

# Yachts: Effect during and ending of pandemic on use, claims etc.

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# Discussion Points

## **Contents of slides**

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Usage of Yachts during the pandemic

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Crewing of Yachts – during pandemic

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Claims trends during the pandemic

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Growth of Yacht ownership

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Yacht Insurance pre pandemic – changing behaviour

# Usage of Yachts during the pandemic by region

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The usage of Yachts during the pandemic was affected by the following factors-



Restricted travel- This restricted Yacht owners from visiting vessels and for some smaller vessels effected the maintenance of the vessels. Example UK owners with vessels in Bodrum (Turkey)



Cruising restrictions / Marinas closed – Limited cruising as per government restrictions – example BC, Vancouver. Marinas closed in Phuket Thailand.



Increased maintenance – Larger Mega Yachts with full compliment of crew during pandemic – opportunity to increase crew maintenance of vessel – Yards closed – implementation of virtual surveys.



Events / Social gatherings – Reduction in perils from boat shows / social gatherings – 4<sup>th</sup> July celebrations.

# Crewing of Yachts – during pandemic



Very different experience of crewing between small owner – operated Yachts and Larger Mega Yachts with full compliment of crew.



Mega Yachts able to perform maintenance due to high compliment of crew and the funds for virtual surveys.



Owner operated vessels more difficult to maintain during pandemic – with owner absentee vessels (owner over seas) – with no maintenance for close to 2 years.



Underwriting Management of vessels during pandemic / post pandemic



Condition of vessels – surveys / class of vessels



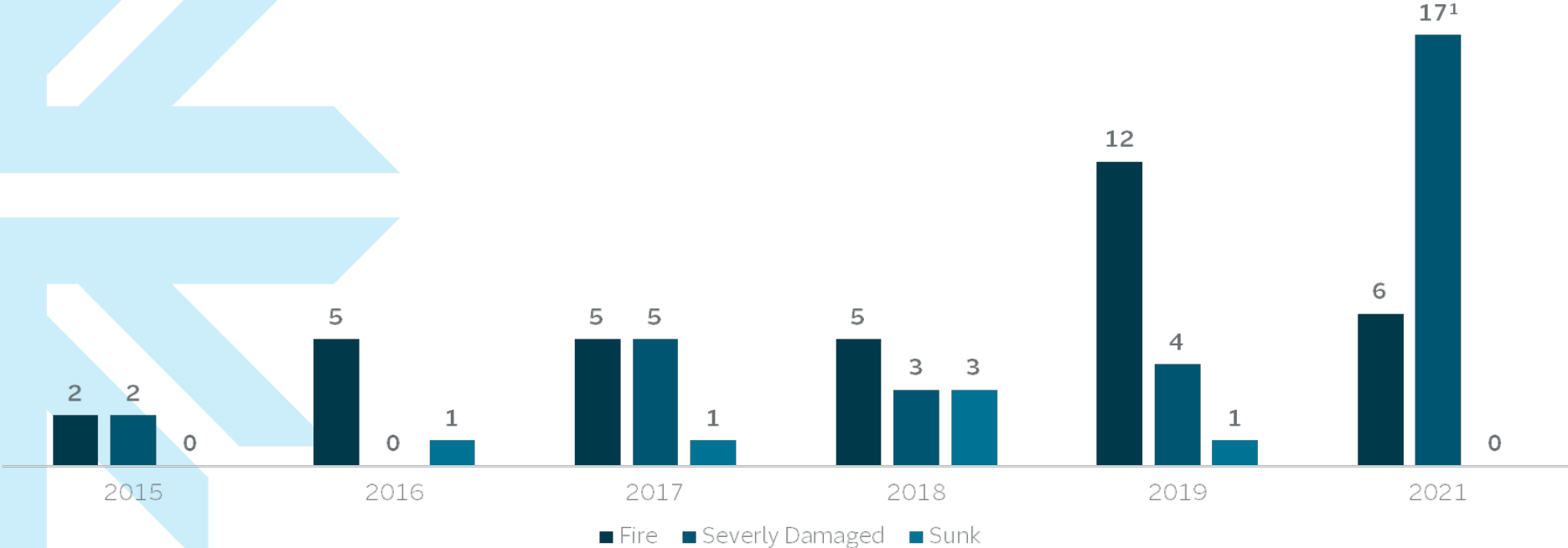
Manning warranties on policies / Operator warranties



# Claims trends during pandemic – Source Super Yacht times



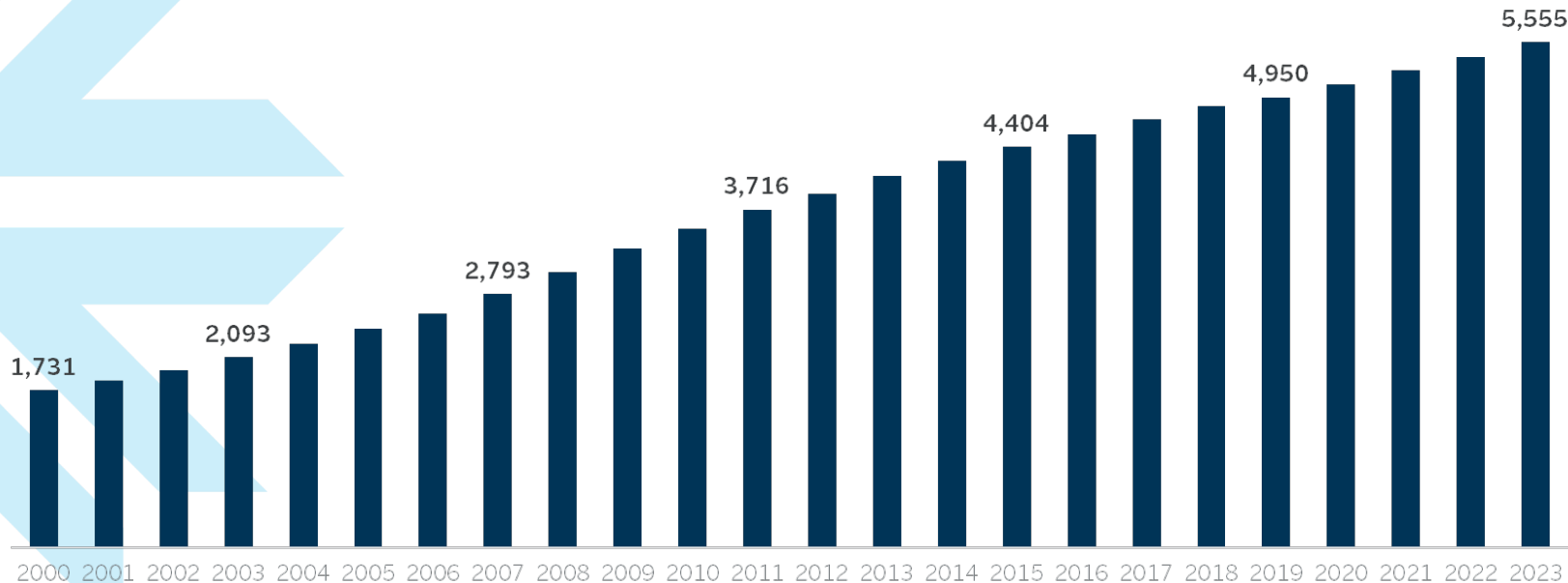
## Yacht Casualties Over 30 Meters Per Year



# Growth of Yacht ownership – Source The State Of Yachting 2023



In 2023, the number of superyachts over 30 meters in operation passed the 5,500 mark with another 161 new superyachts added to the fleet.



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# Growth of Yacht ownership (continued) US owners, Middle East & Hong Kong.



- The Mega Yacht sector continues to grow at an impressive rate. With growth continuing during and after the pandemic. With new owners appetite for the privacy of a Mega Yacht only increasing during the pandemic.
- From a geographical standpoint US owners are the strongest buyer group for Yachts above 30 metres in length in 2022 (accounting for approximately 30% of all sales). This sector is now purchasing more European built Yachts and spending more time in European mooring locations.
- Growth in the Middle East – The Arabian peninsula has seen a huge increase interest in Mega Yacht ownership since the pandemic. With UAE, Qatar and Oman attracting more Yacht owners with increasingly sophisticated facilities. The “NEOM” project in Saudi Arabia also includes Sindalah Island which promises to be a luxury island and Yacht destination
- The Hong Kong pleasure craft Market continues to grown at and impressive rate with new built vessels arriving in Hong Kong in 2022, mostly from Italian shipyards
- A post pandemic increase in demand has also had a substantial impact on the used Yacht market across most size bandings

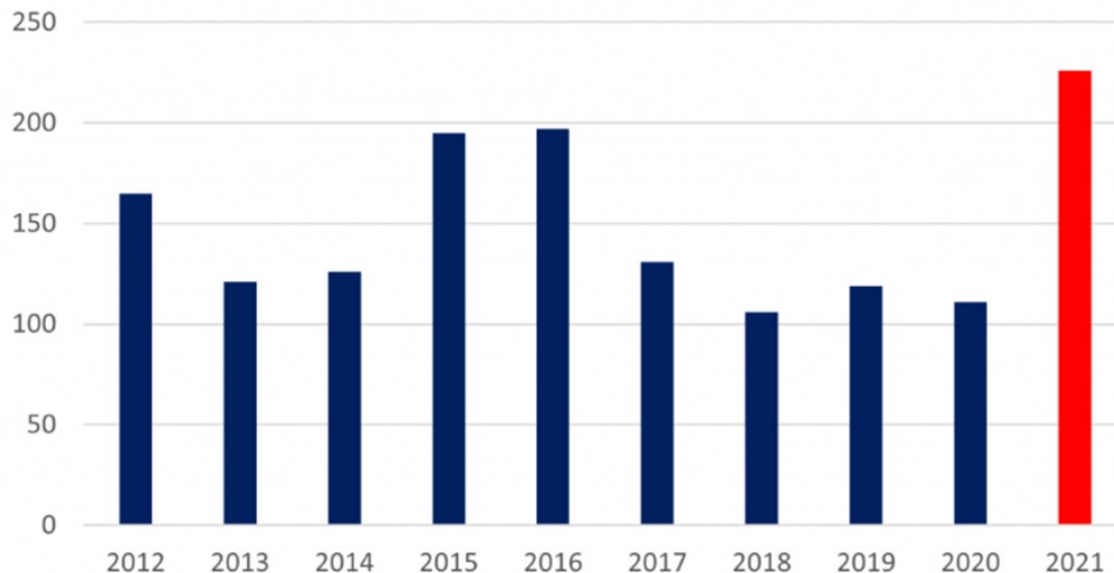
# Growth of Yacht ownership in Hong Kong

Source



Asia Pacific Boating / Super Yacht Times / Super Yacht News — While China is still in an early stage of yachting development in terms of domestic infrastructure and ownership, China has a large and growing pool of potential superyacht buyers. Hong Kong has a long-established history of Yacht ownership with by far the largest sector of Yacht ownership in Asia

## Motor yacht imports to Hong Kong by unit



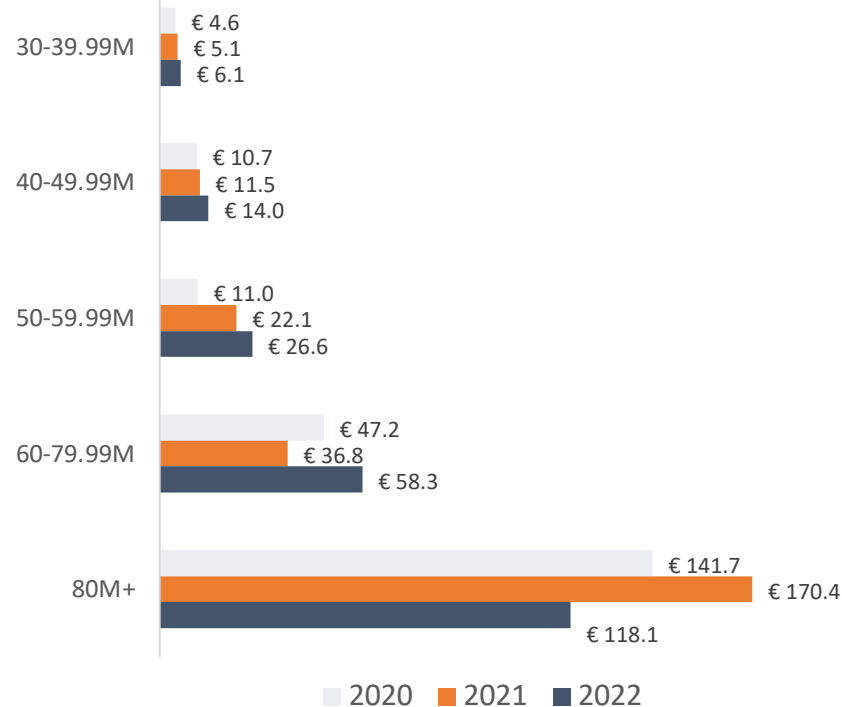
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Price trends for used Motor Yachts by sector.  
Current yacht owners are opting to keep their existing vessel, due to a lack of suitable replacement yachts in the used yacht market in size banding below 80m

## Sold Used Motor Yachts

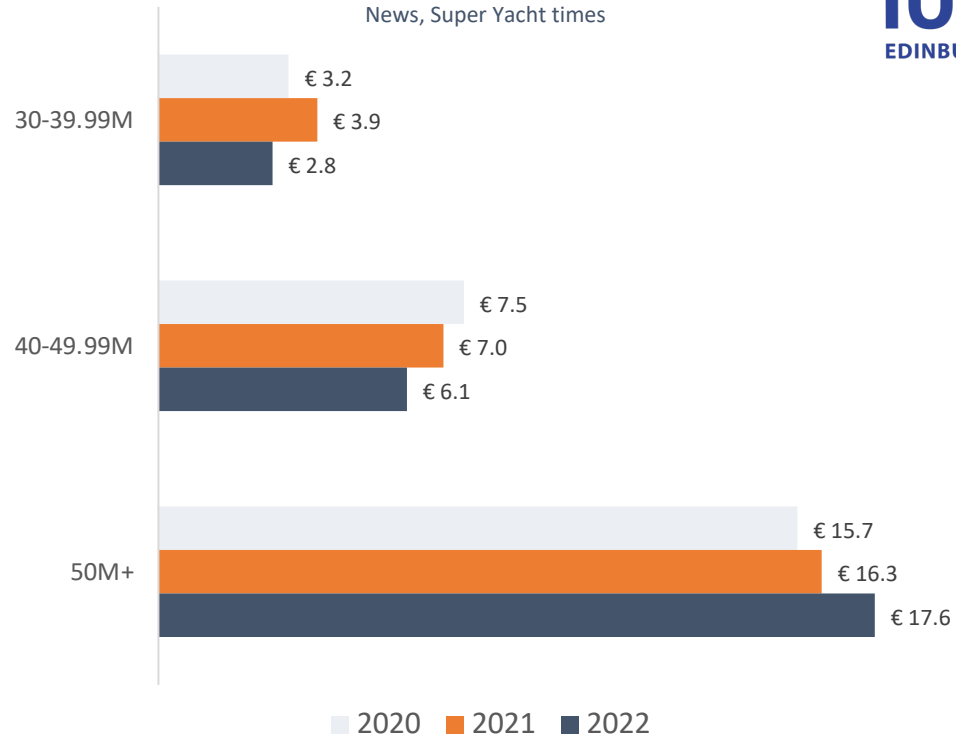
Final Asking Price (Euro, M) — Source - Asia Pacific Boating, Super Yacht News, Super Yacht Times



Price trends for used Sailing Yachts by sector.  
Current yacht owners are opting to keep their existing vessel, due to a lack of suitable replacement yachts in the used yacht market across all size banding

## Sold Used Sailing Yachts

Final Asking Price (Euro, M) – Source – Asia Pacific Boating, Super Yacht News, Super Yacht times



# Yacht Insurance Pre - Pandemic



- Unprecedented demand for Mega Yacht ownership since the pandemic and emerging trends has changed the Yacht landscape. The traditional cruising areas of the Mediterranean in the Summer, ECUSA & Caribbean in the Winter will begin to change rapidly.
- Suitable Captain and crew experience will be tested with the ever growing increase in demand – example changes in the cruising behaviour of US owners.
- Available mooring space for an ever increasing demand – example limited mooring space available in Hong Kong.
- New facilities and cruising areas in the Middle East. Increase in deliveries to the region – major increase in demand for Captains and crew.
- Revising market values on used Yachts due to demand – utilising surveyors
- Increase in shared / fractional ownerships – charter ownership programmes
- Companies & corporations owning Yachts for corporate hospitality & client entertainment



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# Thank you!

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