Joint CBMU/AIMU Webinar:
Comparing and contrasting the Canadian and US Cargo Markets
HOUSEKEEPING

• **Change display name** to “Name – Company” - for our attendance records
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PANELISTS

Dana Al Nammari
CNA
Moderator

Isabelle Therrien
Falvey Cargo Underwriting
Panelist

Ryan O'Connor
Allianz
Panelist

Frederic Scalabrini
BFL
Panelist

Joe Sheridan
Epic Brokers
Panelist
Canadian Cargo Insurance Market
2019 Direct Canadian Marine Premium

<table>
<thead>
<tr>
<th>Category</th>
<th>Premium in Millions (CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo</td>
<td>$147 M</td>
</tr>
<tr>
<td>Yacht</td>
<td>$142 M</td>
</tr>
<tr>
<td>Hull</td>
<td>$74 M</td>
</tr>
<tr>
<td>P&amp;I/Liab</td>
<td>$69 M</td>
</tr>
</tbody>
</table>

Total DWP: $433 M CAD
Net Marine Premium/Losses – All lines Combined

(MSA Research)
Legal Regime & Insurance regulations

• Common Law (based on British common law with Canadian distinctions)
  • Except the Province of Quebec where Civil law applies
  • Punitive Damages – less frequently and in smaller amounts than US
• Federal Legislation
  • Marine Insurance Act of Canada
  • Marine Liability Act of Canada
• Provincial Legislation
  • Insurance Company Act of Canada

• Part XIII - “Made in Canada”
  • 573 (1) A foreign entity shall not insure in Canada a risk unless it is authorized by order made under subsection 574(1).

• Excise Taxes (10%)
Catastrophic Perils
Source: Natural Resources Canada

- Last 30 days of Earthquake in Canada

- Total 229
  - 180 below M3
  - 40 M3
  - 9 M4
  - None M5 and M6

- Active Zones
  - Eastern
    - Western Quebec Seismic Zones
    - Charlevoix Seismic Zone
  - Western:
    - Offshore- Queen Charlotte (San Andreas Fault)
    - Cascadia Subduction Zone
    - St-Elias (YT, AK) – Most active in Canada
Natural catastrophes are on the rise
Number of relevant loss events by peril 1980–2019

Number of relevant loss events has increased by an average of around 3% p.a. since 1980

Note the almost continuous increase in the number of weather-related catastrophes

Number of geophysical events like earthquakes or volcanic eruptions remained virtually stable over the period
US Cargo Insurance Market
2019 U.S. Marine Direct Written Premium*
* As voluntarily reported by 17 AIMU member companies

Total DWP: $1,572 USD

- Cargo: $748M
- Yacht: $186M
- Hull: $218M
- P&I/Liab: $420M
AM Best Ocean Marine Results (all lines combined)
2011-2019
• In the United States Insurance is regulated by the fifty states, the District of Columbia and five US territories.

• The system of regulation stems from the McCarran Ferguson Act of 1945 which describes state regulation and taxation of the industry as being in “the public interest” and clearly gives its preeminence over federal law. Each state and territories has its own set of statutes and regulations.

• The National Association of Insurance Commissioners (NAIC) is the US standard setting and regulatory support organization created and governed by the chief insurance regulators from the states and territories

• Federal Marine Insurance Rule
  • State Statutes
  • Case Law
Catastrophic Perils

U.S. 2020 Billion-Dollar Weather and Climate Disasters

This map denotes the approximate location for each of the 22 separate billion-dollar weather and climate disasters that impacted the United States during 2020.
Market Trends

Canadian Broker Perspective
- Trends
- Capacity
- Differences between markets

US Broker Perspective
- Trends
- Capacity
- Differences between markets
Thank you to our sponsors!

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**SILVER**
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- Bevers Insurance Adjusters Inc.
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- Isaacs & Co.
- Metcalfe & Company
- SEDGwick
Upcoming events:

• CBMU Virtual Spring Conference  
  May 27, 2021  
  12 pm – 4 pm EST

• Joint CBMU/AIMU Webinar:  
  Comparing/Contrasting the US and 
  Canadian Hull and P&I Marine Markets  
  June, 2021