

Engineering Insurance Premium and Loss Statistics per Country 2017 - 2019



The International Association
of Engineering Insurers

presented by Dieter Spaar, IMIA

15th September 2020
Virtual Conference

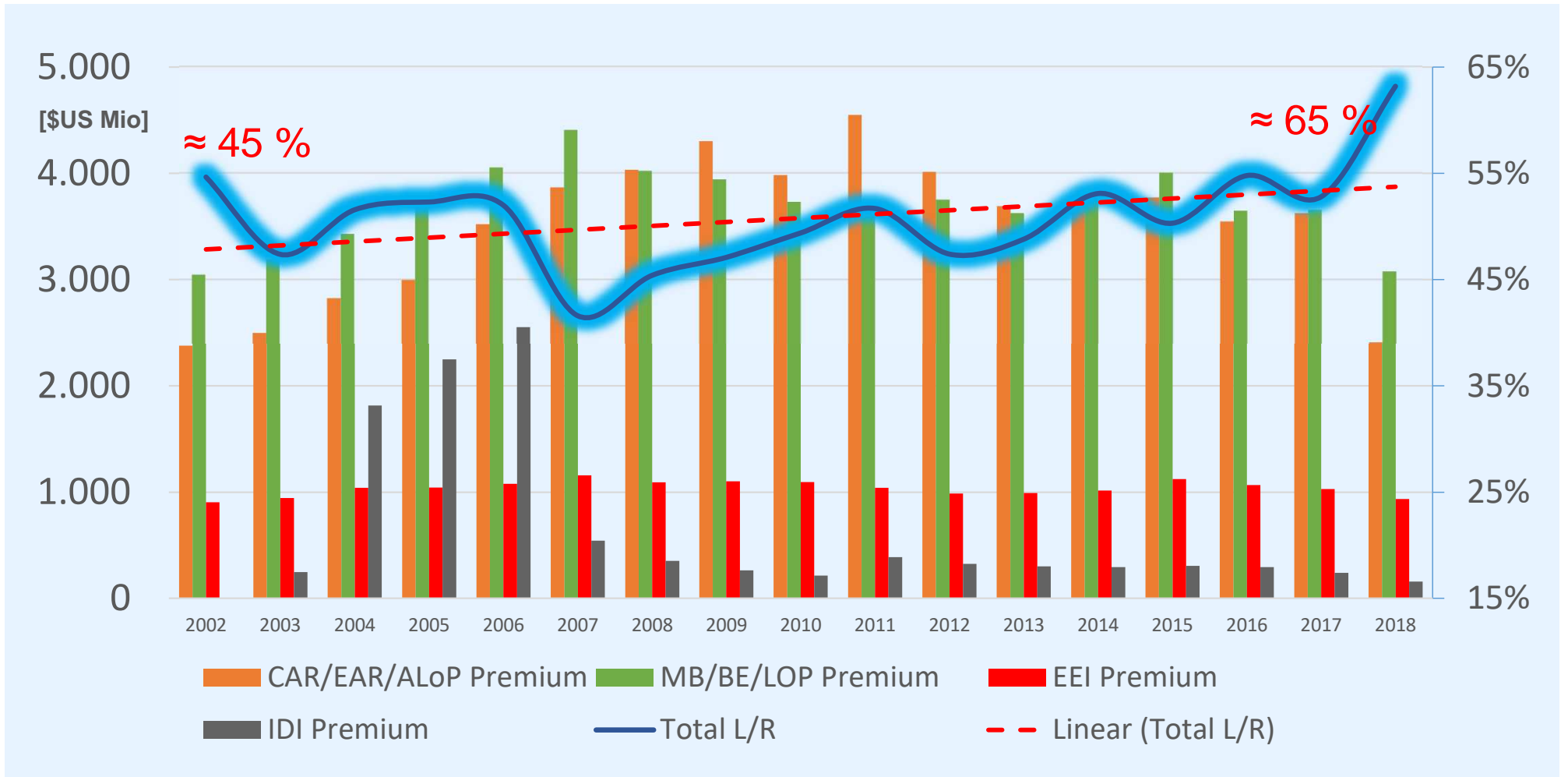
IMIA 'Country Statistics' 2017 - 2019

- Prologue
- Premium Volumes / Country
- Claims
 - Ratios / Country
 - Volume / Frequency
 - Volume / Perils & Occupancies
- Epilogue

Financial Year

IMIA 'Country Stats'

→ The Multi-Year Trend indicates claims load increases by more than 40 % !

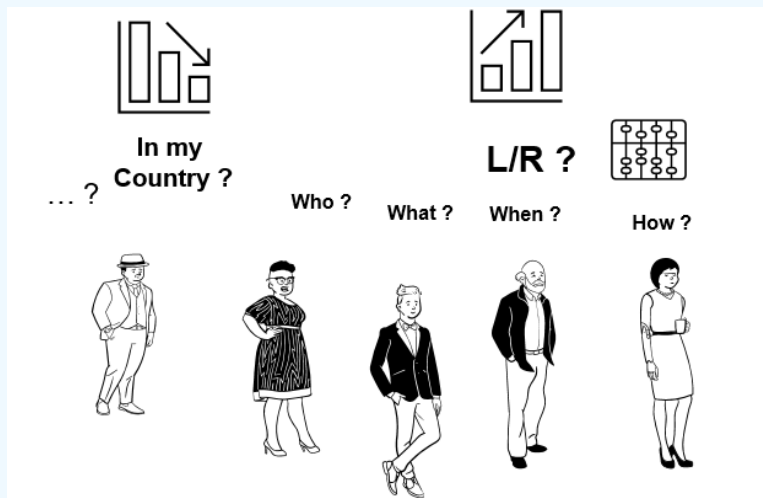


IMIA Statistics 2017 – 2019

'Country Stats' from Countries & Organisations* only



2019: 15 of 20 IMIA Countries / Org



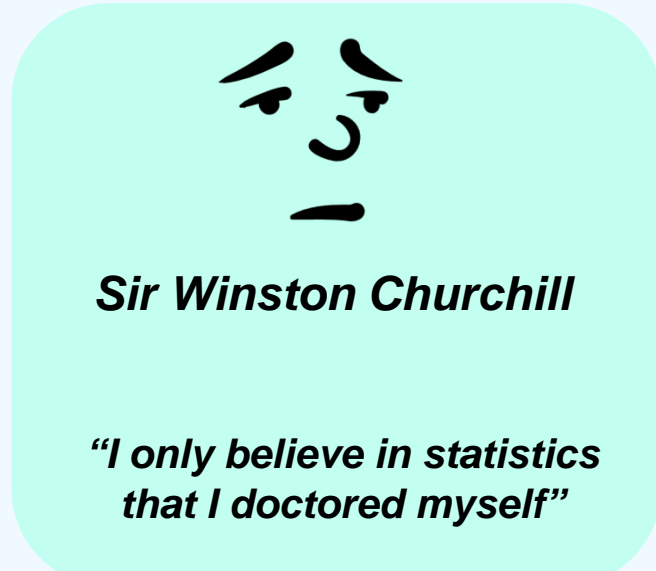
We appreciate input

* As at May 2020:
20 Countries and Organisations – see IMIA.com

Australia	
Austria	
Brazil *	
France	
Germany	
Italy	
Japan	
Mexico **	
Russia	
South Africa	
Spain	
Sweden	
Switzerland	
Taiwan	
Turkey	

Bold incl. LL 2019

* SUSEP
** AMIS



Sir Winston Churchill

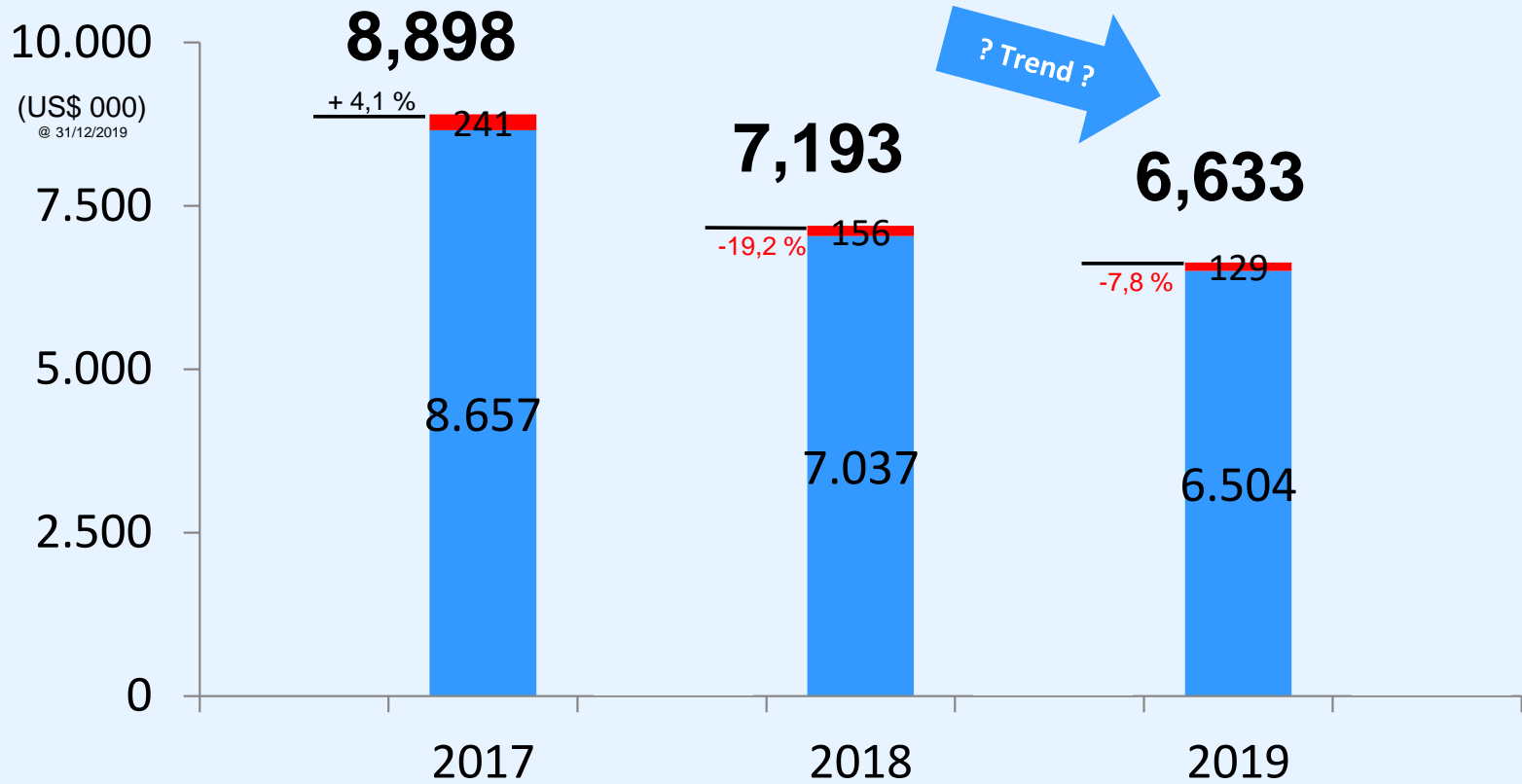
"I only believe in statistics that I doctored myself"

IMIA 'Country Statistics' 2017 - 2019

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Development of Premium 2017-2019

IMIA Members "reported" in each year



Countries reported 17/18/19	
2017	20
2018	17
2019	15

- IDI only
- All ex IDI

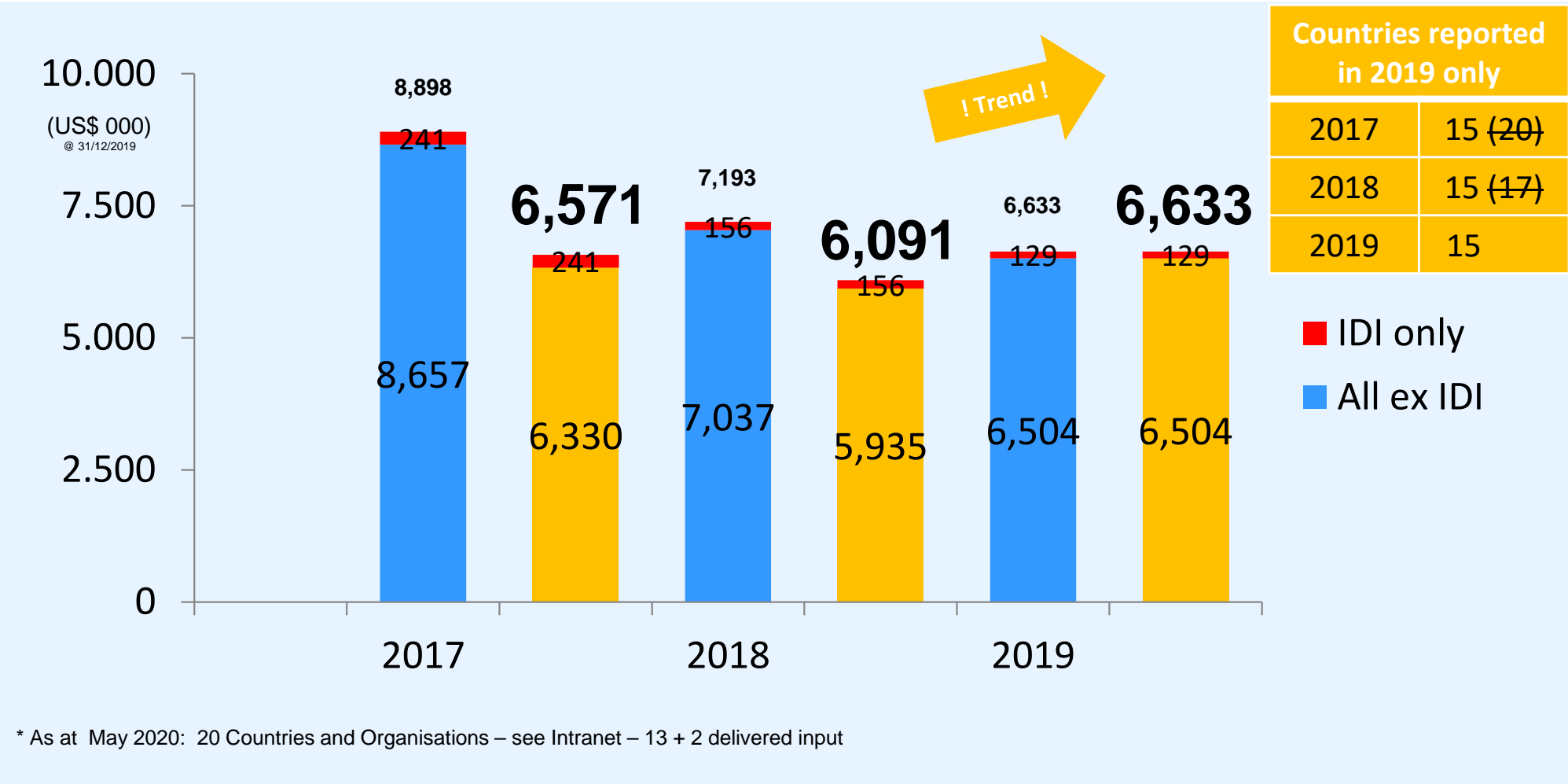
? Trend ?

View from the past

* As at May 2020: 20 Countries and Organisations – see Intranet – 13 + 2 delivered input

Development of Premium 2017-2019

IMIA Members “reported in 2020 only”



Development of Premium 2017-2019

IMIA Members “reported in 2020 only”



10.000

(US\$ 000)
@ 31/12/2019

Increase ≤ 10 %:
Austria, Germany, Italy,
Japan, Russia

Increase > 10 %:
Australia, Brazil **,
France, Mexico*,
South Africa, Sweden,
Switzerland, Taiwan

Decrease
Spain, Turkey



6,571

6,091

6,633

+ 8,9 %

241

156

129

- 7,3 %

7.500

5.000

2.500

0

2017

2018

2019

6,330

5,935

6,504

Countries reported
in 2019 only

2017	15 (20)
2018	15 (17)
2019	15

■ IDI only
■ All ex IDI

View from 2020

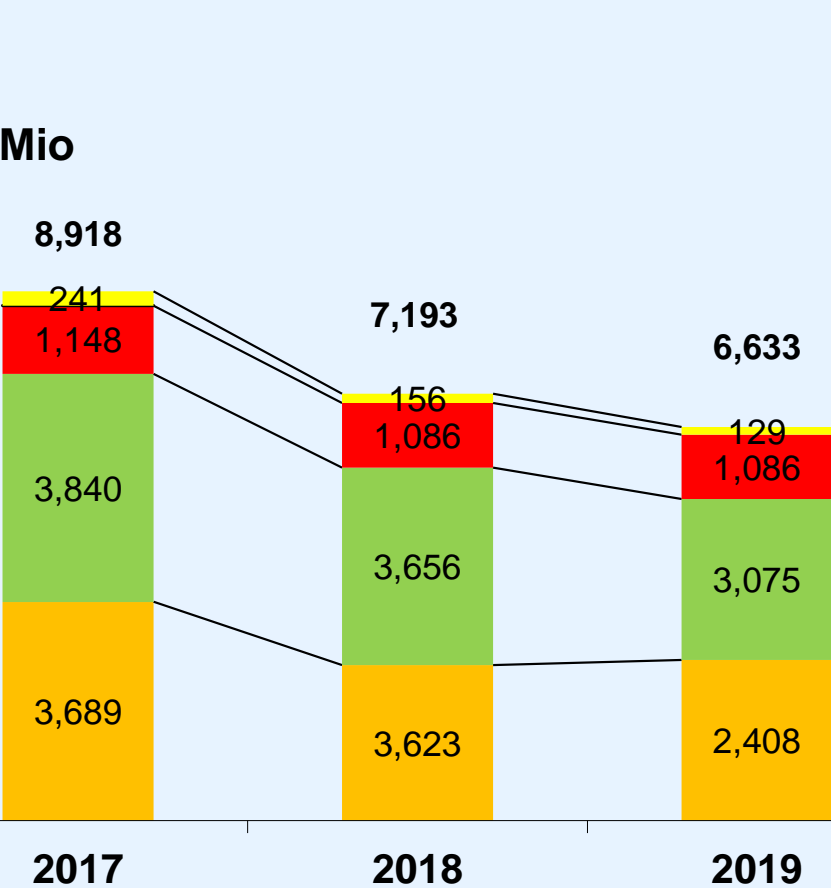
* As at May 2020: 20 Countries and Organisations – see Intranet – 13 + 2 delivered input

* AMIS
** SUSEP

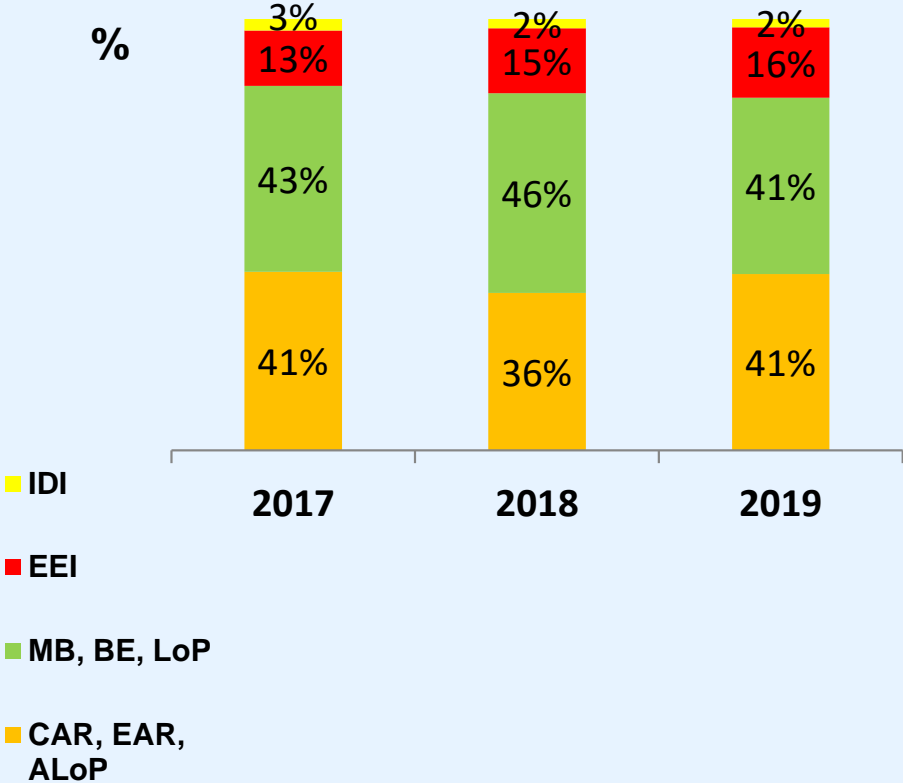
Development of Premiums 2017 – 2019 per Line of Business



US\$ Mio

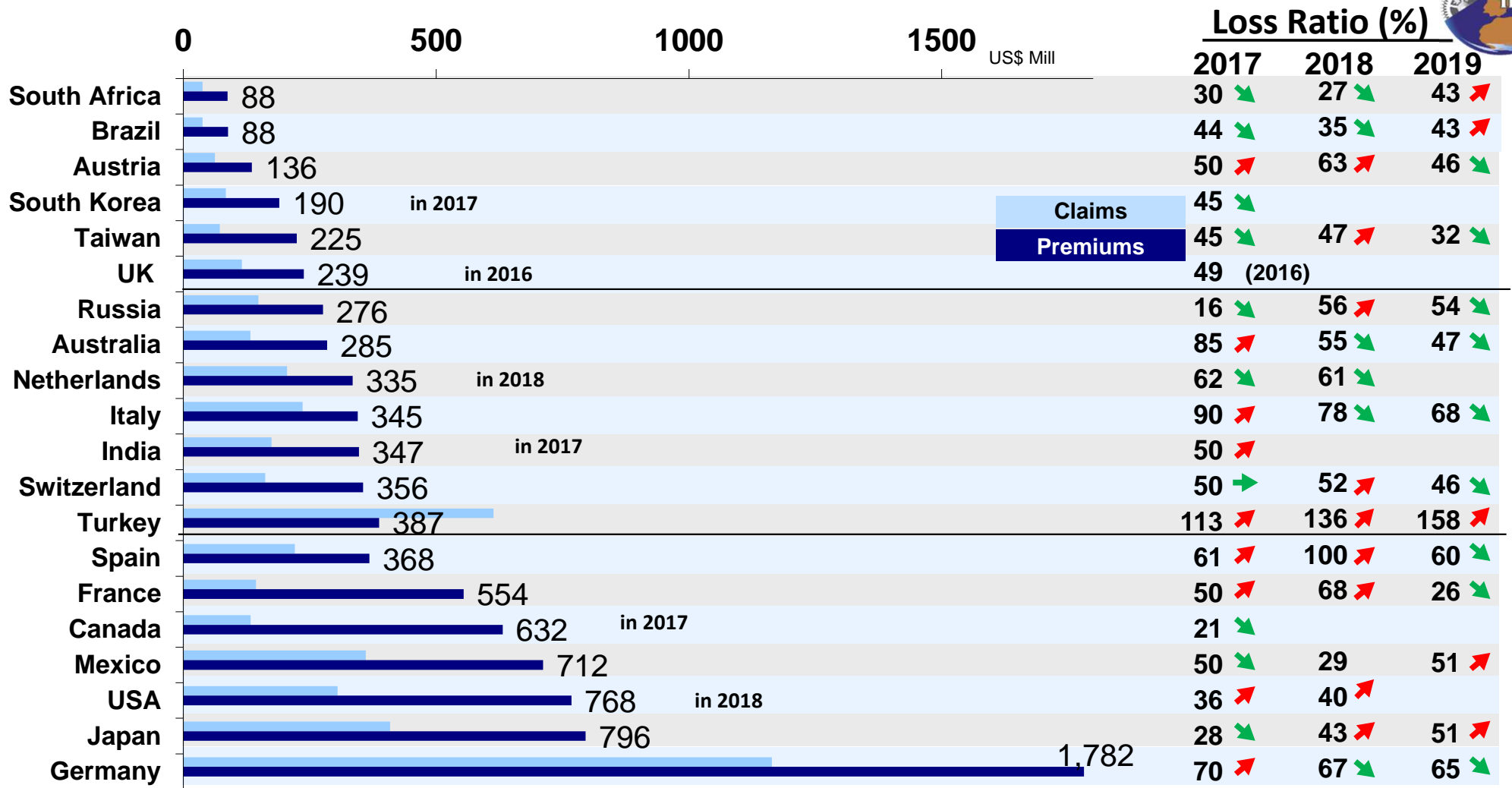


%

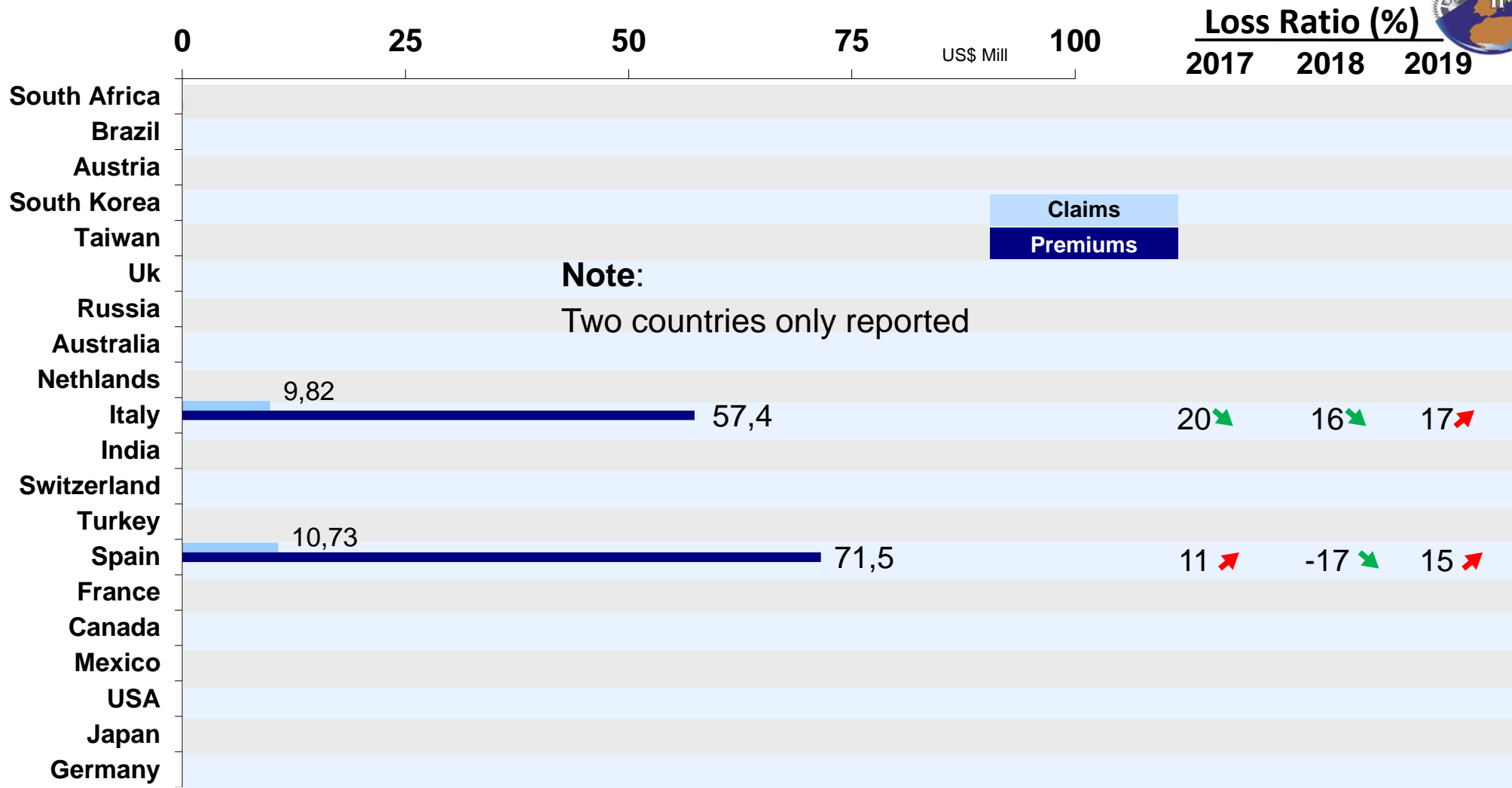


- IDI
- EEI
- MB, BE, LoP
- CAR, EAR, ALoP

Premiums and Claims 2019 per Country (excl. IDI)



Premiums and Claims 2019 per Country (IDI only)

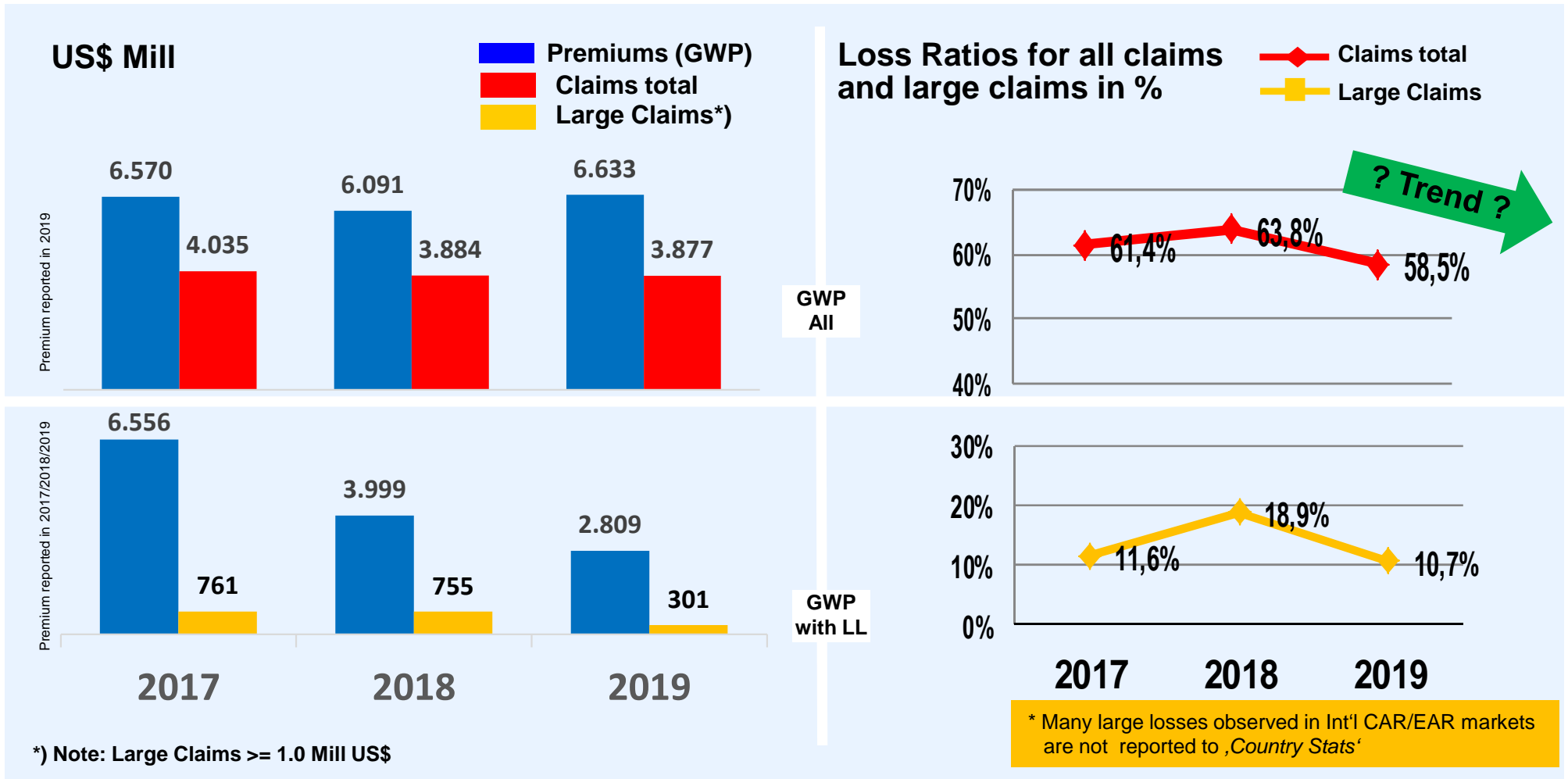


IMIA 'Country Statistics' 2017 - 2019

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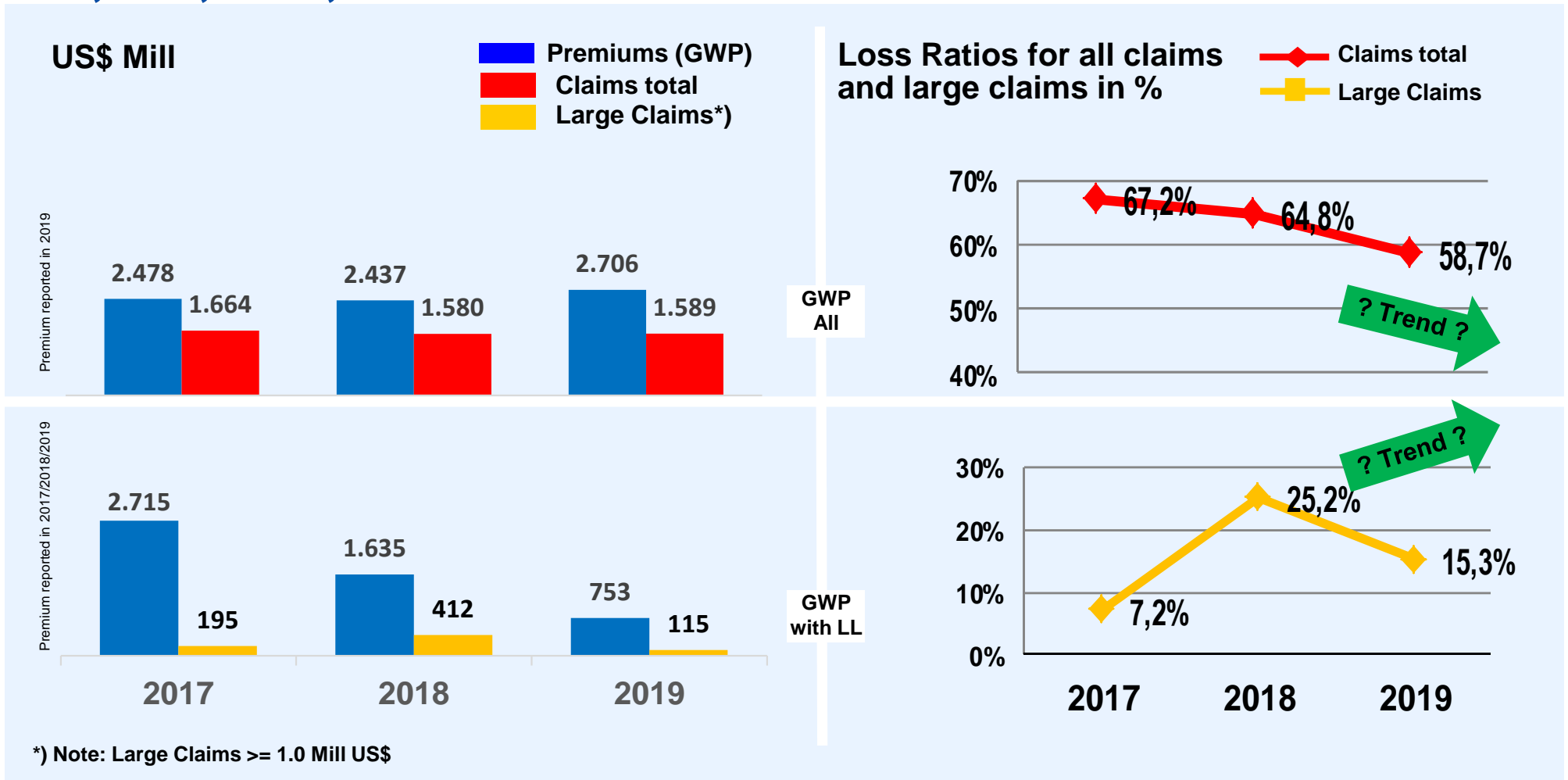
Premiums / Claims / Large Claims → 2017-2019

All Lines of Business *



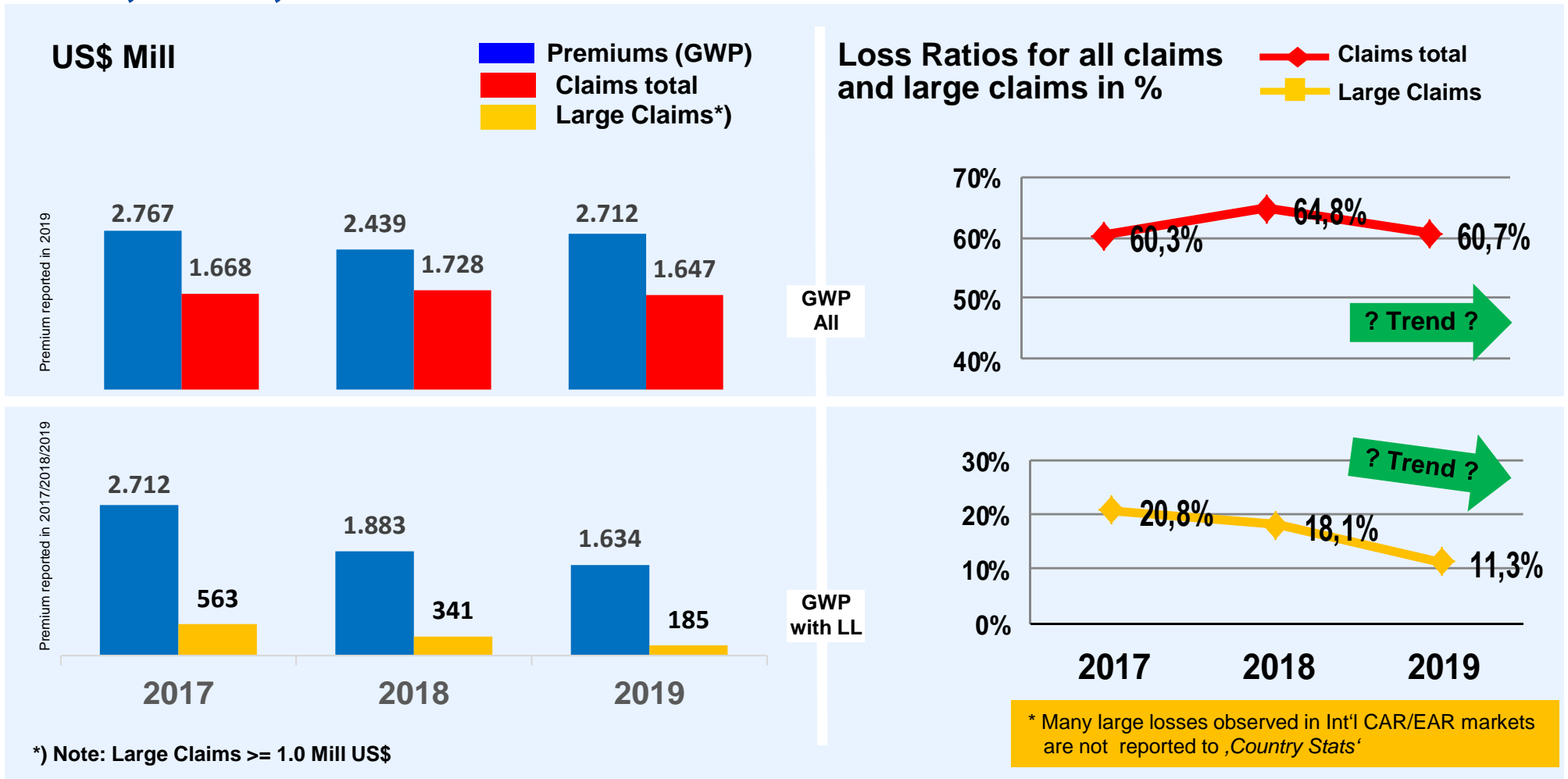
Premiums / Claims / Large Claims → 2017-2019

MB, BE, LoP, O



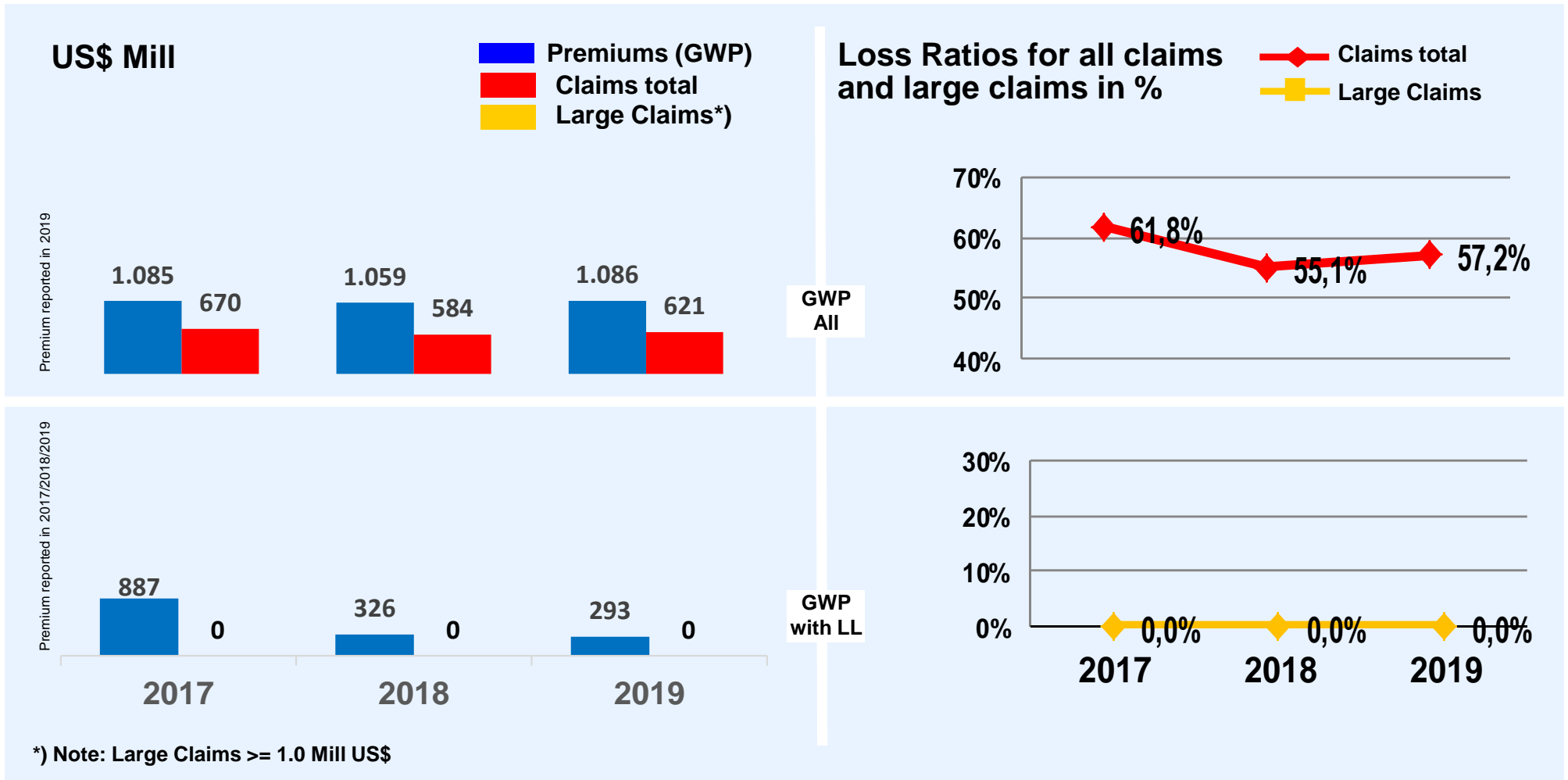
Premiums / Claims / Large Claims → 2017-2019

CAR, EAR, ALoP *



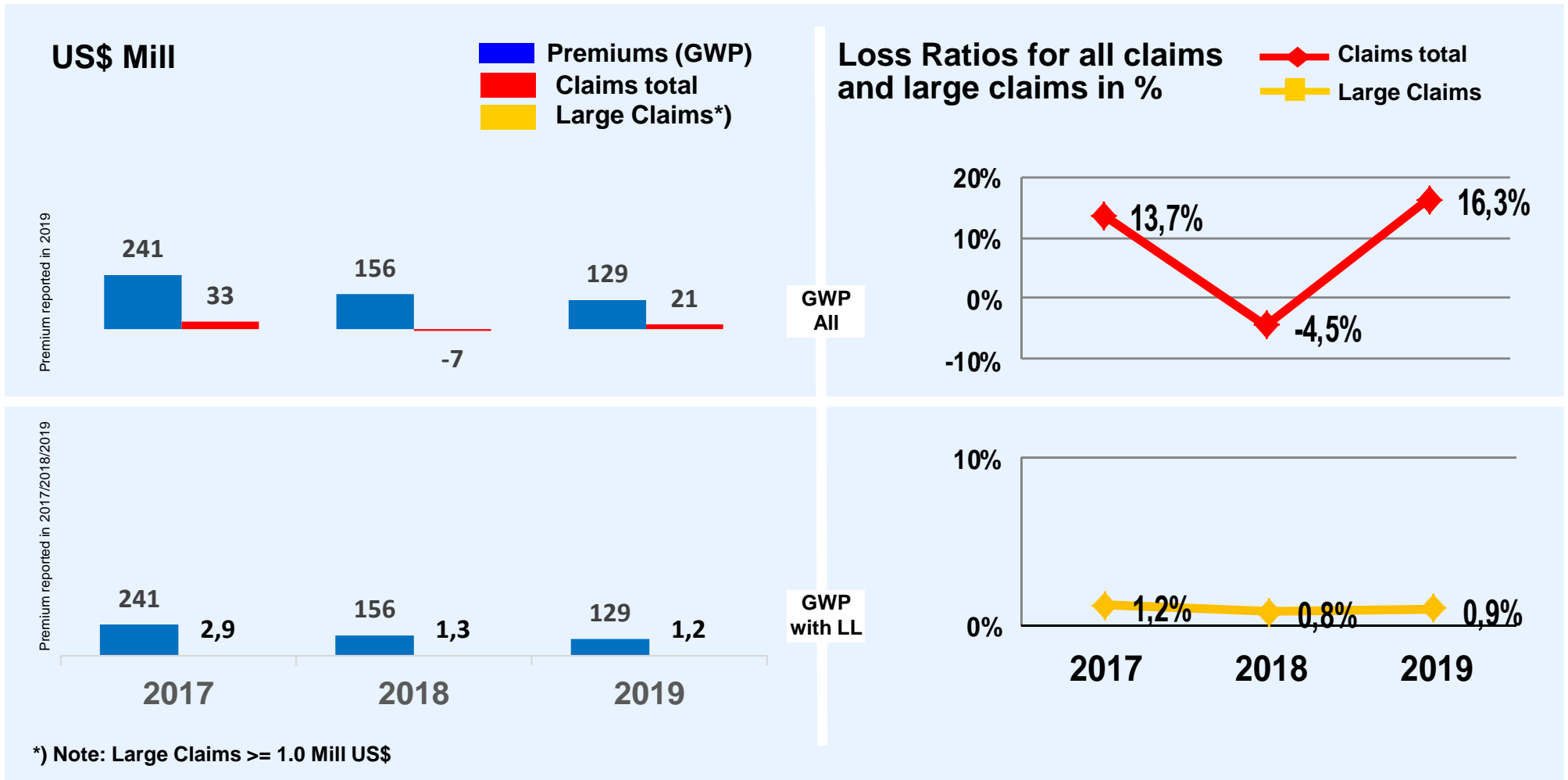
Premiums / Claims / Large Claims → 2017-2019

EEI



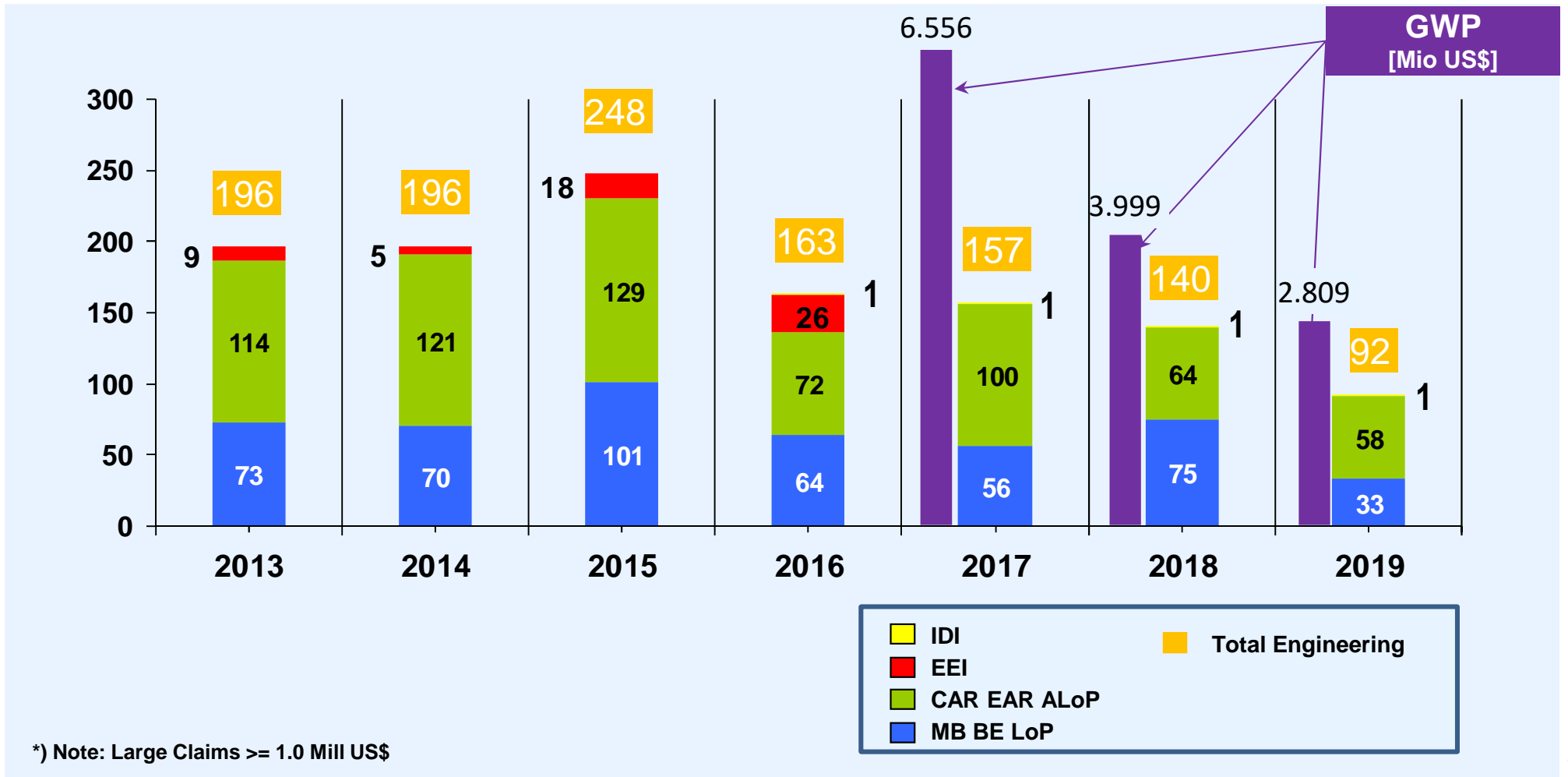
Premiums / Claims / Large Claims → 2017-2019

IDI



Large Claims only → 2013 – 2019

Number of Claims → All LoB



Large Claims only → 2013 – 2019

Cause of Claims → All LoB

6.556
3.999
2.809

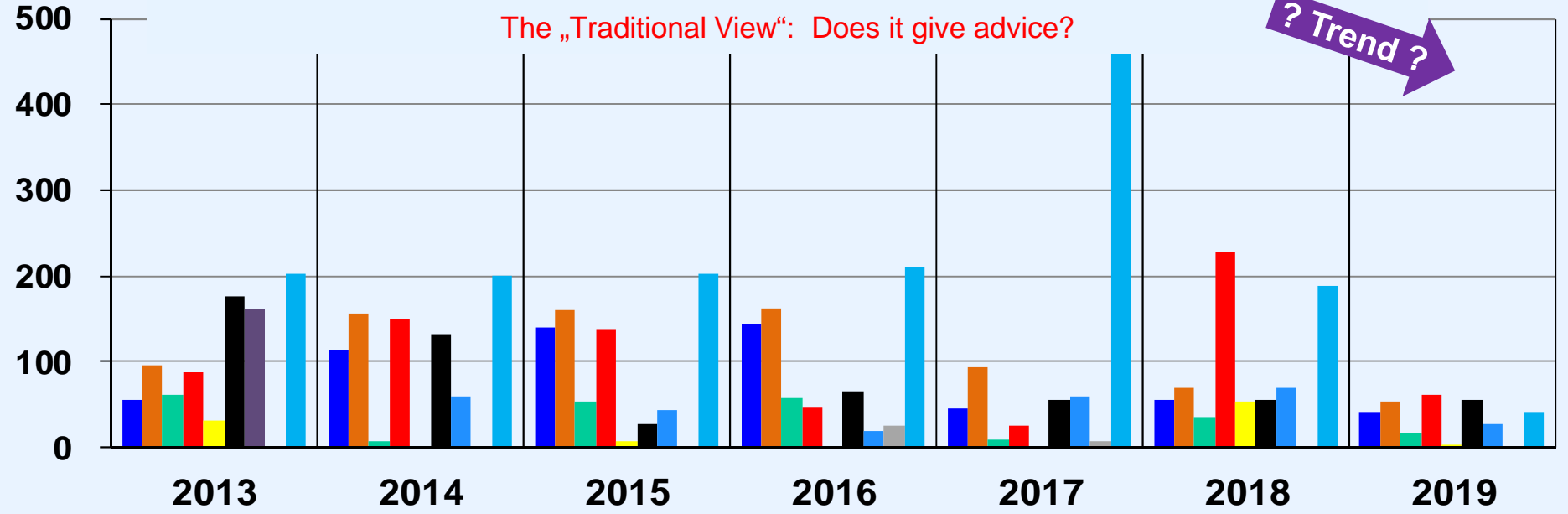
GWP of Rep LL
[Mio US\$]

- A) Faulty Operation
- B) Faulty Material and Workmanship
- C) Faulty Design
- D) Fire
- E) Explosion
- F) Storm
- G) Flood and Inundation
- H) Earthquake
- I) Others

US\$ Mill

The „Traditional View“: Does it give advice?

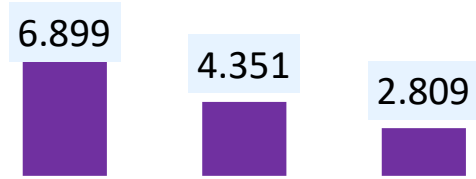
? Trend ?



*) Note: Large Claims >= 1.0 Mill US\$

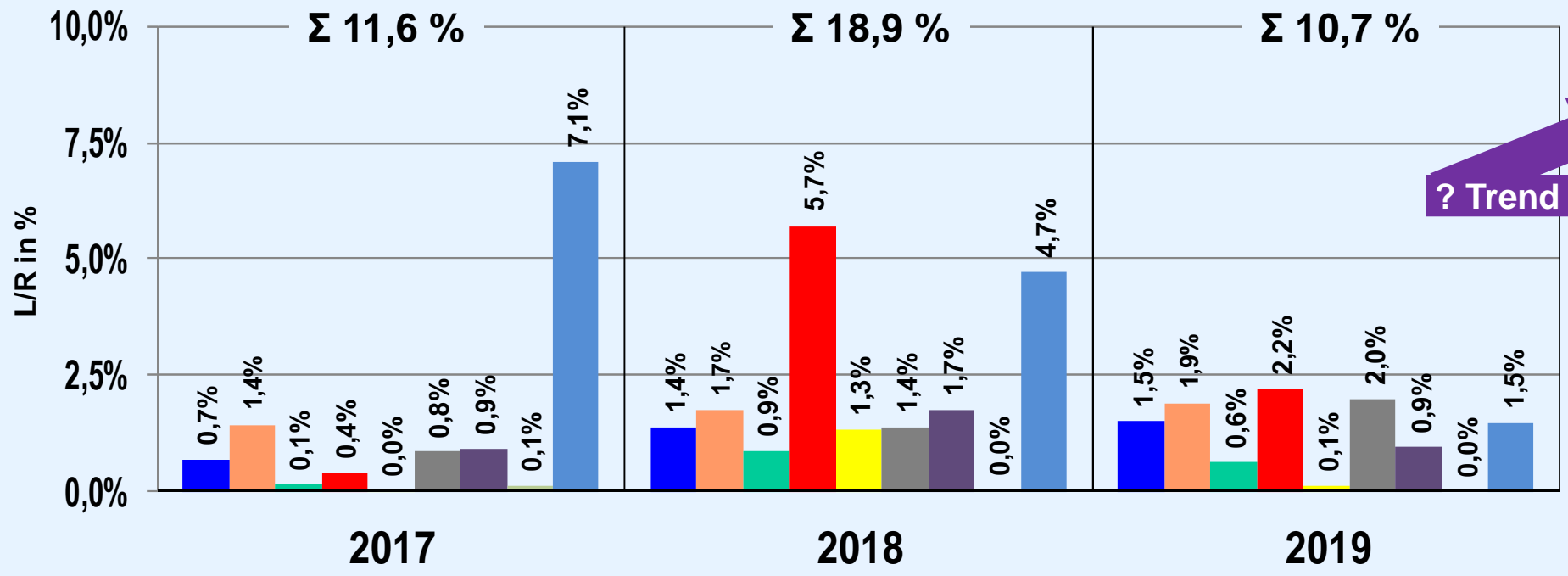
Large Claims only → 2013 – 2019

Cause of Loss → All LoB



GWP of Rep LL
[Mio US\$]

- A) Faulty Operation
- D) Fire
- F) Storm
- I) Others
- B) Faulty Material and Workmanship
- E) Explosion
- G) Flood and Inundation
- H) Earthquake
- C) Faulty Design



? Trend ?

*) Note: Large Claims >= 1.0 Mill US\$

* Many large losses observed in Int'l CAR/EAR markets are not reported to 'Country Stats'

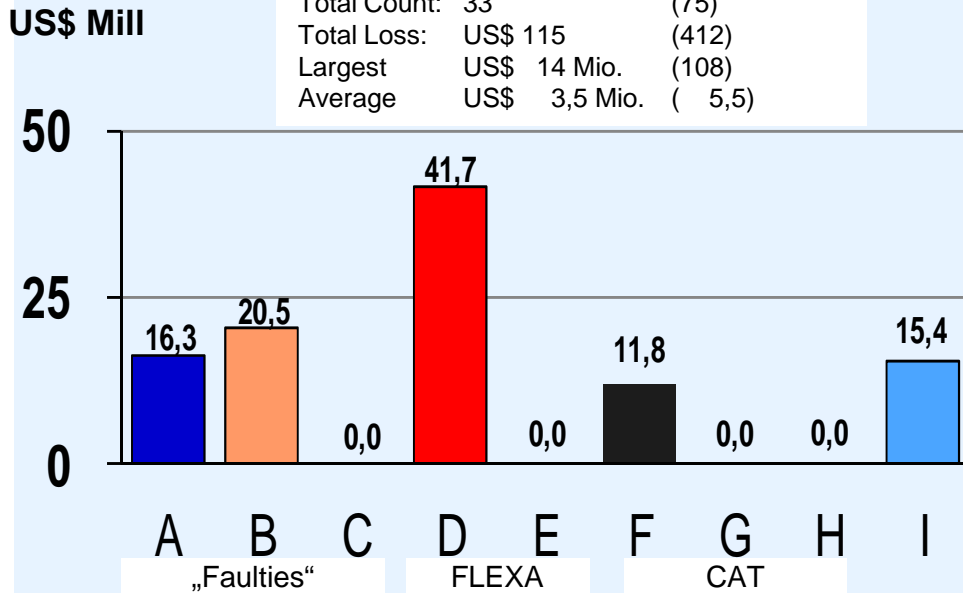
Large Claims only 2019 (2018)

Cause of Loss → Operational / Projects

- A) Faulty Operation
- C) Faulty Design
- E) Explosion
- G) Flood and Inundation
- B) Faulty Material and Workmanship
- D) Fire
- F) Storm
- H) Earthquake
- I) Others

MB, BE, LoP, O

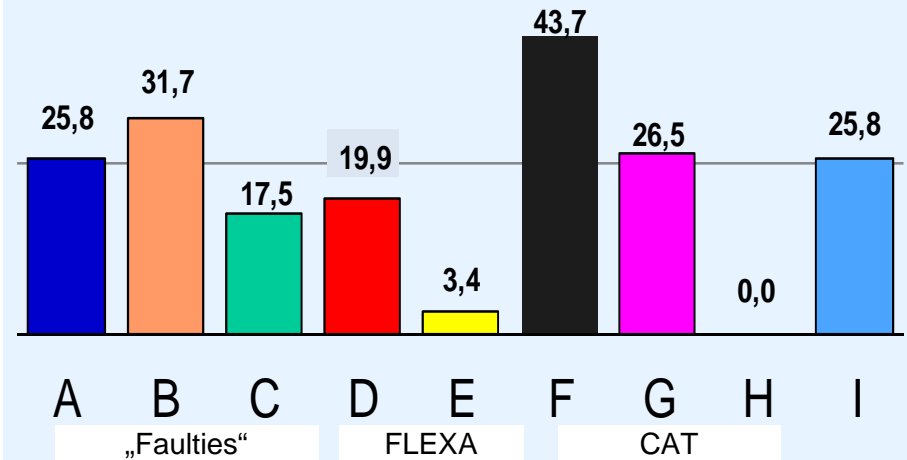
Total Count:	33	(75)
Total Loss:	US\$ 115	(412)
Largest	US\$ 14 Mio.	(108)
Average	US\$ 3,5 Mio.	(5,5)



*) Note: Large Claims >= 1.0 Mill US\$

CAR, EAR, ALoP

Total Count:	58	(64)
Total Loss:	US\$ 341	(185)
Largest	US\$ 11 Mio.	(56)
Average	US\$ 3,2 Mio.	(5,3)



* Many large losses observed in Int'l CAR/EAR markets are not part of 'Country Stats'

Large Claims only 2019 (2018)

Cause of Loss → EEI & IDI

- A) Faulty Operation
- B) Faulty Material and Workmanship
- C) Faulty Design
- D) Fire
- E) Explosion
- F) Storm
- G) Flood and Inundation
- H) Earthquake
- I) Others

EEI

US\$ Mill

50

25

0

Total Count:	0	(0)
Total Loss:	US\$ 0	(0)
Largest	US\$ 0 Mio.	(0)
Average	US\$ 0 Mio.	(0)

A B C D E F G H I
 „Faulties“ FLEXA CAT

IDI

Total Count:	1	(1)
Total Loss:	US\$ 1,2	(1,3)
Largest	US\$ 1,2 Mio.	(1,3)
Average	US\$ 1,2 Mio.	(1,3)

1,2

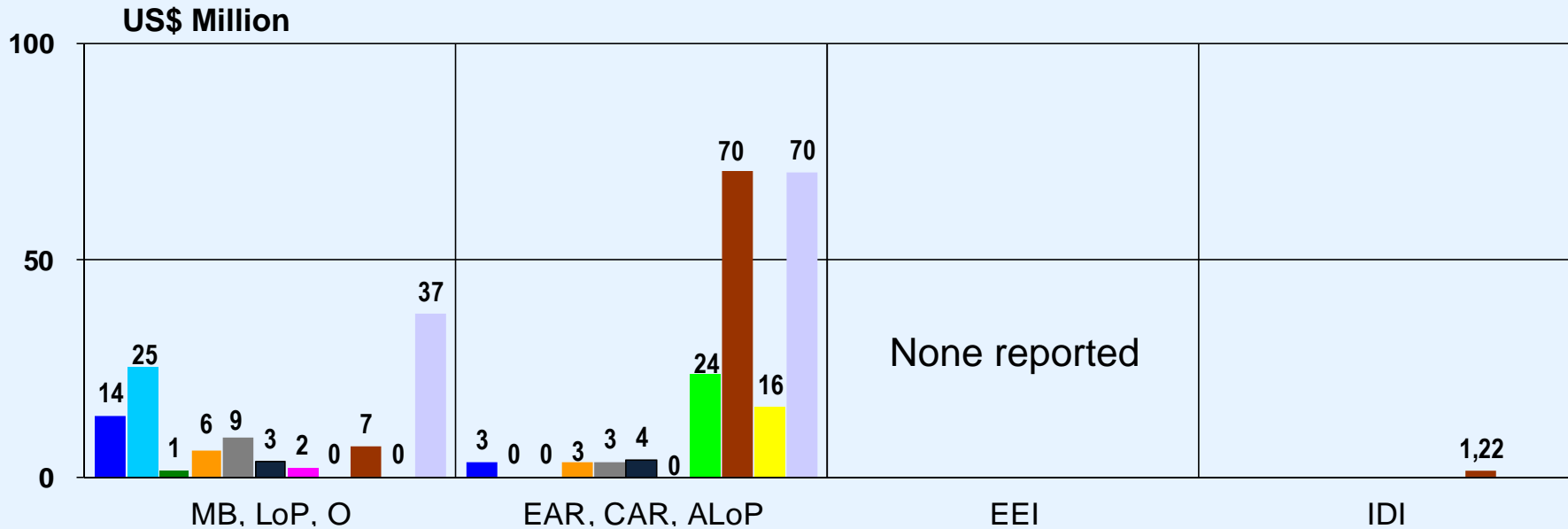
A B C D E F G H I
 „Faulties“ FLEXA CAT

*) Note: Large Claims >= 1.0 Mill US\$

Large Claims only 2019

Main Items affected → Operational / Projects / etc.

- A) Turbo Generator Sets
- B) Boilers and Pressure Vessels
- C) Compressors and other mechanical plants
- D) Electrical Machines and Equipment
- E) Production Machinery and Process Equipment
- F) Lifting and Transportation
- G) Chemical Plants
- H) Electronic Equipment
- I) Civil Engineering Works
- J) Erection of Plants
- K) Other Property



*) Note: Large Claims >= 1.0 Mill US\$

* Many large losses observed in Int'l CAR/EAR markets are not part of 'Country Stats'

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IMIA Stats 2017-2019

„**Democracy**

... is the worst form of government except for all those who have been tried“

IMIA Statistics

...is the worst form of statistics except for all those who have been tried



Sir Winston Churchill

IMIA is committed to improve by

- IRCI** – **IMIA Rate Change Index**
- ILORI** – **IMIA Loss Ratio Index**
- ILLL** – **IMIA Large Loss List (> 50 Mio US\$)**

IMIA appreciates YOUR input

Key to the abbreviations

ALoP	Advance Loss of Profits (DSU)
BE	Boiler Explosion
CAR	Contractor's All Risks
EAR	Erection All Risks
EEI	Electronic Equipment Insurance
IDI	Inherent Defects (Decennial) Insurance
LoB	Line of Business
LoP	Loss of Profits (MLoP)
MB	Machinery Breakdown
O	Others (Operational, CPM)

Please note

All figures are based on information supplied to IMIA by its Member countries. It should be borne in mind that these figures may not always contain IBNR provisions, and that premium patterns may vary between reporting member countries and companies.

Inherent Defects Insurance (IDI), also called Decennial Insurance in French speaking countries, is written only in a few countries. It is a compulsory class of business in some of these. Due to the different legal situation and others specifics, the scope of cover varies greatly from country to country. Therefore any attempt to make comparisons is very difficult and may lead to wrong conclusions.

Since IDI contracts grant cover for material damage caused by latent defects for a period of (usually) ten years as from completion of the contract works, special attention needs to be given to the issue of premium earning patterns during the policy duration. These patterns vary considerably from country to country and are even regulated in some of them by the insurance supervisory body. IMIA is not in a position to reflect the various regulations governing the administration of this line of business in the various countries nor can IMIA validate the method used by its members in establishing their figures.

Therefore IMIA recommends to adopt particular care when drawing conclusions from premiums, claims figures and loss ratios reported herein especially in respect of IDI. For further details it is recommended to contact the IMIA-delegate from a particular member country to obtain more accurate information on the particulars of a specific line of business in his country.

Done

! Thank You !

? Any Question ?