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## Message from the President

# What a year 2017 has been!



By Dieter Berg  
IUMI President

As this year draws to an end it is quite remarkable to look back and see what has happened in just one year.... President Trump's inauguration, the UK activating article 50 to withdraw from the Eurozone, increasing acts of terrorism all over the world...the list goes on and on.

The current uneasy political and financial environment is what provoked us to choose this year's annual conference theme "Disruptive times – opportunity or threat for marine insurers?". And it was a hugely successful conference thanks to our great speakers, hardworking Technical Committees, the impeccable organisation of the General Insurance Association of Japan (GIAJ) and the IUMI secretariat.

Over 500 delegates and 60 speakers and panelists descended onto the city of the rising sun, Tokyo, and discussed innovation, digitalisation, disruption in shipping and logistics, as well as other aspects of society, including politics and technologies. After three days of fascinating presentations, interesting discussions and heated debates I believe three main themes emerged relevant to the marine insurance industry.

### The market environment

The IUMI Facts & Figures Committee reported that the global economy was showing signs of recovery after two poor years which is good news for marine insurers. However, the increase of protectionist measures worldwide with free-trade agreements in danger, and political instability in various regions of the world has the potential to cause serious disruption.

Our business is also still under pressure. The international cargo and hull markets continue to be in a soft market state. The offshore energy sector also looks gloomy with strong pressure on rates and the depressed oil price which has led to a massive reduction in exploration and production.

In contrast to past years we have seen an intensive hurricane season with Harvey, Irma, Maria and Nate equally hit marine insurers. On the basis of various estimations, we expect that the total insured market loss from these events might exceed US\$ 100bn. These huge losses will have an impact on the insurance markets globally not just in the affected regions.

There are of course positive signs on the horizon with China's Belt and Road initiative which will undoubtedly unlock new opportunities for marine insurers and an upswing in the global economy will push trade volumes and values.

### Technological, legal & regulatory challenges

With ships growing larger and larger, new floating offshore technology and the impact of climate change, government intervention and stricter regulations are

becoming common practice. As marine insurers we must have a clear focus and understanding on the changing supply chain risks and increasing accumulation of values on ships and storage. Underwriting excellence means intelligently managing these risks in our books.

### Disruption, innovation & digitalisation

Technological innovation and digitalisation is going to massively change the shipping and logistics industry. E-navigation, smart port logistics, intelligent containers, blockchain, the Internet of Things are going to alter our clients' businesses and their expectations towards their insurers.

Digitalisation will also impact our own business as it will change the existing insurance value chain. Marine insurers are very well positioned to tackle these challenges if we focus on our competencies; expertise, service and relationships. Together with the willingness to promote innovation and understand the changing expectation of our clients, we will be ready to turn disruption into opportunity.

Looking forward to 2018 I am excited to see how the market develops and am confident that marine insurance will prevail by continuing to offer high quality services to our clients.

I wish you happy holidays and look forward to working with you next year!



## IUMI calls for improved firefighting systems on board container vessels



By Lars Lange  
IUMI Secretary General

With the growing size of container vessels, and a recent spate of fires on board these ships, IUMI is concerned that current firefighting provisions are insufficient and published in September 2017 a position paper calling for better on board fire-fighting systems for container vessels. Recent examples include fires on *NINCI Arauco* (9,000 TEU) in September 2016 during welding operations whilst alongside in Hamburg, *Hanjin Pennsylvania* (4,000 TEU) in November 2002 claiming the lives of two crew members and resulting in a constructive total loss; and *MSC Flaminia* (6,732 TEU) in July 2012, resulting in three fatalities and also a constructive total loss.

Whilst IUMI expressly welcomes the 2014 amendment to the International Convention for the Safety of Life at Sea (SOLAS) to increase the effectiveness of firefighting, the association believes more should be done. Recent amendments to SOLAS are a move in the right direction but they do not go far enough. The legal requirements prescribed by SOLAS were originally developed for fires on board general cargo vessels and these ships are structurally very different to a container vessel; and cargo is stored differently. IUMI believes the mode of fire-fighting set out in SOLAS is not suitable for a modern containership, particularly as they continue to grow in size.

In IUMI's view, fire-fighting systems should allow for segregating the ship into fire compartments, where the fire can be isolated in order to prevent it from spreading. Systems could then cool the containers and allow the burning containers to burn out in a controlled manner.

In addition IUMI believes that better prevention measures can be taken: Containers often hold a wide range of hazardous and toxic substances and mis-declaration of the containers' content has, in IUMI's view, a significant impact. Although no reliable figures exist, IUMI believes that a considerable amount of containers' content is mis-declared and this may lead to insufficient handling of the containers and can also increase the danger of combustion of the goods. It will also impact on fire-fighting strategy.

Mindful of the increasing size and complexity of modern containerships, IUMI believes that it is necessary for further steps to be taken to improve the safety of the crew, the cargo and the ships themselves. IUMI recommends further discussions with the IMO, flag states, class and relevant industry stakeholders on how best to improve fire detection, protection and fire-fighting capabilities on board container vessels.



For the full position paper  
please click here





By Nick Gooding FCII  
IUMI Alternate Officer at IMO

## Report on the meeting of the Sub-Committee on the Carriage of Cargo and Containers

The meeting of the Sub-Committee on the Carriage of Cargo and Containers took place 11–15 September 2017. The key matters of interest are as follows:

### Bauxite carriage alert issued

The Sub-Committee raised awareness on the potential risks posed by moisture and provided new guidance on carriage of bauxite, in the form of a circular aimed at shippers, terminal operators, shipowners, ship operators, charterers, shipmasters and all other entities concerned. The circular requests that extreme care and appropriate action be taken, taking into account the provisions of relevant IMO instruments, when handling and carrying bauxite in bulk.

The circular takes immediate effect, ahead of the next scheduled adoption (in 2019) of the new test methods and relevant schedules for bauxite cargoes during the routine scheduled updating of the International Maritime Solid Bulk Cargoes (IMSBC) Code. The IMSBC Code is the industry rulebook on how to deal with bulk cargoes.

The CCC.1 circular updates a previous circular on carriage of bauxite and invites Governments to note that some bauxite cargoes (specifically those with a larger proportion of smaller particles) present a risk caused by moisture and should be treated as Group A cargoes. Excess moisture in such cargoes can lead to

a free surface slurry. This can cause atypical motion of the ship (wobbling). The master should take appropriate action in the event of this possible sign of cargo instability.

The circular includes the draft test procedure for determining the transportable moisture limit (TML) for bauxite; the draft individual schedule for bauxite of Group A (bulk cargo shipping name "BAUXITE FINES"); and draft amendments to the existing individual schedule for bauxite of Group C (bauxite with a lower proportion of smaller particles and with a degree of saturation by moisture not liable to reach 70 per cent).

### Guidance on carriage of ammonium-nitrate based fertiliser issued

The Sub-Committee issued guidance on carriage of ammonium-nitrate based fertiliser (CCC.1/Circ.4), urging extreme care when handling and carrying the fertiliser in bulk.

The warning follows accidents involving the Purple Beach (2015) and Cheshire (2017). While the investigation reports are still pending, the Sub-Committee agreed on the need to raise awareness of potential problems.

During the incidents, the gas clouds produced were large enough to envelop the ship, and cover the sea area surrounding the ship. The vapour emitted was highly toxic. Such conditions could affect the safe abandonment of the ship and hinder rescue and firefighting efforts.

In such events, cargo decomposition may last for multiple days and the temperatures in cargo holds may reach in excess of 500°C.

The Circular notes that the best protection for seafarers is awareness of the decomposition process to allow it to be identified at an early stage. Regular monitoring of the cargo throughout the voyage is crucial to detect the start of decomposition.

### IMSBC Code amendments developed

The Sub-Committee continued its regular work to update the IMSBC Code. The next set of IMSBC Code amendments will be a consolidated version which is expected to be prepared by the Editorial and Technical Group (E&T 29, meeting spring of 2018) and subsequently adopted by MSC 101 in 2019.

### IMDG Code amendments finalised

The editorial corrections to amendment 38-16 to the International Maritime Dangerous Goods (IMDG) Code and the next set of draft amendment 39-18 (for adoption in 2018) to the IMDG Code, were finalised.

The draft amendments include new provisions regarding IMO type 9 tank, a set of new abbreviations for segregation groups (SGG), and special provisions for carriage of lithium batteries and carriage of vehicles powered by flammable liquid or gas.

### Draft amendments to part A-1 of IGF Code agreed

The Sub-Committee agreed draft amendments to the International Code of Safety for Ships using Gases or other Low-flashpoint Fuels (IGF Code), relating to protection of the fuel supply for liquefied gas fuel tanks, aimed at preventing explosions.

### Safety provisions for ships using fuel cells developed

Further progress was made in developing safety provisions for ships using fuel cells, including the proposed new part E on fuel cell power installations to IGF code. Part E would cover installation, fire safety and other relevant matters.

### Unified interpretations agreed

The Sub-Committee agreed unified interpretations to the IGF Code and the International Code of the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code) relating to testing of high-level alarms and level indicator in the bilge well of tank connection spaces of independent liquefied gas storage tanks.

### High manganese austenitic steel work continued

Work continued on discussing the suitability of high manganese austenitic steel for cryogenic service, and it was agreed that that draft Interim guidelines for the application of high manganese austenitic steel for cryogenic service should be developed. The correspondence group was re-established.

High manganese austenitic steel is a material that has been proposed as being suitable for use in cryogenic applications such as cargo tanks, fuel tanks and piping of LNG carriers and LNG-fueled ships.

By Nick Gooding FCII  
IUMI Alternate Officer at IMO

## Implementation of IMO Instruments Sub-Committee

The IMO Sub-Committee on Implementation of IMO Instruments held its 4th Session from 25 - 29 September 2017. The following groups met during the meeting.

### Working Group 1 (WG1)

Discussed lessons learnt and safety issues identified from the analysis of marine safety investigation reports.

### Working Group 2 (WG2)

Looked at measures to harmonise Port State Control (PSC) activities and procedures worldwide, and identified issues relating to the implementation of IMO instruments from the analysis of Port State Control data.

### Drafting Group 1 (DG1)

Looked at Survey Guidelines under the Harmonised System of Survey and Certification (HSSC)

### Joint Working Group (JWG)

Studied the recommendations of the third session of the Joint Food and Agriculture Organisation of the United Nations/IMO Ad Hoc Working Group on illegal unreported and fishing and related matters

The main outcomes are reported below.

### Lessons learnt and safety issues identified from the analysis of marine safety investigation reports

Upon receipt of WG1's report, the sub-committee approved it in general, and in particular:

1. approved changes to the text of casualty analysis for release to the public on the Global Integrated Shipping Integrated System (GISIS) Marine Casualties and Incidents module;
2. agreed bringing observations regarding the quality of marine investigation reports to the attention of Administrations by means of a circular;
3. approved draft text of Lessons Learnt from Marine Casualties and their release on the IMO website;
4. invited the HTW sub-committee to advise Member States that they should make use of the report on GISIS Mass Casualty Incident module for the benefit of seafarer's education and training;
5. noted that the current casualty analysis procedure will remain in force until the new one is duly endorsed by the sub-committee;
6. noted the outcome in IACS' review using data from GISIS Ship and Company Particulars and Mass Casualty Incident modules for conducting FSA Studies.

### Measures to harmonise Port State Control (PSC) activities and procedures worldwide

A wide-ranging discussion took place in Plenary covering items such as: the report of the correspondence group set up by III 3; guidelines for Port State Control officers on certification of seafarers hours of rest and manning; guidance on provision of documentary evidence required under the Standard of Training Certification and Watchkeeping (STCW) Convention; fire integrity of certain bulkheads; performance of Flag Administrations and ROs; transparency and harmonisation of PSC information as well as the analysis of PSC activities, practices and statistics.

Following discussion in Plenary WG2 was established and set to work. The Group submitted its report which was generally approved by the sub-committee, and in particular:

1. approved text intended to provide Port State Control officers with clear guidance and agreed to the revised text of the draft Guidelines for Port State Control officers on certification of seafarers, manning and hours of rest;

2. agreed a draft revision of resolution A.1053(27) on the Procedures for Port State Control 2011, with a view to future adoption;

3. agreed draft text for the action to be taken by Port States on the required update of Electronic Chart Display and Information System.

### Updated survey guidelines under HSSC, non-exhaustive list of obligations and review of administration/ROs model agreement

The Drafting Group following terms of reference produced a detailed report for the Sub-Committee's approval. In particular, the Sub-Committee:

1. agreed to a new draft survey item to address the instruction of MEPC 71 introducing provisions for validating the compliance of individual Ballast Water Management Systems, with the applicable regulation of the BWM convention at the commissioning stage;
2. endorsed DG1's view that this should not apply to vessels which have already been subject to an initial survey prior to the entry into force of the proposed guidelines;
3. invited MEPC to consider whether detailed aspects regarding validation compliance of individual BWMS with regulation D-2 of the BWMC in conjunction with their commissioning need to be addressed;
4. invited MEPC to consider whether a review of the Survey Guidelines under the HSSC in relation to the BWMC may be required in light of the 2016 Guidelines (G8);

### Outcome of the third session of the joint FAO/IMO ad hoc Working Group on Illegal, Unreported and Unregulated (IUU) fishing and related matters

Following a discussion in Plenary, a Joint Working Group, on the recommendations of the third session of the Joint FAO/IMO Ad Hoc Working Group on IUU Fishing and Related Matters, was set up and various recommendations were made to the meeting which were carried forward.

## Political forum



By Helle Hammer  
Managing Director of Cefor and  
Chair of the IUMI Political Forum

## EU Places of Refuge exercise in Norway

History has taught us that written guidelines may not always be enough when faced with a real situation of a vessel in distress. When IUMI welcomed the new EU operational guidelines for places of refuge in January 2016, we also stressed that the true success will be demonstrated as actual incidents occur. Fortunately, they are not too many. Exercises therefore become necessary for Member States to familiarise themselves with proper procedures and the tools available to them.

The European Maritime Safety Agency (EMSA) organised, together with the Norwegian Coastal Administration, a table top exercise on the Operation Guidelines in Horten, Norway, 27–28 September. The exercise was held in conjunction with a larger live exercise on pollution response in Skagerak (SCOPE). The exercise was well attended by Member States and observers representing amongst others salvors, P&I and hull insurers (including IUMI), and played out a scenario in which communication tools and coordination among the co-ordinating and supporting Member States were key elements.

Through plenary and workshop discussions it was clearly explained how insurers can respond and what lies within the scope of P&I and H&M respectively in these situations. Several tools and information sources are now available to assist coastal states when dealing with an incident. This will allow for better advised and quicker decision making based on a proper assessment of each situation. As stated in the guidelines, there shall be no denial of access to a place of refuge on anything (commercial or financial) other than safety grounds.

The operational guidelines will be updated based on lessons learned, and a fourth version was published in January 2017. IUMI has been involved as one of the industry stakeholders in the development of the guidelines, and strongly supports their implementation and global application.

## Proper fuel treatment one step closer

The International Maritime Organization's (IMO) 0.5 per cent global sulphur fuel limit will come into force in 2020. Heavy fuel oil is already restricted in Emission Control Areas (ECAs), and new low-sulphur fuels are entering the market.

Marine insurers have for some years raised their concerns over the discrepancy that exists between the ISO fuel standard for cat fine content in fuel, and the content recommended and anticipated by manufacturers in engine design. Machinery damage is the most frequent claims cause in marine insurance, and cat fines is the most typical and well-known contaminant that can destroy an engine without effective filtration, purification and fuel management on board. Cat fines is a by-product of refining, and increases with low sulphur fuels that require more refining.

IUMI first raised this issue with the International Association of Classification Societies (IACS) in 2011, and representatives of IUMI met with the IACS Machinery Panel in 2013 to present our concerns. Following this meeting a project team was established within IACS, and in July 2017 Recommendation 151 for petroleum fuel treatment systems for marine diesel engines was published.

The IACS Recommendation aims to improve the operational safety of the vessel, and addresses many of the concerns raised by IUMI. The requirements cover the complete fuel treatment system from bunker fuel connection through to the interface with the oil fuelled machinery; this includes fuel tanks, the fuel cleaning equipment and the fuel condition equipment.

A few classification societies already have requirements in place for the handling of fuel; DNV GL, RINA and the Indian Register of Shipping. However, a more unified comprehensive approach through the IACS recommendation is clearly needed. For Recommendation 151 to become effective, IUMI encourages implementation by all IACS members and will monitor its adoption.

Places of Refuge exercise in Norway  
27–28 September 2017







Image: Transported Asset Protection Association

## TAPA 20th Anniversary Conference



By David Taylor  
Europe & International Marine  
Director at RSA and  
Chair of the IUMI Loss Prevention  
Committee

The 20th Transported Asset Protection Association's (TAPA) global anniversary conference took its participants on a journey looking into the future of the supply chain. With over 500 delegates attending on 25–26 October in London, participants included supply chain security experts and security technology firms, as well as government officials, insurers and surveyors.

The conference programme was designed to go beyond the “here and now” of the realities of cargo crime and cargo theft, and instead look at potential changes, trends and disruptions to the supply chain likely to arise in the (near) future. New technologies such as drones, autonomous vehicles and robots were not only discussed but also demonstrated with live demonstrations.

I was invited back to speak, on behalf of IUMI, for the second time at a TAPA event. In my presentation I discussed the rapidly changing challenges facing insurers in the 21st century. I emphasised that seven drivers of change will make a significant impact on insurers' business models as we know them today: financial and insurance, environmental, globalisation, socio-economic, legal and regulatory, technological, and geopolitical factors.

A recurring message throughout the conference was the importance of collecting better data, making it accessible and maximising the value derived from it. This was noted by several speakers who explained that they had huge data sets available but hadn't found a suitable method yet on how to utilise them.

Nik Gowing, from “Think the Unthinkable”, stressed that “big data is the oil of the future” and that it will likely shape the 21st century as oil did in the 20th century. A challenge noted by one logistics provider was the size of their datasets, which in principle was considered a good starting point. They would, however, only make it available if other companies were to join and contribute their data. If there are not sufficient contributors, data could be easily traced back to the initial data provider. Coalition building is therefore crucial in order to successfully mine the data sets. A logical consequence to the increasing importance of big data was reflected in the hiring of more data analysts and mathematicians by certain logistics firms.

For IUMI and its members the challenge behind collecting data is twofold; firstly, we must ensure that we collect and use the optimal data, and secondly, to find a way to consistently capture data in a sufficiently consistent and optimal way across our markets that can be used and leveraged as an asset with industry partners and our customers. Insurers have the potential to assist industry stakeholders by combining and sharing data - particularly on losses generally and theft specifically – with data from potentially hundreds of thousands of clients. Insurers' value in the future is dependent upon our specialist expertise and data, as well as our capacity.

# 2017 IUMI statistics: Marine insurance markets under pressure, but global economy shows some signs of recovery



By Astrid Seltmann  
Analyst/Actuary of the Nordic  
Association of Marine Insurers (Cefor)  
and Vice Chair of the  
IUMI Facts & Figures Committee

At the 2017 IUMI conference in Tokyo, the Facts and Figures (F&F) Committee set the scene on the Monday morning for the subsequent workshops with its annual update on the macroeconomic environment and shipping market (Donald Harrell, Chair) and the global marine insurance market (Astrid Seltmann, Vice Chair).

The third speaker, Stephen Gordon, CEO of Clarksons Research, rounded off the F&F session with an excellent update on the market conditions for shipping, trade and offshore energy.

## Facts & Figures Committee work

The core of the committee's work remains the production of the well-established extensive annual statistics, published each spring and autumn. In addition, the committee is working on establishing a major claims database providing data on carriers' and marine liabilities, exploring new opportunities by strengthening its partnership with established and new data providers; extending its global and local reach by securing a broad spread of knowledge within the committee in terms of geography and specific areas of competence.

## Economy and Trade

The global economy is generally improving and shows a recent positive trend. However, with many factors impacting global economy and trade, there is still a considerable amount of uncertainty as to how Brexit, a change in national trading policies, financial uncertainties or ongoing conflicts in various parts of the world, will influence the future macroeconomic development.

## Shipping and offshore energy markets

Both the shipping and offshore energy markets were challenging in 2016. In 2017, there are small signs of improvement such as within the bulker market and the moderate increase in the oil price. It remains to be seen if the recovery continues and what effect this will have on the marine insurance market.

## The global marine insurance market

### Premiums

There has been a downward trend in marine underwriting premiums in all lines of business. While the strong US dollar contributes to this, when comparing it to other currencies, the general weak market conditions play a role in terms of the global economy, commodity prices, and the poor state of the shipping and offshore sectors.

### Technical results

The 2015 underwriting year results deteriorated in all lines of business, influenced by major loss events such as the Tianjin explosions and the AMOS-6 satellite, the full effect of which was not known a year ago. For 2017, the Caribbean hurricanes and Pacific typhoons are expected to impact 2016 and 2017 results negatively.

### Claims

The cargo sector has been hit significantly in recent years by natural catastrophes such as the Sandy storm and floods, as well as man-made events such as the Tianjin explosions and the AMOS-6 satellite claim. In 2017, there have been various severe hurricanes and typhoons.

In the hull sector, the impact of major losses was moderate in 2016 after a

relative strong impact in 2015. The principal trend in recent years is towards a higher cost of single losses and an increased volatility in the occurrence and cost of such claims. As a result, the volatility in annual insurance results also increases, depending on the (non-)occurrence of major losses. In combination with deteriorating premium levels, this makes achieving sustainable results an ongoing challenge.

In the offshore energy sector, the lack of activity resulted in a relative benign claims environment in recent years. However, with many offshore assets in lay-up, a current concern is potential claims and their prevention once the reactivation of complex offshore units begins on a larger scale.

### Values

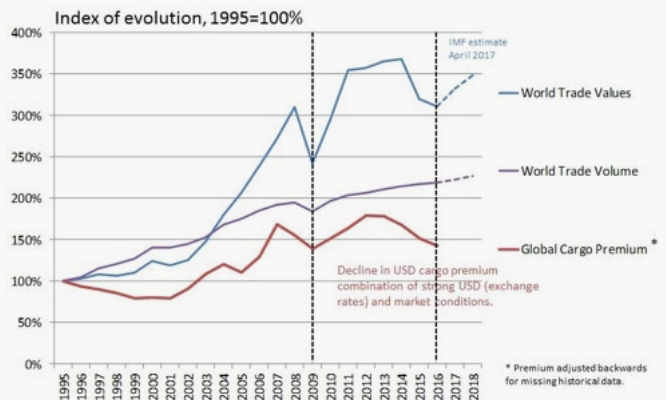
Increasing value accumulation (ports, larger high-value vessels) and consequently increased potential for new record claims continues to be a major concern (2012: *Costa Concordia*, Hurricane Sandy, 2015: Tianjin explosions, 2017 hurricanes/typhoons). On a single-risk basis, ship values were deteriorating in recent years, and particularly for the bulk and supply/offshore sector. While the bulk sector started to recover in 2017, values continued to drop in the offshore sector.

In general, the 2017 market environment remains challenging, with difficult market conditions and the prevailing overcapacity in all marine insurance lines. Changes in regulation, environment and technology are further influencing and changing the industry.



2017 IUMI statistics: Marine insurance markets under pressure, but global economy shows some signs of recovery  
Continued

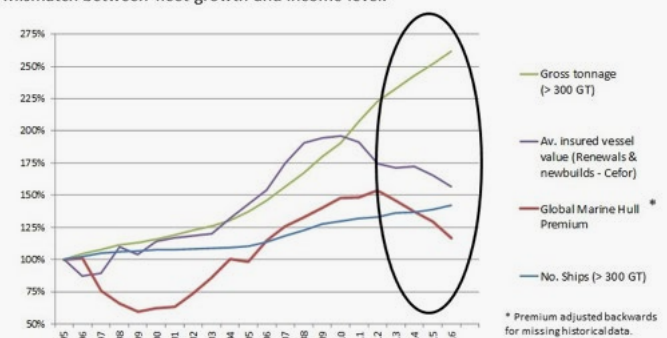
## Cargo Premium versus World Trade Values and Exports



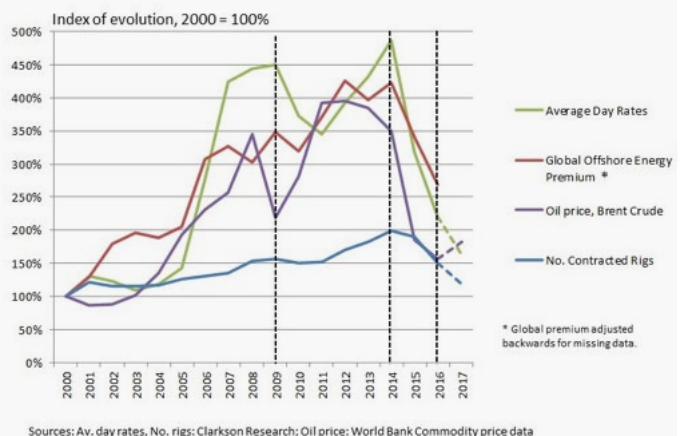
## Hull Premium / World Fleet

Index of evolution, 1995 = 100%

World fleet continues to grow, especially in tonnage.  
Hull premium deteriorates in line with average ship values.  
Mismatch between fleet growth and income level.



## Offshore Energy Premium Energy mobiles, day rates oil price



For more insight please look at the Facts and Figures conference publications published here:



Facts & Figures press release



Report on Merchant fleet and world trade (Donald Harrell)  
PDF Download



Global Marine Insurance Report (Astrid Seltmann)  
PDF Download



Tables with marine premiums by country and loss ratio triangulations for cargo, hull and offshore insurance are available for IUMI members



Shipping & Trade, Offshore & Energy — a Market Outlook (Stephen Gordon)  
PDF Download

In addition to the conference presentations, the Facts and Figures Committee provides the marine insurance industry with extensive up-to-date key indicators published in spring and autumn each year, which IUMI members can download from :



<https://iumi.com/statistics>



## NATO Maritime Security Symposium



By Hendrike Kühl  
IUMI Policy Director

On 4 October 2017, NATO's Allied Maritime Command (MARCOM) invited approximately 25 maritime industry representatives, including IUMI, to engage in an exchange with military representatives from various NATO divisions at the NATO base in Northwood, UK. The purpose of the symposium was to continue dialogue between the shipping industry and MARCOM, and to develop a concrete roadmap with specific steps to leverage this business/military cooperation.

The agenda covered four key issues:

1. **Cyber threats and cyber defence**
2. **Illegal immigration and mitigation measures**
3. **Terrorism and smuggling**
4. **Piracy and global BMP**

Phil Tinsley, of BIMCO, presented about cyber threats onboard ships, discussing the industry cyber guidelines and specifically referred to the new section about insurance. In the discussion that followed an overriding issue was identified by all stakeholders; the problem of missing data. Reliable data is difficult to come by due to the reluctance of corporations to share information about cyber incidents. The transparency and openness of Maersk in its dealing with the 'NotPetya' cyber-attack was considered extremely helpful. An additional key point raised was the importance for seafarers to retain the ability to navigate with the use of paper charts in order avoid complete reliance on ECDIS and other software systems.

With regard to terrorism and smuggling it was noted that information sharing between the industry and military would be beneficial. Ideally, information would flow both ways, i.e. NATO share briefings with merchant carriers and vice versa. Industry stakeholders emphasised the importance of coordinating reporting requests as there was already a huge regulatory obligation on crews to report various sets of data.

As for piracy, the discussion showed that in the Gulf of Aden approximately 40% of vessels had armed guards on board. In Asia restrictions for armed guards were put into place by littoral states. The NATO briefings provided during the symposium were very helpful. Reporting requirements for piracy incidents from merchant ships need to be streamlined, i.e. only one organisation to report to. Illegal, unregulated and unreported (IUU) fishing was named as one factor leading to new piracy incidents in Somalia and the Gulf of Guinea.

MARCOM will continue to host these meetings annually and IUMI will continue to attend.

For more information  
please click here:



<http://www.shipping.nato.int/nsc.aspx>

## IUMI EYE Q&A

# With Carien Droppers, Deputy Secretary General of the Paris MoU on Port State Control



### In a nutshell, how would you describe the Paris MoU?

We are an umbrella technical body comprising of 27 maritime states which are members of Paris MoU Port State Control. This forms an effective control mechanism to enhance the safety of shipping, the protection of the marine environment and the working and living conditions on board ships; eliminating substandard shipping in the region.

### What is the biggest challenge facing Paris MoU today?

The biggest challenge is rapidly changing international legislation. This is of particular concern when international bodies, such as the International Maritime Organization (IMO), call upon Port State Control Officers (PSCOs) to deviate from their duties under new mandatory requirements, such as those for ECDIS and Ballast Water Management, and then at the last moment take a step back when member states and/or the industry realise they are not ready.

We train our people to be prepared for the new requirements when a new convention comes into force and by stopping this at the last moment, or being asked to do it differently, creates a real challenge.

### Does Paris MoU offer anything specific for marine insurers?

All our inspection related data is freely accessible through our public website for marine insurers to access information about a vessel or a fleet. This data provides an overview of inspections and detentions.

We also provide calculators to assist with the calculation of company profiles and ship risk profiles which may be of added value to insurers. We use these calculators purely for targeting purposes, as they are not a quality indicator, but many in the industry value this tool.

### How do Paris MoU and IUMI work together?

We regularly communicate and will contact each other when there is something of interest. In 2016 I was asked to deliver a webinar for IUMI on Port State Control. I am happy to be invited to participate in other IUMI webinars, we have a good cooperation with open channels.

### Do you have a view on the current state of the marine insurance market?

From a Port State Control perspective, I believe it is working well. In the instances when ships have been damaged during a voyage or when coming into port it must be reported to the PSC, but if the damage is reported using adequate reporting channels – such as to their flag state and recognised organisation – we take this into account and will not detain on these damages.

### Is there anything you would like to see marine underwriters do differently or better?

The marine insurance market could focus more on targeted vessels/underperforming ships. Targeted vessels are ships banned from operating in a region or are on a watch list for a certain region. Usually these ships are under certain poorer performing flag states and recognised organizations. By focusing on these ships e.g. by increasing the risk and premiums for these vessels, marine insurance can assist in the common goal of eliminating substandard ships by strengthening the circle of responsibility.

### If you could wave a magic wand and change just one thing in the shipping industry, what would it be?

I would ensure that all seafarers be adequately trained, paid and have decent working and living conditions on board a ship. In my view a happy crew equates to a content, well run and safe ship, and it is important to remember that the crew is the essence.

### If you were not in your current role what would be your ideal job?

My dream job would be to contribute effectively to a more sustainable future for the next generation and to leave a better world for those that come next.

### What do you like doing when not working?

I enjoy travelling abroad, spend my leisure time on board a sailing yacht with my husband and son, reading, riding my bicycle and enjoying family life.

### Anything else you'd like to add?

The cooperation between the nine regional PSC agreements and US coast-guard collectively, as well as with the IMO and ILO is very valuable. It is a necessity if we wish to eliminate substandard ships globally by preventing these substandard ships to escape to other regions continue to trade.



## An introduction to the new Executive Committee Vice Chair and three new Technical Committee Chairs

During the IUMI annual conference in Tokyo this year, Takeshi Miyazaki was elected as a new vice chair of the IUMI Executive Committee. Shuichi Terakawa (Steve) has stepped down following a change in his role at Tokio Marine and Nichido Fire Insurance Co. Ltd.

This year also saw the election of three new Technical Committee chairs; Sean Dalton (Cargo Technical Committee), Anneke Kooiman (Inland Hull, Fishing & Yacht) and James McDonald (Offshore Energy Committee) after Nick Derrick, Michael Csorba and Simon Williams, respectively, completed their set terms – thank you all for your hard work and dedication.



**Takeshi Miyazaki**

Takeshi is no stranger to marine insurance having spent his entire career – over 30 years - in the industry. Following his graduation from university in 1986, Takeshi began his career as an Assistant Underwriter of War Risks in the Hull Underwriting Department of Tokio Marine & Fire Insurance before moving to London for several years as the first marine hull representative for Tokio Marine.

Over the years Takeshi has worked hard and built his career, working in most sectors of marine insurance including hull and upstream energy, and is now General Manager of the Marine Underwriting Department and Head of Marine for Tokio Marine & Nichido Fire Insurance. Takeshi also holds the position of Chairman of the Underwriting Committee for the Hull Reinsurance Pool of Japan.

Following his election, Takeshi commented:

“It is a great honour to be joining the Executive Committee of such an historical and professional organisation. During these disruptive times, when our marine business is drastically changing, I look forward to working on various key issues of interest to marine insurers with the Technical Committees and taking on this new challenge to help IUMI enhance its presence in the global market, particularly in the region of Asia.”



**Sean Dalton, CPCU, AMIN**

A graduate of the United States Merchant Marine Academy at Kings Point, with a Master's degree from State University of New York Maritime College, Sean served as a Lieutenant for the United States Navy Reserve from 1988-1999. Following this Sean moved to marine insurance and has held various roles, notably from 2010 to 2014, Sean was EVP and Head of Marine for Zurich Global Corporate in North America, leading the Global Corporate Marine business unit in profitably growing their ocean and mono-line inland marine lines of business.

Currently Sean is the Head of Marine Underwriting, North America for Munich Re America, he leads the marine reinsurance team responsible for marine in the US and Canada. Sean also serves on the Board of Directors for the American Institute of Marine Underwriters (AIMU) and is a member of the National Cargo Bureau (NCB) and American Bureau of Shipping (ABS).

## New IUMI Members

Continued



### Anneke Kooiman

Beginning her career in 1976 as a marine underwriter for Delta Lloyd, Anneke was the first female marine underwriter in the Dutch market. Anneke is still working for Delta Lloyd and now holds the position of Marine Manager. Impressively, Anneke has won several insurance awards including the Jurrian Award which is awarded to a professional who consistently and prodigiously serves the field of (transport) insurance law by Codex Mulder (Amsterdam based law firm specialising in international trade, transport, logistics, insurance and liability matters).

Anneke also founded, and held the position of chair for nearly 20 years, of the Dutch marine insurers discussion group called Marine Insurance Associates. During her career so far, Anneke has held various positions within the industry including being a member of the Marine Insurance Examination Board for nearly 15 years and was a member of the Liability Committee, Hull Committee and Cargo Committee for the Dutch Association of Insurers. For the past few years Anneke holds the position of chair for the marine platform of the Dutch Association of Insurers and represents the Netherlands as a Council Member within IUMI. Anneke has a strong interest in sustainability and tries to contribute as much as possible through her work for a more sustainable future.



### James McDonald

Following a degree in Biochemical Engineering at UCL, James started his career in insurance in 1985, on the dark side, working as a broker at Sedgwick Offshore Resources. He transferred to New York in 1990 to run the marine and energy desk at Sedgwick international Marketing Services (SIMS). Finally, in 1998 he saw the light and moved across to the underwriting fraternity, relocating back to London as the energy underwriter for Goshawk Syndicate in Lloyd's.

After a brief stint at the Cotesworth Syndicate, James joined post-9/11 start-up Talbot Underwriting Limited as their upstream energy underwriter. In 2010, James was promoted to Head of Marine, responsible for Hull, Cargo, Yachts, Fine Art & specie and Marine & Energy Liability in addition to Upstream Energy. James is a Chartered Insurer and has attended every IUMI conference since 2004, and been involved in the Offshore Energy Committee for four years. James is also a long-standing member of the Joint Rig Committee in London.

James' passion is music and he has recently secured a guest slot as a DJ on WIOX radio station in New York.

# Cargo Country Report

By Sean Dalton, Head of Marine Underwriting NA, Munich Reinsurance America, Inc., and Chair of the IUMI Cargo Technical Committee

While under the leadership of prior chairs including former Chairman Nick Derrick, the IUMI Cargo Committee has developed a Country Report with content submissions from the committee members. This initiative started in prior years and has evolved and improved.

Earlier in 2017 work was undertaken to improve the format of the report and implement a consistent approach for sourcing content so that the report could be shared more broadly within IUMI. A working group comprising Nicole Pousson, Isabelle Therrien, Mikaela Tamm, Nick Derrick, and Sean Dalton implemented changes that included a standard outline for content, sourcing guidelines, and development of a suitable legal statement on content.

The resulting work produced an improved IUMI Cargo Committee Country Report that is available to the IUMI membership from the website with the appropriate ID and password:



<https://iumi.com/committees/cargo-committee>

The IUMI Cargo Committee encourages you to review the report. If you have any questions please direct them to the Committee Secretary, Mikaela Tamm.



[mikaela.tamm@insurancesweden.se](mailto:mikaela.tamm@insurancesweden.se)

## Clearly defined target issues for the Loss Prevention Committee!



By Uwe-Peter Schieder, Liability, Credit, Marine & Aviation Insurance, Statistics, GDV, and member of the IUMI Loss Prevention Committee

To begin, the Loss Prevention Committee has addressed two specific issues relating to quality management; packaging and humidity management.

Transport insurers assume the risks of their customers, whose goods are transported, stored and transhipped worldwide, by land and sea, until they reach their destination. This is a range of risks that is only covered on this scale by transport insurers. It pretty well goes without saying that such risks can only be assumed under certain conditions. The load must be capable of withstanding the intended transport operation. This includes protecting the cargo against external influences, as well as proper conditioning of the cargo itself.

Packaging must protect what is inside from the stresses that arise in transit. The stresses experienced by the cargo vary greatly depending on whether the consignment is transported purely by road or as an intermodal operation by road, rail and sea, with all the associated transshipment activities. The logical consequence of this is that the packaging must be designed to withstand the expected stresses. If the journey is short and no transshipment is necessary, a truck tarpaulin may be sufficient protection.

The term FFPP has been coined by the Loss Prevention Committee to describe packaging that takes account of the risks associated with the demands of the journey in question – fit-for-purpose packaging. If packaging is FFPP, it is commensurate with the risks and is able to fulfill its function. The magnitude of the loads to be expected is specified, for example, in the Cargo Transit Unit (CTU) Code and many other national and international standards. This ensures that there is no pointless “excessive packaging”.

In the context of transporting goods, humidity management is an essential part of quality management. The term “cargo loss due to condensation” is used as a blanket term for damage caused by the fact that the moisture content of the cargo was too high. The consequences can include collapsing packaging, mold, fermentation and corrosion. The Loss Prevention Committee's statement on humidity management, which is a useful supplement to Annex 3 of the CTU Code, provides all those involved with transport operations with a practical tool to assist in quality assurance activities.

Standards and statements help to identify risks and assess them correctly and identify hazards. They provide clear guidelines for the expected stresses and hazards and help to prevent loss. But they also protect against uneconomic securing and quality management measures that overshoot the target.

Please click here for the Loss Prevention Committee technical papers:



<https://iumi.com/education/education-database/technical-papers-and-guidelines>

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# EU Insurance Distribution Directive



By Mike Roderick  
Partner

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IUMI Professional Partner  
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## Introduction

EU Directive 2016 (97) of 20 January 2016 on insurance distribution (the Insurance Distribution Directive or IDD) sets out a new and enhanced European legal framework for insurance (and reinsurance) distribution applicable to risks inside the EU. Since publication it has been supplemented by two further Delegated Regulations from the European Commission, C(2017) 6218 and 6229, which are directly applicable in Member States.

Key aims of the IDD are to afford greater protection to customers and to further harmonise insurance and reinsurance distribution.

## Impact on marine insurers

The following changes are of particular importance for marine insurers:

**1.** To ensure a level playing field for customers whatever the distribution channel used, the IDD widens the scope of existing regulation beyond intermediaries such as brokers and agents (e.g. managing general agents with delegated underwriting and claims authority) to all sellers of insurance products e.g. yacht chartering companies, freight forwarders and removal companies, which sell insurance directly to their customers as part of a wider package.

**2.** There is a much enhanced pricing transparency requirement. Intermediaries have to state the nature of their remuneration - although there is no obligation to disclose the level of the remuneration itself. Whatever the nature of the remuneration arrangement it must not be in conflict with the obligation to ensure appropriate insurance coverage for the customer. Implementation of this requirement is proving particularly controversial in a number of Member States e.g. in Germany there has been intense legislative discussion about a provision that would prohibit broker remuneration other than by way of payments from insurers with no fee to be charged to the insured, a provision that was ultimately defeated at a recent Parliamentary session.

**3.** There are new rules on product review – insurers and intermediaries that design new or significantly amend existing products must have an internal and thorough Product Oversight and Governance (POG) process in place to ensure that products are and remain suitable for their target market. This requirement therefore applies both before products are first marketed and on an ongoing basis. These new rules do not, however, apply to large risks, as defined in Directive 2009/138/EC - that definition includes loss or damage to ships and to goods in transit.

**4.** Member States are to ensure that insurance distributors are under a duty always to act in the best interests of their customers, to ensure that their remuneration arrangements do not conflict with that duty, to ensure that customers receive clear and fair information about the product being sold and that distributors are properly trained and qualified.

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## Delayed entry into force

These changes are both significant and complex. In the UK alone, the FCA has published three lengthy Consultation Papers on implementation of the IDD. The changes will impose significant additional burdens on insurers. Certainly their impact on insurance distributors such as freight forwarders is not yet fully appreciated within the industry.

The IDD is set to enter into force on 23 February 2018. In recognition of the complexities involved and to allow the insurance industry sufficient time to properly implement the changes required the European Commission has been requested to delay entry into force. At the time of writing we anticipate that a postponement to 1 October 2018 will be granted but no extension has as yet been officially confirmed.

I am grateful to my colleague, Dr Kathrin Feldmann, in our Düsseldorf office for her assistance with this article.

# Cyber Extortion — The growing threat to maritime business



By Matthew Montgomery,  
Senior Associate, and  
Joseph Malpas, Trainee Solicitor

HFW  
IUMI Professional Partner  
[www.hfw.com](http://www.hfw.com)

Cyber security has become an important management issue for shipowners. In this article we focus particularly on cyber extortion, which we have identified as a growing threat to the shipping industry.

Cyber extortion can take various forms. One of the better publicised attack vectors is ransomware, which is a type of malware that can infect a computer system and encrypt data until a ransom is paid, often in the form of a “cryptocurrency” such as Bitcoin. A high-profile example of a ransomware attack was the recent “WannaCry” virus which severely impacted a number of UK state health bodies that had failed to implement software updates.

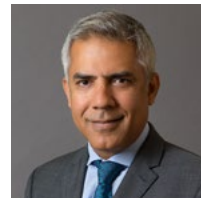
Another form of cyber extortion may involve threats to release, disseminate or destroy data obtained by some form of unauthorised access. Once confidential data has been extricated, cyber criminals may demand a ransom in order to release it. This kind of attack may not involve any sort of malware, so systems often remain operational during and after the breach. However, if the ransom demand is not met then malware or a DDoS attack may follow.

The “business model” for these cyber criminals appears to involve demanding relatively modest ransoms in order to restore normal services and/or refrain from leaking sensitive data. Faced with the choice between paying a small ransom and losing precious data and/or business income, it is understandable why some businesses would pay the ransom. Indeed, ransom payments resulting from cyber extortion are understood to be one of the fastest growing areas of cyber insurance claims.

Cyber insurance policies often cover cyber extortion, including the payment of a ransom demand. Generally speaking, the payment of a ransom is neither unlawful or contrary to public policy as a matter of English law. However, these are complex legal issues which need a careful consideration of the facts.

Cyber extortion seems to be a growing risk which the insurance market is responding to. However the legal complexities of dealing with a cyber extortion event require careful consideration on a case by case basis.

# Liquefaction leads to yet more loss of life and total losses



By Faz Peermohamed  
Global Head of Shipping

Ince & Co LLP  
IUMI Professional Partner  
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The recent loss of Emerald Star in September this year, with the loss of another 10 seafarers lives, and the sinking of the Bulk Jupiter in 2015, with the loss of 18 lives, should remind us all of the inherent risks in transporting potentially hazardous goods such as nickel ore. Since 2009, there have been at least nine total loss cases attributable to liquefaction, resulting in the loss of over 100 lives.

The majority of liquefaction related incidents involve cargoes loaded in the Philippines, Malaysia, India or Indonesia. Liquefaction is the phenomenon that occurs when a solid material, such as iron ore fines, bauxite or nickel ore, loses strength at high moisture content, resulting in the solid material moving or behaving like a liquid, particularly when exposed to engine vibration and/or ship's motion. This in turn causes free surface effect and creates a sudden and major stability problem for the vessel, often resulting in capsizing.

## Can these tragedies be prevented?

Absolutely. One of the root causes behind the losses is poor compliance by some shippers with the testing and certification requirements set out in the IMSBC Code; the Certificates of Quality given to the Master are often unreliable or simply provide false information. Commercial pressures should not be allowed to eclipse safety and efforts should continue to find quicker, simpler (but reliable) means of testing cargoes to minimise delays in port. Innovation also needs to be seriously considered – should these cargoes be shipped on different types of ships (e.g. purpose-built OBO's) or shipped in a different way (e.g. bagged in watertight bags or loaded in tank containers).

## Recovery of Losses

In the event of a casualty, obtaining legal advice on these issues from the outset from those with experience is vital. We have been involved in multiple cases of liquefaction, including both the Emerald Star and Bulk Jupiter, for insurers. We have made significant recoveries for insurers in many cases. Early opportunities to collect evidence and obtain security should not be lost. With the absence of any crew, this may be largely documentary but can be complemented by commencing proceedings in appropriate jurisdictions. Seeking third party evidence can also be invaluable.

A firm recourse is needed – we owe it to our seafarers to eradicate this totally avoidable loss of life.

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# The industry needs a marine investigation code



By Captain Jon Walker  
Regional Director of Asia & Australia

LOC  
IUMI Professional Partner  
[www.loc-group.com](http://www.loc-group.com)

LOC is calling for better international cooperation and a marine investigation code to speed and simplify the process of managing a marine casualty.

Too often local jurisdictions are unprepared, lacking in understanding and unwilling to cooperate, and as a result the process takes too long, with a negative outcome for the environment, the vessel's crew or the damaged ship.

Problems arise when a local authority does not know the limit of its jurisdiction and assumes authority of a casualty when they have no right to do so. There are too many examples of where the recovery of a grounded or damaged vessel has run over many years, where the investigative and wreck removal process was flawed or where the master ended up in jail or otherwise detained.

I believe this could be addressed through a marine investigation code, driven by the IMO. The code would compel sovereign states to clarify their jurisdictions with their governments prior to any incident. This would mean that in the immediate aftermath, first responders would know who to deal with and exactly the limits of their authority.

A marine investigation code could establish transparent, consistent procedures across national borders ensuring the best response from all parties. Responders would be able to coordinate with an authority that understood the maritime sector and the implications of a shipping casualty. Sector expertise would be invaluable in managing the response with clear procedures, avoiding situations where a local authority response is driven by media, public emotion or political agenda.

The Nairobi International Convention on the Removal of Wrecks is a step forward and importantly promotes the idea that action should be "proportionate to the hazard" and that activities "should not go beyond what is reasonably necessary" but the convention, although accepted in 2007 has yet to be ratified.

Accidents will happen. But a maritime accident investigation code would minimise their impact, and better communication between governments, maritime authorities, shipowners, regulators and others would mean that future casualties were better managed, the environment protected and seafarers' rights observed.



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# Life Science Shipments

Extract from paper by Barry Tarnef,  
Vice President, Marine Loss Control,  
Chubb Insurance and member  
of the IUMI Loss Prevention Committee

Commercial insurance is one (perhaps the only) industry where the seller does not know the cost of goods sold until well after the purchase transaction. That is certainly the reason why underwriters have long practiced risk management, a term that since the financial crisis of the last decade seems to be included in everyone's lexicon.

There are several paths toward risk management but here we will discuss loss prevention (limiting the likelihood of loss/damage to goods in transit) and loss control (reducing the extent and impact of loss/damage should it occur).

While these may not be the most exciting operational functions, we are buoyed by the words of Peter Drucker, the management guru, – "The first duty of business is to survive. The guiding principle of business economics is NOT (our emphasis) the maximisation of profits. It is the avoidance of loss."

Due to some generally shared inherent characteristics, Life Science shipments represent a unique challenge to marine insurers that can be summarised by a few bullet points. They have:

- High per conveyance values
- High perishability
- High theft-attractiveness
- High regulatory oversight
- High total loss potential

This is not the ideal profile for any account yet alone a portfolio. How do insurers deal with these types of risk and, more importantly, how can shippers and other stakeholders (risk management is a team activity) assist them? There are numerous channel partners or links in today's complex, global supply chain as goods travel from origin to destination. Add to this the diversity within the Life Science sector with "Big Pharma" where there is an expectation of state-of-the-art processes and procedures to growing generic companies, small startups and even NGOs working on drug outreach to underdeveloped nations.

The various supply chain constituents may have differing objectives; ideally there will be more meshing than competing. With Life Science manufacturing continuing to shift its centres of excellence from established to emerging hubs, can we expect brick and mortar and "virtual" companies to outsource to contractors located in regions with less established transport infrastructure potentially offsetting benefits due to a lagging time to market? Moreover, with geographical concentrations of production and the drive towards "leaning" of inventories, it appears as if single localised disruptions could wreak havoc.

Also, will transportation companies develop routing networks that maximise their asset deployment with transfers and in-transit handoffs that elevate the potential for cargo loss, damage and delays? Or will logistics schemes result from a more collaborative dialogue? These are a few of the things that can disturb a senior manager's quiet night sleep.

Each insurance company develops its own underwriting criteria ("special sauce") based on corporate directives, underwriting acumen and institutional knowledge which may well be influenced by "scar tissue" from past poor experience.

There are a number of factors to consider but typically due diligence focuses on the product, the trade lane(s), packaging, the conveyance, transportation providers and handling.

For the full paper please click here:



<https://iumi.com/committees/loss-prevention-committee>

## People at IUMI

## John Miklus

President of the American Institute of Marine Underwriters (AIMU)  
IUMI Education Forum Chair



### How long have you been associated with IUMI?

My active involvement with IUMI began in early 2014, however, I attended nine consecutive IUMI Conferences, beginning with Toronto in 1994, during my previous role as a marine reinsurance underwriter. I then took a hiatus from attending conferences after 2002 when I left the underwriting side. So it has been a reawakening to rejoin the annual conferences, beginning with Hong Kong in 2014.

### What is your IUMI role today and what does it involve?

My primary role is Chair of the recently created Education Forum, but I also serve as Secretary to the Loss Prevention Committee. I was honoured to be asked by Dieter Berg, IUMI President, in the summer of 2016 to chair the new Education Forum and am excited to be working with Hendrike and my fellow committee members to develop an education programme. The webinars – over 20 presented to date – have been a great success and next year an online e-learning cargo course will be launched. Stay tuned.

### And what is your day job?

President of the American Institute of Marine Underwriters (AIMU). Running the US marine insurance trade association has strong parallels with the IUMI Secretariat. We both have the same number of staff (three) and rely heavily on our members to volunteer their time to accomplish our mission. We're both fortunate to have capable, talented staff and great support from our members!

### What benefits do you get from being associated with IUMI?

I can think of several. The first is access to information such as the statistics compiled by the Facts & Figures Committee or the regular updates on key issues being followed by the Political Forum.

Next is personal learning, which fits well with my role as Chair of the Education Forum. Whether it is from IUMI Eye articles, conference presentations, or the regular webinars, there is always something new that I learn about the marine insurance business.

Lastly and most important is the opportunity to meet and interact with marine insurance professionals from around the world. It is fantastic that so many individuals choose to devote their time and talents to IUMI in addition to their "day jobs".

### If you could change anything at IUMI what would it be?

I would like to see greater involvement of younger people in the association. In addition, expanding the membership to include more national marine associations is important and I know that the IUMI Secretariat and Executive Committee are actively trying to do so. IUMI has made great strides in becoming the recognised and respected voice of the global marine insurance industry and should continue these communication efforts.

### How did you reach your current position in marine insurance?

Unlike many in our business, I don't have a maritime educational background. After graduating from Bowdoin College with an economics and government major, I joined a marine insurance training programme at The Hartford. I spent 21 years there, mostly as a marine reinsurance underwriter. I then spent nearly eight years as a marine reinsurance broker with Guy Carpenter prior

to being named President of AIMU in late 2013. While different jobs, I clearly enjoy being involved with the marine side of insurance and have benefited from working in London for two years and from handling international clients.

### And what do you do away from the office?

I enjoy spending family time with my wife and 7-year-old son, as well as our two Labrador retrievers. It's especially nice when we can escape for visits to Cape Cod where I have a small boat that gets far too little use!





## Address by the Secretary General

By Lars Lange, IUMI Secretary General

One of IUMI's core responsibilities is to lobby for safer and more security in the maritime and transportation industry. IUMI's lobbying work includes the topics that are published in the association's current issue list. The most important place to develop these issues is at the International Maritime Organization IMO in London and IUMI's official seat as accredited NGO at IMO is very close to our heart.

Accordingly the work of IUMI's liaison officer to IMO is of high importance and very much at the centre of IUMI's work. The IUMI Liaison Officer visits all relevant IMO committee meetings; monitors all topics discussed and papers issued at IMO and informs the IUMI Technical Committees accordingly. They also closely maintain a contact network with IMO officers and flag state representatives at IMO and raise, where necessary, IUMI's voice in the meetings and in between.

The role of IUMI's IMO Liaison officer has, since January 2014, been in the capable hands of Nick Gooding. Nick had worked for more than three decades in the Lloyd's market as a cargo underwriter. He had been involved with IUMI for a very long time, holding a high, if not the record number of presentations at IUMI conferences and has been engaged in IUMI's work and committees, not least as Chairman of the IUMI Salvage Forum.

Nick has decided to step down from his role as IUMI's IMO Liaison Officer at the end of 2017. We would like to thank Nick very much for all his hard work on behalf of IUMI and for his very warm-hearted approach which has always had the people (and not only the issues) at the centre. Nick ensured that IUMI's voice was heard at the IMO and his extensive underwriting experience enabled him to recognise the issues important for marine insurance.

Nick will continue his position as Salvage Forum chairman and he will also continue to hold consulting roles in the market. For the time being, the IUMI Executive Committee has put IUMI's IMO activities in the hands of the Hamburg Secretariat, which has increased its staffing in 2016 and has, in 2017, begun to be more involved in IMO meetings and discussions.



## IUMI Asia Forum 2018



Preparations for the inaugural International Union of Marine Insurance (IUMI) Asia Forum, in association with the General Insurance Association of Singapore (GIA), are well under way. Set to take place on 24–25 April 2018 during Singapore Maritime Week, this highly anticipated event will be held in the beautiful location of Marina Bay Sands conference centre.

The maritime hub of Singapore could not be a more apt location for the first ever IUMI Asia Forum. IUMI President Dieter Berg will be opening the conference and hot industry topics such as places of refuge, misappropriation, blockchain, shipping and trade – a market outlook, will be presented by leading insurance professionals.

This new IUMI event has been created as a next stage following the founding of the IUMI Asian hub earlier this year in Hong Kong, to give us more visibility in the region and to bring us closer to our Asian members and the maritime industry in general.

To register your interest please click here – we hope to see you there!



<https://iumi.com/events/events-worldwide>



## Another year, another successful annual conference

Leading marine insurance professionals and IUMI members assembled at the impressive conference suite of the Grand Nikko Tokyo Hotel, located in the beautiful area of Daiba, and discussed key industry issues such as cyber threats, digitalisation, autonomous shipping, and block chain, to name a few. It is clear that global innovations are changing the marine insurance sector and marine insurers must go beyond their traditional expertise if they are to continue to provide high quality underwriting provision for their clients.

But it wasn't all work and no play. The GIAJ hosted the conference opening reception at the Miraikan, Japan's National Museum of Emerging Science and Innovation, which is also home to ASIMO – the humanoid robot created by Honda. This was a fitting location that certainly showed the rapid advancement in technology. The conference closed with a "Japan evening" at the Grand Prince Hotel New Takanawa – delicious food and great company was enjoyed by all.

We would like to take this opportunity to once again thank the GIAJ and everyone involved in making this year's conference a huge success. We would also like to thank our members and everyone who attended as the people are the heart of the conference. We hope to see you next year at the 2018 annual conference in Cape Town (16–19 September 2018).

### Imprint

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