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I hope that this edition finds you and your loved ones safe and healthy, wherever you are in the world. There is really only one place to start the President’s message in this edition – and that is with COVID: the most serious pandemic to affect the human race in 100 years.

It is ironic that our last conference common theme – in Toronto – was labelled “confronting the chaos for a sustainable future”. By contrast, that moment feels positively benign compared to what is going on at the present time. We have seen significant disruption to global trade as the virus has moved from China more widely into Asia and then across Europe and through the American continent.

Like so many other organisations, there has been an impact on IUMI's normal operating rhythm. Sadly, we have had to cancel events such as the Spring Conference in Hamburg and the Asia Forum in Kuala Lumpur. All of the other travel that had been planned for the Secretariat and for myself has similarly been postponed. Yet the core functions of IUMI have continued to operate smoothly. The Secretariat have shifted seamlessly to working from home and have maintained the day-to-day working of the organisation. My heartfelt thanks go to Lars, Hendrike and Corinna for managing the disruption so effectively.

The biggest change of all concerns our annual conference. To quote the old proverb “necessity is the mother of invention”. And so, for the first time in our history, IUMI's annual event will be going online. While it will be sad not to be able to travel to Stockholm, the Swedish team are working closely with the IUMI Secretariat to plan the digital event and hopefully retain a little of that Swedish flavour too. In another ‘first’ for IUMI, we are opening up this year’s event to registrations from non-IUMI members – a step that is enabled by the movement of the conference online. What will not change is the rich access to high quality technical workshops, that are the hallmark of IUMI's history.

Richard Turner, IUMI President
richard.turner@iumi.com

Stay safe
The International Union of Marine Insurance (IUMI) has officially launched its online cargo tutorial programme. 11 engaging and interactive modules specifically designed to widen your knowledge of cargo insurance. This flexible, self-paced learning programme works to your schedule and can be completed to each individual’s timeframe.

Following the successful launch of the International Union of Marine Insurance (IUMI) cargo tutorial, IUMI has launched a new hull insurance online tutorial programme – which is available now! Designed to widen participants’ knowledge and expertise in hull insurance this extensive programme consists of a total of thirteen modules. Topics include Ships 101; Collision Liability; General Average and Salvage; Exclusions; Claims; plus many more.

For more information please visit:
https://iumishop.mycoracle.com/catalogue/hull-tutorial_79

NEW
Buy 5 – 9 tutorials, get a 10% discount
Buy 10+ tutorials, get a 20% discount
An IUMI annual conference first

Due to the current challenging global conditions, the highly anticipated IUMI annual conference is going online for the very first time. Whilst we are deeply saddened not to be meeting face to face in Sweden this year, the Stockholm organisers are working hard to bring the event to you in this new digital format.

As ever, we are committed to continuing the excellent programme of learning, discussion and debate that the IUMI conference has delivered across the globe for so many years. The common theme this year is “Navigating changing climates – delivering expertise to shape the future” and it is very fitting given the current unprecedented times we are facing. COVID-19 and its consequences for our business will be on the agenda as well as discussions on the impact of sustainability and digitalization on marine insurance. Many other topical issues will complement this core debate.

To allow for maximum participation, the 2020 event will be held over the two-week period 14-25 September, with one workshop held each day over a 90-120-minute session. Each of the ten sessions will run twice a day to ensure all time zones are able to participate. Sessions will comprise a mix of presentations, discussion and online Q&A. The fee to attend is significantly reduced at €500 net. This includes access to all ten workshop sessions.

In addition, the conference website www.iumi2020.com and conference app will be available allowing you to plan your attendance, view background information and interact with the speakers, panellists and each other.

Another first for the IUMI annual conference is that this year we have decided to use the opportunity and to open the event to the whole industry and we are welcoming brokers, lawyers, surveyors and other stakeholders involved in the maritime business. Every non-IUMI-member is invited to join for a fee of €600 net.

We do look forward to seeing you in September and becoming part of IUMI history in the first ever online IUMI annual conference.

For more information and to register please visit the conference website www.iumi2020.com and please feel free to contact us if you have any questions.
Time to get ready: EU Conflict Minerals Regulation coming into force in 2021

By Eric de Smet
Manager, Marine & Transport, Baloise Insurance and member of IUMI’s Policy Forum

The growing pressure and urgency across all fields of society to respond to environmental, social and governance (ESG) issues has led to some rethinking within the marine insurance industry. In this context, IUMI will play a role by facilitating a dialogue and raising awareness among our membership on ESG topics with a direct impact on marine insurers. One such issue is the new regulatory requirements related to conflict minerals. Increasingly, due diligence requirements in the supply chain are aimed at providing greater transparency throughout the entire process. EU Regulation 201/821 puts in place a framework for EU based importers of certain metals and minerals originating from conflict-affected and high-risk areas (CAHRAs). Its objective is to ensure that trade into the EU does not fund conflicts or in any way enable human rights abuses. The key requirements will come into force on 1 January 2021.
Time to get ready: EU Conflict Minerals Regulation coming into force in 2021

Continued

Importers, traders, smelters and refiners of the following materials have to carry out obligatory due diligence checks on their suppliers and origin of the products:

— Concentrates and ores containing 3TG (tin, tantalum, tungsten and gold).
— Metals containing or consisting of 3TG.

Importers must declare minerals and/or metals for release and circulation in the EU. This includes companies which are not legally established within the EU. Downstream users who do not directly import do not fall under the due diligence obligation. On the contrary, smelters and refiners who exercise any form of extraction or metallurgy processing aiming at producing a metal from a mineral are required to comply with the due diligence obligations. These obligations can be summarised as follows:

— Adopt a supply chain policy for 3TG and communicate this to suppliers and the public. This includes risk assessment, a strategy to respond to identified risks, and third-party independent audits in the supply chain.
— Implement due diligence standards as per OECD guidance1.
— Senior management to establish strong company management systems to control and hold records of the process, and to report about the process.
— Incorporate appropriate contractual provisions in the supply chain.
— Provide information and disclosure to relevant authorities.
— Establish a complaint procedure for stakeholders, including access to an external expert.

Similar provisions are part of the U.S. Dodd-Frank Act (section 1502) which came into force in 2010 and specifically aims at the Democratic Republic of Congo and neighbouring countries.

With the EU regulation coming into force soon it is recommended that marine insurers check with concerned insureds if due diligence procedures will be in place.

IACS Cyber recommendations (harmonised 1 April 2020)

By Lars Lange
IUMI Secretary General

The single recommendation has again been prepared including input from a wide range of industry partners contributing via the Joint Industry Working Group on Cyber Systems – including IUMI - and covers the constructional aspects of the 12 previously published recommendations. It provides information on matters such as reference guidelines and standards, terms and definitions, goals for design and construction, functional requirements, technical requirements and verification testing.

This new recommendation is applicable to a vessel’s network systems using digital communication to interconnect systems within the ship and ship systems which can be accessed by equipment or networks off the ship. Operational aspects that were included in the superseded 12 recommendations have been identified and grouped under a separate annex. Following the publication of this consolidated recommendation the earlier 12 recommendations have been officially deleted by IACS.

Based on the experience gained from the practical implementation of this recommendation IACS will assess the suitability of using it as the basis for a Unified Requirement on Cyber Resilience.

The Rec 166 can be downloaded here.

1 https://www.oecd.org/corporate/mne/mining.htm
The 7th session of the Sub-Committee on Ship Systems and Equipment (SSE 7) met from 2-6 March 2020 at the International Maritime Organization’s (IMO) headquarters under the chairmanship of Mr Umut Şentürk from Turkey.

IUMI used the SSE meeting to continue momentum on the issue of containership fires and held a lunch time presentation on this topic. Under the theme “Containership fires from the insurers’ perspective” Are Solum from Gard discussed why containership fires have long been a concern for marine insurers, noting that current International Convention for the Safety of Life at Sea (SOLAS) regulations have not kept pace with the growth in size of the vessels or the complexities of fighting larger and more dangerous fires. IUMI believes that unless this is addressed at the IMO, with support and input from all relevant stakeholders, the number and severity of containership fires is likely to grow – and with it the number of seafarers’ deaths and injuries. The presentation can be downloaded here.

A related key issue discussed at SSE 7 included:

Minimising ro-ro fires – draft amendments agreed

On fire safety, the Sub-Committee continued its work to minimise the incidence and consequences of fires on ro-ro passenger ships, following a number of recent serious accidents. The session focused on potential draft amendments to the SOLAS Convention and associated codes, to enhance fire prevention, detection and extinction on these ship types. A correspondence group was established to continue the work intersessionally.

The Sub-Committee finalised draft amendments to chapter 9 of the International Fire Safety Systems Code (FSS Code), as well as to the revised guidelines for the design and approval of fixed water-based fire-fighting systems for ro-ro spaces and special category spaces (MSC.1/Circ.1430/Rev.1) and the guidelines for the maintenance and inspections of fixed carbon dioxide fire-extinguishing systems (MSC.1/Circ.1318).

One point of particular interest to IUMI was a proposal submitted by China to give special consideration to lithium-ion battery powered vehicles. Due to the increasing number of such cars, the fire risks associated with their transport are a growing concern. IUMI supported this issue to be reviewed in more detail in the SSE sub-committee. China along with interested Member States and international organisations were invited to submit proposals for a relevant new output to SSE 8.
Climate change has been described as one of the defining issues of our time and recent years have seen a monumental shift in governmental and public interest in environmental, social and governance issues. Increasing pressures from investors, regulators and consumers mean businesses can no longer afford to ignore the risks associated with climate change.

Insurers’ exposure to the physical risks of climate change is expected to rise in coming years. Warmer ocean temperatures may increase the intensity of future hurricanes – anyone involved in yacht insurance will know only too well the devastating effects of the 2017 hurricane season. A rise in sea levels and storm surges may imperil port infrastructures and operations. Increased rainfalls can make certain waterways more dangerous with the risk of groundings and collisions rising as vessels and pilots struggle with changing conditions. Droughts and low water levels, as those seen in Europe in 2018, may leave inland waterways affected.

The industry’s transition towards a low-carbon economy, driven largely by the IMO’s strategy on reduction of greenhouse gas emissions from ships, comes with opportunities as well as risks. New technologies and fuel blends may, in the shorter term, increase the risk of machinery related claims and liabilities by reason of non-compliance. Ship owners and insurers will likely also be impacted by future environmental regulations e.g. regulations aimed at reducing black carbon emissions.

With increased climate change awareness come increased liability risks. Climate change litigation is on the rise and the future may well see claims brought against greenhouse gas contributors such as shipping companies and port operators. Insurers are aware of the risks and many have already announced plans to phase out underwriting of and investments in fossil-fuel, notably coal, assets.

The changing regulatory landscape and increased scrutiny of both underwriting and investment portfolios may pose challenges to insurers but with enhanced global interest in climate change also comes more available data e.g. through enhanced catastrophe modelling and climate related disclosures, which may assist Insurers to better understand and manage direct and indirect climate change exposures.

To find out more visit our Resilience hub, https://resilience.clydeco.com
IUMI and IACS (International Association of Classification Societies) have established a working group to study “Fires in engine rooms due to leakage from low pressure fuel and lubrication oil systems”. This is a Correspondence Group (CG), meaning that meetings and information sharing is arranged via Skype and e-mails.

Since June 2019 representatives from IACS and IUMI have shared information from incidences onboard different types of ships, which the work group is reviewing, with the purpose of identifying methods and procedures to reduce the risk of fire.

Work on this topic started in early 2018 in Cefor’s Technical Forum, as there was growing concern with the increased numbers of engine room fires, particularly related to low pressure fuel and lubrication oil leak.

With inputs from other insurance companies within Cefor, the Norwegian Hull Club has collected reports from cases occurring over the past 10 years, resulting in an anonymous summary report and presentation that has been shared with all parties.

Leaks from fuel and lubricating oil systems have resulted in oil igniting after coming in contact with hot surfaces in the engine room. In comparison with fuel leaks from high pressure fuel pipes, leaks from low pressure pipes can be more serious due to the steady, voluminous flow of oil providing a continuous source of fuel to the fire until it runs out and/or is stopped.

Even a small fire in the engine room may develop into a complex and dangerous fire which can be difficult to distinguish by the crew, despite the use of fixed fire extinguishing systems ready to use at all times. The most serious danger is to the lives of the crew and the environment. Added to this is the total cost of damages and down time for repairs after an engine room fire. This can be considerable - in some cases the vessel can be declared a total loss due to the extent of the damage.

With the emphasis on reducing risk the of fire, the group is looking into solutions related to machinery and piping design, survey and inspection methods, onboard maintenance regime and possible changes to current rules and regulations.

The group’s goal is to identify methods to avoid an increasing number of fires due to fuel and lubricating oil leaks, which in some serious cases have regretfully resulted in loss of life.

Taking measures to avoid fires on ships is high on the maritime industry’s agenda, and we believe that the establishment of the IACS-IUMI working group, amongst other initiatives across the world, could contribute to reducing risk of fires and improving safety at sea.

This issue was added to the IUMI Policy Forum’s Agenda in April 2020.
In March 2020, IUMI and the World Maritime University (WMU) agreed to sign a Memorandum of Understanding (MoU) which covers mutual interests in the field of maritime and oceans, the development of expertise, the protection of the marine environment and the building of capacity worldwide. Experts from both IUMI and WMU will collaborate to deliver the highest standard in marine insurance education for students, particularly those studying in the WMU Marine Insurance Law & Practice Postgraduate Diploma programme.

Given the growing challenge to bring in new talent, this cooperation will be a facilitator in providing excellence in education for marine underwriters from around the world. On the occasion of the signing of the MoU, IUMI invited WMU President Dr Cleopatra Doumbia-Henry to participate in our IUMI Q&A.

**In a nutshell, how would you describe the main role of WMU?**

I think I cannot express it better than by quoting the University’s vision and mission statements. WMU’s vision is to inspire leadership and innovation for a sustainable maritime and oceans future, and our mission is to be the world centre of excellence in postgraduate maritime and oceans education, professional training and research, while building global capacity and promoting sustainable development.

Since our foundation in 1983, by the UN’s International Maritime Organization, we have worked to achieve both academic excellence and to support IMO member States in their capacity-building endeavours. And, with over 5,000 graduates from over 170 countries, I think we are making a very real impact in building maritime and oceans expertise around the world.

With our world class postgraduate educational programme, distance learning and executive education as well as our acclaimed research activities in the maritime and oceans fields, WMU plays a key role in fostering the effective implementation of IMO instruments with a view to their universal and uniform application.

**What is the biggest challenge facing WMU today?**

The biggest challenge to the world today is the COVID-19 pandemic and the havoc it is creating for all countries, institutions, business and daily life. WMU, like all other institutions, is exposed to the pandemic’s negative impact on all our activities. As an academic institution that is totally dependent on voluntary contributions from countries and organisations, keeping our current donors on board is now more important than ever. I would like to pay tribute to the continuing support and expressions of assistance that WMU has received since the pandemic began.

We are innovating in the delivery of our educational offerings, and at times like these, that our small size is invaluable – we have been very flexible, and been able to think outside the box at great speed to adapt our normal working patterns to deal with current challenges and plan for those ahead.

When things return to a “new normal”, the expertise offered by WMU will be absolutely indispensable in re-building the maritime industry. Shipping is vital to world trade, particularly in times like these, to deliver the goods and medical equipment required around the world.

**How do WMU and IUMI work together?**

WMU and IUMI share a number of common objectives. We both have a truly global perspective on maritime affairs. We recognise that IUMI has consultative status with IMO, WMU’s "parent" organisation. From that perspective, a closer cooperation is a natural step.
WMU is very supportive of IUMI Members’ identification of education as a key factor to contribute to a variety of insurance-related goals. This relates to all aspects of maritime safety and security, including the protection of the marine environment and upholding health and safety standards for seafarers across the world. For more than 35 years and with an expanding mandate, WMU is committed to provide quality education in maritime affairs and ocean governance. Thus, nobody needs to remind either WMU or the IUMI Members about the importance of a well-educated next generation to lead across all sectors of the maritime industry.

We are very pleased to have a Memorandum of Understanding with IUMI regarding our mutual interests in the field of maritime and oceans, the development of expertise, the protection of the marine environment, and the building of capacity worldwide. I believe that we can share vital information and assist each other to raise awareness of the importance of suitable training programmes. WMU has a long-standing Postgraduate Diploma Programme in Marine Insurance Law & Practice offered by distance learning. The programme is supported by IUMI and has been comprehensively updated and revised for students joining in 2020. In due course, and based on identified specific needs, we could assess whether joint delivery approaches, such as online seminars and webinars or even in-class training could also be pursued.

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

Since WMU is not directly involved in any underwriting business, we certainly have our reservations here and are cautious to provide any “top-down advice” in that regard. Generally, we would appreciate a more holistic approach to maritime affairs across all sectors of the maritime industry and that would include also marine underwriting.

In particular, the United Nations Sustainable Development Goals (UNSDGs) should not be seen as only remotely relevant. Rather, the quest to achieve the UNSDGs affects marine insurance as an industrial service sector directly – because the UNSDGs contribute to global stability, to a less chaotic world, if you will. The UNSDGs reduce business uncertainties which are relevant to underwriting. From the WMU perspective, it is important to see the interconnectedness of activities, especially in the maritime and oceans fields.

The targets and indicators of all 17 UNSDGs provide many examples for that view. Let me give you just one broad example: Goal No. 14 (“Life Below Water”) includes indicators which could be abbreviated as “reducing marine pollution” and “implementing international sea law”. This includes the understanding that shipping must comply with globally-agreed rules and that there are no legal loopholes in implementation and enforcement. Compliant ships will experience fewer business disruptions and will definitely generate fewer claims. This is simplified, of course, but it is the case. You can create the same example for decent working conditions under globally-agreed labour law standards in relation to personal injury cases.

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

Like all other institutions, WMU has of course been affected by the global COVID-19 crisis, and we understand that this effect is also felt in the marine insurance sector – this crisis may well have an effect on premiums, for example. But the global pandemic will also be a driver of change. Even long before the crisis, WMU noted that new trends emerge in marine insurance as a result of a rapidly changing technological environment.

In particular, digitalisation, artificial intelligence, handling “Big Data” and approaches to “Insurtech” are topics of increasing importance for the marine insurance market. There may be a decentralising effect which will change the traditional nature of marine underwriting. A number of WMU’s ongoing research projects are of cross-cutting relevance here as well. For example, our 2019 flagship report entitled: “Transport 2040: Automation Technology Employment – the Future of Work”.

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

It is the global public perception of international shipping where I would like to see a real change. In many countries, the general public is often unaware of the indispensable services provided by shipping, in particular by seafarers, all over the world. It is saddening to see that seafarers are among the hidden victims of the COVID-19 crisis and that the important role they play is not sufficiently recognised. The effective implementation and application of international regulations relating to seafarer rights and their need for protection, including the handling of crew-changes efficiently in a time of a global pandemic, are so difficult to achieve.

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

If I were not in my current role as President of the World Maritime University, I would have been spending a lot of time writing and publishing on labour, maritime and environmental issues, as well as helping to support capacity building for developing countries on these issues. One of my personal passions is the empowerment of women in the maritime and oceans world, and my work towards that at WMU will be carried on whatever I find myself doing in the future.

What do you like doing when not working?

Walking, spending time with my family and reading.
International Quality Assessment Review Body (IQARB) issues first certificates in February 2020

By Lars Lange
IUMI Secretary General

The IQARB members met at the International Maritime Organization (IMO) headquarters in London on 27 and 28 February 2020 for the second meeting of the body in its trial phase. The meeting was chaired by IUMI Secretary General Lars Lange and attended by Chile, Liberia, the Marshall Islands, New Zealand, Singapore, the United States, European Commission, IUMI, INTERTANKO, International Group of P & I Club, Asia-Europe Foundation (ASEF), SEA Europe and the IMO Observer to the International Association of Classification Societies (IACS) Quality System Certification Scheme (QSCS). Also, in attendance were the IACS Secretariat and the IMO Secretariat. Additionally, to assist in the discussion and assessment, representatives of the IACS member classification societies were present.

The meeting considered, inter alia, reports of the IACS Quality Committee Chair on QSCS developments, of the IMO Observer to the IACS QSCS and of the IQARB Independent Quality Assessment Secretary (IQAS), together with the IACS Quality Secretary’s explanation of the Factual Statement on individual classification societies and the Accredited Control Body (ACB) performance methodology, the gap analysis between the IACS Quality Management System Requirements (IQMSR) and the Recognised Organisation (RO) Code, the Factual Statements and information on the further development of IQARB. Based on the progress made in the inaugural meeting, this second meeting focused on the review of the certification process of the quality management system of IACS members, with a view to issuance of the Factual Statements for IACS member societies, as well as the consideration of the further development of IQARB:

Issuance of Factual Statements

In the individual classification society/RO sessions IQARB members reviewed and assessed the certification process of the quality management of each of the 12 IACS members, using data statistics and analysis, including a statistical review of findings and “no findings”, analysis of nature, trends and distribution of different categories of findings and effectiveness of corrective actions, followed by questions raised by IQARB members for simultaneous response by the classification society and the ACB under assessment. The process also included the analysis of specific samples for each classification society/RO which was discussed in depth by IQARB. The meeting agreed unanimously to issue Factual Statements for each classification society/RO with the content "IQARB endorses the Quality Secretary’s Factual Statements without comment". The actual Factual Statements are set out in the annex to document MSC 102/INF.9 and are released into the public domain, e.g. in the quality homepage section of the IACS website.

Further development of IQARB

In light of relevant provision of the IQARB Protocol, IQARB members agreed to the establishment of a Steering Committee which shall work through correspondence. The meeting considered a proposal from IACS to establish a Technical Committee to explore the possibility of shared steering of IQMSR in line with the goal-based model in order to enable IQARB members to contribute to the further development of the audit standard IQMSR and agreed, in principle, to the establishment of a Technical Committee under the Steering Committee, subject to further consideration. With respect to further amendments to the Protocol, the meeting noted many comments made recently by IQARB members. More generally, it was commented that the Protocol should be developed on the basis of the establishment of IQARB as a permanent entity, rather than an instrument in the trial phase, taking into account the vision that IQARB could, for example, eventually embrace classification societies/ROs that are not IACS members and envisage an expansion of the number of flag States wishing to participate.

The results of “IQARB 2” were reported to the IMO Maritime Safety Committee’s 102 meeting scheduled for May 2020 (see papers MSC 102/22 and MSC 102/INF.9).
IMO 2020 – 100 days amidst the Pandemic

What was on the minds of all shipowners coming into 2020 has now been clearly over shadowed by the pandemic and its significant impact. However, challenges remain on the full implementations of IMO's 2020 sulphur cap.

The next key regulatory milestone is the 2030 regulations where a reduction of 40% of carbon emissions is the current objective. It is widely expected that this threshold will be increased.

But for now, let's look at where we are on the IMO 2020 implementation 100 days since coming into effect.

In the first quarter of 2020, the Maritime Port Authority of Singapore (MPA) reported that most ships calling at the ports of Singapore have complied with the regulation.

It was further reported that based on the pre-arrival notification submitted to MPA, 96% of the ships calling at Singapore used compliant fuel. This excludes ships installed with open loop scrubbers that switch to using compliant fuel upon arriving at Singapore as the use of open loop scrubbers is prohibited in the port of Singapore (as well as in many other ports).

During this period, 326 Port State inspection and Flag State inspections were carried in the port of Singapore. Out of these, 12 ships were not fitted with scrubbers and had fuels marginally exceeding the sulphur limit. This was reported as likely due to remnant residues of high sulphur fuel in the fuel tanks and piping. It is expected in time, the fuel tanks and piping would be sufficiently flushed with the continued use of compliant fuel.

Among the small number of Singapore registered vessels fitted with scrubbers, 31 reports of scrubber malfunctions were noted as of 29 Feb 2020.

There were some incidents related to automation, corrosion, safety and monitoring on some of the scrubber incidents to date.

DNV GL reported close to 4,000 ships being fitted with scrubbers and more were scheduled to do so during the year due to the price difference between heavy fuel oil (HFO) and low sulphur fuel oil (LSFO). This spread has since reduced to significantly below USD $100 per metric tonne. This figure was generally used by the scrubber manufacturers in the rationale on economic viability.

With the pandemic, the installation timeline will be pushed back significantly. It is not clear if shipowners will cancel or delay further until there is some clarity with the potential future price difference between the two grades of fuel. The other factor for consideration is the availability of the HFO post pandemic.

On a final note, we are still monitoring the impact of low sulphur fuels on engine and if there is significant increase in machinery claims in the near future.

By Rama Chandran
Head of Marine for Singapore and Head of Hull & Marine Liability for Asia, QBE Insurance (Singapore) Pte Ltd and IUMI Ocean Hull Committee Chair
As the world continues to fight the COVID-19 pandemic, the economic consequences for economies around the world have already started to show their ugly face with mass unemployment on the rise, companies of all sizes filing for bankruptcy or requesting state aid. This is evident in the numbers recently published by the United Nations Conference on Trade and Development (UNCTAD): The coronavirus led to a 3% drop in global trade values in the first quarter of 2020. The downturn is expected to increase in the second quarter according to UNCTAD forecasts, which project a quarter-on-quarter decline of 27%. Such a drastic downturn will undoubtedly have an impact on marine insurers which directly rely on global trade. Defining the various ramifications of COVID-19 for our business is therefore at the top of most marine underwriters’ agenda. The shipping industry as the backbone of world trade is particularly affected due to the closely-knit web of international trade lanes which are connecting ports, people and cargoes.

In addition to the economic implications, a range of practical consequences with direct repercussions for insurance policies have emerged since the beginning of the crisis. These include, for instance, ships experiencing operational challenges such as shipyards or dry docks being closed and unavailable. Surveys, inspections and audits may not be carried out since surveyors are prevented to plan their visit due to travel restrictions or quarantines.

In response to this situation, the IMO has issued a number of circular letters which address the pandemic’s impact on shipping. In these circulars the organisation calls for a pragmatic and flexible approach between flag and port states with regard to regulatory requirements set out in IMO conventions. In addition to those safety concerns, the IMO also emphasises the necessity to keep seaborne trade flowing and exposed to as little interruption as possible.

By Lars Lange
IUMI Secretary General

and Hendrike Kühl
IUMI Policy Director

The impact of COVID-19 on marine insurers
Since the beginning of the outbreak many Flag states have published guidance with regard to certificates, ship surveys, audits, and inspections. The national measures often reflect a practical approach, for example through the extension of certificates. This is also true for various Port State Control authorities: Paris MOU, Tokyo MOU, Indian Ocean MOU and USCG have all issued guidance regarding the difficulties the shipping industry is facing during the COVID-19 pandemic.

While acknowledging the need for protecting the health and safety of shore-side workers as well as seafarers, it is also critical to keep supply chains open. PSC authorities therefore recognise the need to provide for flexibility and clarity in this special situation.

IACS, too, issued a letter describing actions that have been taken by IACS and its members to help the shipping industry maintain continuity, particularly with regard to corona related restrictions on surveys and certifications. Classification societies such as ABS, Bureau Veritas, DNV GL, Indian Register of Shipping (IRClass) and Lloyd’s Register have all published guidance for shipowners on how to apply for extensions of statutory certificates or, where possible, remote surveys.

In order to keep our members informed, IUMI at an early stage launched a dedicated webpage related to COVID-19. In this section IUMI shares relevant information and resources about the impact of the pandemic on the global economy, the shipping industry and marine insurance. The news section is updated regularly to ensure on-the-spot information.

On 8 April 2020, IUMI further issued a guidance paper on COVID-19 for the marine insurance industry. The paper provides an overview of the impact of the COVID-19 virus on marine insurers and their clients’ business. Moreover, an IUMI webinar on the implications of the corona virus on the marine industry was held in April 2020. In this session Christopher Pålsson from Lloyd’s List Consulting provided an analysis on the impact on the global economy and the shipping market in particular. This was followed by an update from Matthew Wilmhurst, Senior Associate at HFW on potential implications and legal questions arising for marine insurers and the wider marine industry due to COVID-19. The webinar recording and the speakers’ slides can be found here.

Last but not least IUMI also decided to move its annual conference which was planned to take place in Stockholm to the digital space. It is the first time in more than 70 years that the annual gathering of marine underwriters from around the world will not take place in a physical format. This move to an alternative IUMI Stockholm Online Conference is yet another indication toward the many changes and implications the corona virus will bring not least to marine insurers.
COVID-19 will have both short-term and long-term implications for the marine insurance market. On 30 March 2020, as part of two IUMI webinars, HFW presented on the potential implications for marine insurers, and the issues being faced by assureds. We have outlined the key themes below.

The majority of the difficulties deriving from COVID-19 are likely to be experienced by assureds themselves, for example travel restrictions, business closures and shifting supply chain demands. However, marine insurers may also be affected by business infrastructure, government and regulatory, consumer demand, and operational and supplier factors.

COVID-19 has resulted in disruptions throughout global supply chains. For example, some companies are seeking to renegotiate supply contracts or delay payments, terminals are accumulating cargoes and risk, vessels and crews are facing quarantine and crew change challenges, and deliveries are being delayed. Disruptions to even one section of a supply chain will naturally have cascading effects, and may ultimately affect a range of insurance policies.

In the short term, insurers will need to determine how they respond to potential non-disclosure and non-compliance with policy terms. Additionally, we expect to see an increase in insolvencies and fraudulent claims, but do not expect any novel insurance products.

Fundamental changes can be expected in the longer term. Given that vulnerabilities to just-in-time supply chains have been exposed, production and purchasing activities could begin to shift more locally. If that happens, even to a small extent, there will be a large impact on international trade, transportation and marine insurance.

Insurers might also alter the ways in which they conduct business. We have already witnessed greater electronic support and automation in underwriting. However, it will be interesting to see whether enforced lockdowns have demonstrated to the London insurance market that business can be written and brokered without face-to-face contact. If so, London's unique selling point may be eroded and other insurance centres around the world will be able to compete on a more equal footing.
Sanctions were used by Athens against Megara in the 5th Century BC and they helped to trigger the 27-year long Peloponnesian War. Perhaps as a result, it was the more direct tool of embargo that was widely employed subsequently. After the Cold War, individual countries chose sanctions as a cheaper and more acceptable option to the catastrophically disruptive military action of 1914-45, seeking to employ their own measures in addition to those the United Nations (UN) and European Union (EU) produced. The tangled cats’ cradle of all these unharmonised interventions has produced a very real business impediment with significant costs of compliance – in most marine operations, one of the few growth areas is in sanctions staff.

Sanctions are variously seen as coercive diplomacy or even asymmetric warfare, but they cause collateral damage, which can be as unpredictable as in actual war. They are an expression of disapproval based in mistrust but often with a corresponding reluctance or weakness in resource. They can be used to influence societal and state behaviour, for example by putting controls around specific commodities, particularly oil and “dual use” goods. The democratic West and particularly America have increasingly attempted to control political and economic change by indirect means, intervention without overtly direct involvement.

In theory, the gradual effect of sanctions produces results comparable to a successful conflict but without the warfare that is so damaging to market-state economies and politically unacceptable to increasingly materialistic populations. Sadly for the planners, calculating the resistance threshold and future behaviour of the intended target, trade is international and markets can and do cross borders, carving new concentrations, as water reshapes the landscape.

The problem with sanctions is that they are a double-edged sword, just as likely to harm the friendly side as they are to harm the target because they work by raising the cost of pursuing a particular thing, often for both sides, so they tend to suit richer nations. Results are very difficult to quantify as analysed by Maarten Smeets writing for the World Trade Organisation (WTO). Then there is the need to focus the aim noted by Paul Ivan writing for the European Policy Centre. These commentators suggest the effectiveness of sanctions is highly variable and declines markedly over time, usually because of strategic vagueness in aim and actions by the targeted nation.

The Problem with Sanctions

By Neil Roberts
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To make sanctions effective, multilateral co-ordinated and balanced action is needed, preferably with incentives and ideally, the target nation should be enduring some sort of crisis. To cope with widespread implementation by multiple regimes, there are now huge databases of suspect individuals, companies and materials, requiring bespoke checking systems. Without the necessary harmonisation, traders are left with legal uncertainties – whether Gadaffi and Qadaffi are the same people for example. Uncertainties breed concern and also cost money to allay.

Those of a semantic bent will have long pondered the irony that the word “sanction” is a contronym, containing opposite meanings, to allow and to prevent. In insurance circles, the prevent aspect is very much king. Insurance of course, is the required ingredient that allows business to trade but no-one really wants to pay for. Since 2010 when President Obama issued an Executive Order on piracy, the US has realised the ubiquity of insurance and has sought to utilise that permeation in ways that are simply incompatible with world trade and the way it depends on and interacts with insurance.

The US has chosen to specifically target the financial sector through OFAC (Office of Foreign Assets Control) as part of its attempts to control Iran, Cuba and DPRK, among others. The net result is a steep rise in the compliance burden for all insurance entities attempting to trade quite legitimately, with specific limitations on any that have US persons or that trade in dollars. All parties are deemed to be strictly liable, so each insurance entity must run its own checks, with obvious duplication of effort. The majority of the insurance world trades in dollars to some degree and is thus under the direct and real threat of having its trade stopped by a watchful US administration because of an inadvertent infringement. This risk alone is enough to fuel the multiplication of compliance checks that has developed into a formidable hydra.

For the most part, trade continues fairly normally with some headline exceptions, if with added cost. However, when there’s a loss involving a sanctioned territory, things get very complex with questions of blame, delays and OFAC calling the tune. There is an unfortunate misapprehension that because insurance is integral to trade and thus underpins the social fabric, it has extensive accompanying constabulary powers when it actually has none. If there is a criminal intent, there are contractual policy defences, and insurers contend that the outcome of such intent will not be affected by the removal of cover even if that could be achieved.

In the frank words of David Brummond (ex-OFAC staffer) speaking in London, (US) “government policy trumps commerce”, so the octopus of bureaucracy is winning and trade is losing. The western business world is now encumbered with a plethora of ever-increasing compliance checks, whilst its competitors take advantage and the trade focus moves inexorably east. That trajectory is clearly signposted but there are signs of recognition that sanctions are not the panacea they were once thought and can indeed become actively counter-productive. The recent US advisory on illicit shipping, released after months of interaction with industry, demonstrated some degree of realism in its expectations but it is clear that difficulties still lie ahead.
How long have you been associated with IUMI?
I attended my first IUMI Conference in 2002 in New York City. I did not attend a conference again until the Copenhagen Conference in 2007. Since then I have been a regular attendee and in 2014 I joined the Cargo Committee.

What is your IUMI role today and what does it involve?
I currently serve IUMI as the Chair of the Cargo Committee. In this capacity I work with my fellow committee members to drive global thought leadership in areas that are in IUMI’s interests in the cargo insurance sector. These efforts include raising awareness on key challenges facing the cargo line and advancing potential solutions that may benefit the IUMI membership and industry overall.

This is my third and final year serving as Cargo Committee Chair and I will step down after the 2020 Stockholm Conference and leave the committee. Recently I was invited to serve on the IUMI Policy Forum which I accepted. I look forward to continuing to contribute to IUMI’s mission as part of this important group.

And what is your day job?
I am Head of Marine Underwriting, North America for Munich Re America based in New York. In this role I lead the marine reinsurance team responsible for the US and Canada.

In addition, I support the marine industry through participation on various committees. I am on the Board of Directors for the American Institute of Marine Underwriters (AIMU), a member of the National Cargo Bureau (NCB) serving on a number of their committees, and also a member of the American Bureau of Shipping (ABS).

What benefits do you get from being associated with IUMI?
Benefits I gain include learning from others about key issues that impact our industry and being in a position to hopefully make a positive impact on our business. The global network and opportunity to meet fellow practitioners from across the globe and build both professional relationships and personal friendships is tremendous. Having the honor to chair the Cargo Committee I also have the opportunity to benefit from interactions with IUMI leadership and other Technical Committee chairs.

What can you change about the IUMI at what would it be?
In the past five years I have witnessed IUMI evolve to serve its membership. The efforts to extend IUMI’s reach and be more proactive are readily evident. I hope IUMI continues to advance these goals and deliver even greater value for the members. In the future I would like to see broker involvement in IUMI in the form of either an advisory body or limited Technical Committee involvement.

And what is your day job?
I enjoy spending time with my family, my wife, Jane, and children Colleen, Patrick, Kevin and Claire. Some of my passions include fishing, scuba diving, and hiking, all of which have increased my appreciation and awareness of the environment.

How did you reach your current position in marine insurance?
I have benefited in my career from working with and for excellent employers, leaders, co-workers and mentors who have encouraged me to be engaged and to seek to continually improve. These include former IUMI Presidents Rich DeSimone, Deirdre Littlefield and Dieter Berg.

My education played a big role in pursuing a career in the marine insurance industry. I am a graduate of the United States Merchant Marine Academy at Kings Point, New York and earned my Master’s Degree in Transportation Management from State University of New York Maritime College at Fort Schuyler. Both of these excellent schools provided a great technical foundation for a career in the maritime industry. I served at sea aboard commercial vessels and also aboard US Naval vessels as an officer in the United States Naval Reserve. Early in my insurance career I was encouraged to actively pursue education as well earning the professional designations of Chartered Property Casualty Underwriter (CPCU), Associate in Marine Insurance Management (AMIM), and Casualty Claims Law Associate (CCLA).
In mid-February 2020, we started to receive calls from worried clients with cargo lying idle on board three different vessels at anchor off ports in Egypt, Italy and Singapore. The cargo was delayed in delivery due to the German-based shipping line/charterer being in state of restructuring and insolvency.

The twenty thousand metric tons of mainly steel and project cargo, spread over almost 55 Bills of Lading we represented, was booked December 2019-January 2020 for delivery to mainly the UAE and Asia ports and now became exposed to non-delivery, penalty fines under sale contracts, additional discharge and temporary storage costs, extra freight for on carriage, possible cargo damages, etc.

DP Legal acted to:

1. Facilitate discharge of the cargo in the ‘intermediate’ port.
2. Assist in on-carriage solutions.
3. Organise cargo surveys during discharge and re-loading.
4. Collect and report on costs incurred for insurance purposes.
5. Ad-hoc consultancy, and
6. Analyse recovery possibilities.

For the cargo on board of two out of the three vessels, DP Legal negotiated liner-hook discharge agreements with the lawyers appointed by the ship owners. As a direct result, this limited the costs, as well as responsibilities and liabilities of our clients who booked the on-carriage vessels.

For the cargo on board the third vessel, the ship owners contracted a local ship agent to arrange for berthing, discharge and storage in the Egyptian ‘intermediate’ port. DP Legal negotiated the terms and rates of discharge and storage while simultaneously, our clients booked the on-carriage vessels.

With the help of our colleagues at DPS Africa and DPS Antwerp Liaison, almost 25 joint surveys were carried out in three intermediate ports and nine destination ports in order to assess eventual cargo damages during discharge and loading and advise on lashing & securing.

All cargo was delivered to its final destination early May 2020. Total cost for discharge and on-carriage of almost USD $2.3million was reported to our clients in our casualty summary reports.

Recovery possibilities are still being analysed. Feel free to contact us if you would like to have more insights or have any questions with regard to any of the above.
Impacts of COVID-19 in Latin America: an overview

Latin America appears to be at a later stage in the cycle of the COVID-19 virus, compared with other regions such as Asia and Europe. These regions seem to have peaked, flattening the curve and are now preparing for partial re-openings, even though a second wave of contaminations might occur before reaching the so-called herd immunity or the development of a vaccine.

Within our region, countries took measures at different times so the path to recovery will be patchy. One action action is that the supply chain for essential products has been preserved and prioritised by governments to ensure cargo (especially food and medicine, hygienic elements), for the most part, reaches much of the population.

Quarantines, whose strictness varies from country to country, have helped to reduce the number of contagions, however, impact on businesses and employment is growing each day that quarantine continues.

Before Covid-19, Latin America was already trying to overcome a slowdown of its main economies, and the pandemic compounded the problem. This is already reflected in the flow of capital, depreciation of local currencies, and unemployment levels. The impact will certainly be widespread but with differing intensity by country and segments of the economy. It will depend on the recovery of its main partners (China, the US, and the EU), the success in the stimulus packages implemented by the different governments, and the resilience of the business sector.

Most governments have invested in the poorest populations by transferring money – in a type of unemployment insurance – or just by delivering food and other essential goods. It remains a challenge since the region is not as wealthy as its European counterparts. Sadly some cities are seeing rioting as help is too slow or is not coming at all. Latin American countries are spending from 0.6-12% of their GDP in measures to try and contain the economic and labour impact of COVID-19.

Due to lockdown, the informal economy or underemployment has been immediately obliterated and that will have consequences on the supply and demand of various products; before COVID-19, the region (from Mexico to Argentina) had a serious normalised problem with theft, which was an important part of the underemployment system. Expensive, yet easy to sell products, were stolen and sold on in the informal markets: electronics, mobile phones, some medicines, oil, and some food products were the main targets. The situation has now changed.

Nowadays, medical products are the main targets including gloves, masks, antibacterial soaps, and even heavy medical equipment. Of course, once the lockdown eases there will be thousands of people jobless and probably hungry in the streets, and food suppliers will be at a higher risk than they already are. The economy will not immediately recover, therefore governments will have to continue to transfer money or deliver products directly to the less wealthy, to prevent a social bomb from exploding and to keep riots and looting at low levels.

For the insurance industry, the disruption of the supply chain for non-essential products will impact its income. Less commercial activity and reduced transportation of goods will result in fewer policies being written. For the risk management the challenge remains for surveys and measures to manage the usual and unusual risks, since mobility is restricted and the usual physical controls have to be implemented remotely or virtually. However, with every challenge comes wisdom, and this situation might encourage the Latin American market to improve its technology and innovation.
An overview of COVID-19 and its impact on shipping behaviour

By James Whitlam
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COVID-19 has had an unprecedented impact on the global economy in recent months. The international shipping industry is responsible for the carriage of approximately 90% of global trade. In an ever more connected world, countries are increasingly dependent on international trade to power their economies. It is therefore inevitable that a global pandemic will affect the way vessels are operating and these operational changes cause a shift in the risk profiles of individual vessels.

Vessel mileage and the number of unique port visits can provide insight into vessel utilisation and variations in trading geography respectively. At an aggregate level, these metrics also become useful features for assessing more general shipping activity to help us understand how COVID-19 has influenced risk profiles across insurance portfolios.

Containerships
Global average weekly distances covered by large containerships saw a notable decline at the beginning of March this year. Distances dropped from 1,857 to 1,675 (– 9.8%) nautical miles compared to the same time in 2019 (figure 1).

We’ve also seen a reduction of 17–18% in containership unique weekly port visits in Asia and Europe during February and March as the movement of cargo slowed. (figure 2 and 3).

Whilst the reduction in berthing operations may initially lead to a reduction in claims we could see a rise in claims in the future as port activity increases and the industry tries to clear a backlog of goods.

Figure 1: Containership Average Weekly Distance – Global

Figure 2: Containership Average Unique Port Visits – Asia

Figure 3: Containership Average Unique Port Visits – Europe
Bulk carriers

Bulk carriers have continued to operate with a weekly mileage average of approximately 1,100 nautical miles indicating limited change in operational profiles (Figure 4).

Cruise ships

The cruise industry has been one of the hardest hit sectors of the global pandemic as a direct result of social distancing measures.

At the end of April average weekly distance sailed had reduced by 70.5% compared to the previous year with many vessels remaining in port (figure 5).

For a more detailed overview of the data and links to deeper insights into specific sectors click here.
Instances of theft from warehouses are increasing. According to figures released by the Transported Asset Protection Association (TAPA), reported thefts from warehouse facilities in Europe, the Middle East and Africa in 2019 increased dramatically by 590.70% \(^1\) in comparison to 2018. A total of 1,016 thefts were reported to TAPA, although the hidden figure is estimated to be much higher.

Consequently, it is becoming increasingly important to protect warehouse facilities and the stored cargo. The level of security measures should match the value of the stored goods.

In light of this, an appropriate security concept should be developed for each storage facility. An effective concept should consist of the following three areas:

— **Active security** through structural measures and mechanical security devices.
— **Surveillance and reporting** using electronic and optical systems.
— **Organisational measures**.

Security concepts should consider the following factors:

**Securing the premises, for example;**
— Number of companies on the premises?
— How are the boundaries secured (fencing, walls, etc.)?
— How are the premises illuminated?
— Is a burglar alarm system installed?
— Is there a gatekeeper or external security guards?
— Are access roads to the premises secured?
— Are there any security checks upon entering?

**Securing of the building, for example;**
— Structural design of the building (light-weight/solid).
— Number of openings in the building, including locking systems (doors, gates, windows, etc.).
— Is valuable cargo stored separately/in a secured area?
— Are burglar alarm systems installed and what sort of alarm system is used (automatic/manual, electromechanical/magnetic sensors)?
— How are the warehouse operations organised (incoming/outgoing goods, inventories etc.)?
— Total number of employees and working hours / access rights.
— Do sub-contractors have access to the warehouse?

**Personnel security measures, for example;**
— Criteria for the selection of employees.
— Contractual agreements with sub-contractors.

A risk classification for the warehouse can be created based on the aforementioned factors. If the cargo to be stored changes, for example from standard goods to high value cargo, the security concept is to be immediately reviewed. Accordingly, it is recommended that the security concept be regularly assessed by a risk engineer, surveyor or a specialist company.

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The Gulf of Guinea has long presented insurers and their shipping clients with the symptoms of long-embedded criminal activity. The ships and crews are regularly exposed to armed assailants stealing personal effects and cargo and all too often to kidnap, but the international community has been unable to make much meaningful progress in 20 years.

There is now wide recognition that the Gulf of Guinea presents a long-term problem that cannot be fixed without Nigerian participation and unfortunately the internal dynamics of that country militate against a quick resolution. The French and British navies co-operated to bring about a reporting network called MDAT-GoG but it is and can only be a part of the answer. The Nigerian authorities do not, for example, permit the use of foreign armed guards, a key ingredient in suppressing the Gulf of Aden pirates.

Faced with a seeming intractable problem, the shipping industry’s Round Table led by OCIMF have recently released a West African best management practice guide in an attempt to address the situation. It was based along the lines of the guidance successfully employed off Somalia. London’s Joint Hull and Joint War Committees took part in the consultation and support the issued guidance as a mitigation tool.

The oil interests in the region mean Nigeria remains an important trading destination. However, London insurers were obliged to declare the Gulf of Guinea a high-risk notification area in August 2011 due to the continuing and widening range of attacks and that status remains unchanged. Vessels seeking to navigate in the Gulf of Guinea have to notify their underwriters of their intent and may have to take extra security precautions and/or pay additional premiums to obtain cover. The newly released guidance can and should assist but it cannot resolve the fundamentals.

By Neil Roberts
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The Food Agricultural Organization (FAO) is reporting a rise in the global trade of live animals, nearly two billion live animals were exported in 2017 (approximately USD $21 billion). Most of the live animals were exported by road transportation, however sea transport, as a specialised and dedicated transport specialty, is also used. There are two types of vessels that are usually employed (open and closed livestock carriers). Most of these vessels are converted carriers rather than purpose-built vessels. Capacities range from a few thousand cattle (or the equivalent for sheep which is about four times that of cattle) up to around 20,000 cattle. These vessels are sometimes called farms on the sea. But the fact is that it is much more complex than a regular farm due to specific stock condition and the rapidly changing environment.

In addition, vessel conversion is a difficult exercise. There are a number of parameters that need to be strictly controlled and monitored in order to create the necessary living environment for the well-being of animals. This includes water and food, suitable bedding, available space per live animal depending on the livestock, the weight, etc., ventilation to avoid high ammonia levels and a suitable cleaning plan for the duration of the voyage, allocation of hospital pens and medicine to care for sick animals during the voyage, experienced stock person on board and on a number of occasions a veterinarian.

With this in mind, the most critical part is the preparation for the voyage. The success of a transport operation is evaluated by one index: the lowest possible mortality rate of live animals during sea voyage and the subsequent quarantine period.

There are some examples that combine the factors of a newly converted vessel (first voyage) and a defective preparation for the voyage that have resulted in a major casualty. Each country or regional organisation has its own regulation and standards, for example for the EU: European Regulation: n°1/2005 dated 22 December 2004. However, this mostly focuses on livestock road transport regulations. With regard to sea going transportation, standards refer to the OIE (World Organisation for Animal Health) rules and codes of practice. The highest standard however is the Australian Standard.

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Road transport, at a European level, accounts for 75% of global traffic; in Italy, this percentage is significantly higher (over 85%). The European Commission intervened on professional transport by establishing some common rules on entry to the profession and the market, on working hours, driving times and rest periods, and on the use of the digital tachograph. It has also undertaken a series of initiatives to encourage the increase and qualitative development of the parking areas for road hauliers. A study on safe parking for trucks, promoted by the Commission, revealed a general shortage at a European level of adequate structures. ANIA (Italian National Association of Insurance Companies) has always been sensitive to this problem; the first “ANIA list of parking areas for trucks in Italy” was created in 1983, followed by regular updates over the years, gradually responding to more sophisticated criteria.

The creation of GEOSOSTA, the web portal integrated with a cartographic system, dates back to 2007; it allows, already during the route planning phase, to identify and display the location, the safety measures and the services offered in the stop areas and guarded parking areas in Italy, located along the road and motorway network and near the main ports.

The haulier may, therefore, plan stops in a safe condition as well as respect the times of rest required by the European legislation.

Recently ANIA has concluded the complicated and lengthy process of revising the previously surveyed structures within the portal and, even more onerous, finding new facilities.

The resulting picture highlights shortcomings in general and, particularly in some regions where adequate structures do not seem to exist.

ANIA, however, intends to continue promoting the initiative - which does not entail any burden either for road haulier or for the structures that will be involved in the investigation – and, for this purpose, would like to interest the associations of the road transport sector and, internationally, of the transport insurers through Insurance Europe and IUMI.

For more info, please visit the GEOSOSTA portal and have a look at the brochure.
There is much talk these days about how so many business models that have been successful until now, need to be rethought and reshaped to ensure survival post COVID-19, and to be characterised with more mobility and flexibility.

Marine surveying, be it cargo or H&M and whether it is condition – or damage surveys – has relied on the physical attendance of professional marine surveyors on site for centuries.

COVID-19 has clearly demonstrated that travel cannot be taken for granted anymore, revealing a pain-point to the industry, in that surveyors or service engineers cannot attend ships, despite the ships still trading and cargo still moving.

Within marine insurance, surveys are varied and include; pre-risk, renewal, loss prevention or condition surveys. The main purpose being for the underwriter to have a view of the risk at hand, to ascertain whether or not to underwrite the risk, which warranties should be put in front of the owner or how to price the risk.

But when the underwriter cannot send a surveyor, because of global travel restrictions or merely that the vessel is at sea for an extended period of time and will not call at a port in the coming months, how does the underwriter gain insight into the risk at hand?

Motor and personal insurance have for a number of years implemented a remote/self-survey process, but marine has, due to the seemingly complex nature of the risk, remained loyal to the traditional ways of surveying.

Embracing technology and allowing surveys to be conducted remotely by the people on-scene, has clear benefits in that the survey can be performed with minimal disruption to the operation. It can ideally be performed offline as well as online, it is cost effective as the surveyor needs to spend significantly less time on the case the Chief Engineer or someone else responsible will provide the data. It is environmentally friendly due to the reduced travel requirements and it gives the underwriter a faster decision-making ability.

The current outlook suggests that the industry is facing several months of travel restrictions, but the vessels will continue to trade and cargo is moving...

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IUMI is delighted to have agreed a Memorandum of Cooperation with the National Insurance Academy (NIA) in Pune, India. India’s marine insurance market is constantly growing and Indian members are becoming increasingly involved in IUMI’s activities. The demand for educational tools for marine underwriters in India is equally on the rise. The step toward close cooperation with Indian education institutes is therefore a natural one.

The MoC with NIA provides the basis for collaboration between the two organisations in order to promote and expand knowledge and expertise for marine insurers. In this regard mutual accreditation of IUMI and NIA programmes is envisaged. The preferential membership fee for IUMI tutorials is granted to NIA students. Moreover, both organisations will seek opportunities to run online webinars together. NIA will assist IUMI in identifying suitable experts and guest speakers on topics relevant to marine underwriters from around the world. On suitable occasions both organisations will facilitate an exchange of information on specific marine insurance topics.

More information about NIA can be found here.

The COVID-19 crisis took its toll on IUMI’s traditional plan of our Technical Committee members gathering in Hamburg for the annual Spring Meeting. This year the Executive Committee along with the Secretariat took the difficult decision to cancel the conference which usually has over 120 marine underwriters from over 20 countries in attendance coming together to discuss key issues for their lines of business and to plan the workshops for the annual conference.

Instead our committees quickly adjusted and moved their meetings online. Despite the very early or very late hours, our members got together in the virtual arena with nearly universally positive feedback. Of course, the occasional hiccup with the webcam or some peculiar background noise occurred during the various meetings but overall the goals of the committees were achieved and the agendas worked through efficiently.

Even though this was not anticipated the online version of the Hamburg Meeting was a success.