

Marine insurance in transition

by Lars Lange, *Secretary General, International Union of Marine Insurance (IUMI)*

For many years, IUMI has tracked the pulse of the global marine insurance market. Each year, we gather data from markets worldwide, analyse the results, and present the findings at our annual conference (this year in Singapore). Our statistics provide more than just a snapshot of premium income. They highlight the key forces shaping our industry – its challenges, opportunities, and the shifts that matter to underwriters, brokers, shipowners, and cargo interests alike.

In 2024, global marine premium income totalled \$39.92 billion, a modest 1.5% increase over 2023. Cargo insurance remained the dominant line at \$22.64b (57.2%), followed by ocean hull at \$9.67b (23.5%), offshore energy at \$4.34b (11.7%), and the remainder from marine liability (excluding the P&I sector covered by the International Group). Regionally, Europe continues to lead with 46.96% of global premium income, followed by Asia/Pacific (29.79%), Latin America (10.19%), North America (7.75%), the Middle East (3.53%), and Africa (1.38%).

Growth has been steady but uneven. Asia's expansion since 2016 reflects the rise of intra-Asian trade and new product lines, while Europe, the Middle East and Latin America have largely levelled off. Africa has seen contraction, whereas North America posted modest growth.

Despite a small overall increase in premium volume, real market growth remains limited. Cargo insurance rose just 1.6%, and ocean hull 3.5%, driven by global trade growth, vessel values, and fleet expansion. Offshore energy, however, slipped 7.9% as oil price volatility continued to dampen demand.

Cargo insurance

Cargo remains the industry's largest class. In 2024, China again played a pivotal

role – e-commerce and return-insurance schemes boosted demand, while earlier under-reporting may also have made this year's growth appear stronger. Europe dipped slightly, but Asia/Pacific continued to close the gap.

Loss ratios (the income generated from premiums less the amount paid out in claims plus an allowance for management, overhead, acquisition costs, etc.) have been improving since 2018, drawing new capacity as insurers diversify portfolios. Europe posted particularly low ratios in 2023-24; Latin America held steady around 40-50% while a few underperforming US carriers pushed brown-water averages to 50-60%.

While the cargo business looks stable, familiar risks persist. Cargo accumulations – whether in ports or on large vessels – continue to concern underwriters. Mis-declared or dangerous goods remain a fire risk, and geopolitical tensions, from Ukraine to the Red Sea, add further uncertainty.

Encouragingly, 2024 saw no major cargo losses, though a single large event could quickly alter that picture. Tariffs also remain a wild card, potentially shifting trade routes, destinations, and risk exposures in ways not yet fully reflected in the data.

Ocean hull

Europe extended its lead in ocean hull premiums in 2024, while Asia – particularly

China – also posted gains as more new-builds were insured locally. Russia's share grew too, with sanctions pushing owners towards domestic markets.

Loss ratios have held steady at about 65% since 2021, but that apparent stability hides growing concerns. The global fleet is ageing – average vessel age now approaches 23 years – and repair costs continue to rise. Many incidents now end in constructive total losses or unrepaired damage claims. Ageing tonnage also raises safety issues for seafarers – older ships demand more maintenance and add operational pressure, which must be managed carefully.

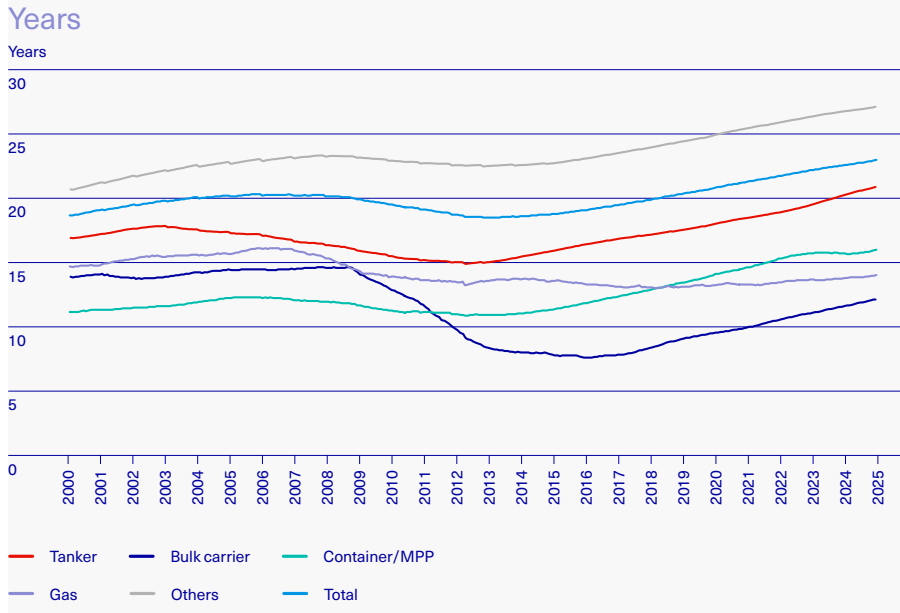
Meanwhile, the transition to cleaner fuels brings new challenges as well. Emerging propulsion systems and alternative-fuel engines, though vital for decarbonisation, come with limited operational histories and uncertain repairability. These technological shifts are reshaping the risk landscape and must be reflected in underwriting decisions.

Competition in the hull sector remains intense. Ample capacity continues to pressure pricing, and large losses could easily tip results for the year.

Offshore energy

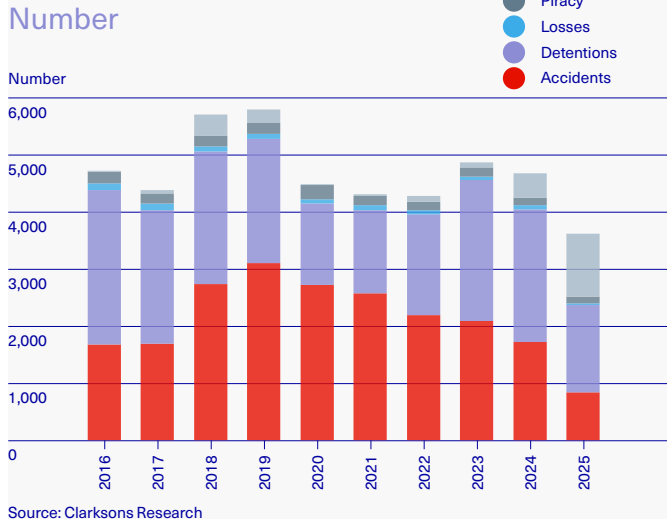
The offshore energy market remains stuck in a soft cycle. Premiums contracted 7.9% in 2024 as non-renewals,

Average age of ship type



Source: Clarksons Research

Reported incidents



Source: Clarksons Research

subdued new business, and weaker oil prices weighed on results. Competition with auto-binding following and excess capacity added further strain.

Only the Nordics posted notable premium growth; elsewhere, activity was flat or down. Nigeria stands out with a 40% decline, which can be explained by the removal of governmental petrol subsidies, liberalisation of the foreign exchange

market, and the change from fixed to floating exchange rates by the Central Bank.

Claims were relatively light, with no major losses during the year – a sign of improving operational safety. Attritional losses still totalled around \$2.0b, leaving profitability fragile should a major incident occur.

Asset utilisation currently sits near 80%, which is encouraging, but retentions

and deductibles remain static, leaving underwriters exposed to large losses. On the bright side, 2024 saw accelerating investment in offshore renewables, especially wind projects across Asia. Gas also gained ground as a transitional energy source, creating fresh opportunities for insurers ready to adapt.

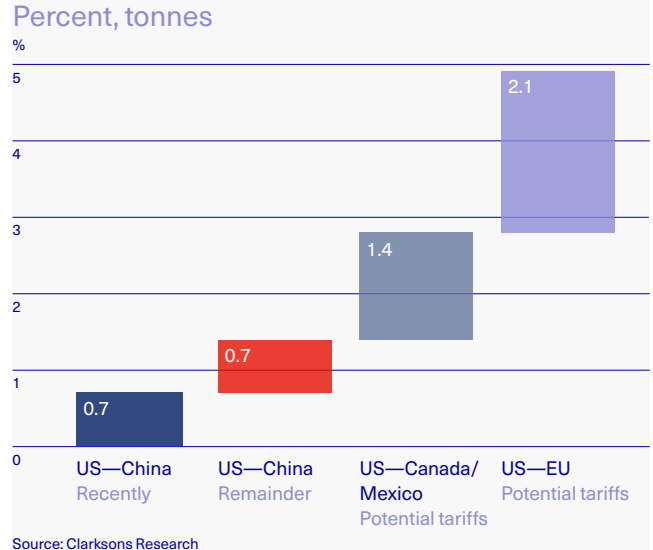
Uncertainty – the overriding theme

Taken together, the 2024 figures depict a sector in flux. Cargo and hull showed resilience and slight growth, while offshore energy continued to soften. Yet, the overriding theme is uncertainty.

Geopolitical tensions – from the wars in Ukraine and the Red Sea (despite recent announcements) to shifting sanctions and tariffs – continue to reshape global shipping routes and exposure patterns. Longer voyages, rerouting, and heavier weather risks are all part of the new normal.

Through it all, seafarers remain the industry’s backbone. Their resilience keeps

Global seaborne trade exposed to potential tariffs



Source: Clarksons Research

supply chains moving despite constant change – and their welfare remains closely tied to the risks we underwrite.

Marine underwriters have supported global trade for centuries, helping it to thrive amid volatility. That tradition endures. It will be fascinating to see what the numbers tell us when IUMI releases its next results in Rotterdam in 2026.



The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers’ interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals. IUMI currently represents 43 national and marine market insurance and reinsurance associations. More information can be found at www.iumi.com