

INSURSIGHTS

A focus on the insurance market

INSIDE

Hardening market is raising interest in Captives

Suez Canal: insurers pay the bill

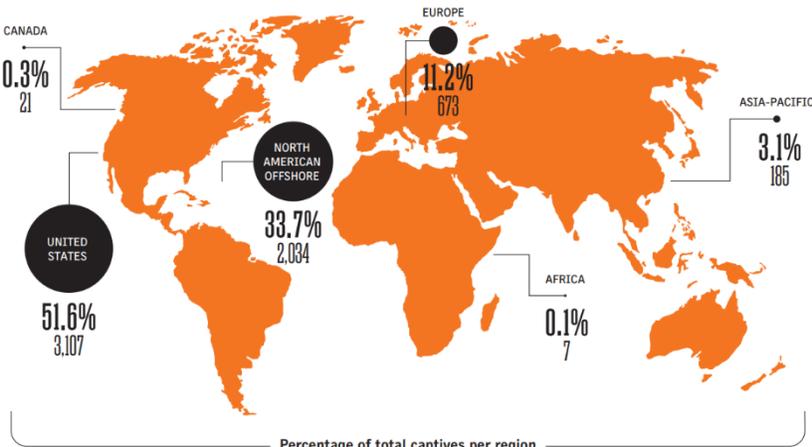
Swiss Insurance Monitor

Hardening market is raising interest in Captives

In February and March this year the Business Insurance [World Captive Forum](#) and the [Swiss Captive Dialog 2021](#), organised by Zurich and the Swiss Insurance and Reinsurance Captives Association (SIRCA), took place. At both events which were held virtually it became clear that the captive market is strongly in motion.



Following a relatively stagnant few years, most large captive domiciles such as U.S., Bermuda, Cayman Islands report an [increase in formations within the last month](#). Also here in Europe where captive insurance is still seen as a relatively niche product an increased interest can be observed. As challenging conditions in the traditional commercial insurance market worldwide are rising, captives are considered as a promising solution. While companies that had captives in the past re-evaluate and explore how to bring new and emerging risks into the captive, other corporates who do not have a captive are currently exploring whether they are of sufficient size and scale to establish a captive to mitigate current uncertain times. If studies show that formation is not often look around for Company solutions. Here, too, interest has risen sharply in recent months. Captives will even



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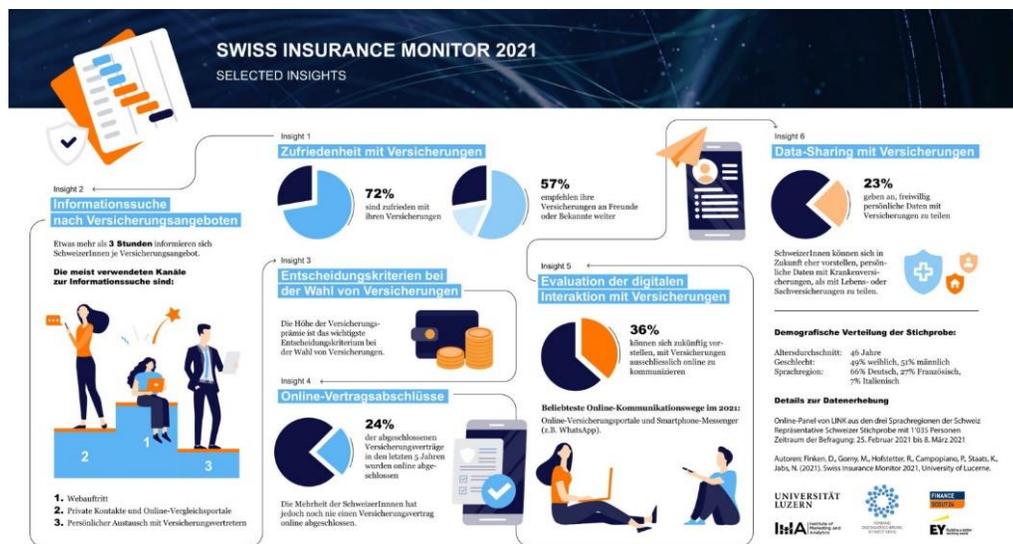
Suez Canal: insurers have to pay the bill

In March Ever Given, a container ship, blocked the Suez Canal stopping traffic in both directions for six days. The ship is still in detention in Egypt and will be only released after signing a compensation agreement for the losses and the cost of freeing the ship. In this regard, a complaint has been filed by the Suez Canal Authority against Japanese owner Shoen Kisen with the court.

Ships typically have protection and indemnity (P&I) insurance, which covers third-party liability claims. Those liability insurances claims for ships and cargo affected by the delay caused by Ever Given are expected to fall initially to its liability insurer UK P&I Club. But as SCA demanded **USD°916°million to free the ship and its cargo**, it may be assumed that UK P&I Club will also use reinsurance capacities – regardless the fact, that the initial claim was recently adjusted to USD 600 million in an effort to settle out of court.

Swiss Insurance Monitor

On 15.04.2021 the University of Lucerne, the Digital Insurance Association Switzerland, EY and FinanceScout24 published the first Swiss Insurance Monitor – a study on the perception of insurance and attitudes towards the Swiss insurance landscape with a special focus on digitalization. For example, it was found that **24% of the insurance contracts concluded in the last 5 years were concluded online**. Another interesting outcome of the study is that 36% of the Swiss people are willing to communicate only online with insurance companies (e.g. via app). So, Insur-Techs are on the rise. Read more on www.swissinsurancemonitor.ch



GO THE EXTRA MILE FIFA has obtained insurance coverage of USD 900 million for the **Qatar 2022 World Cup** tournament for cancellation, postponement, relocation, natural disasters, war, acts of terrorism etc. Will this be the next large insurance claim? We'll see...