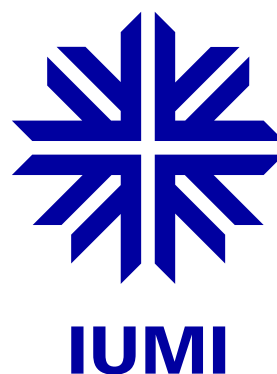


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Message from the President

IUMI shows strength and resilience whilst facing challenging marine risks



Frédéric Denèfle
IUMI President

Heightened geopolitical risk is always troubling. The current negative outlook caused by the ongoing war in the Ukraine; power struggle and conflict in Sudan; coupled with the mounting tensions between the USA and China are of great concern to the marine insurance and reinsurance markets.

Notwithstanding those threats, the various national associations which make up IUMI membership are showing strength and resilience and continue to face the marine risks challenges. The IUMI Asia Forum, held in Dubai on 9 and 10 May 2023, is an example of the excellent and positive approach the industry is showing. Hosted by the Emirates Insurance Association, more than 160 participants attended the IUMI Asia Forum. Drawn from Asia, Europe and the Middle East, the delegates had the opportunity to attend more than 20 presentations highlighting the evolution of marine risk and its potential impact on insurers.

The quality and intensity of these in-depth exchanges once again demonstrated the necessity and value of these conferences. They allow stakeholders in Asia to meet, share knowledge during trying times, and discuss any future developments the marine insurance industry may face with IUMI's support.

This first-of-its-kind in the Middle East, IUMI Asia Forum 2023 will be remembered as an important gathering in the history and development of the IUMI Asia Forum and should deliver a hopeful message to all professionals in Asia and the EMEA regions interested in building better connections through IUMI.

IUMI also attended the 38th South African Marine Insurance Conference in Johannesburg, hosted by the South African Insurance Association. This event showed how IUMI member associations are taking an active and dynamic approach to the market's progress on marine risk, both domestically and internationally.

Marine insurance is about people and knowledge: these conferences are important for creating momentum and raising our capabilities when facing the ever changing marine and transport risks. By nature, such risks are international, and we can share valuable knowledge through professional interactions across borders.

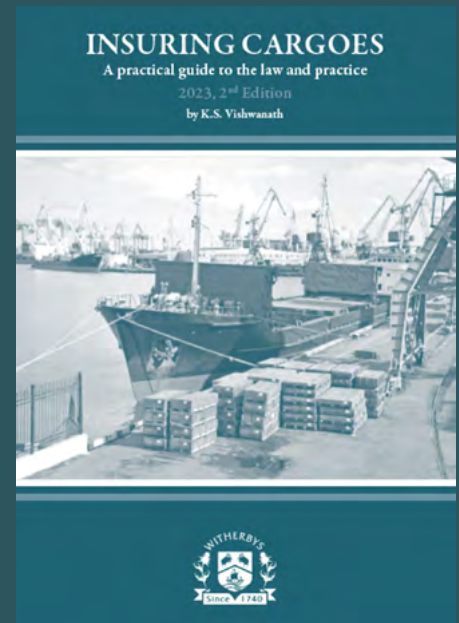
In September, we will host the next IUMI annual conference in Edinburgh. Lloyd's Market Association (LMA) and the International Underwriting Association (IUA) have done great work organising the event. "Strength and Stability in Turbulent Seas" – the conference's central theme – seems more relevant when considering the geopolitical and economic challenges ahead.

We look forward to welcoming representatives from all IUMI marine insurance associations, affiliates and professional partners at the conference. It will provide the opportunity to understand how marine insurance and reinsurance professionals view future marine risks, as well as how IUMI has evolved since the last conference held in Edinburgh 44 years ago. No doubt it will be fascinating. See you all in September.

Frédéric Denèfle, IUMI President

Book review:

Insuring Cargoes — A practical guide to the law and practice



The second edition of “Insuring Cargoes – A practical guide to the law and practice” by K.S. Vishwanath, published by Witherbys, presents a comprehensive and insightful exploration of marine cargo insurance. The book strikes a delicate balance between law and practice, providing practical guidance and illustrating concepts with examples. While referencing relevant case laws, its primary focus is to offer practical insights.

The first chapter deals with the basic concepts of marine cargo insurance and examines in detail various aspects of international trade, including a critical look at Incoterms® 2020 and the UK’s Insurance Act 2015. The first chapter also provides examples of various methods of double insurance, which one does not find in other books.

Chapters two and three discuss English law as it stands on insurable interest. For instance, insurable economic interest is yet to be recognised in English law, and the fallout from this is discussed in the context of sale contracts where risk and title are passed on to the buyer, but the seller remains unpaid.

The fourth chapter examines components of a marine open cover, and the fifth chapter is dedicated to Institute Classification Clause, International Safety Management (ISM), and International Ship and Port Facility Security (ISPS) endorsements.

Chapter six provides an in-depth analysis of the 2009 edition of Institute Clauses (A), while chapter seven explores inherent vice, delay exclusions, and buy-back covers. Subsequent chapters focus on ‘named’ perils, trade clauses, and an in-depth analysis of several broker wordings (non-Institute clauses).

Additional chapters cover War, SRCC, Contract Certainty, Rejection Covers, and claims. The book addresses detailed claims-related topics, including the physical loss or damage cover and miscellaneous issues such as successive losses, piracy, and exchange rate fluctuations.

The final chapter, contributed by Jai Sharma of Clyde and Co, London, focuses on recoveries.

Mike Roderick of Clyde & Co, London, who wrote the foreword, says about the book: “The author does not shirk from tackling problematic areas.....

The author writes on these issues in a stimulating and authoritative manner. It is commended to any reader interested in marine cargo insurance”.

This book is undoubtedly a welcome addition to the library of any serious marine cargo insurance practitioner interested in contract certainty in policies and who wants a thorough grip over cargo insurance’s legal and practical aspects.



Sanjiv Singh
Chair, IUMI Education Forum

Q&A

with Jos Koning

Senior Project Manager at MARIN –
Focus on containers lost at sea



Jos Koning

Senior Project Manager at MARIN –
Focus on containers lost at sea

What is MARIN, and what is your role at the institute?

The Maritime Research Institute Netherlands (MARIN) is a nonprofit organisation that aims to support the maritime industry with knowledge and services on technical and physical aspects of ships, offshore structures and maritime operations.

I have worked at MARIN for 30 years following my graduation as a naval architect at the Faculty of Maritime Technology's Department of Ship Structures at the Delft University of Technology.

During my career, I had to balance the similarities and differences between the actual behaviour of maritime structures and ships with the theoretical models used for their design and operation.

My expertise is wide ranging. From the design of the ships, taking the behaviour of each ship into account, and the sensor and computer systems that capture vessel operations to the mathematical tools that can combine "measured data" relating to ship behaviour and present my findings to the shipowners.

I have supported multiple projects on various topics. However, I have worked on container ships since I first started and continue to work on these regularly. Over my 30-year career, there have been significant tech and operational changes since the days when the vessel size was around 4,000 TEU compared to 24,000 TEU today.

MARIN oversees projects to understand ship behaviour and confirm design concepts. My involvement is to evaluate the relationship between the design approach and a vessel's actual behaviour at sea. This includes measuring waves,

the ship's motions, composition and, more importantly, taking the crew's feedback into account.

Between 2006 and 2009, I was responsible for reporting on container ships for the Lashing@Sea project. Afterwards, I supported the Dutch authorities by providing details on the project to the International Maritime Organization (IMO). I initiated the TopTier project as a follow-up to the Lashing@Sea project. The TopTier project aims to assess the findings of Lashing@Sea and to ascertain if the status quo of the past 10 years had changed.

What is the scale of the problem of containers lost overboard?

The scale of the problem depends on the point of view from which someone looks at it.

From an industry point of view and considering the overall size of transported cargo, the scale is small and insignificant. Recent records released by the World Shipping Council (WSC) showed that 661 containers were lost in 2022. This amounts to less than one-thousandth of 1% of the 250 million containers shipped annually.

However, from a societal and environmental point of view, the focus is on the absolute number of containers lost. The 661 containers of 2022, which was the lowest number since WSC started counting, still represent eight kilometres (661 x 12 metres) of cargo dumped in the ocean and spilling cargo, hazardous and damaged goods and debris into the ocean. This has massive negative repercussions for the environment.

Incidents often occur in concentrated numbers in particular locations, devastating the local marine environment, and beaches, which local communities rely on. In this case, the scale is devastating.

What is the TopTier project and what are its objectives?

The scale and impact of recent incidents regarding container transport safety have raised industry, national authorities' and the general public's concerns. Simultaneously, the key stakeholders' commitment to improved safety measures has been affected.

TopTier, a joint industry project, is an independent initiative aiming to reduce container loss at sea. At the same time, it aims to restore confidence in the container transport operations to be more sustainable in the future.

The project's work is supported, co-operated and co-founded by 40 participants. These include national authorities, major shipping lines, classification societies, lashing gear manufacturers, systems providers, shipyards and knowledge centres. The objective is to dramatically reduce container loss by improving practices, addressing "weaknesses" in the safety framework and updating overarching regulations and procedures such that recommendations are implemented in day-to-day operations.

The project has three stages. Stage one provides an overview of existing practice, typical incidents, and the gaps that lead to incidents. Stage two is aimed at technical investigation of the highlighted gaps and evaluating possible solutions. The final stage combines the overall findings and recommendations for improvements

Q&A with Jos Koning

Continued

to the existing regulatory framework. These will subsequently be submitted to the relevant authorities such as the International Association of Classification Societies (IACS) and IMO.

The challenge is dealing with the various economic drivers and responsibilities spread across different stakeholders worldwide. The stakeholders unanimously support and agree that improvements are needed. However, it is difficult to determine how and who should be implementing these safety measures. The need, urgency and specifics of proposed changes must be substantiated with facts regarding procedures and technical reviews.

TopTier evaluates the strength of containers and lashing gear, how information flows, services and responsibilities along the planning and loading of the vessel and the design motions for which the cargo stow is planned. It further analyses the forces that develop in a given stow under such

motions, and the requirements for information, tools and computer software used in planning, loading and decision support on board.

How will the findings of the TopTier project be put to use, even before regulatory changes may be affected?

The participants in TopTier aim for a 'zero loss of containers' model. This can only be achieved if vessels outside the TopTier group have no container losses either. Important findings are demonstrated in the project and distributed to mariners to make them aware of the content. One example of this is an awareness notice and videos with regular updates to IMO.

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

Many incidents are caused because rules and guidelines are not followed, either because it is not noticed or due to operational pressures. If there is no feedback and control in place to flag these, the crew will find it difficult to take the necessary action.

Safety at sea will improve when crew members responsible for safety use the control and feedback options by logging

data correctly. A wave of a magic wand would see a dashboard where recorded data is broken down to ensure that planning, loading and voyage preparation are done correctly at the transit stage. The information should enable better decision-making in operation, and also allow for offline audits which will provide an incentive to comply with the agreed guidelines and conditions.

What do you like doing when not working?

I like walks in nature. I live near a forest in The Netherlands and enjoy the fresh air and the forest's tranquil aroma. I have loved water activities from a young age, and I like to go sailing on my high-performance catamaran or any other yacht, and I am part of a rowing club. I also enjoy cycling with my family along the river and whenever possible staring across the waves and ocean.

[Find out more about TopTier here.](#)



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Report of the 107th session of the Maritime Safety Committee (MSC 107)



Lars Lange
IUMI Secretary General

The 107th session of the International Maritime Organization's (IMO) Maritime Safety Committee took place from 31 May to 9 June 2023 at the IMO's headquarters in London. Several relevant issues were on Committee's agenda, outlined in this report.

While Lars Lange, IUMI's Secretary General, attended the plenary sessions, Kunal Pathak, Loss Prevention Manager at Gard and Hendrike Kühl, IUMI's Policy Director, participated in the Fuel Oil Safety Working Group.

1

Fire safety on ro-ro passenger ships and container ships

The Committee approved draft amendments to SOLAS chapter II-2 on fire safety on ro-ro passenger ships; and fire detection within control stations and cargo control rooms, together with consequential amendments to associated instruments.

The MSC further agreed to establish a Formal Safety Assessment Expert Group (FSA EG) to review the Cargosafe study, which considers fire protection on board container ships. The FSA EG will meet from 23 to 26 October 2023 at the IMO to assess the Cargosafe study with a view to its compliance with the FSA Guidelines. Once the assessment is completed, the report of the FSA EG and all other documents submitted under this agenda item will be sent to the Sub-Committee on Ship Systems and Equipment (SSE 10), which will start its work in March 2024.

2

Maritime autonomous surface ships (MASS)

The MSC made further progress on developing of a non-mandatory goal-based instrument regulating the operation of maritime autonomous surface ships (MASS), expected to be adopted by 2025. This follows the completion of a related [regulatory scoping exercise](#).

A MASS Working Group was established to progress the work on the MASS Code. It is identifying issues relevant to instruments under the purview of the Legal and Facilitation Committee to be considered by the joint MSC/Legal Committee (LEG)/Facilitation Committee (FAL) [Working Group on MASS](#). This joint endeavour was established as a cross-cutting mechanism to address common issues identified by the regulatory scoping exercises for the use of MASS conducted by the Maritime Safety, Legal and Facilitation Committees.

The group had a common position on training, certification and competency requirements. When there are seafarers on a MASS, Standards of Training, Certification and Watchkeeping for Seafarers (STCW) applies to them. However, when remote operators and masters at Remote Operating Centres (ROC) are not on board a ship, STCW does not apply to those persons. There are certain principles (e.g.,

regarding watchkeeping) in STCW when considering autonomy and remote operation that should be addressed in the MASS Code, irrespective of the application of STCW.

The MSC approved the updated road map for further work. The Correspondence Group was re-established to continue the development of the non-mandatory goal-based MASS Code, to consider the common potential gaps and/or themes identified during the Regulatory Scoping Exercise, to develop positions on any common issues for submission to the joint MSC/LEG/FAL Working Group on MASS. The development of the non-mandatory MASS Code will be limited to cargo ships to consider the feasibility of application to passenger ships at a future stage. The Correspondence Group Coordinator will report to the Intersessional MASS Working Group (MASS ISWG), meeting in October 2023.

A symposium on "Making headway on the IMO MASS Code", co-sponsored by IMO and the Republic of Korea, was held on 30 May 2023, the day before MSC 107 commenced. [Read more here](#).

→

3

**Fuel oil safety and safe delivery
of IMO's strategy on reduction of
GHG emissions**

The MSC is coordinating with the Marine Environment Protection Committee (MEPC) on the transition to low and zero-carbon fuels to meet the obligation to tackle climate change, in particular, ensuring that the safety aspects of any proposed measures are thoroughly considered.

**Guidelines for sampling procedures
for oil fuel**

The MSC approved the joint MSC/MEPC guidelines for sampling procedures for oil fuel under both the SOLAS and MARPOL Conventions, subject to concurrent approval by MEPC. The primary objective of the Guidelines is to establish an agreed method to obtain a representative sample of the oil fuel for delivery for use on board ships for combustion purposes. The basis for these Guidelines is a MARPOL rule which provides that details of fuel oil for combustion purposes used on board the ship shall be recorded using a bunker delivery note (BDN). The BDN must be accompanied by a representative sample of the fuel oil that has been delivered to the ship.

**Oil fuel parameters other than
flashpoint**

The MSC approved draft amendments to SOLAS regulation II-2/4 related to oil fuel parameters other than flashpoint, with a view to subsequent adoption. A new generic provision is added: "Oil fuel delivered to and used on board ships shall not jeopardise the safety of ships or adversely affect the performance of the machinery or be harmful to personnel."

**Framework to support the reduction
of GHG emissions from ships using
new technologies and alternative fuels**

The MSC considered proposals for a new output to deliver a framework for the safe operation of new technologies and alternative fuels to reduce greenhouse gas (GHG) emissions from ships to support the safe delivery of IMO's GHG Strategy.

Having noted the overwhelming support for the proposal, which was initiated by the International Association of Classification Societies (IACS) and co-sponsored by IUMI as well as numerous flag States and other observer organisations, the MSC agreed to a new output on "Development of a safety regulatory framework to support the reduction of GHG emissions from ships using new technologies and alternative fuels". The item will be added to the MSC agenda, starting with MSC 108.

A correspondence group was established to identify and update a list of fuels and technologies which will assist international shipping in supporting the reduction of GHG emissions from. The group will further conduct a safety assessment for new fuels and technologies in relation to persons, ships (newly built and converted) and applicable operations. Based on the outcomes, the group will develop a record of safety obstacles and gaps in the current IMO instruments that may impede using alternative fuel or new technology. IUMI will participate in the Correspondence Group.

4

**Piracy and armed robbery
against ships**

Figures based on reports submitted to the IMO show that the global number of incidents has generally continued to fall, with 131 incidents reported in 2022 compared to 172 incidents in 2021. This is attributed to the regional and international efforts to implement the Djibouti and Yaoundé Codes of Conduct and other important regional initiatives.

→

5

Containers lost at sea

Containers lost overboard present a serious hazard to navigation and safety at sea, in particular to recreational sailing yachts, fishing vessels and other smaller craft, as well as to the marine environment. The draft amendments on the detection and reporting of lost containers developed by the Sub-Committee on Carriage of Cargoes and Containers (CCC) are also relevant to the IMO's work on addressing marine litter. The MSC approved draft amendments to SOLAS Chapter V regarding the reporting of the loss of containers.

The draft amendments to SOLAS address danger messages and would require the Master of every ship involved in the loss of freight container(s) to communicate the particulars of such an incident to ships in the vicinity, to the nearest coastal State, and also to the flag State which would be required to report the incident to IMO.

MSC also agreed on a new holistic output on "Development of measures to prevent the loss of containers at sea", with a target completion year of 2025. IUMI was one of the co-sponsors of the proposal and supports a holistic approach which is also pursued in the [TopTier Joint Industry Project](#), which studies the complex mix of root causes for containers lost overboard.

In this context, MSC approved an additional new output that looks at lashing software requirements. This output is directly linked to the IACS/IUMI Technical Meetings, during which IUMI raised concerns regarding the lashing software. Subsequently, IACS pursued this issue and submitted the proposal for a new output which the MSC has accepted.

6

Training provisions on bullying and harassment in the maritime sector

The MSC approved draft amendments to the Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Code to prevent and respond to bullying and harassment in the maritime sector, including sexual assault and sexual harassment (SASH). Before adoption, these draft amendments will also be considered at the next meeting of the joint International Labour Organization (ILO)/IMO Tripartite Working Group to Identify and Address Seafarers' Issues and the Human Element (JTWG).

7

Non-SOLAS ships operating in polar waters

MSC adopted the first set of amendments to the Polar Code, together with associated amendments to the SOLAS Convention, to incorporate new requirements concerning the safety of navigation and voyage planning, applicable to fishing vessels of 24 m in length overall and above, pleasure yachts of 300 GT and above not engaged in trade and cargo ships of 300 GT and above but below 500 GT, operating in polar waters. The amendments are expected to enter into force on 1 January 2026.

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Cargo insurance tutorial programme

IUMI's online cargo tutorial consists of eleven 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. Topics include international trade 101; coverage for particular average and sue and labour, general average and salvage, exclusions, and many more. The cargo tutorial is CPD certified with 23 hours.

Fees

EUR 550.00 — IUMI members
EUR 880.00 — non-members

Candidates who successfully pass the IUMI cargo exam are invited to apply for an IUMI bursary to take the renowned WMU's Marine Insurance Law & Practice Postgraduate Diploma programme. The bursary is worth US\$ 8,750.



<https://iumi.com/education/online-tutorials/iumi-cargo-tutorials>

Hull insurance tutorial programme

IUMI's hull insurance online tutorial is designed to widen the students' 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; and many more. The hull tutorial is CPD certified with 30 hours.

Fees

EUR 650.00 — IUMI members
EUR 1,040.00 — non-members

Candidates who successfully pass the IUMI hull exam are invited to apply for an IUMI bursary to take the renowned WMU's Marine Insurance Law & Practice Postgraduate Diploma programme. The bursary is worth US\$ 8,750.



https://iumishop.mycoracle.com/catalogue/hull-tutorial_79



Summary of 110th session of the IMO Legal Committee (LEG 110)



Lars Lange
IUMI Secretary General

The Legal Committee (LEG) met for its 110th session from 27 to 31 March 2023 and was chaired by Gillian Grant from Canada. IUMI was in attendance, and key issues of interest included:

Ship-to-ship oil transfers and tankers in the “dark fleet”

The practice of ship-to-ship transfers in the open ocean, as well as the methods used to obscure ship identities and turn off AIS transponders, were discussed by the Committee. A document was submitted to the session, which raised awareness of the consequences and concerns for the global liability and compensation regime of the increase in ship-to-ship (STS) transfers. A fleet of between 300 and 600 tankers, primarily comprised of older ships including some not inspected recently, having substandard maintenance, unclear ownership and a severe lack of insurance, was currently operated as a ‘dark fleet’ or ‘shadow fleet’ to circumvent sanctions and high insurance costs. This increased the risk of oil spills or collisions.

This could also result in a participating shipowner evading its liability under the relevant liability and compensation treaties (e.g., International Convention on Civil Liability for Oil Pollution Damage (CLC) and the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunkers Convention)) in the case of other ships, also placing an increased risk on coastal States and the International Funds for Compensation for Oil Pollution Damage.

The Committee considered that STS transfers on the high seas were high-risk activities that undermined the international regime concerning maritime safety, environmental protection and liability and compensation needed to be urgently addressed.

The Committee supported the recommended measures outlined in the original submission, including:

- Flag States are called upon to ensure that tankers under their jurisdiction adhere to measures which lawfully prohibit or regulate ship-to-ship transfers and that such vessels further adhere to the spirit of the safety requirements in IMO conventions and practice safe shipping standards to minimise the risk of oil pollution;
- Flag States should consider requiring that vessels update their ship-to-ship operations manuals to include notifying their flag State when they are engaged in a mid-ocean operation;
- Port States should ensure enforcement of the safety and liability conventions on these vessels and ensure that ship-to-ship transfer operations are conducted following the applicable safety requirements in IMO conventions; and
- Should the Port States become aware of any ships “going dark”, they should consider subjecting such vessels to enhanced inspections as authorised and notifying the respective vessel’s flag administration as appropriate.

Promoting liability and compensation treaties

The Legal Committee approved information pamphlets on the CLC, Bunkers and Nairobi Wreck Removal conventions, intended to provide information on the treaties and promote their implementation. IUMI was involved in the Correspondence Group, which developed the pamphlets.

Summary of 110th session of the IMO Legal Committee (LEG 110)

Continued

Measures to assess the need to amend liability limits

The Committee continued its work to develop methodologies to help assess the need to amend liability limits in the various IMO liability and compensation treaties, approving a work plan and base document for future work. The last review of the liability limits was in 2012.

The Committee approved the work plan for finalising two methodologies with a view to completion in the 2024/2025 biennium. The work focuses initially on the Convention on Limitation of Liability for Maritime Claims, 1976, as amended by the 1996 Protocol (LLMC). A correspondence group was established in which IUMI participates.

Revised Guidelines on Places of Refuge

The Committee approved the draft Assembly resolution on Guidelines on Places of Refuge for Ships in need of assistance, following the Maritime Safety Committee (MSC) approval. First adopted in 2003, they provide guidance for cases where a ship needs assistance, but they are not intended to address the issue of operations for the rescue of persons in distress at sea (where search and rescue (SAR) provisions shall be followed).

The proposed revision recognises that various organisational, operational and technological developments have occurred in a rapidly changing global maritime domain.

The revised guidelines aim to provide the basis of an operational framework for coastal States, ships' masters, operators and/or salvors, and other involved parties on how to handle and decide when a ship needs assistance and seeks a place of refuge.

Among other changes, a new section on media information and management is proposed, recommending that States include in their administrations the capacities (including training) for dealing with media and requests for information in connection with managing a ship in need of assistance seeking a place of refuge.

Maritime Autonomous Surface Ships (MASS)

The Committee noted the outcome of the first session of the joint Maritime Safety, Legal and Facilitation Committees (MSC-LEG-FAL) Working Group on MASS. The JWG has been established as a cross-cutting mechanism to address common high-priority issues identified by the regulatory scoping exercises for using MASS conducted by the three Committees. LEG 110 endorsed the work plan for the Working Group, including convening two sessions of the Working Group in 2023.

Convention on the International Effects of Judicial Sales of Ships

The Committee welcomed the adoption of the Convention on the International Effects of Judicial Sales of Ships, on 7 December 2022, by the United Nations General Assembly.

The Convention has 23 Articles. Its central provision is in Article 6: "A Judicial sale for which a certificate of judicial sale referred to in Article 5 has been issued shall have the effect in every other State Party of conferring clean title to the ship on the purchaser."

Various criteria must be satisfied for the Convention to apply and for a judicial sale to have international effects, notably compliance with the notification criteria contained in Article 4 and the issuance of a certificate of judicial sale by the court where the judicial sale takes place per Article 5. Per Article 11, the Organization will serve as the repository for notices of judicial sales using the GISIS system. The signing ceremony will take place in Beijing in September 2023. Brian Murphy, Vice Chair of IUMI's Legal & Liability Committee, has been involved in the UN's work on the Convention from the outset.

IUMI podcast series



Listen to our monthly podcast on mis- or undeclared dangerous goods and their impact on marine insurance

Isabelle Therrien, IUMI Cargo Committee Chair and Senior Vice President Canada, Marine Cargo at Falvey Insurance Group, discusses misdeclared goods and the related challenges facing shipping and the marine insurance industry. Isabelle emphasised the importance of increasing awareness and collaborating with all relevant stakeholders to ensure dangerous cargo is adequately declared and handled throughout the supply chain. A common dangerous good are lithium-ion batteries: this will also be on the agenda of this year's Cargo Workshop at the IUMI annual conference in Edinburgh.

[Click here to tune in](#)



Summary of the 10th session of the IMO's Sub-Committee on Pollution Prevention and Response (PPR 10)



Hendrike Kühl
IUMI Policy Director

The Sub-Committee on Pollution Prevention and Response (PPR 10) met from 24 to 28 April 2023. The session was chaired by Dr Flavio da Costa Fernandes from Brazil. The PPR Sub-Committee deals with pollution prevention and response within the International Maritime Organization's (IMO) remit. This ranges from all annexes of the International Convention for the Prevention of Pollution from Ships (MARPOL) through to the control and management of harmful aquatic organisms in ships' ballast water and sediments; biofouling; antifouling systems; pollution preparedness, response and cooperation for oil and hazardous and noxious substances; and the safe and environmentally sound recycling of ships. One of the key issues discussed at PPR 10 was marine litter.

Recommendations for maritime transport of plastic pellets

The risks to the marine environment from plastic pellets have been highlighted by incidents, including the X-Press Pearl in 2021, during which 11,000 tonnes of plastic pellets were spilt off the shore of Sri Lanka.

The Sub-Committee agreed to a draft MEPC circular on recommendations for the carriage of plastic pellets by sea in freight containers. The draft text will be submitted to the Sub-Committee on Carriage of Cargoes and Containers (CCC) in September for their input.

The draft circular recommends that plastic pellets be packed in good quality packaging that is strong enough to withstand the shocks and loadings typically encountered during transport. Packaging should be constructed and closed to prevent any loss of contents caused under normal transport conditions by vibration or acceleration forces.

According to the draft circular, transport information should identify those freight containers containing plastic pellets. In addition, the shipper should supplement the cargo information with a special stowage request. Freight containers containing plastic pellets should be properly stowed and secured to minimise the hazards to the marine environment without impairing the ship's safety and the persons on board. Specifically, freight containers containing plastic pellets should be stowed: under deck wherever reasonably practicable; or inboard in sheltered areas of exposed decks.

Following review by the CCC Sub-Committee, the draft recommendations could be finalised by the next session of the PPR Sub-Committee (PPR 11 in 2024) and approved by MEPC 81 in spring 2024.

The Sub-Committee also agreed that plastic pellets should not be carried in bulk. Member States and international organisations were invited to submit proposals on potential regulatory changes that may be needed to prevent the shipment of plastic pellets in bulk.

IUMI was represented in the Correspondence Group on Marine Litter, which preceded PPR 10, by Jens Jaeger, Head of Marine & Aviation at the German Insurance Association (GDV) and a member of IUMI's Policy Forum.

Preparedness and response to incidents involving plastic pellets

The Sub-Committee approved terms of reference for a correspondence group to develop a draft guide on the clean-up of plastic pellets from ship-source spills. A draft guide should be submitted to PPR 11 for consideration.

Insured losses from Ukraine: A first step toward clarity

**Alex Mican**

Head of Global Strategy and Growth

PCS®, a Verisk Analytics business

IUMI Professional Partner

verisk.com

Loss data from the conflict in Ukraine provides significant insight into the impact on the global re-insurance industry. Following [our informal updates](#) since the early days of the conflict, PCS has begun to publish industry loss estimates for the [marine](#), [energy](#), large onshore risk, and aviation categories. Initial estimates have reached approximately US\$ 1 billion for the marine sector, with another US\$ 2.4 billion for onshore large risk losses reported so far. PCS Global Aviation adds more than US\$ 7 billion from leasing losses due to sanctions against Russia.

Marine losses come mostly from blocking and trapping vessels, and questions about recovery due to salvage remain (noting that PCS estimates are gross of salvage and subrogation). There are also open questions about whether the aggregate industry-wide insured loss will climb due to the treatment of port losses. The split between onshore and offshore losses has yet to be determined, and it could take a while to achieve clarity. Onshore losses have mainly risen from industrial and energy classes of business. Windfarm losses alone are approaching US\$ 1 billion, with three solar facilities poised to take the overall renewable energy loss much higher. Steel facilities and food manufacturing should also contribute significantly to the total.

The aviation losses in Russia have been discussed alongside those from the conflict in Ukraine, but its relationship to the conflict has yet to be fully determined. Nonetheless, [PCS Global Aviation](#) estimates the industrywide insured loss to be above US\$ 7 billion, with the potential for further development.

The impact of the conflict in Ukraine on the global re/insurance industry will take longer to discern than the situation behind the resulting losses. Among the many factors complicating the process is the difficulty of identifying damage and adjusting losses, much of which may have to wait until professionals can access the loss sites. In the interim, reserving may be difficult, making independent industry loss estimates crucial to effective risk and capital management.



PCS Global
Marine and
Energy





A second time for Edinburgh to host the IUMI conference



Dave Matcham

Secretary, IUMI Facts & Figures Committee and Chief Executive, International Underwriting Association

44 years ago, marine underwriters from around the globe met in Edinburgh under the IUMI banner. The minutes of that meeting make for interesting reading. The issues facing mariners back then are still with us today, with the difference being the values at risk and the technology supporting the insured assets.

Fast forward to 17 September 2023, the dynamic city of Edinburgh will again host IUMI. The UK organisers of IUA and LMA decided to give London a rest for our decennial hosting, and we are confident you will not be disappointed.

Just like London, Edinburgh has many attractions for the international visitor. It's an established global hub with a thriving financial services industry and has been voted the best large European city of the future.

It's got a famous castle, is the seat of Scottish government, has royal connections, botanical gardens, amazing shopping streets, galleries, cathedrals, monuments and a zoo. There may even be some malt whisky or haggis to try. However, most importantly, it will see the great annual IUMI family gathering with over 500 marine insurance practitioners together for four days of hard work, some laughter and convivial entertainment.

Edinburgh, and indeed Scotland, have a rich maritime history with shipbuilding yards producing many vessels insured by our predecessors. I am unsure how the Great Michael was insured, as it was built in 1511, weighed 1,000 tons and boasted a crew of 1,000 with 120 gunners.

However, the marine market was undoubtedly involved in the tea clipper, the Cutty Sark - now famously based in London - and the Queen Mary, built in 1936 on the river Clyde, now a hotel in Long Beach, California. There is also, of course, the likely self-insured Royal Yacht Britannia, which is worth a visit to learn how Queen Elizabeth II and her family lived on their world cruises.

Chicago was a very successful conference, not least as we were back in person. Edinburgh will be no different. Being at an IUMI conference is about more than just absorbing information – it's also about building relationships. From those connections, we build trust between the members of the insurance community. You never know when you need it, but it's instrumental in critical times. We seem, at the moment, to have critical times every month.

We are very confident that you will have a great time in Edinburgh. We can carry on the remarkable tradition of gathering all the leading marine markets in one location to serve our customers even better and continue to provide essential support to the global economy. So, we look forward to welcoming you to IUMI in Scotland this September. When you read this message, there may be only 70 sleeps to go.

iumi2023.com

IUMI Edinburgh 2023

Event Information

The full programme is still to be finalised but will feature a “Facts and Figures” workshop presented by Jun Lin, Chair of the Fact and Figures Committee. Jun will report on the committee’s work and put forward the Report on World Merchant Fleet and World Trade. Astrid Seltmann, Vice Chair, will continue the session and discuss the Global Marine Insurance Report.

Delegates with conference passes will have access to the following:

- Delegate badge and conference material
- Access to the exhibition 18–20 September
- Attendance at the Opening Reception on 17 September
- Attendance at the Scottish Dinner on 20 September
- Coffee breaks and lunches in the trade exhibition 17–20 September

Our hosts from IUA and LMA have lined up a memorable programme for the delegates. We look forward to this gathering in the beautiful city of Edinburgh which promises to be very special.

For full details on #IUMI2023 please visit iumi2023.com

More here:
iumi2023.com





Michele Cibrario

Co-Head Renewable Energy,
Vice President, Global Speciality,
Swiss Reinsurance Company,
and Member, IUMI Offshore Energy
Committee

Carbon Capture, Utilisation, and Storage (CCUS) crucial to #netzero2050

Carbon Capture, Utilisation, and Storage (CCUS) technologies are crucial, as CO₂ reductions alone won't get us to #netzero2050. The Intergovernmental Panel on Climate Change clearly spelt out the need for CCUS. Especially the so-called "hard-to-abate" industries, such as cement and steel, will need to continue using traditional energy sources for a while. But their CO₂ emissions can be captured, safely transported, and finally stored (or reused).

There is a considerable amount of movement regarding CCUS projects, with 30 facilities around the globe already operational – and many more in various development phases. However, the task ahead is daunting. These 30 facilities capture 42.5 million tonnes per year. In order to reach the world's net zero goals, facilities worldwide must be scaled to capture and store 7.6 gigatons. While this represents a dramatic increase, it is feasible thanks to generous global storage capacity.

As carbon capture from the air is, at this point, still in the early stages of scaling, most current projects focus on the capture of CO₂ directly from sources such as industrial complexes. Existing technologies are reasonably matured, as is transportation (similar

to transporting natural gas) with a solid rationale. However, there are several challenges still to be overcome in storing carbon deep underground, possibly using depleted fossil fuel reservoirs with well-known geological characteristics.

With the necessary focus on risk assessment and safety aspects of good operations, carbon storage drilling will essentially mirror oil drilling. The utilisation of captured CO₂ will remain a minor part of this emerging industry – an expected 95% will go into underground storage.

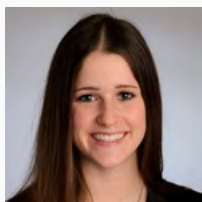
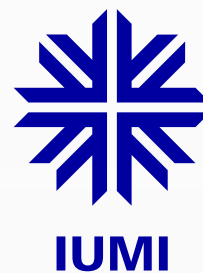
Across Europe alone, there are currently 72 CCUS projects, some of them operational and many in various stages of development. One noteworthy project operational since 1996, Sleipner, a natural gas field in the North Sea, is known as the world's first offshore CCS implementation. The reason for Sleipner's early capture of CO₂ and storing it far below the seabed was simple: taxes. CO₂ taxation led the natural gas producer to find and implement a CCS solution long before much of the world had even heard of such technologies.

The insurance industry has a long history and experience with hydrocarbon and geothermal wells, and, as such, insurance considerations are, to some extent, similar when it comes to underground CO₂ storage. Of course, new technologies need to be factored in, but overall, the approach to insurance remains the same. As complex as some risks are, an insurer's 'energy package' is comprehensive coverage.

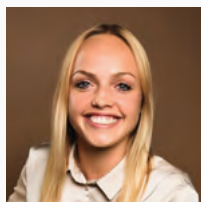
However, one distinct difference between the risk coverage of the oil and gas industry and the emerging carbon storage industry is time. With oil and gas – from exploration to well depletion – there is a time frame of at most 50 years. Once a well is depleted, it is plugged and abandoned. However, safe carbon storage might require risk protection for hundreds of years.

The coming years will see changing tax schemes and more regulation. These will create additional pressure on the fossil fuel industries and simultaneously accelerate the development of CCUS technologies and facilities. The global re-insurance industry will play an important role in the Energy transition regarding CCUS.

IUMI Cargo and Hull tutorials provide students with comprehensive overview



Andrea Mages
Underwriter
Marine Reinsurance,
Munich Re



Beatrice Schaupner
Underwriter
Marine Reinsurance,
Munich Re



Patrick Eckstein
Underwriter
Marine Reinsurance,
Munich Re

The IUMI Cargo tutorial provides a comprehensive overview of Cargo Insurance knowledge, including international trade and insurance buying behaviour, what is being covered (or not), and claims and clauses.

In our role as Marine Treaty Underwriters at Munich Re, we are dealing with experienced insurance clients globally and need to be able to discuss coverages, clauses, risk assessment or special requests with brokers and clients. Our core business is Hull and Cargo Insurance, where it is key to deeply understand the coverages granted in the marine markets and clients' portfolios.

On-the-job training is a big part of learning, by interacting with clients and learning from colleagues' experiences. Initially, this can sometimes feel like a puzzle where you receive one piece at a time, and structured learning approaches can be instrumental. As such, we were looking for a programme that provides a comprehensive understanding of the business while being easy to integrate into our daily work schedule. IUMI provides many learning materials for different topics, including webinars, panel events and training courses. The IUMI Cargo Tutorial proved a perfect fit.

The Cargo Tutorial consists of 11 modules, which focus on different topics of Cargo Insurance, starting with basics such as international trade and incoterms, delving into coverage, exclusions and additional wording items like duration provisions and also covering specific topics like stock throughput or general average.

You can work through the training at your own speed as a participant. While the recommended timeframe is three months, you have up to two years to finish all eleven course modules. At the end of each module, you must take a quiz to test your acquired knowledge and repeat key elements. After completing the tutorial with all its modules, it is possible to take a final exam to receive a participation certificate. Since this is a flexible course, there are no specific dates when it commences, and you can enrol at any time.

Although we appreciated the flexibility, working through the tutorials while also doing our daily work was challenging.

It was especially helpful that we were several colleagues participating simultaneously, so we organised joint recap sessions and exchanges on the topics learned. IUMI offers "Virtual Classroom Sessions" where you can interact with others, which is very helpful when doing the tutorial on your own.

For us as Treaty Underwriters, the cargo knowledge and deeper understanding of the coverages still prove very useful in our day-to-day, be it during risk assessment, client discussions and particularly for the analysis of special acceptances and facultative requests we receive from our treaty clients.

We highly recommend the tutorial to those at the beginning of their Cargo Insurance journeys or those looking for a comprehensive refresher across the entire value chain.

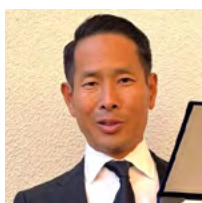
[Cargo insurance tutorial programme](#)

[Hull insurance tutorial programme](#)





Digitalisation of cargo insurance documents — it's time



Tom Shinya
Deputy General Manager,
Marine Underwriting Dept.,
Tokyo Marine & Nichido
Fire Insurance Co., Ltd.

The United Nations (UN) Centre for Trade Facilitation and Electronic Business (CEFACT) Forum took place in Geneva, Switzerland, from 8 to 12 May 2023. Over 350 representatives from 55 countries attended to discuss transparent and effective processes for global trading. Over the years, the UN CEFACT Forum has played a pivotal role in shaping the future of trade facilitation from a digitalisation perspective.

Affiliated industries (trading, shipping, banking, customs, etc.) have transformed their documents into digital data and were actively discussing the international digital framework from a practical point of view during the meetings. Cargo insurance document has also been recognised as an internationally exchanged document and therefore listed as a category under the UN/EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport). However, it has not been discussed with insurance representatives for many years. I had the opportunity to present updates on cargo insurance at the forum.

The points I made were:

- Most cargo insurance certificates/policies are still issued as a PDF or on paper; therefore, discussions need to be on harmonised digital frameworks or data standards on an international level.
- Countries are working to transform cargo insurance certificates/policies into digital data. Accordingly, a data standard among the insurers in Japan has been set.
- Findings from the recently developed framework of digital data standards in Japan.

Along with other trade documents, cargo insurance documents are assigned and transferred internationally. Today, once trade documents are exchanged digitally; expectations are that the shippers/consignees will also request cargo insurance documents digitally.

It's time we face digitalisation and catch up to affiliated industries.



The Ship *New York* is depicted on the official seal of AIMU.

AIMU celebrating 125 years



John A. Miklus

Secretary, IUMI Loss Prevention Committee and President, American Institute of Marine Underwriters

aimu.org

Next year brings an exciting milestone with IUMI celebrating its 150th anniversary. This year, the American Institute of Marine Underwriters (AIMU) marks its 125th anniversary, founded in 1898. Both organisations are steeped in history and can be traced back even further, in AIMU's case to the Board of Underwriters of New York in the early 19th century.

Over the 125 years, AIMU has served its membership in much the same way as IUMI – through committee work, providing quality education, holding events, forging relationships with key maritime industry partners, and providing statistical data. Like IUMI, AIMU has significantly benefited from dedicated volunteers who take an interest in the marine insurance business and generously give their time to make a better and more informed industry.

AIMU and IUMI have enjoyed a strong relationship over many years of shared history. We have hosted seven annual IUMI Conferences, including last year in Chicago (thank you to all who attended).

We proudly have contributed two former Presidents of IUMI, Richard DeSimone (2000 to 2003) and Deirdre Littlefield (2006 to 2010) – the first woman to hold this role.

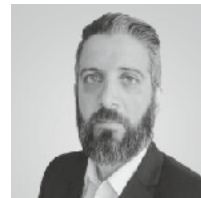
I was honoured to serve as the first chair of the Education Forum, with education now being an essential pillar of IUMI. The newly launched Cargo Masterclass has been a huge success and a superb addition to the webinars and online tutorial courses also offered.

Most IUMI committees and forums have a representative from an AIMU member company, and many individuals from AIMU have served as committee chairs and members of the Executive Committee.

AIMU regularly sends many delegates to the annual IUMI conference, and this year in Edinburgh should be no exception.

AIMU is planning a special 125th-anniversary annual dinner on 1 November in New York City. While that event will be for the AIMU members, we look forward to having special guests in attendance, including the IUMI community. Thank you very much to everyone who has served AIMU in some way over our 125-year history!

The human factor



Maximiliano Romero Álvarez
Buenos Aires Manager and
Tatiana Kazakevich
Buenos Aires Coordinator

BARBUSS Global
IUMI Professional Partner
barbuss.com

When the pilot and captain of a ship, with a length of 200 meters and weight of 45,000 tonnes, fail to control its course adequately, the ship is at risk of grounding or colliding with other structures.

From a claim's handling standpoint, securing a favourable outcome for the cargo owners or the owners of the damaged structures requires quick and coordinated action between insurers, (re) insurers, and claims adjusters.

Many factors can contribute to a harmful event, making the claims handler's involvement crucial, as their actions in the present can greatly impact the future claim outcome.

An example of effective claims handling can be seen in the following case study.

Type of client and cargo

A 200-meter cargo ship lost its route, becoming a risk for the crew, other ships and the cargo.

The incident

A ship carrying 30,000 tonnes of cereals was sailing in one of the major waterways of Latin America when it suddenly deviated from its course and ran aground on the banks of the canal. Salvage operations were immediately initiated, including tugboats, divers, removal of the ship's cargo, and dredging of the surrounding area.

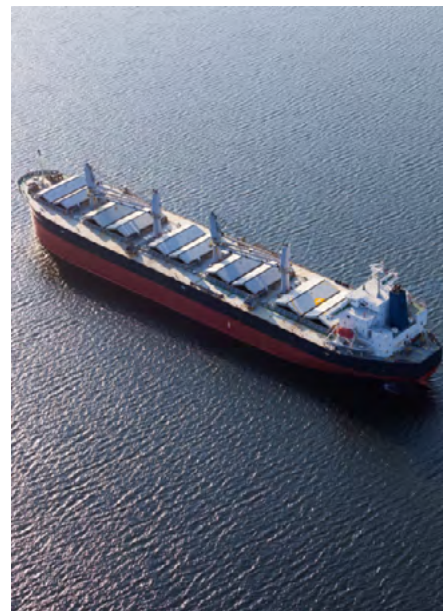
Claims handling and the final outcome

After participating in the investigation conducted by the regulatory authority, and with the support of a specialist captain, it was determined that the ship left the navigation channel without proper authorisation, making the pilot's liability in the grounding clear.

Efforts to reach a mutually agreeable resolution with the pilotage company were unsuccessful, as they denied any responsibility, claiming the role of the pilot was limited. However, the various legal systems place obligations on the pilot, particularly about guiding the captain on navigating routes and manoeuvres.

Therefore, legal action was taken against the pilot, seeking compensation for the expenses incurred by the cargo owners for the salvage operations.

Following a response to the objections raised by the opposing party, negotiations were initiated and ultimately resulted in a successful recovery for the cargo interests.



Insurers lose appeal challenge to fraud ruling



Mike Roderick
Partner

Clyde & Co LLP
IUMI Professional Partner
www.clydeco.com

The English Court of Appeal recently upheld a lower Court decision granting judgment in favour of Quadra, the claimant insured, obliging defendant cargo insurers to meet Quadra's losses.

The case arose out of the Agroinvest grain fraud in Ukraine. Agroinvest and related companies would sell cargo of the same contractual quantity and description multiple times and obtain payment. Agroinvest collapsed in 2019, leaving insufficient cargo available for competing purchasers. Quadra claimed under its cargo policy, which was governed by English law, for its losses.

The issues

There are four key themes to highlight. First, Quadra would not have been able to point to specific cargo that was theirs – the cargo was not segregated into parcels belonging to individual customers but was part of an undivided bulk. The Court held that this and the fact Quadra could not prove ownership was not fatal to the claim.

The Court accepted Quadra's argument that it had paid for the cargo and had a right of possession (under Ukrainian law) to it. In light of the policy's broad insurable interest clause, Quadra was entitled to succeed. Lord Justice Flaux, who gave the lead opinion, said, *"Grain corresponding in quantity and description to the cargoes was physically present in the elevator, and ... Quadra had paid for that grain,"* Justice Flaux said. *"In those circumstances, Quadra had an insurable interest in the grain."*

Two, crucial to the judgment was the Court's acceptance of Quadra's evidence that the cargo **existed**, in fact, in reliance on regular stock reports from a Quadra-appointed survey company.

Three, English law has a line of authority that an insured cannot claim loss and damage where **cargo has never existed**. That line of authority remains unaffected by the Quadra judgment. Most recently, in **Engelhart CTP v Lloyd's Syndicate 1221** [2018], the insured purchased copper ingots in containers. On arrival at the destination, the containers were found to contain slag, not ingots. The insured's claim under its cargo policy failed – there was no loss or damage to which the policy responded.

Four, the sums involved in Quadra were relatively modest. The judgment gives rise to the possibility of claims by multiple insureds for the loss of the same cargo. The Court found that there can be no objection to insurers having to pay multiple times for the same grain *"if that was the consequence of the wording of the contracts of insurance which they issued"*.

The judgment has been described as a significant victory for policyholders. However, insurers can take steps to protect their own position. These might include use of a misappropriation exclusion clause or, if granting misappropriation cover, applying a low annual aggregate or low sub-limits and/or imposing regular survey and inspection requirements.

CLYDE & CO

The case for SIRE:

How ship inspection programmes can improve safety in tanker shipping



Pierre Canevet

Master Mariner, Oil & Gas surveyor

JLB Expertises

IUMI Professional Partner

jlbexpertises.com



The term 'SIRE', whilst unfamiliar to some, is common vernacular for those that work in or around the tanker shipping industry. SIRE – or to give it its full name the Ship Inspection Report Programme – is a tanker inspection and reporting programme created and managed by OCIMF (Oil Companies International Marine Forum) to encourage high safety standards in tanker shipping.

For charterers, SIRE provides assurance that the vessels moving their cargo meet certain standards. For owners and seafarers, it is about receiving good reports (vetting acceptance) from the inspectors that come onboard to carry out inspections. In my experience when working onboard ship, SIRE often meant a competition, especially between vessels owned by the same company, about who would achieve the best inspection report.

Whilst SIRE may bring different benefits to different sectors within the industry, we can all agree that the increasingly high standards seen in tanker shipping over the past 30 years are certainly due to the success of the programme.

OCIMF introduced SIRE to industry in 1993 in response to concerns from charterers about sub-standard shipping within the tanker fleet. It created the onboard inspection programme for crude and chemical tankers and gas carriers. Whilst there have been many iterations of the SIRE programme over the years to bring it in line with changing regulations and evolving technology, its main objective has always been to improve standards in tanker shipping.

To understand why SIRE is so effective we must consider how it works.

Most charterers require the vessels they charter to have a 'vetting acceptance' – an assurance that the vessel that will be carrying their cargo is maintained and operated to accepted standards.

To achieve this an OCIMF-approved inspector will board a vessel during discharging operations. Once onboard, the inspector will complete a Vessel Internal Questionnaire (VIQ). This questionnaire checks if the ship and crew are complying with international standards and regulations. Inspectors mark the questionnaire according to what they see onboard and how crew answer the questions. At the end of the inspection, if the inspector is satisfied that the vessel meets the necessary standards, the tanker will be given a 'vessel acceptance'.

The inspector shares their findings with the ship's crew and operator. The same information is also put into a database that can be accessed by charterers, terminal operators and government bodies concerned with ship safety.

Inspections should be carried out at least every six months.

OCIMF has also rolled out inspection programmes for offshore vessels (OVID) and barges (BIRE), which has substantially improved safety standards in these industries.

The International Maritime Organization (IMO) also implemented Port State Control (PSC). This is the inspection of foreign ships in national ports to verify that the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.

For all other ocean-going vessel types a similar inspection programme is carried out by PSC in national ports across the globe. In each port, foreign vessels may be selected to be vetted by an inspector appointed by the national government to check the vessel complies with international regulations.

Despite these inspection programmes and national governments' ability to detain vessels that do not comply with international regulations, it is not uncommon during my SIRE inspections to see piping in poor condition, a deck with significant amounts of rust, and low safety culture on board.

There are many examples, discovering oil in a bulk cargo of rice due to the inadequate maintenance of the bunker venting pipe, or ballast water in the bottom of a hold due to an overflowing ballast tank. I could give many more.

The maritime industry has always been at the forefront of technical advances and improving safety. Let us hope that in the coming years, systems, equivalent to the SIRE, will be in place on other types of vessels.

People at IUMI

Mariella Dauphinee

Vice Chair, Executive Committee
and Marine Claims Leader,
Intact Insurance Company



How long have you been associated with IUMI?

I attended my first IUMI conference in 2012 in San Diego, USA, and was appointed to the Loss Prevention Committee in 2015.

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

I am currently the Vice Chair of the Executive Committee (EC). The EC is responsible for the administration and management of IUMI in accordance with the general policy determined by the Council. Currently, the EC is working on IUMI's new strategy, 'IUMI 2030'.

This is exciting work and is broken down into six streams, 1) Tasks and Purpose, 2) Finances 3) Organisation, 4) People and Diversity, 5) Membership and 6) Events. I am also the Executive Committee Liaison for the Facts and Figures Committee, as well as for the Data and Digitalisation Forum.

And what is your day job?

I work at Intact Insurance Company/ Coast Underwriters Ltd and within my role as marine claims leader in Vancouver, Canada, I review large volumes of complex claims involving all types of marine losses, such as hull & machinery, cargo and various liability exposures.

I also have the opportunity to mentor and teach marine insurance professionals, which I greatly enjoy. It is always thrilling to spot newcomers who are passionate about the subject matter.

What advice do you have for newcomers to the marine insurance industry?

Start with the basics and sign up for marine insurance courses to allow for a solid foundation to build on as your career progresses.

What are the most important skills anyone needs to succeed in the marine insurance industry?

Marine insurance is international, so staying up to date with current world affairs is essential. Whether you are an underwriter, a claims manager, a broker or an adjuster, dealing with people requires excellent customer service and communication skills. Attention to detail, problem-solving, and analytical skills are also necessary.

Be open, embrace the insurance sector's digital transformation, and use technology to create or improve business processes, products or services.

What benefits do you get from being associated with IUMI?

I enjoy the networking opportunities IUMI offers and meeting marine insurance colleagues from all over the world. I also value the vast amount of information IUMI provides its members, such as statistics, trends and loss prevention.

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

I would like to see our member associations support newcomers to attend the conferences and learn more about IUMI.

How did you reach your current position in marine insurance?

My father was a marine insurance professional who instilled in me a passion for the subject matter plus hard work and dedication.

And what do you do away from the office?

I enjoy going to the theatre, going on long walks and swimming in the warm waters of Hawaii.



Loss prevention is at the heart of marine insurance



Stephanie Sjöblad
Loss Prevention Executive,
Alandia

As the maritime industry becomes increasingly complex, associated risks are harder to control. Having the correct information to enable careful risk selection is essential, and when taking on risks, it is crucial to make every effort to mitigate them as far as possible. This is done through effective loss prevention. We need to fully understand the risks to be able to properly mitigate them, so insurers must adapt to evolving challenges and grow their knowledge. The best-case scenario for stakeholders is that the incident doesn't happen; therefore, loss prevention concerns and benefits everyone.

As incidents seldom occur due to a single mistake/event onboard, it is important to consider the physical property (the vessel and the cargo) and the operational framework surrounding it when formulating loss prevention efforts. Multiple contributing factors are usually connected to a marine casualty/damage, including how the vessel is crewed and maintained, and how the shoreside organisation operates. Inadequate knowledge, lack of foresight, and deviating from rules/procedures are common issues. Effective loss prevention efforts can provide a firm foundation for improved safety, reliability, and performance, making it a worthwhile commitment from the insurer and the assured's perspective.

The key to successful loss prevention is collaboration and commitment. Close internal cooperation between critical functions, such as underwriting, claims, and internal technical advisory services, ensures a true and holistic view of the risk, the exposure, and the customer. Externally, collaboration with the customer depends on good client relationships. Loss prevention has the unique opportunity to work with the customer not only during renewals and claims, but to continuously support safety performance and strengthen transparency and trust.

Cross-industry collaboration is the last piece of the puzzle. To advance; we must share knowledge and experience. We can learn a lot from other high-risk industries such as aviation, rail, and property/construction. There needs to be a joint effort to raise awareness of potential risks and develop industry guidance. We must move forward together to attain the results we want - as the saying by Ken Blanchard goes, "*None of us is as smart as all of us*". Proactive loss prevention is intrinsic to the bigger picture and should be at the heart of all skilful marine insurance business.

Driving improvements in insight to lead positive change



James Whitlam
Product Director, Data & Analytics

Concirrus
IUMI Professional Partner
concirrus.ai

Ambitions are high when it comes to setting future data standards. They must be if the market is to keep pace with the changing technology landscape in adjacent sectors and deal with changing economic dynamics. These shifts include the increased rate of Environmental, Social and Governance (ESG) reporting or the complexities of efficient portfolio management in a geopolitically fragile world.

Ingesting datasets for improved risk modelling

The main limitation of many models on the market is that they work from the assumption that the future will be broadly the same as the past. Of course, this is untrue, whether a global pandemic, regional conflicts, or macroeconomic forces that cause high inflation rates.

For this reason, marine risk models need to be developed further to adjust to these changing landscapes automatically. This will be achieved by assimilating more complex and far-reaching datasets such as inflationary statistics and predictions, steel prices, shipyard utilisation and labour costs. Onboarding these macro-level insights will ensure the world of shipping and cargo is described most broadly and straightforwardly as possible, from seismic market changes to subtle operational changes.

Combining these datasets with the latest machine learning modelling techniques will allow a systematic and thorough approach to understanding the risk. This is made possible by accurately looking into the future to ensure sustainable capital placement and profitability.

An automated underwriting narrative

As we ingest these new datasets and create models that can describe risk from a macro and micro perspective, it becomes more and more complex to explain the modelled insights in a way a human can understand. Achieving this

is critical to ensure the value of data is maximised and injected into what is still a relationship-driven market.

Because of this, advances must be made in further bridging this gap between the latest machine learning and artificial intelligence technologies and the existing market. In the case of our Quest Marine platform, for example, investments are being made into converting what was traditionally a 'black box' model approach into an events-based system that highlights fundamental changes to an asset or portfolio that are tangible to the end user. Combined with the machine learning modelling approach, an automated underwriting narrative will support the user in deploying these insights to impact the bottom line more effectively.

These events include changes in ownership, management structures or port visits. More complex scenarios include increasing regional shipyard utilisation rates and a new charter agreement with a different trading area, meaning that access to drydocking services has become more costly. An events-based approach to modelling will ultimately provide more detailed descriptions of the past and more accurate and dynamic future predictions – we see both as critical to supporting the market in maximising value from data.

This approach and advanced exposure management tools allow the market to respond to and manage significant events more efficiently. Only then can we fully embrace the benefits of digitalisation, vastly improving risk assessment capabilities and reaching complete confidence levels in how business is placed.

Concirrus 



Asia Forum 2023: a first for the Middle East

The IUMI 2023 Asia Forum was held from 8 to 10 May in Dubai, a first for the Middle East. The Emirates Insurance Association hosted this special event which brought together members of the marine insurance associations from countries across the Middle East and Asia, and many international delegates.

On the first day, a joint session on “Marine Insurance Markets in the Middle East” provided insight into marine activities, particularly the rapid increase in import and export volumes for the region. The region is a significant hub for the marine premium business, and according to GIG Gulf, the Middle East represents 3.2% of the global marine insurance premium, providing enormous potential for marine insurance, specifically in cargo and logistics.

Dave Matcham, Chief Executive, International Underwriting Association, provided insight into the world fleet and the shipping market, and Sean Dalton, Executive Vice President and Head of Marine Underwriting, North America, Head of Global Marine Facultative at Munich Re US, reviewed the impact of inflation in marine insurance markets.

Delegates also shared their perceptions on various emerging trends and issues, such as the impact of the climate crisis on marine energy consumption, how global geopolitical events have been affecting marine insurance and the nature of the risk cycle.

This first IUMI event in the Middle East took place in the most memorable setting in the stunning city of Dubai. Thank you to the extraordinary Organising Committee, which was led by Fareed Lutfi, Secretary General of the EIA, who made this conference possible.



Autonomous vessels and their implications for hull and machinery losses



Guillermo Zamora
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In recent years the development of autonomous vehicles such as cars, drones and vessels are reshaping the world.

The International Maritime Organization (IMO) defines Maritime Autonomous Surface Ships as vessels that can operate without human interaction, with varying degrees of autonomy.

Hull & Machinery losses are often claimed to fall within the scope of “negligence of Masters, Officers, Crew or Pilots”. The development of autonomous vessels will inevitably lead to changes in these claims and, therefore, blame must be reconsidered.

There are different methodologies to measure the type and degree of autonomy. From a legal point of view, I like the classification between remotely controlled ships with seafarers on board and remotely controlled ships without seafarers on board. The presence of people on board the ship is a crucial factor in terms of liability. A possible test will be to ask if human interaction on board would have changed the outcome. This is in terms of operational control because the crew will no longer need to be “on board”, as these vessels will be operated from shore in different scenarios.

Ultimately, technology will dictate the multiple degrees of autonomy and must be examined individually to determine which party was at fault regarding litigation or arbitration.

The gradual shift towards automation is transforming the industry, and these changes provide better safety measures and efficiency to the industry, diminishing the risk.

A new standard contract is needed in order for autonomous ships to operate within the shipping industry. Law and marine insurance are, in general, forced to follow the world’s social and business realities and the shipping industry in particular. As such, we now see the first drafts being adopted. AUTOSHIPMAN is

the first standard agreement specifically produced for the growing autonomous market.

The cyber security and force majeure clauses, which limit the parties’ liability if certain events make it challenging to meet the obligations under the contract, have now been revised. This will introduce cyber security standards and even certifications that must be followed to minimise liability.

However, this point will still be argued.

Considerable work is still needed before insurance practices for autonomous vessels can be adopted. This will include drafting new documents and, after testing, revising and editing before they can be added to an insurance policy application.



But, overall, the risk of human error will decrease. The autonomous vessels’ discussion regarding liability and who is liable for losses regarding medium and complex losses is ongoing. Liable parties may range from software developers to shipyards and certification companies, and disclosing liability to them may be easier in future.

As in many cases, the more parties involved in the operation of ships, the higher the risk and the greater number of participants be deemed liable for losses incurred. Of course, all of the roles will have to be examined.

Global Legal Experts

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marlinblue

Building portfolio resilience in uncertain times



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Maritime observers have been nervously monitoring the increasing tensions between the USA and Iran in the Strait of Hormuz. In recent weeks, Iran has seized two vessels in retaliation following the US' seizure of an Iranian-flagged tanker.

The Strait of Hormuz is one of the world's key shipping lanes, with an estimated trade flow of US\$ 685 billion. According to Russell Group's analysis, the Strait is a key exporting channel for many Gulf-producing nations, with an estimated US\$ 227 billion of crude oil exports flowing through it. An incident in the Strait of Hormuz can be regarded as a Connected Risk, which Russell defines as an event where a combination of multiple risk drivers such as political, economic and supply chain can create a large loss.

In this scenario, a surge in US and Iran tensions would lead to an Iranian trade blockade, threatening all exports, including crude oil. This threatens to submerge the global economy, as nations like China and India rely on crude oil exports from Gulf nations.

Similarly, companies' balance sheets could be holed below the waterline if key imports are delayed, which would, in turn, impact (re)insurers insuring those companies on their portfolios.

In these choppy times, it can be challenging for (re)insurers to monitor and know their potential portfolio exposures. However, to truly build resilience, (re)insurers can run scenarios to understand connected exposure better and pre-empt any potential impacts to their portfolio.

Such insights and knowledge will enable (re)insurers to embed resilience within their portfolios and, in so doing, help to navigate a safe passage through these storm-driven uncertain times.



Certainty in Uncertain Times

In these uncertain times, it can be challenging for marine (re)insurers to manage potential portfolio exposures.

Our clients have come to rely on ALPS Marine to help them understand their exposure to actual and potential trade event scenarios.





Grounding incidents in the Indonesian Archipelago



Siddharth Mahajan
Senior Loss Prevention
Executive, Gard AS

Numerous grounding incidents in the Indonesian Archipelago in recent years have involved depth anomalies, causing owners and charterers to incur significant losses. Grounding incidents on charted obstructions are avoidable, but what about uncharted obstructions such as shoals or reefs?

The Indonesian Archipelago is challenging to navigate due to the high traffic density, lack of sea-room, and outdated hydrographic data. [Our article](#) in July 2020 discussed these incidents in some detail using case studies and focusing on the risks associated with uncharted obstructions and how to avoid them. Below is a summary of the key points.

Movement data

In all cases, the groundings occurred in locations with infrequent vessel transits and were well away from the central axis of the archipelagic sea lanes. This is where analysis of vessels' AIS-generated historical movement data can add value by providing helpful insights on how frequently routes are followed, do the routes follow the advice provided by various publications, details such as draft and other dimensions of other vessels, seasonal traffic patterns, and speed of transit.

Sailing Directions

In a few cases, guidance provided in Sailing Directions was not considered when planning the voyage. There was a disconnect between the safety management procedures and onboard practice. The Sailing Directions contain valuable information that may not appear on charts. Mariners are advised to refer to these publications and record when any advice is not followed.

Hydrographic data

Most groundings occurred in regions with old hydrographic data or the seabed had yet to be surveyed in detail, indicated by sparse or unevenly distributed soundings. The discrepancy was also noted between the information in local Indonesian paper charts, British Admiralty (BA) paper charts and the Electronic Navigational Charts (ENCs). We recommend considering survey data quality and positional accuracy when choosing a route. Mariners need to be cautious when relying solely on information from charts or electronic navigation systems.

Role of ECDIS and electronic passage planning programmes

Automated features such as the route check functionality on ECDIS or the routes suggested by a computer programme may not always consider all the factors for safe voyage planning, for example, the Categories of Zone of Confidence (CatZoc) and guidance in Sailing Directions. Mariners will have to perform these manually.

Clearly marking all dangers

For the safe execution of the passage plan, all relevant information on navigational hazards should be presented on the charts and/or the passage planning document in a clear and understandable manner for the bridge watchkeeper.



ALSUM conference in October will provide valuable knowledge and industry-related information



Leonardo Umaña
Secretary General, ALSUM

The 11th annual Latin American Marine Insurance Conference will be hosted by the Latin American Maritime Insurance Association (ALSUM) from 24 to 26 October in Punta Cana, Dominican Republic. Previous conferences have been roaring successes, and last year's event, held in Mexico City, saw a record of more than 500 people from 20 countries in attendance.

Feedback from last year's attendees in Mexico City demonstrates that the workshops were well received. Case studies provided unique opportunities for delegates to learn about industry-related issues such as cover and clauses, risk management and risk appetite, claims and legal matters.

Therefore, the academic agenda for the 2023 conference will feature strategic and technical panels as well as a particular focus on workshops. The Technical Committees of ALSUM are preparing six workshops regarding cargo, hull and marine liabilities, covering topics such as yacht underwriting, general average, ship liabilities and cargo salvage and recovery.

After a theoretical introduction, the workshops will allow delegates to break into smaller groups to analyse the different case studies and come up with solutions and specific outcomes. These will be presented to the larger group at each workshop's end.

Experts from Latin America, the USA and Europe will lead discussions on the Industry Outlook in Times of Economic Change, particularly its slowdown, inflation, and political tensions. Speakers will also provide information on the latest technology, the impact on the relationship with customers, policyholder concerns and marine insurance response, to name a few.

Finally, as part of the ALSUM Women Strategy, the first golf tournament of ALSUM will be held on Monday, 23 October. This will involve a special discount for women and the possibility to participate in a golf clinic for beginners or the professional group.

Click on the link for the full agenda, registration information, and accommodation costs:

alsum.co/en/congreso