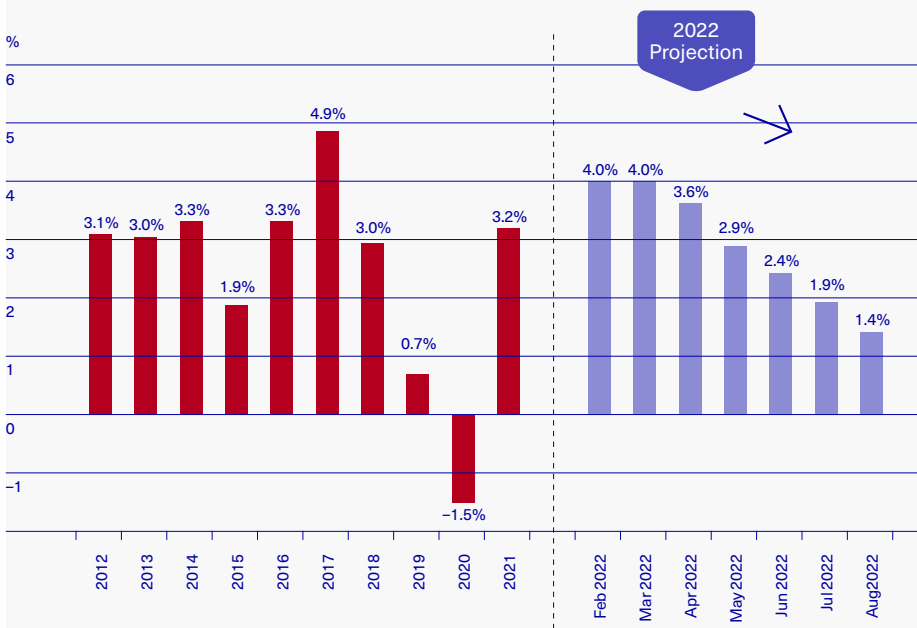
* Monthly seaborne trade series based on 'basket' of dry bulk, oil, container, gas, chemical and car trades, representing c. 80% of global seaborne trade.

Chart 2: Global seaborne trade growth
Tonne-miles



Source: Clarksons Research

Chart 3: Global seaborne trade growth
Tonne-miles



Source: Clarksons Research

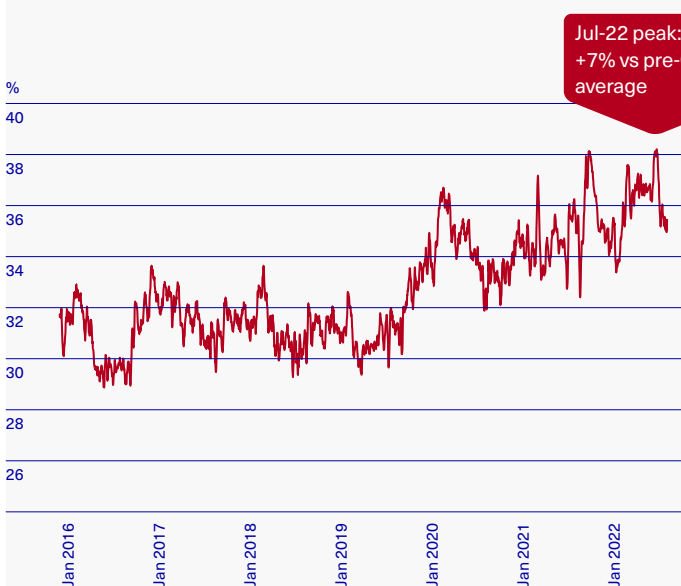
+7%

The port congestion for container vessels are still 7% higher than pre-Covid average, exacerbating demand for container vessels.

Freight rates are driven by the balance of vessel and cargo supply/demand. Low fleet growth and recovering cargo volumes supported freight rate rises in most segments in 2021. However, 2021 was the year when congestion made the headlines with the effects of snarled up ports felt both in freight rates and throughout the supply chain. The spectacle of the Suez Canal blocked for six days by a 20,000 TEU containership underlined the fragility of global supply chains and the world's reliance on shipping. July 2022 saw 38% of the global containership fleet in port or anchorage, up 7% from the pre-Covid average. This congestion is currently unwinding.

In 2021 the ClarkSea Index, a weighted average of tanker, bulk carrier, containership and gas carrier earnings, which had been improving since 2016, saw its strongest performance since 2008, averaging USD 28,700 per day, up 93% on the previous year.

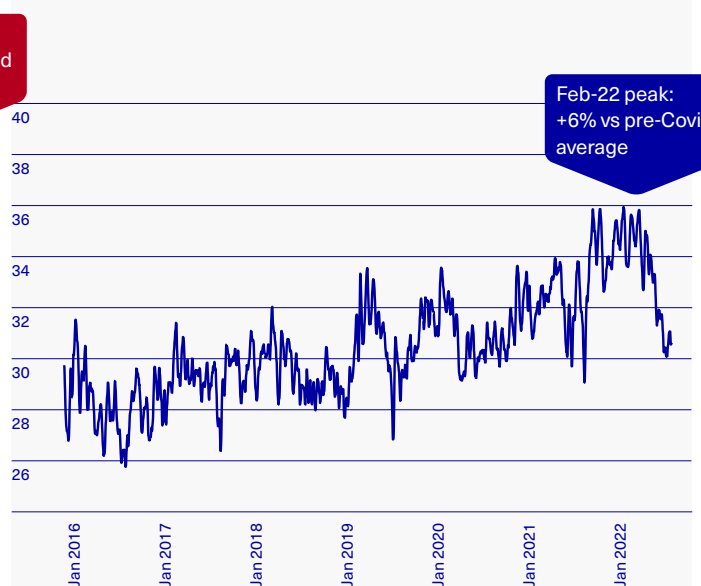
Chart 4: Containership congestion index*
% TEU



*Share of boxship fleet in port or at an associated anchorage, % TEU

Source: Clarksons Research. Data based on the proportion of vessels in the fleet in a defined port or anchorage location based on vessel's closest to midday AIS signal on the date specified. Where a vessel has not transmitted on a particular day, the last position transmitted within the previous 30 days is used. Excludes vessels last seen 30 or more days ago from the date specified.

Chart 5: Bulkcarrier congestion index*
% dwt



*Share of bulker fleet 65k+ dwt in port or at an associated anchorage, % dwt

Source: Clarksons Research. Data based on the proportion of vessels in the fleet in a defined port or anchorage location based on vessel's closest to midday AIS signal on the date specified. Where a vessel has not transmitted on a particular day, the last position transmitted within the previous 30 days is used. Excludes vessels last seen 30 or more days ago from the date specified.

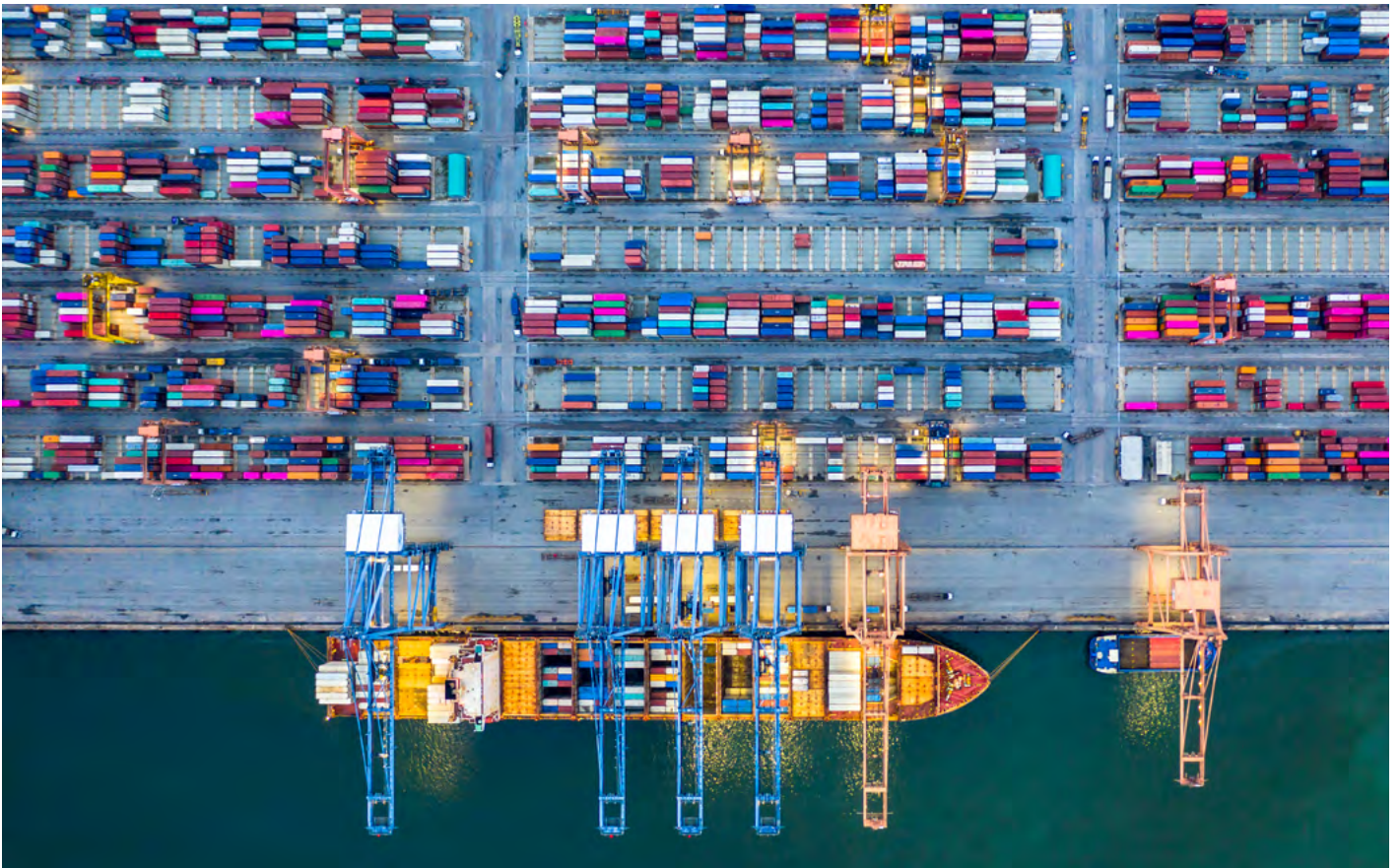
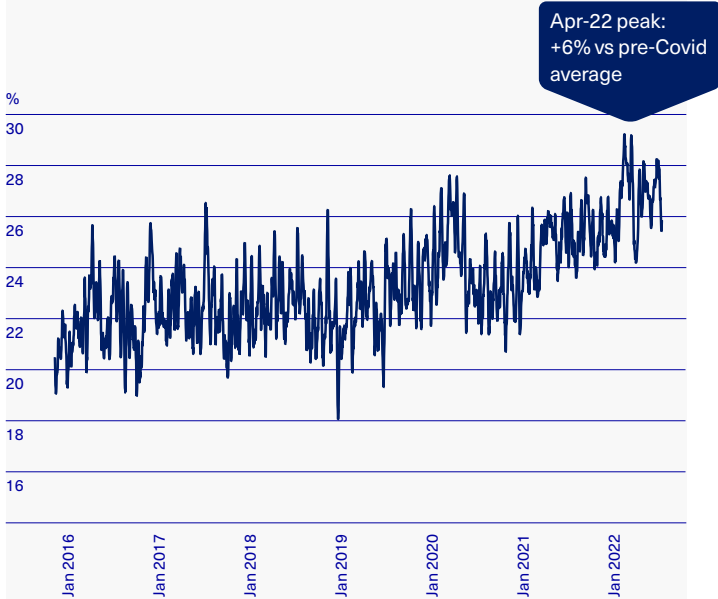


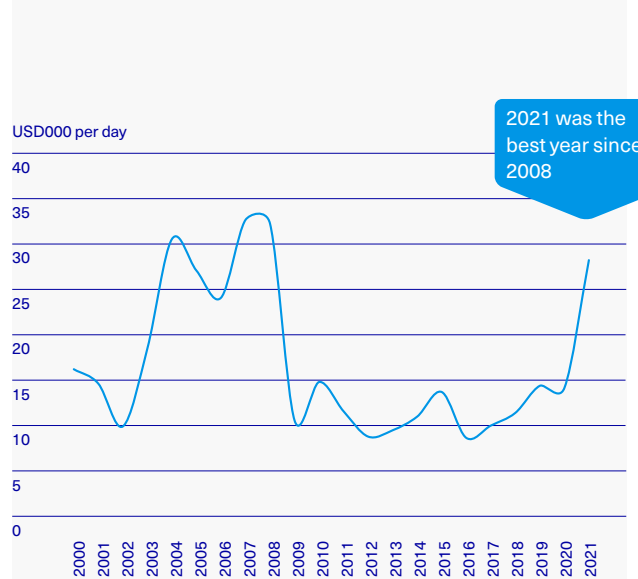
Chart 6: Car carrier congestion index*
% CEU



*Share of car carrier fleet in port or at an associated anchorage, % CEU

Source: Clarksons Research. Data based on the proportion of vessels in the fleet in a defined port or anchorage location based on vessel's closest to midday AIS signal on the date specified. Where a vessel has not transmitted on a particular day, the last position transmitted within the previous 30 days is used. Excludes vessels last seen 30 or more days ago from the date specified.

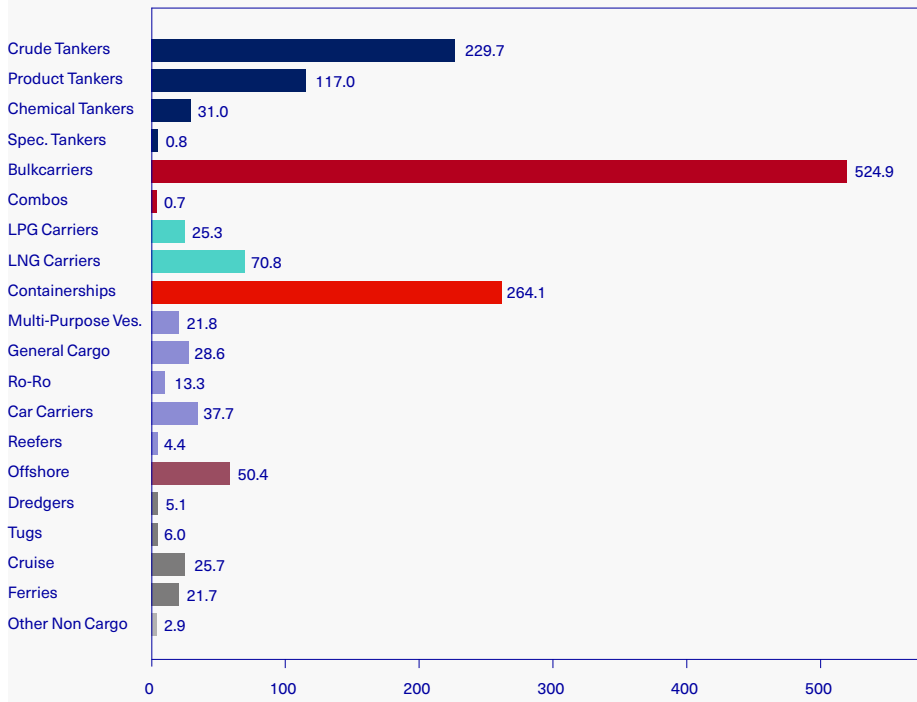
Chart 7: ClarkSea Index 2000–2021



Source: Clarksons Research. The cross segment ClarkSea Index covers tankers, bulkers, containers and gas.

Chart 8: World fleet as at March 2022

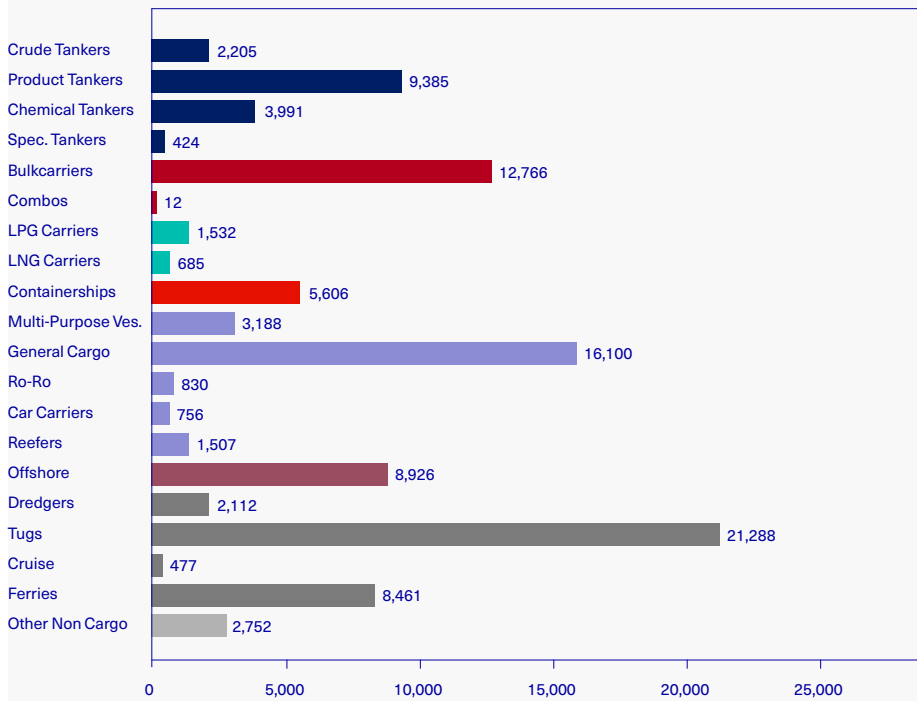
Million GT



Source: Clarksons Research

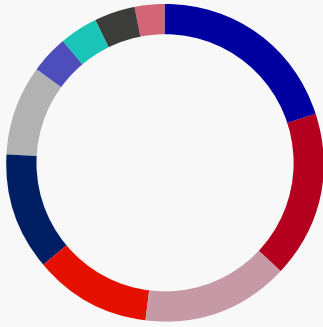
Chart 9: World fleet as at March 2022

No. Vessels



Source: Clarksons Research

Chart 10: Regional ownership
March 2021



Other Europe	20%
Greece	17%
China	15%
Japan	12%
Other Asia/Pacific	12%
Others	9%
United States	4%
Korea	4%
Germany	4%
Other Americas	3%

Source: Clarksons Research

The global merchant fleet continues to get older and the average vessel age (March 2022) stands at 21.9 years, or 14.7 years for vessels greater than 2000 GT.

Fleet growth, which peaked at 9% in 2010, is forecast at 2.9% of the fleet in 2022, up from recent 30-year lows. The overall global fleet size was up 3.04% in 2021, reaching 2,134,639,907 dwt (Clarksons/UNCTAD).

1517 vessels over 20,000 dwt were ordered in 2021. This compares to the 2016 when only 257 ships were ordered. As of August 2022, 120 yards worldwide had at least one vessel of 20,000 dwt plus on order. Modest yard capacity growth is expected.

It should be noted that the global fleet today is approximately 90% larger and moves 40% more cargo than in 2008.

Whilst Greece continues to be the world's largest shipowning nation (17% of the global fleet), Asian shipowners now own more tonnage than Europeans. China now enjoys a 15% market share, with Japan slipping down the rankings.



94GW

The global wind industry had its second-best year in 2021, with almost 94 GW of capacity added globally.

Continued growth for offshore wind

The global wind industry had its second-best year in 2021, with almost 94 GW of capacity added globally, trailing behind the 2020's record growth by only 1.8%. Offshore wind projects coming on stream continued to grow, although not at the rate seen in 2020.

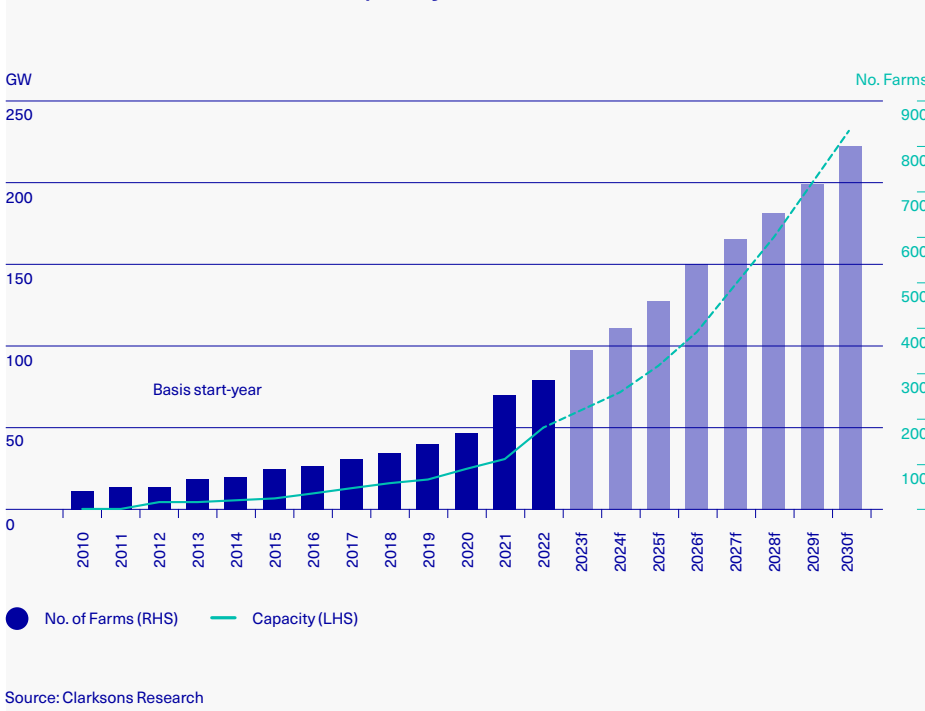
According to the Global Wind Energy Council, 21.1 GW of offshore wind capacity was commissioned last year, three times more than in 2020.

The world's top five markets in 2021 for new offshore wind installations were China, United Kingdom, Denmark, Vietnam and the Netherlands.

These five markets combined made up 99.5% of new installations in 2021, with China making up over 80% of new installed capacity globally, bringing its cumulative offshore wind installations to 27.7 GW.

Capex expenditure was estimated to be USD 44 bn, overtaking projects sanctioned in the offshore oil and gas sector (USD 43 bn) for the first time. Offshore wind farms, both in number and capacity, have continued to grow over the past five years.

Chart 11: Offshore wind capacity forecast



However, offshore oil and gas still represent 17% of global energy supply. 14.1 bn tonnes of oil equivalent (BTOE) were consumed by the world in 2021. Offshore wind contributes 0.3% to the global energy mix, but it is growing rapidly. Even under a gradual transition scenario, it is estimated that offshore wind will be the source of 6% of global energy by 2050.

Chart 12: Offshore wind investment forecast

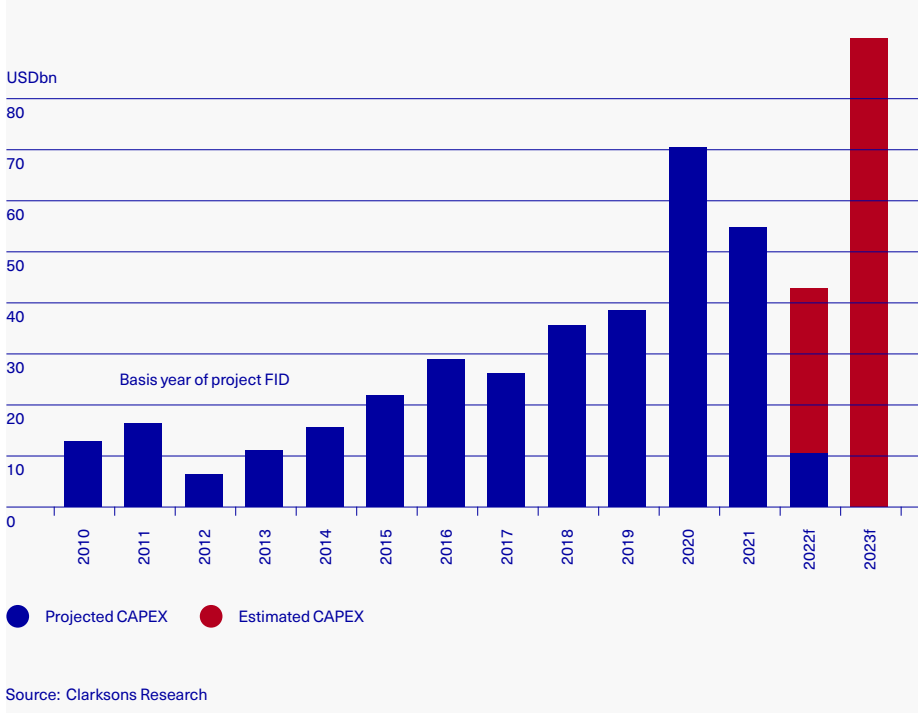
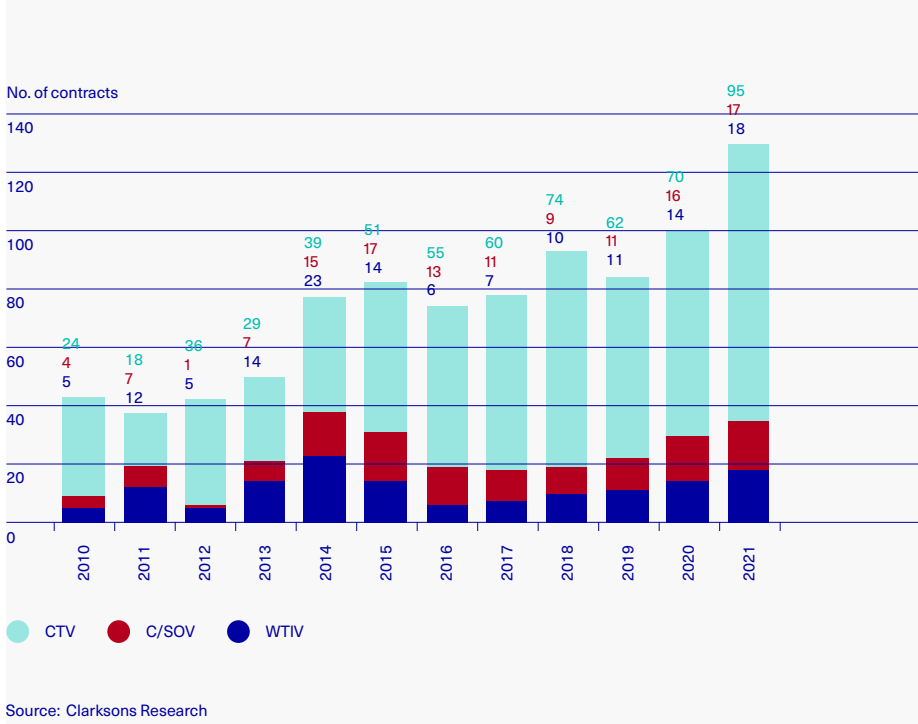


Chart 13: 'Dedicated' wind vessel contracting forecast



“Energy transition requires a joint industry, government, regulator, consumer, and insurance effort to be successful.”

Frank Streidl, Chairperson, IUMI Offshore Energy Committee

Offshore floating wind offer the potential to deliver clean energy at a significant scale in the future. But with the increased distance to the shore come riskier installation, operational and maintenance issues including weather perils. Whilst cabling, foundation and mechanical issues have so far driven the majority of claims for the offshore renewables sector, the risk profile of offshore renewables assets is still evolving.

The energy insurance sector wants to collaborate with insureds to respond with appropriate insurance cover that is reflective of the changing risks, as well as supporting corporates in managing them.

Chart 14: Global energy mix 2021(e), mtoe

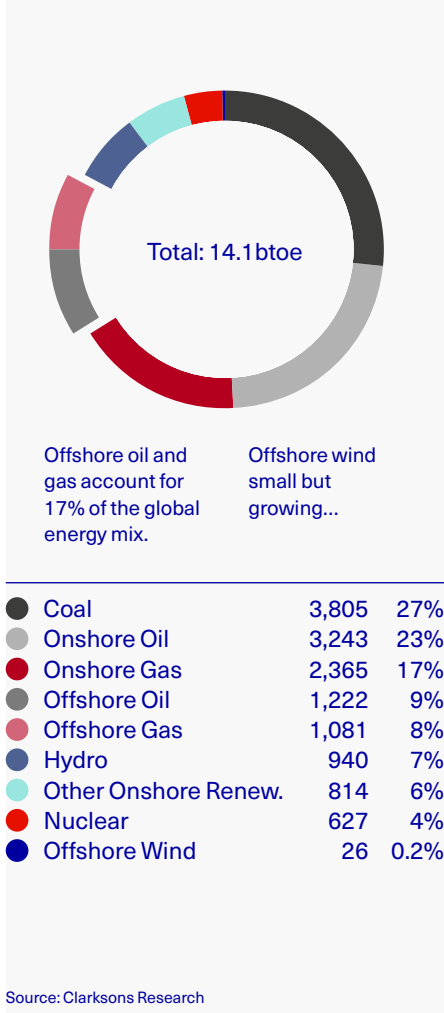
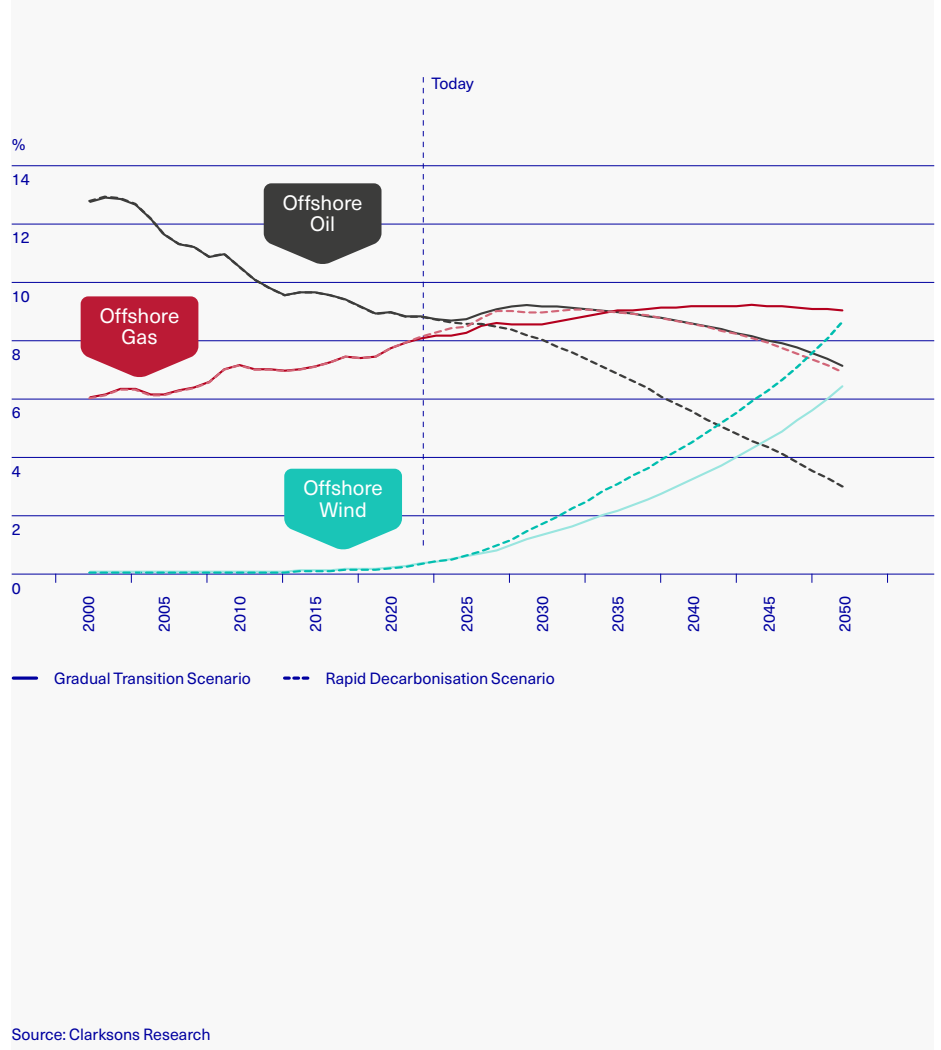


Chart 15: Offshore sources as % global energy



Environmental, Social, Governance (ESG) matters

In 2021 IUMI's Facts & Figures committee began tracking three ESG issues related to the UN's sustainable development goals. Illegal, unreported, unregulated (IUU) fishing activities; ship recycling; and greenhouse gas emissions are now reported.

IUU Fishing

Illegal fishing undercuts effective fisheries management, harms ocean ecosystems, and undermines food security. It is also associated with human rights abuses, slave labour and human trafficking. Removing access to insurance for illegal fishing vessels is an important way of closing the net on this activity globally and IUMI is committed to supporting industry efforts to stop this harmful practice.

In 2021 the IUU Fishing Index stood at 2.24, down 0.05. The index provides a measure of the degree to which states are exposed to and effectively combat IUU fishing, with a lower score indicting a better state of affairs.

As of August 2022, there were 177 registered ships on the IUU database, down from 325 in 2021.

2.24

In 2021 the IUU Fishing Index stood at 2.24, down 0.05.

Chart 16: Progress across many areas

Overall score

	2019	2021
Asia	2.69	2.51
Africa	2.38	2.35
Middle East	2.32	2.33
Caribbean and Central America	2.24	2.25
South America	2.19	2.23
Oceania	2.16	2.18
North America	2.13	2.07
Europe	2.05	1.98

583

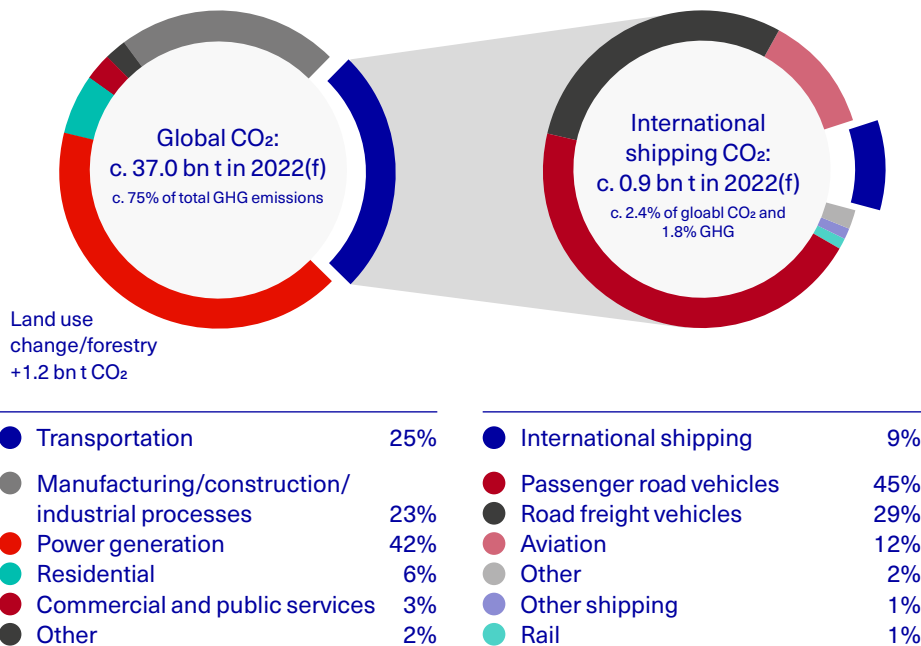
583 vessels were beached out of the 763 vessels scrapped in 2021.

Ship recycling

Despite more ships signed up to the Ship Recycling Transparency Initiative (2021: 3439 vs 2020: 2433), 583 vessels were beached out of the 763 vessels scrapped in 2021. Ships contain hazardous waste and pollutants that are harmful to people and the environment. The practice of beaching vessels onto tidal flats where workers then break down the vessels is an issue over which there has been increasing public and political concern. To address the hazards, the International Maritime Organization (IMO) adopted the Hong Kong International Convention for the Safe and Environmentally sound Recycling of Ships.

IUMI is backing the yet-to-be-ratified Hong Kong Convention and tracking progress of the Ship Recycling Transparency Initiative.

Chart 17a: Global CO₂ emissions by sector 2018, tonnes CO₂



Source: Clarksons Research, World Resource Institute/Climate Watch, Global Carbon Project, IEA, Global CO₂ excluding LUCF

883

Shipping's emissions forecast for 2022 is 883 mt of CO₂.

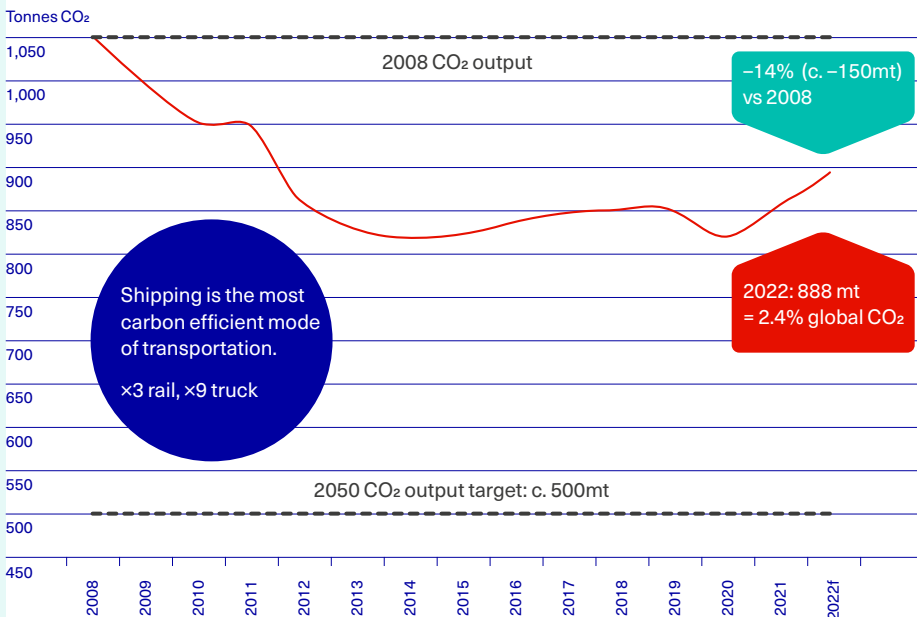
Carbon emissions

The shipping industry is forecast to emit 883 mt of CO₂ in 2022. Globally, an estimated 37 bn tonnes of CO₂ will be emitted.

To meet IMO targets and reduce shipping's impact on the planet new fuels and propulsion systems will need to be adopted. The expectation is that there will not be one solution/fuel going forward, but rather a number of these – provided also that the infrastructure on land is in place. From an insurance perspective, the focus is on identifying risks related to the new fuels, how to mitigate them and engaging with class societies and regulators to develop necessary rules, standards and guidelines to ensure a safe transition.

Chart 17b: International shipping CO₂ emissions

Tonnes CO₂



Source: Clarksons Research

Marine insurance

33 bn

USD marine insurance premiums in 2021.

Positive market development in global marine premiums

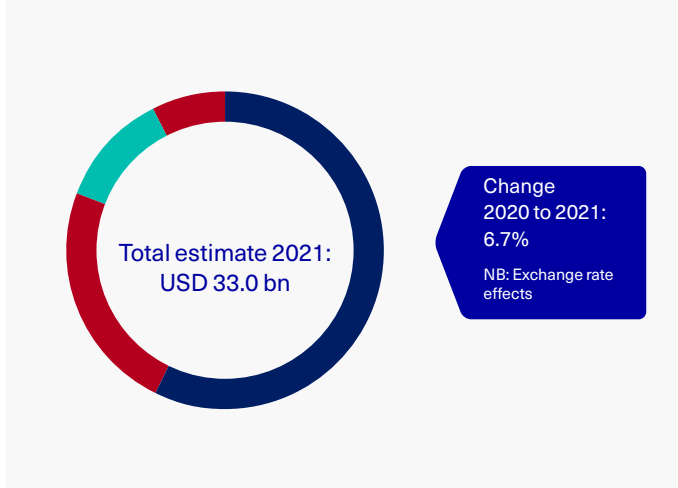
Global marine insurance premiums were up 6.4% on 2020, rising to USD 33 bn in 2021. Lifted by a combination of increased global trade volumes, a stronger US dollar, increased offshore activity and higher vessel values, overall premiums rose across most segments. Insurers in Europe and Asia in particular saw premium growth.

Regionally, global income was split Europe 47.2%, Asia/Pacific 29.3%, Latin America 10.3%, North America 7.7%, Other 5.5%.

By line of business, cargo continued to represent the largest share with 57.4% in 2021, hull 23.5%, offshore energy 11.8% and marine liability (excluding IGP&I) 7.3%.

The reported increase in absolute premiums for 2021 reflects a combination of volume – trade, values, global fleet size – and rates per insured unit. The effects of exchange rates, particularly for the cargo market, must also be taken into account.

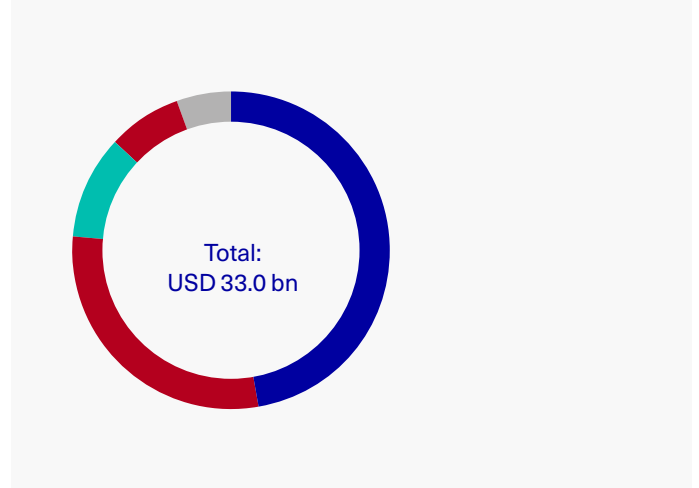
Chart 18: Marine premiums 2021
By line of business



Transport/Cargo	57.4%
Global Hull	23.5%
Offshore/Energy	11.8%
Marine Liability*	7.3%

* other than P&I covered by clubs of International Group

Chart 19: Marine premiums 2021
By region



Europe	47.2%
Asia/Pacific	29.3%
Latin America	10.3%
North America	7.7%
Other	5.5%

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

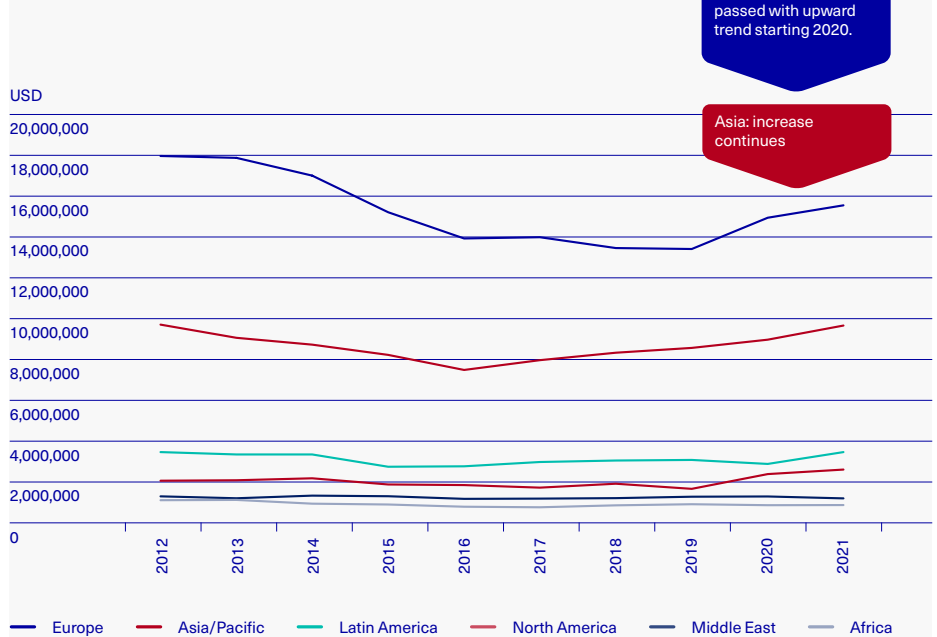
All lines profited from an extraordinary low claims impact.

Except for P&I, all lines profited from an extraordinary low claims impact in recent years. The frequency and cost impact for both attritional losses and major loss events continued to be benign in 2021. The situation differs somewhat for P&I which experienced an increase in claims since 2020 and was more affected by the COVID-19 pandemic than other lines, particularly as P&I covers the cost of supporting crew and passengers.

+6.4%

Global marine insurance premiums were up 6.4% on 2020.

Chart 20: Premium by region 2012–2021
As of 2022, USD



2021: 33.0 USD bn
2020: 31.0 USD bn (as of 2022)

Various influences:
Market conditions, exchange rates

Source: IUMI

Global marine hull insurance

7.8bn

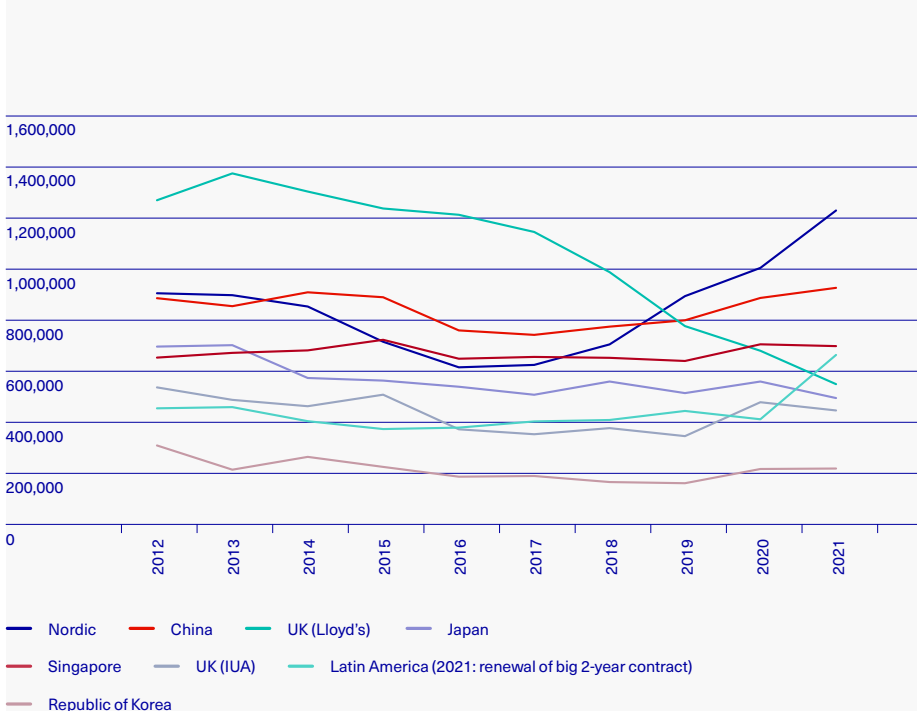
USD global hull premium in 2021.

Significant challenges ahead for hull underwriters

Global marine hull insurance premiums reached a total of USD 7.8 bn for 2021 – an increase of 4.1% from 2020. The redistribution of market shares between the major hull markets continued, with growth from the Nordic market as well as China and Latin America. The decline in the UK (Lloyd’s) market continued.

Until 2019 there was an increasing gap between average vessel size and insured value. As the freight markets have improved, there has been a corresponding rise in insured values, particularly driven by container vessels. Figures reported to Cefor’s Nordic Marine Insurance database (NoMIS) show that container vessel values were up 36% on insurance renewal in 2021. Subdued tanker, passenger and offshore vessel markets led to a drop in asset values.

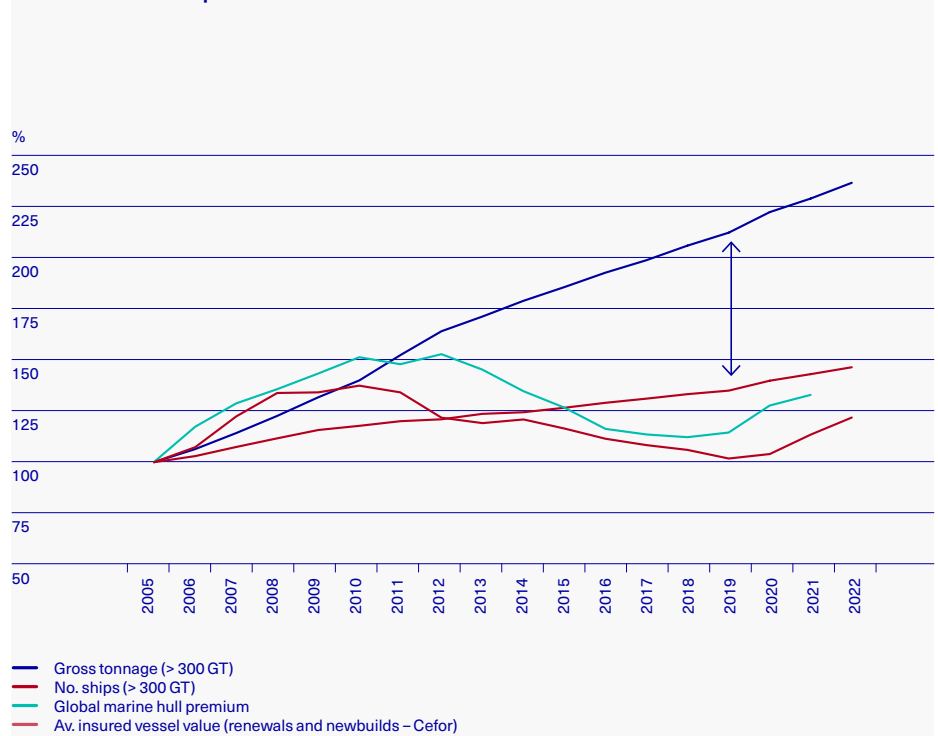
Chart 21: Hull premium 2012–2021
Selected markets



Source: IUMI



Chart 22: Hull premium versus world fleet



Source: Gross tonnage, No. ships: ISL Bremen, Hull premium: IUMI, vessel values: Cefor (NoMIS database)

Benign claims impact continued despite concerns about rising inflation.



The gap between these insurance and size values has started to reduce, a trend which started in 2020. Whether or not this development will continue remains to be seen. However, it should be noted that as the average fleet age continues to increase, this is likely to have an impact on vessel values.

Premium base has only recently begun to creep upwards following a sustained decline since 2012. The 2021 increase of 4.1% is lower than the 6% seen last year and the reducing quantum is a worrying trend for underwriters. This is likely due to increased market capacity, particularly from London and Latin America.

Overall the hull market has improved since 2019 due to a combination of rising premiums and a benign claims impact. However, as we have seen a return to full shipping activity, particularly in the high value cruise sector, more claims can be expected: claims frequency correlates with vessel activity. A combination of value increases, inflation, new designs, propulsion and fuel types is also likely to impact claims trends going forward.

Despite increased activities and inflation with higher steel price, higher cost of spares and labour cost, claims impact has continued to stay low in the first half year of 2022. However, as shipping activity returns to pre-COVID levels and inflation accelerating in 2022, it seems inevitable that there will be a rise in claims and that will dampen the more encouraging loss ratios reported for the 2021 period.

Inflation may push up claims costs going forward.

IUMI engages in improving the prevention of fires and fire-fighting onboard container and car / RoRo vessels.

The focus is on identifying risks related to the new fuels.

IUMI has identified three major concerns for the coming period:

Inflation

Since 2021, there have been substantial increases in steel prices as well as inflation and labour costs which influence hull repair cost. There has been a significant increase in spare parts cost which may lead to an increase in attritional losses and machinery claims.

Fires

Fires onboard large containerships continue to impact hull, cargo, and P&I insurance and, sadly, have resulted in tragic loss of life and environmental damage. A major concern in that respect is misdeclared or non-declaration of dangerous cargo. The challenge in fighting fires on large container vessels is another issue and the probability for fires onboard increases with the number of containers onboard with the increased likelihood that some of the containers may contain dangerous cargo.

There is also an increase in engine room fires which may reveal some underlying risk including crew competencies and modern technologies. Much work is being done to address the issue and IUMI is at the forefront of lobbying for change.

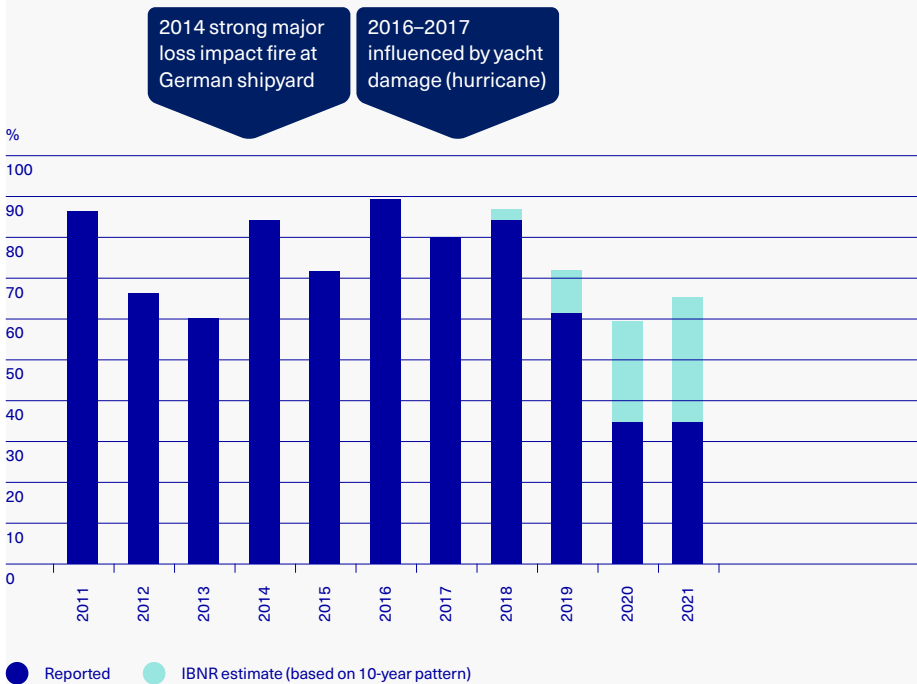
GHG 2050

Decarbonisation of shipping is underway but remains a long way from reality. With the medium to long-term measures still under discussion, there is uncertainty and hesitation from both owners and insurers due to the lack of regulation and market-based incentives. The expectation is that there will not be one solution/fuel going forward, but rather a number of these – provided also that the infrastructure on land is in place. From an insurance perspective, focus is on identifying risks related to the new fuels, how to mitigate them and engaging with class and regulators to develop necessary rules, standards and guidelines to ensure a safe transition.

With the recent formation of the Safe Decarbonization panel at IACS which sets a clear path for collaboration and discovery through all stakeholders and the scientific community, underwriters should get more understanding of the risk and the rules to mitigate those risk.

Chart 23: Hull – Ultimate gross* loss ratios – Europe

Gross premiums, paid+outstanding claims



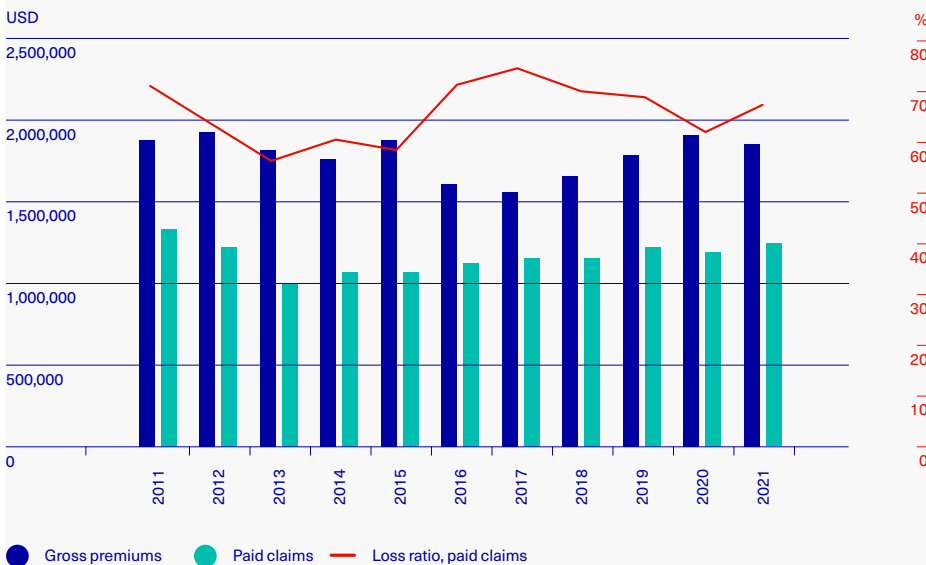
*Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)

**Data included from: Belgium, France, Germany, Italy, Nordic (Cefor), UK

Source: IUMI

Chart 24: Hull – Gross loss ratios accounting year – Asia*

Gross premiums, paid claims



*China, Japan, Hong Kong, India from 2015. Singapore not included (incurred figures available but cannot be split), China, Japan, Hong Kong only paid available.

Source: IUMI

Recent years saw an increase in severe fires in connection with an increase in vessel sizes, misdeclared cargo and a change in risk by battery-powered cars.

No let-up in containership and car/RoRo fires

Despite overall claims frequency dropping, onboard fires, particularly aboard car carriers and container vessels are rising. Fires occurred on over 1% of the containership fleet in 2021 with 0.4% of the fleet experiencing fires incurring over USD 500,000 in claims. There has been an increase over the past years particularly for fires in cargo areas, but also recently for engine room fires. There are many challenges with onboard fires particularly for large container vessels and car carriers. With an increase in the number of containers onboard, the probability that some cargo may self-ignite grows proportionally. The risk of fires on car carriers is also changing with an increasing number of such carriers transporting lithium-ion battery powered vehicles. These pose a different risk from transporting conventional cars both in terms of potential ignition as well as for firefighting onboard the car carriers.

The Nordic Association of Marine Insurers (Cefor) published over the last years a number of [fire trend analyses](#) which clearly illustrate the above-mentioned trends.



Global marine cargo insurance

18.9 bn

USD global cargo premium in 2021.

Inflation and economic outlook weigh on positive 2021

In 2021 the cargo market reported a global premium base of USD 18.9 bn representing up 8% on the back of a stronger dollar and increased global trade volumes. Cargo premium is a reflection of the value of goods transported and global trade volumes in combination with more specific features of the cargo insurance market related to capacity, the scope of coverages and the impact of claims.

Loss ratios in most markets continued to improve as a result of increased premium volume in combination with recent benign claims impact. The much-needed correction yielded favourable underwriting performance. However, the industry is still facing headwinds as global supply chains remain volatile and assureds are still dealing with the aftershock of the pandemic.

For Europe, the gross loss ratio for underwriting year 2021 is estimated to end at 50%, while other regions reported the following 2021 accounting year loss ratios: US: 41% (incurred claims), Asia: 45% (paid claims only) and Latin America 43% (paid claims).

China now accounts for 14% of the cargo market, with the UK (Lloyd's of London and the International Underwriting Association) having a 12.2% market share. With 2021 claims starting at a low level due to subdued activity in 2020, loss ratios continue to improve in all markets.

Cargo insurers continue to face persistent challenges including rising cases of onboard fires, misdeclared cargoes, worsening severe weather conditions including stronger winds and waves, floods and wildfires. With the increased value accumulation on ever larger vessels and single port sites, the risk of large event losses continues to grow.

Chart 25: Cargo premiums 2021
By markets

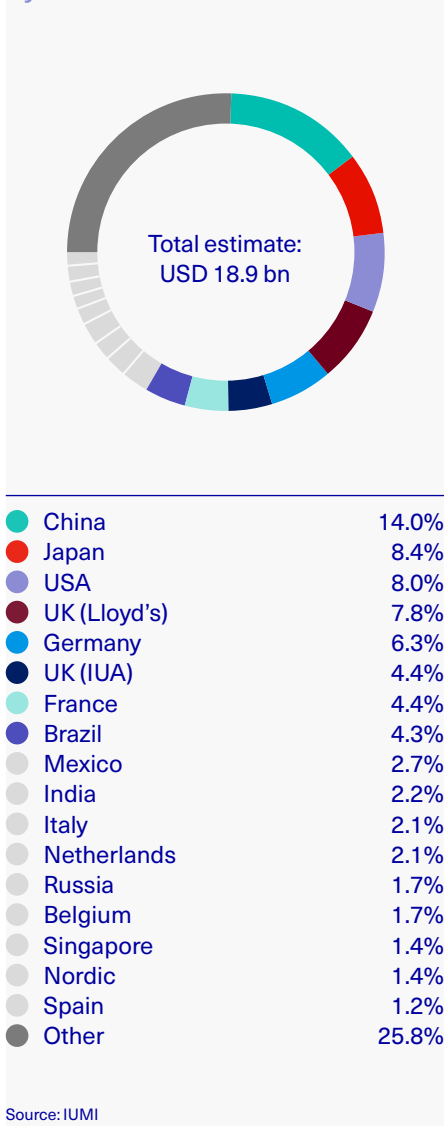
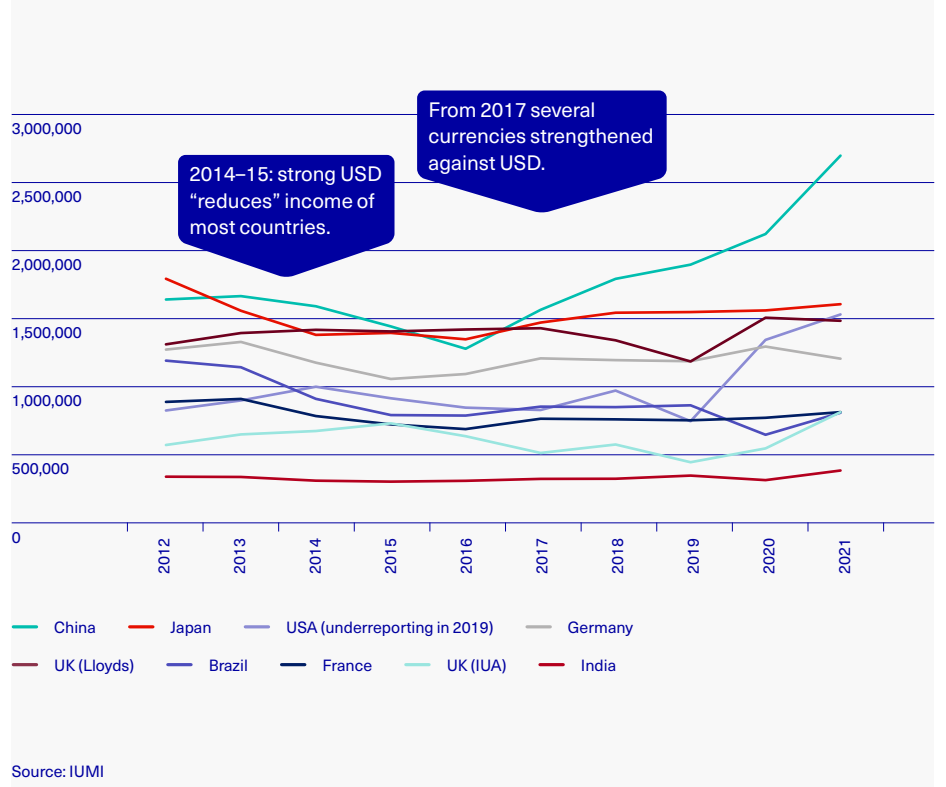




Chart 26: Cargo premiums 2012–21
Selected markets



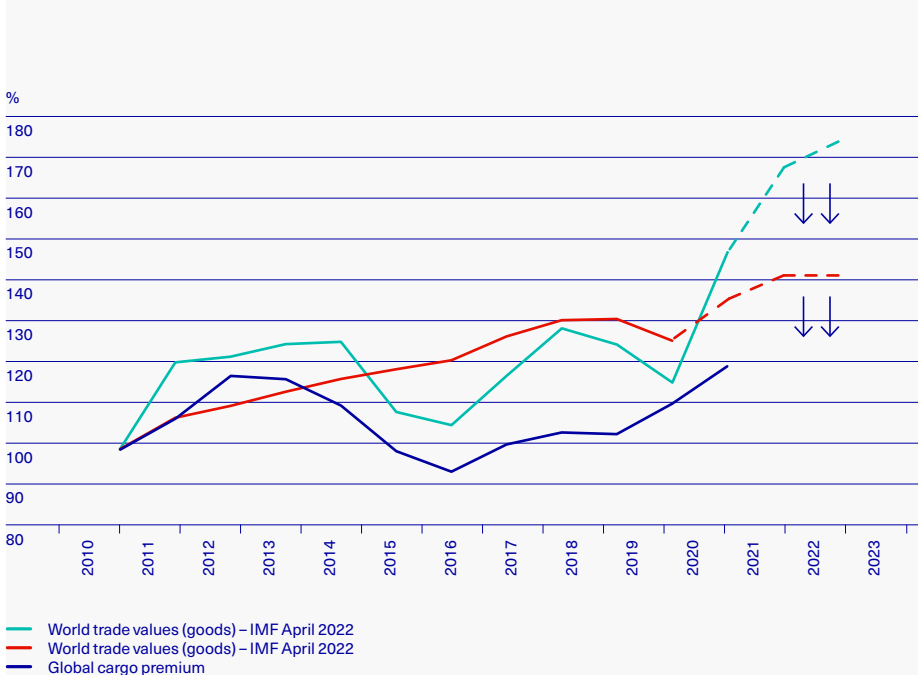
The 2021 bounce-back in global trade and the strong dollar pushed premium income up.

The 2021 bounce-back in global trade and the strong dollar pushed premium income up. However, the worrying signals from the global economy and gloomy IMF forecasts point to pressures on cargo volumes and values.

The cargo market has shown growth in 2021 partly due to a rise in the volume of cargo shipped globally, combined with the pricing corrective measure still prevalent in that underwriting year.

However, the industry is still facing headwinds. The global supply chain remains volatile and is still dealing with the aftershock of the pandemic whilst inflationary pressures are adding to the mix.

Chart 27: Cargo premium versus world trade values and volume
Index 2005=100%



Source: World trade volume and values: International Monetary Fund (IMF); Global cargo premium: IUMI

Chart 28: Cargo – Ultimate gross* loss ratios uw year – Europe**

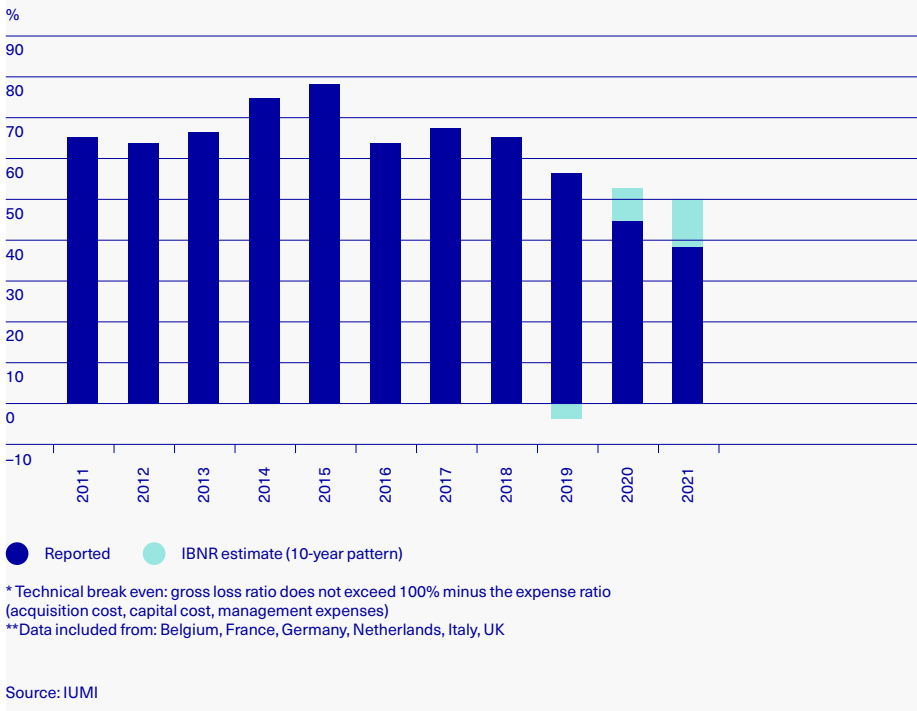
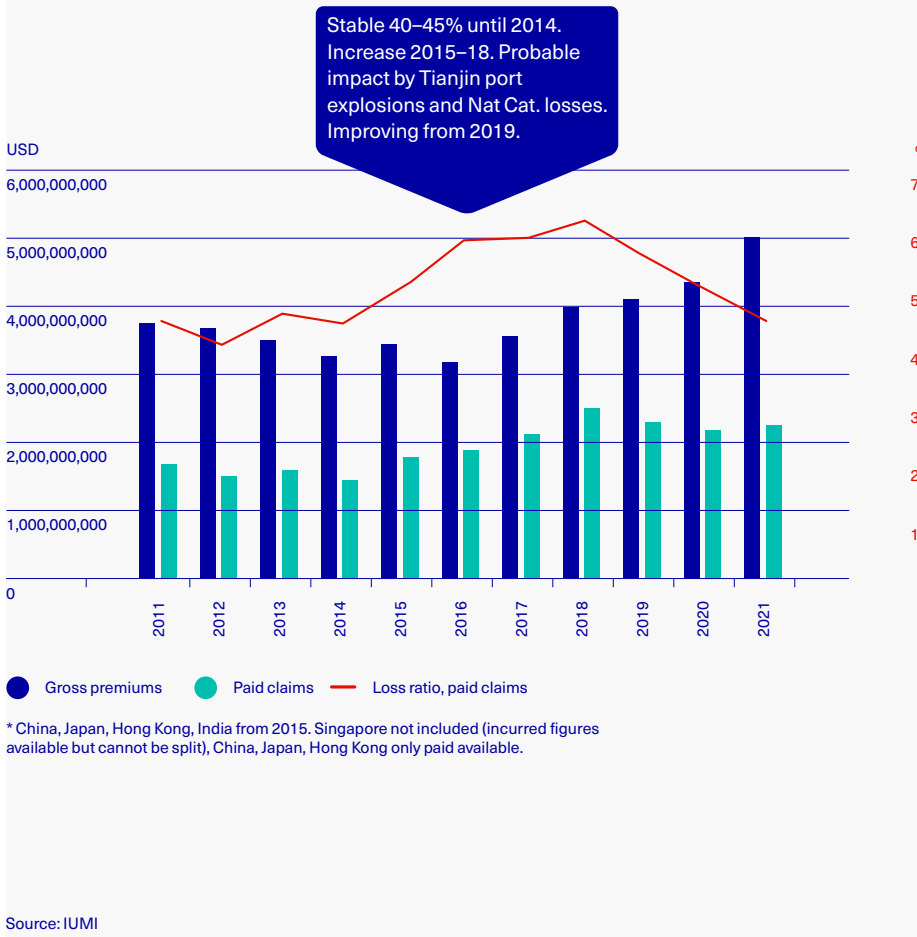


Chart 29: Cargo – Loss ratios accounting year – Asia*
Gross premiums, paid claims



Global offshore energy insurance

3.9 bn

USD global offshore energy premium in 2021.

In 2021 claims were lower than premiums collected.

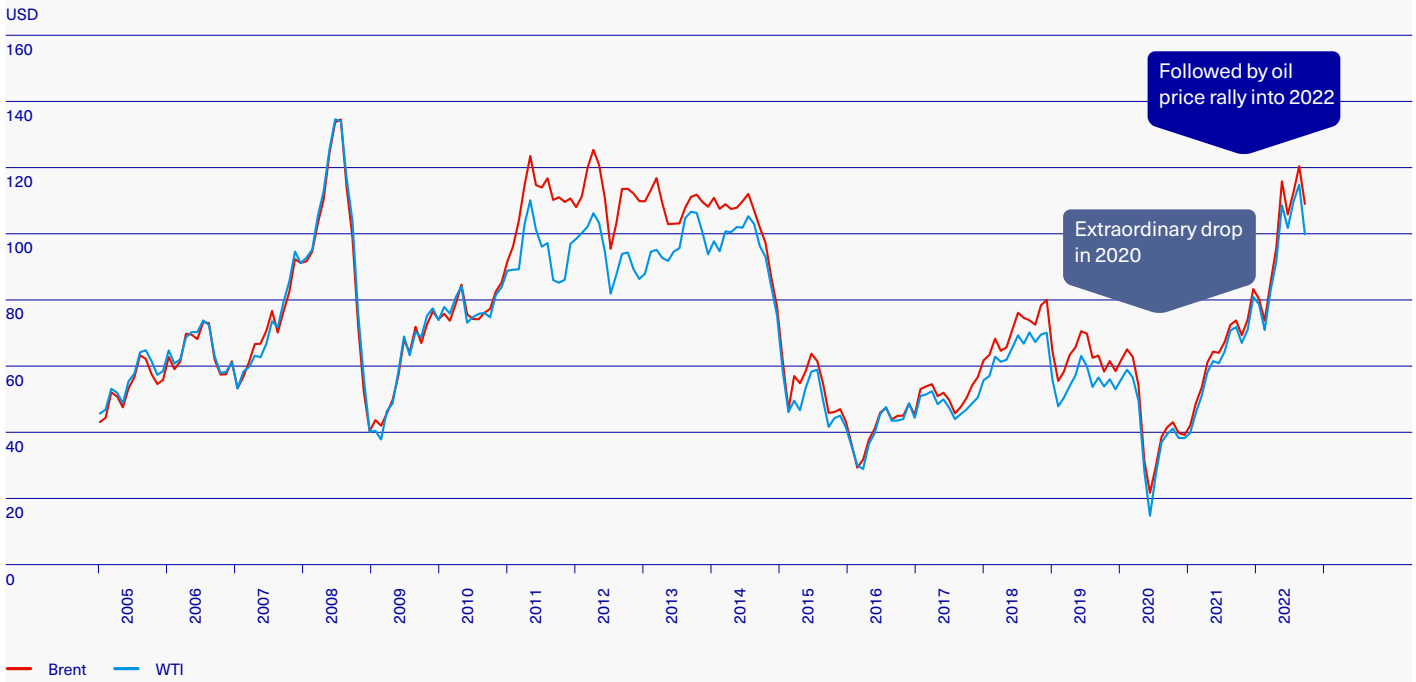
Second year of straight rises

Global premiums from the offshore energy sector continued to rise in 2021, reaching USD 3.9 bn, representing an 6.9% increase on 2020. This is the second straight year of rises, following a six-year period of declines (2014–2019). The demand for offshore energy insurance typically tracks oil prices as projects become viable. Historically, there is an 18-month time lag between improved oil prices and authorised offshore expenditure and unit reactivation. The recent oil price rally already led to an increase in activity by mid-2022 which may be expected to also influence the premium income positively in the offshore energy segment going forward. At the time of publication of this, oil prices remain high, but volatile.

Lloyd's of London and the International Underwriting Association (IUA) continue to command the majority of the market, with a respective 33.2% and 32.1% market share.

In 2021 claims were lower than premiums collected. However, a shadow still hangs over the offshore energy market in the form of potentially significant unquantified losses still to arise from 2019. Whilst in recent years we have seen a benign claims environment, it is not entirely clear yet as to whether we are seeing the full picture. This is due to an increasing backlog in claims reporting. In 2021 there was a reduced hurricane impact, but 2022 has been an active hurricane season. Risks and claims arising from unit reactivation may become bigger issue from 2022.

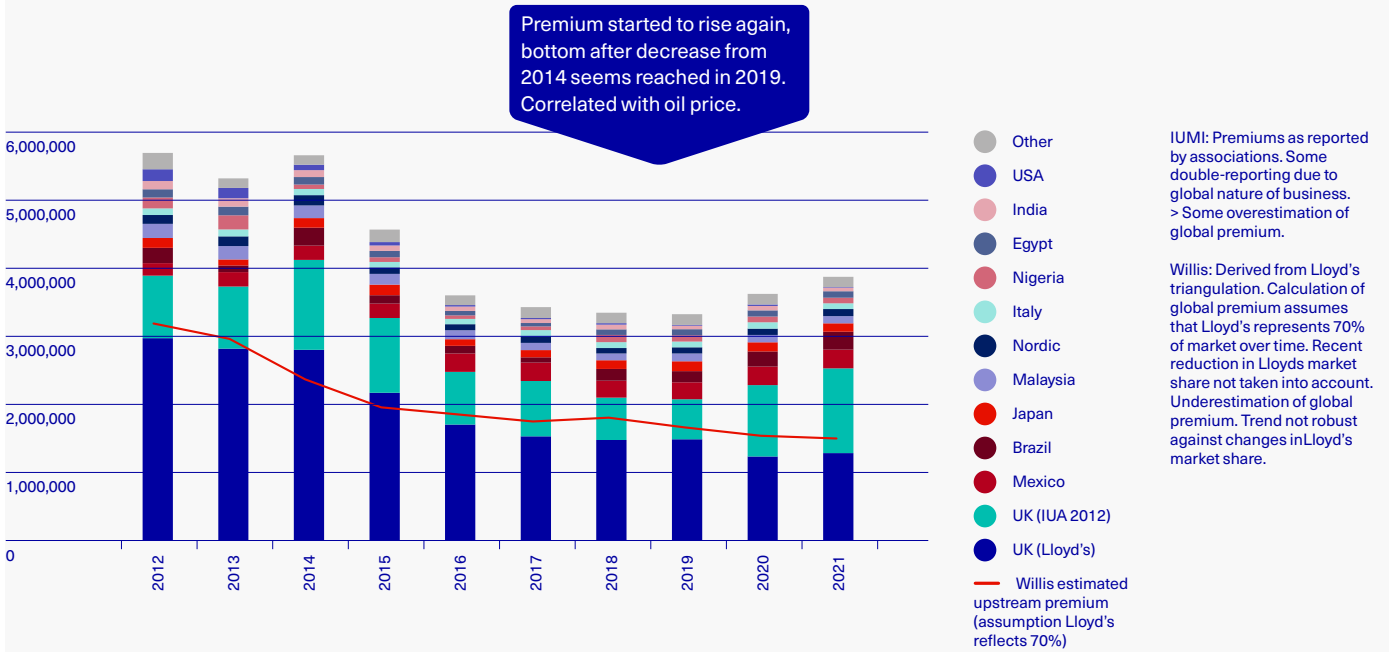
Chart 30: Average oil price per month (USD/bbl)
World Bank commodity price data, January 2005–July 2022



Source: [World bank commodity price data, 'pink sheet' data](#)



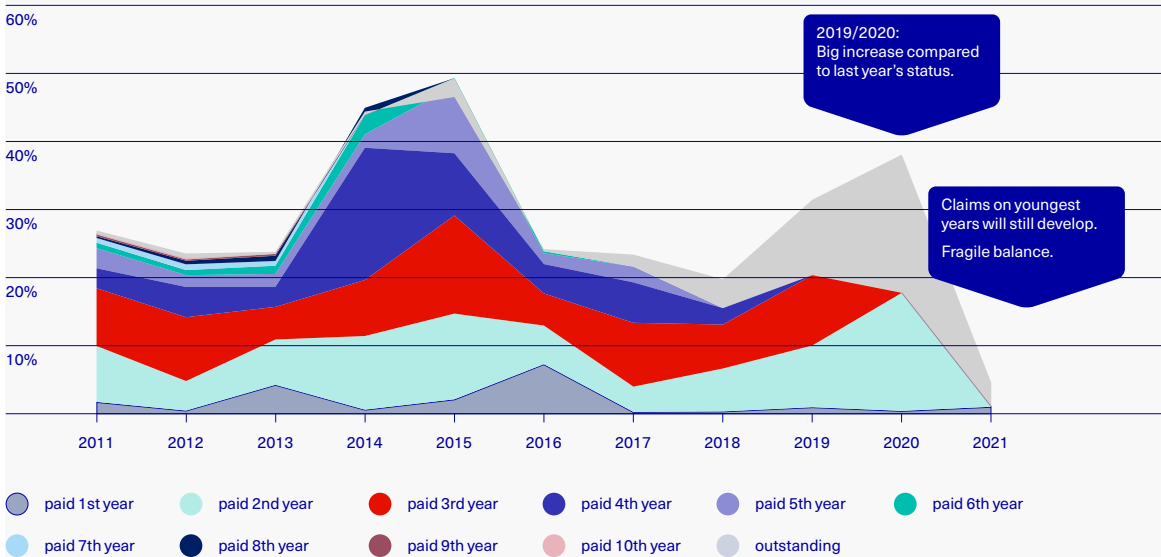
Chart 31: Offshore energy premium 2012–2021: bottom passed



Source: IUMI

Chart 32: Offshore energy gross loss ratios – Europe*

Underwriting years, incl. liability, paid and outstanding as reported by Dec. 2021

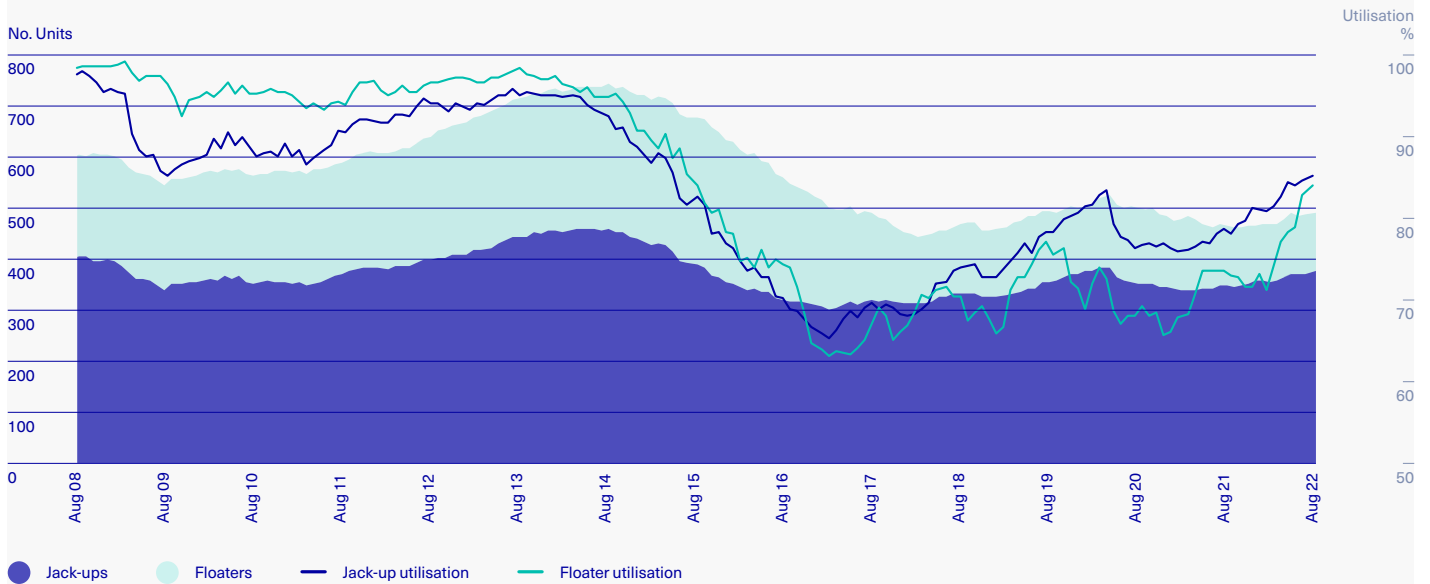


* Lloyd's, IUA, Nordic

Source: IUMI

Chart 33: Rig market overview: supply and demand trends

Rig demand and utilisation



Demand	Jan 21	Aug 22	% Change
Jack-ups	340	373	+10%
Utilisation	76%	85%	+9pp
Floaters	110	136	+24%
Utilisation	66%	84%	+18pp
Total Rigs	450	509	+13%
Utilisation	73%	85%	+13pp

Active supply	Jan 21	Aug 22	% Change
Jack-ups	446	439	-2%
Floaters	167	162	-3%
Total Rigs	613	601	-2%

Major claims database

11,000

11,000 records totalling
USD 17.3 bn of major losses.

This is the third year that IUMI has presented its major claims database analysis. Since last year, two new reporting countries have joined the project bringing the total to 27. The total number of claims records included have now reached around 11,000 representing total losses of more than USD 17 bn.

All participating associations are using a new template, leading to improved data quality and consistency across countries, particularly for new data, and for the location of loss.

Cargo underwriting is more evenly spread geographically than hull and so the cargo data collected is considered robust and reliable enough to be published for a third year. 13 data fields are now being reported on and, as a result, major cargo losses have been analysed with respect to loss severity, frequency, location and cause.

The reliability of the Hull loss data is now sufficiently robust to allow the publication of the first iteration of major Hull losses. These were presented at the Chicago conference and interestingly the Hull loss database represents two thirds of the loss record held.

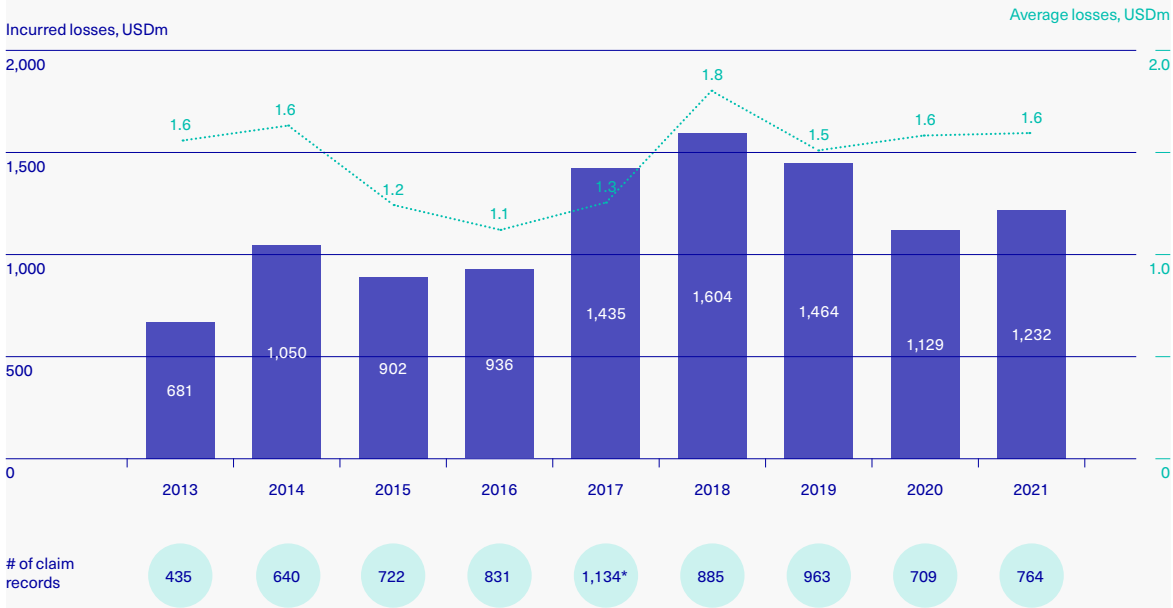
A corresponding chart for Hull loss value and volume (chart 34 on page 33) is now available in the same fashion as Cargo. Consequently, in addition to the Cargo charts included in this report we show the equivalent Hull versions for average loss, the split over different ranges of loss and number of claims and incurred losses by size and category.

The following charts have been produced through a close working relationship with IUMI Professional Partner, the Boston Consulting Group. IUMI wishes to thank the Boston Consulting Group and the IUMI project team members for their valuable contribution to the IUMI major claims database.

Chart 35 shows the number of cargo losses and their total and average value for the period 2013–2021. The average loss for 2021 at USD 1.4 m was the lowest in four years.

Note: Figures reflect the state of reporting and will likely change retrospectively as they are updated. Reported figures are as accurate as possible but may not be fully consistent for all countries. All data given is of an informational and non-binding character only.

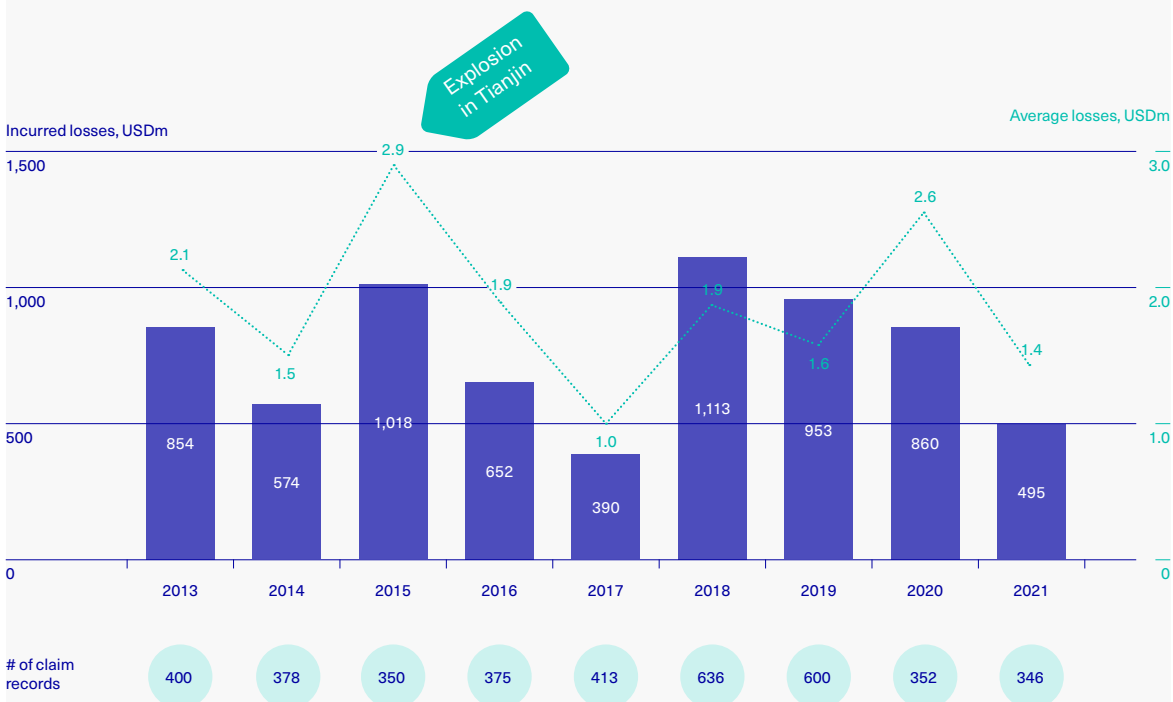
Chart 34: Hull – Incurred losses and average losses in the period 2013–2020
USDm



Note: More than 99% of all observations can be used for analysis
 * Number of claims in 2017 seems to be an outlier and therefore preliminary / under investigation

Source: IUMI Major Claims Database

Chart 35: Cargo – Incurred losses and average losses in the period 2013–2021
USDm



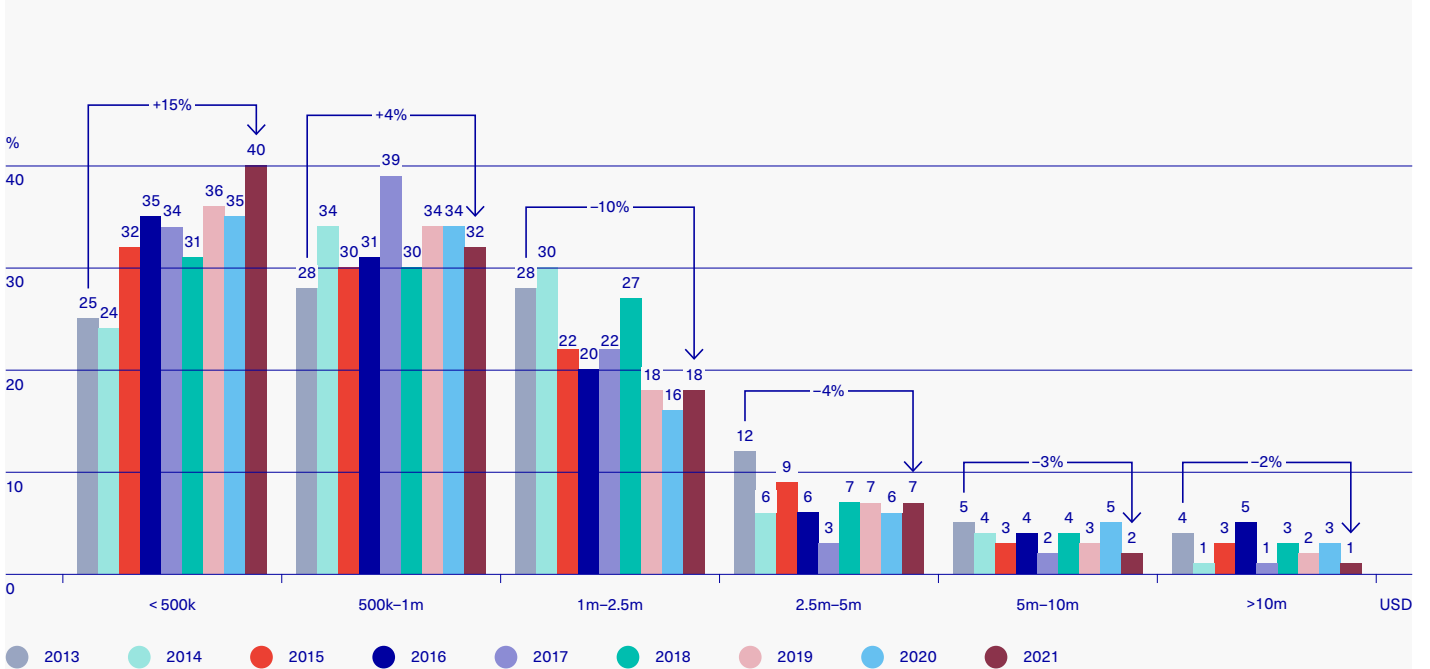
Note: More than 99% of all observations can be used for analysis

Source: IUMI Major Claims Database

Chart 36 records the number of losses within specific size buckets across the 2013–2021 period and also the percentage increase or decrease for that size of loss. It appears that smaller losses are increasing whereas larger losses are decreasing in number.

It appears that smaller losses are increasing.

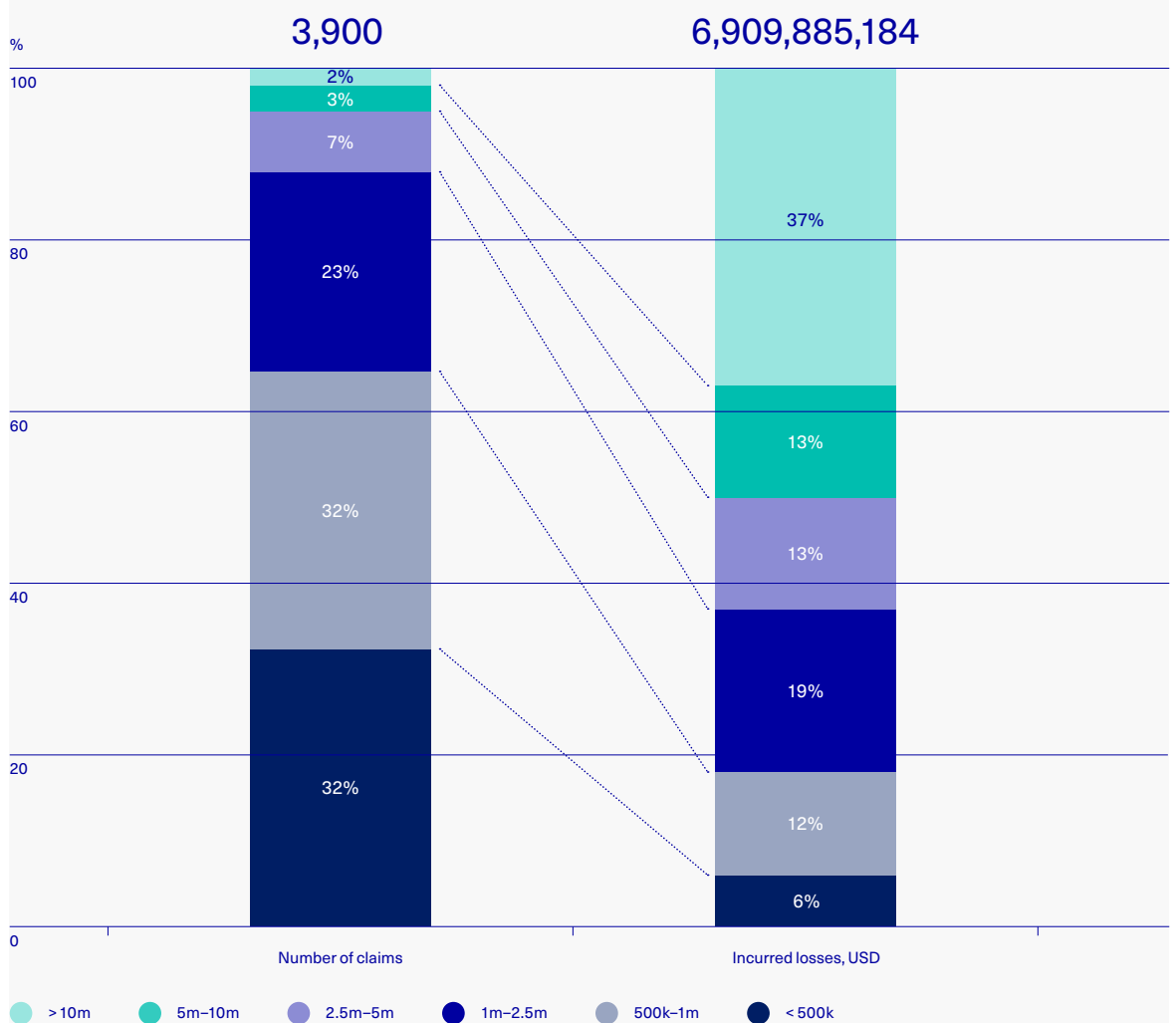
Chart 36: Cargo – Normalised* number of losses across different loss size buckets in the period 2013–2021



* Number of losses divided by number of claim records for every year
 Note: More than 99% of all observations can be used for analysis; Losses are categorized by individual claim records rather than aggregates/events
 Please note there may be minor discrepancies due to data sets being rounded up or rounded down.

Chart 37 compares the number of claims with the total percentage of incurred losses. For example, 32% of claims were below USD 500,000 and this accounted for 6% of the incurred loss total.

Chart 37: Cargo – Number of claims and incurred losses by size categories for the 2013–2020 accident years
Distribution of claims by claim size categories, %



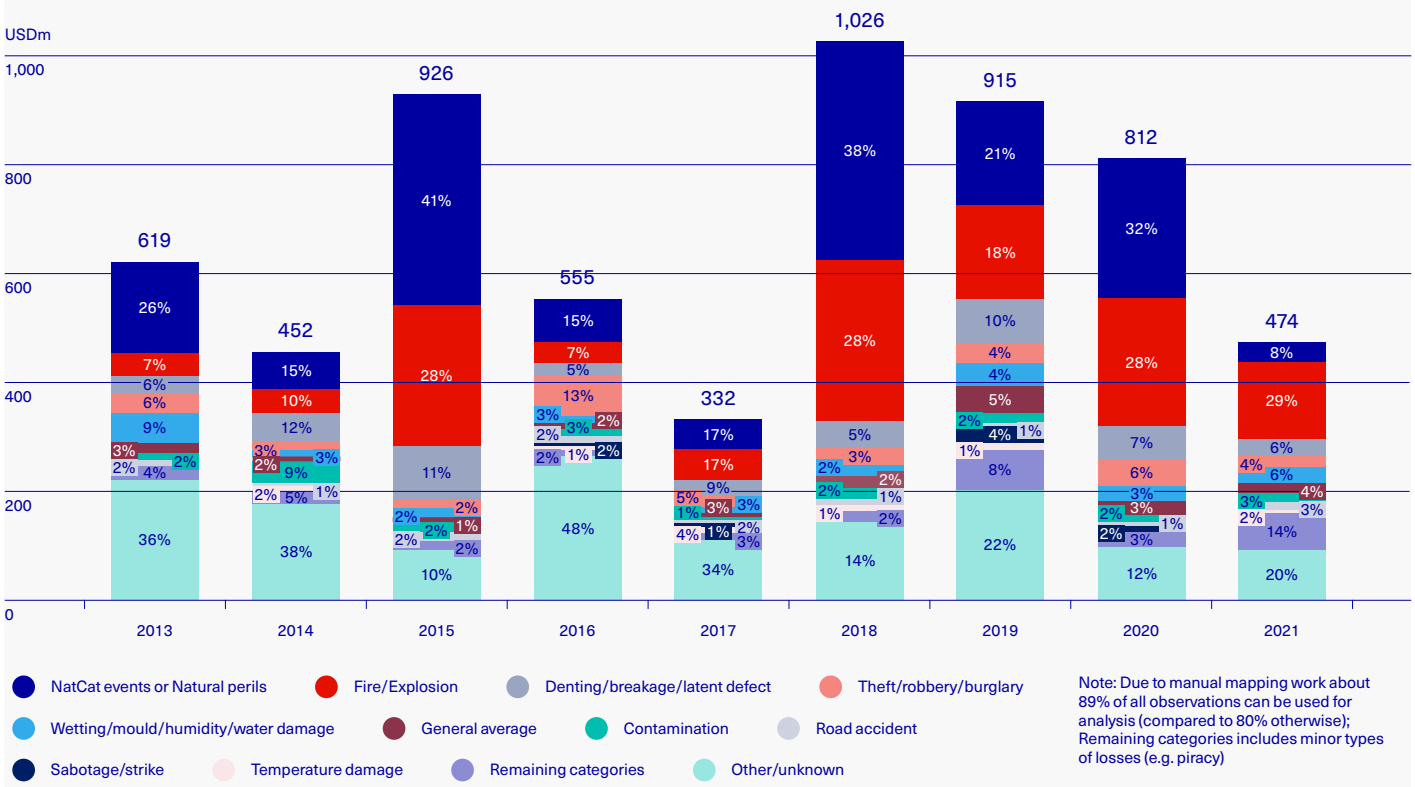
Note: 99% of all observations can be used for analysis;
Losses are categorized by individual claim records rather than aggregates/events

89%

Charts 38 – 40 give further breakdown and analysis of major cargo losses by type and also by mode of transport. It should be noted that charts 35 and 37 exclude the impact of nat cat events (which are included in other charts) to provide further analysis and detail.

Due to manual mapping work about 89% of all observations can be used for analysis.

Chart 38: Cargo – Top 10 major losses by type of loss in the period 2013–2020
USDm

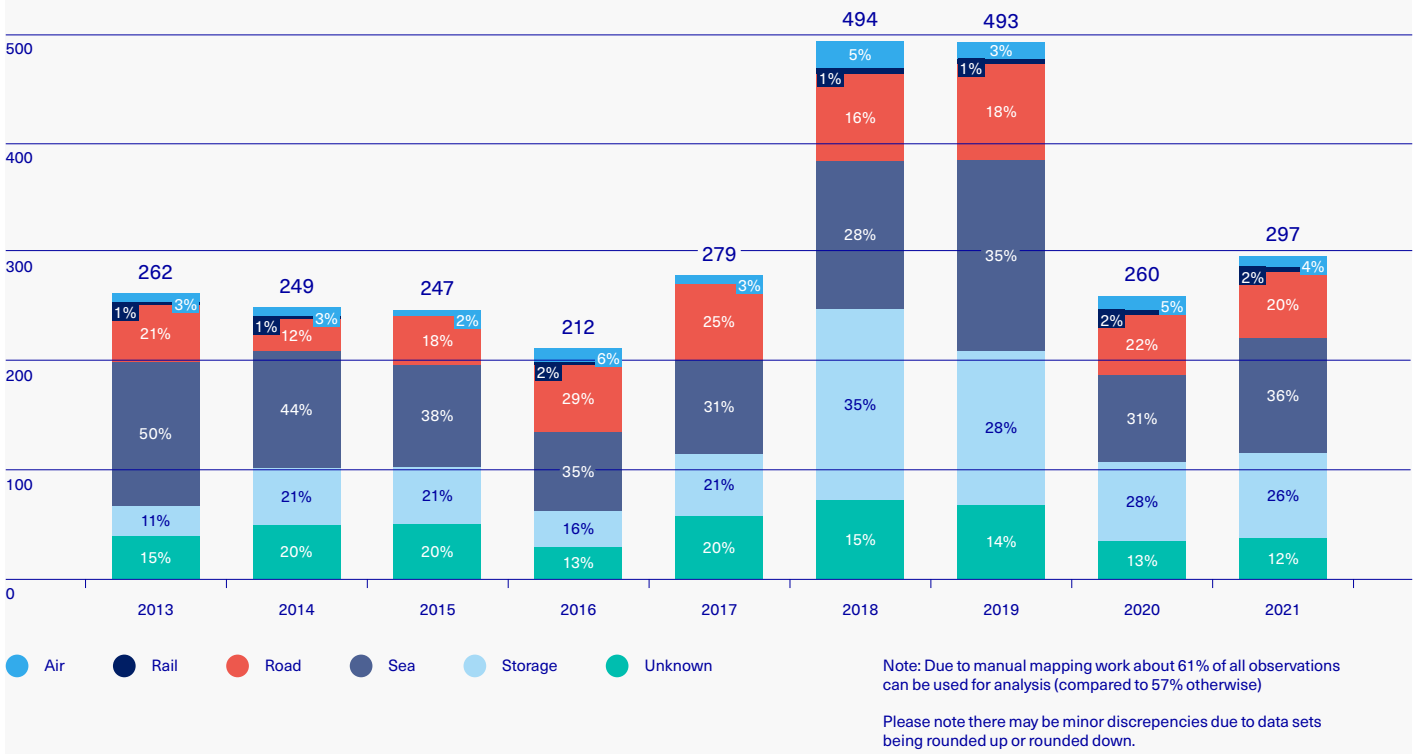


Note: Due to manual mapping work about 89% of all observations can be used for analysis (compared to 80% otherwise); Remaining categories includes minor types of losses (e.g. piracy)

Please note there may be minor discrepancies due to data sets being rounded up or rounded down.

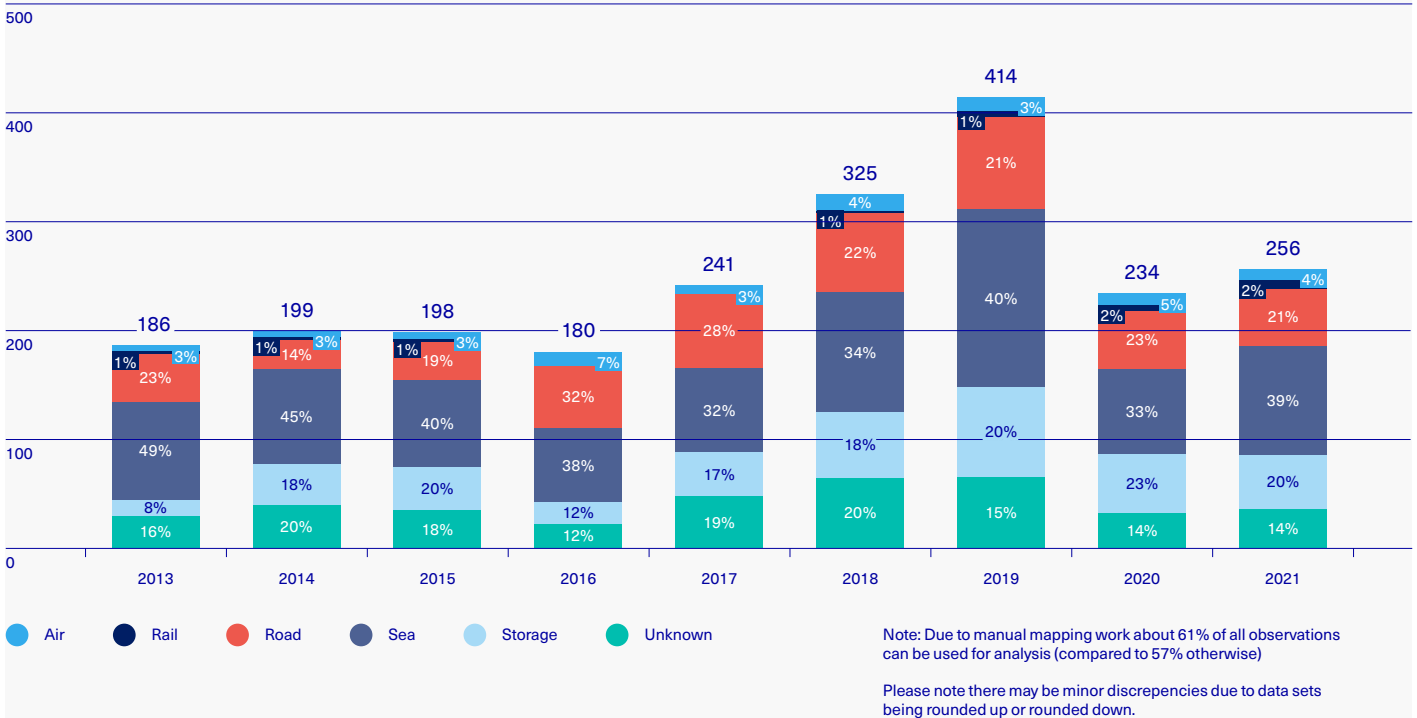
Source: IUMI Major Claims Database

Chart 39: Cargo – Number of losses by mode of transport in the period 2013–2021



Source: IUMI Major Claims Database

Chart 40: Cargo – Number of losses by mode of transport without NatCat events or natural perils in the period 2013–2021



Source: IUMI Major Claims Database

Notes

More information

Additional information such as marine premiums by country, loss ratio triangulations for cargo, hull and offshore energy, and hull and cargo inflation indices are available for IUMI members from the member statistics section of [IUMI's website](#).

Data sources

Information sources are clearly stated at the foot of each chart. IUMI thanks its partners who have kindly supplied charts or data for this document.

IUMI data

IUMI's total world-wide premium includes data from all relevant marine insurance markets in all continents. Loss ratio data is collected from a number of selected countries which are able to provide such data. Since 2017, IUMI has been adding information about accounting year loss ratios from major Asian and Latin American markets and in 2021 also from the US, in addition to the underwriting year loss ratios reported from major European marine insurance markets.

Care should be taken when making comparisons with earlier figures as data coverage varies in different years and a number of figures will be updated retrospectively. Underwriting year results do develop over a couple of years due to a time lag in claims reporting and payments. The ultimate results as presented in the graphs for the youngest years are thus estimates derived from typical historical development patterns. When interpreting statistics, caution should always be applied regarding what the data actually relates to.

IUMI stresses that all figures released by IUMI's Facts and Figures Committee are global market sums or averages. While these reflect the average performance of the marine insurance market, individual companies' or countries' results may differ substantially. As with all averages, individual underwriting units may over or underperform compared with the average. IUMI does not make any statements about what actual applied premium rates were or should be. The aim of IUMI is solely to provide data as available and raise awareness for the importance of a critical evaluation of the risks covered.

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About IUMI

The International Union of Marine Insurance (IUMI) represents 44 national and marine market insurance and reinsurance associations. Operating at the forefront of marine risk, it gives a unified voice to the global marine insurance market through effective representation and lobbying activities. As a forum for the exchange of ideas and best practice, IUMI works to raise standards across the industry and provides opportunities for education and the collection and publication of industry statistics. IUMI is headquartered in Hamburg and traces its roots back to 1874.

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