INSIGHTS @ AGCS

Highlights from the latest thought leadership content and opinion at Allianz Global Corporate & Specialty (AGCS):

MARINE - SAFETY AND SHIPPING REVIEW 2019

June 2019

SAFETY & SHIPPING REVIEW 2019 IN NUMBERS

- 90% of global trade carried by international shipping
- 1,036 total losses over past 20 years
- 46 total losses in 2018 - lowest this century
- 207 losses in 2000
- 30 losses caused by foundering/sinking in 2018
- 2,698 shipping incidents in 2018. Machinery damage is the top cause
- 48 piracy incidents in Nigeria in 2018 - replacing Indonesia as the top hotspot
- 544 incidents in 2018 in the East Mediterranean and Black Sea – the global hotspot
- 1 in 4 losses in 2018 occurred in South China, Indochina, Indonesia and Philippines – the global hotspot

The cost of claims

- $1.5bn value of claims from ship sinking/collision incidents
- $1bn+ value of claims from machinery damage incidents

Wednesday is the most frequent day for losses – 12 in 2018 and 169 in the last 10 years

5 KEY TAKEAWAYS

- Large shipping losses are now at their lowest level this century – down by 65% over the past decade to 46 in 2018
- The South China Sea, Indochina, Indonesia and the Philippines region is the number one area for major shipping losses globally - accounting for 1 in 4 in 2018
- Number of reported shipping incidents shows little decline year-on-year – 2,698 in 2018
- Machinery damage is the major cause of shipping incidents, responsible for US$1bn worth of marine insurance industry claims in five years
- Increasing political threats to vessel security, impact of 2020 emissions rules and growing number of fires on board vessels among sector challenges

SAFETY AND SHIPPING REVIEW 2019

Our annual review analyzes vessel losses and incidents over 100 gross tons around the world and identifies the major risk challenges for the sector

Download the review agcs.allianz.com/news-and-insights
IN THE SPOTLIGHT

ON BOARD FIRES

Fires continue to generate large losses on vessels with the number of reported incidents trending upwards. The large size and capacity of container ships today increases the risk of cargo misdeclaration and something going wrong. Find out more

EMISSIONS CHALLENGE

Regulation limiting sulphur oxide emissions from January 1, 2020 is likely to be a game-changer, with wide-ranging implications for cost, compliance and crew, including a potential increase in machinery damage claims if the introduction of low sulphur fuels is not well-managed. Find out more

SECURITY THREATS EVOLVE

Political risk has heightened and poses a threat to shipping through conflicts, territorial disputes, cyber-attacks, sanctions, piracy and even sabotage. The growing number of migrants at sea and an increase in stowaways targeting commercial vessels also has serious consequences for ship owners. Find out more

Learn more about these issues, as well as other risks impacting the shipping sector here

DATA

MARINE INSURANCE CLAIMS

Ship sinking/collision incidents are the most expensive cause of loss for marine insurers, accounting for 16% of the value of all marine claims (€1.39bn/US$1.56bn). Machinery damage incidents, such as engine failure, have also caused in excess of US$1bn worth of damage, based on our analysis of more than 230,000 marine insurance industry claims over five years. Find out more

OPINION

“Today’s record low total loss activity is certainly influenced by fortunate circumstances in 2018 but it also underlines the culmination of the long-term improvement of safety in the global shipping industry. However, the lack of an overall fall in shipping incidents, heightened political risks to vessel security, complying with 2020 emissions rules and the growing number of fires on board vessels bring challenges.”

Baptiste Ossena
Global Product Leader
Hull & Marine Liabilities, AGCS
baptiste.ossena@allianz.com

FOR MORE INFORMATION

AGCS provides global marine and shipping insurance for all types of marine risk, from single vessels and shipments to the most complex fleets and multinational logistics businesses. The Marine Line of Business contributed 11% to AGCS overall premium volume of EUR 8.2bn in 2018.

agcs.allianz.com/solutions/marine-insurance.html

Copyright © 2019 Allianz Global Corporate & Specialty SE. All rights reserved. The material contained in this publication is designed to provide general information only. Whilst every effort has been made to ensure that the information provided is accurate, this information is provided without any representation or warranty of any kind about its accuracy and Allianz Global Corporate & Specialty SE cannot be held responsible for any mistakes or omissions.