Cargo workshop chairman’s report and introduction

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Travelers Syndicate Management Ltd, Lloyd’s, London
AGENDA

• Committee Members
• Cargo Statistics
• Major Events
• Piracy
• Market Issues
• Workshop Introduction
• Q&A Panel Discussion
COMMITTEE

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Brussels 2015
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Sanjiv Singh – New India – India
Jill Murphy – Globe Underwriting – Australia
QUESTION

Which famous Marine explorer was born in Genoa?
1. Marco Polo
2. Christopher Colombus
3. Leonardo Da Vinci
4. John Cabot
5. None of the above
5. None of the above

Christopher Columbus and John Cabot
STATISTICS
CARGO PREMIUM 2015 - BY REGION

Total: 15.8 USD billion / Change 2014 to 2015: -8.8%
Reduction partly due to strong USD.

- Europe: 41.3%
- Asia/Pacific: 29.2%
- Latin America: 12.6%
- North America: 6.3%
- Middle East: 7.0%
- Africa: 3.7%
CARGO PREMIUM 2015 - BY MARKETS

Total: 15.8 USD billion

- China: 9.0%
- Germany: 6.6%
- Japan: 8.7%
- France: 4.5%
- Brazil: 5.0%
- Other: 34.3%
- USA: 5.8%
- UK (Lloyds): 8.8%
- UK (IUA): 4.5%
- Spain: 1.2%
- Russia: 1.8%
- Nordic: 1.6%
- Netherlands: 2.3%
- Italy: 2.3%
CARGO PREMIUM / WORLD TRADE VALUES & EXPORTS

Index of evolution, 1995=100%

- World Trade Values
- World Trade Volume
- Global Cargo Premium *

- Exchange rate influence on USD cargo premium – real change differs.

* Global premium adjusted backwards for missing data.
CARGO – ULTIMATE* LOSS RATIOS
EUROPE/USA**, UNDERWRITING YEARS 1996 TO 2015

August 2015
Tianjin port explosion.

2014 deteriorated –
but full impact of
Tianjin on 2014 and
2015 contracts not yet materialized.

2012
Sandy
peak

Put in error margin for
2014/2015?
Based on paid claims est.
loss ratios would be lower
than shown in graph.
2014: 63-71%.
Graph reflects upper
boundary.

* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)
** Data: Belgium, France, Germany, Netherlands, Italy, Spain (until 2007), UK, USA
SUMMING UP CARGO

Commodity **values** are **decreasing**.

Commodity **volumes** are **flat**.

Cargo premiums are **decreasing**.

Global Insurance Capacity **increasing**.

Cargo statistics show we are **losing money**.

**Difficult Market conditions continue.**
MAJOR EVENTS
• Nat Cat Losses in 2015/16
• Hanjin Shipping Collapse
• Amos 6 Satellite Loss
MARKET ISSUES
Misappropriation
Successful & Attempted Hijacks by Attack Area

The low number of attack attempts in the last year has been mainly spread between sea areas other than the Indian Ocean, where there has been a decline reflecting the pirates’ reduced operational range. In the last six months, those attack attempts that have taken place have focused primarily on the Gulf of Aden.
There have been 16 reported piracy incidents since the start of April 2016, and 13 have targeted tankers. The most recent successful incident was on 19 April 2016, when pirates attacked and boarded a tug boat off the coast of Brass, Nigeria. Two crew members were kidnapped.
The first purpose built container carrier was the Encounter Bay 1968.

How many containers TEU’s could she carry?
1. 4,160 TEU’s
2. 6,400 TEU’s
3. 500 TEU’s
4. 1,530 TEU’s
5. 8,000 TEU’s
CONTAINER SHIPS – 50 YEARS OF CONTAINER SHIP GROWTH

1968 Encounter Bay – 1,530 TEU’s
IPP Presentation
Discharging rice vessels in West Africa: a challenge but not a fate!

Misappropriation and Hanjin Shipping Collapse

Fine Art

Supply Chain including SOLAS VI 2 re. Weight of Containers

The marine infrastructure in Iran, a look behind the scene

Vessel accumulation and cargo value estimation

Q&A and Take Aways
IPP PRESENTATION
DISCHARGING RICE VESSELS IN WEST AFRICA: A CHALLENGE BUT NOT A FATE!

Caroline Paul, Manager Africa, DP Survey Group N.V., Senegal-Dakar
MISAPPROPRIATION AND HANJIN SHIPPING COLLAPSE

Mike Roderick, Partner, Clyde & Co, UK-London
FINE ART

Massimo Spadoni, Head of Marine Cargo
Genova Area, SIAT spa, IUMI Cargo
Committee Member, IT-Genova
SUPPLY CHAIN INCLUDING SOLAS VI 2 RE. WEIGHT OF CONTAINERS

Linda Conrad, CEO, Climassure, an XL Innovate company, US-Menlo Park
THE MARINE INFRASTRUCTURE IN IRAN, A LOOK BEHIND THE SCENE

Max Zaccar, Chairman, Commercial Insurance, President GAIF, Member Cargo Committee, LB-Beirut
VESSEL ACCUMULATION AND CARGO VALUE ESTIMATION

Matt Cocchiaro, Director, IHS Maritime & Trade, US-Newark
Q&A AND TAKE AWAYS

Panel Discussion Chair Nick Derrick
Thank You

The End

Cargo Workshop