



# SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



## Marine Insurance Premiums Rising

Global marine insurance market premiums are on the rise according to the newly-released “[Stats Report](#)” published by the International Union of Marine Insurance (IUMI).

It found that premiums in 2023 totalled US\$38.9 billion, a rise of 5.9% on 2022. Development was seen across all lines of business. Drivers included a continued rise in global trade volumes and values (cargo), coupled with increases in vessel values (hull), and the increase in the price of oil which encouraged more activity in the offshore energy sector.

The IUMI annual document reports on the health of the marine insurance sector within the framework of the global economy, trade and shipping. Data is gathered from a number of agencies including IUMI’s own sources and is analysed and presented with some additional commentary.

Apart from the rise in general premiums, other highlights from the September 2024-released report include:

- ocean hull premiums were reported at US\$9.2 billion, up by 7.6% on the previous year. More activity, more vessels, rising values and reduced market capacity were responsible. Claims continued to be low, resulting in positive loss ratios for all regions, although 2023 loss ratios show some deterioration which can be attributed to the impact of inflation on repair costs. Fires on large vessels continue to be a concern
- premiums for cargo insurance reached US\$22.1 billion, representing a 6.2% uptick on last year and continuing the trend for market development in this sector. This was on the back of healthy global trade growth. 2023 loss ratios were also positive and started at their lowest point since 2017
- the offshore energy sector continued its run of premium base growth, reflecting the rally in the oil price – and reported US\$4.6 billion for 2023, an increase of 4.6%. Increased activity had not yet resulted in substantially more claims, and loss ratios were positive and relatively stable, although 2023 figures were starting from a higher point than in previous years and claims costs typically take several years to develop.

The report also provided an update on IUMI’s Major Claims Database which contains data from 2013 onwards. A total of 28 national insurance associations are now contributing and cargo observations total 6400, representing US\$10.9 billion spanning 12 data fields.

Hull data extends to 10,300 observations and US\$14.6 billion in cumulative losses. Losses are analysed with respect to loss severity, frequency, location and cause.

Commenting on this year’s report, IUMI secretary general Lars Lange said: the data relating to 2023 “demonstrates positive market development for all lines of marine insurance”.

“The global premium base continued to grow and this, coupled with a relatively benign claims environment, generated encouraging overall results for underwriters,” he said.

“Looking ahead, there are a number of headwinds likely to make themselves known this year and beyond. Geopolitical tensions and the continuing attacks in the Red Sea area and the Russia/Ukraine

war are significant. Our transition to a cleaner and greener society will also impact heavily as will the continuing – and often tragic – increase in large vessel fires.”

Mr Lange said IUMI will continue to keep abreast of the many challenges facing the sector and engage with the relevant agencies to ensure marine underwriters are aware and equipped to continue to provide the insurance services that global trade requires.

Currently representing 42 national and marine market insurance and reinsurance associations, IUMI is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers’ interests in marine and all types of transport insurance. It also provides a forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals.

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