



IUMI
International Union of
Marine Insurance



Message from the President

IUMI is pleased to launch its inaugural newsletter which serves to regularly update members on the activities of IUMI in and around the International Marine Insurance market.

We were delighted to appoint Lars Lange as our new Secretary General. Lars is responsible for a major series of reforms in the operation of our Association.

This work has already begun and will be reported to members through this newsletter and other communications. Let me take this opportunity in advance to thank all those members who are assisting Lars in this work.

*Ole Wikborg
President IUMI*



IUMI Political Forum

Chaired by Helle Hammer of Cefor, with representatives from the major marine markets, IUMI's Political Forum was established in May 2012. It is tasked with the responsibility of identifying and monitoring framework related issues of interest to the global marine insurance industry and proposing possible actions and IUMI positions where appropriate.

The Forum will work closely with IUMI's technical committees, member associations and affiliates. Of particular interest will be the Forum's contributions to the deliberations of the International Maritime Organisation.

On its recent agenda at the spring meeting in Amsterdam, of the 15 topics already identified, issues such as container ship safety, ports of refuge and low sulphur fuels were identified as high priority for action in the near future. A full report of the Forum's activity will be presented at the London conference and a list of current issues can be found on the IUMI website at www.iumi.com/committees/political-forum.

Places of Refuge

IUMI is monitoring revisions to an EU Directive concerning Places of Refuge. This activity is in the light of recent instances where ships in need of assistance were denied prompt access to places of refuge. IUMI plans to raise concerns that such cases demonstrate a need for better implementation and enforcement of existing measures.

Cargo Container Ship Safety

A significant initiative on new fire fighting facilities for container ships is being reviewed by IUMI in the wake of recent major losses such as *Flaminia* (pictured below). This will be launched at the annual conference in London and then discussed with the IMO Maritime Safety Committee and Flag States.



Preparations for London Conference

After an absence of 13 years, London will once again host the Annual Conference this year.

The theme is "Marine Insurance – Building Resilience and Defining a Sustainable Future". The organising Committee from IUA/LMA has now released registration details to member associations at www.iumi2013.com. Meanwhile the technical Committees met recently in Amsterdam and have prepared an exciting and valuable programme for the conference.

We all look forward to being in London and to further building the important business relationships within the Association.

IUMI
London
2013



International Trade Sanctions

The proliferation in trade and economic sanctions around the world is having a material effect on the marine insurance market. Greater uncertainty regarding the legality of maritime trading is now a problem for both insurers and clients alike. The recent issues surrounding the use of Iranian bunker fuels are a case in point. IUMI's Political Forum will be monitoring further amendments to sanctions with a view to informing members as developments occur.

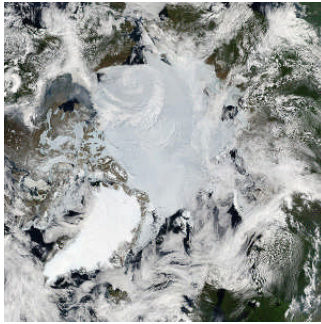
IUMI backs Arctic initiative

A 'Declaration of Best Practice' for marine operations in the Arctic has been welcomed by IUMI. The document aims to protect the environment and reduce the impact both of normal marine operations and the exploration of natural resources.

It has been drawn up for the Arctic Council and sets out a series of rules that encourage any development to be carried out in a sustainable manner without harmful social and ecological consequences.

A consultation on the content of the declaration is now underway. It is a non-political document that will be accepted on a voluntary basis. But signatories will declare a commitment to follow the IMO draft Polar Code. They will also undertake to share knowledge gained in Arctic operations to increase the safety of future projects.

It is intended that the declaration will be signed by oil companies as well as the operators of ships, drilling rigs, and other marine infrastructure.



IUMI 2015

The IUMI Executive Committee has commissioned a strategic overhaul of the Association which will address the governance and operation for the future.

The organisation of the annual conference which is the signature event of the Association is also being considered.

There is also a determination for IUMI to be seen as the representative body for the marine insurance industry. The newly formed Political Forum will serve as the focal point for this work.

An update on IUMI 2015 will be presented at the forthcoming annual conference in London.

Costa Concordia

IUMI is reviewing the recommendations resulting from the marine casualty investigation into the loss of the Costa Concordia cruise ship in January last year.

A preliminary report has been presented to the Maritime Safety Committee of the IMO and comments requested on recommendations made by the government of Italy.

The document calls for efforts to reduce risk by mitigating the human factor with education and training and improve standards of construction with modern technology.

It also calls on the maritime community to maximise its contribution to technical research.



Spring Statistics show Sandy spend

The cost of Superstorm Sandy to the global marine market has been put at \$2.5 billion - \$3 billion, according to IUMI's annual Spring Statistics. This effectively wipes out the entire US marine premiums for 2012. The statistics cover the cargo, ocean hull and offshore energy sectors and remain a litmus test for the marine insurance market.

In the ocean hull class, the loss of the Costa Concordia was the biggest event in a year where the level of losses remained at concerning levels.

Meanwhile the pace of new rigs coming into service in the offshore drilling industry continued with 36 new builds delivered in 2012 and a further 74 scheduled for 2013.

IUMI president Ole Wikborg commented: "Some severe major losses hit several lines of marine insurance business in 2012. Although the claim frequency and cost are beyond our control, we are going to do our part to turn it for the better in 2013. Hence we have chosen for IUMI's 2013 conference in London in September the common theme 'Building resilience – defining a sustainable future.'"

Low Sulphur Fuels

Compliance with new cleaner burning fuel oil standards that came into force in the North American Emissions Control Area on 1 August 2012 will apply in Europe from 1 January 2015. IUMI is studying the implications of these new standards, for example their effect on machinery damage. A request has been made for the International Association of Classification Societies to become involved in the issue and IUMI will also be meeting with other interested parties to ensure that the interests of underwriters are properly represented.

Speakers lined up for IUMI conference

Two keynote speakers have been agreed for this year's IUMI conference in London. Andrew Winbow, Assistant Secretary-General of the International Maritime Organization will deliver a presentation on issues facing the IMO, particularly where these are common to those on the IUMI agenda. Also speaking at the conference in September will be Tom Bolt, Director of Performance Management at Lloyd's where he has worked since 2009. Previously he was Managing Director of Marlborough Managing Agency.



Tom Bolt



Andrew Winbow

IUMI Contacts

Lars Lange - Secretary General

Email lars.lange@iumi.com
Phone 0049 (0)40 2000 747-0
Mobile 0049 (0)160 700 55 99

IUMI
Grosse Elbstrasse 36
D-22767 Hamburg
Germany

Gillian Erschfeld (Assistant)
gillian.erschfeld@iumi.com

