



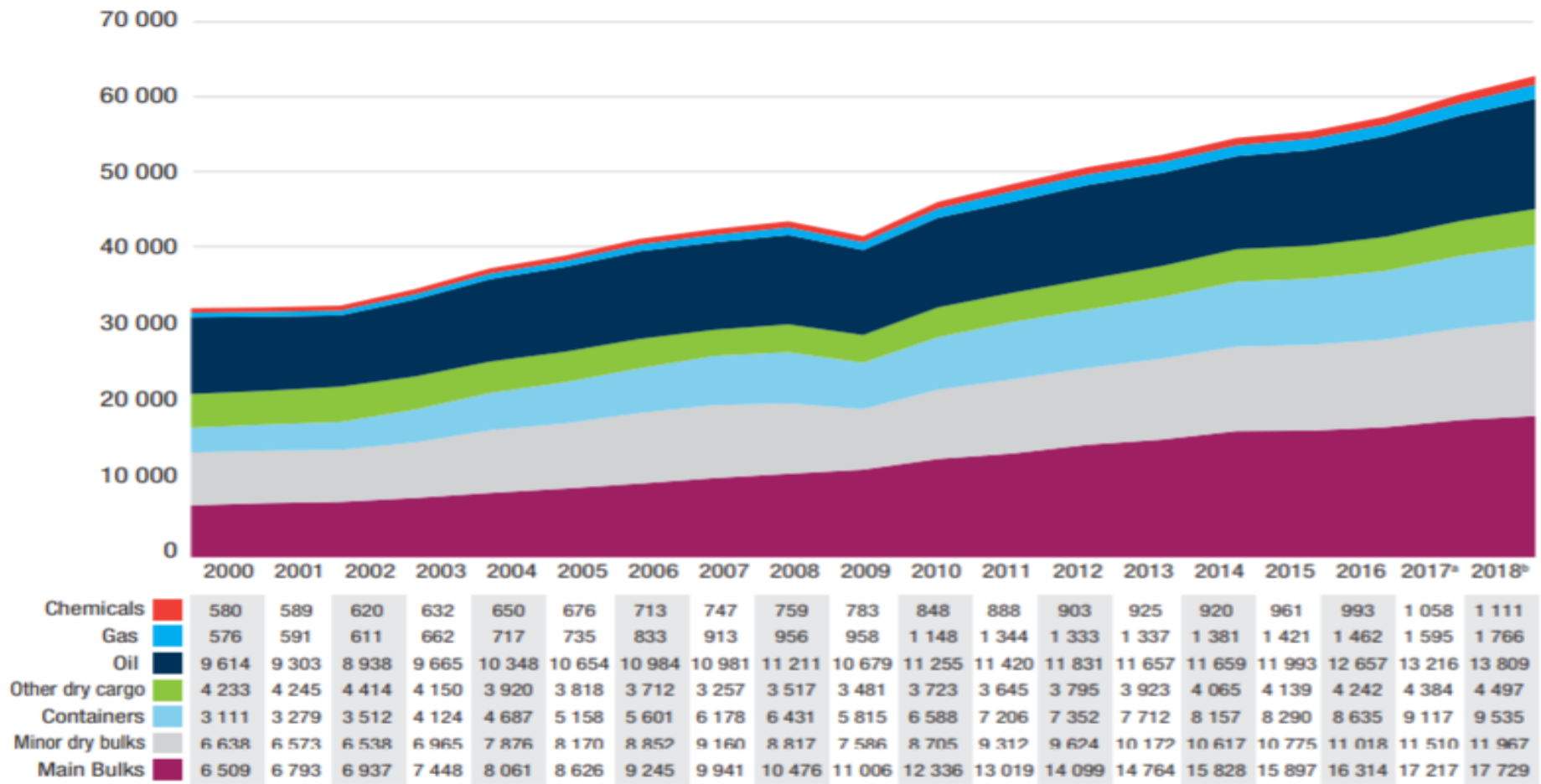
Casualty management

Summary

1. Marine Statistics
2. Casualty management
 - What has changed?
 - Still fans of LOF?
 - What is the secret?

Seaborne trade growth

Figure 1.4 World seaborne trade in cargo ton-miles, 2000–2018
(Billions of ton-miles)



Source: UNCTAD secretariat calculations, based on data from Clarksons Research, 2018a.

^a Estimated.

^b Forecast.w

Global fleet development & claims trend

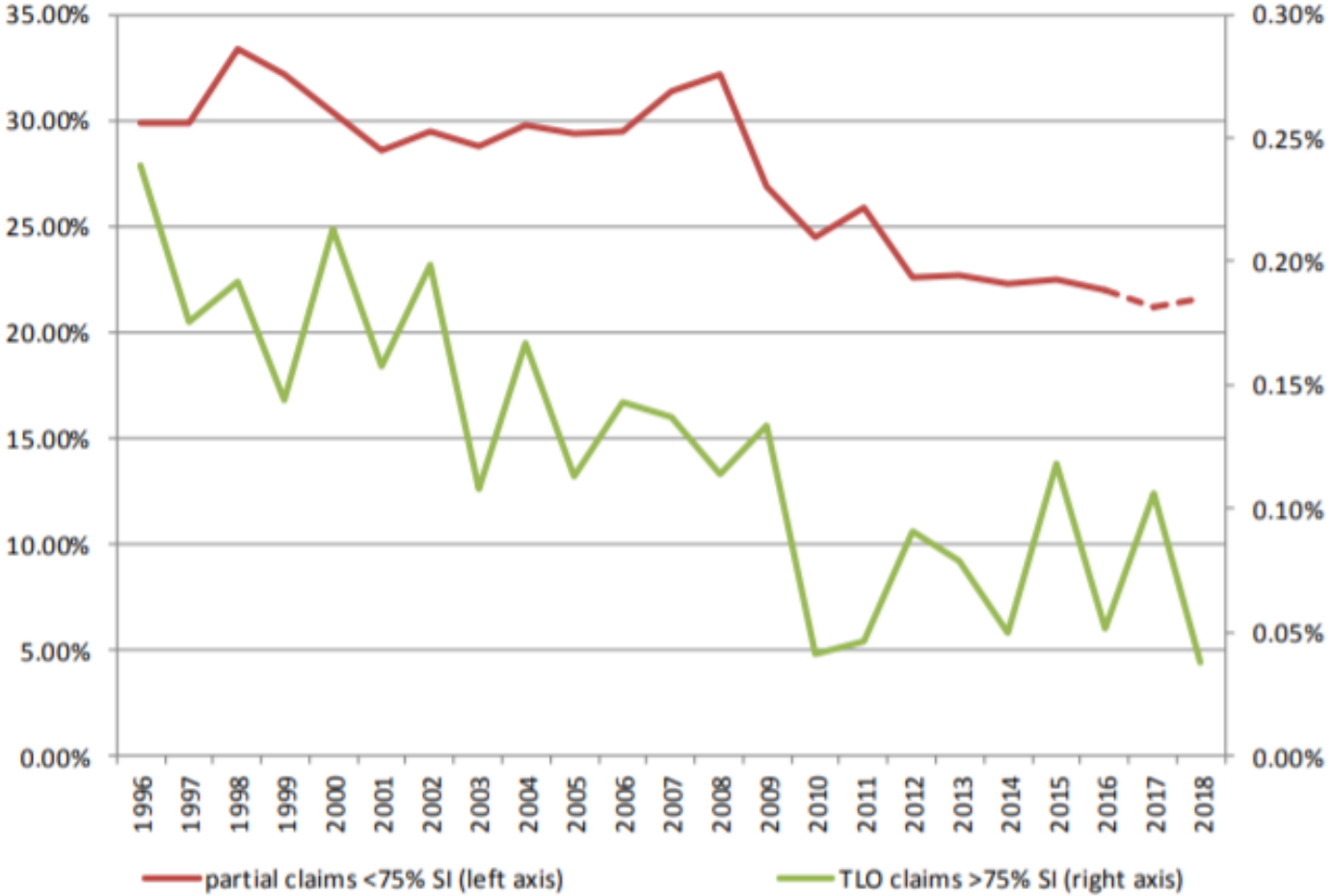
Source IUMI Stats report 2018

- ➔ Growing global trade – forecast growth seaborne trade 3.1%
- ➔ global fleet growth has stabilized at around 3.4%
- ➔ average age of the world fleet has increased overall
- ➔ Largest proportion of seaborne trade is in energy commodities and metals (about one third) – bulkers and tankers!
- ➔ Continued downward trend on hull claim frequency and total losses specifically
- ➔ But greater claim value concentration
 - ➔ *“the risk of a single major loss incurring unprecedented cost remains significant in light of larger and more sophisticated vessels entering the market and new, more risky trading areas such as polar waters being exploited.”*

Claims frequency 2018

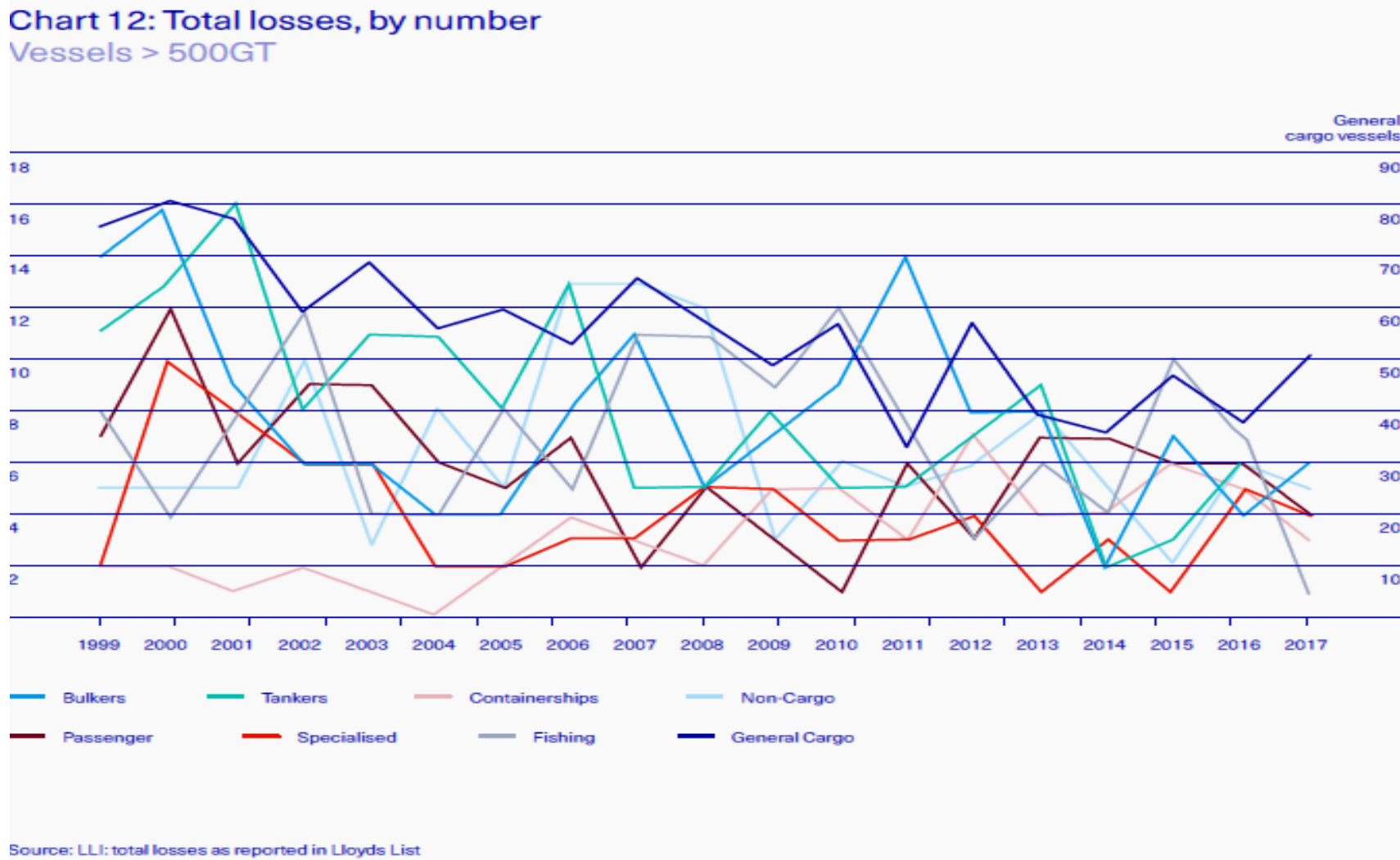
Source Cefor

Claims frequency, by date of loss



Total loss frequency by vessel type 1999-2018

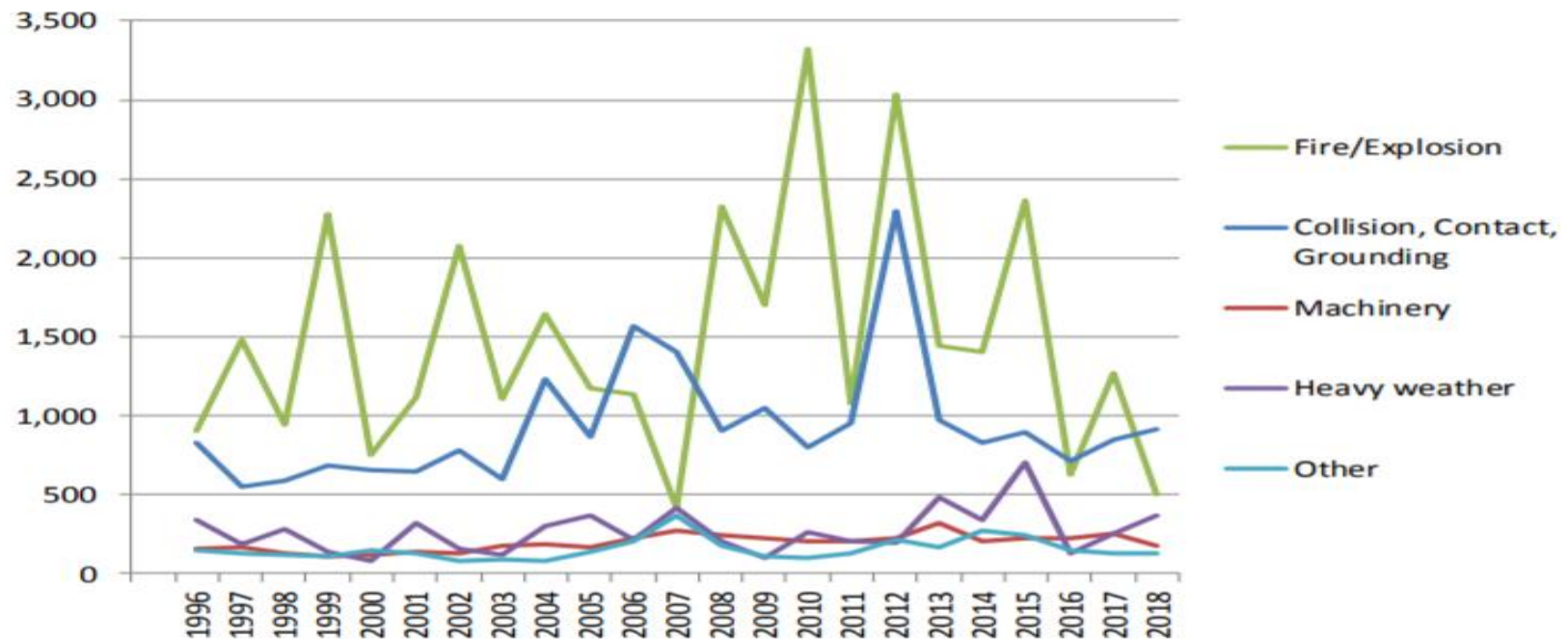
Source IUMI Stats Report 2018



2018

Source Cefor

- ➔ Positive trend re claims frequency, incl. total losses
- ➔ Average claim cost per vessel has remained stable since 2016
- ➔ Little impact of major losses
- ➔ Average claim cost in USD 1,000:



2019 so far

- Sincerity Ace - fire
- APL Vancouver - fire
- MSC Zoe – heavy weather & loss of containers
- Yantian Express – fire
- Star Centurion – collision
- Shinyo Ocean – collision
- Viking Sky – engine failure
-

Casualty management

What has changed?

- ➔ Few casualties but greater complexity
- ➔ Better electronic evidence (reduced investigation role?)
- ➔ More stakeholders = more communication but less alignment
- ➔ Increased insurer management
- ➔ Greater cargo share
- ➔ Cost conscious
- ➔ Stakeholders can be less experienced
- ➔ Social Media
- ➔ Increased speed in response

Casualty management

Biggest challenges

- ➔ Fewer experienced casualty personnel
- ➔ Keeping interests aligned & managing expectations
- ➔ Managing overall communication & administration
- ➔ Security
- ➔ Authorities
- ➔ Media
- ➔ More cargo interests (value and number)

Casualty management

Has it become more complex?

- Larger vessels
- More damaged cargo
- More stakeholders
- More active authorities
- Instant media
- Constant communications – onshore and offshore
- Costs
- Compliance

Casualty management

LOF – Quid?

- ➔ General market support but reducing numbers
- ➔ Tried & Tested product – it works and is the right product in the right circumstances but more difficult to agree
- ➔ Amended LOFs
- ➔ Frustrations with SCOPIC
- ➔ Salvage industry more open to commercial terms
- ➔ Need to understand commercial terms better – funding issues
- ➔ Environmental issues as well as the issue of fronting of costs are being addressed
- ➔ Can it be made more attractive for the more straightforward casualties?

Casualty management

The future?

- ➔ Technology
 - ➔ Better data analysis
 - ➔ Quicker understanding of casualty
 - ➔ Quicker security for the “just in time” world

- ➔ Better stakeholder communications

- ➔ Increased environmental factors and authority involvement

- ➔ Sustainable Salvage Industry
 - ➔ Funding & Costs
 - ➔ New Competitors
 - ➔ Resources for mega-casualties

- ➔ Resolution
 - ➔ Investment in the right team
 - ➔ Professional & open engagement
 - ➔ Open channels and share information earlier

Casualty management

The last word...

- ➔ *“... matters will settle far quicker and on (overall) better terms if parties conduct themselves in a professional manner, recognize the weaknesses of their case as well as the strengths, and deal with their counterparts as informed and professional people. Cases usually drag on where one side or the other decides to hide stuff that will ultimately come out.”*

Anonymous

A woman with short blonde hair, wearing a black sleeveless dress, stands with her back to the camera, looking out a large window. The window offers a panoramic view of a city with many high-rise buildings and a river in the foreground. A large red arrow points from the left towards the text 'Questions?' which is overlaid on the image.

Questions?



Thank you

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