



## **IUMI 2008 Vancouver**

### **Press Release**

### **Facts and Figures Committee**

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Reported global 2007 insurance premium for global hull, transport/cargo, marine liability and offshore energy reached approximately 22.8 billion USD (accounting year). This figure is exclusive of reinsurance business and mutual P&I clubs. The reported figures represent some 97% of the total direct marine premium written by all IUMI members.

This reported 2007 figure represents a 9.8% increase compared to 2006. Especially hull and cargo experienced a strong growth of respectively 12% and 11.7%. Growth for marine liability and offshore energy remained slightly below 3%.

However, after neutralising the exchange rate impact, the overall increase is estimated to be only 5%, with 9% growth in hull, 5% in cargo and nil in marine liability and offshore energy.

All marine lines of business benefited also in 2007 from the booming world trade. Since 1997 the world trade of goods has increased substantially: 55% in volume and 152% in value. Unfortunately, the generated increased exposure for marine insurers has not generated a corresponding increase in premium volume. This is even more remarkably for cargo, for which the gap widened again this year.

Global hull gross loss ratio, i.e. before acquisition costs, capital costs and management expenses, is expected to end up around 84% for underwriting year 2007. Consequently, the combined ratio is again expected to exceed 100%. While underwriting year 2006 was hit by an exceptional number of major losses, the 2007 underwriting year so far especially suffers from the further increase in both the number and cost of attritional claims.

The 2007 transport/cargo gross loss ratio is expected to end up at 63%, which represents a serious deterioration compared to its 53% level expected for 2006.

During the IUMI conference 2008 due to take place in Vancouver from September 15<sup>th</sup> to 17<sup>th</sup>, representatives from the marine insurance industry will meet and discuss current developments and challenges on an international level. The Facts and Figures Committee Open Forum will focus on Solvency II with two speakers: Anne Chevalier, Actuarial Specialty Lines at Partner Re and Phil Ellis, Group Actuary at Amlin plc.