Maritime trends to watch in 2022

Allianz Global Corporate & Specialty Webinar
September 22, 2021

Session two – Cargo Focus
Agenda

1. Shipping loss data
2. In focus: Covid factors
3. In focus: Larger vessels
4. In focus: Climate change
5. Insurance outlook
6. Q&A

Ulrich Kadow
Global Head of Marine

Captain Rahul Khanna
Global Head of Marine Risk Consulting

Captain Andrew Kinsey
Senior Marine Risk Consultant - Allianz Risk Consulting,

Richard Soja
Global Product Leader Inland Marine, Regional Head of Marine North America

Ryan O’Connor
Regional Head of Marine Cargo North America
Allianz Safety and Shipping

Review 2021

- Market-leading publication
- Annual analysis of total losses and incidents in shipping
- Report published since 2012
- Key industry trends and insights
- Emerging risks

Visit our website agcs.allianz.com/news-and-insights
Shipping losses data
Safety and Shipping Review 2021 in Numbers

876 total losses in 10 years

49 total losses in 2020
50% decline over a decade

18 cargo ships lost in 2020 –
37% of all vessels lost

2,703 shipping incidents in 2020 – down 4% year-on-year. Machinery damage is the top cause

1,500 increase in container-carrying capacity in 50 years

6 incidents involving the most accident-prone vessels in 2020 – a Greek Island ferry and a RoRo in Canadian waters

95% of crew kidnappings reported at sea in 2020 in the Gulf of Guinea

579 incidents in 2020 in the British Isles, North Sea, English Channel and Bay of Biscay region

1 in 3 total losses in 2020 occurred in South China, Indochina, Indonesia and Philippines – the global hotspot
Losses in focus

Total losses: 50% drop over a decade

Annual shipping losses have halved compared with 10 years ago, although 2020 represented the first time in five years that losses have not continued to decline.

Source: Lloyd’s List Intelligence Casualty Statistics
Data Analysis & Graphic: Allianz Global Corporate & Specialty
Losses in focus

2020 Review by top 10 regions: 49 total losses
*Vessels over 100GT only

- S. China, Indochina, Indonesia and Philippines: 16
- East Mediterranean and Black Sea: 7
- Arabian Gulf and approaches: 4
- British Isles, N. Sea, Eng. Channel and Bay of Biscay: 3
- Russian Arctic and Bering Sea: 3
- S. Atlantic and East Coast South America: 3
- West African Coast: 3
- Japan, Korea and North China: 2
- West Indies: 2
- East African Coast: 1

2011 - 2020 Review by top 10 regions: 876 total losses
*Vessels over 100GT only

- S. China, Indochina, Indonesia and Philippines: 224
- East Mediterranean and Black Sea: 126
- Japan, Korea and North China: 87
- British Isles, N. Sea, Eng. Channel and Bay of Biscay: 62
- Arabian Gulf and approaches: 42
- West African Coast: 37
- West Mediterranean: 34
- East African Coast: 27
- Bay of Bengal: 24
- Russian Arctic and Bering Sea: 23

Source: Lloyd’s List Intelligence Casualty Statistics
Data Analysis & Graphic: Allianz Global Corporate & Specialty
Total losses by type of vessel
2011-2020 and 2020

Top 5 vessel types lost

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td>35</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Fishery</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Bulk</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Passenger</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>3</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Tug</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
Total losses by cause
2011-2020 and 2020

Top 5 vessel types lost

- Founded: 24
- Fire/explosion: 10
- Wrecked/stranded: 7
- Collision: 2
- Machinery damage/failure: 1
- Miscellaneous: 5
All casualties/incidents including total losses
2011-2020 and 2020
Vessels over 100GT only

### 2020 review

<table>
<thead>
<tr>
<th>Top 10 regions</th>
<th>Loss</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Isles, N. Sea, Eng. Channel and Bay of Biscay</td>
<td>579</td>
<td>▼ 28</td>
</tr>
<tr>
<td>East Mediterranean and Black Sea</td>
<td>429</td>
<td>▼ 18</td>
</tr>
<tr>
<td>S. China, Indochina, Indonesia and Philippines</td>
<td>265</td>
<td>▼ 10</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>381</td>
<td>▼ 16</td>
</tr>
<tr>
<td>West African Coast</td>
<td>146</td>
<td>▼ 48</td>
</tr>
<tr>
<td>North American West Coast</td>
<td>137</td>
<td>▼ 17</td>
</tr>
<tr>
<td>Baltic</td>
<td>113</td>
<td>▼ 29</td>
</tr>
<tr>
<td>Iceland and Northern Norway</td>
<td>108</td>
<td>▼ 1</td>
</tr>
<tr>
<td>West Mediterranean</td>
<td>105</td>
<td>▼ 48</td>
</tr>
<tr>
<td>Japan, Korea and North China</td>
<td>93</td>
<td>▼ 9</td>
</tr>
<tr>
<td>Other</td>
<td>548</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,703</td>
<td>▼ 115</td>
</tr>
</tbody>
</table>

### 2011 - 2020 review

<table>
<thead>
<tr>
<th>Top 10 regions</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Mediterranean and Black Sea</td>
<td>4,556</td>
</tr>
<tr>
<td>British Isles, N. Sea, Eng. Channel and Bay of Biscay</td>
<td>4,382</td>
</tr>
<tr>
<td>S. China, Indochina, Indonesia and Philippines</td>
<td>2,488</td>
</tr>
<tr>
<td>Baltic</td>
<td>1,551</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>1,442</td>
</tr>
<tr>
<td>Japan, Korea and North China</td>
<td>1,393</td>
</tr>
<tr>
<td>Iceland and Northern Norway</td>
<td>1,082</td>
</tr>
<tr>
<td>North American West Coast</td>
<td>1,003</td>
</tr>
<tr>
<td>West Mediterranean</td>
<td>992</td>
</tr>
<tr>
<td>West African Coast</td>
<td>890</td>
</tr>
<tr>
<td>Other</td>
<td>6,283</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,062</td>
</tr>
</tbody>
</table>
In focus: Covid-19
The Covid factors

- Crew change crisis could have long-term consequences
- Covid creates surges in trade volumes and risks
- Delay, supply chain and port risk accumulation issues take center stage
- Cruise ships – return to service brings reactivation risks
- Covid-19 delays hit cost of claims
In focus: Larger vessels
Larger vessels.

Larger exposures

Container-carrying capacity has increased by around 1,500% since 1968 and has more than doubled over the past 15 years. Ever larger vessels are on order.

Very large vessels present some unique risks.
Larger vessels. Larger exposures

Fire claims buck the positive overall trend for hull losses

Spike in container losses warrants further investigation

Very large ore carriers (VLOCs) under the spotlight after string of losses
In focus: Climate change
The environmental picture

- Pressure to cut global shipping emissions mounts
- IMO 2020: transition to low-sulphur shipping not without challenges or marine claims
- Arctic shipping requires new ways to manage risks
Insurance considerations

Market outlook

What do these maritime trends mean for insurance?
Please use the Q&A panel (bottom right) to send your question.
Thank you

Visit our website
agcs.allianz.com/news-and-insights

Please complete our pop-up poll
Additional
We’re experiencing some technical issues

Please stand by