You never walk alone – not least on the sustainability path

By Anneke Kooiman, IUMI Executive Committee Vice Chair & Associate Director Technique Marine, Dupi Underwriting Agencies B.V,, 11th February 2022

"You never walk alone" is a song written by Richard Rodgers and Oscar Hammerstein for the musical Carousel in 1945. And the whole energy transition is a big carousel, in which we all take part.

At the end of last year the VNAB (The Dutch Insurance Exchange Association) published a magazine called: A sustainable look at the future. I was asked to participate as guest editor and was interviewed as well, together with Frouwke de Vries from the IVR (International Association for the representation of the mutual interests of the inland shipping and the insurance, and for keeping the register of inland vessels in Europe). We spoke about the inland hull market, from an insurance perspective, and made a plea to the market to invest in a sustainable future and to be prepared to take on the challenges coming our way instead of ignoring them.

The VNAB organised a webinar before the magazine was published and invited three speakers, who shared their experiences regarding environmental, social and governance (ESG) and sustainability related matters with the insurance industry. Among them was the Head of Insurance and Risk Management of Signify She showed what her company had done so far to reduce CO_2 and confirmed that the required reduction by 2030 and 2050 should be achievable. All three speakers also felt that insurers could play a more significant role in their operations and encouraged insurance companies to think more sustainably.

In an interview, the CEO of the Port of Rotterdam Allard Castelein, as one of the largest ports in the world, explained the three phases they have planned to achieve becoming a CO_2 neutral port. Phase one is to reduce emissions by taking efficiency measures, phase two is to switch to electricity and hydrogen instead of oil and gas and phase three is to eliminate the use of fossil fuels. All this to achieve the required reduction, but also to work towards a sustainable future for everyone. The challenge is to get all the companies within the port to participate in order to achieve the desired reduction. He especially points out a lack of sense of urgency within the insurance industry. The current insurance products and services no longer fit the challenge of what lies ahead of us and he called on us to actively take up this task.

The interview with ENECO's Walter Dijkstra and Jan-Willem Hoogenboezem from Marsh was interesting as well. They also noted that insurers do not think enough along with them when it

comes to new developments and risks that fall outside the norm regarding energy transition, making it difficult to insure these types of risks. The tough market conditions ’does not help here. Insurers are quick to say that it does not fit in with their risk appetite. Cooperation is key and insurers will also have to take on their role in the energy transition.

Another client, Bernard van den Berg – Koninklijke BAM Groep, stated in an interview that when selecting insurers, they take into account the sustainability objectives and behaviour of insurers in the area of sustainability and also insist on more cooperation and a positive approach to insuring new risks.

The bottom line is that we as insurers have to take into account this strong message from our clients. We have to be prepared to promote sustainable products, stimulate the courage and willingness to insure and, above all, enter into cooperation with our clients, which also includes brokers. So let us walk together!