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International Union of Marine Insurance

IUMI 2014 Cargo Statistics - Analysis

Provided by Nick Derrick, Chairman Cargo Committee

No Major Nat Cat events that have affected the World Cargo Markets since last year's IUMI conference. August's Napa Valley earth quake has caused damage to wineries but Cargo damage is not expected to exceed USD20m. There have been some large events that potentially will cause claims to the World Cargo Markets. There was a theft of three Lorries of mobile phones in Germany with a total value of USD75m. A car carrier caught fire off Japan with USD110m of cars which were damaged by salt water as the automatic extinguishers rained sea water on the cars. There are also potential losses over the Qingdao port scandal which could be more than USD1bn.

There is good news on Piracy off the Somalia coast. As at July 2014 the last successful hijack of a commercial merchant vessel was August 2012, there are still approximately two attempts per month but BMP4 coupled with the use of armed guards and World Navy presence has severely limited the pirates' success.

Global Market capacity and the continued downward impact on rates as new entrants scramble for market share is likely leading to a decline of underwriter discipline.