

IUMI Policy Agenda





IUMI Policy Agenda

Contents¹

UNDER REVIEW 3

1. Arctic sailings 3
2. Autonomous / unmanned transports 8
3. Cyber risks 13
4. EU Offshore Safety Directive 18
5. EU Recognised Organisations and Mutual Recognition 21
6. Fuels 23
7. Incoterms© 2020 rules 29
8. Places of Refuge 30
9. Safety of container vessels 33
10. Safety of RoRo vessels 36

STANDING ITEMS 39

11. Macroeconomic factors 39
12. Maritime security / Piracy 43
13. Sanctions 46
14. Theft prevention / safe and secure parking places 47

¹ Items are listed in alphabetical order.
Recommended core documents are highlighted in red

UNDER REVIEW

1. Arctic sailings

Brief description

Ice conditions make Arctic sailings a relevant option for more commercial vessels transiting between Europe and Asia and the number of cruise ships in polar waters are on the rise. Ice conditions, the role of class, ship design, remoteness, support networks, availability of icebreakers, SAR, and experience and training of crew are amongst the relevant issues for underwriters in assessing this risk.

In November 2014, the IMO Maritime Safety Committee (MSC) adopted the International Code for Ships Operating in Polar Waters and the associated new SOLAS chapter XIV. The Maritime Environmental Protection Committee (MEPC) adopted the MARPOL amendments in May 2015. Training requirements within the STCW Convention and the Code for officers and crew on board ships operating in polar waters were adopted by MSC in 2016.

The Code entered into force 1 January 2017. The safety part of the Polar Code applies to ships certified under SOLAS, i.e. cargo ships of 500 GT or more and all passenger ships. Ships constructed on or after 1 January 2017 shall comply with the safety requirements. Ships constructed before 1 January 2017 shall comply by the first intermediate or renewal survey occurring after 1 January 2018. All existing and new ships certified under MARPOL shall comply with the environmental requirements as of 1 January 2017. Polar Code amendments to STCW will take effect on 2 July 2018.

ICS and OCIMF have formed a working group to develop a guidance to shipowners on the development of a Polar Water Operational Manual. Expected completion of the joint industry guidance is in the spring of 2019.

MSC 97 resolved in November 2016 to include consequential work related to the new Polar Code in the 2016-2017 biennial agenda, and the Sub-Committee on Ship Systems and Equipment (SSE) was instructed to

- review the LSA Code and relevant IMO resolutions to adapt current resting and performance standards to the Polar Code provisions or develop additional requirements, if necessary, and
- to develop guidance on extinguishing media at polar service temperatures and consider any necessary amendments to current standards for firefighting outfits.

SSE re-established in March 2017 the LSA Correspondence Group, with the instruction to

- include the evaluation of specific equipment, as required, to consider when approving life-saving equipment to be used in polar waters,
- identify test and performance criteria for life-saving appliances and arrangements, and
- consider alternative ways to address the work.

Draft interim guidelines on life-saving appliances and arrangements for vessels operating in polar waters were agreed by SSE 6 in March 2019, and submitted to MSC 101 for approval.

Furthermore, the Sub-Committee on Navigation, Communications and Search and Rescue (NCSR) agreed in January 2019 on a guidance on navigation and communication equipment for use on vessels in polar waters. The guidance is expected to be adopted by MSC in June 2019.

MSC 94 established in November 2014 a Correspondence Group on Operational Limitations in Ice, in which IUMI participated. Based on this work, an interim guidance on methodologies for assessing operational capabilities and limitations in ice (POLARIS) was approved by MSC 96 in May 2016. The guidance shall be reviewed four years after the entry into force of the Polar Code in order to make any necessary amendments based on experience gained. Member States and international organizations are invited to report on their experience with the use of POLARIS.

Additional performance standards related to Fire safety/protection (Chapter 8) and Life-saving appliances and arrangements (Chapter 9) of the Polar Code are also being considered. There is also an ongoing discussion relating to heavy fuel oil (HFO) use by vessels in Arctic waters. In April 2018, MEPC directed the Pollution Prevention and Response (PPR) sub-committee to develop text for a ban on the carriage and use of HFO, along with a study of its impact. PPR began its work in February 2019, and invited submissions to PPR 7. A correspondence group was also formed to develop guidelines to reduce the risks of use and carriage of HFO in Arctic waters.

After the development of the Polar Code, there is a consideration for an instrument to address non-Convention vessels operating in polar waters. MSC 98 agreed in June 2017 that the output to “Safety measures for non-SOLAS ships operating in polar waters” is a matter of urgency and moved this to its agenda for the 2018-2019 biennium. MSC 99 instructed in May 2018 the Sub-Committee on Ship Design and Construction (SDC) to develop recommendatory safety measures for fishing vessels of 24m in length and over, and pleasure yachts above 300 gross tonnage not engaged in trade. SDC 6 resolved in February 2019 to develop two sets of guidelines for fishing vessels and pleasure yachts, respectively, and established a correspondence group with a view to finalization at SDC 7. To progress the work, MSC invited in December 2018 Member states and international organizations to submit information that would assist to determine the feasibility and consequences of applying requirements in chapters 9 and 11 of the Polar Code to non-SOLAS ships to MSC 101 in June 2019. Furthermore, as an interim measure, a resolution to urge Member States to implement recommendatory measures will be considered at MSC 101.

In June 2017, IUMI joined the inaugural meeting of the Arctic Shipping Best Practices Information Forum of the Arctic Council. The aim is to support the implementation of the Polar Code, and a public web-portal was launched in May 2018 with over 120 pieces of accurate information from authoritative sources including the Arctic States, intergovernmental organisations, classification societies, the shipping industry, marine insurers, and non-governmental organisations.

Relevant authority / organisations and documents

- **IMO MEPC & MSC** with input from Sub-Committees (HTW, SSE, NCSR)
 - **Polar Code:**
 - <http://www.imo.org/en/MediaCentre/HotTopics/polar/Pages/default.aspx>
 - Resolution MSC Res.385(94), adopted 21 November 2014.
 - SOLAS Ch. XIV (MSC Res.386/94).
 - MEPC 68/21/Add./, adopted 15 May 2015.
 - **MSC95/21/3:** Request for data on incidents within polar waters, submitted by Iceland, New Zealand and South Africa, 24 March 2015.

- [MEPC.1/Circ.856](#): Guidance for issuing revised certificates, manuals and record books under Annexes I, II and V of MARPOL for compliance with environment-related requirements of the Polar Code, 22 May 2015.
- [SSE3/15/4](#): Additional performance and/or test standards in support of the implementation of the Polar Code, submitted by Argentina, the Marshall Islands, New Zealand, Norway and Vanuatu, 15 December 2015.
- [MSC.1/Circ.1519](#): **Guidance on methodologies for assessing operational capabilities and limitations in ice (POLARIS), 6 June 2016.**
- [MEPC70/17/4](#): Heavy fuel oil use by vessels in Arctic waters, submitted by FOEI, WWF, Pacific Environment and CSC, 22 July 2016.
- [MSC97/21/3](#): Additional performance and/or test standards in support of the implementation of the Polar Code, submitted by Argentina, the Marshall Islands, New Zealand, Norway and Vanuatu, 18 August 2016.
- [MSC97/16/2](#): Clarification on the requirements related to the initial and maintenance surveys required by the Polar Code, submitted by IACS, 16 September 2016.
- [MSC97/WP.12](#): Draft MSC circular on unified interpretation of SOLAS regulation XIV/2.2 and paragraphs 1.3.2 and 1.3.6, part I-A of the Polar Code, 24 November 2016.
- [MEPC71/14/4](#): Measures to reduce risks of use and carriage of heavy fuel oil as fuel by ships in Arctic waters, submitted by Canada, Finland, Germany, Iceland, Netherlands, Norway and the United States, 31 March 2017.
- [MEPC71/16/4](#): Current and projected vessel traffic in the Arctic: heavy fuel oil use and its alternatives, submitted by FOEI, WWF, CSC and Pacific Environment, 31 March 2017.
- [MEPC71/16/8](#): Comments on the document on the use of heavy fuel oil in the Arctic (MEPC71/16/4), submitted by Russia, 12 May 2017.
- [NCSR5/10](#): Consequential work related to the new Polar Code, Report of the Correspondence Group, 15 November 2017.
- [SSE5/6](#): Draft interim guidelines on life-saving appliances and arrangements for ships operating in polar waters, submitted by Norway, 4 December 2017.
- [MEPC72/11/1](#): Proposal to ban heavy fuel oil use and carriage as fuel by ships in Arctic waters, submitted by Finland, Germany, Iceland, the Netherlands, New Zealand, Norway, Sweden and the United States, 2 February 2018.
- [MSC99/INF.12](#): Industry guidance on the development of a Polar Water Operational Manual, submitted by ICS and OCIMF 12 March 2018.
- [SSE5/WP.3](#): Report of working group, 15 March 2018.
- [MSC100/7](#): Safety measures for non-SOLAS ships operating in Polar waters - Application of chapters 9, 10 and 11 of the Polar Code, submitted by Canada and New Zealand, 12 September 2018.
- [MSC100/WP.9](#): Safety measures for non-SOLAS ships operating in Polar waters, report of the Working Group, 6 December 2018.
- [MSC101/7/1](#): Safety measures for non-SOLAS ships operating in Polar waters – draft Assembly resolution, submitted by Canada, Chile, France, Marshall Islands, New Zealand, FOEI, Pacific Environment and WWF, 1 April 2019.

- MSC101/7/2: Consideration of feasibility and consequences of applying the requirements in chapters 9 and 11 of the Polar Code to non-SOLAS ships operating in polar waters, submitted by Chile, France, Marshall Islands, New Zealand, FOEI, WWF and Pacific Environment, 1 April 2019.
- **Arctic Council** comprising Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the U.S. (www.arctic-council.org).
 - **Arctic Shipping Best Practices Information Forum web-portal**:
<https://pame.is/arcticshippingforum>
- **The Arctic Monitoring and Assessment Programme**: www.amap.no – status of, and threats to, the Arctic environment.
- **Arctic “Best Practice Declaration”**. IUMI letter of support 19 April 2013.
- **Arctic information database**: www.arctis-search.com (Centre for High North Logistics).
- **ArcticWeb**: www.arcticweb.com – provides information on offshore Arctic areas through access to public data sources in the Arctic region.
- **European Union**:
 - Joint EC Communication to the European Parliament and Council - JOIN(2016) 21 final: An integrated EU policy for the Arctic, 27 April 2016.
 - European Parliament report on an integrated EU policy for the Arctic, 8 February 2017.
 - SEDNA (Safe maritime operations under extreme conditions) research project (<https://www.sedna-project.eu/>)
- **U.S. Coast Guard**:
 - Arctic Strategy, May 2013.
 - Policy Letter No. 01-16: Guidelines for training of personnel on ships subject to the International Code for ships operating in Polar waters (Polar Code), 10 February 2016.
- **Swedish conference and workshop** March 2014:
<http://www.polar.se/en/articles/conference-report-sustainable-arctic-shipping-and-marine-operations>
- **Northern Sea Route Administration**: http://asmp.morflot.ru/en/celi_funktsii/
- **Insurance industry**:
 - Lloyd’s / Chatham House: Arctic Opening: Opportunity and Risk in the High North: <http://www.chathamhouse.org/publications/papers/view/182839> - 1 April 2012
 - Cefor: Arctic Sailings Check List: <http://cefor.no/Clauses/Arctic-Sailings-Check-List/> - October 2012.
 - Gard: Climate change creates a new trade route – and new risks: <http://www.gard.no/ikbViewer/web/updates/content/20738960/climate-change-creates-a-new-trade-route-and-new-risks> - 26 February 2014.
 - Marsh: Arctic shipping: Navigating the risks and opportunities, August 2014 <https://www.marsh.com/uk/insights/research/arctic-shipping-navigating-the-risks-and-opportunities.html>.
 - The Swedish Club: Ice – Advice for trading in the polar regions: <http://www.eyemag.se/core/main.php?SITEID=98b6c&PROJECTNR=4931> – 2014.

- Skuld: Arctic checklist:
<https://www.skuld.com/topics/navigation/geographical/arctic/arctic-checklist/> - 16 February 2015.
- **IUMI: Position paper on Arctic sailings, 29 August 2018.**
- **ABS**: Navigating the Northern Sea Route Advisory:
http://www.eagle.org/eagleExternalPortalWEB/ShowProperty/BEA%20Repository/References/Capability%20Brochures/NSR_Advisory - January 2014
- **US**: Bureau of Safety and Environmental Enforcement & Bureau of Ocean Energy Management: Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf, 20 February 2015.
- **CMI Polar Shipping Working Group / Hafnia Law Firm**: Report on the Legal Framework for Civil Liability for Vessel Source Oil Spills in Polar Regions, 2 February 2016.
- **Oil Companies International Marine Forum (OCIMF)**: Northern Sea Route Navigation – Best Practices and Challenges, December 2017.
- **Northern Sea Route Information Office**: www.arctic-lio.com/
- **The Arctic Maritime and Aviation Transportation Infrastructure initiative**: www.articinfrastructure.com
- **People's Republic of China**: China's Arctic Policy, 26 January 2018.

Timeline / important dates

- Russian Northern Sea Route Administration established 15 March 2013.
- IMO Workshop on Safe Ship operations in the Arctic Ocean: 28 February 2014.
- “Sustainable Arctic Shipping and Marine Operations” conference in London by the Swedish Government on behalf of the Nordic Council of Ministers: 11 March 2014.
- Workshop on “Bridging the Arctic marine risk gap – The need for a cross Arctic Ice Regime – linking ice conditions to ice class requirements” in London 12 March 2014, organized by the Swedish Polar Research Secretariat.
- IUMI PF Workshop 23 September 2014.
- MSC 94: 17-21 November 2014: Adoption Polar Code and SOLAS Chapter XIV.
- MEPC 68: 11-15 May 2015: Adoption MARPOL amendments.
- MSC 95: 3-12 June 2015: Report on operational limitations in ice & approval STCW amendments.
- IUMI PF workshop Berlin, 15 September 2015: Presentation by Michael Kingston (IUMI representative in correspondence group on polar ice regime)
- Arctic Coast Guard Forum: Joint statement on creating a strategic framework for an operationally-focused consultative organization, 10 June 2016.
- US / Canada: Ban on Arctic drilling in key Arctic and Atlantic offshore areas, 20 December 2016.
- Polar Code entered into force 1 January 2017, applying for new ships constructed after that date. Ships constructed before that date will be required to meet the relevant requirements by the first intermediate or renewal survey, whichever occurs first, after 1 January 2017. STCW amendments will take effect from 1 July 2018.

- European Parliament vote: Resolution on the Arctic, 16 March 2017.
- MEPC 72: 9-13 April 2018.
- MSC 99: 16-25 May 2018.
- SEDNA research project June 2017 – June 2021.
- Arctic Shipping Best Practices Information Forum: London, 14-15 May 2018.
- MSC 100: 3-7 December 2018.
- NCSR 6: 16-25 January 2019.
- SDC 6: 4-8 February 2019.
- SSE 6: 4-8 March 2019.
- MEPC 74: 13-17 May 2019.
- MSC 101: 5-14 June 2019.
- Consider/adopt a resolution on generic guidance for non-SOLAS vessels: June 2019.
- PPR 7: 17-21 February 2020.
- FAL 45: April 2021 - Final consideration of initial review of FAL convention
- Possible entry into force of amendments (if agreed) to SOLAS and/or the Polar Code for non-SOLAS vessels: 1 January 2024.

IUMI will:

- Support the consequential work with new performance standards, requirements and guidance in support of the mandatory Polar Code at IMO.
- Participate in discussions with industry, IMO and coastal states on necessary standards and infrastructure in Polar waters.
- Support the urgent consideration for a mandatory instrument to address non-Convention vessels operating in polar waters.
- Participate in the Arctic Shipping Best Practice Information Forum, which is responsible for the information web-portal launched to support implementation of the Polar Code.

2. Autonomous / unmanned transports

Brief description

Unmanned transports are gaining acceptance from industry and public entities as research and innovation bring the possibility of driverless trucks and vessels closer to realization. This raises some legal and liability issues that need to be resolved.

Insurers also need to address the risks related to innovative technologies and the internet of things. New types of failure modes may be introduced due to the lack of knowledge and unforeseen interdependencies in the system design, operation complexity, and environmental challenges. Cyber-attacks, connectivity, interactions between components and between technical systems and humans, and autonomy assisted accidents are among the challenges.

To become insurable, the use of autonomous systems must rely on proper industry standards, certification and classification regimes. Verification of safe performance is crucial.

Vessels

An unmanned vessel can be both remote controlled or fully automated, and it has been suggested that the first crewless vessel will be in service by the end of the decade. Most likely, there will be a number of variations and a stepwise progress, including the use of automated technologies with a reduced number of crew on board and for certain manoeuvres.

The development is driven by industry and government-run projects such as the Advanced Autonomous Waterborne Applications (AAWA) project backed by the Finnish Government with key players such as Rolls-Royce and FinnFerries. EU-sponsored research project MUNIN (Maritime Unmanned Navigation through Intelligence in Networks) was completed in August 2015, Norway announced in March 2016 the world's first designated test area for autonomous vessels, and a UK-sponsored project – the Machine Executable Collision Regulations for Marine Autonomous Systems – is looking into regulations and matching navigation algorithms for unmanned ships. In addition, there are a myriad of research and commercial projects.

In June 2017, the Unmanned Cargo Ship Development Alliance was officially formed in Shanghai, featuring maritime industry partners including class organisations, shipyards, equipment manufacturers and designers, aiming to advance autonomous shipping and the delivery of China's first unmanned cargo vessel by October 2021.

In May 2017, YARA and Kongsberg entered into a partnership to build the world's first fully electric and autonomous container vessel; "YARA Birkeland". The vessel will be delivered in Q1 2020, and gradually move from manned operation to fully autonomous operation by 2022.

In March 2019, ShippingLab was launched by almost 30 maritime partners in the Danish maritime community to create Denmark's first autonomous, environmentally friendly ship.

There have also been several demonstrations of MASS, including; Purple Water's "Giano" tug towing a barge while being remotely operated, Rolls-Royce and FinnFerries performing a remote and autonomous demonstration on car ferry "Falco", ABB remotely piloting passenger ferry "Suomenlinna II", and Wärtsilä carrying out a dock-to-dock autonomous voyage of a RoRo "Folgefonn".

For unmanned vessels to become a reality, the regulatory framework must be in place. Requirements concerning the person having command of a vessel, sufficient manning, training and proper lookout must be considered in international conventions (SOLAS, STCW, COLREG). In June 2017, IMO's Maritime Safety Committee (MSC) agreed to undertake a regulatory scoping exercise to determine the extent of the need to amend the regulatory framework to enable the safe, secure and environmental operation of maritime autonomous surface ships (MASS) within the existing IMO instruments. Four sessions are needed to complete the exercise, and a framework was agreed by MSC 99 in May 2018.

The report of the Correspondence Group that was established to test the framework and methodology was discussed by MSC 100 in December 2018. The Committee agreed to maintain the four degrees of autonomy although focusing on levels two and three: (2) Remotely controlled ship with seafarers on board and (3) Remotely controlled ship without seafarers on board. The guidelines to be developed for MASS trials will be generic, goal-based and presuppose seafarers

on board. A web platform will be in place by the end of March 2019, and an intersessional working group will be held in September 2019 to progress the review. A status report will be given to MSC 101 in June 2019.

In April 2018, the IMO Legal Committee (LEG) agreed to include a new output entitled “Regulatory scoping exercise and gap analysis of conventions emanating from the Legal Committee with respect to Maritime Autonomous Surface Ships (MASS)”, with a target completion year of 2022.

There are also several other ongoing initiatives relating to legislation and insurance of autonomous vessels; Comité Maritime International (CMI) has formed an International Working Group on Unmanned Vessels, Association Mondiale de Dispatcheurs (AMD) are considering how the adoption of unmanned ships may impact marine insurance claims and the application of general average, ISO is considering a way to characterize and classify ship autonomy, International Group of P&I Clubs has formed a working group to consider liability matters, and Danish law firm CORE has carried out a scoping exercise on liability and insurance in collaboration with the Nordic Association of Marine Insurers (Cefor).

Trucks

Freight shipments with trucks driving in “trains” along the highway are now being tested. Truck platooning, in which two or three trucks drive in a column connected by Wi-Fi with the first truck determining the speed, enables shorter gaps between trucks. This frees up space for other vehicles, and ensures better traffic flow and speed of deliveries. Truck platooning is also said to realise up to ten per cent fuel savings, as well as reducing CO2 emissions.

The European Truck Platooning Challenge demonstration project was successfully completed in spring 2016. While the test showed that technology already has come a long way, it also made it clear that in going forward there is a need for EU harmonisation of rules of the road and rules for drivers.

In January 2017, Singapore Ministry of Transport and PSA Corporation signed agreements with two automotive companies to design, develop and test an autonomous truck-platooning system for use on Singapore’s public roads (between ports).

In 2019, ZPMC Smart Solutions Group completed a phased R&D testing of five all-electric unmanned vehicles in the Tangshan Port Container Terminal (China).

Relevant authority / organisations and documents

- **IMO:**
 - [MSC95/INF.20](#): The IMO regulatory framework and its application to Marine Autonomous Systems, submitted by the United Kingdom, International Associations of Institutes of Navigation (IAIN) and the Institute of Marine Engineering, Science and Technology (IMarEST), 14 April 2015.
 - [MSC98/20/2; Maritime Autonomous Surface Ships, Proposal for a regulatory scoping exercise, submitted by Denmark, Estonia, Finland, Japan, the Netherlands, Norway, the Republic of Korea, the United Kingdom and the United States, 27 February 2017.](#)

- MSC98/22/7: Impact of new and advanced technologies to maritime transport and the regulatory framework, submitted by Denmark, Estonia, Finland, Japan, Norway, Singapore, Sweden and IMarEST, 28 March 2017.
- MSC98/20/13: Comments on MSC98/20/2, submitted by the International Transport Workers' Federation (ITF), 13 April 2017.
- MSC99/INF.3: Final report – analysis of Regulatory Barriers to the use of Autonomous Ships, submitted by Denmark, 18 January 2018.
- LEG105/11/1: Proposal for a regulatory scoping exercise and gap analysis with respect to Maritime Autonomous Surface Ships (MASS), submitted by Canada, Finland, Georgia, the Marshall Islands, Norway, the Republic of Korea, Turkey, CMI, ICS and P&I Clubs, 19 January 2018.
- MSC99/INF.5: Report of a survey on what maritime professionals think about autonomous shipping, submitted by IFSMA and ITF, 9 February 2018.
- MSC99/5/1: Comments and proposals on the way forward for the regulatory scoping exercise, submitted by IFSMA and ITF, 22 February 2018.
- MSC99/5/2: Proposals for the development of a work plan for the regulatory scoping exercise, submitted by ICS, 8 March 2018.
- MSC99/5: Note by the Secretariat, 13 March 2018.
- MSC99/WP.9: Report of the Working Group, 23 May 2018.
- MSC100/INF.3: Regulatory scoping exercise for the use of maritime autonomous surface ships (MASS) – Initial review of IMO instruments under the purview of MSC, note by the Secretariat, 9 August 2018.
- MSC100/5: Report of the Correspondence Group, 28 September 2018.
- MSC100/5/2: Interim guidelines for MASS trials, submitted by Norway and BIMCO, 28 September 2018.
- MSC100/5/1: Proposal for a classification scheme for degrees of autonomy, submitted by ISO, 31 August 2018.
- MSC100/5/3: Proposals for the development of interim guidelines for MASS trials, submitted by Korea, 28 September 2018.
- MSC100/WP.8: Report of the Working Group, 6 December 2018.
- LEG106/8/1: Outcomes of MSC 99 and MSC 100 regarding MASS, Secretariat, 11 January 2019.
- MSC101/5/1: Comments and proposals for interim guidelines for MASS trials, submitted by ITF, 28 February 2019.
- LEG106/WP.5: Report of LEG Working Group on MASS, 29 March 2019.
- MSC101/INF.17: Draft interim guidelines for MASS trials, submitted by Finland, Japan, Norway, Republic of Korea and BIMCO, 2 April 2019.
- FAL43/WP.8: Regulatory scoping exercise for the use of MASS, Note by the Chair, 12 April 2019.
- **University of Gent**: Article in Journal of International Maritime Law on the law of unmanned merchant shipping – an exploration, Professor Dr Eric Van Hooydonk, 2014
- **UK Marine Industries Alliance - Maritime Autonomous Systems Regulatory Working Group (MASRWG)**:
 - Code of practice – 2nd version, 2 November 2018.
 - <http://www.ukmarinealliance.co.uk/MAS>

- **Advanced Autonomous Waterborne Applications Initiative (AAWA):**
<https://www.utu.fi/en/units/law/research/research-projects/Pages/aawa.aspx>
- **University of Southampton:** Presentation on the navigation of unmanned ships and the collision regulations, Robert Veal, Research Fellow, Institute of Maritime Law.
- **Maritime Unmanned Navigation through Intelligence in Networks (MUNIN):**
<http://www.unmanned-ship.org/munin/>
- **Norwegian Forum for Autonomous Vessels:** <http://nfas.autonomous-ship.org/>
- **Denmark:**
 - Pre-study. Cooperation between Danish Maritime Authority & the Technical University of Denmark (MSC 98/INF.13).
 - Danish Maritime Authority/Rambøll/Core Advokatfirma: Analysis of regulatory barriers to the use of autonomous ships, December 2017.
- **The European Truck Platooning Challenge:**
<https://www.eutruckplatooning.com/default.aspx>
- **ONE SEA Autonomous Maritime Ecosystem (Finland):** Finnish Maritime Industries, ecosystem for autonomous marine transport in the Baltic Sea in 2025.
- **European Parliament:** Resolution on Civil law rules on robotics, 16 February 2017.
- **CMI:** International Working Group on “Maritime Law for unmanned craft”; MSC 99/INF.8: Work conducted by the CMI WG, 13 February 2018.
- **Centre for Autonomous Marine Operations and Systems (NTNU AMOS),** Norwegian University of Science and Technology: Risk management of autonomous marine systems and operations, Paper for OMAE17 in Trondheim – Norway, June 2017.
- **Classification societies:**
 - **Lloyd’s Register:** Cyber-enabled ships – ShipRight procedure assignment for cyber descriptive notes for autonomous & remote access ships, Version 2.0, December 2017.
 - **Bureau Veritas:** Guidelines for Autonomous Shipping, December 2017.
 - **DNV GL:** Autonomous and remotely operated ships (DNVG-CG-0264), September 2018.
- **CORE Advokatfirma & Cefor:** Maritime autonomous surface ships – zooming in on civil liability and insurance, 10 December 2018.
- **ShippingLab:** <http://shippinglab.dk/>

Timeline / important dates

- MUNIN: 2012 until August 2015.
- MASRWG established August 2014.
- AAWA: March 2015 until June 2017.
- CMI questionnaire to National Maritime Law Associations, 29 March 2017 – due by 31 May 2017.
- IUMI webinar: Legal aspects, Dr M. Guth, Dabelstein & Passehl, 11 May 2017.
- MSC 98: 7-16 June 2017.
- Unmanned Cargo Ship Development Alliance, formed 28 June 2017.
- MSC scoping exercise agreed June 2017, due for completion June 2020.

- LEG 105: 23-25 April 2018.
- MSC 99: 16-25 May 2018.
- EU research programme Horizon 2020: 2018-2020.
- LEG scoping exercise agreed April 2018. Target completion year 2022.
- MSC 100: 3-7 December 2018.
- IUMI webinar: Update on regulatory developments for Maritime Autonomous Surface Ships (MASS), Dr L. Wiedenbach, ASD, 29 January 2019.
- Web platform: By end March 2019.
- MSC 101: 5 – 14 June 2019.
- Intersessional Working Group: 2 – 6 September 2019.
- LEG 106: 27-29 March 2019.
- FAL regulatory scoping exercise – final consideration and results April 2020.

IUMI will:

- Monitor ongoing industry and government-run projects, and provide input as appropriate.
- Monitor scoping exercises performed by the IMO and take part in discussions on regulatory amendments.
- Encourage classification societies to take an active role in both technical and operational risk aspects of increasingly autonomous vessels.
- Encourage the development of industry standards, certification schemes and class requirements for autonomous systems and remote control centres.
- Participate in the LEG web platform working group.

3. Cyber risks

Brief description

The growing use and reliance on information technology, of data networks, transmissions and connectivity in the daily work within the marine and energy sectors increase their exposure to cyber related risks. Ransomware attacks may result in economic loss or costs of rebuilding lost data. Stand-alone ransomware insurance products are now available both within the marine and non-marine insurance markets to protect against this risk. Consequential damages to hull, cargo and third-party liabilities from a cyber-attack on board a vessel or mobile offshore unit poses a different and more costly risk. The limited data on the frequency, severity of loss or probability of physical damage, is a challenge to underwriters.

The risks can be either malignant or due to innocent breach caused by a lack of awareness or insufficient understanding about systems and how they interact with each other. Both need to be dealt with, starting with top-level commitment and the proper implementation of risk assessment procedures.

Techopedia² defines cyber-attacks as deliberate exploitation of computer systems, technology-dependent enterprises and networks. Cyber-attacks use malicious code to alter computer code, logic or data, resulting in disruptive consequences that can compromise data and lead to cyber crimes, such as information and identity theft. Cyber-attack is also known as a computer network attack (CNA).

A successful cyber-attack can have several implications relevant to insurance: Loss of life, personal injury, pollution, loss of property, business interruption, loss of production, loss of data and loss of reputation. From a cargo perspective, there are in particular concerns related to the potential risks and implications of cyber-attacks directed at unmanned truck convoys and mega hubs.

According to results from a cyber security survey that was presented by BIMCO, Fairplay and ABS Advanced Solutions in September 2018, more than a fifth of the respondents had been a victim of a cyber related attack. 27% had never received any cyber security training, while only about half of the respondents had a business continuity plan in place.

The United States Coast Guard released its Cyber Strategy guidance document in June 2015. The document presents the agency's vision for operating in the cyber domain and outlines the agency's goals and objectives for its three stated strategic priorities: defending cyberspace, enabling operations and protecting infrastructure. In December 2016, the USCG published a cyber-security policy letter regarding the criteria and process for the reporting of suspicious activity and breach of security, and added cybersecurity to the list of security items covered by the 2002 Maritime Transportation Security Act (MTSA). This could also mean penalties of up to USD 25,000 per cyber preparedness violation. In mid-July 2017, the USCG announced a request for public comments to its Navigation and Vessel Inspection Circular (NVIC) 05-17: "Guidelines for addressing cyber risks at MTSA regulated facilities".

The EU Network and Information Security Directive (NIS) necessitates amongst others large ports and (static) maritime transport services in the EU to demonstrate that they have taken measures to manage cyber security risks. Companies are also required to report cyber incidents. Penalties for breaches can be substantial, and for instance the UK has announced that firms could face up to GBP 17 million fines if they fail to protect against cyber-attacks.

The ISO intends to complement the work on cybersecurity, using the ISO/IEC 27000 series.

IMO

IMO's Maritime Safety Committee (MSC) supported in November 2014 a Canadian / U.S. recommendation to develop voluntary guidelines on maritime cyber security practices. The purpose being to protect and enhance the resilience of cyber systems supporting the operations of ports, vessels, marine facilities and other elements of the marine transportation system. For the purpose of this proposal, cyber security is defined as measures taken to protect cyber systems, or any data contained therein, against unauthorized access, alteration, control, data loss, and prolonged unplanned outage. Cyber systems are defined as any system or subsystem of hardware and/or software whose purpose is acquiring, processing, storing or communicating information or data, including systems that use that data to control physical processes.

² <http://www.techopedia.com/definition/24748/cyberattack>



In May 2016, MSC approved new *“Interim guidelines on maritime cyber risk management”*, providing high-level recommendations on maritime cyber risk management to safeguard shipping from current and emerging cyber threats and vulnerabilities. The guideline refers also to additional guidance and standards, including the IUMI supported industry guidelines. In July 2017, the interim guidelines were superseded by an IMO circular informing of the now approved Guidelines on maritime cyber risk management. The industry guidelines below are directly referenced in this circular.

In June 2017, MSC adopted a resolution on maritime cyber risk management in safety management systems. Member Governments are encouraged to ensure that cyber risks are appropriately addressed in safety management systems no later than the first annual verification of the company’s Document of Compliance after 1 January 2021.

Industry guidelines

In January 2016, an industry group published new *“industry guidelines on cyber security onboard ships”*. A 2nd edition of the guidelines was published in July 2017, with the inclusion of among others a new paragraph on insurance cover, and version 3 was published in December 2018. IUMI is actively involved in the development, and co-sponsored a proposal requesting IMO’s Maritime Safety Committee (MSC) to take the industry guidelines into account when considering measures to enhance maritime cyber security.

Unlike other international standards and guidance on cyber security, the industry guidelines focus on the distinctive issues on board ships. Rather than technical guidance, the guidelines are designed for use by owners, managers and seafarers to develop understanding and awareness of key aspects of cyber security. The company will find support to establish procedures, plans and instructions, including checklists as appropriate, for relevant key shipboard operations that will be complementary to existing security and safety risk management requirements contained in the ISM and ISPS Codes.

In December 2017, BIMCO and Comité International Radio-Maritime (CIRM) presented a proposed industry-wide standard for software maintenance. The aim is to reduce the number of cyber-attacks on vessels, and the support of organizations and IMO Member States is encouraged. The International Standardization Organization (ISO) has been approached to request the development of an international standard based on the BIMCO/CIRM standard, which may take 3-4 years for completion. BIMCO also plans to publish a Cyber Security Clause in May 2019.

IACS

IACS founded in June 2016 a Cyber Systems Panel. The Panel is focusing on developing recommendations as a first step, to be followed later by new unified requirement on system integration for safety critical shipboard systems. The Panel is also exploring a possible certification scheme for software providers for essential systems by IACS members. An update of UR E 22, covering on board use and application of programmable electronic systems, is under consideration by a project team. IUMI is among the industry partners in a joint working group with IACS on cyber systems.

During September and December 2018, the Cyber Panel published its twelve initial Recommendations addressing; Software maintenance, Manual backup/local control capabilities, Contingency Post Failure, Network architecture, Data assurance, Physical security, Network security, Vessels system design, Inventory list of computer-based systems, Integration, Remote

update / access, and Communication and interfaces. The clear intention is to develop the Recommendations further into IACS Unified Requirements and to harmonize all twelve documents in one single, overarching document.

Relevant authority / organisations and documents

- **IMO – Maritime Safety Committee (MSC), Sub-Committee on Navigation, Communication and Search and Rescue (NCSR) & Facilitation Committee (FAL):**
 - [MSC95/4/1](#): Industry guidelines on cyber security on board ships, submitted by ICS, BIMCO, INTERTANKO and INTERCARGO, 5 March 2015.
 - [MSC95/4/2](#): International Ship and Port Facility Security (ISPS) Code cyber security provisions, submitted by Canada, 18 March 2015.
 - [NCSR1/INF.5](#): Background information related to the development of e-navigation, submitted by Norway, 28 March 2015.
 - [NCSR1/9](#): Report of the correspondence Group on e-navigation, submitted by Norway, 28 March 2015.
 - [MSC95/INF.19](#): Cyberphysical relationship in port security – CYSM project, submitted by the European Commission, 14 April 2015.
 - [E-Navigation Strategy Implementation Plan](#), approved by MSC 94, November 2014.
 - [FAL40/INF.4](#): The Guidelines on Cybersecurity on board Ships, submitted by ICS, BIMCO, INTERTANKO, CLIA and INTERCARGO, 30 December 2015.
 - [MSC96/4/1](#): The guidelines on cyber security onboard ships, submitted by BIMCO, CLIA, ICS, INTERCARGO, INTERTANKO and IUMI, 4 February 2016.
 - [MSC.1/Circ.1526](#): Interim Guidelines on Maritime Cyber Risk Management, 1 June 2016.
 - [MSC98/WP.9](#): Measures to enhance maritime security, Report of the Working Group, 15 June 2017.
 - [Resolution MSC.428\(98\): Maritime cyber risk management in safety management systems, adopted 16 June 2017.](#)
 - [MSC-FAL.1/Circ.3: Guidelines on maritime cyber risk management, 5 July 2017.](#)
 - [NCSR5/22/4](#): Industry standard on software maintenance of shipboard equipment, submitted by BIMCO and CIRM, 14 December 2017.
 - [MSC101/4/1](#): The industry guidelines on cyber security on board ships, version 3, submitted by ICS, IUMI, BIMCO, OCIMF, INTERTANKO, CLIA, INTERCARGO, InterManager and WSC, 11 March 2019.
- **Marsh**: The risk of cyber-attack to the maritime sector, July 2014.
- **IUMI Conference:**
 - 2014 – presentation by Markus Wähler, Munich Re.
 - 2015 – President’s workshop.
- **United States:**
 - **Coast Guard:**
 - www.homeport.uscg.mil (Cybersecurity left hand side of page).
 - CG-5P Policy letter: Reporting suspicious activity and breaches of security, 14 December 2016.

- Navigation and Vessel Inspection Circular (NVIC) 05-17: Guidelines for addressing cyber risks at MTSA regulated facilities, 12 July 2017.
- Symantec Web Security Threat Report 2014.
- NIST Cybersecurity framework: <http://www.nist.gov/cyberframework/>
- US Government Accounting Office (GAO): Report on “Maritime Critical Infrastructure protection”, <http://www.gao.gov/assets/670/663828.pdf> , June 2014.
- Department of Homeland Security, Coast Guard: Guidance on Maritime Cybersecurity Standards, Federal Register/Vol 79, No. 239 12 December 2014 & No. 243, 18 December 2014.
- **Be Cyber Aware at Sea:** <https://www.becyberawareatsea.com/>
- **CyberKeel:** <http://www.cyberkeel.com/>
- **European Union:**
 - European Network and Information Security Agency (ENISA): Analyses of cyber security aspects in the maritime sector, November 2011.
 - EU Directive 2016/1148: Concerning measures for a high common level of security of network and information systems across the Union, 6 July 2016.
 - TRANSSEC (Transport Resilience and Security Expert Group): <https://resilience.enisa.europa.eu/transport-security>
- **IACS:**
 - New UR on system integration for safety critical shipboard systems (under consideration)
 - Certification of software providers under consideration.
 - Revised UR E 22 regarding on board use and application of programmable electronic systems under consideration.
 - 12 recommendations for a cyber resilient vessel, September - December 2018.
- **Joint Hull Committee** in conjunction with **Stephenson Harwood:** Cyber risk paper, 2 September 2015.
- **ABS:** Guidance note on the application of cybersecurity principles to marine and offshore operations, Volume 1: Cybersecurity, February 2016.
- **UK Department for Transport & Maritime and Coastguard Agency:** Port cyber security code for operations and staff members, 16 August 2016.
- **DNV GL:** Recommended practice 0496 – Cyber security resilience management for ships and mobile offshore units in operation, September 2016.
- **International Association of Engineering Insurers (IMIA):** Cyber Risks – Engineering Insurers Perspective, 16 September 2016.
- **Willis Towers Watson:** Client Alert – Navigating cyber risk in the transportation sector, October 2016.
- **BIMCO, CLIA, ICS, INTERCARGO, INTERTANKO, IUMI & OCIMF:** The guidelines on cyber security on board ships, 3rd edition, 7 December 2018.
- **BIMCO & CIRM:** Industry Standard on Software Maintenance of Shipboard Equipment, Version 1.0, December 2017.
- **The World Association for Waterborne Transport Infrastructure, PIANC Task Group no 204:**
 - Awareness paper on cybersecurity in inland navigation, 2019.

- **Joint Rig Committee** in conjunction with **DNV GL**: Upstream Oil & Gas Cyber Risk: Insurance Technical Review, May 2018.
- **Danish Maritime Authority**: Cyber and information security strategy for the maritime sector 2019-2022, January 2019.
- **FIATA**: Best practices – prevention of cybercrime, 28 March 2019.

Timeline / important dates

- IUMI conference Berlin, President's workshop: 16 September 2015 – presentations on maritime industries' draft guidelines and e-navigation followed by a panel discussion.
- MSC 98: 7-16 June 2017 – MSC Resolution: Guidelines.
- 3rd edition of "Industry Guidelines on Cyber Security onboard Ships", 7 December 2018.
- EU Member States to identify operators of essential services within air/railway/water transport by 9 November 2018. Laws and regulations to comply with EU Directive 2016/1148 to be adopted by 9 May 2018.
- NCSR 5: 19-23 February 2018.
- Conference on Transport Cybersecurity organised by ENISA, 23 January 2019 in Lisbon
- BIMCO Cyber Security Clause: May 2019.

IUMI will:

- Support the industry guidelines on maritime cybersecurity practices and their implementation, and take part in future revisions.
- Support IACS' work on the cyber security recommendations, including participation in the Cyber Panel related industry working group, and argue in favour of evolving these into unified requirements.
- Encourage regulatory standardisation for cyber security.

4. EU Offshore Safety Directive

Brief description

The European Commission (EC) proposed in October 2011 a Regulation on the safety of offshore oil and gas prospection, exploration and production activities aiming amongst others to extend the scope of the Environmental Liability Directive (ELD) to include "all waters under the jurisdiction of the Member States" and mandating financial security. A study was commissioned on *liability security schemes for offshore environmental risks*, drafted by the University of Maastricht.

Joint industry efforts were made to prevent some of the more controversial suggestions of the Regulation and explain the practical implications – and impracticability – of extending the ELD due to:

- most likely an inability to quantify the damages in a longer term, and
- scale of potential loss and selectivity by insurers.

In October 2012, the Industry, Research and Energy Committee (ITRE) of the European Parliament voted in favour of transforming the proposal from a Regulation to a Directive. The Directive was formally adopted in June 2013.

Article 4 of the new Directive states that evidence of provisions to cover potential liabilities shall be included in the application for a licence.

With reference to financial security, the Directive states that:

“(63) Operators should ensure they have access to sufficient physical, human and financial resources to prevent major accidents and limit the consequences of such accidents. However, as no existing financial security instruments, including risk pooling arrangements, can accommodate all possible consequences of major accidents, the Commission should undertake further analysis and studies of the appropriate measures to ensure an adequately robust liability regime for damages relating to offshore oil and gas operations, requirements on financial capacity including availability of appropriated financial security instruments or other arrangements. This may include an examination of the feasibility of a mutual compensation scheme. The Commission should submit a report to the European Parliament and to the Council on its findings, accompanied if appropriate, by proposals.”

Following up on this request, two studies on civil liability, financial resources and compensation claims for offshore oil and gas activities were presented in October 2014 and August 2014. IUMI was consulted as part of the studies, explaining the practical implications, limitations and how the market functions from an offshore energy insurance perspective.

A report on the Commission’s assessment of the effectiveness of the liability regimes in the EU in respect of the damage caused by offshore oil and gas operations was released in September 2015. The report concludes that a broadening of liability provisions through EU legislation does not appear appropriate at this juncture. In case new national laws fail to improve the availability of financial security instruments and put in place procedures for ensuring prompt and adequate handling of compensation claims, the Commission informs that it will reassess whether and what further EU action could achieve these objectives.

In March 2016, the EP Committee on the Environment, Public Health and Food Safety (ENVI) issued a draft opinion, recommending that the (responsible) Committee on Legal Affairs calls on the Commission to consider the establishment of a legislative compensation mechanism for offshore accidents with minimum requirements. Responding to these discussions, IUMI presented in April 2016 a position paper to members of the relevant parliamentary committees. The report of the Committee on Legal Affairs was presented in October with only some minor modifications to the ENVI opinion. The report recognised that *“over-reliance on insurance could potentially result in a closed market for financial security instruments, with the corollary potential for a lack of competition and increased cost”*. The possibility of finding an international solution was also encouraged. IUMI remains unpersuaded that a legislative compensation system over and above the existing provisions is needed and continues to believe that a voluntary financial security system is likely to be most effective.

In September 2018, the Commission launched a public consultation to gather views on the implementation of the Directive. Input from this will become a main element for evaluating and assessing experiences in relation to the Directive and its implementation. The EC assessment will

be presented in a report to the European Parliament along with any appropriate proposals for amending the Directive. IUMI responded to the consultation in December 2018.

Relevant authority / organisations and documents

- **European Commission**
 - Proposed EC Regulation 27 October 2011.
 - University of Maastricht – Civil liability, financial security and compensation claims for offshore oil and gas activities, 22 October 2013.
 - BioIS study – Civil liability, financial security and compensation claims for offshore oil and gas activities in the EEA, 14 August 2014.
 - COM(2015) 422 final – Report from the EC to the EP and Council on liability, compensation and financial security for offshore oil and gas operations pursuant to Article 39 of Directive 2013/30/EU, 14 September 2015.
 - Consultation: Evaluation of the Directive on safety of offshore oil and gas operations, 19 September 2018. IUMI response 19 December 2018.
- **European Parliament** – Environment, Public Health and Food Safety Committee (ENVI) & Industry, Research and Energy Committee (ITRE).
 - Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC.
 - ENVI Committee: Draft Opinion, 22 March 2016, final version 12 July 2016.
 - Committee on Legal Affairs: Plenary report, 19 October 2016.
- **Position papers – industry:**
 - Insurance Europe: 2012.
 - Norwegian maritime/oil & gas industries: 30 January 2012.
 - UK maritime industry: 18 April 2012.
 - **ECSA**
 - 2 October 2014.
 - April 2016.
 - 8 May 2017, together with EADC and IMCA.
 - 8 May 2017, together with EADC and IMCA.
 - **IUMI:**
 - 24 September 2012.
 - **14 April 2016 – EU Directive:** <https://iumi.com/opinions/position-papers>.

Timeline / important dates

- Directive 2013/30/EU applies through national laws/regulations from 19 July 2016 for new installations, and no later than 19 July 2018 for existing ones.
- European Parliament resolution 2015/2353(INI), adopted 1 December 2016.
- Consultation period for the evaluation of the OSD: 19 September – 21 December 2018.
- EC report assessing the experience of implementing the OSD to be submitted by 19 July 2019.

IUMI will:

- Support a voluntary financial security system rather than a legislative compensation system over and above existing provisions.
- Explain the capabilities and limitations of insurance as a financial security instrument, and require a cost-benefit analysis cross-referred with insurance market capabilities if further investigations are to take place.

5. EU Recognised Organisations and Mutual Recognition

Brief description

Article 10 of EU Regulation No 391/2009 on common rules and standards for ship inspection and survey organizations states that *“Recognised organisations shall, in appropriate cases, agree on the technical and procedural conditions under which they will mutually recognize the class certificates for materials, equipment and components based on equivalent standards, taking the most demanding and rigorous standards as the reference.”*

The EU Recognised Organisations (ROs) have established procedures and technical requirements for Mutual Recognition (MR), and coordinates its work through an Advisory Board supported by a Technical Committee.

A hierarchy of six safety levels has been agreed between the ROs. Levels I and II include products with no/very low impact on safety and are uncontroversial. Level III products are currently under consideration. The first tier of products was adopted for implementation in 2012. The most recent MR Technical Requirements were published on 1 January 2019 (Tier 7).

Insurers expect the surveys of safety critical materials, equipment and components to be carried out by the RO classing the vessel. Classification has an important role in ensuring a certain level of safety to the vessel and its equipment, and there is usually a requirement under most individual insurance conditions that the vessel shall be classed with a classification society approved by the insurer before the insurance commences. Should any RO be allowed to certify and approve components and equipment for a vessel at all safety levels and regardless of which society will be responsible for classing the vessels, neither the classification society nor owners or underwriters will really know what quality of vessels they have or what quality of components have gone into them. To allow MR on safety critical materials, equipment and components would undermine the significance of ship classification as a key component of today's safety regime at sea, and is a major cause of concern among underwriters.

There is also a question related to the acceptance of the EU RO regime by third party flag states. The sovereignty of the flag state under which the vessel operates is at the core of international maritime regulations and widely supported by the global marine insurance industry.

Based on a study from the University of Strathclyde, the European Commission (EC) reported on the status of the implementation to the European Parliament and the Council at the end of July 2015.

Relevant authority / organisations and documents

- **European Union** – Article 10.1 of EU Regulation (EC) No 391/2009 of 23 April 2009 on common rules and standards for ship inspection and survey organisations.
- **European Commission:**
 - COM(2015) 382: Report to the European Parliament and the Council pursuant to Article 10.2 of Regulation (EC) N° 391/2009 on common rules and standards for ship inspection and survey organisations, 31 July 2015.
 - COM(2016) 47: Report to the European Parliament and the Council on the progress in the implementation of Regulation (EC) No 391/2009 and Directive 2009/15/EC on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations, 5 February 2016.
 - Public consultation on the fitness of EU legislation for maritime transport safety and efficiency, 7 October 2016.
- **EU ROs**
 - First report to the EC and Member States – October 2012.
 - Joint report from EU-ROs and SEA Europe workshop, London, 28 May 2014.
 - www.euromr.org
- **IMO** – Proposed Code for Recognized Organisations (RO Code) and related amendments to SOLAS chapter XI-1 and the 1988 Load Lines Protocol, and resolution MEPC.237(65).
- **IUMI**
 - Letter to Commission 30 October 2013 & reply letter 6 December 2013.
 - Response to questionnaire from Strathclyde University 8 December 2014.
- **University of Strathclyde**
 - Study report to the EC 29.05.2015.
 - Workshop report October 2015.

Timeline / important dates

- Workshop on EC Reg. 391/2009 Article 10.1, London, 28 May 2014.
- RO Code in force from 1 January 2015.
- IUMI Conference Berlin, Legal & Liability workshop 15 September 2015: Prof. Dr. Henning Jensen, University of Hamburg & Robert Clyne, ABS.
- MR Workshop, University of Strathclyde, Glasgow, 25 September 2015.
- EC report to Parliament (EP TRAN) on 21 December 2015.
- EC consultation on fitness of EU legislation for maritime transport safety and efficiency 7 October 2016 – 8 January 2017.
- Tier 6 MR Technical Requirements: Released 1 January 2018, coming into effect on 1 July 2018.
- SEA Class WG meeting, Copenhagen, 13 June 2018.
- EU RO MR workshop, Hamburg, 5 September 2018.
- Meeting with EC DG MOVE, Brussels, 8 March 2019.

IUMI will:

- Recommend that mutual recognition is clearly limited to materials, equipment and components of proven low safety criticality. Scope of the MR should not go beyond further analysis and consideration of Level III products.
- Participate in workshops and consultations as appropriate.

6. Fuels

Brief description

Machinery damage is by far the most frequent cause of loss in marine insurance, and the numbers are likely to increase with the introduction of low-sulphur limits. Historically, 40% of all hull claims by number are machinery damage making up 30% of the costs.

Low-sulphur fuels

The MARPOL regulation limiting sulphur oxide emissions from ships with a global cap of 0.5% will become mandatory on 1 January 2020. IMO's Marine Environmental Protection Committee (MEPC) confirmed the date of implementation in October 2016 and again in October 2018.

Concerns have been raised in relation to fuel stability, differences in composition and blending from supplier to supplier and port to port, lower flashpoints than the minimum required by international safety regulations, inadequate safety margins for catalytic fines and ignition delays stemming from inferior combustibility. A new guidance to assist shipowners to safely comply with the 2020 sulphur cap was approved by MEPC 73 in October 2018. The Committee also invited new submissions on how to enhance the implementation and non-availability reporting to MEPC 74 in May 2019. MEPC 74 is also expected to adopt draft guidelines, prepared by the Sub-Committee on Pollution Prevention and Response (PPR 6) in February 2019, that include sections on the impact on fuel and machinery systems resulting from new blend of fuel types, verification issues and control mechanism and actions, a standard reporting format for fuel oil non-availability reports (FONAR), and possible safety implications relating to fuel oils meeting the 0.5% sulphur limit.

In May 2018, the Maritime Safety Committee (MSC 99) was invited by an intersessional working group to consider the safety concerns linked to the transition in its next session. MSC agreed in December 2018 to include in its biennial agenda an output on "Development of further measures to enhance the safety of ships relating to the use of fuel oil", with a target completion year of 2021. Furthermore, the Committee supported the development of a draft circular recommending that all Member States take appropriate action to ensure that fuel suppliers under their jurisdiction deliver compliant fuels. As instructed, PPR 6 agreed in February 2019 to a joint MEPC-MSC circular addressing the delivery of compliant fuels by suppliers for approval by MEPC 74 and MSC 101. Finally, MSC 99 also agreed that a proposed supplier licensing scheme should be addressed by MEPC.

As part of a multi-stakeholder exercise, an industry guidance is also under development by a group of international shipowner and bunker (supplier) associations under the leadership of

OCIMF and IPIECA. The Joint Industry Project (JIP) on supply and use of 0.50% sulphur fuels targets to complete the guideline for printing and release in July / August 2019.

The International Standards Organisation (ISO) is expected to produce a new standard for the 0.5% fuel before 2020. Guidance on the type of fuel blends the organization anticipates being available is also under development. A BIMCO clause dealing with the transitional period from the end of 2019 to the beginning of 2020 was released in December 2018.

The most commonly used fuel type for inland navigation, EN 590, is a low-sulphur fuel that does not require the use of purifiers. However, bad fuel quality, and infrequent or incorrect cleaning of fuel tanks have all contributed to damages in this segment and should be properly dealt with.

The main challenges with the ultra-low sulphur fuel oil (ULFSO) are: Cold flow properties (heating required), stability (limited experience), and compatibility (increased storage capacity and separation requirements, and higher demands for tank cleaning between bunkering due to the variation in fuel quality). The International Council on Combustion Engines (CIMAC) published in June 2015 a position paper on these new fuels, including some key technical considerations for shipowners and operators. CIMAC has also initiated a working group with technical experts from the industry to address the limited experience and collate information in order to develop a technical guide for these fuels.

In November 2015, the U.S. Coast Guard confirmed several reports stating that main engines may not attain the expected speed when using ultra low sulphur fuel oil. Consequently, the Coast Guard revised its list of recommendations to vessel owners and operators about the importance of establishing effective fuel oil changeover procedures to comply with MARPOL Annex VI emission regulations.

Cat fines

The most typical and well-known contaminant that can destroy an engine in a short time is cat fines. Cat fines are an inevitable by-product of refining and consist of small particles of metal that are deliberately introduced to 'crack' the fuel. Unless removed by purification, cat fines will become embedded in engine parts and cause serious and rapid engine damage. Filtration of fuel has been a requirement on board for many years, but crews are now noticeably less experienced and less reliable in operating the systems. The level of cat fines is also likely to increase with the introduction of new low sulphur regulations, which will require more refining.

Vessel operators and crew often have no idea about the purity of the fuel they use, nor is there any obligation to find out before using it. Often, the purifiers installed are inefficient and cannot cope. Cases are known where filters have been removed. A discrepancy exists between ISO standards for cat fine content³ and the content recommended and anticipated by engine manufacturers in engine design. Engines need fuel with a concentration of cat fines at no more than 15ppm, but fuel is produced and sold at 60ppm and more. Effective filtration, purification and fuel management is required. There is clearly a need for more crew training and somebody to verify that the equipment and systems installed actually remove the cat fines on their way to the engine.

³ HFO with a cat fines content of up to 60ppm is compliant with the ISO 8217:2010 fuel standard

According to the fuel testing agency DNV Petroleum Services, the bunker fuel industry in the U.S. has seen a rise in metals content as a result of regulations to reduce the level of sulphur in bunker fuel. Low sulphur fuels are less lubricating, and this combined with the introduction of increased amounts of abrasive materials, causes damage. Once cat fines become embedded in engine parts, they cannot be removed. Until fairly recently, such losses have simply been described as engine damage or crew negligence and the real cause not identified. It is only now that definite attributable losses are being reported.

Claims due to cat fines have been identified in the range of USD 300,000 to USD 1.5 million, mostly in low speed engines. Wear is very rapid; for example, if liners are replaced, they could be worn out again in three days. In a technical paper presented at the CIMAC Congress in 2013, cat fines were found in 84% of all the cylinder liner high wear cases investigated.

Contributory changes which would help:

- Sampling and testing of fuel before use
- Improved fuel handling on board
- Improve the quality of bunkers
- Alter the ISO standard
- Charter/bunkering contracts should specify fuel less than 60ppm
- Regular cleaning of filters, frequent drainage
- Clean the settling and service tanks during dry dock
- Check centrifuge capacity on specifications for new buildings
- Ensuring optimized fuel system treatment
- Introducing a new fuel cleaning system layout
- Automatic control of the cleaning flow rate
- Intensified monitoring of the fuel treatment efficiency

IUMI raised the need of more class involvement to ensure that vessels can safely operate on the new fuels required in the future with IACS in January 2011, and attended a meeting with the Machinery Panel in September 2013 to present the insurance industry's concerns. Following this meeting, the IACS Machinery Panel decided to review the members' current requirements on facilities provided for handling the fuel on board to establish a common baseline. The IACS Recommendation for petroleum fuel treatment systems for marine diesel engines was subsequently published in July 2017.

Fuel contamination

Contaminated supplies of biodiesel fuel that were first reported in the US Gulf region in February 2018 have since persisted on an unprecedented scale and may have affected as many as 1,000 vessels.

This contamination has led to a range of technical problems, including blocked fuel filters, fuel pump seizures and even loss of main engine power. The cost of an engine damage could be up to USD 800,000 for an individual vessel. The loss of engine power may lead to serious incidents such as collisions and groundings.

Testing to ISO8217 levels will not necessarily show if the fuel is contaminated or not, as the suitability of biofuels requires gas chromatography and specialised equipment in a laboratory to determine any contamination. This test will generally take 7 to 10 days, and there are today not enough laboratories to perform the necessary testing. Consequently, vessels are forced to sail with fuel in separate tanks and rely on the ability of the crew and equipment to make the fuel fit for use.

IUMI believes that the current system with the end-user taking all the risk is unacceptable. Rather than the end user, refineries should be compelled to do the testing and confirm the delivery of non-contaminated fuels. In parallel, the ISO review of low-sulphur fuels should also include an amendment of the ISO8217 to deal with biofuels.

BIMCO published in December 2018 a Marine Fuel Sulphur Content Clause for Time Charter Parties. The clause states that charterers are obliged to provide fuel that complies with MARPOL requirements, and also use suppliers and bunker barge operators who comply with the same. Shipowners remain responsible for the fuel management.

Relevant authority / organisations and documents

- **IMO – MEPC & MSC**
 - MARPOL Regulation 14 & Annex VI: “Prevention of Air Pollution from Ships, allowing for special (SOx) Emission Control Areas”.
 - MSC93/INF.8: Safety implications arising from the supply of “Out of Specification” Marine Fuels, submitted by ICS and IPTA, 13 March 2014.
 - MEPC70/INF.12: Study on fuel oil quality, submitted by INTERTANKO, 22 July 2016.
 - PPR4/20/3: Justification and scope for a new output on effective implementation of the 0.50% m/m global sulphur limit, submitted by BIMCO, CLIA, ICS, INTERCARGO, INTERTANKO, IPTA and WSC, 25 November 2016.
 - MEPC71/5/3: Report of the correspondence Group on Fuel oil quality, submitted by the United States, 31 March 2017.
 - ISWG-AP1/2/12: Safety implications associated with 2020 fuels and their respective challenges, submitted by Liberia, Marshall Islands, ICS, BIMCO, INTERTANKO, INTERCARGO and WSC, 15 May 2018.
 - MEPC 73/5/17: Joint industry guidance on potential safety and operational issues related to the supply and use of 0.50% maximum sulphur fuels, submitted by ISO, OCIMF, IPIECA, IMarEST, RINA and IBIA, 31 August 2018.
 - MSC100/8/1: Effective implementation of existing provisions for fuel quality and safety in IMO conventions, submitted by Liberia, ICS, INTERTANKO, IPTA and INTERFERRY, 28 September 2018.
 - MSC100/8/2: Safety implications and respective challenges associated with 2020 compliant fuels, submitted by Bahamas, Liberia, Marshall Islands, Panama, BIMCO, INTERCARGO and INTERTANKO, 28 September 2018.
 - MEPC.1/Circ.875: Guidance on best practice for fuel oil purchasers/users for assuring the quality of fuel oil used on board ships, 26 April 2018.

- MEPC.1/Circ.875/Add.1: Guidance on best practice for fuel oil suppliers assuring the quality of fuel oil delivered to ships, 9 November 2018.
- MEPC.1/Circ.878: Guidance on the development of a ship implementation plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI, 9 November 2018.
- MEPC.1/Circ.880: Reporting of availability of compliant fuel oils in accordance with regulation 18.1 of MARPOL Annex VI, 9 November 2018.
- MSC100/WP.11: Report of the Drafting Group on Fuel Oil Safety Matters, 5 December 2018.
- MSC101/8: Method of work for evaluating the need for further measures to enhance the safety of ships relating to the use of fuel oil, submitted by IACS, 29 March 2019.
- MSC101/8/2: Development of further measures to enhance the safety of ships relating to the use of fuel oil, submitted by ICS, INTERTANKO, INTERCARGO and IPTA, 16 April 2019.
- **EU**
 - Sulphur Directive 1999/32/EC with amendments.
- **CIMAC**
 - Congress 2013, Paper no. 51: “Onboard fuel oil cleaning, the ever-neglected process How to restrain cat-fine damages in two-stroke marine engines”. Paper presented by experts from MAN Diesel and Turbo (Denmark), DNV Petroleum Services (Singapore), NanoNord (Denmark), Alfa Laval Tumba (Sweden).
 - Position Paper 6/2015: New 0.1% sulphur marine (ECA) fuels, June 2015.
 - WG7 Fuels: Guideline - Cold flow properties of marine fuel oils, January 2015.
 - WG7 Fuels: Fuel quality Guide - Ignition and combustion, 2011.
 - WG7 Fuels: 2018 marine fuel incidents, November 2018.
- **UK P&I Club** Risk Focus: Loss of power
- **Joint Hull Committee** information pack: Marine engine damage due to catalytic fines in fuel, joint paper with Braemar (The Salvage Association), 26 September 2013
- **U.S.**
 - Environmental Protection Agency (EPA): North American Emission Control Area: <http://www.epa.gov/otaq/oceanvessels.htm#north-american>
 - Coast Guard: Safety Alert 10-18: U.S. Gulf Coast bunker contamination, 8 June 2018.
- **Wärtsilä** Fuel Oil Requirements (Heavy Fuel Oil).
- **MAN**: Service Letter SL2014-593/DOJA, December 2014.
- **Gard** Loss Prevention Circular No. 01-14: Prevention of engine damage due to catalytic fines, February 2014.
- **IACS Machinery Panel**: No. 151 Recommendation for petroleum fuel treatment systems for marine diesel engines, July 2017.
- **ISO**: 8217:2017 – Specifications of marine fuels, 21 March 2017.
- **U.S. Coast Guard**:
 - Safety Alert 13-15: Ultra Low Sulphur Fuel Oil & Compliance with MARPOL Requirements, 19 November 2015.

- **IUMI: Position Paper on Catalytic Fines and Engine Damage, 8 March 2016**
(<https://iumi.com/opinions/position-papers>).
- **INTERTANKO** Critical review: Contaminated Bunkers damage hundreds of ships. Do authorities really care?, 10 August 2018.
- **International Chamber of Shipping:** Provisional guidance to shipping companies and crews on preparing for Compliance with the 2020 'Global Sulphur Cap', September 2018.
- **BIMCO:**
 - 2020 Marine sulphur content clause for time charter parties, 10 December 2018.
 - 2020 Fuel transition clause for time charter parties, 10 December 2018.

Timeline / important dates

- **Sulphur limits:**
 - Californian waters: 0.1% sulphur limit as of 1 August 2012.
 - North American Emission Control Area (ECA): 1.0% sulphur limit as of 1 August 2012.
 - European and North American ECAs: 0.1% sulphur limit as of 1 January 2015.
 - MARPOL – outside ECAs: 0.5% sulphur limit as of 1 January 2020.
 - China:
 - Coastal territorial waters, except coastline Hong Kong, Macao and Taiwan: 0.5% sulphur limit as of 1 January 2019.
 - Inland water ECAs: 0.1% sulphur limit as of 1 January 2020.
 - Regulated waters of Hainan Island: 0.1% sulphur limit as of 1 January 2022.
- IACS letter to IUMI 23 July 2012. IUMI response 19 November 2012.
- Loss Prevention workshop, IUMI conference London, 15-18 September 2013.
- Meeting with IACS Machinery Panel, 3 September 2013.
- IACS Unified Requirement: 2Q 2016.
- MEPC 73: 22 - 26 October 2018.
- MSC 100: 3 - 7 December 2018.
- PPR 6: 18 - 22 February 2019.
- MEPC 74: 13 - 17 May 2019.
- MSC 101: 5 - 14 June 2019.
- ISO specification and new standard to be finalized in 2019.
- Joint industry project of ship owners, bunker suppliers and other interested parties (BIMCO, ICS, OCIMF, IPIECA, Intertanko, Intercargo and others, IUMI is observer) aim to publish a guidance in July/August 2019. Progress was reported to PPR in February 2019.

IUMI will:

- Encourage implementation of the new IACS recommendation for petroleum fuel treatment systems for marine diesel engines by all IACS members.
- Increase awareness by presenting available documentation of losses due to cat fines, and warn of the risks involved.
- Monitor developments related to switch-over from heavy fuel to distillates in the ECAs.

- Encourage an amendment of the 60mg/kg limit for cat fines and the inclusion of biofuels in the ISO standard.
- Support a review by MSC of the safety aspects of implementing the 0.5% sulphur limit with effect from 2020.
- Suggest that refineries are compelled to test and confirm the delivery of non-contaminated fuels.
- Participate as an observer to joint industry project with the aim to publish a guidance in July/August 2019.
- Participate in MSC working group on fuel quality and safety.

7. Incoterms© 2020 rules

Brief description

The International Chamber of Commerce (ICC) began the process of revising the Incoterms© 2010 rules late 2016. The Incoterms© rules are an agreement between seller and buyer relating to the formalities and obligations concerning the tasks, costs and risks involved in the delivery of goods. The terms chosen for the transfer of risk will have a direct impact on the cargo insurance obligations, and the revision is consequently of interest to property insurers.

ICC sought the views from stakeholders as well as national ICC committees as a first step in the revision process. The second round of consultations took place through national ICC committees until 15 June 2017, and the third in May-June 2018. An International Drafting Group is responsible for drafting of the new Incoterms© rules, which will come into effect in 2020.

Incoterms© rules define the transfer of risk between seller and buyer and cargo insurance requirements. For most of the Incoterms© rules this is up to the buyer, but in particular for CIF / CIP sales the 2010 terms provide that:

“The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.”

“A3 b) Contract of insurance

The seller must obtain at its own expense cargo insurance complying at least with the minimum cover as proved by Clauses (C) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses. The insurance shall be contracted with underwriters or an insurance company of good repute and entitle the buyer, or any other person having an insurable interest in the goods, to claim directly from the insurer.

When required by the buyer, the seller shall, subject to the buyer providing any necessary information requested by the seller, provide at the buyer’s expense any additional cover, if procurable, such as cover as provided by clauses (A) and (B) of the Institute Cargo clauses

(LMA/IUA) or any similar clauses, and/or cover complying with the Institute War Clauses and/or Institute Strikes Clauses (LMA/IUA) or any similar clauses.”

Due to the potential impact and implications of changes to the Incoterms© rules on the insurance industry, IUMI has provided input throughout the revision process.

Relevant authority / organisations and documents

- **International Chamber of Commerce (ICC):** Incoterms© 2010 rules - <http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/>
- **IUMI:**
 - Response to the ICC questionnaire, 1 March 2017.
 - Comments to draft versions of Incoterms©2020 rules, 15 June 2017, 19 January & 19 June 2018.

Timeline / important dates

- Incoterms© rules first published in 1936.
- Incoterms© 2010 rules came into effect 1 January 2011.
- New Incoterms© rules will be published 10 September 2019, taking effect from 2020.

IUMI will:

- Consider wordings of relevance to insurers, participate in discussions and submit comments as appropriate throughout the revision process.
- Schedule a webinar about the changes in the Incoterms© 2020 rules after their publication in September 2019.

8. Places of Refuge

Brief description

Current practice concerning places of refuge is a concern to insurers.

The incident with fire-stricken container vessel “*MSC Flaminia*”, which in 2012 was left adrift for weeks until finally granted a port of refuge in Germany, prompted a new European Commission (EC) Cooperation Group on Places of Refuge. The Group was charged with assessing the need to improve existing legislation and why EU Member States took so long to provide safe refuge.

After an explosion and fire aboard the “*M/T Stolt Valor*” at a distance of 40 nm from Kingdom of Saudi Arabia in March 2012, a place of refuge was denied by the coastal States in spite of repeated requests. In September that year, a round table of shipowner associations and IPTA urged the MSC to consider what additional measures may be appropriate, and stressed the need for all States to apply amongst others the IMO Guidelines on places of refuge for ships in need of assistance.

Following these incidents, and further prompted by the “*Maritime Maisie*” being held at sea off the coast of Japan for weeks after a collision and fire in December 2013, IUMI is, together with the International Chamber of Shipping (ICS) and the International Salvage Union (ISU), campaigning to urge governments to adopt the IMO places of refuge guidelines.

Four years after the “*MSC Flaminia*” incident, new emergency response procedures for ships in distress were agreed across the EU. Several industry stakeholders, including IUMI, participated together with EU Member States, the European Commission, and EMSA in the drafting. The aim has been to ensure better coordination and exchange of information by providing guidance that will lead to better advised and quicker decision making. It is also emphasised that there shall be no denial of access on anything (commercial or financial) other than safety grounds.

European Commissioner for Transport, Violeta Bulc, presented the new operational guidelines at the occasion of the Sea, Rivers, Islands and Coastal Areas Intergroup meeting in the European Parliament on 27 January 2016 under the patronage of MEP Gesine Meissner. Together with the Commission, IUMI and a number of other industry associations have agreed to use the PoR Operational Guidelines and contribute to their continuous improvement through a joint declaration.

Having in place the voluntary operational guidelines and expressed willingness to use them is however only a first step to secure PoR access for stricken ships. While regulation is in place, the practical implementation offered by the new EU guidance complements IMO guidelines and should be encouraged internationally. IUMI therefore co-sponsored an EC information paper to the IMO’s Maritime Safety Committee in May 2016.

Furthermore, the true success of the operational guidelines will be demonstrated as actual incidents occur. And while decision makers gathered in January 2016 for the PoR event in Brussels, the listing “*Modern Express*” was adrift in EU waters. Application of the guidelines for this and other incidents will be carefully monitored by IUMI and addressed in discussions with the Commission. Lessons learned will give input to the expected continuous improvement of the guidelines.

In August 2018, EU Member States together with the EC and industry organisations, including IUMI, proposed in a submission to MSC 100 a review of the IMO PoR guidelines. MSC subsequently agreed to include in its post-biennial agenda an output on “Revision of the Guidelines on places of refuge for ships in need of assistance (resolution A.949(23)), with two sessions needed to complete the item.

Relevant authority / organisations and documents

- **IMO – MSC & MEPC & LEG & CCC:**
 - MSC77/8/2: Places of refuge, submitted by IUMI, 14 February 2003.
 - Resolution A.949(23): Guidelines on places of refuge for ships in need of assistance, 5 March 2004.
 - MEPC64/INF.30 (27.7.2012) from ROPME/MEMAC and MSC91/21 (24.9.2012) from ICS, BIMCO, INTERCARGO, IPTA and INTERTANKO, concerning the “*M/T Stolt Valor*” incident.

- LEG101/11/4: Places of refuge for ships in need of assistance, submitted by ICS, IGP&I, IUMI & ISU, 14 March 2014.
- III1/INF.33: Port of refuge, Maritime Maisie, submitted by Hong Kong, China, 14 May 2014.
- MSC93: Statement made by Intertanko.
- CCC1/INF.2: Investigation on the fire and explosion on board the MSC Flaminia, submitted by Germany, 3 June 2014.
- MSC94/20/1: Guidelines on PoR – proposed additional text, submitted by Liberia, the Marshall Islands, IMPA, IFSMA, INTERTANKO, INTERCARGO and INTERMANAGER, 10 September 2014.
- MSC95/INF.8: Information on the work within the European Union on operational guidelines for places of refuge following recent incidents, submitted by EU Member States, the European Commission, IUMI, BIMCO, ICS, ISU, INTERTANKO and IGP&I, 31 March 2015.
- MSC96/24/5: Information on the EU Operational Guidelines on places of refuge, submitted by EU member states, EC, ICS, IUMI, BIMCO, ISU, INTERTANKO and IGP&I, 8 March 2016.
- MSC100/17/1: Proposal for a new output for a revision of resolution A.949(23) on Guidelines on places of refuge for ships in need of assistance, submitted by EU member states, EC, ICS, IUMI, BIMCO, ISU, INTERTANKO and IGP&I, 3 August 2018.
- **EC/EU:**
 - Directives 2009/17/EG (23.4.2009) and 2002/59/EG (27.6.2002), mandating EU Member States to provide places of refuge for stricken vessels in order to prevent greater damage to the environment.
 - EU Operational Guidelines on Places of Refuge, Version 4, 31 January 2017: https://ec.europa.eu/transport/modes/maritime/digital-services/places-of-refuge_en
 - Joint declaration EU guidelines PoR, 27 January 2016.
- **U.S. Coast Guard:**
 - Places of Refuge Policy - Commandant Instruction 16451.9, 17 July 2007.
- **ICS, ISU & IUMI:** Joint press release 13 February 2014.
- **ICS, IGP&I, IUMI, ISU & Asian Shipowners' Forum:** Joint position paper April 2014.
- **UK SOSREP** presentation during Legal & Liability workshop, IUMI conference, London, 17 September 2013.
- **IACS:** Recommendations for the operation of shore-based emergency response services, 26 May 2016.

Timeline / important dates

- EC roundtable discussion with all relevant stakeholders during IMO MSC 94, London, 21 November 2014.
- EC: First discussion industry stakeholders on the Draft EU Operational Guidelines, Brussels, 15 January 2015.

- Political Forum workshop, IUMI conference, Berlin, 15 September 2015: LEMONIA Tsaroucha, EC – DG MOVE.
- EC Table Top Exercise, Malta, 1 September 2015.
- EU Operational Guidelines on Places of Refuge, 13 November 2015.
- EC event with members of European Parliament and industry, Brussels, 27 January 2016.
- MSC 96, 11-20 May: Introduction of EU Operational Guidelines.
- EC Table Top Exercise, Horten - NO, 27-28 September 2017.
- Cooperation Group on Places of Refuge, Brussels, 1 February 2018.
- MSC 100: 3-7 December 2018.
- NCSR 6: 16 – 25 January 2019.
- EC High Level Steering Group – Expert sub-group: “Cooperation group on places of refuge”, 6 February 2019.

IUMI will:

- Actively promote better accommodation of ships in distress through the implementation and enforcement of existing measures.
- Support the EU Operational Guidelines on Places of Refuge and their implementation.
- Support and take part in a revision of IMO guidelines for Places of Refuge.
- Participate in table top exercises and the EC HLSG Expert sub-group “Cooperation Group on Places of Refuge”.

9. Safety of container vessels

Brief description

The increasing size of container vessels and recent incidents contribute to the high awareness and importance placed by insurers on several issues related to the safety of these ships. Fires count among the worst hazards of the global shipping industry, and every ineffective attempt to extinguish a fire puts the crew at risk. Damage to the environment, cargo and the vessel also increases. Misdeclaration of cargo and insufficient firefighting capabilities are currently two of the main challenges related to this peril.

Container contents

The contents of a container must be known if it is to be transported safely, and misdeclaration is a recurring safety problem. This applies equally to road, rail, and brown and blue water transport.

Containers often contain a wide range of hazardous and toxic substances. It is reported that approximately 20% of containers in transportation are misdeclared. An analysis from the Cargo Incident Notification System (CINS) shows that in just over a quarter of the incidents where causation was detected were attributable to cargo being misdeclared. This may lead to insufficient handling of the container, and worst case an incorrect firefighting strategy that may

increase the danger of combustion of the goods in the container.

Firefighting system on container vessels

It is noted that insufficient firefighting capacity on board large container vessels poses a challenge that is only increasing with the size of these vessels.

Based on a 2008 impact assessment, the MSC approved in June 2013 new requirements for fire protection of on-deck cargo areas. The amended SOLAS regulation II-2/10 requirements only apply to new vessels constructed on or after 1 January 2016. In addition to all other fire protection arrangements as per existing regulations, vessels designed to carry five or more tiers of containers on or above the weather deck shall from then on also be provided with mobile water monitors and at least one water mist lance.

Although these changes were a step in the right direction and expressly welcomed by IUMI, a concern remains with the firefighting equipment on existing vessels. With the growing size of container vessels, the challenge of insufficient firefighting arrangements is also becoming even greater.

Consequently, IUMI recommended in a position paper from September 2017 that responsible authorities, class and relevant industry stakeholders engage in discussions on how to further improve the fire detection, protection and firefighting capabilities on board container vessels.

Relevant authority / organisations and documents

- **IMO - Maritime Safety Committee (MSC) and Sub-Committees on Dangerous Goods, Solid Cargoes and Containers (DSC), Sub-Committee on Fire Protection (FP) & on Carriage of Cargoes and Containers (CCC)**
 - FP 56/23 Annex 4 & 5: Report to the MSC, including recommendations on Suppression of fire and Guidelines for mobile water monitors, 31 January 2013.
 - MSC 92/8/2: Draft IMO Guidelines for the design, performance, testing and approval of mobile water monitors used for the protection of on-deck cargo areas designed to carry 5 or more tiers of containers on or above the weather deck, submitted by Denmark and Norway, 23 April 2013.
 - CCC1/INF.2: Investigation on the fire and explosion on board the MSC Flaminia, submitted by Germany, 3 June 2014.
 - MSC.1/Circ. 1497: IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units (CTU Code), 16 December 2014.
 - MSC.1/Circ. 1498: Informative material related to the CTU Code, 16 December 2014.
 - MSC97/8/2: Fire pumps in ships designed to carry five or more tiers of containers on or above the weather deck, submitted by IACS, 12 September 2016.
- **IUMI:**
 - Loss Prevention workshop London, 18 September 2013, Presentation of possible firefighting solution by Uwe-Peter Schieder, GDV.
 - Press release 20 September 2016; call for further industry cooperation to tackle containership fires.

- **Memo & press release 19 September 2017: Fire-fighting on container vessels** (<https://iumi.com/opinions/position-papers>).
- **Committee on large Container Ship Safety** (Japan): Interim Report “MOL Comfort”, 17 December 2013 – Final Report March 2015.
- **ClassNK** Investigation Report on Structural Safety of Large Container Ships, 30 September 2014.
- **IACS**, Sub-working group on structural safety of large container ships: Unified Requirements that set out minimum scope for hull girder strength analysis; UR S11A and UR S34, adopted 1 June 2015.
- **U.S. Coast Guard**: Marine Safety Information Bulletin 009/16: U.S. Declares an Equivalency to Regulation VI/2 of SOLAS, 28 April 2016.
- **Cargo Incident Notification System (CINS)**: www.cinsnet.com
- **ABS**: Fighting Fire on Container Ships, 2016.
- **Cefor**: Technical Forum memo 5 – Ultra Large Container Vessels, 13 March 2017.

Timeline / important dates & decisions

- **CTU Code:**
 - Endorsed by
 - the Inland Transport Committee of the UNECE, at its seventy-sixth session, 25 to 27 February 2014,
 - the IMO Maritime Safety Committee, at its ninety-third session, 14 to 23 May 2014, and
 - the Governing Body of ILO, at its 322nd session, 30 October to 13 November 2014.
- Loss Prevention workshop, IUMI conference, Hong Kong, 24 September 2014.
- Final report Committee on large Container Ship Safety (Japan): March 2015.
- Entry into force of amended FSS Code & SOLAS regulation II-2/10: 1 January 2016.
- IUMI webinar: Mark Russell (Gard) on firefighting of container vessels and misdeclaration of container content, 2 November 2017.
- MSC 101 – IUMI lunch presentation, 5 June 2019.

IUMI will:

- Support measures that improve the monitoring of containers and their contents.
- Support internationally harmonized legislation and national regulations based on the CTU Code.
- Monitor and support measures to ensure the structural safety of large container ships.
- Consider further action to install necessary firefighting measures in discussions with other interested parties and class in particular, including the establishment of an IUMI expert group and support of a possible submission for a new output at the IMO.
- Present IUMI’s views and concerns during lunchtime presentation at MSC 101.

10. Safety of RoRo vessels

Brief description

Due to the “Norman Atlantic” fire just before New Year 2014 and the fire on the “Sorrento” in April 2015, IMO increased its focus on evacuation and the safety of RoRo vessels. MSC 95 highlighted the need for an international response, through the IMO, to evaluate the casualty reports from the marine accident investigations and act, as appropriate, to enhance the current safety regime.

Marine underwriters have witnessed that the frequency of fires in the Car/RoRo segment is at a level twice the frequency of fires on most other vessel types. Cargo fires are the most frequent type of fires, which could be related to the fire risk of cars in general, as well as challenges with detecting, locating and extinguishing fires on these vessels. Refrigeration units, charging of electric vehicles, stowaways and passengers on ro-ro decks are other factors that potentially increase the fire hazard.

Interferry released in March 2016 Operational Best Practice Guidance on ferry safety for ro-ro passenger ships. The key finding of their review is that more attention should be given on response time in case of an incident.

MSC 97 agreed in November 2016 to include in the 2016-2017 biennial agenda of the Sub-Committee on Ship Systems and Equipment (SSE), with the support of the Sub-Committees on Ship Design and Construction (SDC) and Human Element, Training and Watchkeeping (HTW), an output on “Review SOLAS chapter II-2 and associated codes to minimize the incidence and consequences of fires on ro-ro spaces and special category spaces of new and existing ro-ro passenger ships”, with a target completion year of 2019. SSE agreed in March 2017 on a two-step approach: 1) the development of Interim Guidelines, and 2) the development of amendments to SOLAS and associated codes. The scope of work was approved by MSC 98 in June 2017, and a correspondence group was established by SSE 5 in March 2018 to develop the drafts. The interim guidelines for minimising the incidence and consequences of fires on ro-ro spaces and special category spaces of new and existing ro-ro passenger vessels were agreed by SSE 6 in March 2019, and submitted to MSC 101 for approval in June 2019. The draft guidelines cover prevention/ignition, detection/decision, extinguishing fires, containment and integrity of life-saving appliances and evacuation. With further considerations viewed necessary, the Sub-Committee re-established the Correspondence Group on Fire Protection.

In December 2018, MSC approved a circular with revised guidelines for the design and approval of fixed water-based systems for ro-ro spaces and special category spaces, with application date 1 January 2021.

Relevant authority / organisations and documents

- **IMO – Maritime Safety Committee (MSC) & Sub-Committee on Flag State Implementation (FSI)**
 - [FSI20/5/3](#): Accident reports on ro-ro ferry vehicle deck fires, submitted by the United Kingdom, 8 January 2012.
 - [FSI21/5](#): Casualty statistics and investigation, report of the Correspondence Group on Casualty Analysis, 28 November 2012.

- MSC96/INF.3: Electric mobility on ro-ro and ro-pax ships. Report of the Formal Safety Assessment study, 9 February 2016.
- MSC96/16/1: Formal Safety Assessment - Considerations on the revision of SOLAS regulation II-2/20 – fire safety in connection with the transport of vehicles with electric generators or electrically powered vehicles, submitted by the EC and Member States, 8 March 2016.
- MSC97/19/3: Work programme – Fire safety of ro-ro passenger ships, submitted by EU Member States and the EC, 1 August 2016.
- SSE4/INF.8: FIRESAFE study on fires on ro-ro decks spaces and special category spaces of ro-ro passenger ships, submitted by the EC, 13 January 2017.
- SSE5/INF.4: Information from several relevant studies, submitted by EC and the EU Member States, 8 December 2017.
- SSE5/WP.4: Report of working group, 15 March 2018.
- SSE6/6/1: Review of relevant recent accident investigation reports from the EU, submitted by the EC and EU Member States, 30 November 2018.
- MSC.1/Circ.1430/Rev.1: Revised guidelines for the design and approval of fixed water-based fire-fighting systems for ro-ro spaces and special category spaces, December 2018.
- SSE6/WP.4: Report of the working group, 7 March 2019.
- **Interferry: RoRo Deck Fire Safety - Operational Best Practice Guidance**, 8 March 2016 (MSC96/6/2).
- **DNV GL: Fires on Ro-Ro decks**, 20 June 2016.
- **European Maritime Safety Agency (EMSA): FIRESAFE – study investigating cost effective measures for reducing the risk from fires on ro-ro passenger ships**, SP Technical Research Institute of Sweden, Bureau Veritas, Stena Rederi, December 2016.
- **IUMI: Position Paper: Fires on ro-ro passenger vehicle decks, 7 February 2017** (<https://iumi.com/opinions/position-papers>).
- **Standard Club: A master's guide to Fire Safety on Ferries**, April 2018.

Timeline / important dates

- MSC 97: 21-25 November 2016.
- SSE 4: 20-24 March 2017.
- Target completion year SSE review concerning SOLAS and fires on ro-ro spaces: 2019.
- IACS/IUMI Technical Cooperation Group: 6 June 2017.
- HTW 5: 16-20 July 2018.
- SSE 5: 12-16 March 2018.
- EMSA FIRESAFE study II, scheduled for completion in 2018.
- SSE 6: 4-8 March 2019.
- MSC 100: 3-7 December 2018.
- MSC 101: 5-14 June 2019.

IUMI will:

- Support Interferry RoRo Deck Fire Safety Operational Best Practice Guidance.



- Support ongoing work at the IMO to improve safety of RoRo vessels and Car Carriers.
- Support the UK MAIB safety flyer recommendations.

STANDING ITEMS

11. Macroeconomic factors

Brief description

Trade agreements

Multinational marine insurers are affected by a wide range of barriers of doing business abroad; limited movement of data across borders, unfair competition from state-owned enterprises, lack of transparency and need for due process of law, and forced local ownership and discrimination in obtaining business licenses and permits. Some countries also require that import or export shipments have to be insured by a locally registered insurer, while buyers are only allowed to buy insurance coverage for import shipments abroad or on basis CIF. Any agreement which leads to a reduction of the aforesaid restrictions would contribute to enable marine insurers to achieve their full potential.

Recent developments with a view to a “trade war” between large importing and exporting nations are affecting the movement of goods and trade flows. Consequently, this is also affecting marine insurance and the cargo market in particular.

WTO & TiSA

The World Trade Organization (WTO) is the global international organization dealing with the rules of trade between nations. The WTO agreements are important to ensure that trade flows as smoothly, predictably and freely as possible.

Since the World Trade Organization (WTO) established the General Agreement on Trade in Services (GATS) in 1995, trade in services has evolved dramatically due to technological advances, changing business practices, and deeper global integration. The dynamism and importance of trade in services contrast strongly with the slow pace of multilateral negotiations in this area. When the Doha Development Round of a multilateral trade negotiation reached an impasse, the idea of the Trade in Services Agreement (TiSA) was launched by the U.S. and proposed to a group of WTO members; the so-called Really Good Friends (RGF) group. The group met regularly from February 2012, but the proceedings came to a complete halt in January 2017 with the Presidency of Donald Trump in the U.S.

TiSA represents an opportunity to improve and expand trade in services. Major and fundamental barriers to trade in services are addressed, and a more liberal approach to cross-border regulation in areas such as marine and energy insurance has been suggested. IUMI supports the TiSA process, and encourages the proceedings to resume in the near future.

Brexit

Ever since the UK voted in June 2016 to leave the European Union there has been intense speculation about what any future post-Brexit trading relationship might look like. Following the triggering of Article 50 of the Lisbon Treaty in March 2017, the UK initiated the process of formally exiting the EU and the negotiations between the EU and the UK Government began.

Two kinds of negotiations have taken place simultaneously.

1. The Withdrawal Agreement – the terms on which the UK departs the EU. Key political issues include the financial settlement, citizens' rights and the Irish border. 80% of these negotiations are complete, leaving a number of technical issues and two significant political issues namely governance and the backstop for Northern Ireland.
2. The Future Economic Partnership – the new relationship between the EU and the UK. Key issues include goods, agricultural, food, fishery products, customs, transport, energy and services including financial services. In May 2018, the UK Government published a list of issues it intended to discuss with the EU on the future framework.

When the Withdrawal Agreement is finalised, business will be able to make decisions in the knowledge that:

- There will be a 21-month status quo transition period until January 2021, where UK business will continue to have preferential access to the single market and customs union.
- From March 2019 EU citizens currently in the UK will be able to apply for settled status if they have lived in the UK for five years.
- Goods placed on the market during transition will be able to circulate freely across the UK and the EU and will follow the same single market rules until they reach the end-user.

With regard to the future economic partnership, the EU has presented the UK with two already established models for its future relationship, i.e. a comprehensive free trade agreement modelled on the EU's agreement with Canada or Norway's model of membership of a European Economic Area. The UK Government and industry does not support either model, arguing that the UK economy warrants a new bespoke model offering mutual benefit to both markets.

The UK position on the future economic partnership is explained in the "Chequers white paper" issued after a full UK Government Cabinet meeting at the end of June 2018. This paper caused much controversy, as it seemingly pleased neither the hard-core "remainers" nor "brexiteers". The paper was also disappointing for the insurance industry as it did not aspire to mutual market access but referred to some form of "equivalence plus" regime. Solvency II includes equivalence procedures, which are controlled by the European Commission and can be withdrawn at 30 days' notice. The UK Government wishes to enhance these procedures for reinsurance. The UK insurance market is lobbying the UK Government for these procedures to include large risks as currently defined within Solvency II. This would include most marine business written in the London market.

The Great Repeal Bill, whose function is to end the authority of EU law in the UK and convert existing direct EU law into UK law, was introduced to Parliament in July 2017. After intense scrutiny in both the House of Commons and the House of Lords, Royal Assent was given in June 2018 making the Bill law.

Other bills will soon be introduced covering matters such as trade, cross-border taxation, nuclear safeguards, immigration, sanctions and anti-money laundering, agriculture and fisheries. The Trade Bill is of particular interest to marine insurers in that the UK will seek easy and open access to global markets, deemed vital to the UK's future prosperity. UK business welcomes the ambitions set out in this Bill and will wish to embrace the opportunities of a global trade agenda. It is still too early to understand the clear strategy behind these ambitions.

For insurance business specifically, the UK insurance industry has raised a number of areas of importance. These include the grandfathering of obligations due under expired policies, obtaining contract continuity for in-force policies and upcoming renewals and gaining further clarity on the position of EU branches operating within the UK. EIOPA has issued guidance regarding the

operation of new EU subsidiaries formed to write EU business previously written out of the London market. A number of EU jurisdictions have been selected by global insurers in which to base a new EU subsidiary or SE. Dublin and Luxembourg are the two most popular although Brussels, Paris, Munich, Malta and Lichtenstein are all chosen options depending on the business operation of the insurer. Most insurers wish to continue to use resources based in London and to retain minimal risk within the new EU subsidiary, at least in the early years of operation.

No Deal – One cannot dismiss the possibility of the UK exiting the EU without a deal. There is much political posturing on both sides and the UK is formulating plans in the event of a so-called hard Brexit. Most people agree that a no-deal scenario presents tremendous challenges, certainly in the short term. It would place the transitional arrangements in jeopardy and raise significant questions over contract continuity. A minority seem more relaxed about this scenario as WTO rules would then prevail.

With UK MPs deadlocked over a deal, European Union leaders have granted the UK an extension to Brexit until 31 October 2019. If the withdrawal agreement is ratified sooner, UK will leave the EU before this Halloween date.

This extension has been reflected in a technical update to the draft Withdrawal Agreement. The amended draft, approved in an exchange of letters between the UK's Brexit secretary and the European Commission's chief Brexit negotiator on 11 April 2019, recognises the flexible nature described above.

Other current developments are;

- The government and the Labour Party are currently holding cross-party talks to find a compromise that commands majority support in Parliament.
- On the EU side, attention has turned to the upcoming European Parliament elections. Changes to the presidency of the European Commission, the European Central Bank and the European Council will dominate discussions in Brussels this summer.
- In the meantime, 'No Deal' preparations continue in the UK and the EU. If the withdrawal Agreement has not been ratified by the end of October and no further extension is agreed, the UK will leave the EU on 'No Deal' terms.
- A further extension faces significant political difficulties, both in the UK and on the continent. The EU is unlikely to agree another delay unless the UK offers a clear and practical way forward.
- A Conservative leadership contest or a General Election could add to the current uncertainty, thereby increasing the chances of a 'No Deal' Brexit.

China

The Chinese Government deems Free Trade Agreements (FTAs) as a new platform to further opening up to the outside and to speeding up domestic reforms. This is seen as an effective approach to integrate into the global economy and to strengthen economic cooperation with other economies. It is also considered an important supplement to the multilateral trading system. Currently, China has signed and implemented 16 FTAs, and an additional 8 are being negotiated.

Transport networks

Large investments in transport networks may have an impact on marine insurers by fostering existing trade routes and facilitating new ones.

Belt and Road Initiative

China's Belt and Road Initiative (BRI) focuses on connectivity and cooperation throughout Eurasia and the Pacific, involving some 68 countries. The initiative aims to bridge the "infrastructure gap" in Asia and beyond through a network of roads, ports, bridges, tunnels and pipelines. The BRI comprises "The Silk Road Economic Belt" and the "21st century Maritime Silk Road".

EU TEN-T

The Trans-European Transport Network (TEN-T) is a European Commission policy directed towards the implementation and development of a Europe-wide network of roads, railway lines, inland waterways, maritime shipping routes, ports, airports and rail-road terminals.

The ultimate objective of TEN-T is to close gaps, remove bottlenecks and eliminate technical barriers that exist between the transport networks of EU Member States, strengthening the social, economic and territorial cohesion of the Union and contributing to the creation of a single European transport area. The policy seeks to achieve this aim through the construction of new physical infrastructures; the adoption of innovative digital technologies, alternative fuels and universal standards; and the modernising and upgrading of existing infrastructures and platforms.

Relevant authority / organisations and documents

TISA:

- **WTO** – General Agreement on Trade in Services (GATS), 1995.
- **Industry position papers:**
 - Insurance Europe, 10 June 2013.
 - Global Federation of Insurance Associations (GFIA), 28 November 2013.
 - **IUMI, 6 November 2014 (<https://iumi.com/opinions/position-papers>).**
- **Global Reinsurance Forum:** Reinsurance trade barriers and market access issues worldwide, July 2018.

Brexit:

- **European Commission**
 - European Commission notice on post-Brexit servicing of existing contracts.
 - DG MOVE notice to stakeholders: Withdrawal of the United Kingdom and EU rules in the field of aviation security and maritime security, 5 July 2018.
- **UK Parliament**
 - The European Union (Withdrawal) Act 2018.
 - Chequers White Paper "the future relationship between the United Kingdom and the European Union".
- **UK Department for Exiting the EU**
 - Government Position Paper: Future customs arrangements, 15 August 2017.
- **London Market Group / UK Government Liaison Group**
 - LMG: A Brexit roadmap for the UK specialty commercial insurance sector.
- **Insurance Europe / Task Force 50 Liaison Group.**

China FTA network:

- <http://fta.mofcom.gov.cn/english/index.shtml>

BRI:

- **The People's Republic of China:**
 - Vision for maritime cooperation under the Belt and Road Initiative, 20 June 2017.
 - China's Arctic Policy, 26 January 2018.

TEN-T:

- https://ec.europa.eu/transport/themes/infrastructure_en

Timeline / important dates

TiSA:

- Currently on hold.

Brexit:

- Start of Brexit negotiations: 19 June 2017.
- Withdrawal Agreement covering financial settlement, citizens' rights and Northern Ireland: December 2017.
- UK original exit date from EU: March 2019.
- Extension of Brexit until 31 October 2019.

BRI:

- The People's Republic of China, announcement of the Belt and Road Initiative by President Xi Jinping in September & October 2013.
- IUMI conference: Presentation by Wai Yue Loh, Ince & Co, Tokyo, 20 September 2017.

TEN-T:

- Funding period 2014-2020 for 9 Core Network Corridors.

12. Maritime security / Piracy

Brief description

Best Management Practice (BMP) 5, use of private armed security guards, UN and IMO guidelines, national regulations, legality of payment of ransoms, and ISO rules for the use of force are some of the issues still very much on the international maritime security agenda.

The International Maritime Bureau (IMB) reported 201 piracy and armed robbery incidents worldwide in 2018, up from 180 in 2017. There is a marked rise in attacks against ships and crews around West Africa, with the Gulf of Guinea accounting for all six hijackings, 13 of 18 ships fired upon, 130 of 141 hostages held, and 78 of 83 seafarers kidnapped for ransom worldwide. Overall, attacks in these waters doubled in 2018, and of particular concern is the acceleration of violence noted in the last quarter of 2018. While there were overall fewer reported incidents in the

first quarter of 2019 than in the first three months of 2018 (38 against 28 in 1Q 2018), the Gulf of Guinea remains a high risk area with 22 of the reported incidents.

Following a notable increase off the Philippines in 2017, improvements were noted in 2018 due to ongoing efforts by the military, increased patrols by the navies and ships taking precautionary measures. In the same reporting period, attacks increased in Venezuela and at Benin anchorage.

Somali pirates fired upon three merchant vessels in 2018, but there were no successful boardings. With the security concerns in the Gulf of Aden and the Indian Ocean still present, insurers will continue to ask owners about their security precautions.

In 2018, ReCAAP noted a 25% year-on-year decline in Asia, with a total of 76 incidents of armed robbery and piracy. This is the lowest reported level in a decade. Indonesia witnessed a further decrease in the first quarter of 2019, with only three incidents reported against anchored vessels. Although there is a decrease in the activity in the Sulu-Cebes seas and waters off Eastern Sabah, the threat of abduction of crew is still considered high in the area.

The EU Maritime Security Revised Action Plan was adopted in June 2018. The revised Plan underlines that international cooperation at sea is instrumental to achieve safe and secure seas across regions and improve global maritime security. Although NATO reassigned its counter-piracy mission in the Indian Ocean in November 2016, the European Union has extended its counter-piracy operation until 31 December 2020. In June 2017, the IMO Secretary-General, Mr Kitack Lim, called upon governments to continue to provide naval assets to the area, underlining that the situation remains a cause for concern. IUMI notes the continuing support from EU and the Combined Maritime Forces (CMF) and believes the extended security corridor to be prudent.

With drawdown and the passage of time in mind, the 5th edition of the piracy-specific Best Management Practice (BMP5) was published in June 2018. BMP5 compiles a useful and comprehensive guidance which introduces effective measures for the protection of crew, vessels and cargo while transiting the Red Sea, the Gulf of Aden, the Indian Ocean and the Arabian Sea.

An earlier move from UK and U.S. sources to push underwriters to mandate BMP was not considered possible due to; a) the nature of BMP, not being an underwriting document, b) being full of subjectivities, and c) European and U.S. competition laws.

A Maritime Global Security website was launched in June 2018. The website provides security-related guidance produced by the industry as well as links to other maritime and military security resources. An industry reporting initiative is also ongoing at the IMO.

Relevant authority / organisations and documents

- **International Maritime Organization (IMO)**
 - Global Integrated Shipping Information System (GISIS): Recent reported incidents of piracy & armed robbery: <http://gisis.imo.org>
 - MSC Circular 1405/Rev.2 (as amended): “Revised interim guidance to shipowners, ship operators and ship masters on the use of privately contracted armed security personnel on board ships in the High Risk Area”, released 25 May 2012.

- MSC 92/INF.14: “International model set of rules for Rules for use of Force” (RuF), submitted by Marshall Islands, ICS, ISO and BIMCO, 9 April 2014. Also used as input to ISO TC 8.
- MSC.1/Circ.1406/Rev.3: Revised interim recommendations for flag states regarding the use of privately contracted armed security personnel on board ships in the High Risk Area, 2 June 2015.
- Circular Letter No. 3606: Revision of coordinates of the High Risk Area (HRA) – BMP4, 2 December 2015.
- MSC.1/Circ.1585: Reporting of incidents of piracy and armed robbery against ships in the Gulf of Guinea, 5 July 2017.
- MSC.4/Circ.258: Reports of acts of piracy and armed robbery against ships – Annual Report 2017, 16 April 2018.
- MSC.1/Circ. 1601: Revised Industry Counter Piracy, December 2018.
- MSC101/18/1: Review of the High-Risk Area for piracy in the Indian Ocean, submitted by ICS, BIMCO, OCIMF, INTERTANKO and INTERCARGO, 11 March 2019.
- **International Organization for Standardization (ISO)**
 - ISO/PSA 28007:2012 Ships and marine technology – Guidelines for Private Maritime Security Companies (PMSC) providing privately contracted armed security personnel (PCASP) on board ships (and pro forma contract), published 14 March 2013.
- **ICS & ECSA**: Comparison of flag state laws on armed guards and arms on board, November 2013.
- **BMP5**:
 - **Best Management Practices to Deter Piracy and Enhance Maritime Security in the Red Sea, Gulf of Aden, Indian Ocean and Arabian Sea, June 2018.**
- **BIMCO’s GUARDCON contract**
 - Special Circular No. 1 – 20 February 2014 on recommended amendments to GUARDCON for use off West Africa.
 - IGP&I GUARDCON West Africa – IG clubs’ version including the recommended amendments in Circular 1, 9 April 2014.
- **European Union**:
 - Gulf of Guinea strategy, 17 March 2014.
 - Revised Maritime Security Strategy Action Plan, Council conclusions 26 June 2018.
- **EU Naval Force (EU NAVFOR)** – Operation Atalanta: <http://eunavfor.eu/>
- **ICC International Maritime Bureau – Piracy Reporting Centre**: <https://www.icc-ccs.org/piracy-reporting-centre>
- **Maritime Security Centre Horn of Africa (MSCHOA)**: www.mschoa.org
- **Joint War Committee (JWC)**: Listed areas, revised 10 December 2015.
- **IUMI: Position Paper - Piracy and its suppression, 29 January 2016.**
- **ReCAAP** – www.recaap.org:
 - Guide for Tankers Operating in Asia Against Piracy and Armed Robbery Involving Oil Cargo Theft, 25 November 2015.
 - Regional Guide to Counter Piracy and Armed Robbery Against Ships in Asia, 17 February 2016.

- **Maritime Domain Awareness for Trade – Gulf of Guinea (MDAT-GoG)**
- **ICS, BIMCO & INTERTANKO:** Interim Guidance on Maritime Security in the Southern Red Sea and Bab Al-Mandeb, 24 January 2018.
- **Maritime Global Security website:** www.maritimeglobalsecurity.org
 - Global counter piracy guidance for companies, masters and seafarers, June 2018.
 - The 3rd edition of the guidelines for owners. Operators and masters for protection against piracy and armed robbery in the Gulf of Guinea, 3 June 2018.

Timeline / important dates

- ISO/PSA 28807:2012: Published 14 March 2013.
- IUMI conference 15-18 September 2013, focusing on Gulf of Guinea.
- NATO terminated its counter-piracy mission November 2016.
- MSC 100: 3-7 December 2018.
- EU NAVFOR (Operation Atalanta) extended until 31 December 2020.

IUMI will:

- Monitor and inform IUMI membership of new developments.
- Strongly support implementation of BMP5 and consider amendments and/or more suitably adapted versions for new areas/threats as and when appropriate.
- Support implementation of IOS PSA 28007 as the sole standard when determining rules for the use of force.
- Endorse guidelines issued by BIMCO and ICS for vessels and crews.
- Encourage governments to support counter-piracy operations through naval task forces and other means of support off the Horn of Africa.
- Encourage owners and insurers to remain vigilant in the Indian Ocean.

13. Sanctions

Brief description

International sanctions as a tool for countries to act against others for political reasons influence the global maritime industry on a daily basis.

While sanctions are nothing new, the targeting of financial services have demonstrated the need for marine insurers to keep up to date with new sanction regimes and how to comply with them.

Several markets have issued optional sanctions clauses to comply with these regimes. In addition, proper due diligence is recommended from individual insurers.

The list below, while not necessarily complete, provides guidance on where information can be found from three key sanction regimes.

Key sanction regimes – information links

- **United Nations:**
 - General Information about Sanctions:
<https://www.un.org/sc/suborg/en/sanctions/information>

- **United States of America:**
 - U.S. Sanctions List Search:
<https://sanctionssearch.ofac.treas.gov/>
 - U.S. Treasury OFAC Sanctions Programs:
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>
 - U.S. Treasury OFAC Recent Actions:
<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/OFAC-Recent-Actions.aspx>
 - OFAC SDN List:
https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fuzzy_logic.aspx

- **European Union:**
 - EU Consolidated list of sanctions:
https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en
 - Updated blocking statute in support of Iran nuclear deal:
http://europa.eu/rapid/press-release_IP-18-4805_en.htm
 - EU Sanctions Map:
<https://www.sanctionsmap.eu/#/main>

14. Theft prevention / safe and secure parking places

Brief description

The European Union stated in a 2009 study that each year direct and consequential claims arising to an amount of EUR 8 billion are caused by theft from means of transport. Intrusion is the preferred modus of operation of cargo thieves, and trucks parked in unsecured parking locations are the main target. The fact remains that there are far too few secured parking areas. At the same time, the perpetrators are acting more and more in an organized fashion.

Both for cargo and forwarders' liability insurance, only effective loss prevention measures make some types of transport insurable. For example, the German Insurance Association (GDV) has developed a manual for the construction and operation of high-security truck parks, and the American insurance industry has developed data and recommendations on static and in

transit cargo loss prevention as well as data on truck stop thefts pinpointing the locations of facilities victimized. The Transported Asset Protection Association (TAPA) has developed security standards⁴ and makes these available with regular updates. In July 2018, TAPA also launched new Parking Security Requirements in an effort to raise the standards with the first 19 secure European parking sites signing up to join the programme. Information about secure parking areas are also available in several countries. Finally, recommendations on loss prevention are drafted to protect truck consignments from embezzlement.

In January 2017, the European Commission DG MOVE contracted Cross-border Research Association (CBRA) and TAPA EMEA to develop new security guidelines for the European freight transport sector. The new security toolkit “ROADSEC” was published in January 2018, providing clear operational guidance that will help truck drivers, haulage companies and other key stakeholders to address cargo theft, robberies, irregular migration, and terrorism on European roads.

IUMI has published a position paper with a statement of the more general concerns and needs of insurers. In addition to the current measures and continued theft prevention activities by the industry, IUMI urges the following actions for the prevention of cargo theft:

- Relevant authorities should develop an overview of the cargo theft situation, including the theft of trailers and containers, in their respective country or region. Based on this, and in discussion with insurers and other industry stakeholders, decisions should be made on how to deal with hotspots and future measures against cargo theft.
- Exchange of best practices across borders on local initiatives proven to be successful.
- Improve law enforcement through transnational coordination and cooperation between countries and national law enforcements.
- Create special police units and specialised departments of public prosecution dealing with cargo crime.
- As criminals use the internet, there should be specific attention given to cyber fraud, such as with bills of lading and permits.
- Increase police presence in commercial truck parking areas and cargo storage facilities, especially during nighttime, weekends and holidays.
- Create a network of high-security, accessible and affordable truck parks.

Introducing these measures would contribute to facilitate the safe and secure flow of goods within the global supply chain and increase the safety of people working in the transport sector.

Relevant authority / organisations and documents / links

- **National** authorities / ministries of transport
- **EC (DG Mobility and Transport)**
 - TEN-T: Trans European transport network guidelines.
 - EC Regulation 561/2006 on driving times.

⁴ FSR = Freight Security Requirements
TSR = Truck Security Requirements

- [Directive 2003/59/EU](#) driver training – crime prevention.
- [Directive 2008/96/EC](#) road infrastructure safety management.
- [Directive 2010/40/EU](#) on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport.
- [Council Resolution 8/9 November 2010](#) on secure TPAs.
- [Study on Safe and Secure Parking Places for Trucks](#), February 2019 & EC response, 11 March 2019.
- **SETPOS** – secure European truck park: www.setpos.eu
- **LABEL** – classification of TPAs for security and comfort quality standards: www.truckparkinglabel.eu
- **TRANSPark** (International Road Transport Union (IRU): www.iru.org/transpark-app
- **TRUCKinform** (The European truck parking information portal): www.truckinform.eu
- **Road Haulage Association**: www.rha.uk.net
- **IUMI national associations' web pages** (in particular):
 - Italy: www.ania.it
 - Germany: High-security truck park – Non-binding security recommendations: http://www.tis-gdv.de/tis_e/bedingungen/parken/parkplatz_gesichert/inhalt.htm
 - Netherlands: www.verzekeraars.nl
- **Cargo workshop**, IUMI conference London, 16 September 2013: “Tackling global theft through the Label Initiative”, Eric de Smet, Baloise Insurance, Antwerp
- **IUMI Position Paper on Theft prevention, 15 September 2015** (<https://iumi.com/opinions/position-papers>).
- **Transported Asset Protection Association (TAPA):**
 - Incident Information Services – & Secure Parking (EMEA region – Europe, Middle East and Africa).
 - Parking Security Requirements, 2017
- **Project ROADSEC**: Security toolkit for truck drivers www.roadsec.eu

Timeline / important dates

- Political Forum workshop, IUMI conference Berlin, 15 September 2015: “Theft prevention; IUMI position and recommendations”, Håkan Nyström, AIG.
- Meeting with DG MOVE – Security, Brussels 18 October 2016.
- David Taylor (Loss Prevention Committee) presentation in TAPA conference 17-18 November 2016 & 25-26 October 2017.
- New security guidelines for the European road freight transport sector (ROADSEC), January 2018.
- TAPA EMEA Secure Parking Programme to be launched in 2017.
- Evaluation of the Intelligent Transport Systems (ITS) Directive, EC DG MOVE, consultation period 5 May – 28 July 2017.
- Panel discussion EC DG MOVE TEN-T Days, Ljubljana, 25 April 2018.



IUMI will:

- Encourage and support measures that contribute to facilitate the safe and secure flow of goods within the global supply chain and increase the safety of people working in the transport sector.
- Urge the following actions in addition to current measures and continued theft prevention activities by the industry:
 - Relevant authorities should develop an overview of the cargo theft situation, including the theft of trailers and containers, in their respective country or region. Based on this, and in discussion with insurers and other industry stakeholders, decisions should be made on how to deal with the aforementioned hotspots and future measures against cargo theft. Exchange of best practices across borders on local initiatives proven to be successful is encouraged. Improving law enforcement through transnational coordination and cooperation between countries and national law enforcements.
 - Create special police units and specialised departments of public prosecution dealing with “cargo crime”.
 - Increase police presence in commercial truck parking areas and cargo storage facilities especially during night-time, weekends and holidays.
 - Create a network of high-security, accessible and affordable truck parks.
- Monitor and inform on relevant new initiatives and best practice.