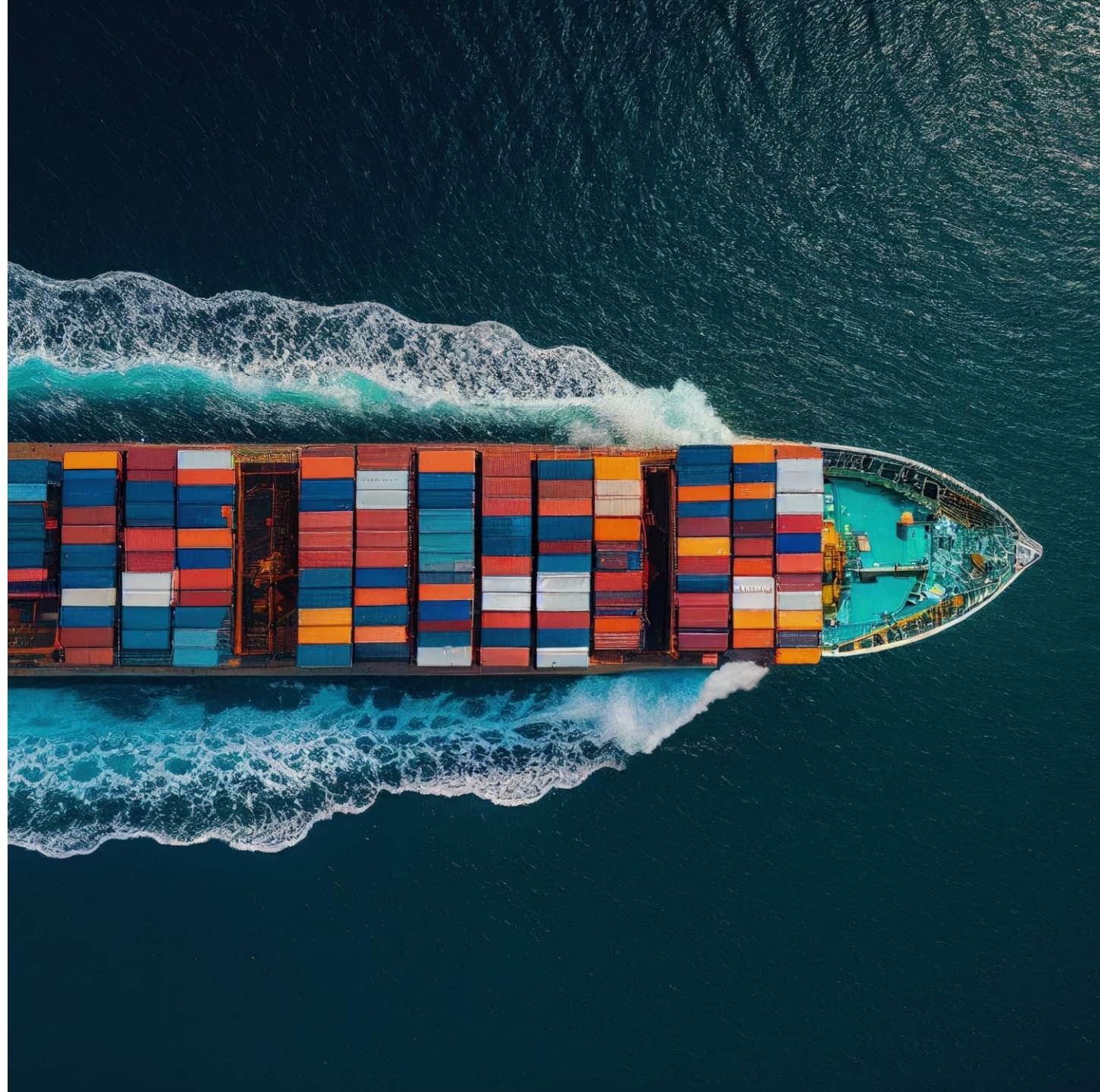




Maritime trends to watch in 2023

An annual review of trends and
developments in shipping losses and safety



Agenda / topics



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Allianz Safety and Shipping

Review 2023



- 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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Safety and Shipping Review 2023 in numbers

Executive summary

807

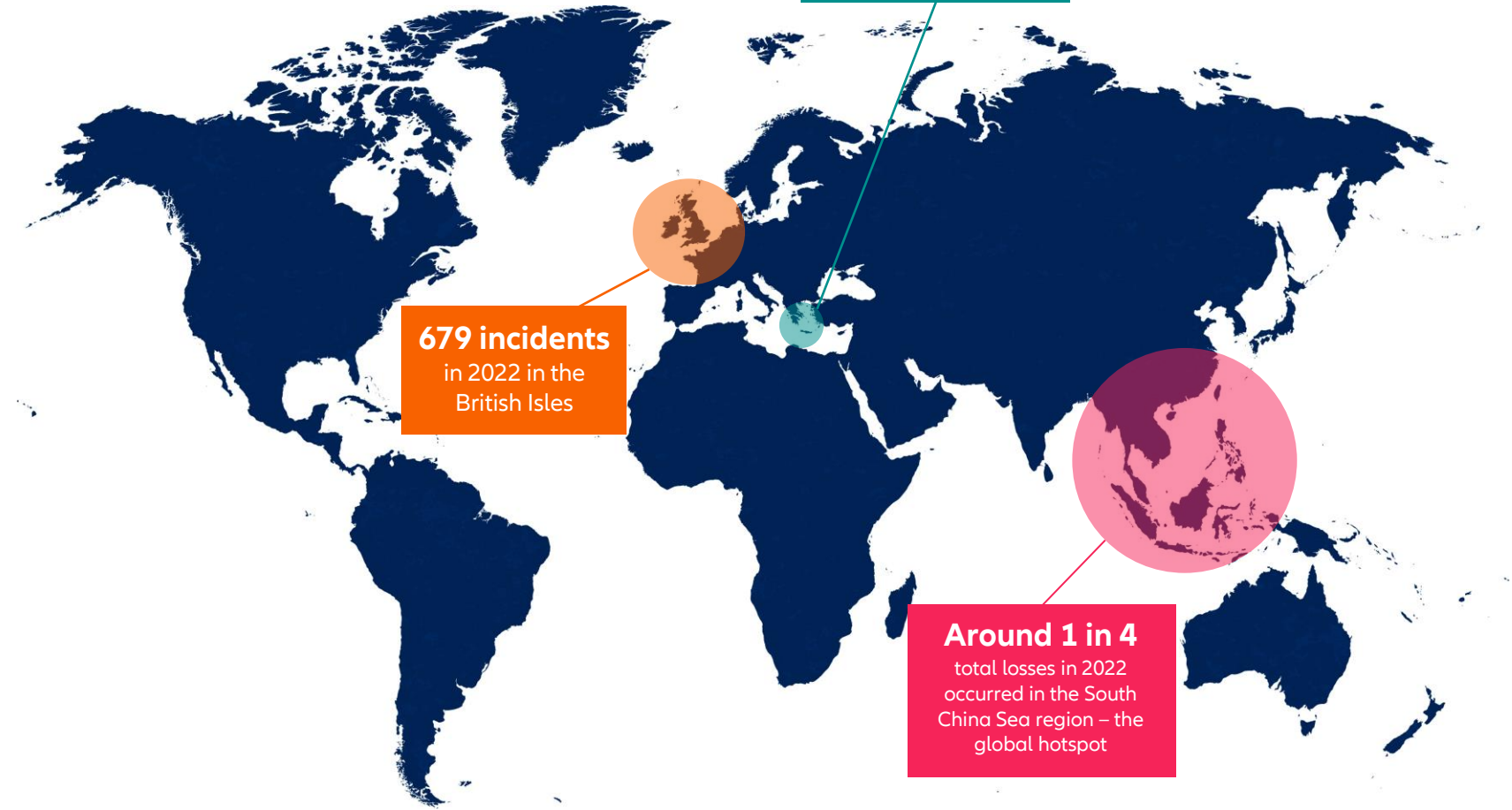
total losses in 10 years

38

total losses in 2022

65%

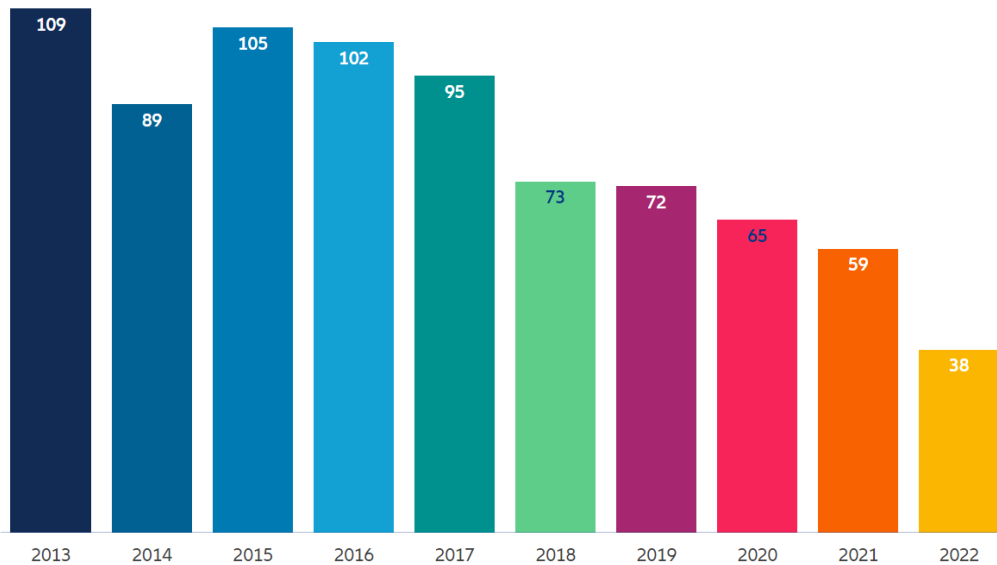
decline over a decade



Losses in focus

Improvements in maritime safety have been significant over the past 10 years in particular. During the 1990s the global fleet was losing 200+ vessels a year. This total plummeted to fewer than 40 by the end of 2022. Vessels over 100GT only.

Total losses by year



Total losses by top 10 regions in 2013-2022 and 2022



Source: Lloyd's List Intelligence Casualty Statistics
Data Analysis & Graphic: Allianz Global Corporate & Specialty

Losses in focus

2022 review: Total losses by top 10 regions

From January 1, 2022 to December 31, 2022

*Vessels over 100GT only

Region	Loss	Annual change
S.China, Indochina, Indonesia and Philippines	10	-4
Arabian Gulf and approaches	3	-6
British Isles, N.Sea, Eng. Channel and Bay of Biscay	3	-
West Mediterranean	3	-
Baltic	2	-
East Mediterranean and Black Sea	2	-6
North Atlantic	2	+1
United States Eastern Seaboard	2	-
Australasia	2	+1
Canadian Arctic and Alaska	1	-
Other	8	
Total	38	-21

2013 – 2022 review: Total losses by top 10 regions

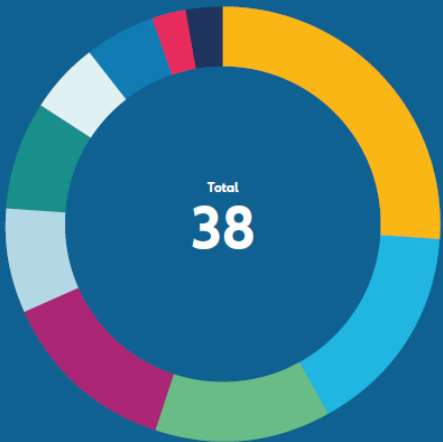
From January 1, 2013 to December 31, 2022

*Vessels over 100GT only

Region	Loss
S.China, Indochina, Indonesia and Philippines	204
East Mediterranean and Black Sea	118
Japan, Korea and North China	76
British Isles, N.Sea, Eng. Channel and Bay of Biscay	54
Arabian Gulf and approaches	45
West African Coast	34
West Mediterranean	32
Bay of Bengal	27
S.Atlantic and East Coast S.America	23
West Indies	20
Other	174
Total	807

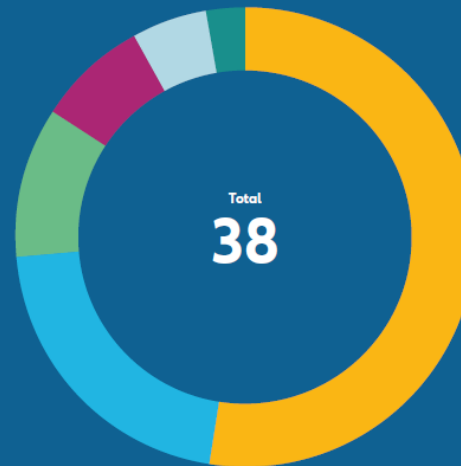
Losses in focus

Total losses by type of vessel 2022
From January 1, 2022 to December 31, 2022. Vessels over 100GT only



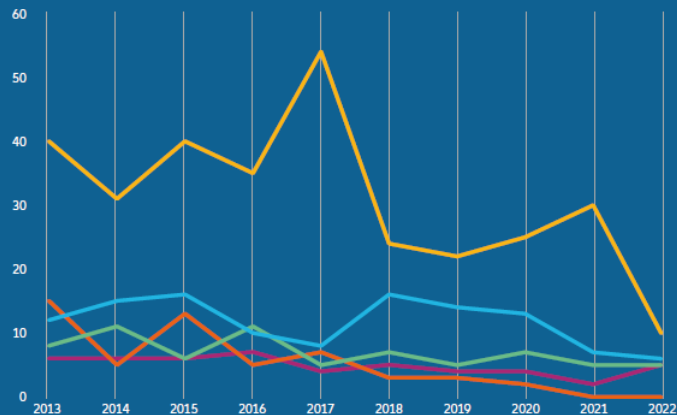
● Cargo	10
● Fishery	6
● Passenger	5
● Tug	5
● Chemical/Product	3
● Ro-ro	3
● Tanker	2
● Dredger	2
● Container	1
● Other	1

Total losses by cause 2022
From January 1, 2022 to December 31, 2022. Vessels over 100GT only



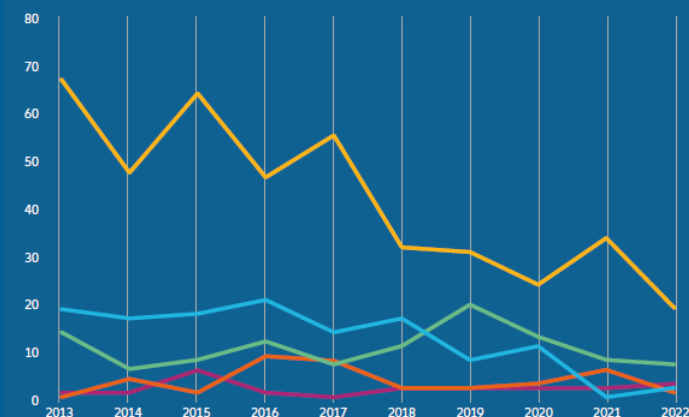
● Foundered (sunk)	20
● Fire/explosion	8
● Collision (involving vessels)	4
● Wrecked/stranded (grounded)	3
● Machinery damage/failure	2
● Hull damage	1

Total losses by type of vessel 2013 – 2022
From January 1, 2013 to December 31, 2022. Vessels over 100GT only



● Cargo	
● Fishery	
● Passenger	
● Bulk	
● Tug	

Total losses by cause 2013 – 2022
From January 1, 2013 to December 31, 2022. Vessels over 100GT only



● Foundered	
● Wrecked/stranded	
● Fire/explosion	
● Machinery damage/failure	
● Collision	

In focus: Decarbonization and sustainability

Decarbonization and sustainability

Green efforts progress and evolve but acceleration needed



Decarbonization of shipping is now **well underway**, but the pace of these efforts is influenced by a range of factors, including green tech, regulation and market forces. It needs to be full steam ahead for the decarbonization of shipping, which is thought to contribute almost **3% of global greenhouse gas (GHG) emissions annually**.

Investment in **alternative fuels** takes off



Shipping companies and cargo operators are switching to vessels powered by **liquefied natural gas (LNG)**, as well as trialing and using **alternative fuels**, wind-assisted propulsion systems, more efficient propellers and bulbous bow designs. A mix of fuels is likely to exist for the next five to 10 years, posing challenges.

Collaboration key to reducing transition risks



From a loss perspective the industry has not yet seen any major claims from **alternative technologies or fuels**. However, as these are introduced at scale, more issues may surface. Regular exchanges of information from testing and experiences between companies and insurers will be important.

Decarbonization and sustainability

- The decline in freight rates, and potential economic downturn, could threaten future investment in these areas.
- Decarbonization and the drive for more efficient shipping will reinforce and accelerate the trend for larger vessels and container ships, but risk exposures continue to grow too.
- With the downturn in freight rates, shipowners are likely to take the opportunity to scrap older vessels, many of which have had their working lives extended by high demand in recent years. This trend is likely to be reinforced by tougher International Maritime Organization (IMO) climate regulations and the industry's move to decarbonize shipping.



OOCL Spain, 24188 teu, 2023

Source: Hafen Hamburg Marketing e.V.

In focus: Hull and cargo risks

Hull and cargo risks

Cargo fire risks



Fire is one of the **biggest causes** of general average claims on container vessels, and one of the main causes of total losses across all vessel types with 64 ships lost in the past five years alone.

Risks from Li-ion batteries



Decarbonization is increasing the number of shipping goods that contain Lithium-ion (Li-ion) batteries, posing **a different fire risk**. Focus on pre-emptive measures and emergency plans to help mitigate this peril such as improving early detection and firefighting systems.

Mis-declared cargo



Failure to properly declare, document and pack such hazardous cargo can result in **containers stowed inappropriately**, or hamper firefighting efforts.

Project cargo losses



Transporting large bulky equipment by sea such as wind turbines is a highly specialized sub-sector of the shipping industry, reliant on **skilled personnel**. Recent incidents point to a worrying trend.

In focus: War and crime

War and crime

Ukraine hull and cargo claims crystalize



Black Sea shipping risks remain heightened as the insurance industry faces **unprecedented** total loss scenarios from trapped vessels and cargo.

Shadow tanker fleet poses safety and environmental risk



Russia has assembled **its own fleet** to sell its oil effectively without valid insurance. The fleet is more likely to be made up of older ships with lower maintenance standards.

Progress made in fighting piracy



Globally, maritime piracy is at **its lowest** recorded level in almost three decades, but the root cause of these incidents has not gone away.

Shipping continues to fall victim to cyber-attacks



Most cyber incidents in the shipping industry have been **shore-based**, but with the growing connectivity of shipping, and geopolitical conflict increasingly played out in cyber space, that might change

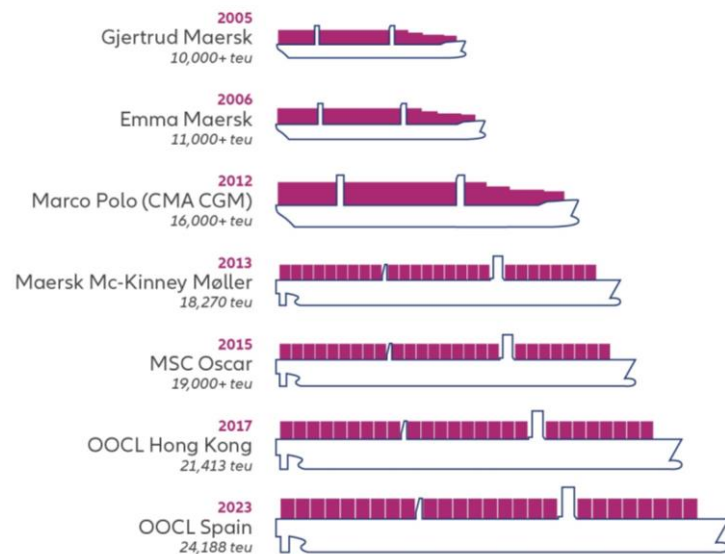
Claims Outlook

Claims outlook

Larger vessels, larger exposures



20 years of container ship growth



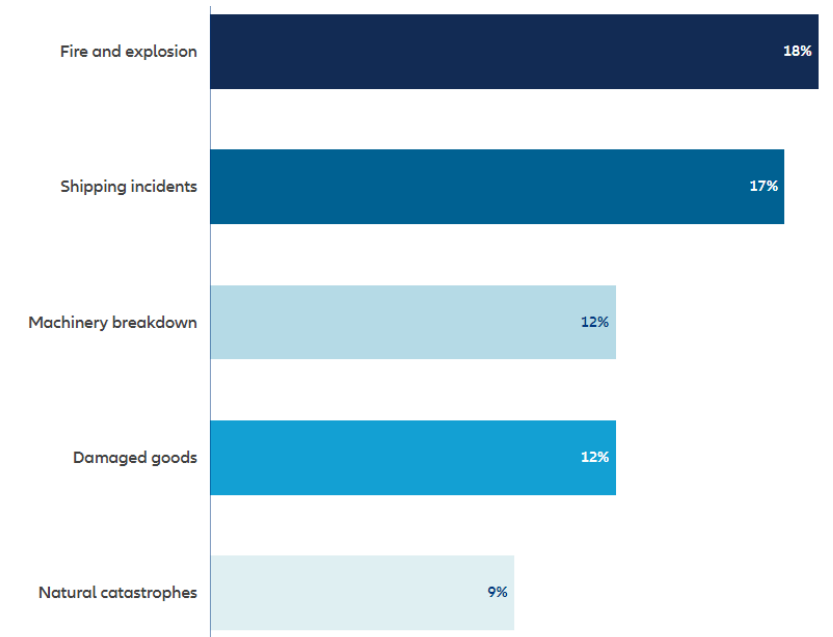
Capacity of the largest container vessels has doubled in the last 20 years.

Inflation pushes up severity of hull and machinery losses:

- Supply chain disruption, labor and material costs and delays are driving up the cost of **hull, machinery, and cargo claims**.
- The price of steel, a key cost driver in hull claims, **increased sharply** post-pandemic, as did the price of spare parts.
- **Shortages and delays** in obtaining replacement parts also led to longer stays in repair yards, resulting in higher repair costs.

Top causes of loss by **value of claims** in marine

Based on analysis of 244,451 insurance claims between January 1, 2017, and December 31, 2021, worth approximately 9.2bn euros in value. "Other" causes of loss account for 32% of the value of all claims. Claims total includes the share of other insurers in addition to AGCS.



Insurance Market Outlook

Insurance market outlook

What do these maritime trends mean for insurance?

What is the outlook for the market?



Questions & Answers



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Please use the Q&A panel (bottom right) to send your questions.

Thank you!

