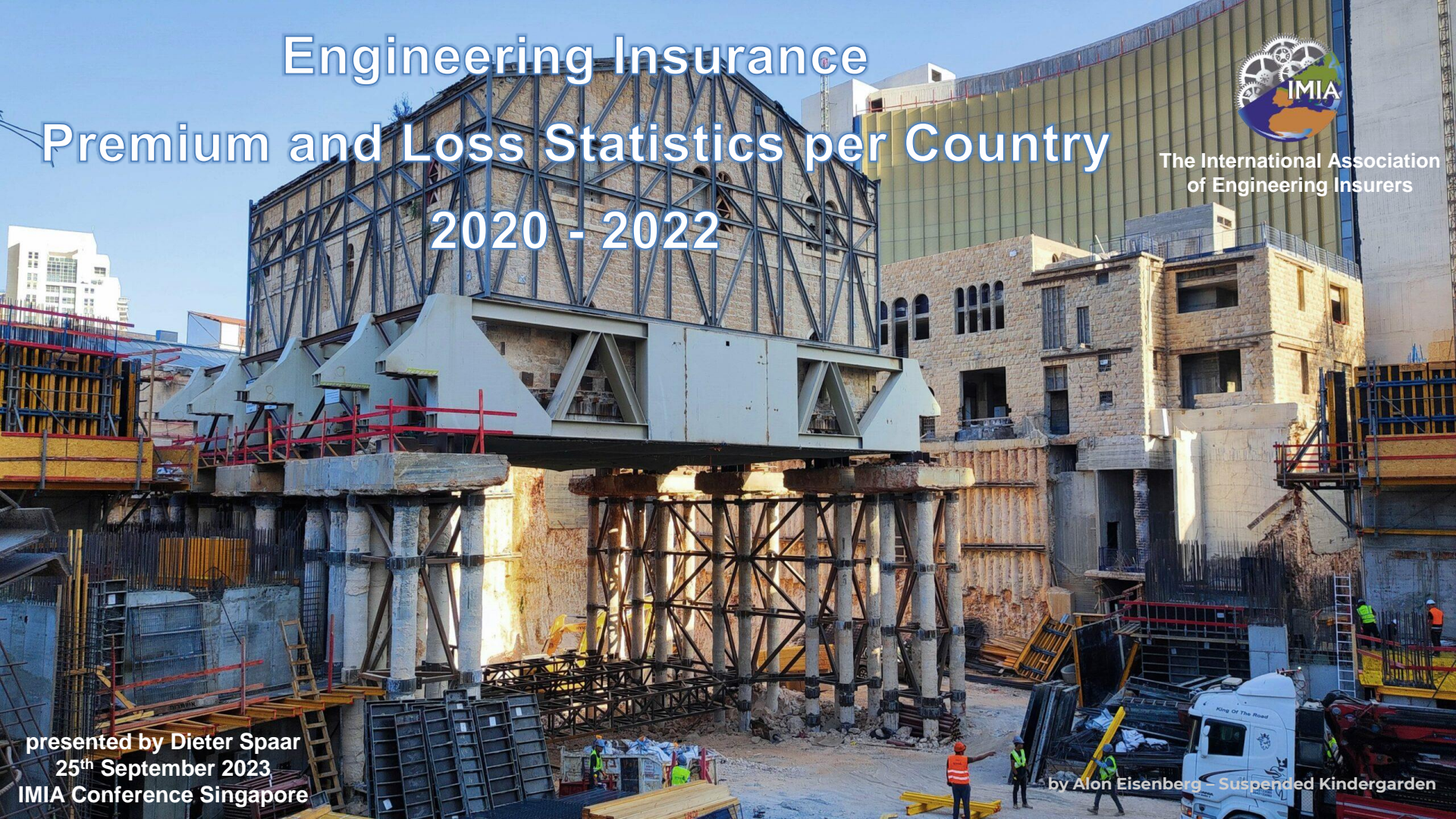


Engineering Insurance Premium and Loss Statistics per Country 2020 - 2022



The International Association
of Engineering Insurers



presented by Dieter Spaar
25th September 2023
IMIA Conference Singapore

by Alon Eisenberg - Suspended Kindergarden

- ❑ Prologue
- ❑ Premium per Country & Class
- ❑ Claims
 - L/R per Country & Class
 - L/R Historically 2002 ff
 - LL Volume / Frequency
- ❑ Epilogue

**Financial / Accident Year
„Countries“**



IMIA Country Stats 2020 - 2022

„Challenges“



Is there a „one and only“ **uniform truth** ??
SME ↔ Middle Market ↔ Multi-Bn US\$ Sites

□ Many Market Segments (“Global vs Local”)



Different Clients: SME – Middle Market - MultiBn US\$ Programs – Prototypical / Innovative

- What do you learn from “average speed” ?

□ Many Countries with different „Engineering“ and reporting Standards

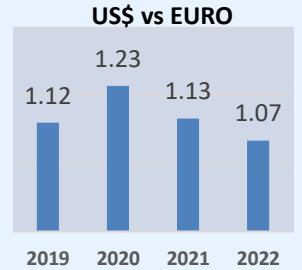
Different Market (Statistics) Composition & Size of “local Engineering” may contain

- Operational MB / EEI / AllRisk (Power, Renewables, Energy,...) + LoP / ICoW
- Construction CAR, EAR, Guarantee, IDI + ALoP

□ Uniform Currency US\$ may influence years’ comparison

□ Various Regions not reported – LL left out

- e.g.:
- London Market , Middle East, North-Africa
 - Asia → Taiwan, Japan only
 - USA . South America → Brazil only (Susep)



Statistics showing partially the average of everything

- ➔ Thorough understanding crucial – of content and limits
- ➔ You know your Country/Portfolio–composition best



Katrina (2005) and many similar events....

...missing

- Prologue
- Premium** per Country & Class
- Claims**
 - L/R per Country & Class
 - L/R Historically 2002 ff
 - LL Volume / Frequency
- Epilogue

Austria	
Brazil *	
Canada *	
France	
Germany	
Italy	
Japan	
Malaysia *	
Mexico *	
Netherlands	
Singapore *	
South Africa	
Spain	
Switzerland	
Taiwan	

....
....
....



2023 for 2020-2022:

- IMIA Countries / Org: 15 of 18
- GWP / Losses: US\$ Bn 7,7 / 3,9
- L/R: 51 % in US\$/Euro
- LL reported: 5 Countries (bold)

* Sources:

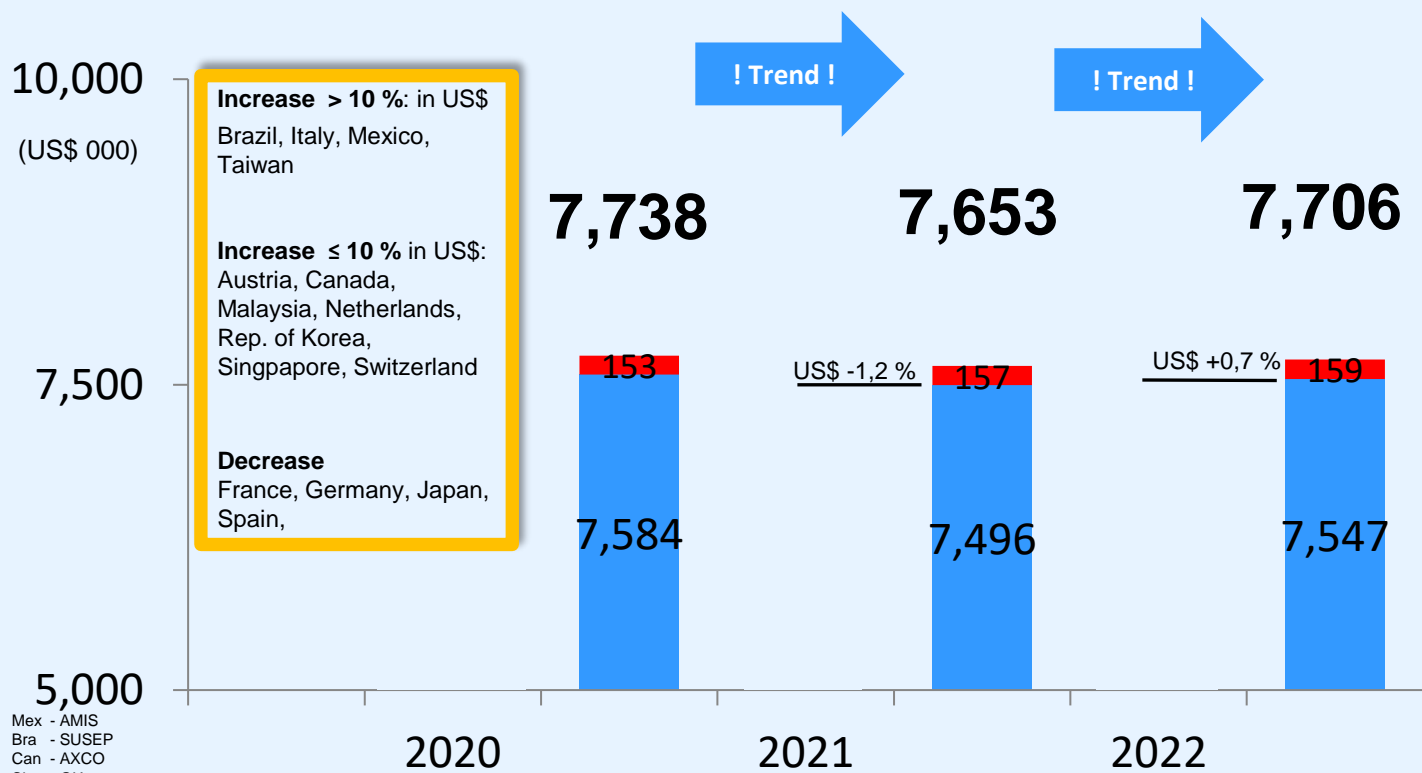
Country Associations (Members)
& local bodies
Brazil: SUSEP
Canada: AXCO
Malaysia: ISM
Mexico: AMIS
Singapore: GIA

Development of Premium 2020-2022

“reported for 2022 only”

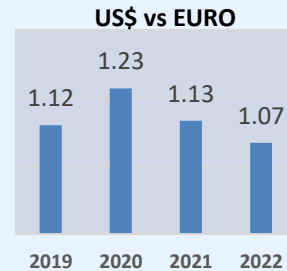


US\$



Countries reported 20/21/22	
2020	19 15
2021	17 15
2022	15

■ IDI only
 ■ All ex IDI

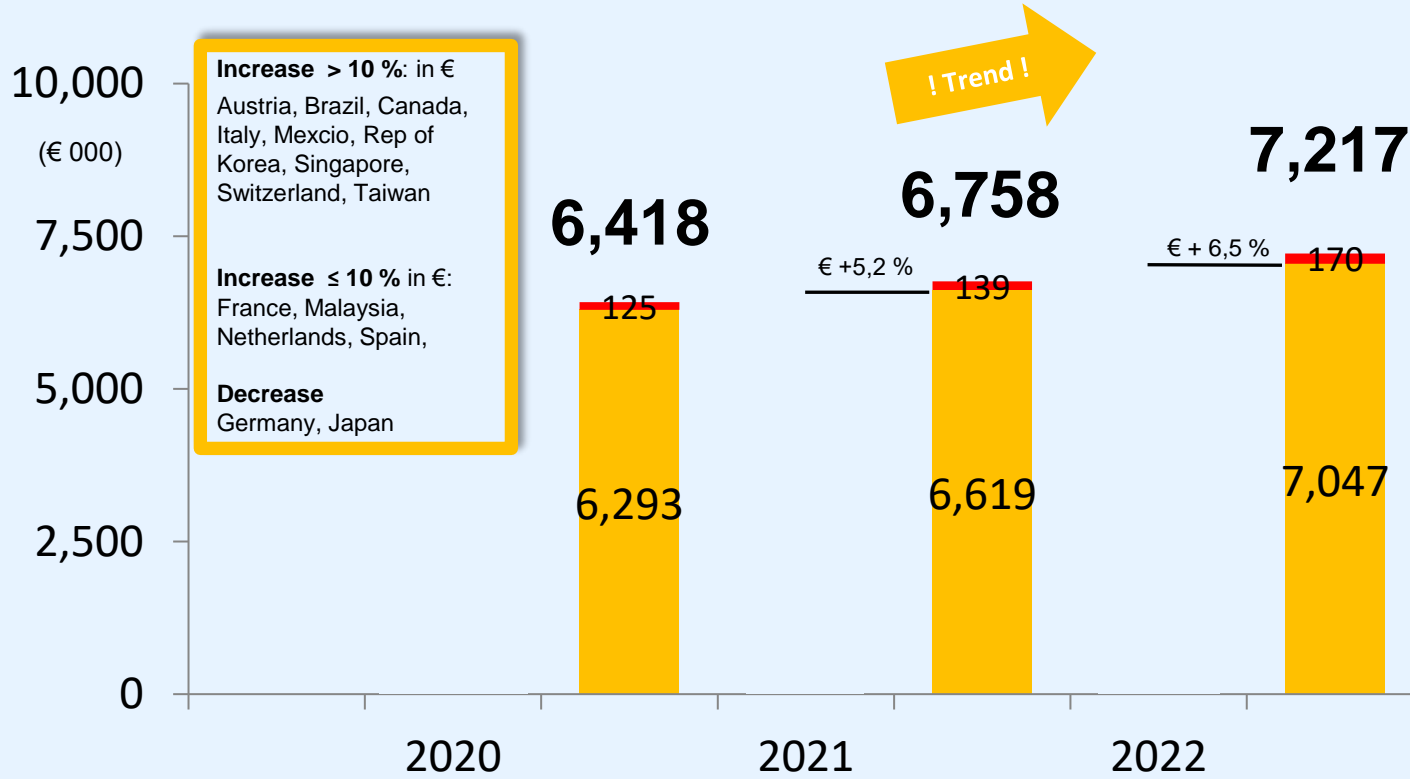


Mex - AMIS
 Bra - SUSEP
 Can - AXCO
 Sin - GIA
 Mal -

Development of Premium 2020 - 2022

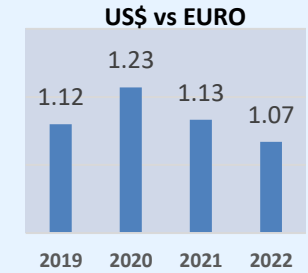
“reported for 2022 only”

EURO



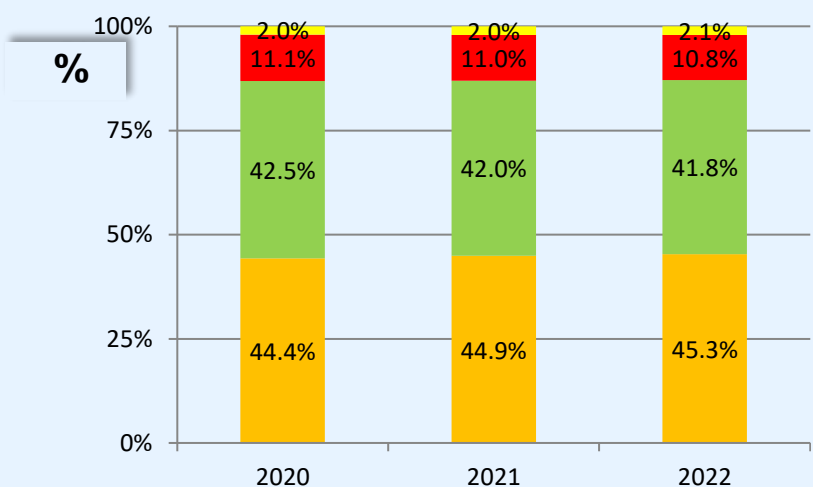
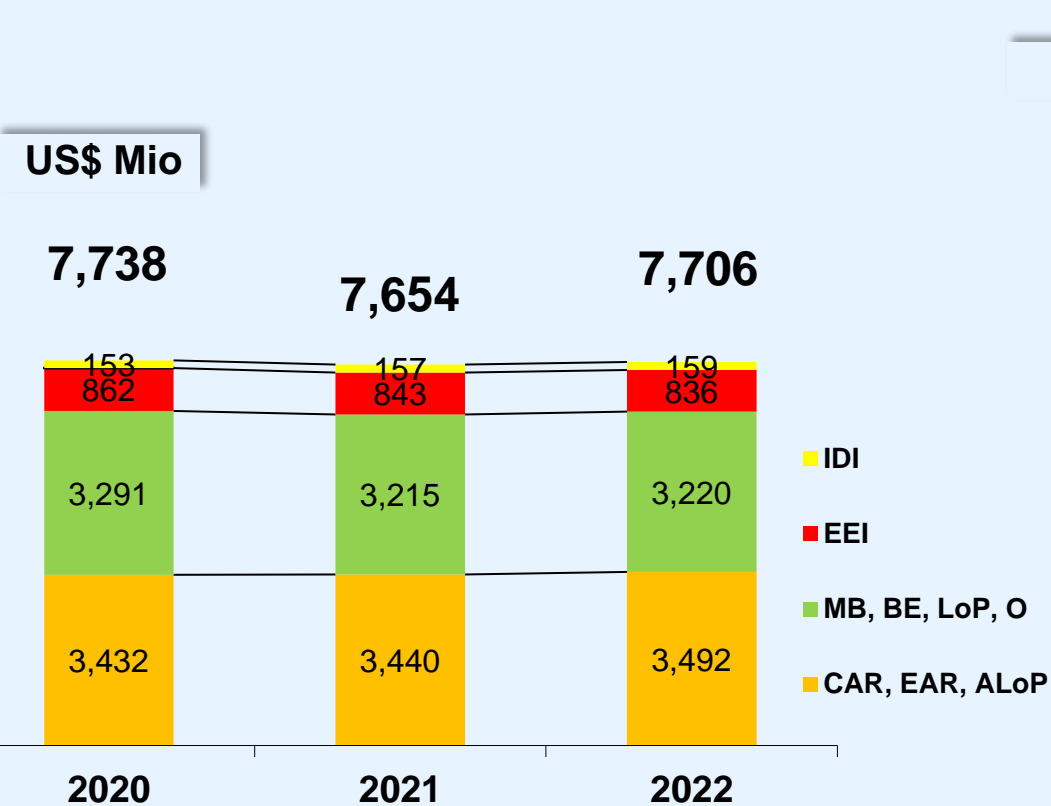
Countries reported 19/20/21	
2020	19 15
2021	17 15
2022	15

■ IDI only
 ■ All ex IDI



Development of Premiums 2020 - 2022

Split per Line of Business – reported for 2022 only



LoB Split	No LoB Split	
Austria	Brazil	CAR/EAR only
France	Canada	MB/BE only
Germany	Malaysia	CAR/EAR only
Italy	Mexico	CAR/EAR only
Japan	Netherl.	CAR/EAR/EEI only
Rep. of Korea	Singapore	CAR/EAR only
Spain		
Switzerland		
Taiwan		

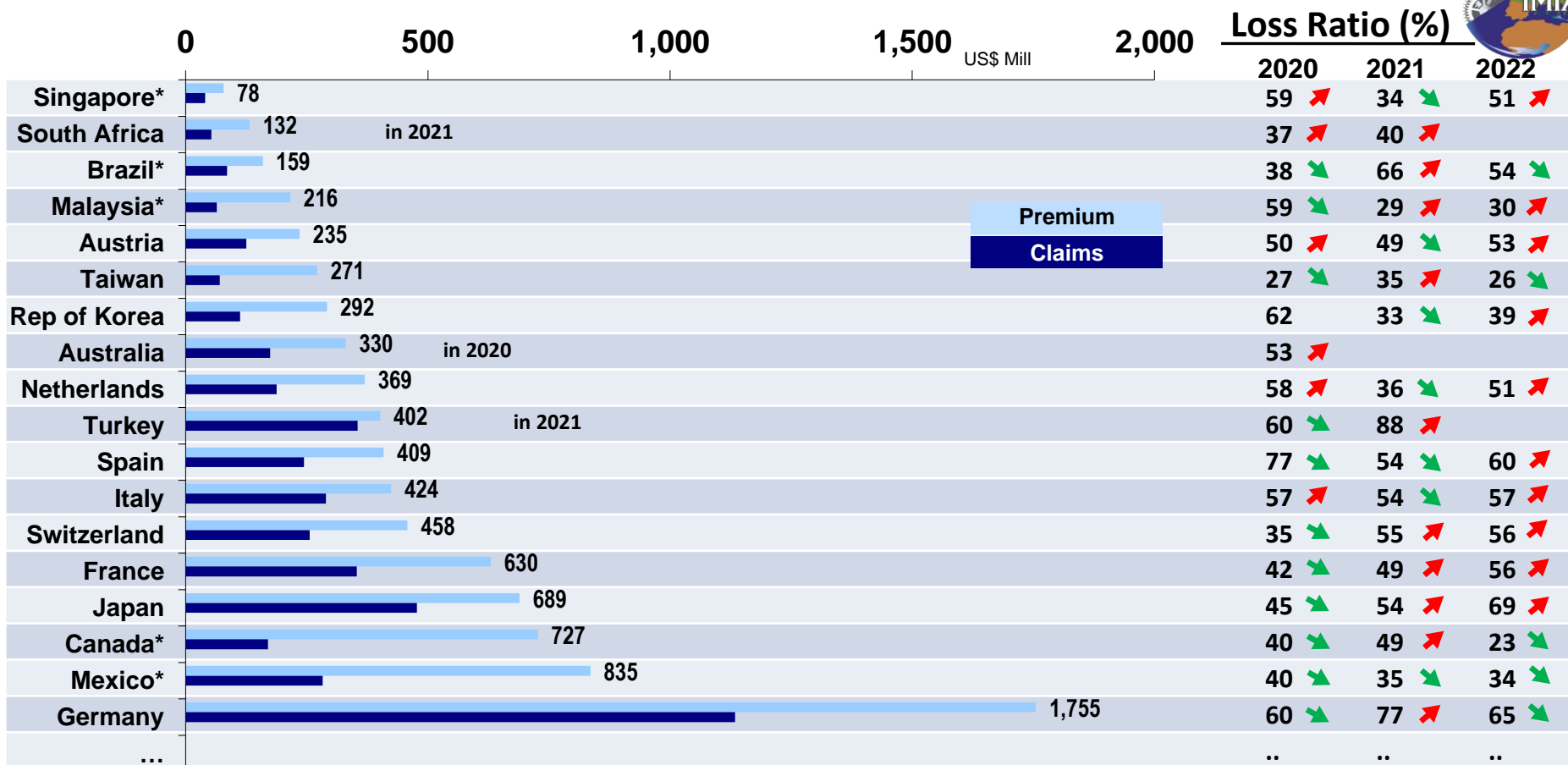
IMIA 'Country Statistics' 2020 - 2022

- ❑ Prologue
- ❑ Premium per Country & Class
- ❑ **Claims**
 - L/R per Country & Class
 - L/R Historically 2002 ff
 - LL Volume / Frequency
- ❑ Epilogue



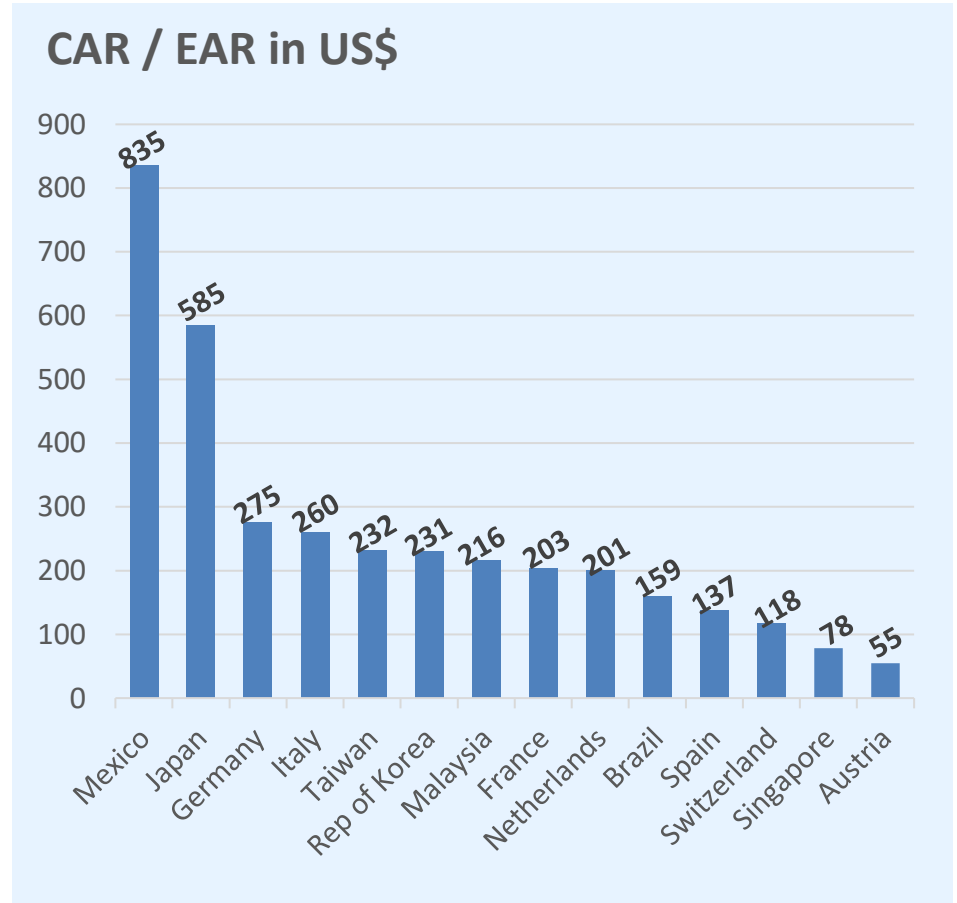
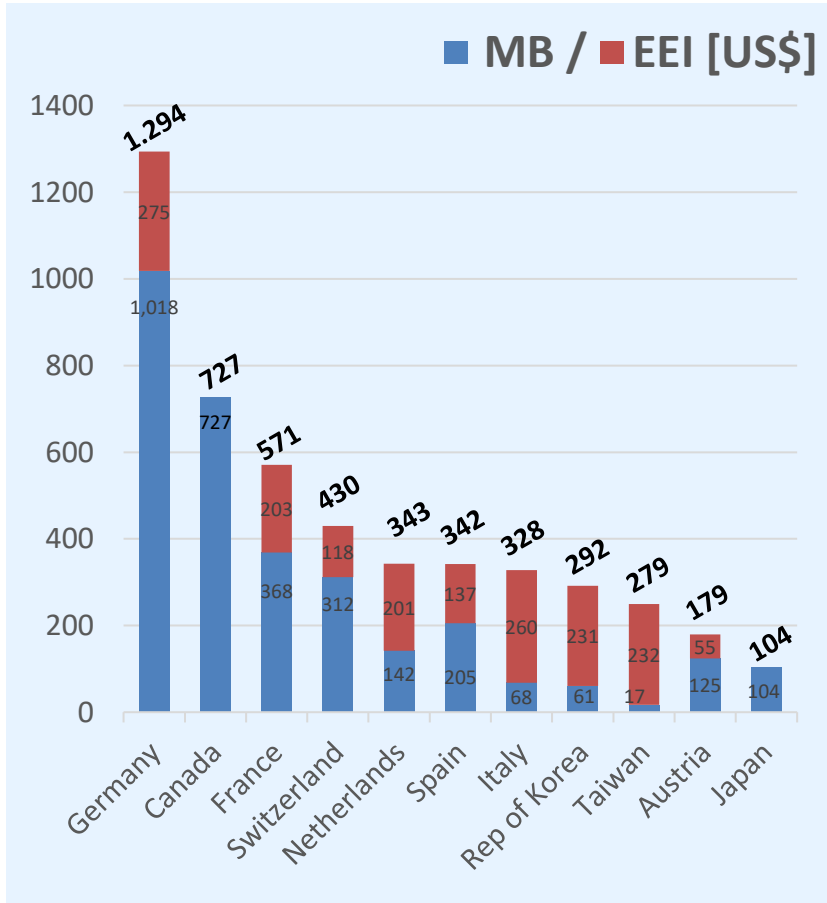
L/R – Loss Ratio
LL – Large Losses

Premiums and Claims 2022 per Country (excl. IDI)

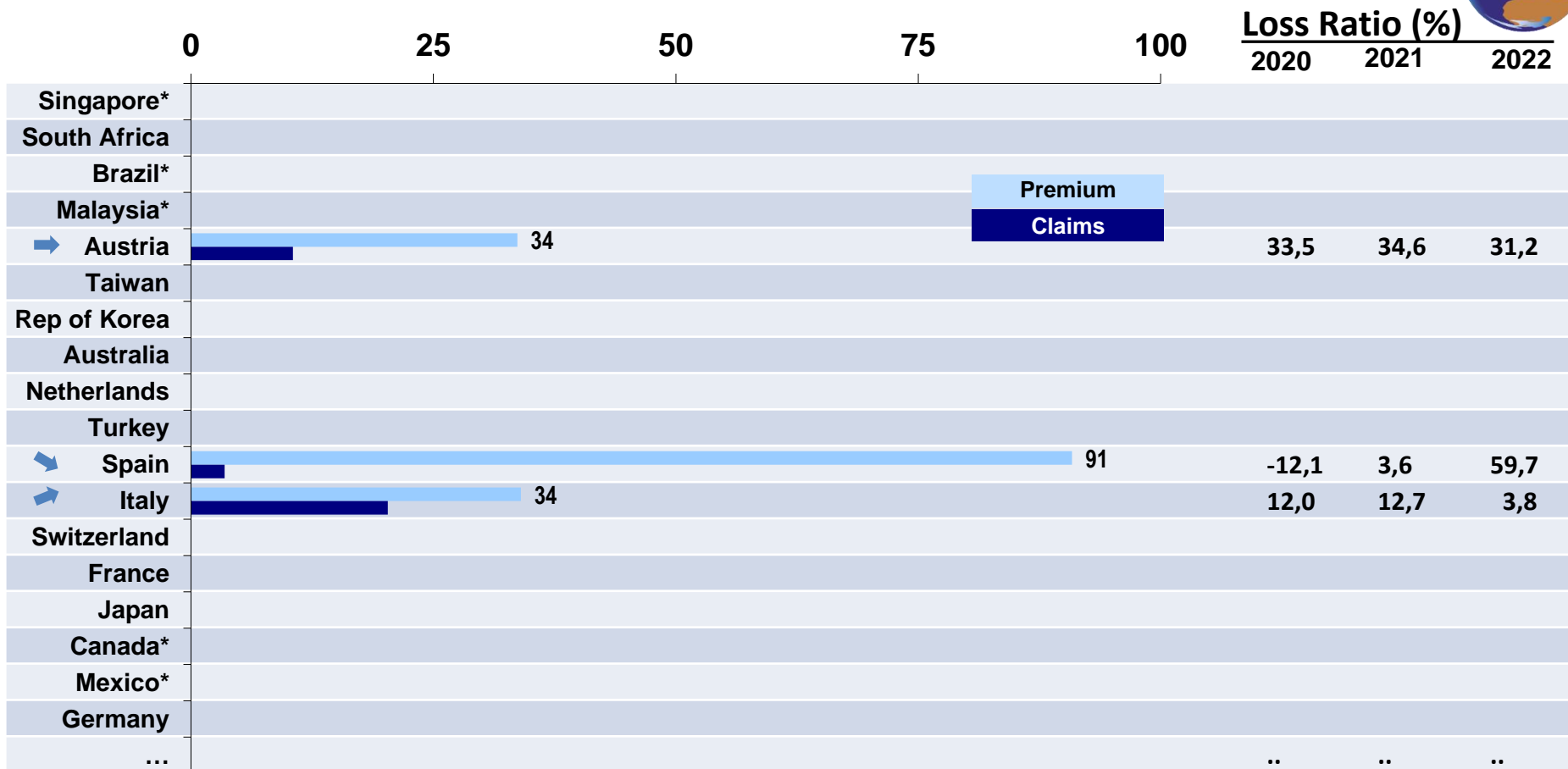


Singapore = SIF only (GIA) Canada = Axco
 Brazil = Susep Mexico = AMIS
 Malaysia = ISM

Premium Split MB/EEI vs CAR/EAR per Country – reported for 2022



Premiums and Claims 2022 per Country (IDI only)



→ Premium Trend

Premiums / Claims / Large Claims → 2020-2022

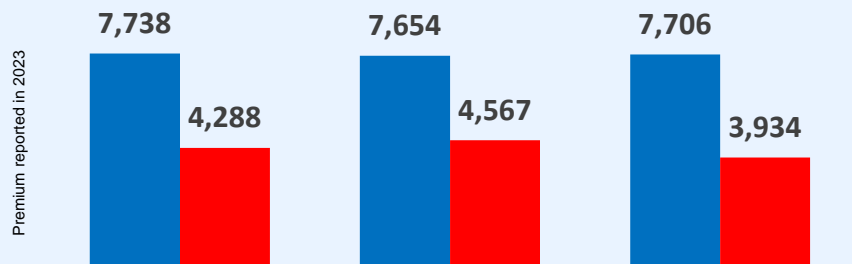
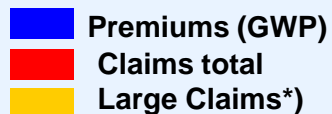


All Lines of Business *

US\$ Mill

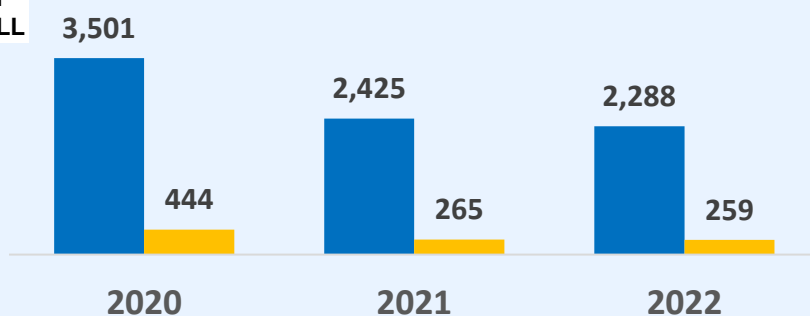
15 Countries report

GWP
All



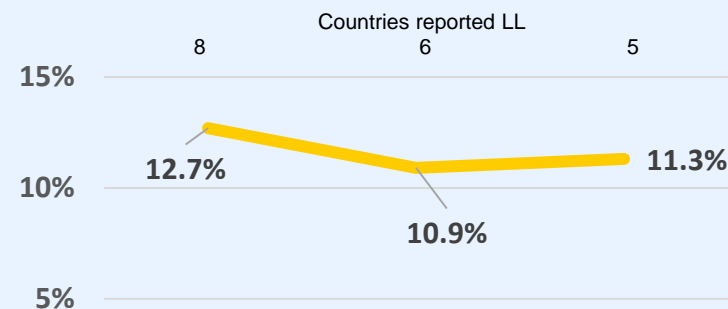
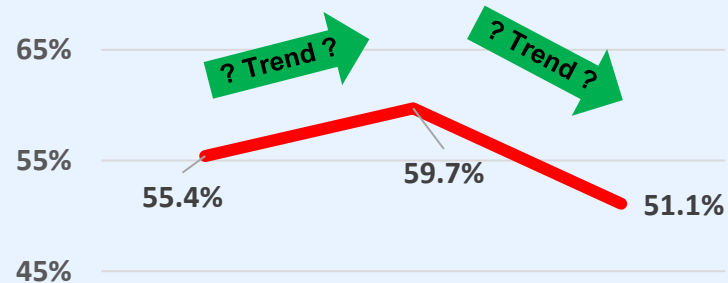
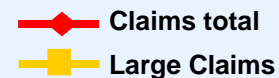
GWP
with LL

Premium reported in 2021/2022/2023



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

Loss Ratios for all claims and large claims in %



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

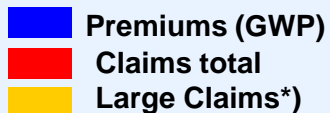
Premiums / Claims / Large Claims → 2020-2022



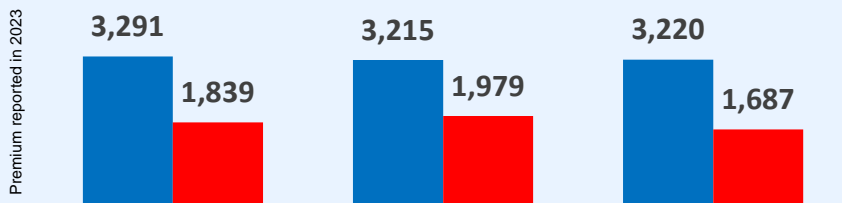
MB, BE, LoP, O

US\$ Mill

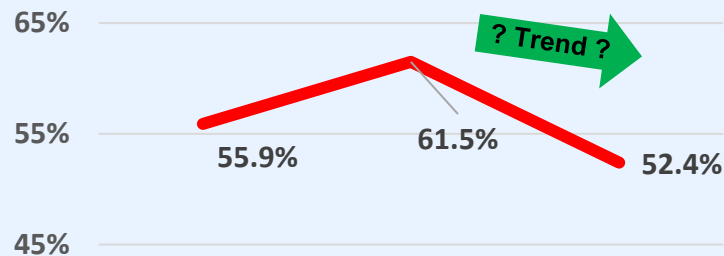
11 Countries report



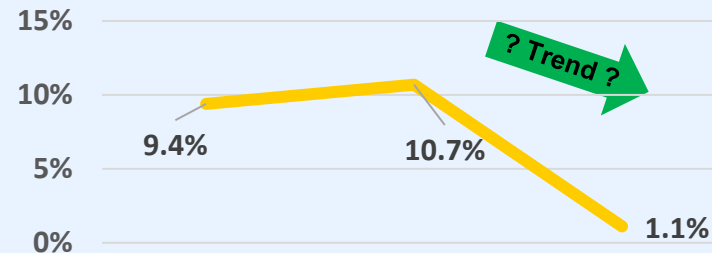
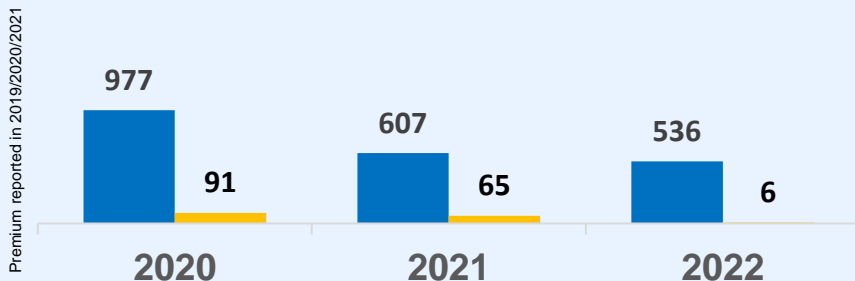
GWP
All



Loss Ratios for all claims and large claims in %



GWP
with LL



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

Premiums / Claims / Large Claims → 2020-2022

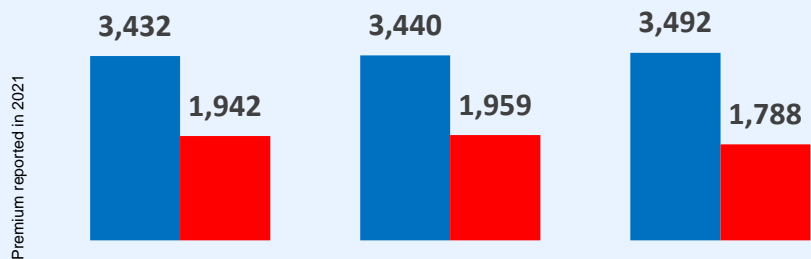
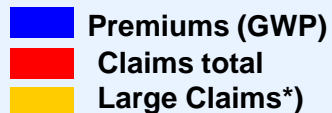


CAR, EAR, ALoP *

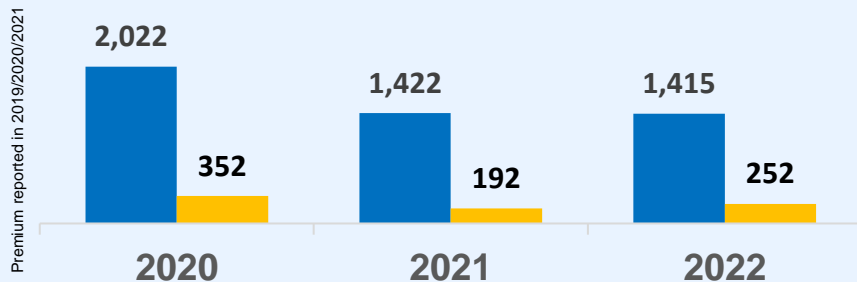
US\$ Mill

14 Countries report

GWP
All

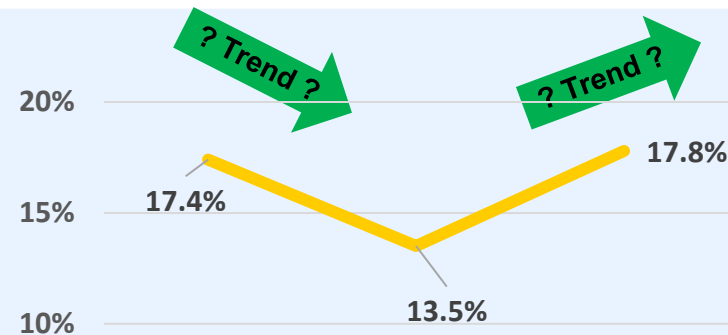
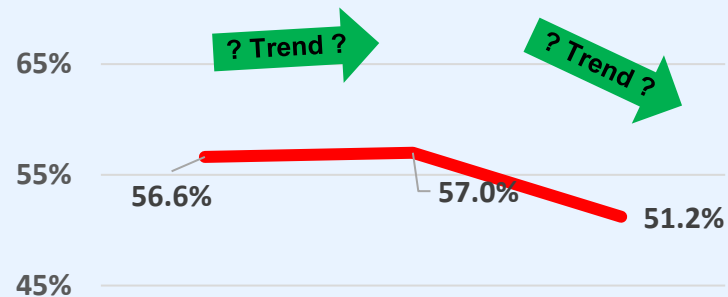


GWP
with LL



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

Loss Ratios for all claims and large claims in %



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

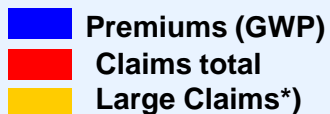
Premiums / Claims / Large Claims → 2020-2022



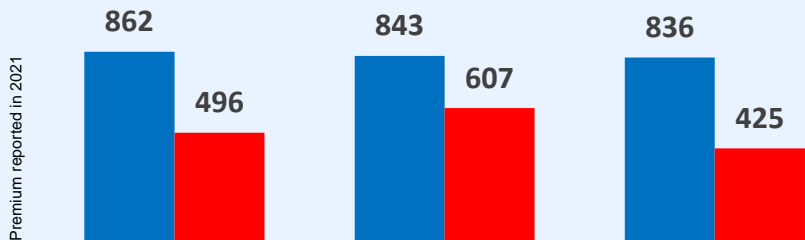
EEI

US\$ Mill

9 Countries report



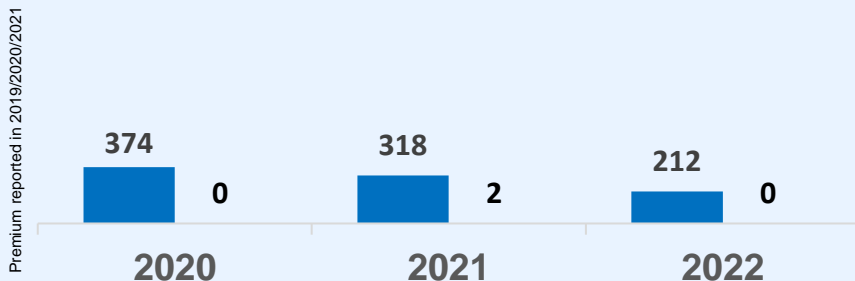
GWP
All



Loss Ratios for all claims and large claims in %



GWP
with LL



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

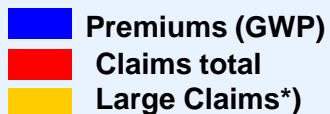
Premiums / Claims / Large Claims → 2020-2022



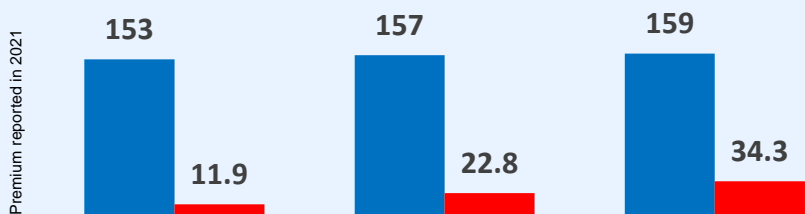
IDI

US\$ Mill

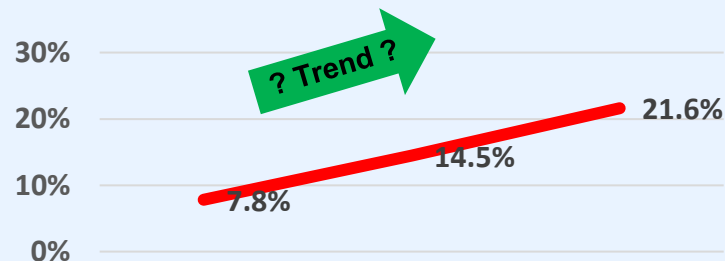
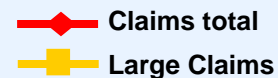
3 Countries report



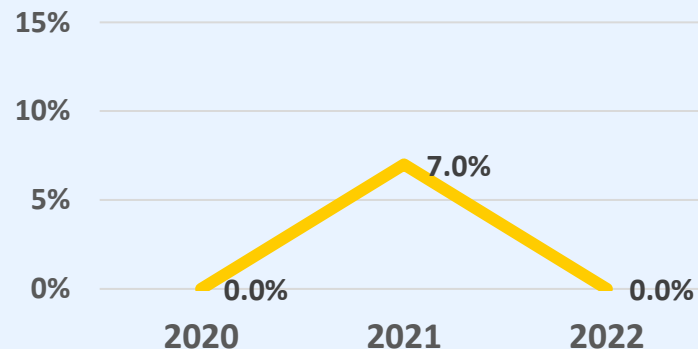
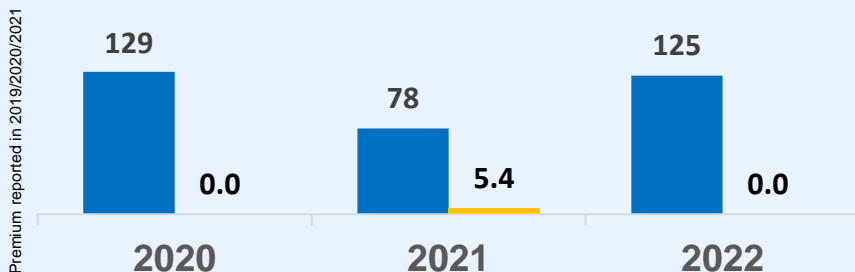
GWP
All



Loss Ratios for all claims and large claims in %



GWP
with LL

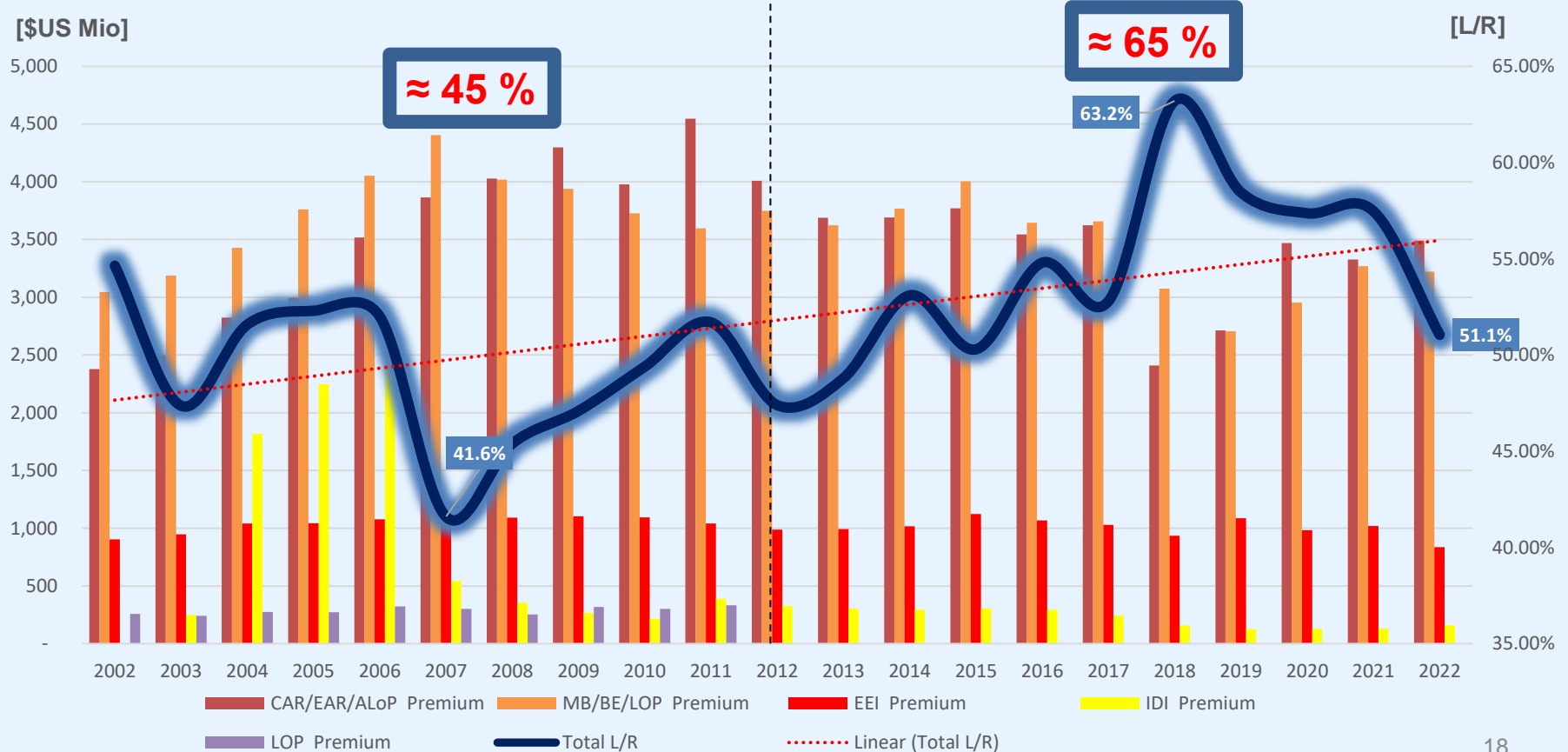


*) Note: Large Claims >= 1.0 Mill US\$

IMIA 'Country Stats' 2002-2022



- ➔ Multi-Year Trend indicates claims load increases by more than 40 % until 2018 !
- ➔ Ø L/R 2022 (FinY) still higher than many previous years !



Comments about the true value of statistics



Don't forget:

- ❑ FinY Stats are typically “hiding” UWY-Effects, i.e. in a “hardening” market = overcompensating
- ❑ „Int'l Markets“ and many large losses are missing

→ see IMLI, ITOL and ILRI..

such as e.g. „London Market“, Middle East, Africa, South-America, Asia, USA

→ In case your company is active in these other geographies ←
with int'l programs or local business further scrutiny
(premium & claims) is highly advisable

IMIA 'Country Statistics' 2020 - 2022

L/R – Loss Ratio
LL – Large Losses

- ❑ Prologue
- ❑ Premium per Country & Class
- ❑ **Claims**
 - L/R per Country & Class
 - L/R Historically 2002 ff
 - LL Volume / Frequency
- ❑ Epilogue



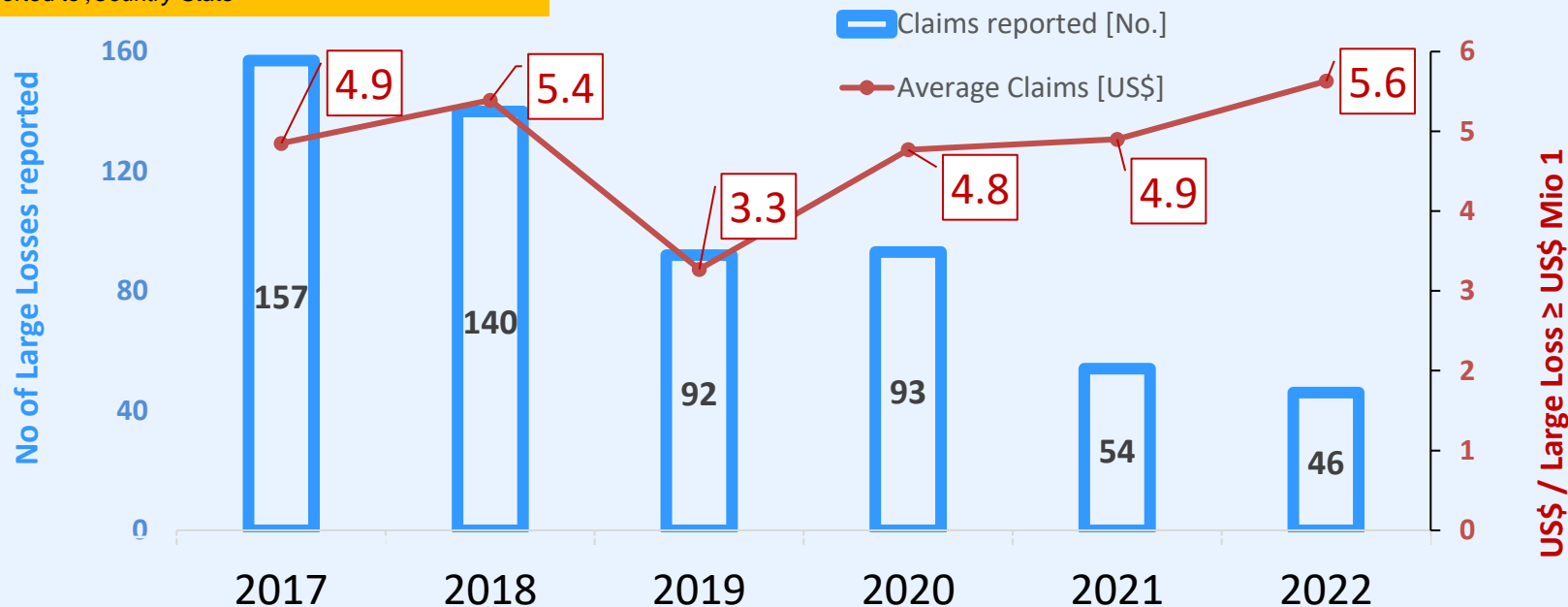
Large Claims → 2017-2022

No. & Ø/Claim

IMLI provides more



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



Countries	13	11	8	8	6	5
GWP Basis [Mio US\$]	6,710	3,971	2,964	3,777	2,425	2,288

Large Claims → 2013 – 2022

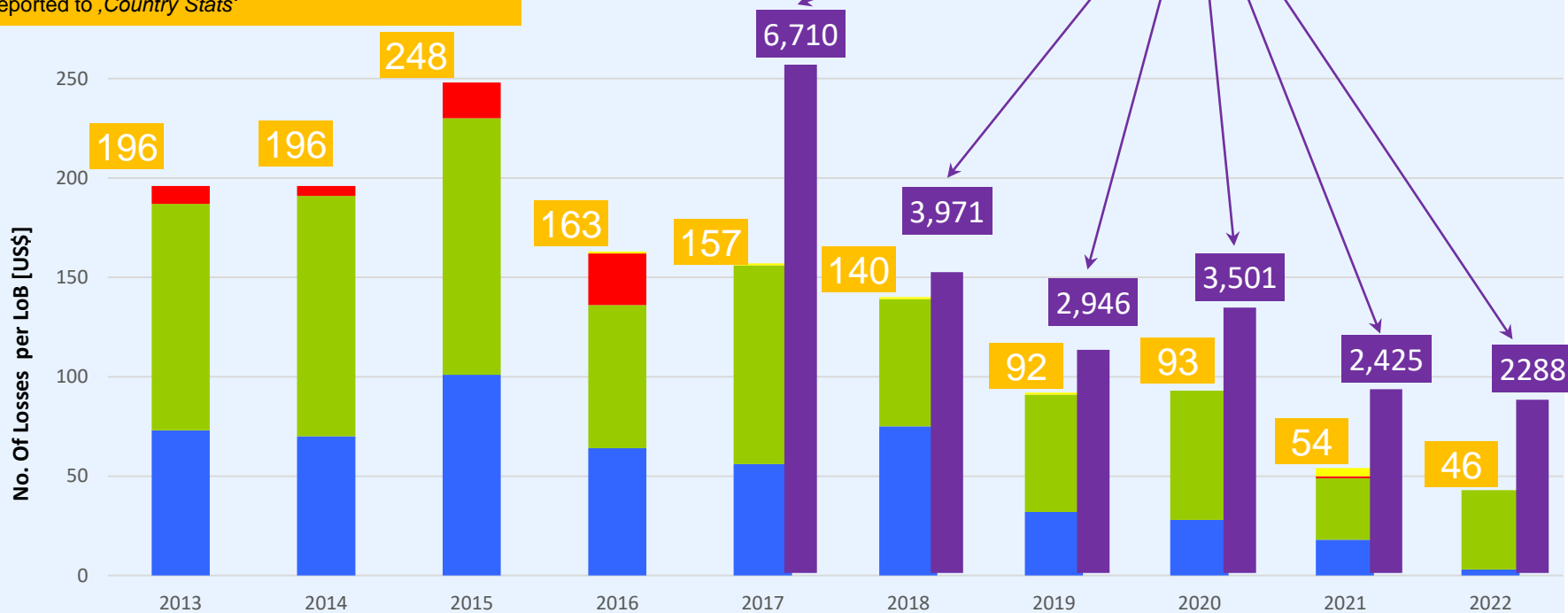
No per LoB

IMLI provides more

GWP
[Mio US\$]



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



■ MB BE LoB ■ CAR, EAR, ALoP ■ EEI ■ IDI

Ø US\$ / Claim

4,85	5,39	3,27	4,77	4,90	5,63
------	------	------	------	------	------

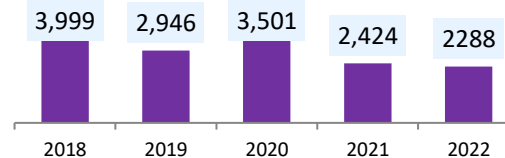
Countries reported LL

13	11	8	8	6	5
----	----	---	---	---	---

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

Large Claims only → 2017 – 2022

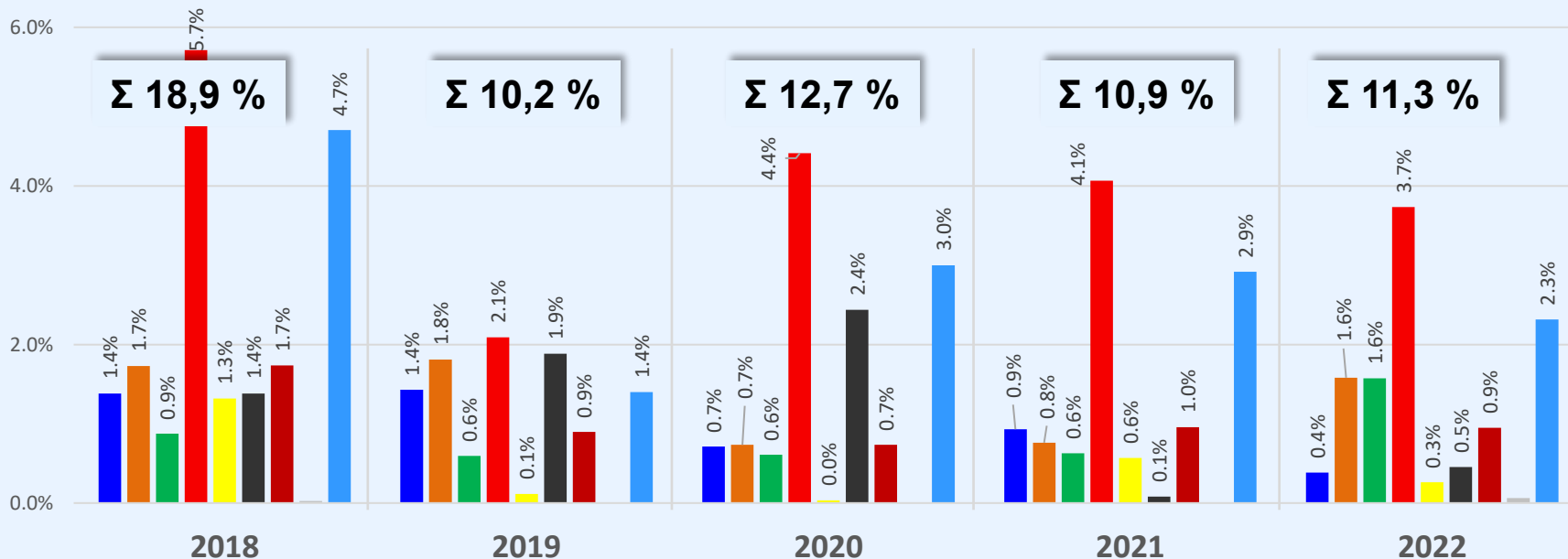
Cause of Loss → All LoB



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

Change to ManMade / Cat / FLEXA ??



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

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

Large Claims only 2022 (2021)

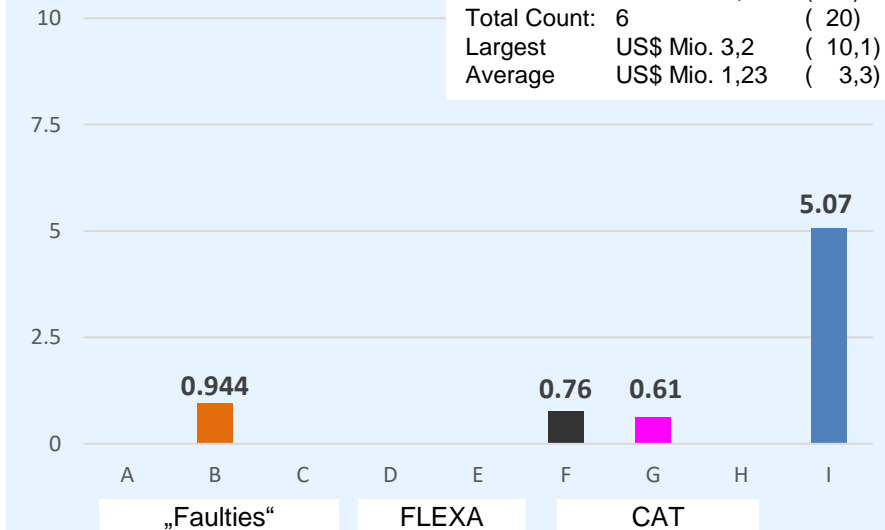
Cause of Loss → Operational / Projects



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

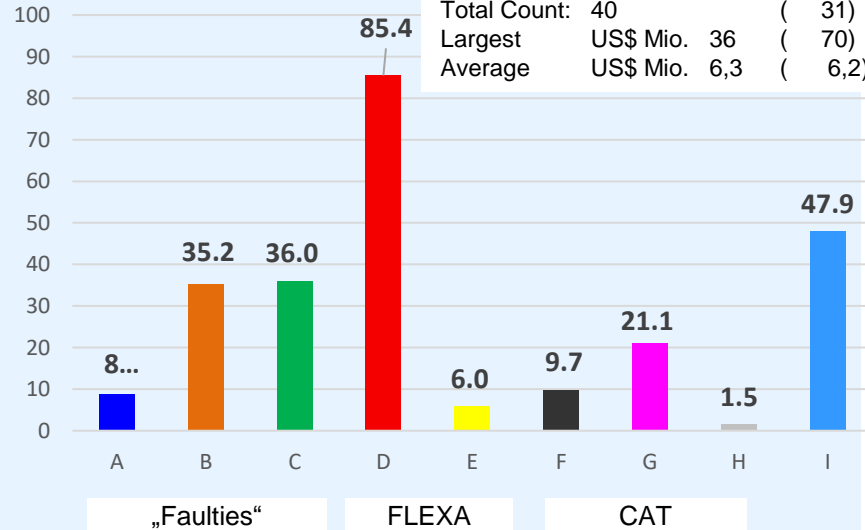
MB, BE, LoP, O

US\$ Mill



CAR, EAR, ALoP

US\$ Mill

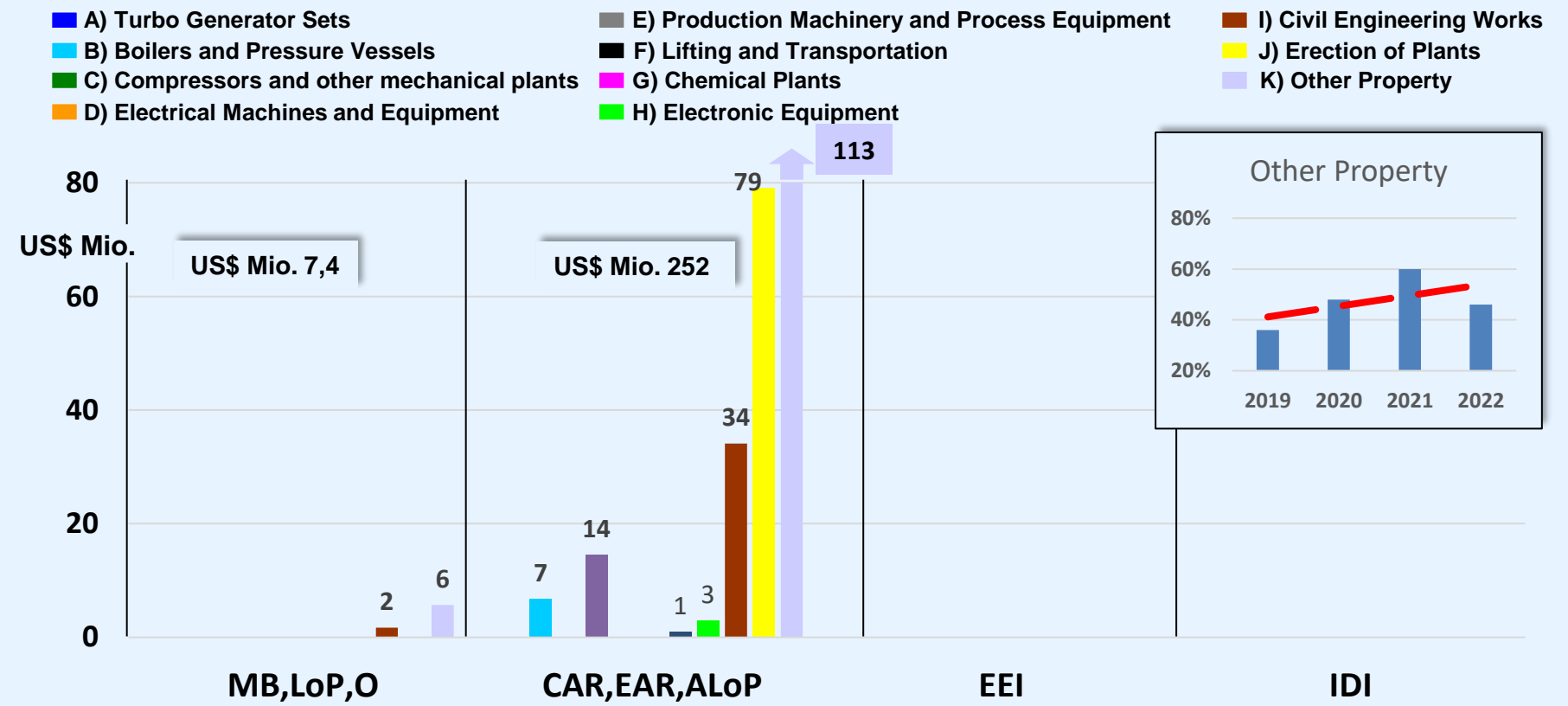


*) Note: Large Claims >= 1.0 Mill US\$

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

Large Claims only 2022

Main Items affected → Operational / Projects / etc.



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

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

IMIA 'Country Statistics' 2020 - 2022

- Prologue
- Premium** per Country & Class
- Claims**
 - L/R per Country & Class
 - L/R Historically 2002 ff
 - LL Volume / Frequency
- Epilogue**



IMIA Stats 2020-2022

„**Democracy**

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

IMIA County Statistics

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



IMIA is committed to improve by

- IRCI** – **IMIA Rate Change Index**
- ILRI** – **IMIA Loss Ratio Index**
- IMLI** – **IMIA Mega Index (> 30 MUS\$)**
- ITOL** – **IMIA Type of Loss Index (> 30 MUS\$)**



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
EEl	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.

Backup