

Marine insurers highlight the ‘curse’ of piracy

Over 500 marine insurance stakeholders will debate ‘the curse of piracy’ and the great losses it has inflicted on trade, finance and human life, at the International Union of Marine Insurance’s (IUMI) annual forum next month.

Held in Paris from September 18th-21st, the IUMI Forum will highlight the upsurge in pirate activity off the coast of West Africa, despite a lull in activity from their criminal counterparts on the east coast owing to the recent monsoon. However, Somalia will also remain an important topic for discussion, as according to anti-piracy naval forces, over 400 seafarers are currently being held hostage on around 20 vessels in the region.

As reports of hostage murders, ill-treatment, torture and food and sleep deprivation continue to shock the maritime world, Ole Wikborg, President of IUMI, described the piracy problems in the Gulf of Aden as: “An absolutely unacceptable disruption of global trade to which marine insurers must respond.”

Noting the relationship the insurance world has to play in counteracting piracy, he added: “The cargo as well as the hull & machinery insurance markets have made their contributions to mitigate financial losses resulting from the hijacking or detainment of vessels. Insurers have also helped in negotiations with the pirates and to provide the funds demanded to release crews and return them safely to their homes and families.”

The President also noted that IUMI has made contributions to the publication Best Management Practice Three and other initiatives to assist owners and managers to minimise their vulnerability to attacks. He added that in harmony with the maritime transportation industry at large, property underwriters have taken a more ambivalent stand on the use of armed guards onboard, in the hope of reducing the risk of further successful hijackings.

IUMI’s executive committee and its seven technical committees will meet on September 18th. There will also be a series of presentations and workshops while an opening reception hosted by the French market will take place in the evening. The 2011 conference title is ‘The Evolution of Risk, Safety and Security’, and many of the topics for discussion will relate to this theme.

On the opening Monday morning the industry keynote speaker will be Bernard Anne, Executive Vice president and Managing Director of French classification society Bureau Veritas Marine Division. Denis Kessler, Chief Executive of SCOR, the French re-insurer, will also give a keynote presentation.

Additional highlights of the IUMI forum include:

- An update on IUMI’s casualty statistics and changes in the world merchant and offshore energy fleets
- The relentless development of shipboard technology, with computers controlling bridge, engine room and deck operations, and its impact on insurers

- The trend towards building mega-size containerships and cruise ships and consideration of the design, safety and salvage aspects
- Will nuclear-powered merchant ships be a viable option? The debate will be led by John Carlton, president of IMarEST (Institute of Marine Engineering, Science and Technology)
- The great earthquake and tsunami in east Japan earlier this year and the impact on Japanese insurers and international re-insurers
- Vessel vetting and crisis management, by Luc Gillet, group head of shipping at French oil major Total, the world's fourth largest natural gas producer
- Update by the Panamanian Ambassador to France on the Panama Canal's expansion programme, now moving towards an on-time, on-budget 2014 completion
- Safety regulations in the fishing vessel industry
- Mega yachts – increasing sophistication, increasing values
- Cargo theft during inland transit
- The evolution of upstream energy risks and new risks involved in deepwater drilling. *ends*