

Claims under policies covering comprehensive non-payment for regulated financial institutions where the insurer was contractually required to accept liability in 2024

Data in this year's survey by A2Z Risk Services Ltd showed that 100% of the claims made by regulated financial institutions in 2024 were honoured. A few claims, although undisputed, were not paid by the contractual deadline.

185 claims were made and paid, totalling US\$400,802,949. This represents fewer claims by frequency and a smaller amount paid compared to the data from 2023.

Of these claims, the majority (78% and 76% respectively by frequency of claims) contained an exclusion for loss caused by a nuclear, biological, chemical or radioactivity incident (NCBR) or insolvency of the insured.

Of the 185 claims, four (or 2% of claims made; 1% by claims amount or US\$3,879,161) were not paid by the contractual deadline due to operational failure as the liability and amount was not disputed by insurers.

Regionally, Africa continued to dominate in terms of the number of claims (71%) and in 2024 insurers paid the highest amount of claims in Africa as well (54%):

Geographic Location	# claims	% of claims	Amount (USD)	Percentage of total amount
ASIA	10	5%	43,345,574	11%
Central Asia	-		-	
Eastern Asia	3		22,456,542	
Southern Asia	4		7,297,317	
South-Eastern Asia	1		3,991,716	
Western Asia	2		9,600,000	
EUROPE	26	14%	63,782,181	16%
Northern Europe	-		-	
Southern Europe	-		-	
Eastern Europe	21		47,733,364	
Western Europe	5		16,048,817	
AFRICA	131	71%	215,745,029	54%
Northern Africa	1		5,000,000	
Sub-Saharan Africa	130		210,745,029	
AMERICAS	18	10%	77,930,165	19%
Latin America and the Caribbean	6		7,985,435	
Northern America	12		69,944,730	
OTHER	0	0%	0	0%
Australia and New Zealand				
Polynesia				
Melanesia				
Micronesia				
	185		400,802,949	-

Please see important explanatory notes at the end of this document.

Although most claims continue to be made due to public sector obligor default, the amount of claims paid also continued to be relatively evenly split between public and private sector obligors. The vast majority of claims, whether by frequency or amount, were for trade-related transactions:

	# claims	% of claims	Amount (USD)	Percentage of total amount
Type of Obligor				
1a. Public Sector	134	72%	218,042,345	54%
1b. Private Sector	51	28%	182,760,604	46%
Trade-Related				
2a. Trade	171	92%	378,695,139	94%
2b. Non-Trade	14	8%	22,107,810	6%

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Claims were paid in a wide range of industries in 2024:

SIC HIERARCHY	INDUSTRY SECTOR NAME	# claims	% of claims	Amount	Percentage of total amount
01610	support activities for crop production	8	4.32%	45,105,168	11.254%
05101	Mining of hard coal from deep coal mines (underground mining)	1	0.54%	1,500,000	0.374%
07100	mining of iron ores	1	0.54%	4,200,000	1.048%
07290	Mining of other non-ferrous metal ores	4	2.16%	8,275,264	2.065%
08910	Mining of chemical and fertiliser minerals	18	9.73%	35,942,110	8.968%
09100	support activities for petroleum and natural gas extraction	3	1.62%	29,378,818	7.330%
10810	Manufacture of sugar	1	0.54%	789,473	0.197%
24100	manufacture of basic iron and steel	1	0.54%	440,000	0.110%
25110	manufacture of metal structures and parts of structures	1	0.54%	1,504,758	0.375%
28220	manufacture of lifting and handling equipment	1	0.54%	5,000,000	1.247%
30920	manufacture of bicycles and invalid carriages	1	0.54%	4,250,000	1.060%
36000	water collection, treatment and supply	8	4.32%	8,656,439	2.160%
41201	construction of commercial buildings	19	10.27%	15,364,086	3.833%
42110	construction of roads and motorways	17	9.19%	29,768,531	7.427%
42120	construction of railways and underground railways	15	8.11%	22,969,845	5.731%
42130	construction of bridges and tunnels	4	2.16%	5,499,516	1.372%
42220	construction of utility projects for electricity and telecommunication	1	0.54%	3,991,716	0.996%
42910	construction of water projects	20	10.81%	43,268,547	10.795%
42990	construction of other civil engineering projects n.e.c.	2	1.08%	9,645,932	2.407%
43999	Specialised construction activities (other than scaffold erection)	2	1.08%	5,192,449	1.296%
46210	wholesale of grain, unmanufactured tobacco, seeds and animal feeds	2	1.08%	18,132,730	4.524%
46410	Wholesale of textiles	1	0.54%	285,714	0.071%
46720	wholesale of metals and metal ores	1	0.54%	15,800,000	3.942%
47770	retail sale of watches and jewellery	1	0.54%	775,066	0.193%
47810	Retail sale via stalls and markets of food, beverages and tobacco products	7	3.78%	5,724,967	1.428%
64191	Banks (deposit taking)	2	1.08%	9,600,000	2.395%
68100	buying and selling of own real estate	1	0.54%	19,291,533	4.813%
77351	renting and leasing of air passenger transport equipment	6	3.24%	14,791,549	3.690%
84110	General public administration activities	5	2.70%	8,561,343	2.136%
84220	defence activities	4	2.16%	6,628,462	1.654%
85421	First-degree level higher education	6	3.24%	3,770,759	0.941%
85590	other education	2	1.08%	1,725,943	0.431%
85600	educational support activities	9	4.86%	4,669,586	1.165%
86101	hospital activities	10	5.41%	10,302,645	2.571%
		185	100%	400,802,949	100%

Please see important explanatory notes at the end of this document.

Explanatory notes:

- Claims included in the survey are those where the insurer was contractually required to accept liability in calendar year 2024, whether the claim was notified in 2024 or earlier. Please note that as the survey counts each claim where a proof of loss is required as a separate claim, figures may only include one or more instalments in a series of claims.
- Public sector is as per the definition of a Government Entity per Lloyd's Bulletin 4755, paraphrased as:
 - A central/regional/local government or a ministry, department or agency thereof.
 - An entity in which the central/regional/local government retain(s) a controlling interest or a majority shareholding; or a central bank or other equivalent monetary authority.
- Trade-related is as per Lloyd's Bulletin 4755, paraphrased as:
 - Specified contract(s) for the sale/lease/purchase of assets, goods or services or the financing thereof.
 - Financing repaid by or secured by assets, goods or services or proceeds from the sale thereof.
 - Financing whose use of proceeds is specified to be for trade purposes or is for a government entity to develop or operate infrastructure; or for a commodity trader.
 - Reinsurance of or co-insurance with a multilateral institution, export credit agency or regional trade or developmental organisation.
- Industry sectors are based on the UK 2007 Standard Industry Classification Codes. Regional information is based on the sub-regions of the United Nations grouping of Member States.
- 'NCBR' excludes loss caused by *inter alia* the radioactive, toxic, explosive or other hazardous/contaminating properties of any radioactive matter or any chemical, biological, bio-chemical or any chemical, biological, bio-chemical, or electromagnetic weapon: see Lloyd's standard clause CL270 for sample language.
- The participants in the survey were: Aon Risk Services, Assetinsure, Axis Capital, BPL, Convex, Everest, Gallagher, GreenStars BNP Paribas, HDI Global Specialty, Howden CAP, Marsh, Miller Insurance, Munich Re, Pernix, Sovereign Risk Insurance, Swiss Re, Texel Finance Ltd, and WTW.
 - Joining the survey this year to ensure the widest possible market participation were Convex, Everest, and Pernix. *NB: participation in the survey does not necessarily imply that any participant had claims, merely that they have agreed to participate.*

- Insurers participating in the survey have only included claims not otherwise included in the data provided by the participating brokers.

- *Additional participants are welcome to ensure that this survey is representative of as great a proportion of the market as possible.*

- A2Z Risk Services Ltd has undertaken this survey on behalf of the Lloyd's Market Association, the International Underwriting Association and the London & International Insurance Brokers' Association. This survey is available on their websites.