



MARINE INSURANCE MARKET AND ALANDIA

Maritime Day 1 June 2023
Risto Rätty



MARINE INSURANCE ENTREPRENEURS



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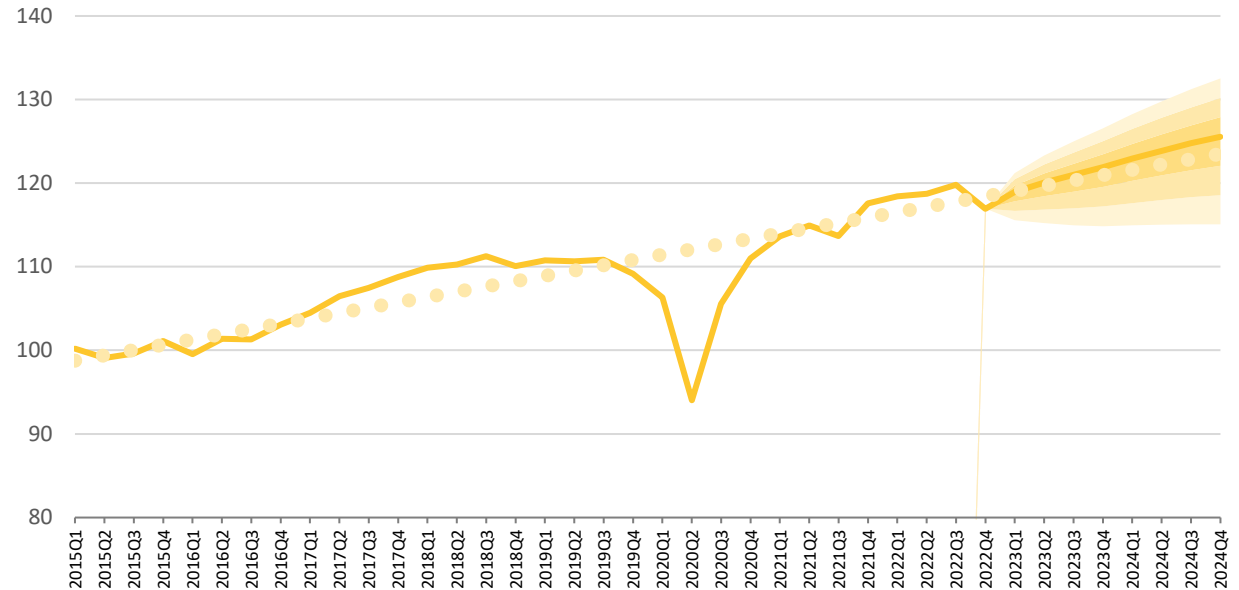
DIRECTOR, COMMERCIAL MARINE

- M.SC Economics
- Worked various roles within insurance since 1994 both as broker and insurance companies
- Employed with Alandia since 2022

WORLD MERCHANDISE TRADE

- The Merchandise Trade growth trend has remained constant
- Start of Covid Pandemic caused a significant drop in trade, with a quick recovery back to trend level
- Growth expected to continue in coming years, but there are number of concerns in both short and long term
- Geopolitical tensions (War in Ukraine, China/Taiwan relations,...)
- Inflation, Interest rate increases
- Trading Pattern changes
- Pandemic?

Volume of world merchandise trade, 2015 - 2024



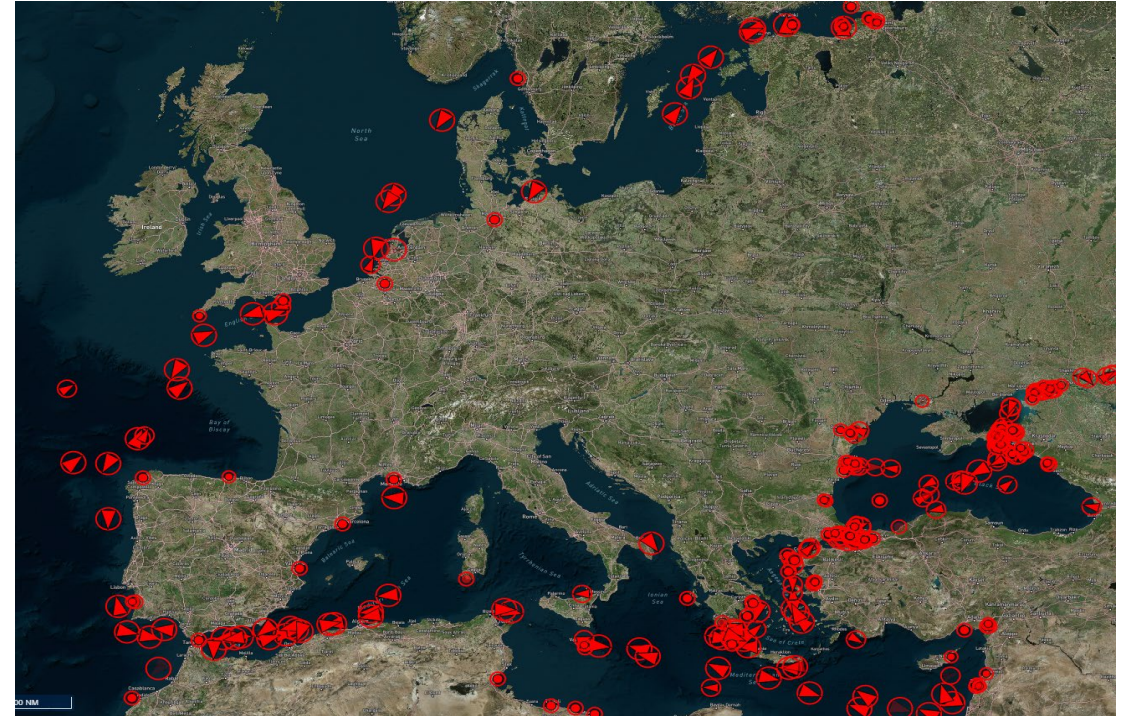
Source: WTO and UNCTAD for historical data, WTO Secretariat estimates for forecasts

SHIPPING MARKET

Shipping Market is having number of issues which are of interest also for Insurers:

- Aging fleets
- Decarbonization/ Sustainability / ESG
- New technologies & fuels
- Workforce availability and training needs
- Dark Vessels increasing with Russian oil and other transports with no Western P&I insurance
- Trading Pattern changes
- Fires losses - particularly container vessels
- Misdeclared cargo
- Natural hazards – particularly Cargo warehousing

Tankers with Compliance Status Severe



Source: Sea-Web

MARINE INSURANCE MARKET

Claims results globally

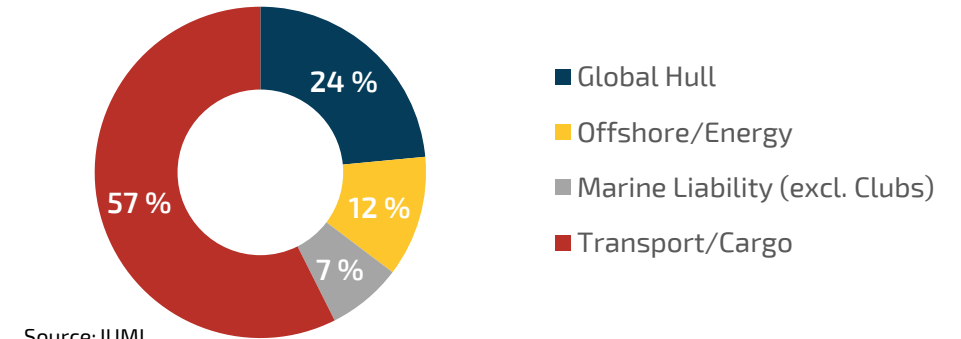
- Hull - positive trend in claims frequency
- Cargo – Loss ratios have continued to improve slightly, concerns over NatCat
- Off-shore – loss ratios have been OK, but can take long time to develop
- Inflation/cost increases are beginning to show in claims costs

Premiums

- Hull and P&I – premiums have seen slight increase largely due to increase in values
- Cargo – premiums have increased in line with strengthening USD and global trade
- Off-shore insurance premiums typically follow oil price development and have increased in recent years

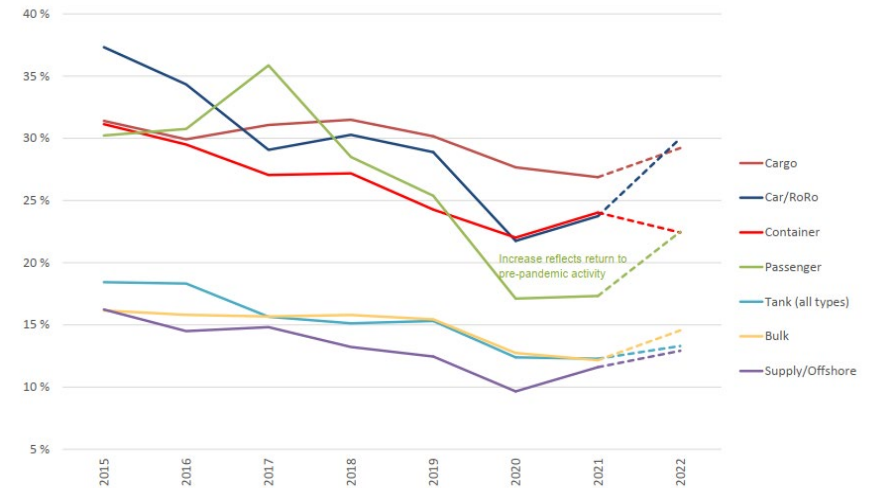
Nordic insurance market's share of the global Hull Insurance market has continued to increase

MARINE PREMIUMS 2021 BY LINE OF INSURANCE
TOTAL ~ USD 33 BN

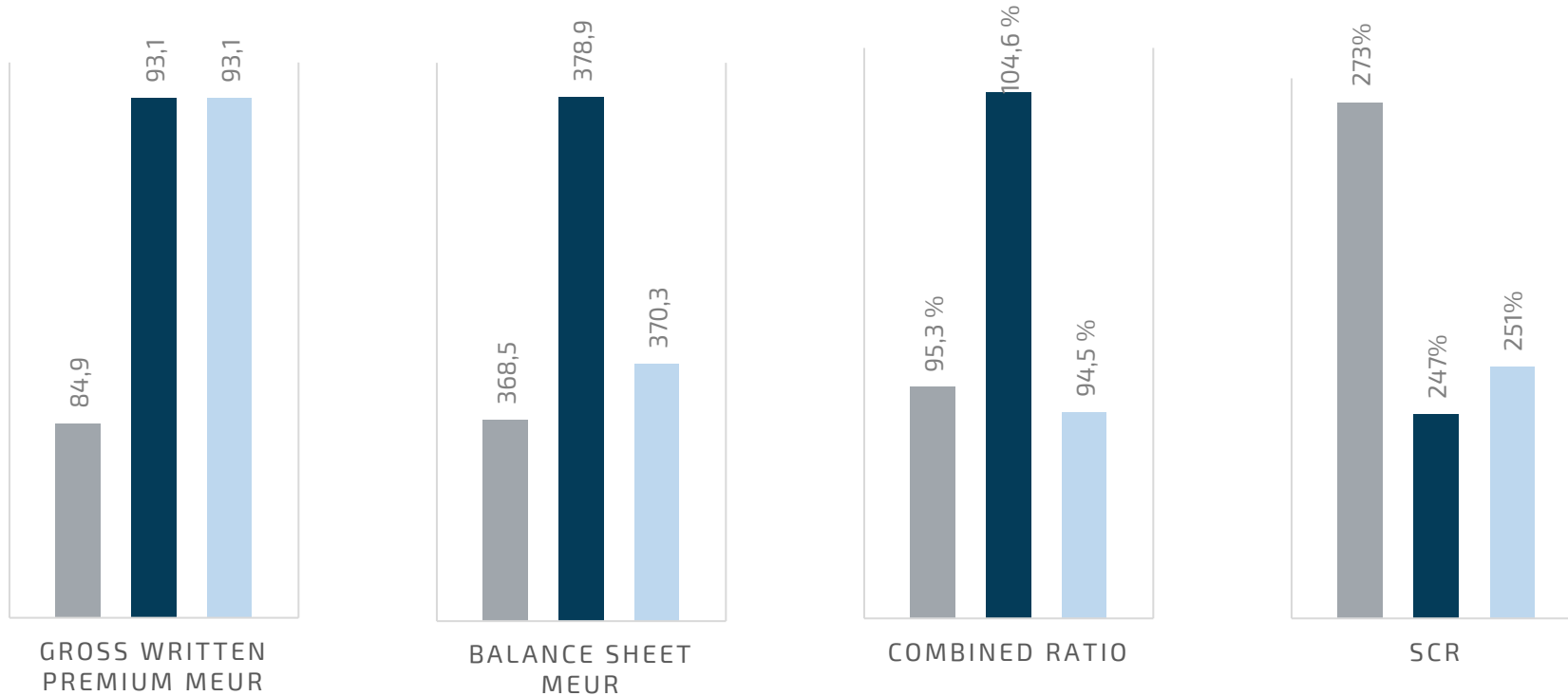


CLAIMS FREQUENCY DIFFERS BY VESSEL TYPE

ALL CLAIMS, INCLUDING IBNR*



KEY FINANCIAL INFORMATION



PRODUCTS



HULL & MACHINERY
Premiums 67,4 MEUR
No. of insured vessels:
9,773



P & I
Premiums 6,0 MEUR
No. of insured vessels:
1,990



CARGO
Premiums 6,2 MEUR
No. of insured contracts:
1,842



LEISURE BOAT
Premiums 15,7 MEUR
No. of insured boats: 31,760

ALANDIA IS A SIGNATORY TO THE PRINCIPLES FOR SUSTAINABLE INSURANCE (PSI)

PRINCIPLE 1

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

PRINCIPLE 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

PRINCIPLE 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

PRINCIPLE 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

**SUSTAINABLE
DEVELOPMENT GOALS**

