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IMIA Annual Conference Munich 2017

Engineering insurers benefit from economic upturn

The insurance industry benefits from the booming German economy. In 2016, the premiums earned by engineering insurers, which cover the risks of e. g. large-scale building projects, have increased by 2 % to more than two billion euros. The number of insurance policies in this line of business rose from 4.4 to 4.6 million in 2016.

“The positive earnings situation of engineering insurers is mainly due to the continued economic upturn and Germany’s strong exports”, Friedrich Scholz, Vice Chairman of the German Insurance Association’s (GDV) Engineering Insurance Commission said in Munich last Tuesday.

The German engineering insurers are global leaders in their line of business. “Dealing with complex technologies and assessing risks is our daily business. We are only able to do this because a major part of the technology used around the world is being produced in Germany or by German companies – we benefit from that”, Scholz explained.

According to estimates of the International Association of Engineering Insurers (IMIA), the premiums earned at the global level amount to about 6.9 billion euros. The losses paid by the insurances companies in 2016 added up to over 3.7 billion euros.

“Most losses are caused by human errors”

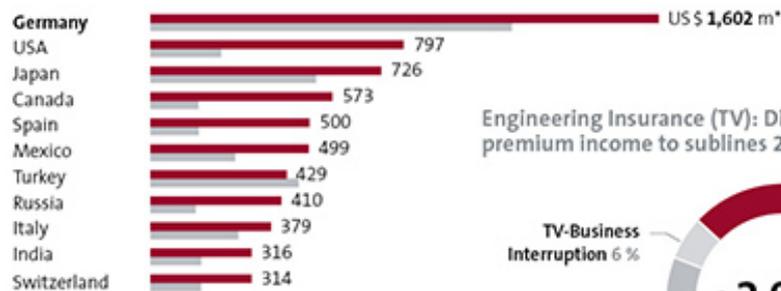
Large-scale building projects such as the new cable car to Germany’s highest mountain, the Zugspitze, the offshore wind parks off the German coast or the Jeddah Tower in Saudi Arabia would not be possible without the know-how and the insurance cover of engineering insurers. However, mistakes on construction sites can never be avoided completely. Last year, engineering insurers have covered losses amounting to over 600 million euros for major losses alone.

The most common reasons for these particularly expensive losses are registered by the IMIA. According to Oscar Treceno, Chairman of the IMIA, “most losses are caused by human errors, material defects and fire”.

The annual conference of engineering insurers will be held from 2-6 September 2017. In order to celebrate the IMIA's 50th anniversary, Munich – the place of its foundation – has been chosen as venue.

Engineering Insurance – an overview

Engineering Insurance per country 2016



Total worldwide 2016

Premiums: US \$ **8.25** bn
Claims: US \$ **4.51** bn

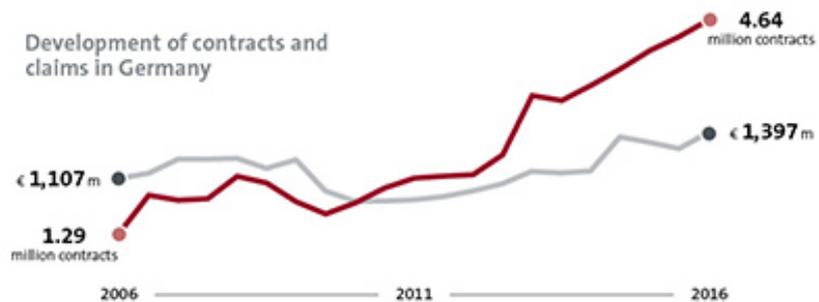
Engineering Insurance (TV): Distribution of premium income to sublines 2016 in Germany



Combined ratio 2016 in Germany



Development of contracts and claims in Germany



* IMIA statistics do not include all lines of Engineering Insurance business

Source: International Association of Engineering Insurers (IMIA), Gesamtverband der Deutschen Versicherungswirtschaft (GDV)