

# The 18<sup>th</sup> Lillehammer Energy Claims Conference

## 6<sup>th</sup> – 8<sup>th</sup> March 2013



## Market Developments - Losses and other updates

Andrew Jackson – Willis Limited, 6<sup>th</sup> March 2013

# 2007 – 2012 OVERVIEW

## FOR THE CHARTS AND LISTINGS THAT FOLLOW PLEASE NOTE:

- Only losses excess of \$ 1,000,000 FGU have been included
- The figures relate to PD/S&P, OEE and BI costs only – no death & injury liability costs are included
- These are industry figures rather than insured figures which means
  - Where possible they INCLUDE deductibles and waiting periods
  - They are not restricted to any policy limits but the costs involved are considered insurable
  - In other words, if you recognise the loss you may not recognise the amount!
- It is still too early to have an accurate overview for 2012

# 2012 Major Upstream Losses

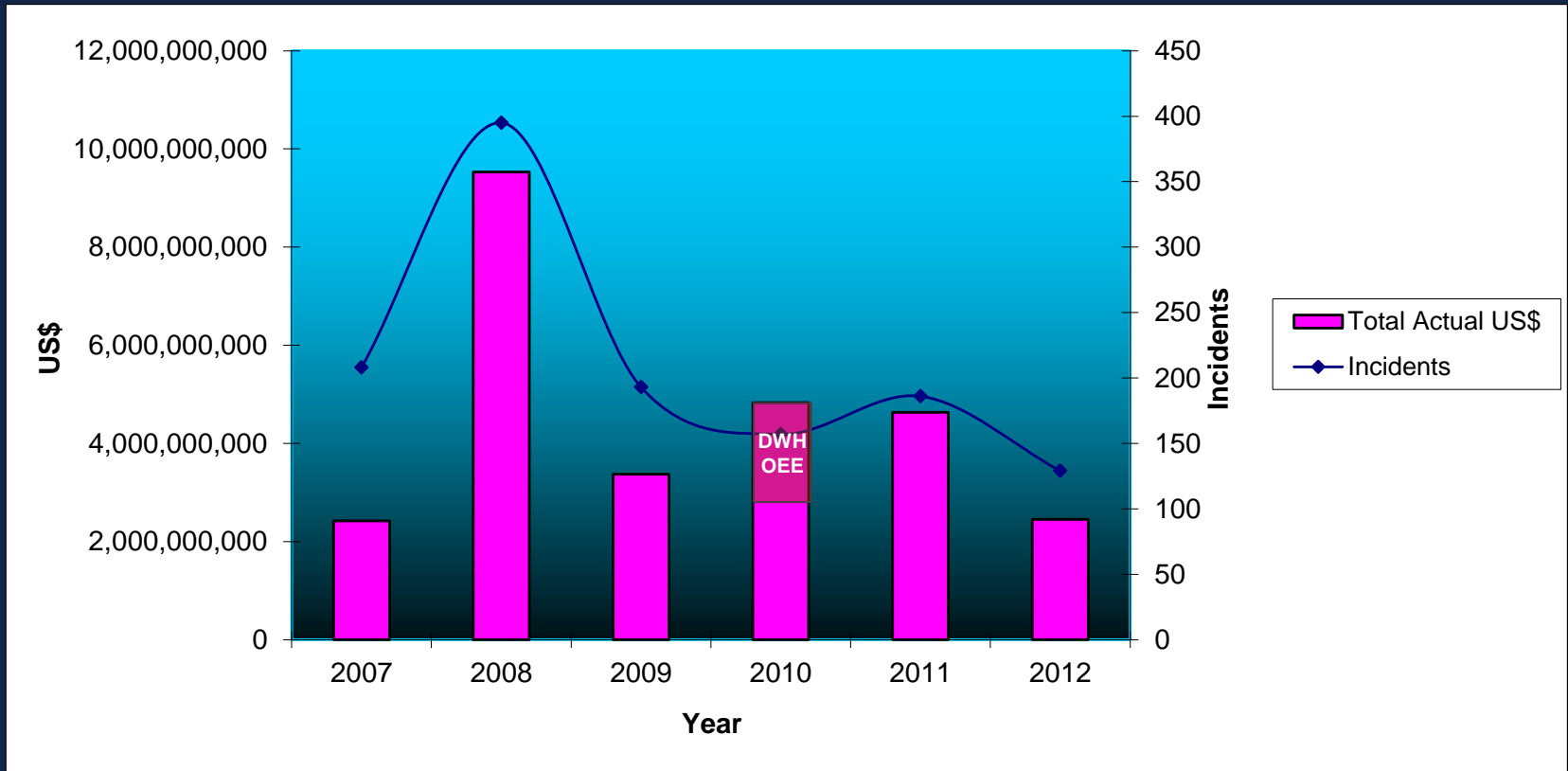
(PD/S&P + BI only no liability, FGU not just insured)

January	Blowout & fire of jackup drilling rig + lift barge	Offshore Nigeria	\$ 462,000,000
March	Gas release from platform	North Sea, UK Sector	\$ 400,000,000
March	Blowout	Offshore Nigeria	\$ 200,000,000
August	Gas leak from well	Offshore India	\$ 150,000,000
December	Grounding of drillship	Offshore Alaska	> \$ 100,000,000
February	Rupture of pipelines	Onshore Venezuela	\$ 65,000,000
February	Blowout	Onshore Alaska	\$ 60,000,000
June	Rupture of pipeline	Onshore Canada	\$ 60,000,000
March	Blowout	Onshore Canada	\$ 55,000,000
January	Fire on production platform	Offshore Mexico	\$ 54,000,000

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# 2007 – 2012 Upstream Losses PD/S&P, OEE, BI Including Windstorm

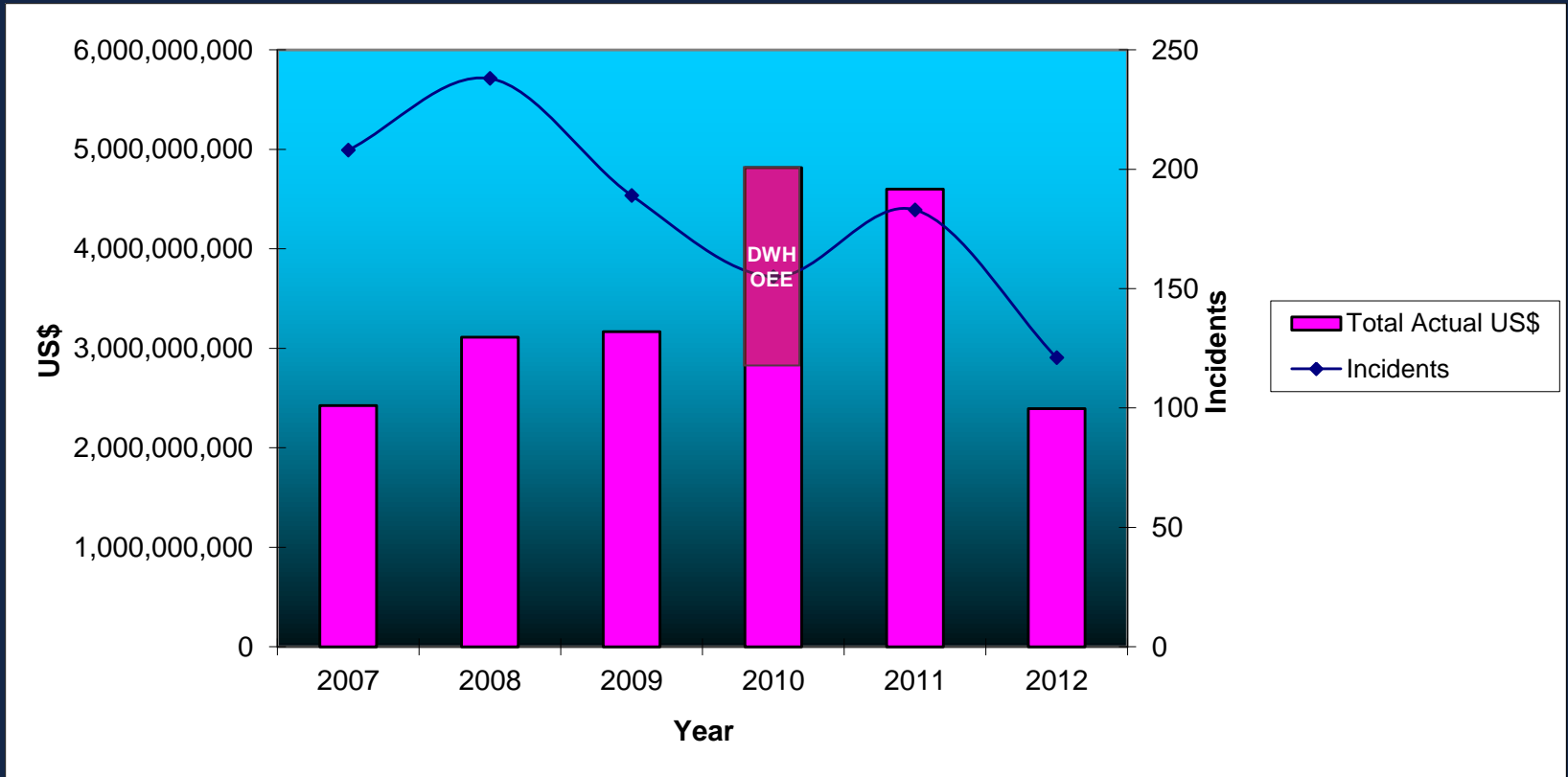
This chart includes an arbitrary OEE figure of US\$ 2 billion for the Deepwater Horizon/ Macondo incident



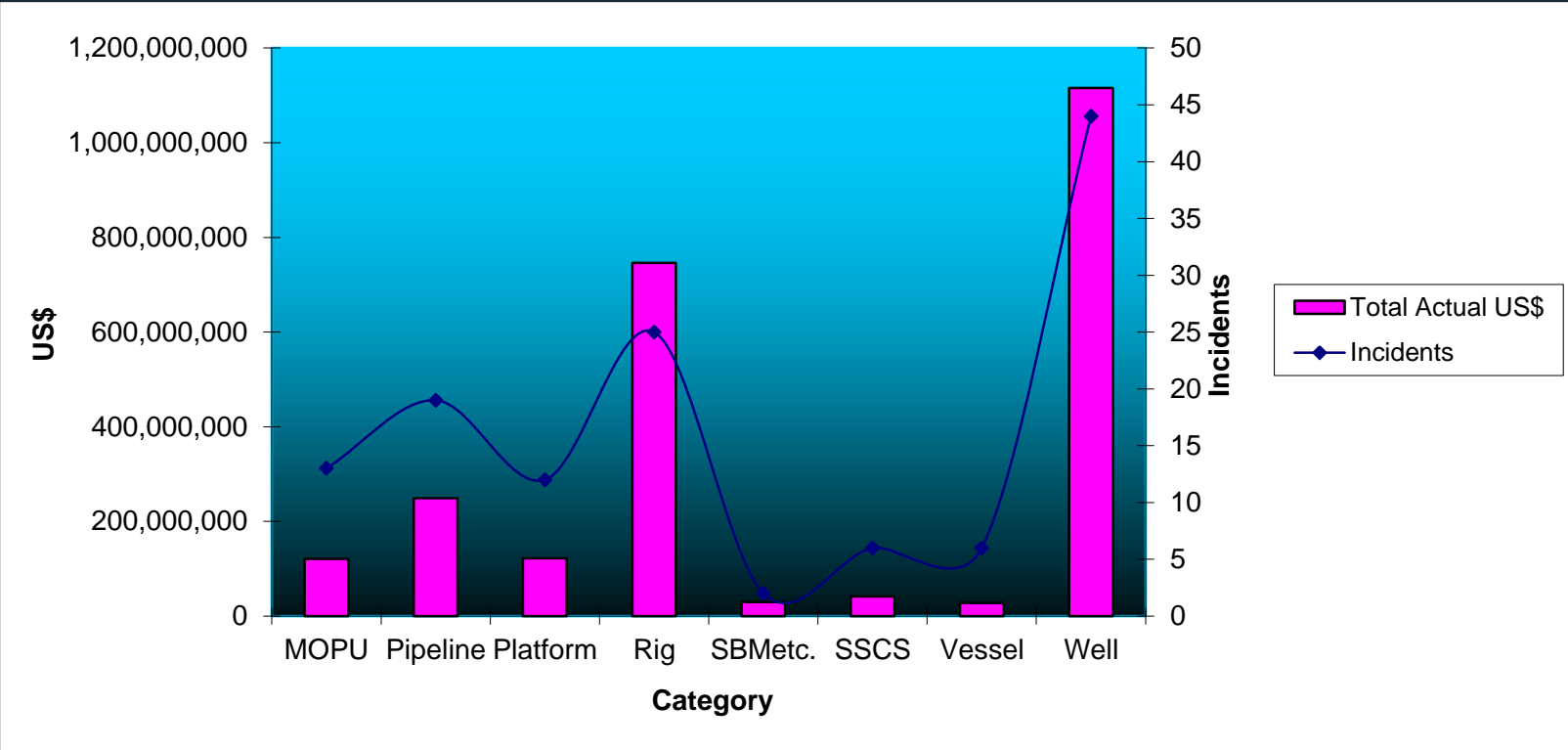
Note: For windstorm losses 'Incident' = loss per insured

# 2007 – 2012 Upstream Losses PD/S&P, OEE, BI Excluding Windstorm

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# 2012 Upstream Losses PD/S&P, OEE, BI

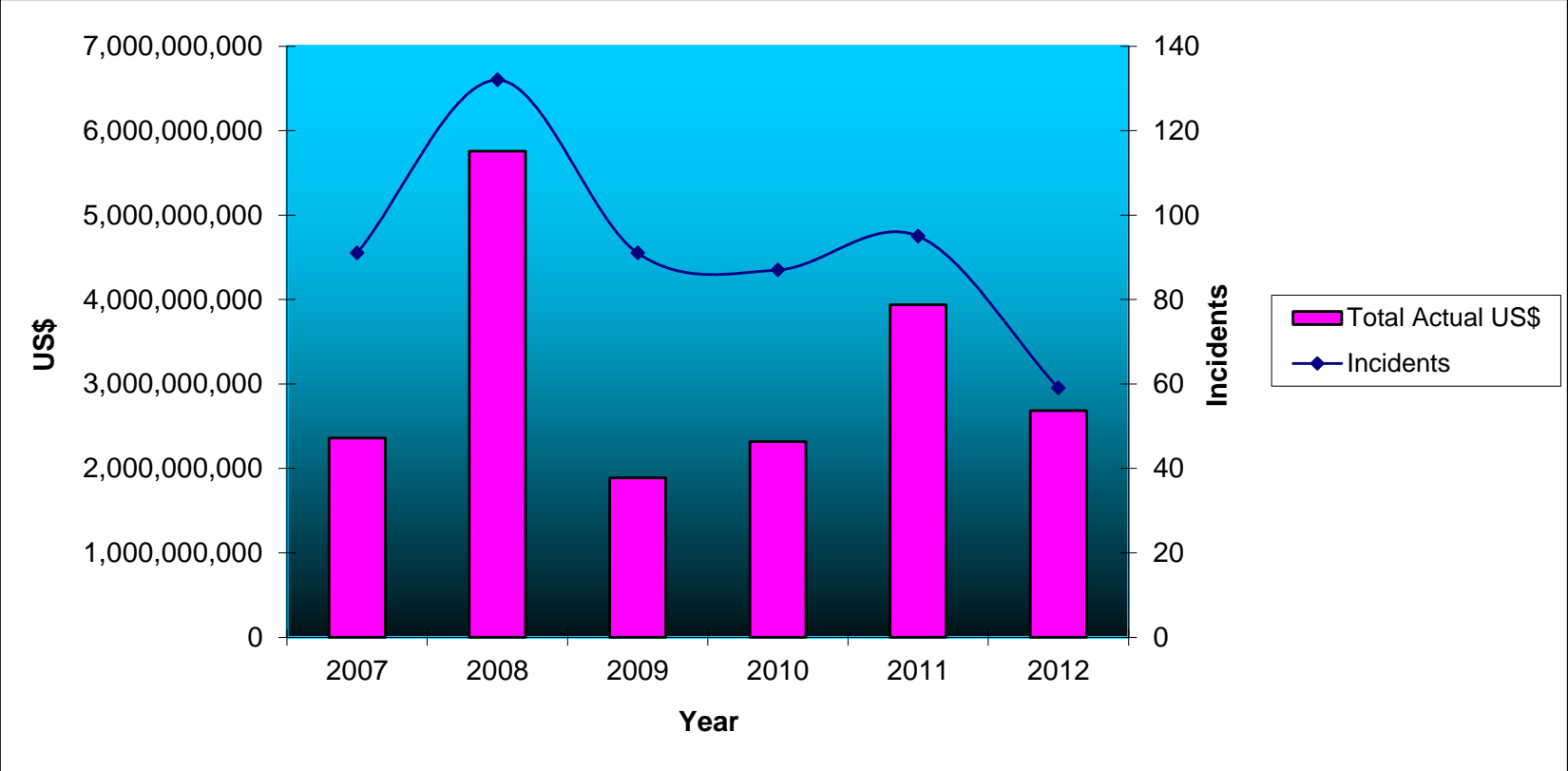


# 2012 Major Downstream Losses

(PD/S&P + BI only no liability, FGU not just insured)

March	Fire at chemical plant	Germany	\$ 435,000,000
August	Explosion at tank farm	Venezuela	\$ 320,000,000
May	Explosion at petrochemical plant	Thailand	\$ 296,000,000
October	Supply interruption at petrochemical plant	Brazil	\$ 198,000,000
October	Fire in petrochemical plant	Germany	\$ 173,000,000
May	Explosion in gas plant	Arkansas, USA	\$ 150,000,000
September	Explosion in petrochemical plant	Japan	\$ 150,000,000
July	Fire in refinery	Thailand	\$ 140,000,000
October	Windstorm damage to terminal	New Jersey	\$ 127,000,000
July	Fire in petrochemical plant	Kuwait	\$ 119,000,000

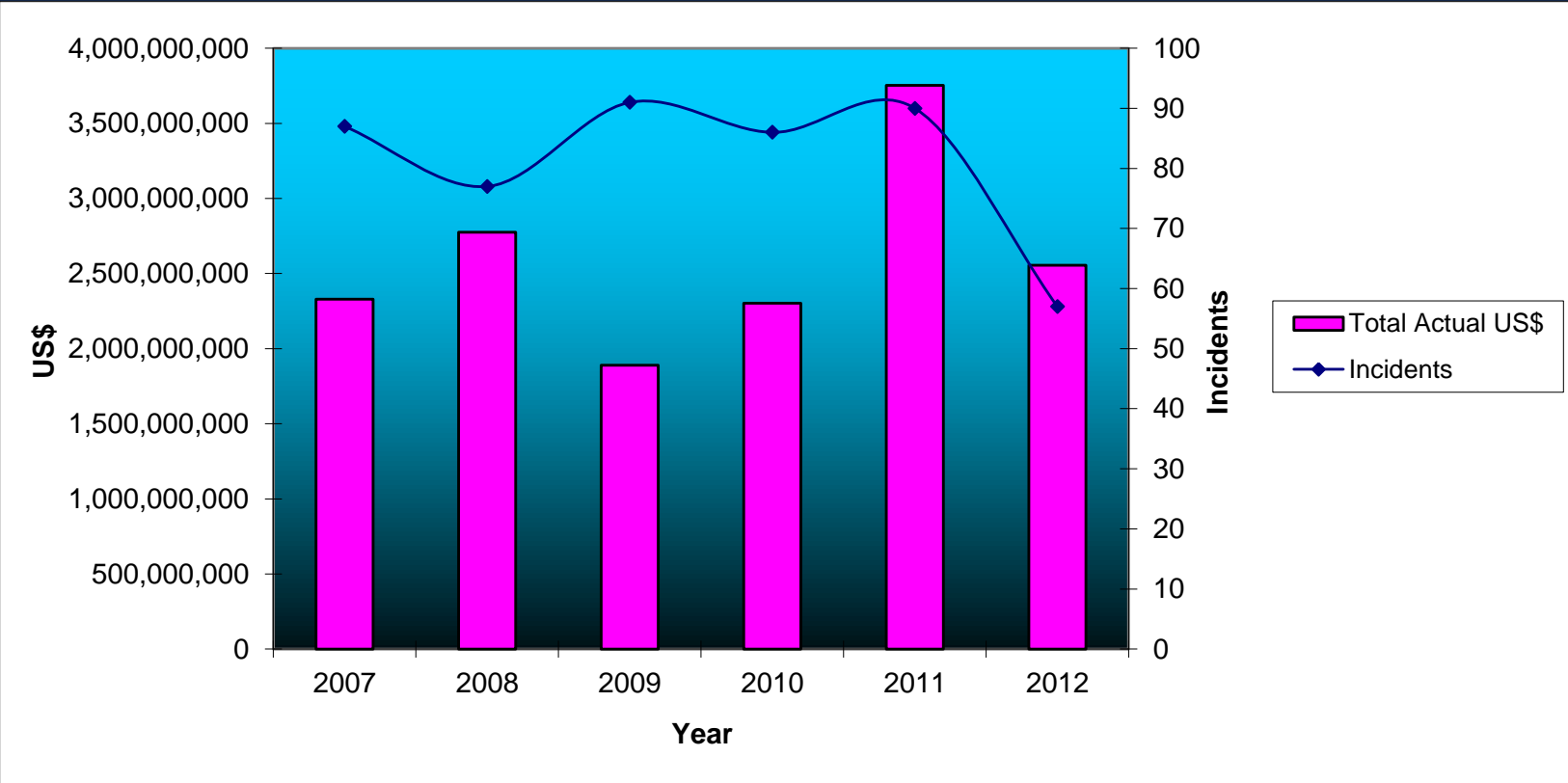
# 2007 – 2012 Downstream Losses PD/S&P, BI Including Windstorm



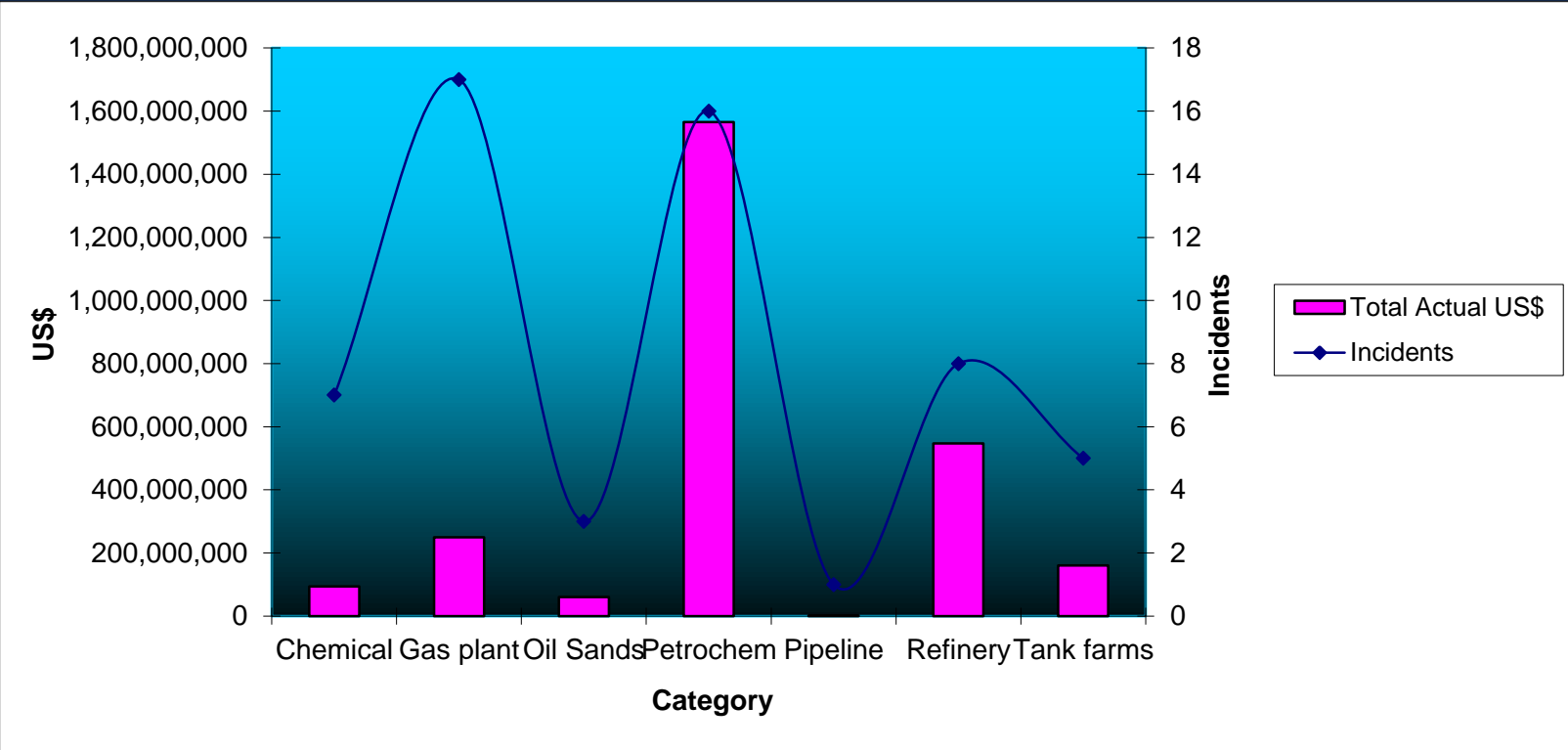
Note: For windstorm losses 'Incident' = loss per insured



# 2007 – 2012 Downstream Losses PD/S&P, BI Excluding Windstorm



# 2012 Downstream Losses PD/S&P, BI



# And 2013.....(so far)

(PD/S&P, OEE + BI only no liability, FGU not just insured)

January	Fire in refinery	Merseyside, UK	\$ 60,000,000
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# 2012 Natural Catastrophe Activity

- The largest global disasters in monetary terms were Hurricane Sandy (\$65 BN) and the year-long Midwest/Plains drought (\$35 BN)
- The USA alone accounted for nearly 90% of global insured losses in 2012
- Worldwide economic losses in 2012 are estimated at \$200 BN which is just above the 10 year average of \$187 BN
- The deadliest event was Super Typhoon Bopha in the Philippines in December which killed more than 1,900 people
- Other major events:
  - Earthquakes in Philippines (February), Italy (May), Afghanistan (June), Iran (August)
  - Hurricanes Ernesto and Isaac in August

# Market News

- Brookes Bell have opened up an energy adjusting office in Singapore
- Axis Holdings Limited has been acquired by York Risk Services Group

# Other News

The first episode of series 1 premiered in Norway on 25<sup>th</sup> January 2012 with a record audience of nearly 1 million – around 20% of Norway's population. A second series has been commissioned and filming started in January 2013.





**Thank you for your attention**

**Willis**