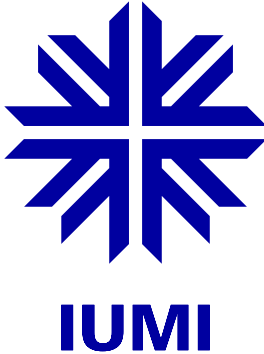




View from IUMI



IUMI's Priorities 2019



IUMI's Priorities – 2019 and beyond

Members - Serve our members well, stay highly engaged, and seek opportunities to expand our network.

Education - Establish IUMI as an Educational provider of technical marine insurance skills

Data and Digitalisation - Recognised for high quality statistical data. Help our members prepare for a digital world

Advocacy and Lobbying - Act as the voice of the marine insurance industry, represent members' interests. Work closely with affiliates.

Communications – Utilise multimedia to engage with members and the industry, and increase our profile

Members

Serve our members well, stay highly engaged, and seek opportunities to expand



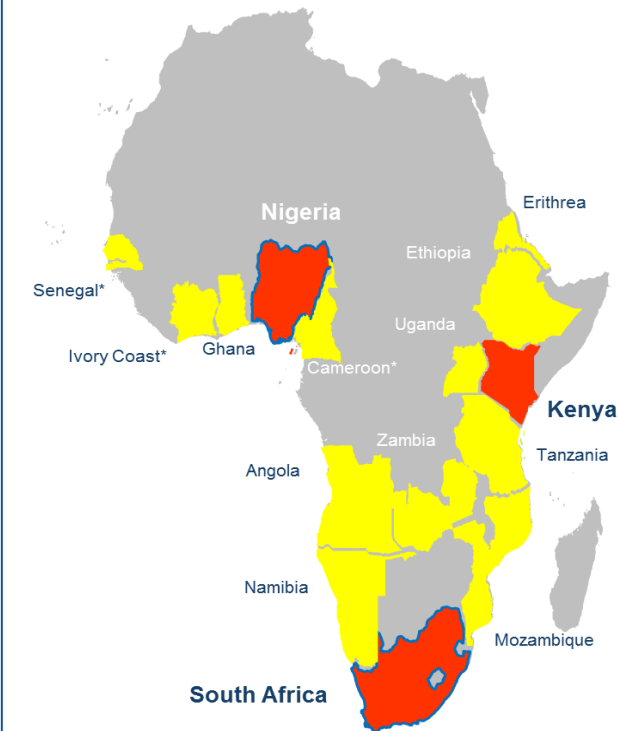
Welcome to the 2019 IUMI ASIA FORUM



IUMI's 2nd
Asia Forum –
held in
Shanghai



IUMI AFRICA STRATEGY PRIORITY 1 COUNTRIES

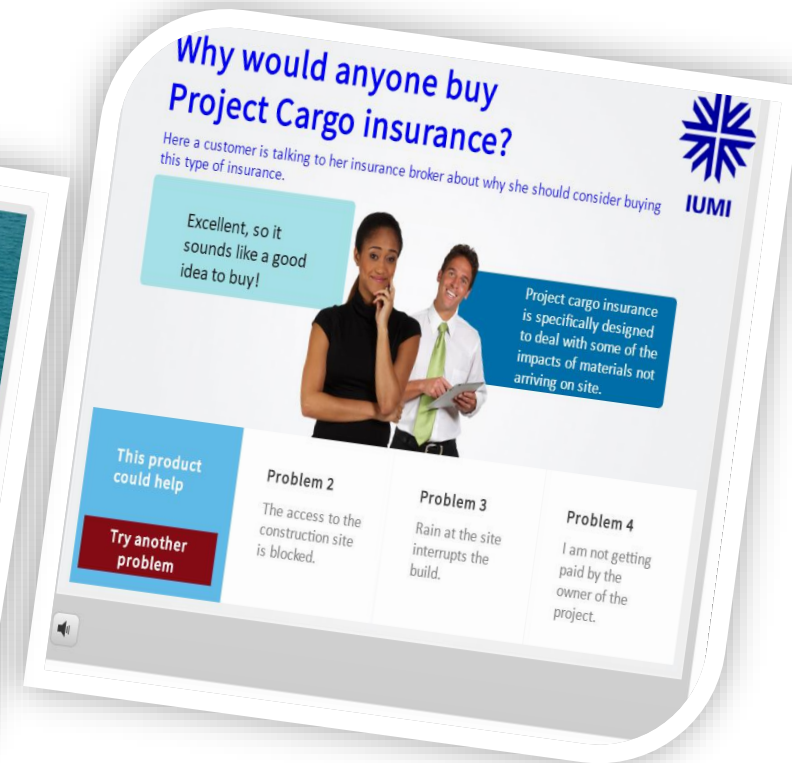
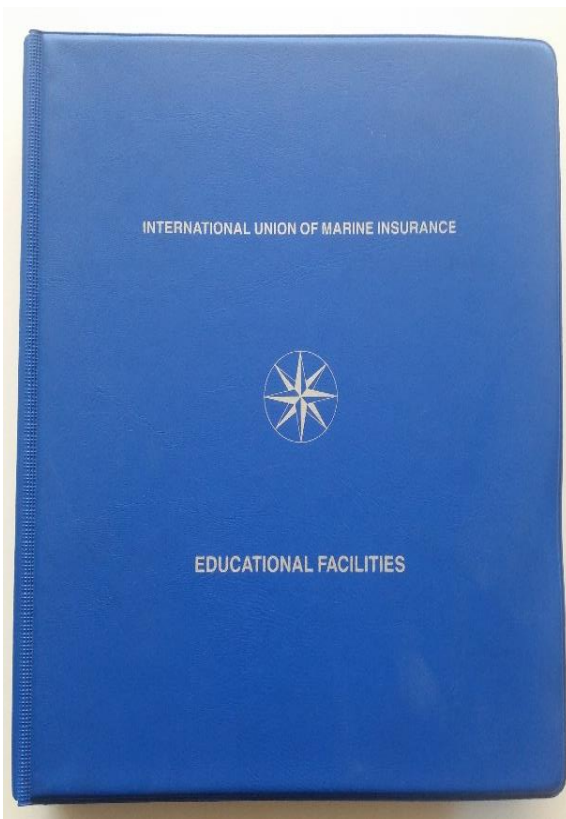


ALSUM

ASOCIACIÓN LATINOAMERICANA
DE SUSCRIPTORES MARÍTIMOS

Education

Establish IUMI as an Educational provider of technical marine insurance skills



IUMI Education Programme



- 2014/15: Education identified as a major objective for IUMI
- Membership survey to identify needs:
 - ✓ Webinars
 - ✓ Online tutorials
 - ✓ In-class instruction
 - ✓ National education initiatives
 - ✓ IUMI database
- 2016: Education Forum established



Online tutorials



- First IUMI Online Tutorial launched in 2018!
- IUMI Online Cargo Tutorial
- 11 modules covering all aspects of cargo insurance
- Registration open to all interested students (not only marine insurers)
- 60-80 hours to work through all modules



Online tutorials

Hull tutorial



- Launched March 2019
- 13 modules
- Optional exam → IUMI Certificate
- 650 EUR IUMI members
- 1,040 EUR non members



Webinars

Recordings & slides free of charge at:

<https://iumi.com/education/webinars/webinar-recordings-and-slides>



The screenshot displays a web browser window with the URL <https://iumi.com/education/webinars/webinar-recordings-and-slides>. The page header includes the IUMI logo and navigation links: About, Committees, Education, Events, Opinions, Statistics, News. A search bar and a 'Login' button are also present.

The main content area features three articles, each with a 'Read more' button:

- The 2020 Low Sulphur Limit – Potential Consequences to Marine Insurers**
Machinery damage is the most frequent cause of loss in marine insurance. 40% of hull claims, by number, are due to this cause...
[Read more >](#)
- Effective export packaging**
Effective export packaging is a crucial component to ensure that cargo arrives at its destination intact and without any damage. To pack products appropriately for their transport, several factors need to be taken into consideration:
[Read more >](#)
- Humidity management during the transport of goods in containers**
In this webinar Captain Uwe-Peter Schieder, Loss Prevention Manager at GDV (German Insurance Association) discusses effective ways to manage humidity during the transport of goods in containers to prevent loss and damage of cargo.
[Read more >](#)

There is also a blue promotional banner on the right side of the page:

The New Low Sulphur Marine Fuels
for Compliance with the 2020 IMO Emission Control Regulations
& the **Impact** to Insurance Market & Machinery Claims

Accompanying images include a wooden crate on a pallet and a collage of images related to humidity and cargo damage.

Data and Digitalisation

Recognised for high quality statistical data. Help our members prepare for a digital world.

An analysis of the global marine insurance market 2018



STATS



President's Workshop – Digitalisation
What does the future hold for Marine Underwriting?

Marine Premiums 2018

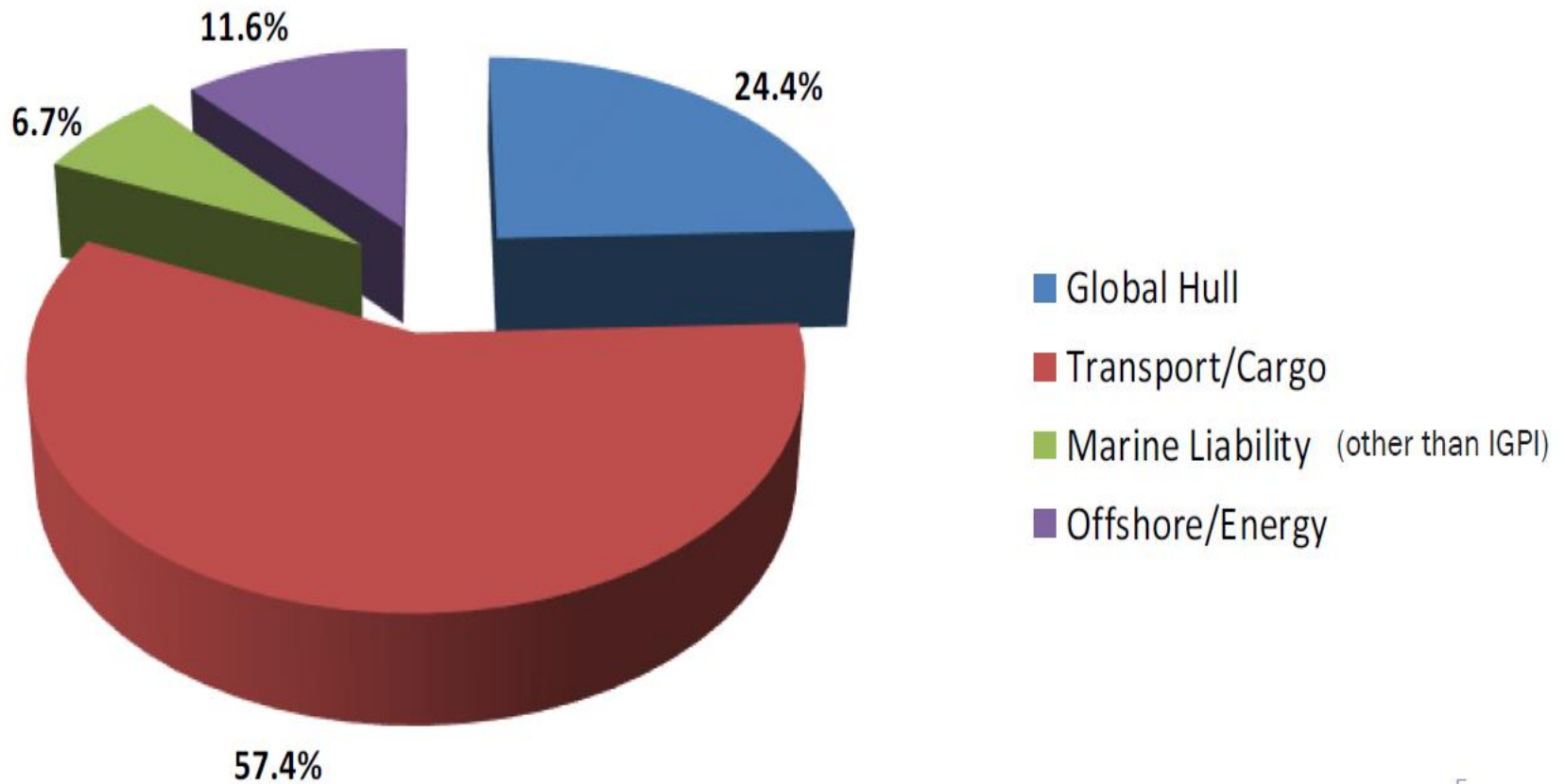
by line of business

15 - 18 SEPTEMBER
TORONTO 2019

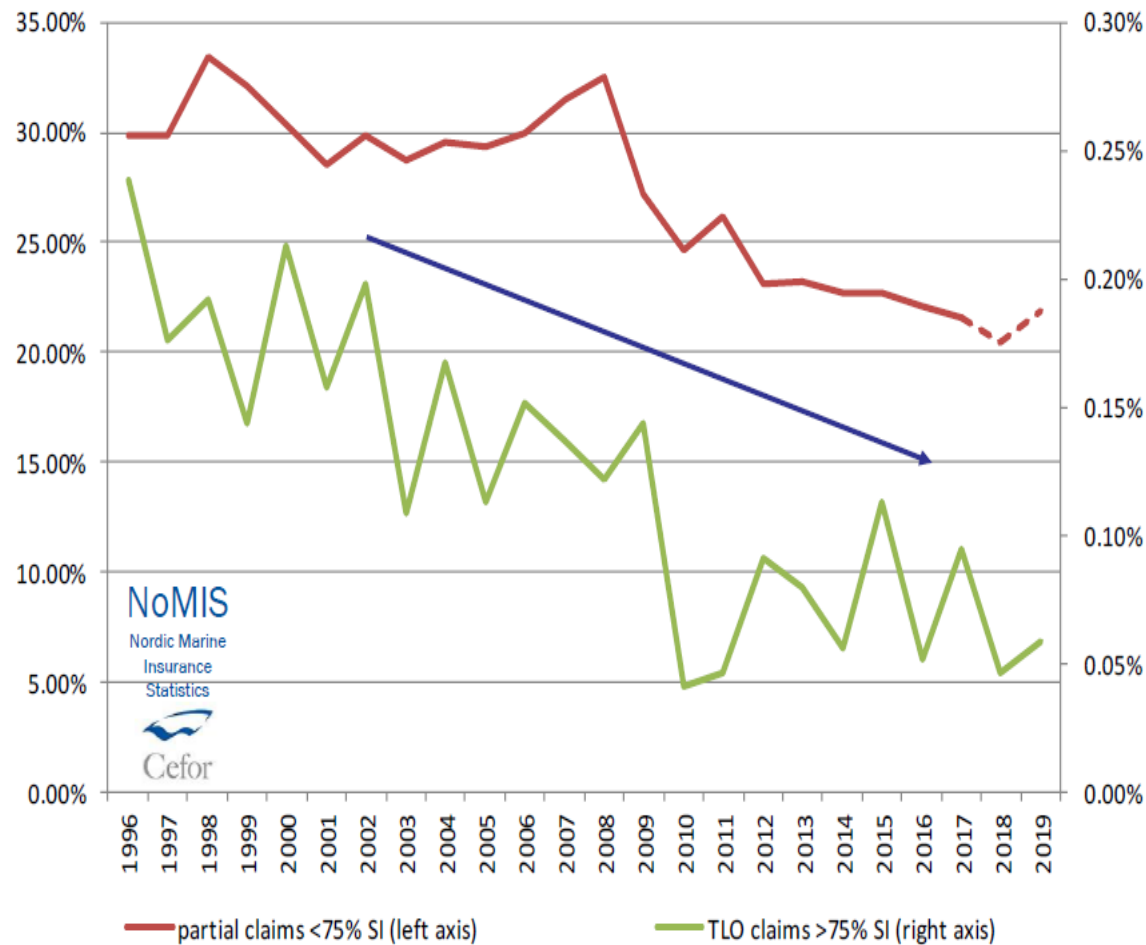


Total estimate 2018: 28.9 USD billion / Change 2017 to 2018: +1%

NB: Exchange rate effects!



Claims frequency

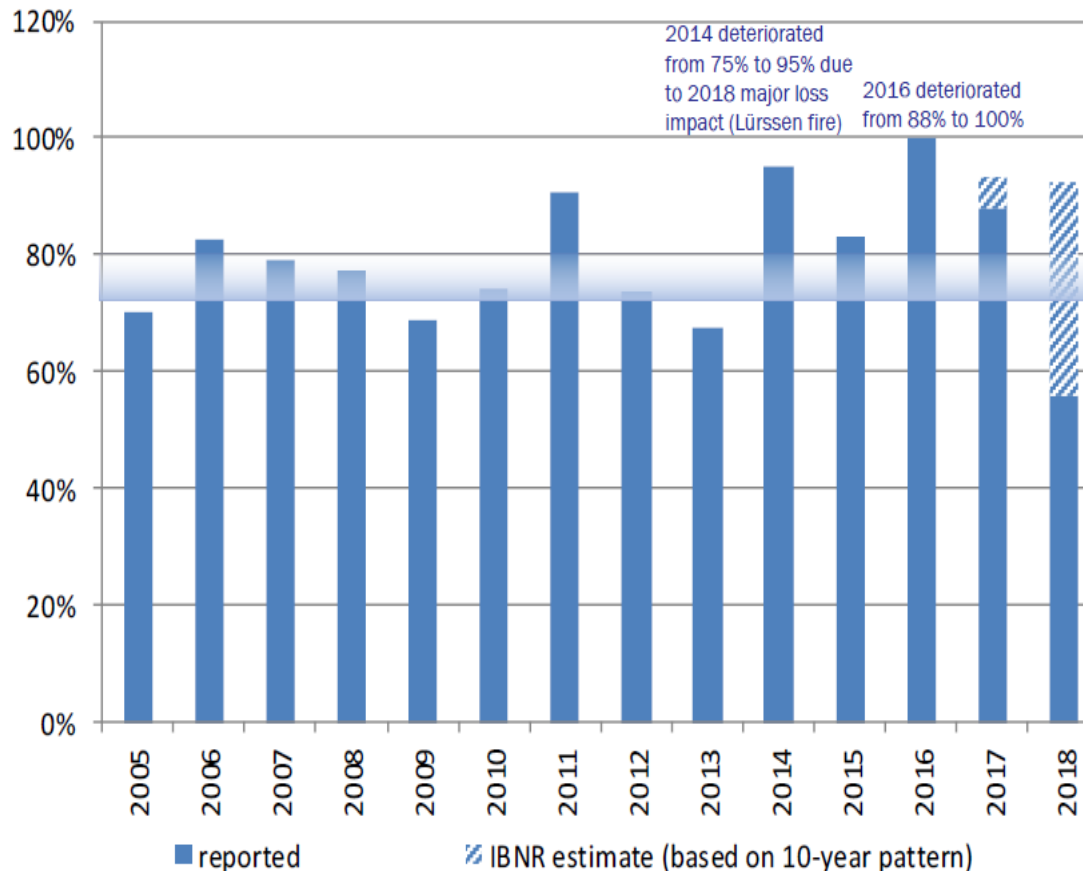


Claims frequency (all claims)
Long-term downward trend, stabilizing around 22%.
Some increase in 2019, but not exceeding this level.

Total losses
Long-term positive trend.
Stabilizing at low level
0.05% - 0.1%.

Ultimate Gross* loss ratios Hull Europe** (& some US)

Underwriting years 2005 to 2018, gross premiums, paid+outstanding claims



2014-18: Unsustainable level.

Overcapacity, dropping vessel values and reduced activity influenced income negatively.

Yacht damage (hurricanes) impacted 2016/17.

Few major claims, but attritional losses erode (reduced) income.

What to expect for 2019 ?

- Income recovering (from unsustainable level!)
- Major losses return (cost).
- Result = ?

*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), Spain (until 2007), UK, some US data

IUMI Major Claims Database



- Joint project between IUMI and Boston Consulting Group
- A pilot project was introduced in Cape Town introduced
 - Threshold \$250.000 for hull and cargo (100% of the gross loss)
 - Only hull and cargo are in scope at this stage
 - Data collection via associations
- 6 member associations participating in pilot – Japan, Singapore, Sweden, Germany, Netherlands, Belgium
- More associations expected to follow



Major Claims Database successfully piloted in 2018

15 - 18 SEPTEMBER
TORONTO 🇨🇦 2019



going into 2nd year with additional participants



Hull



Cargo

Countries



Data fields

- Date of accident
- Underwriting year
- Loss amount
- Type of loss
- Location of loss
- IMO number
- Vessel name
- Vessel type
- Event name

- Date of accident
- Underwriting year
- Loss amount
- Type of loss
- Location of loss
- Mode of transport
- IMO number
- Vessel name
- Type of cargo
- SIC codes
- Event name

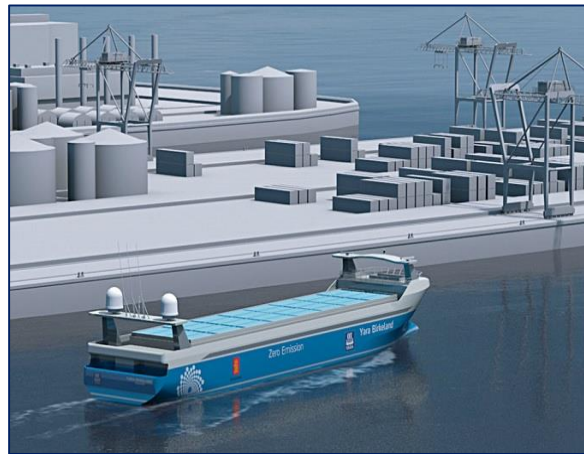
Claims count

3,289

1,386

Advocacy and Lobbying

Act as the voice of the marine insurance sector. Represent members' interests. Work with affiliates.



Advocacy IUMI at work...

Global Maritime Forum
(joint paper with Marsh)



**Global
Maritime
Issues Monitor
2018**

 GLOBAL MARITIME FORUM   IUMI International Union of Marine Insurance

Making the case at IMO



Fires on Container Vessels – avoidable?

Lars Lange, IUMI Secretary General
IMO MSC 101, Wed, 05 June 2019,
London



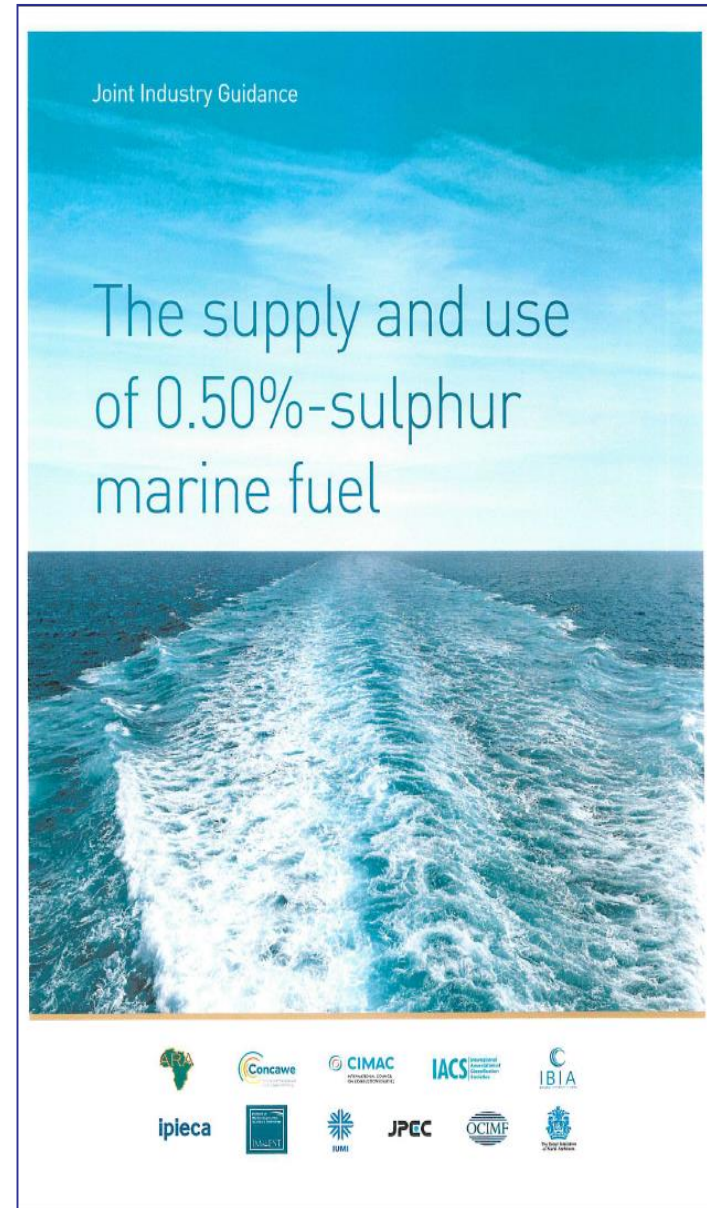
Fires on Container Vessels – avoidable?

Way ahead

IUMI would like to address all these challenges short-term together with all relevant stakeholders


- Procedures to avoid misdeclaration
- Regulation to improve detection
- Regulation to improve fire-fighting capabilities on-board
- Means to segregate a fire on-board – fire compartments

Collaborating with Affiliates



Joint Industry Guidance

The supply and use
of 0.50%-sulphur
marine fuel



Communications

Utilise multimedia to engage with members and the industry, and increase our profile



Quarterly news from the International Union of Marine Insurance

Issue 22 — September 2018
Cape Town Conference Edition





- 2 Message from the President
- 3 IUMI announces nomination for new President
- 3 Next stride forward for IUMI Education Programme: Online Cargo Tutorial now live!
- 4 Insurance for Arctic sailings
- 5 Places of refuge: IUMI supports EU paper to IMO MSC 100 in December 2018
- 6 Revised guidelines on fatigue agreed
- 7 Mutual recognition gives reason for ongoing caution
- 8 IUMI participation in MARCOM Maritime Security Symposium
- 9 Best Management Practices (BMP) 5
- 10 South Africa: the local fishing vessels and pleasure crafts market
- 12 People at IUMI: Eric De Smet
- 13 IUMI EYE Q&A: With Charo Coll International Salvage Union (ISU) President
- 14 IUMI and CINS discuss common ground

- 15 Machine Learning for Marine Insurance
- 16 Where and How: Accurately Assessing Cargo Risk
- 17 Building Super Models for Marine Insurers
- 18 Container vessels urgently need better regulation to enhance fire safety
- 20 Final round of input to revised Incoterms® 2020
- 20 UAE Insurance Association to join IUMI
- 20 EU proposal on e-freight documents
- 20 Imprint



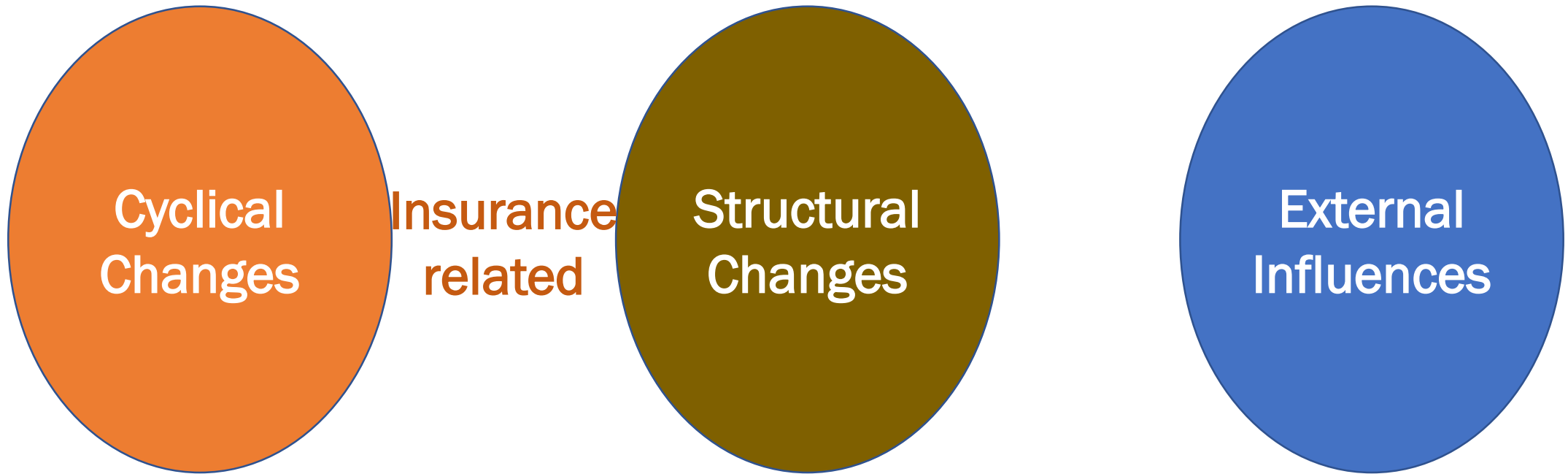
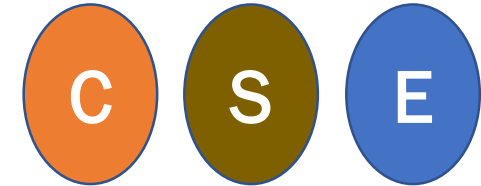
15 - 18 SEPTEMBER
TORONTO 🍁 2019



Introduction of the Common Theme “Confronting the Chaos for a Sustainable Future?”

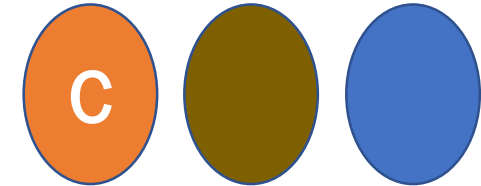


Confronting the Chaos for a Sustainable Future?



Threat or Opportunity?
Short Term or Long Term?

The Marine insurance market is going through a painful period of readjustment



- **Supply and Demand equation**

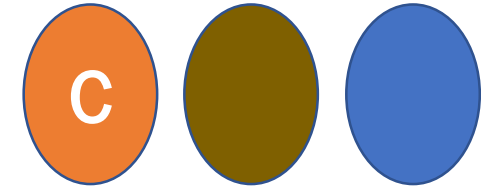
- Supply of capacity out of balance to the demand for insurance for a prolonged period
- Sustained period of unprofitability...
- Leading to a contraction of “Supply” of capacity
- Remaining capacity deployed with more discipline?

- **Impact on People’s jobs**

- Loss of expertise from the market

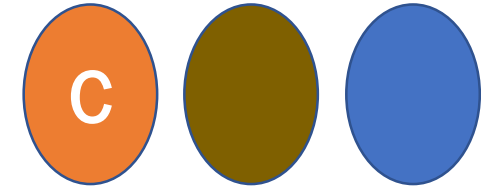


The Marine insurance market is going through a painful period of readjustment



- **Data is more accessible**
 - It's easier to see what's going on in portfolios
 - There are no hiding places!
 - Affects the drive and pressure on remediation actions
- **No sentiment!**
 - Marine insurance must earn its right to attract and retain capital

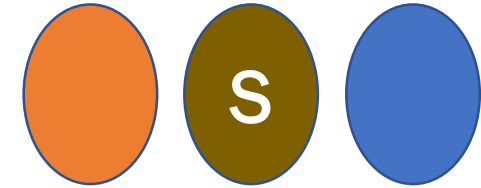
The Marine insurance market is going through a painful period of readjustment



- **31** underwriting entities have either pulled out or severely restricted their marine underwriting since 2017
- **21** of those since we sat in Cape town in 2018
- In either Hull or Cargo and in Europe , North America and Asia
- Markets have reacted with reports of positive pricing



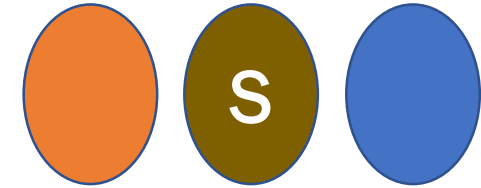
The way our business works is changing in lots of ways



- Development of digital risk assessment techniques
- Changes to products and coverage
- Online placement of risks
- What does it mean to be an underwriter in the World of tomorrow?

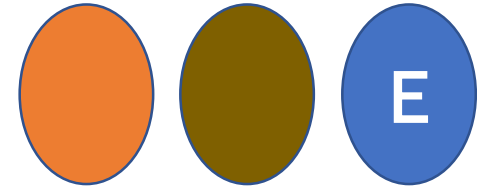


The way our business works is changing in lots of ways



- Growth of the Asian market
- Insuring bigger ships
- Concentrated aggregation of values on ships and in ports

External pressures – A few days in August....



**“Maersk warns
trade war could
hurt container
business”**

Reuters 15/08/2019



**“Cocktail of
global risks
sends European
stocks
tumbling”**

Marketwatch 13/08/2019

**“Chinese
investment in
Europe slides 84%
in H1 2019”**

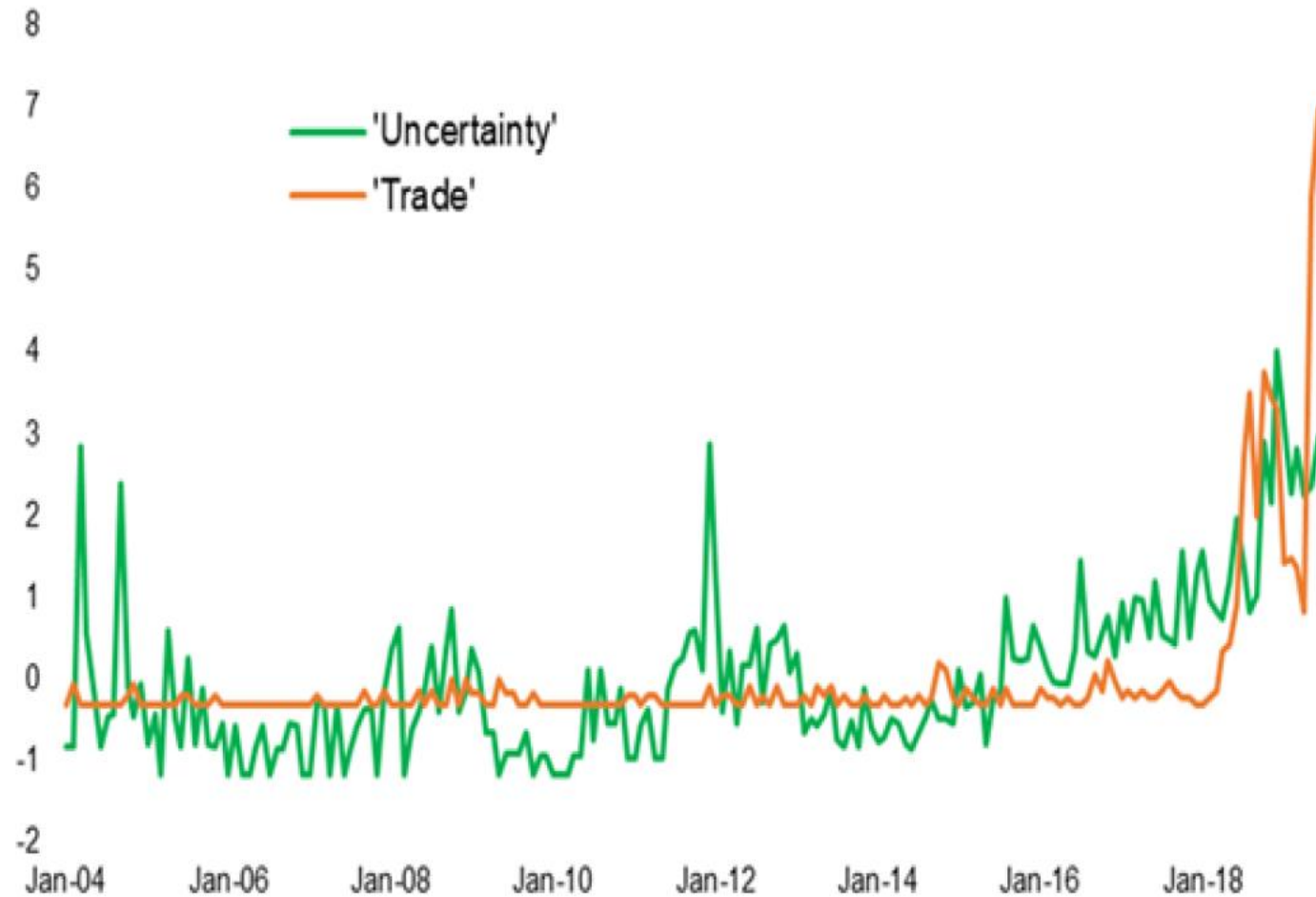
The Star online 15/08/2019

**“SINGAPORE 2ND
QUARTER GDP
FALLS 3.3%, CUTS
2019 GROWTH
FORECAST”**

CNBC 13/08/2019

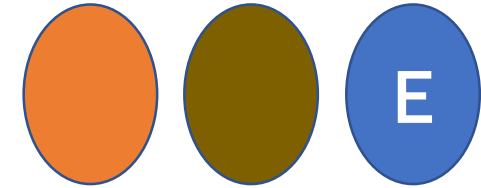
Words cited by global PMI contributors in survey responses

z-score

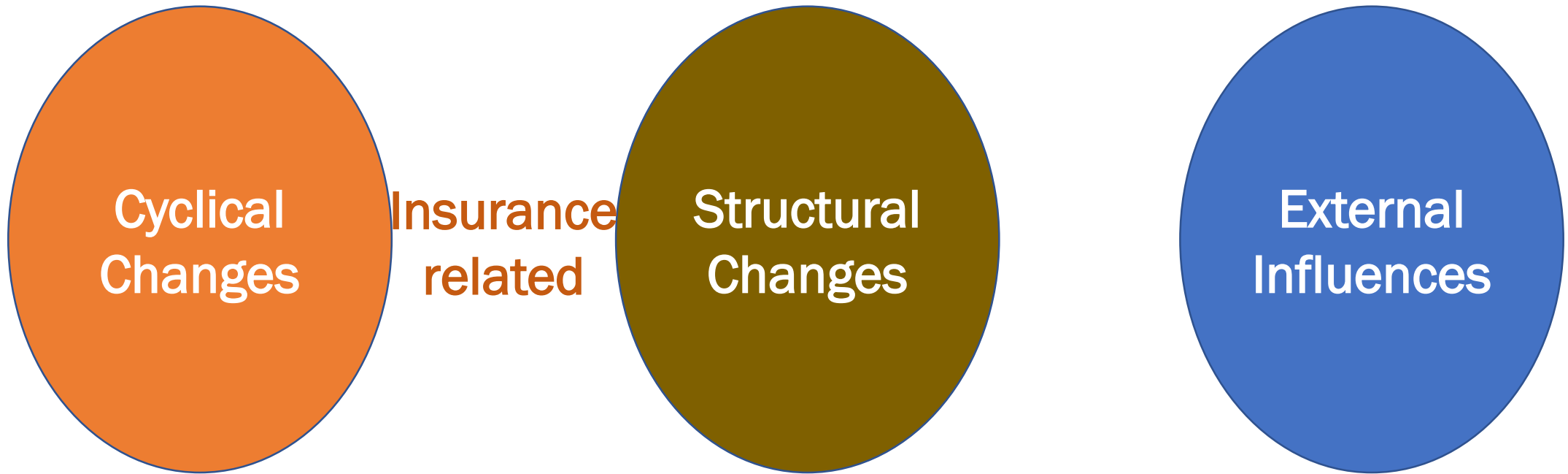
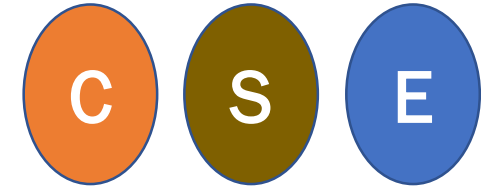


Source: IHS Markit.

External pressures – Growth in Protectionism



Confronting the Chaos for a Sustainable Future?



Threat or Opportunity?
Short Term or Long Term?



That's it!

