

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



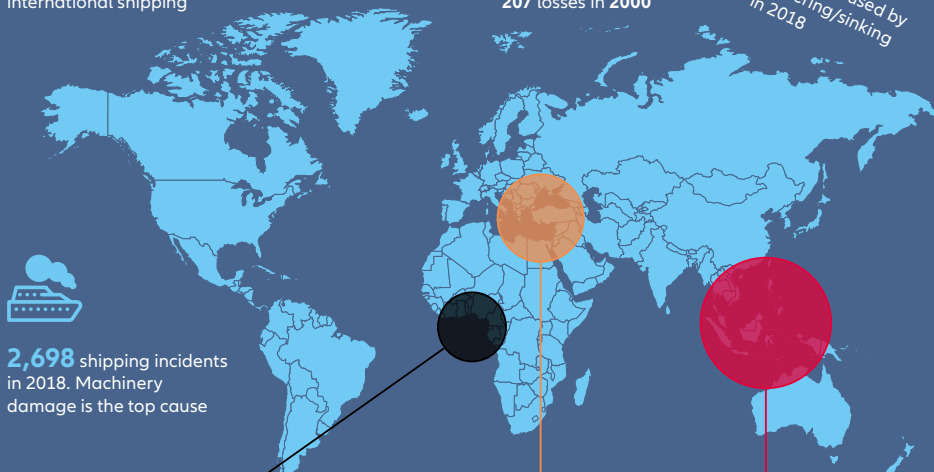
1,036 total losses over past **10 years**



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 incidents¹

\$1bn+

value of claims from machinery damage incidents¹



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

Source: Allianz Global Corporate & Specialty

¹ Based on analysis of more than 230,000 marine insurance industry claims with a value of approximately \$10bn by Allianz Global Corporate & Specialty (July 2013 to July 2018)

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](#)

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

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



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