

Press Release on the 47th ANNUAL IMIA CONFERENCE 2014

IMIA, The International Association of Engineering Insurers held its 47th Annual Conference from 20th to 24th September 2014 in Cannes, France



The Conference - attended by 118 Participants from 31 countries - was opened by the IMIA Chairman, Oscar Treceño, (National Suisse) providing an overview of the IMIA activities over the past twelve months. He referred inter alia to the global attendance at IMIA's Engineering Insurance Training Academy in Berlin in March which had been a great success. The president highlighted IMIA's value to the market.



The President Emmanuel Fierens, SCOR and the Chairman

Olivier Hautefeuille (SCOR) presented an overview of the peculiarities of the French insurance market and the social, political and economic factors influencing the insurance community.

More details were analysed by Eric Brault, AXA presenting comments and figures on the French Market.

Stephan Lämmle, Munich Re presented a paper on 'What has happened in Engineering Insurance over the past 12 months?' Despite recessionary impact, GDP growth rates continued to increase in most economies promising a positive outlook for the Engineering insurer. Whilst there were few large Construction losses over the past year, Operational Engineering covers had experienced sizeable claims, particularly within the power generation sector. Regional social and civil unrest was becoming more unpredictable in an increasingly competitive global environment.

Thierry Portevin presented a global review of the current dynamics impacting the global Engineering insurance market together with a summary of the IMIA country statistics centring on the overall premium and loss analyses of IMIA Members for the past year. A slight contraction of premium was witnessed in 2013. A breakdown was provided between large and attritional losses whilst reported loss ratios across all Engineering classes indicated profitable returns. See also:

<http://www.imia.com/wp-content/uploads/2014/09/Premuim-+-Loss-stats-IMIA-20131.pdf> .

The main topics of the conference were the presentations of the five new Working Group papers which dealt with

- Solar thermal power plants WGP 84(14): presented by Manuela Baroncini, Swiss Re CorSo.
- Biomass Plants WGP 85 (14): presented by Stephanie Watkins and Andy Cain, HSB
- Change of risk landscape by Smart Grids: 86 (14): presented by Daniel Chui, SCOR
- Access roads in project insurance: 87 (14): Presented by Matia Cazzaniga, Zurich Ins.
- Holistic covers in Engineering Insurance: 88 (14): presented by Michael Vilijn, Amlin Ins.
- Corporate Social Responsibility and the impact on Engineering Insurers: 89 (14): Presented by Holger Hillebrand, Partner Re.

These papers can be looked up and also downloaded on the IMIA website <http://www.imia.com/knowledge-base/#> → Type of Insurance → IMIA Working Group Papers

Apart from these six presentations other actual topics were presented, among them:

Construction Project ITER, France: Presented by Mattheiu Carde and Alain Lechevalier, IARD / Siaci Saint Group

The ITER project in France aims to demonstrate the scientific and technological feasibility of fusion power. The project is an international co-operation between countries that represent more than 50% of the world's population with the investment cost being apportioned across subscribing nations. The project is valued at Euro 800mm and is expected to be complete by the year 2020. The objective is to produce a long term gain of energy and validate the importance and effectiveness of fusion power for the future. This project has been designed to produce 500mw for 50mw of equivalent energy input.

Miami Tunnel Project: presented by Mark Adler and Henri Lebosse, Bouygues Construction.

This project revealed a number of significant technical challenges. It was noted at the tender stage certain assumptions needed to be made with regard to the method of works and to the design of the tunnel boring machine given the appearance of the expected ground conditions. However, it became clear that once the contractor was appointed and further geological investigations were undertaken, changes needed to be made to the originally planned method of construction. The technical approach to the construction project was outlined which involved significant ground treatment to provide stability prior to excavation.

In a Panel discussion the Panelists discussed the **differentiation in an increasingly competitive market**. Moderator: Max Benz. XL Insurance

A number of topical insurance industry areas were covered: importance of financial strength and stability, broad product offering, innovative and relevant risk solutions, risk engineering surveys and inspections, fair approach to the technical investigation and payment of claims, enhancement of long term relationships. The conclusions to this session demonstrated that in the interest of insurer's engineering clients, there is a need to appreciate the medium and long term effects of current decision making. Pricing relative to multi-year policies must prove to be adequate to support a stable and sustainable business. It was stressed that in current market conditions where significant over-capacity exists, the need to appreciate and respond to clients requirements in considering and accepting their individual risk exposures becomes critical.

This conference was considered a well-received continuation of the successful and valuable series of conference meetings of this kind. Its results will be added to the knowledge base available on the website www.imia.com.

The next conference will be held in Merida, Mexico in September 2015.