

Engineering Insurance Premium and Loss Statistics 2016 - 2018



The International
Association
of Engineering Insurers

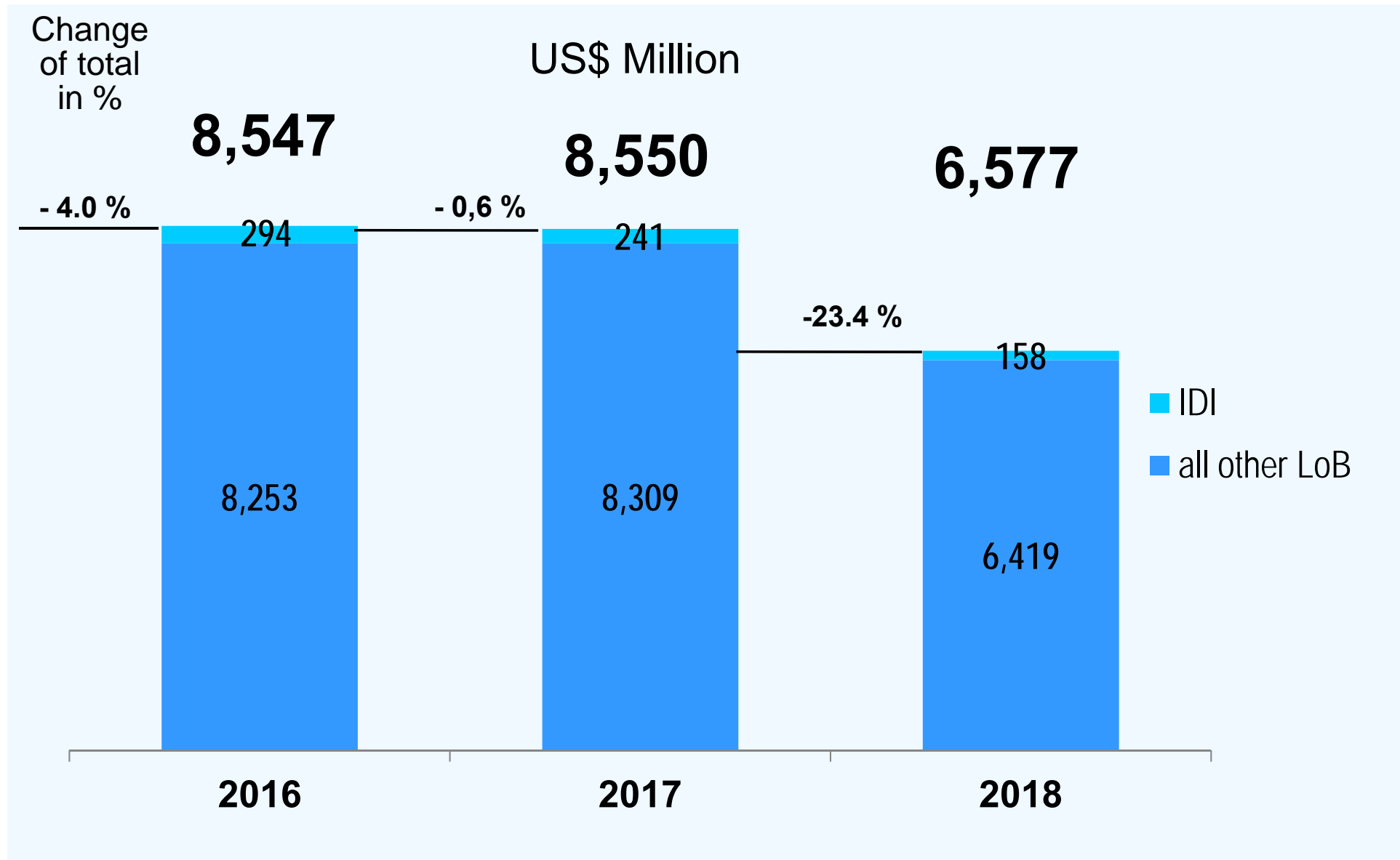
presented by Dieter Spaar, IMIA

21st to 23rd October 2019
Vienna

By: Antonio R Peynau, Brasil

Development of Engineering Premium 2016 – 2018

all IMIA Members (“reported”)



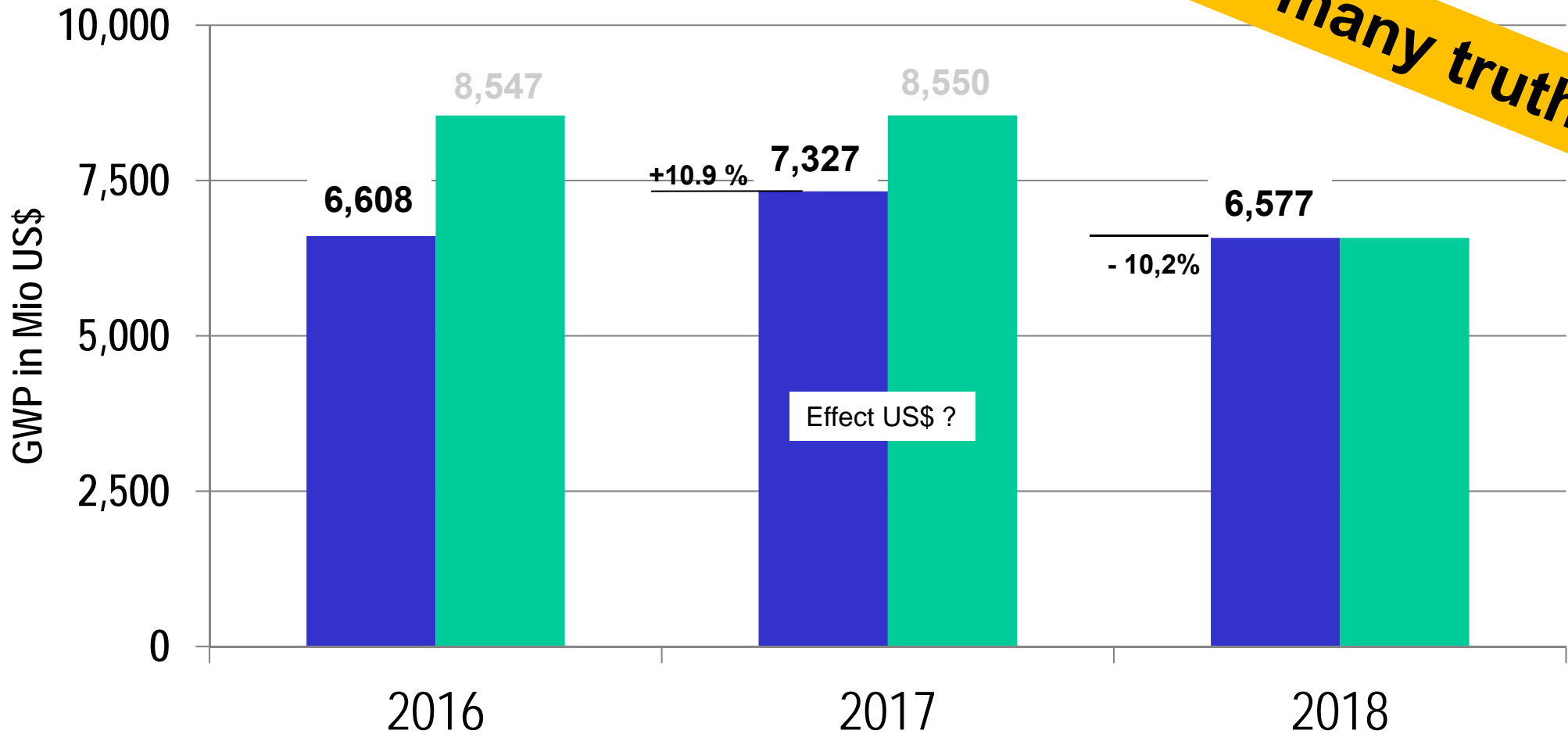
Development of Engineering Premium 2016 – 2018

comparison (“members reported 2018 only”)



There is many truths

GWP - countries reported

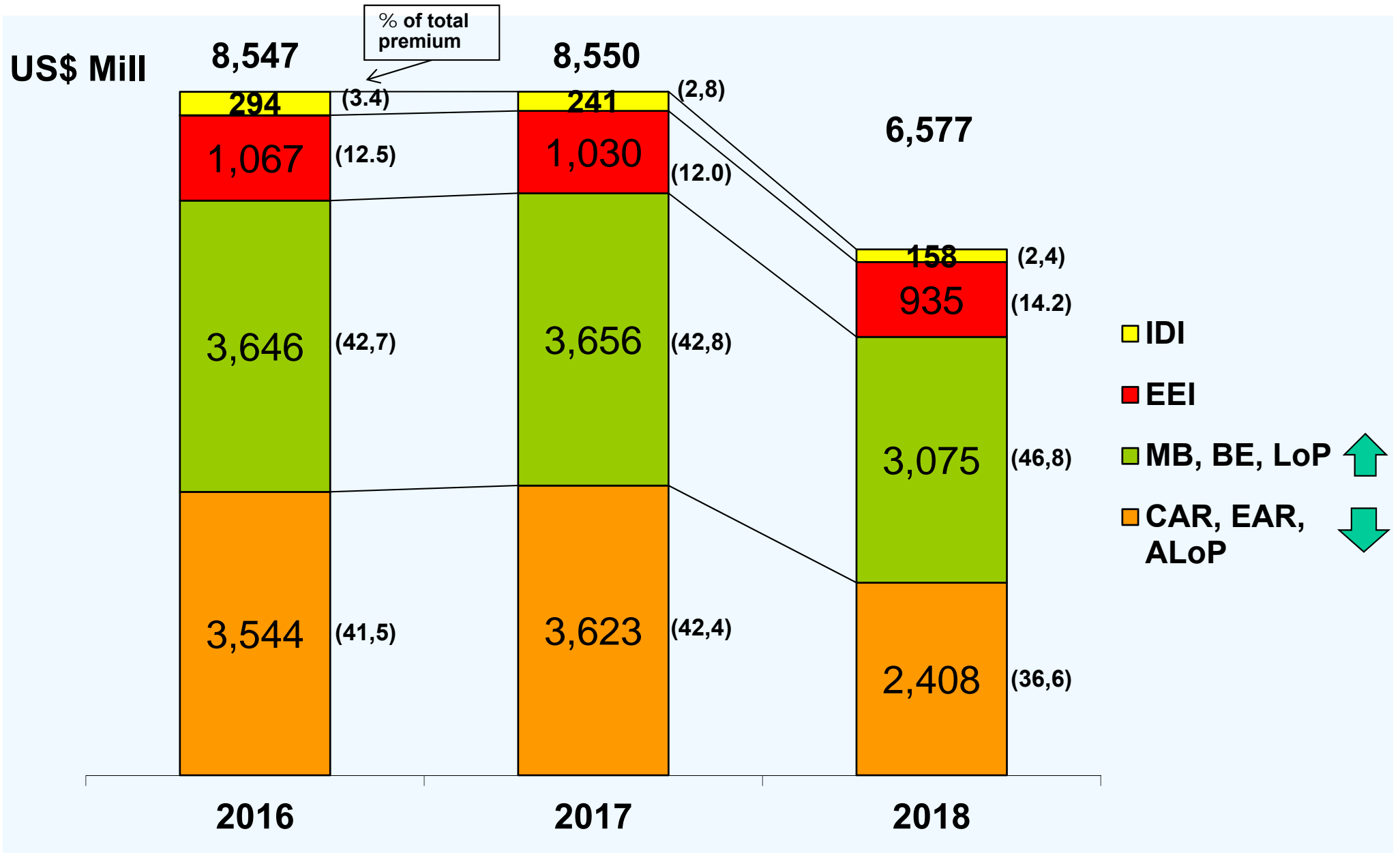


Reporting Year

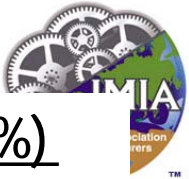
Increase > 10 %
 Australia, Austria, Germany, Italy
 Japan, NL, Russia, South Africa,
 Spain, Sweden, Switzerland,
 Taiwan, Turkey

Increase > 10 %:
 Sweden, Taiwan, Turkey

Development of Premiums 2016 – 2018 per Line of Business

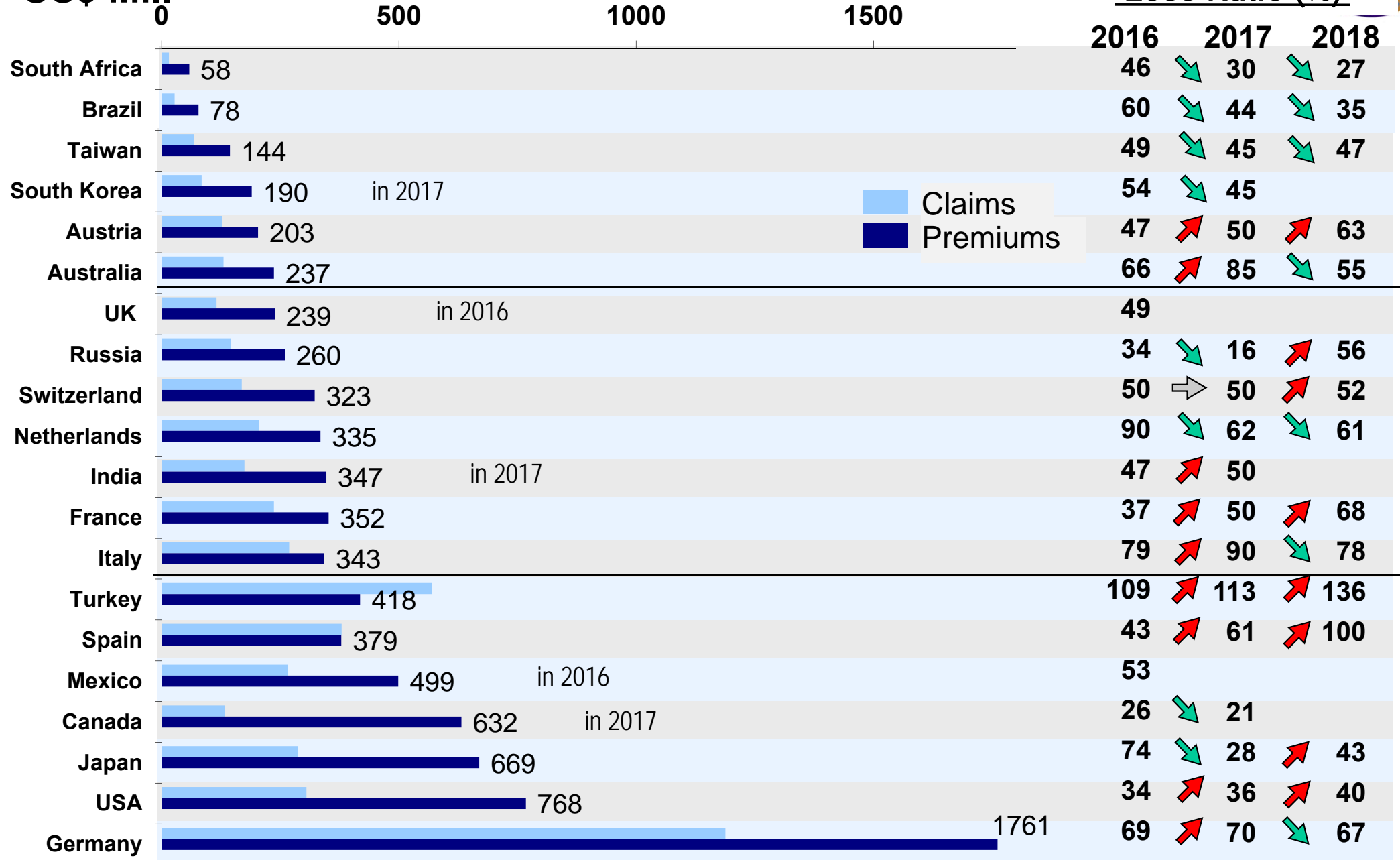


Premiums and Claims 2018 per Country (excl. IDI)



US\$ Mill

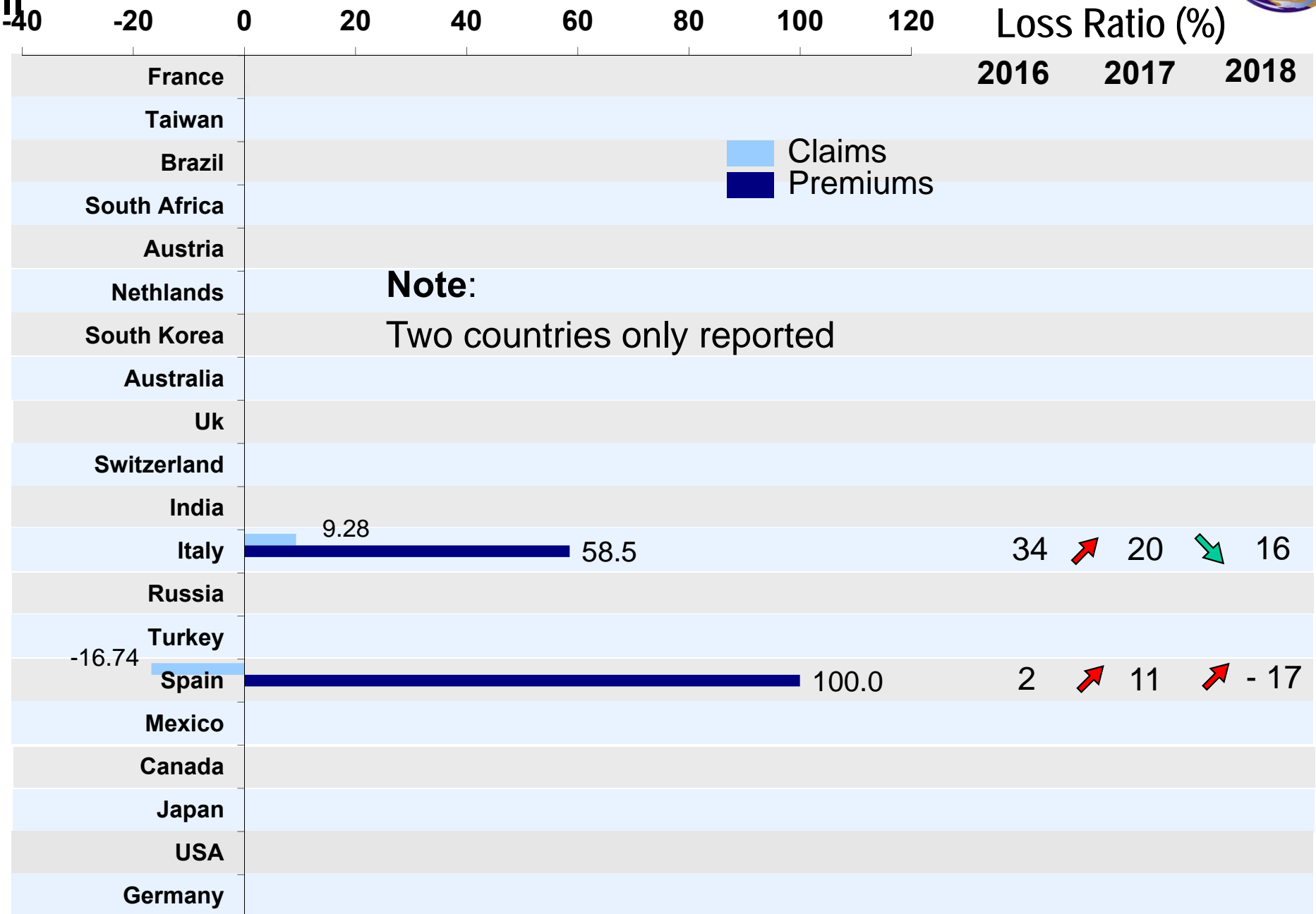
Loss Ratio (%)



IDI - Premiums and Claims 2018 per Country

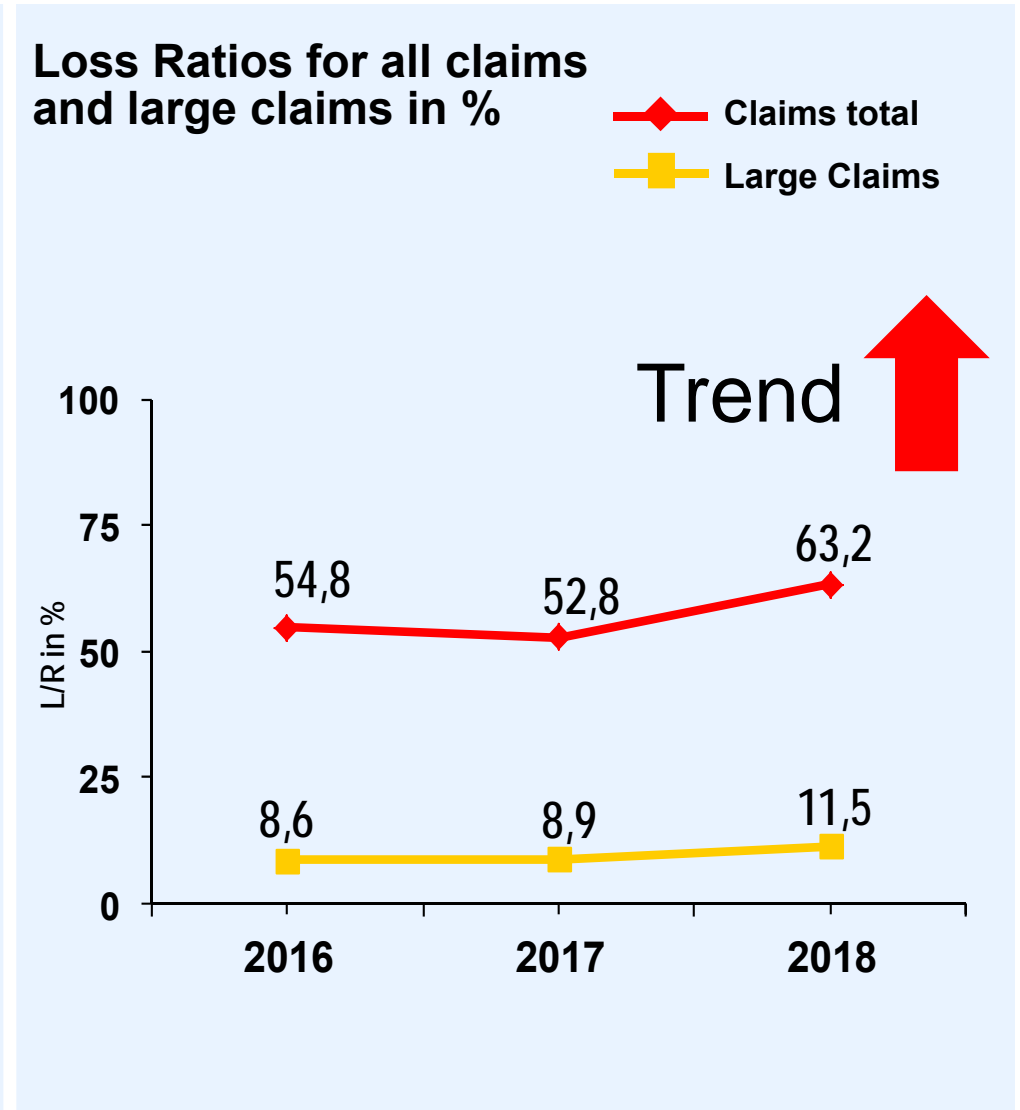
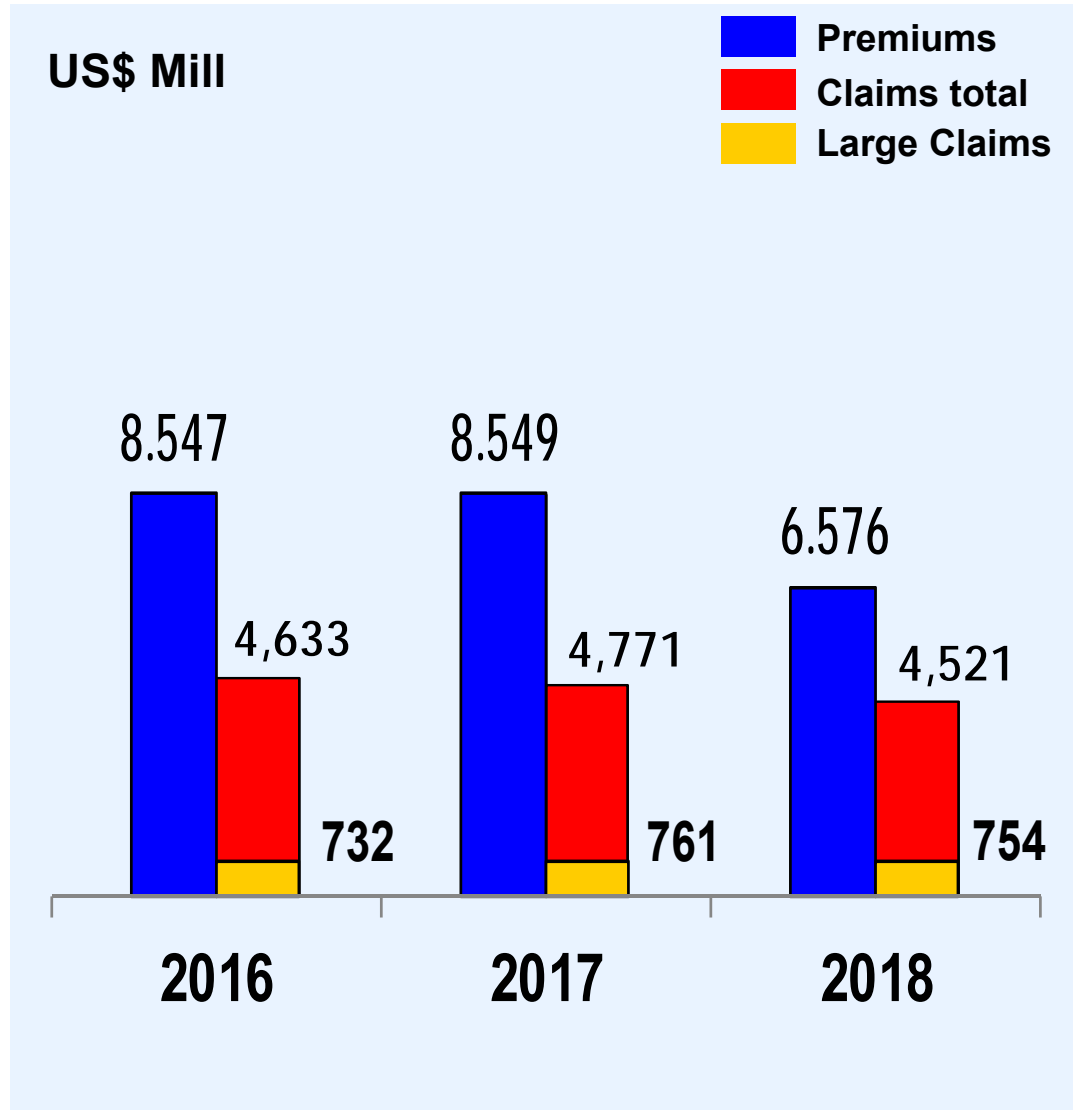


US\$ Mill



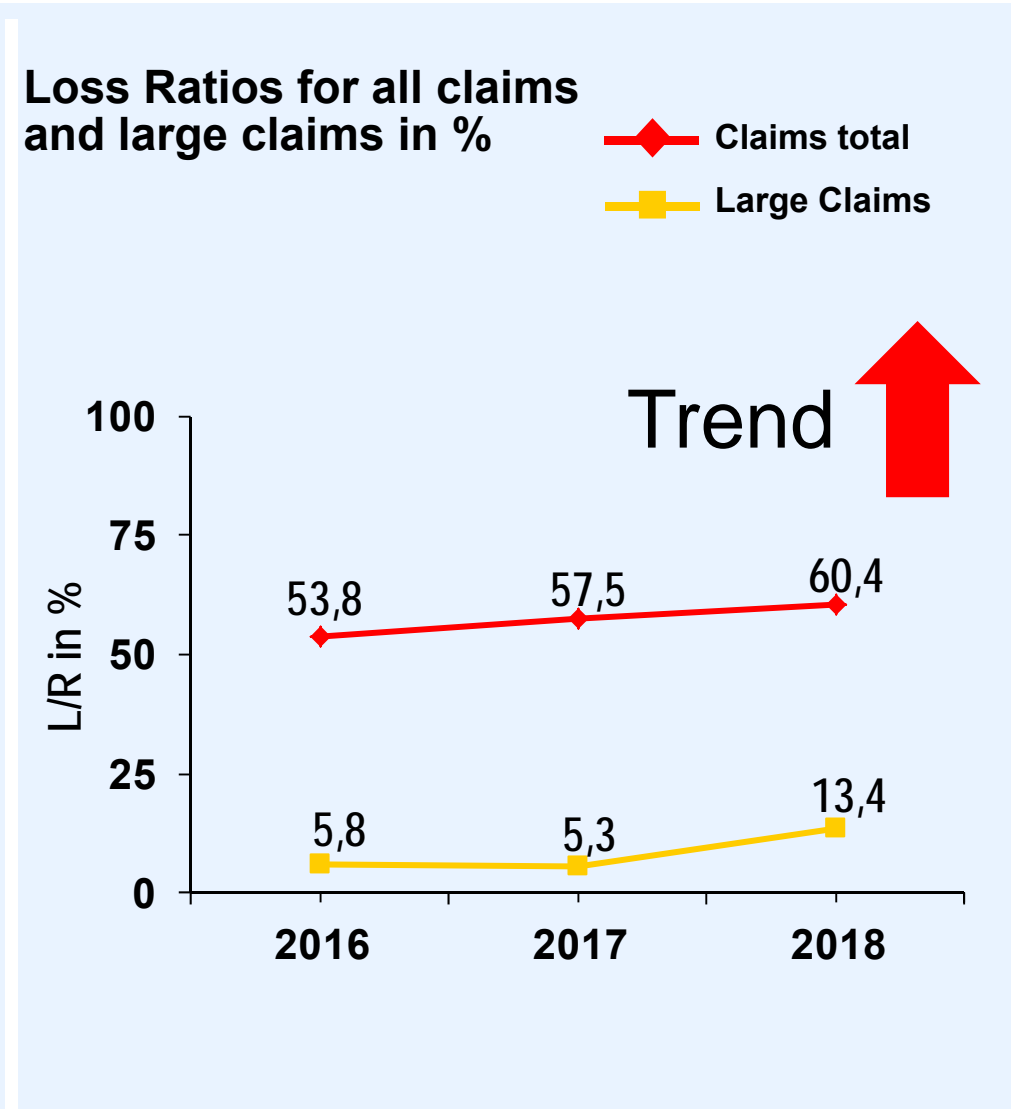
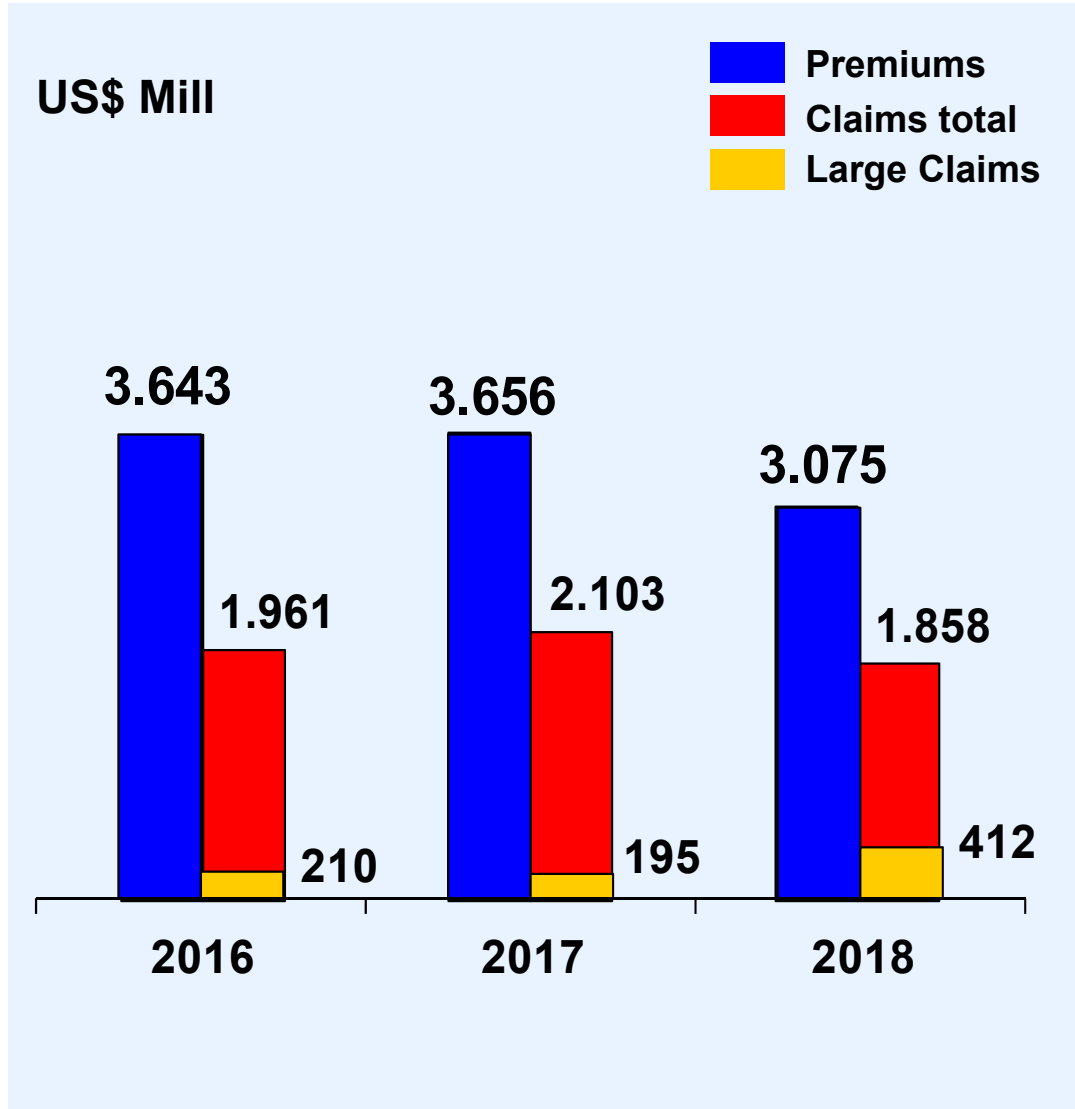
Note:
Two countries only reported

Premiums / Claims / Large Claims Loss Ratios – all Lines of Business (LoB) 2016 - 2018



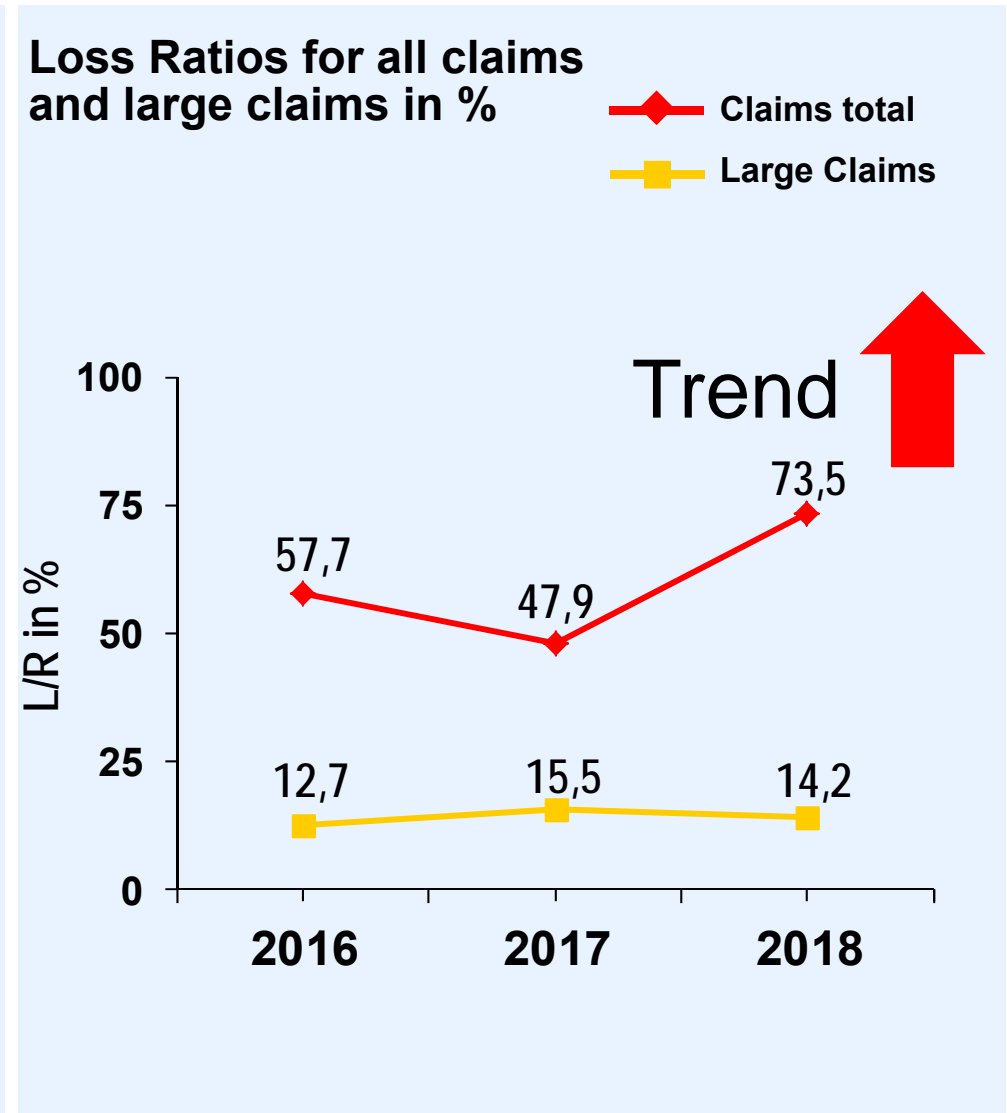
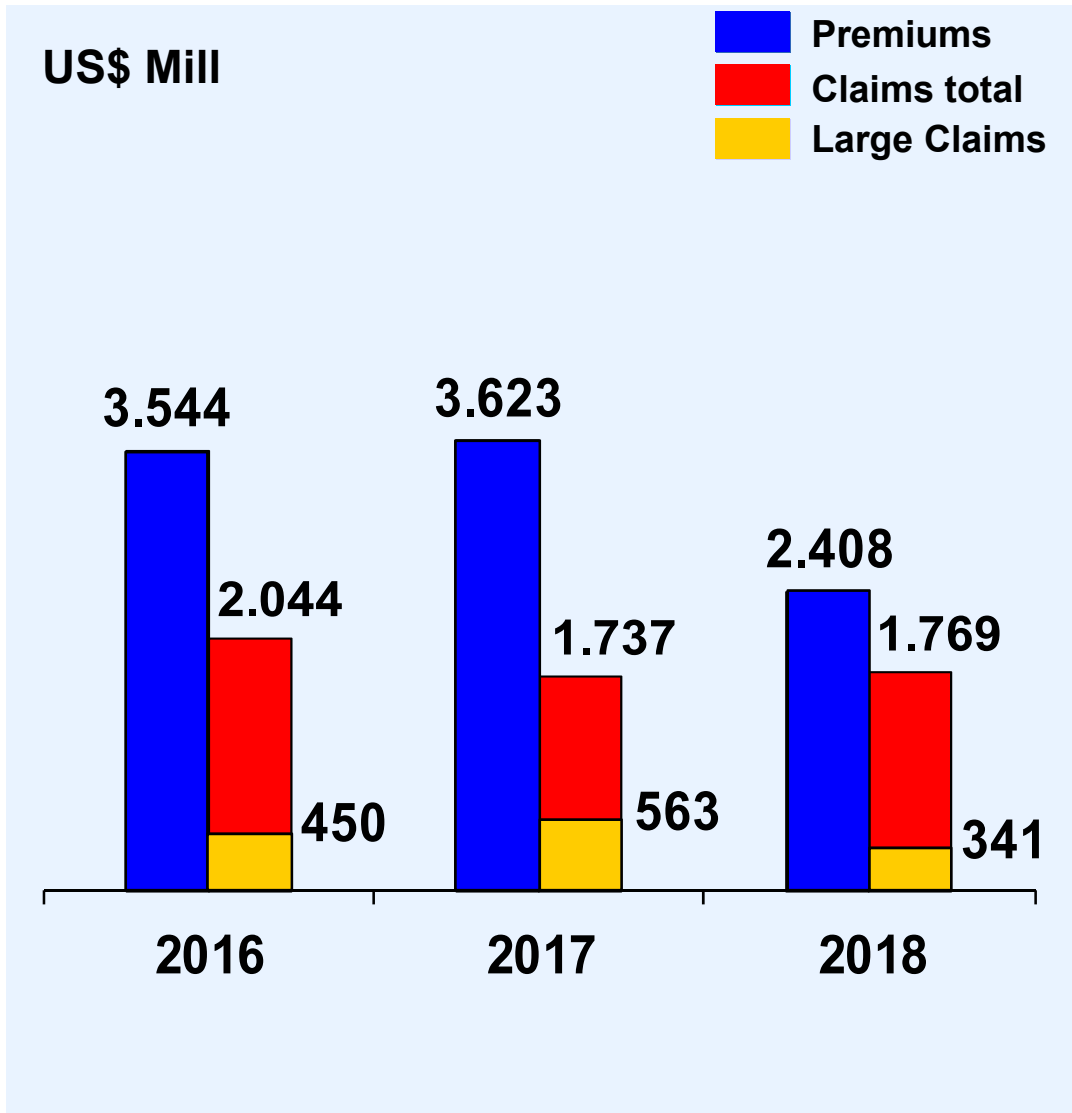
*) Note: Large Claims >= 1.0 Mill US\$

Premiums / Claims / Large Claims Loss Ratios – MB, BE, LoP, O 2016 - 2018



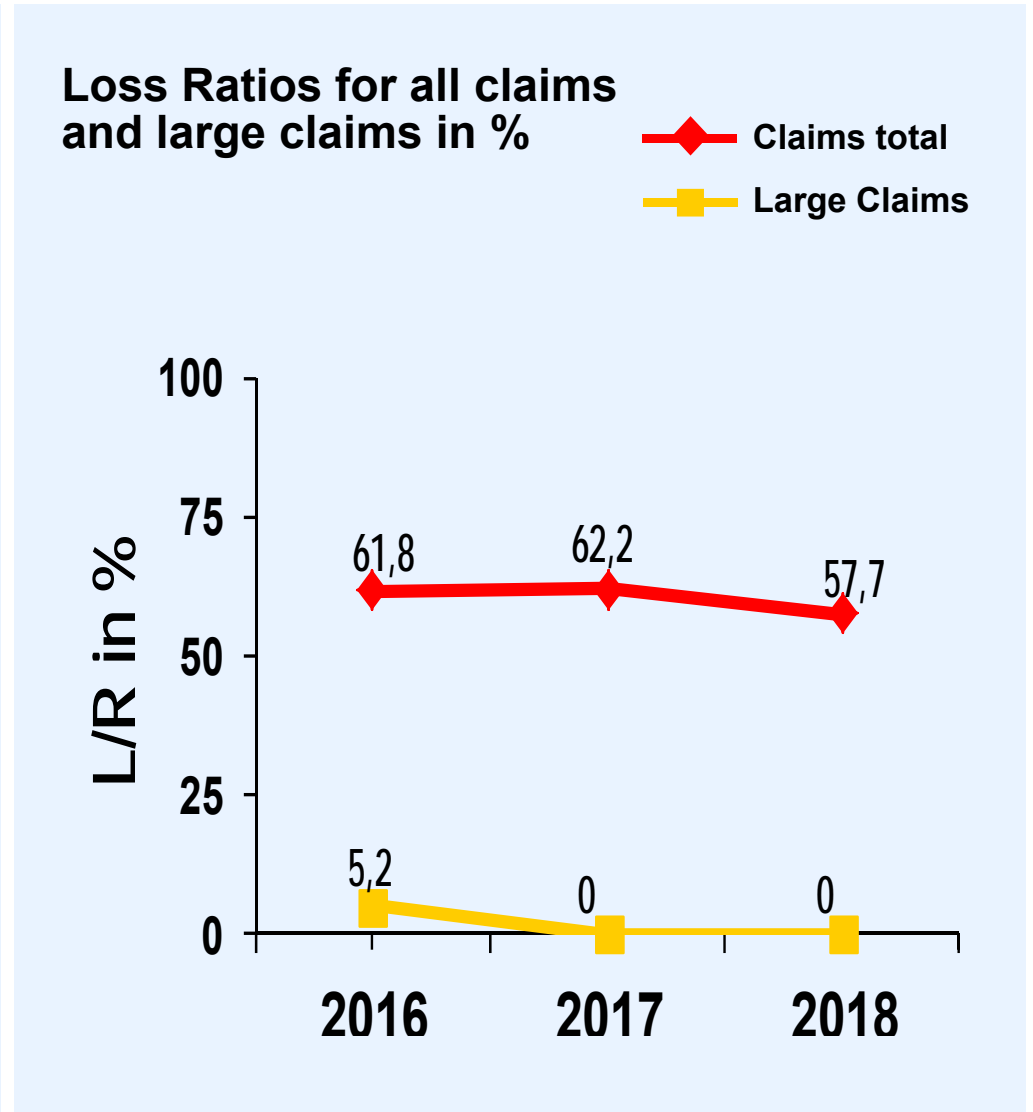
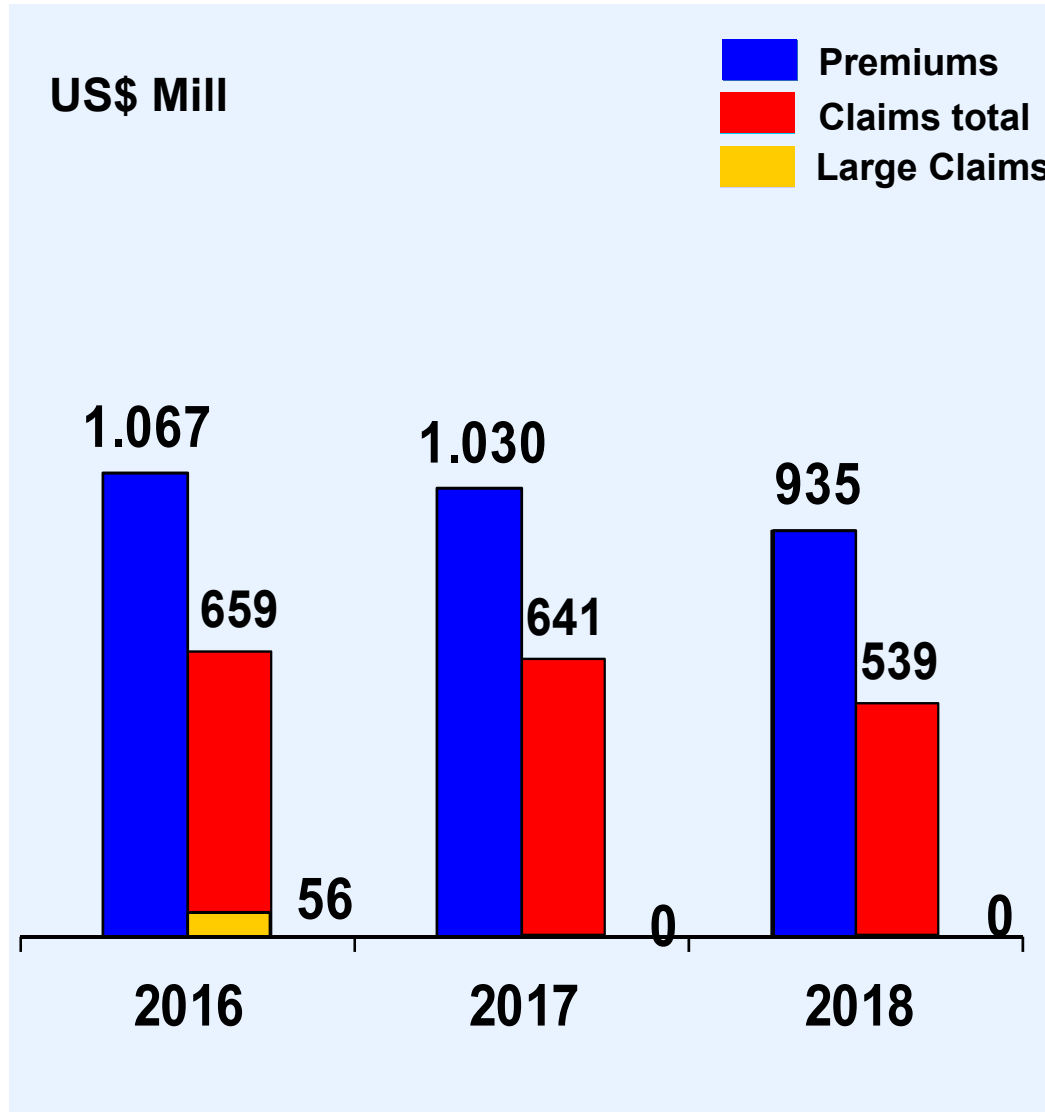
*) Note: Large Claims >= 1.0 Mill US\$

Premiums / Claims / Large Claims Loss Ratios – EAR, CAR, ALoP 2016 – 2018



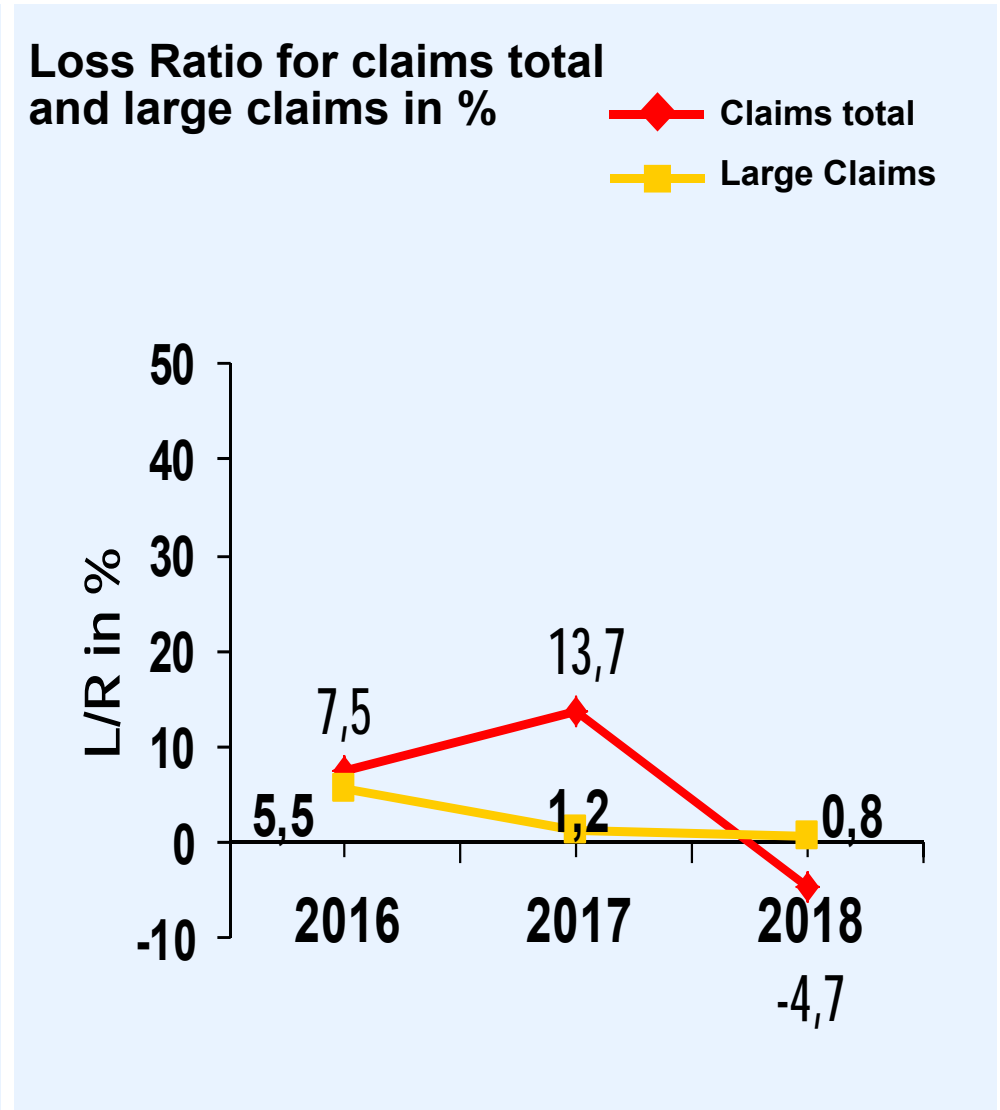
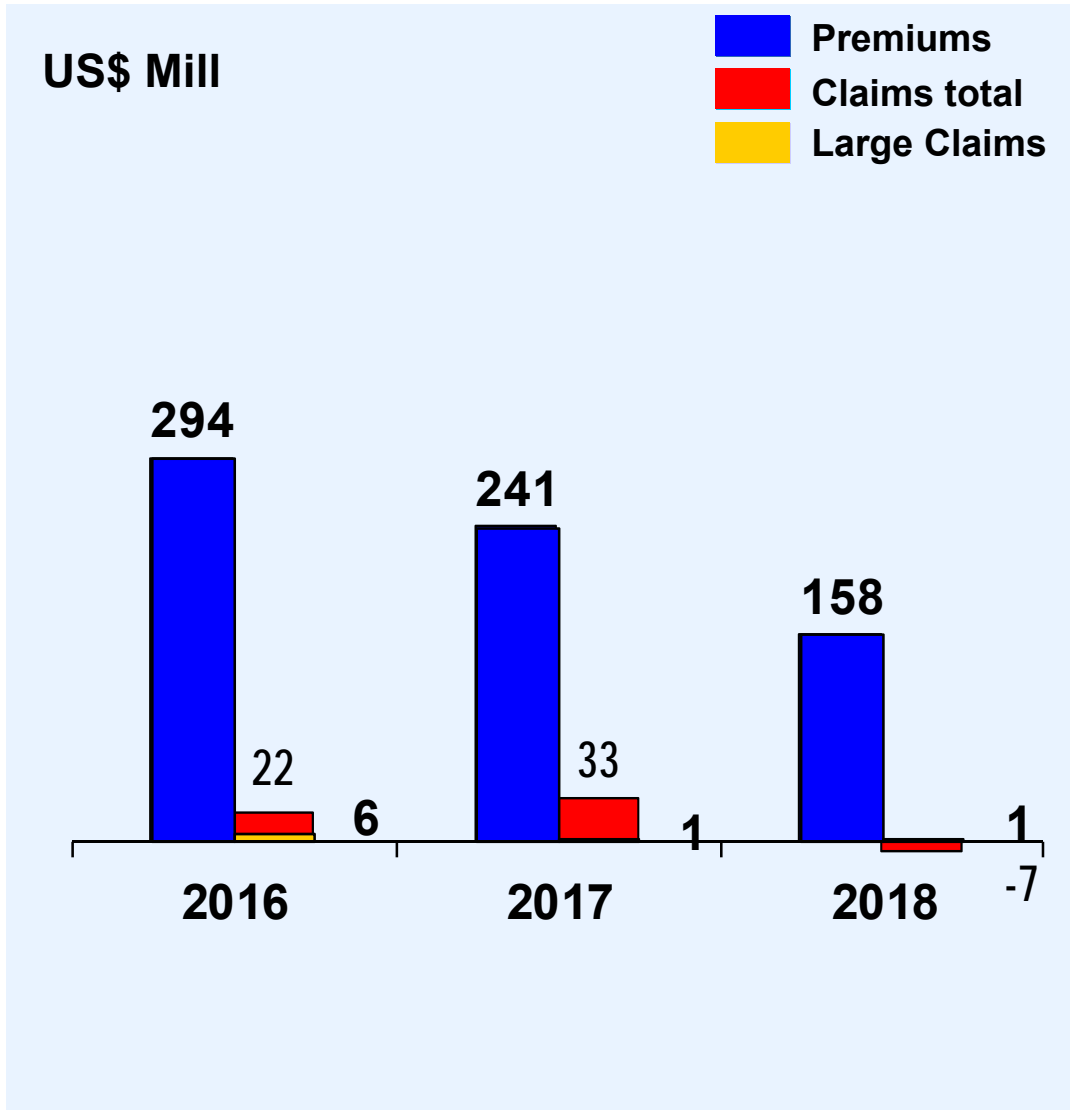
*) Note: Large Claims >= 1.0 Mill US\$

Premiums / Claims / Large Claims Loss Ratios – EEI 2016 - 2018



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

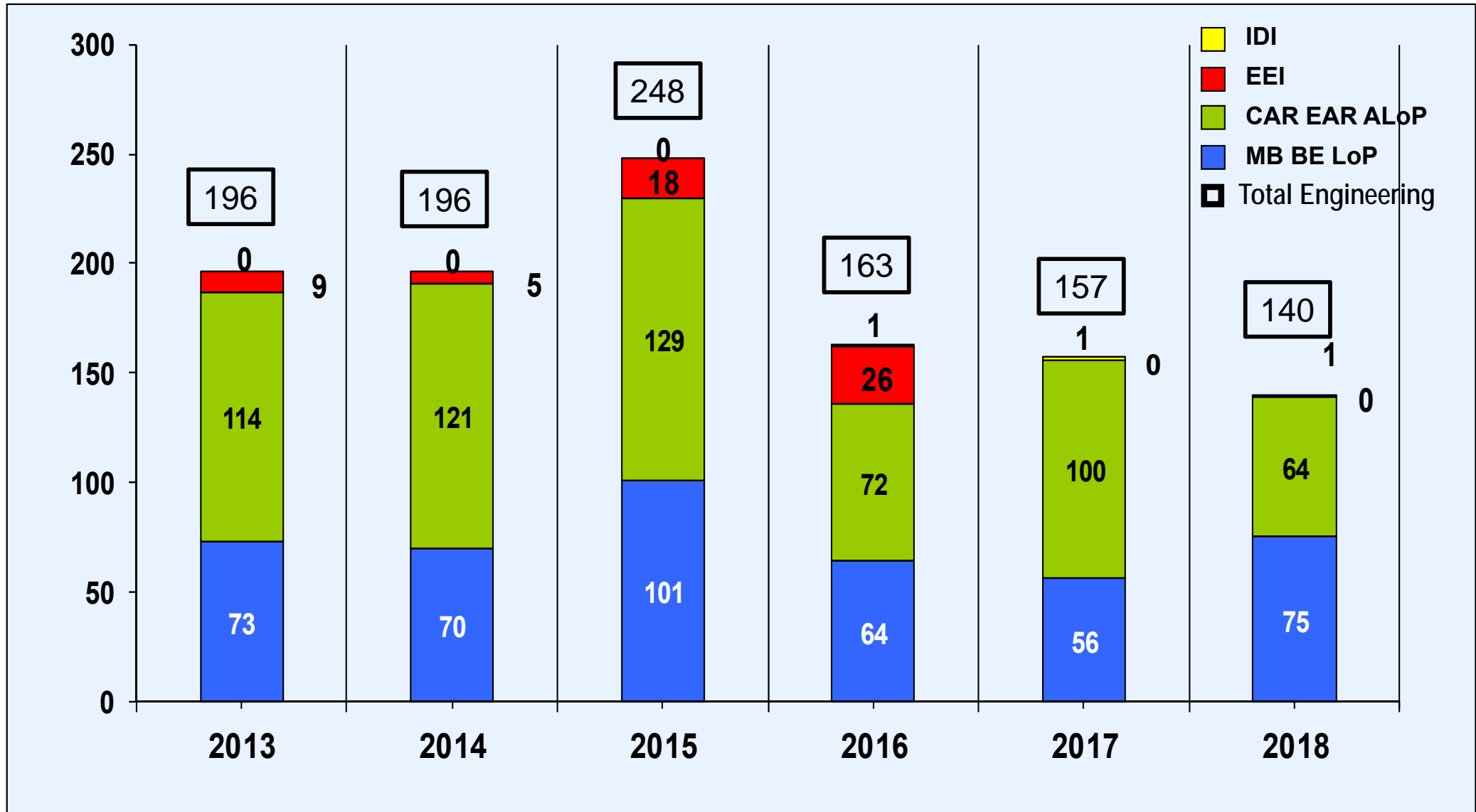
Premiums / Claims / Large Claims Loss Ratios – IDI 2016 - 2018



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

Large Claims: 2013 – 2018 (reported !! ≠ ww reality)

Number of Claims – All LoB – (8 members reported)



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

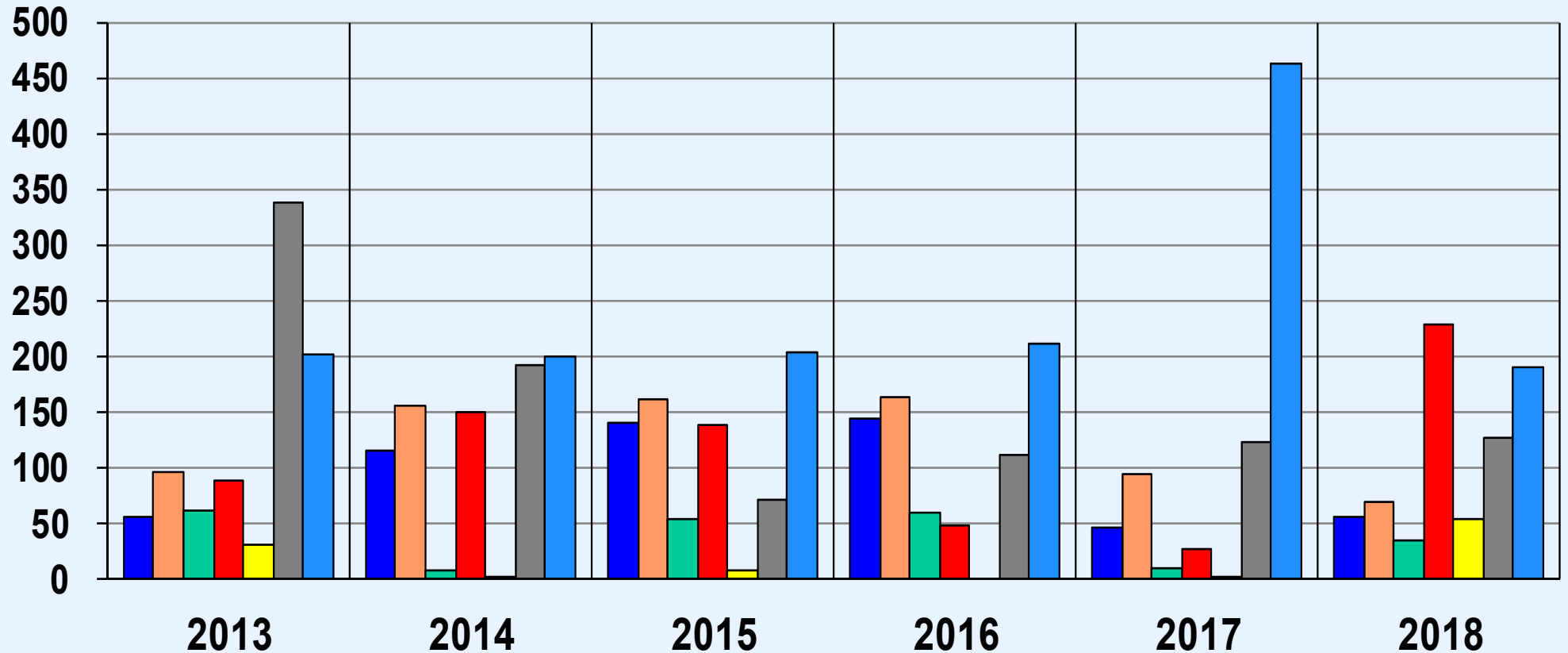
Large Claims: 2013 – 2018

Cause of Loss: all LoB



- A) Faulty Operation
- B) Faulty Material and Workmanship
- C) Faulty Design
- D) Fire
- E) Explosion
- F) Natural Hazards
- G) Other Causes

US\$ Mill



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

Large Claims: Cause of Loss 2018

MB, BE, LoP, O



- 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

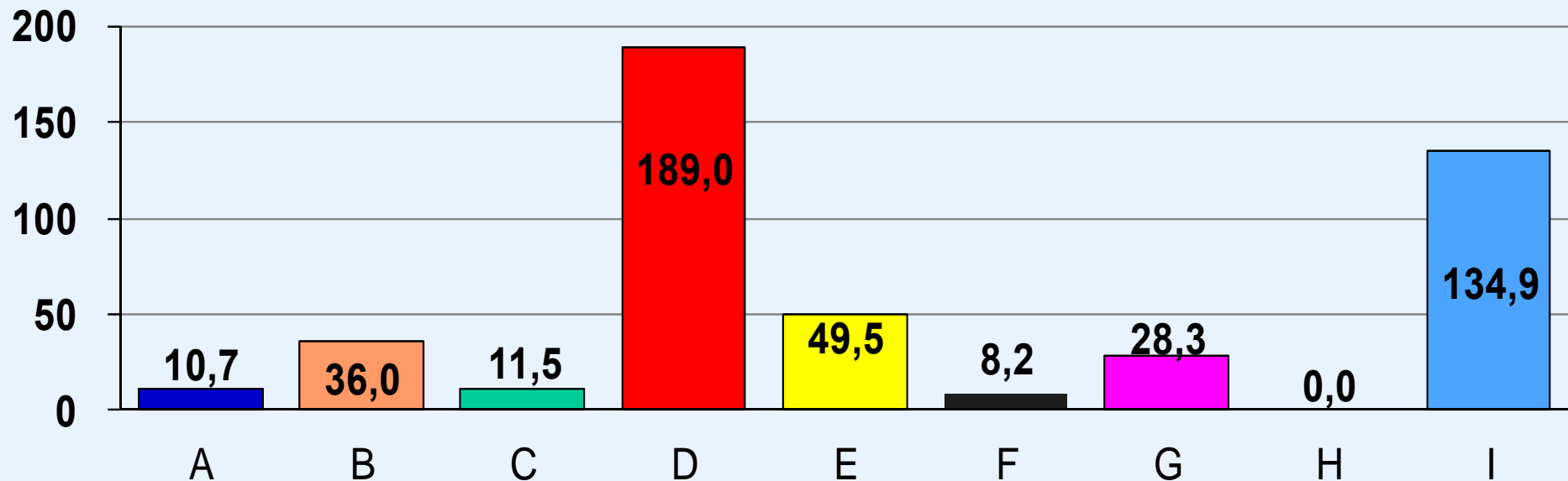
Fire:

107 Mio. 1 loss

– coded MB

47 Mio. 9 losses

– coded other class



2018 reported:

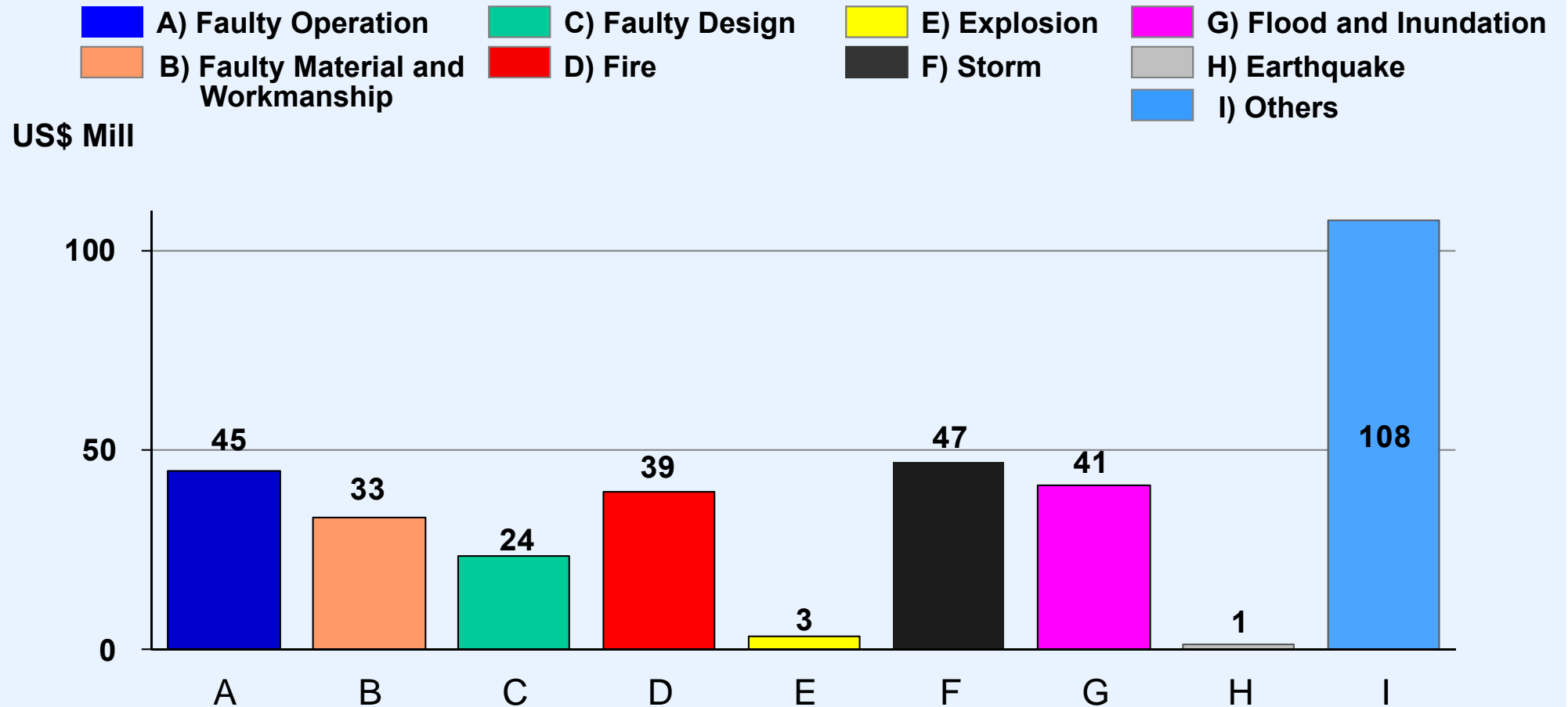
MB, BE, LoP, O: US\$ Mio. 413 (75 losses)

EAR, CAR, ALoP: US\$ Mio. 341 (64 losses)

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

Large Claims: Cause of Loss 2018

EAR, CAR, ALoP



2018 reported:
 MB, BE, LoP, O: US\$ Mio. 413 (75 losses)
 EAR, CAR, ALoP: US\$ Mio. 341 (64 losses)

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

Large Claims: Cause of Loss 2018

EEI



- 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



None reported

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

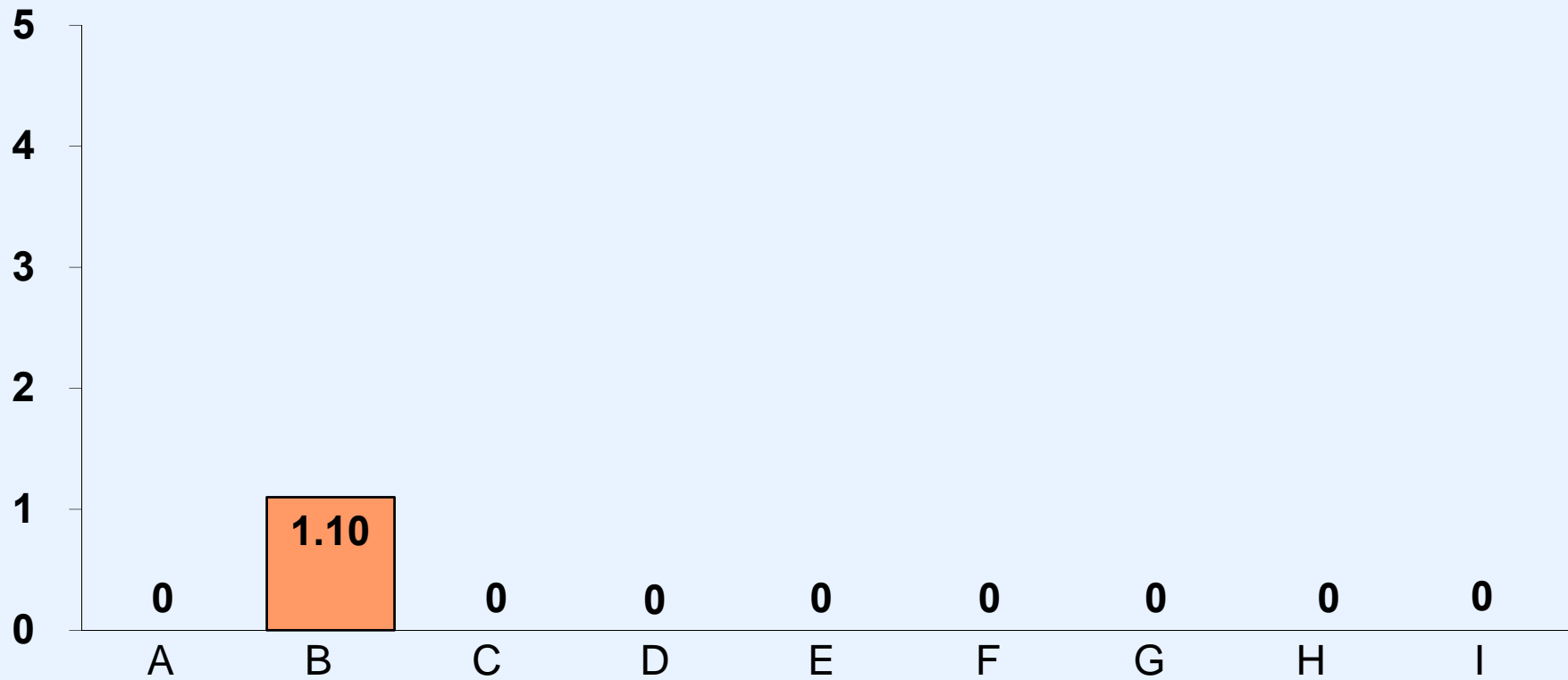
Large Claims: Cause of Loss 2018

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

US\$ Mill



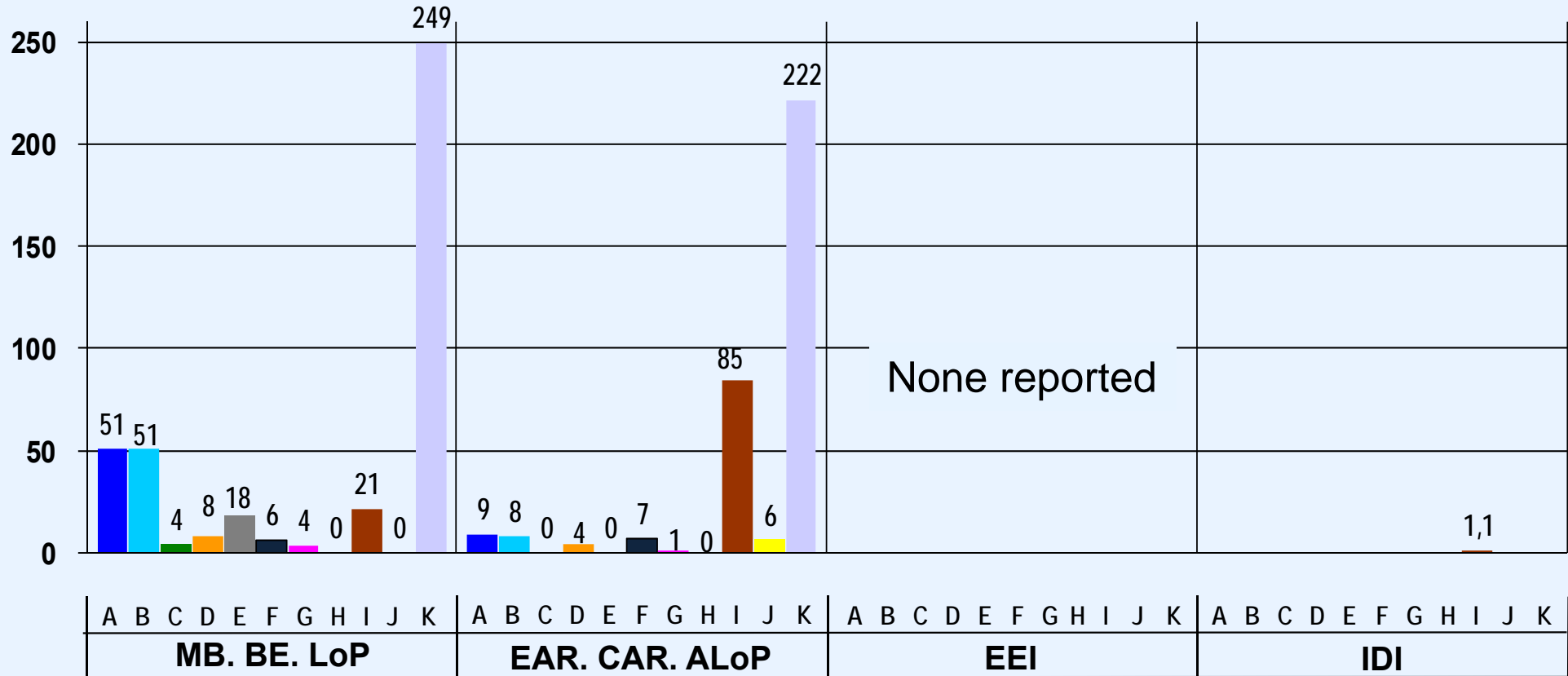
*) Note: Large Claims >= 1.0 Mill US\$

Large Claims: 2018

Main Items affected per type of equipment

- 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 Equipment
- G) Chemical Plants
- H) Electronic Equipment
- I) Civil Engineering Works
- J) Erection of Plants
- K) Other Property

US\$ Million



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

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.