

# Risk management update: a surge in claims

With a cyclical economy, we continue to observe a significant surge in the volume and size of claims filed by our customers in North America.

To illustrate the sector volatility throughout the past few years, here's an overview of the claims trends and the current risk assessments from 2021 to August 2023.

All sectors have suffered from disruptions or maintained signs of weakness for quite some time. These two defining factors and the current economic climate continue to influence the assigned risk level.

Year to date, we have seen a **155% increase** in the dollar amount of claims filed as well as a **128% increase** in the volume of claims.

	FULL YEAR 2021 VS. 2022			AUGUST 2022 VS. AUGUST 2023		
	Difference in Claims by Volume Amount	Difference in Claims by Dollar Amount	Allianz Trade Risk Assessment 2022 Q4	Difference in Claims by Volume Amount	Difference in Claims by Dollar Amount	Allianz Trade Risk Assessment YTD
Agrifood	31%	246%	2	156%	175%	2
Automotive Manufacturers	122%	-17%	2	477%	52%	2
Automotive Suppliers	-5%	-28%	3	222%	1003%	2
Chemicals	-5%	-1%	2	265%	741%	2
Computers and Telecom	17%	183%	2	40%	-54%	2
Construction	40%	144%	2	89%	71%	2
Electronics	260%	4,703%	2	62%	53%	2
Energy	29%	-81%	2	113%	175%	2
Household Equipment	35%	180%	2	78%	19%	2
Machinery & Equipment	24%	74%	2	96%	290%	2
Metals	9%	231%	2	110%	105%	2
Paper	-5%	175%	2	130%	129%	2
Pharmaceuticals	5%	129%	1	60%	123%	1
Retail	60%	130%	2	136%	346%	2
Software & IT Services	25%	-13%	2	95%	263%	2
Textiles	29%	47%	3	114%	145%	3
Transportation	90%	191%	2	440%	210%	2
Transport Equipment	300%	1,864%	3	300%	92%	3

CATEGORY	LEVEL OF RISK	DEFINITION
1	Low	Sound fundamentals. Very favorable or fairly good outlook
2	Medium	Signs of weakness. Possible slowdown
3	Sensitive	Structural weaknesses. Unfavorable for fairly bad outlook
4	High	Imminent or recognized crisis

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