Maritime trends to watch

Allianz Global Corporate & Specialty Webinar
July 5, 2022
Agenda

1. Shipping loss data
2. In focus: Rising cost of large casualties
3. In focus: Global supply chain crisis
4. Insurance outlook
5. Q&A

Ulrich Kadow, Global Head of Marine
Captain Rahul Khanna, Global Head of Marine Risk Consulting
Justus Heinrich, Global Product Leader Marine Hull, Regional Head of Marine, Central & Eastern Europe
Allianz Safety and Shipping

Review 2022

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

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Shipping losses data
Total shipping losses by year

*Vessels over 100GT only

**Total losses:** 57% drop over a decade

Safety improvements have been impressive. In the early 1990s, the global fleet was losing 200+ vessels a year. This rate has dropped to around 50 to 75 a year over the past four years.
Total losses by top 10 regions

2021 review: 54 total losses
*Vessels over 100GT only

- S. China, Indochina, Indonesia and Philippines: 12
- Arabian Gulf and approaches: 9
- East Mediterranean and Black Sea: 7
- Bay of Bengal: 3
- Japan, Korea and North China: 3
- West Mediterranean: 3
- Baltic: 2
- British Isles, N Sea, Eng. Channel and Bay of Biscay: 2
- Russian Arctic and Bering Sea: 2
- Australia: 1
- Other: 10

2012 - 2021 review: 892 total losses
*Vessels over 100GT only

- S. China, Indochina, Indonesia and Philippines: 225
- East Mediterranean and Black Sea: 136
- Japan, Korea and North China: 87
- British Isles, N Sea, Eng. Channel and Bay of Biscay: 55
- Arabian Gulf and approaches: 46
- West African Coast: 38
- West Mediterranean: 35
- Bay of Bengal: 29
- S. Atlantic and East Coast South America: 24
- West Indies: 23
- Other: 104

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

Top 5 vessel types lost 2012-2021

- Cargo: 27
- Fishery: 7
- Passenger: 5
- Bulk: 3
- Tug: 2
- Supply/Offshore: 2
- Barge: 2
- Chemical/Product: 1
- Container: 1
- Dredger: 1
- Ro-ro: 1
- Tanker: 1
- Other: 2

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Total losses by cause

Top 5 causes of loss: 2012-2021

- Foundered
- Wrecked/stranded
- Fire/explosion
- Machinery damage
- Collision

2021:
- Total: 54

AGCS News & Insights
Source: Lloyd's List Intelligence Casualty Statistics | Data Analysis & Graphic: Allianz Global Corporate & Specialty
## All casualties/incidents including total losses

**Vessels over 100GT only**

### 2012 - 2021

<table>
<thead>
<tr>
<th>Top 10 regions</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Mediterranean and Black Sea</td>
<td>4,763</td>
</tr>
<tr>
<td>British Isles, N.Sea, Eng. Channel and Bay of Biscay</td>
<td>4,612</td>
</tr>
<tr>
<td>S. China, Indochina, Indonesia and Philippines</td>
<td>2,574</td>
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<tr>
<td>Baltic</td>
<td>1,483</td>
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<tr>
<td>Great Lakes</td>
<td>1,463</td>
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<tr>
<td>Japan, Korea and North China</td>
<td>1,324</td>
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<tr>
<td>Iceland and Northern Norway</td>
<td>1,106</td>
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<tr>
<td>West Mediterranean</td>
<td>1,073</td>
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<tr>
<td>North American West Coast</td>
<td>1,057</td>
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<tr>
<td>West African Coast</td>
<td>923</td>
</tr>
<tr>
<td>Other</td>
<td>6,329</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,707</strong></td>
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</tbody>
</table>

### 2021

<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>668</td>
<td>↑ 94</td>
</tr>
<tr>
<td>East Mediterranean and Black Sea</td>
<td>539</td>
<td>↑ 113</td>
</tr>
<tr>
<td>S. China, Indochina, Indonesia and Philippines</td>
<td>276</td>
<td>↑ 13</td>
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<tr>
<td>West Mediterranean</td>
<td>176</td>
<td>↑ 71</td>
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<tr>
<td>North American West Coast</td>
<td>138</td>
<td>↑ 1</td>
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<tr>
<td>Baltic</td>
<td>124</td>
<td>↑ 10</td>
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<tr>
<td>Great Lakes</td>
<td>122</td>
<td>↑ 58</td>
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<tr>
<td>Iceland and Northern Norway</td>
<td>105</td>
<td>↓ 3</td>
</tr>
<tr>
<td>Japan, Korea and North China</td>
<td>104</td>
<td>↑ 11</td>
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<tr>
<td>Newfoundland</td>
<td>87</td>
<td>↑ 4</td>
</tr>
<tr>
<td>Other</td>
<td>661</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,000</strong></td>
<td>↑ 305</td>
</tr>
</tbody>
</table>
Safety and Shipping Review 2022 In Numbers

- **892 total losses in 10 years**
- **54 total losses in 2021. 57% decline over a decade**
- **27 cargo ships lost in 2021 – 50% of all vessels lost**
- **3,000 shipping incidents in 2021 – up year-on-year. Machinery damage is the top cause**

**December and May** - the most frequent months for total losses in 2021 (7 each)

- **13 Minimum number of total losses where extreme weather was reported as being a factor**
- **28** average age of a total loss vessel over the past decade

- **6 incidents involving the most accident-prone vessels in 2021 – a Greek Island ferry, a Scottish island ferry, and an Alaskan ferry**
- **668 incidents in 2021 in the British Isles, North Sea, English Channel and Bay of Biscay region**
- **1 in 5 total losses in 2021 occurred in South China, Indochina, Indonesia and Philippines – the global hotspot**
In focus: Rising costs of large casualties
Cargo fires
A priority concern

There have been over 70 reported fires on container ships alone in the past five years.

Fires on large vessels can spread quickly, often resulting in the crew abandoning ship. Losses can be significant.
Larger vessels. Loss drivers

Car carrier incidents now consistent loss drivers

Emergency response becoming increasingly challenging

General average becoming more frequent

SAFETY & SHIPPING REVIEW 2022

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In focus: Global supply chain crisis
Port congestion and commercial pressures heighten risk

Covid-19 measures in China, a surge in consumer demand and the invasion of Ukraine have all been factors in ongoing unprecedented port congestion.
Shipping boom raises safety concerns

Cargo fires a burning issue for shipping

Taking advantage of the boom is not always a good thing

Bottlenecks and port congestion bring additional pressures including vertical integration
Insurance considerations

Market outlook

What do these maritime trends mean for insurance?
Questions & Answers

Please use the Q&A panel (bottom right) to send your question.
Thank you

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