

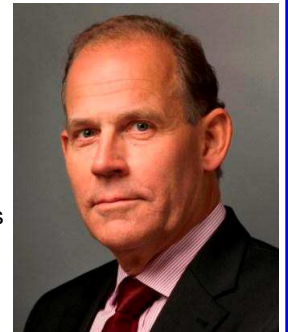


IUMI
International Union of
Marine Insurance



Message from the President

IUMI is working diligently to enhance the influence of marine insurance on politics and regulations that affects the transportation industry. Being a global organization with members world-wide and actively supporting the international transportation industry, IUMI firmly believes that the regulations should be implemented on a global basis and not regional. As you will read in this edition of the IUMI Eye, in December, IUMI representatives met with the IMO Secretary General to discuss current IMO issues and IUMI focus areas. For IUMI, the interest at such high level at IMO adds a lot of credit to our cause. Recently, IUMI has approved new affiliate memberships as well as new IPP members, all contributing to enhancing IUMI's reach, influence and importance as a viable trading organization. Our cooperating with the affiliates has resulted in many new initiatives and activities that support the marine insurance business and the transportation industry in a broader context.



The IUMI Executive Committee and the chairmen of the Technical Committees and the IUMI Salvage and Political Forums met in London in January to provide updates and discuss the IUMI activities in 2014. A tangible outcome was the theme elected for our up-coming conference in Hong Kong in September. The common theme will allow the various technical committees to address many relevant topics in the workshops that are assigned to them, ensuring that we will have a most interesting conference to look forward to.

For IUMI, 2014 has been busy so far and there is nothing indicating that the pace will slow down. This is what we are striving at as we want to ensure that the voice we want to be and any impact achieved are clearly noticeable.

Ole Wikborg, President IUMI

IUMI calls for progress on Places of Refuge

By Lars Lange, IUMI Secretary General, Hamburg

Ship-owners, Salvors, and Insurers - through their respective trade associations IUMI, International Salvage Union (ISU) and International Chamber of Shipping (ICS) - have jointly called in a press release dated 13th Feb 2014 for the prompt and proper implementation of international measures to provide a Place of Refuge for stricken vessels, following a series of incidents where casualty vessels have been delayed in accessing a safe harbour.

The recent plight of the "Maritime Maisie" off the coast of Japan has brought this subject back into sharp focus. The 44,000 dwt chemical tanker was being held at sea by six tugs, after a collision and fire on 29 December 2013. The vessel had been seeking a place of refuge in either the Republic of Korea or Japan for more than a month. The salvors had indicated that it is a priority to take the vessel to calm waters to manage the remaining cargo in a safe manner and so to minimize potential damage to the environment.



ISU, ICS and IUMI recognise that the issue of Places of Refuge for casualty vessels is sensitive and that the risk of pollution from casualties cannot be completely removed. They also recognise that decisions with regard to handling casualty vessels carry political implications and may impact coastal communities. At the same time, failure to offer a suitable Place of Refuge may prevent successful salvage intervention and therefore allow a casualty's condition to worsen and ultimately lead to pollution that might otherwise have been prevented, and that pollution may affect a wider area than need have been the case.

ISU, ICS and IUMI all note the international legal context for the issue and the significant relevant legislation that is in place internationally and regionally, in particular, IMO Resolution A.949, "Guidelines on Places of Refuge for ships in need of assistance"; the 1989 Salvage Convention and the EU Directive 2002/59/EC.

ISU, ICS and IUMI do not see merit in pursuing additional international legislation. Instead, they campaign for better application of, compliance with and enforcement of existing rules and guidance. In short, coastal states should be encouraged to recognise that granting a Place of Refuge to a casualty vessel may be the most appropriate course. States should establish an authority to assess each case on its merits without political interference. Such an assessment must include a visual inspection and conclude with recommendations for managing and mitigating the risk of any impact on local coastlines and communities. The assumption should be that a Place of Refuge will be granted if needed and that there should be "no rejection without inspection".

The text of the complete press release is available on the IUMI homepage.

IUMI meets IMO Secretary-General Koji Sekimizu and his deputy Andrew Winbow

By Nicholas Gooding FC11, IUMI Alternate Officer at IMO

After a career spanning 42 years, mainly spent underwriting Marine Cargo Insurance at Lloyd's, I took over from Andrew Higgs as the IUMI Alternate Representative at International Maritime Organization (IMO) with effect from 1st January 2014. As part of my introduction to the IMO, IUMI President Ole Wikborg, Secretary General Lars Lange and I were privileged to meet the Secretary-General of the IMO, Mr. Koji Sekimizu of Japan (pictured), who has held the office since 2012 and his deputy Mr. Andrew Winbow. The meeting took place in December at the IMO Headquarters in London. Below is a summary of the discussions.

The International Maritime Organization was set up as a product of postwar altruism and is the only United Nations agency based in London. The Organization consists of an Assembly, a Council (the main working executive body) and five main Committees: The Maritime Safety Committee, The Marine Environment Protection Committee, the Legal Committee, The Technical Co-operation Committee, the Facilitation Committee. A number of Sub-Committees support the work of the main Technical Committees.



In spite of IUMI's limited resources, during 2014 all hands at IUMI will focus on making IUMI's voice heard at IMO by actively pursuing the interests of the international marine insurance market, its clients and the broader international transportation industry during the IMO debates.

One of IMO's main tasks in 2014 is the implementation of the Goal Based Standards (GBS) verification process, e.g. related to the Common Structure Rules (CSR) and Energy Efficiency Design Index (EEDI) processes, in addition to further development of an Arctic Code. IUMI endorses and supports these initiatives.

IUMI referred to the following issues with relevance for IMO:

- Insufficient firefighting capabilities and capacities on container vessels;
- The importance of container weighting prior to the loading;
- An agreement on and the implementation of a system that ensures sufficient knowledge of the actual content of containers;
- Enforcement of IMO Resolution A.949 (23) concerning places of refuge;
- Machinery damages due to Cat Fines contamination of low sulphur fuel;
- The EU Regulation No 391/2009 pertaining to the mutual recognition of certified parts between EU recognized organizations is a concern to IUMI. In IUMI's view, a global regulation by IMO should prevail similar to the application of the Recognized Organization Code.
- Monitoring the further development of global piracy.

There is a common interest in improved claims statistics, and it was agreed to investigate if a closer co-operation and sharing of existing data and information is possible and feasible.

IMO and IUMI considered seeking a closer cooperation on education issues. IUMI offered to support the work of the World Maritime University in Malmö.

With the co-operation of Lars Lange and the Chairs of the IUMI Technical Committees and the Political Forum I look forward to supporting IMO in its work in 2014 and beyond and to intensifying our co-operation with IMO.

IACS Council adopts harmonized Common Structural Rules

By Lars Lange, IUMI Secretary General
In December 2013 the IACS Council has unanimously adopted new harmonized Common Structural Rules (CSR) for oil tankers and bulk carriers. The new rules will apply to all oil tankers over 150 m and bulk carriers over 90 m in length.

The CSR will be presented to the IMO which will verify their compliance with the IMO Goal Based Standards (GBS) that will be compulsory for new building contracts signed on or after 1 July 2016.

Among the main benefits of the new CSR, ship designers will be able to work to one common standard applicable to both ship types. In addition a more comprehensive structural analysis including new buckling, fatigue and ultimate strength criteria is possible.

At the same meeting, the IACS Council decided to take a proactive approach to structural safety of containerships, following a comprehensive review of existing technical requirements for hull structural design, construction and survey. IACS decided to expand the scope of current IACS unified requirements for Post-Panamax containerships. These requirements will cover two important areas: scope of hull girder strength assessment and specific loading cases that will provide more comprehensive safety margins.

The new rules are public available at [http://www.iacs.org.uk / Publications/Common Structural Rules](http://www.iacs.org.uk/Publications/CommonStructuralRules).

New export fines target liquefaction dangers

By Helle Hammer, Managing Director, Cefor
The IMO Sub-Committee on Dangerous Goods, Solid Cargoes and Containers agreed in September 2013 on new safety measures for transport of iron ore fines intended to address the dangers relating to liquefaction. The amendments to the International Maritime Solid Bulk Cargoes (IMSBC) will be mandatory in all SOLAS states from 1 January 2017. Taking into account that the mandatory introduction is still years ahead, IMO circular DSC.1/Circ.17 invited in November last year Contracting Governments to voluntarily implement the new rules and test procedure as soon as possible.

Brazil and Australia gave in January 2014 early effect to the new schedule. This means that iron ore fines cargoes exported from these countries will be tested in accordance with a modified Proctor/Fagerberg procedure to determine the transportable moisture limit. In accordance with the new schedule, certain cargoes will be reclassified as cargoes which may liquefy. Specific requirements and precautions will apply for these cargoes.

New chairman is appointed for IUMI's Cargo Committee

Nick Derrick is the new chairman of the Cargo Committee replacing Dennis Marvin.

Nick is Senior Marine Cargo Underwriter at Travelers Insurance but can chart his marine underwriting career back to 1977 when joined Malvern Minster Insurance Company which was part of the Institute of London Underwriters (ILU) on the first floor of the 1958 Lloyd's Building,. Three years later Nick moved down the corridor to join The Orion Insurance Company as an assistant Cargo Underwriter.

In 1983 joined K J Coles Syndicate which is now Amlin Marine, a role he says where he really started to learn the business and art of marine cargo underwriting.

In 1994 he left to join Chubb Insurance Company to start their International marine cargo department. Two years ago he took the opportunity to join Travelers to manage their large cargo portfolio.

"I have been a member of the Joint Cargo Committee for 10 years and in 2010 I became the Chairman which is a most enjoyable and rewarding role," said Nick. "I am looking forward to the challenge of chairing IUMI's Cargo committee."

In welcoming Nick to the role IUMI would also like to thank Dennis Marvin for all his hard work during his time as Chairman.



Storage Exposure: The Snag In Your Cargo Policy?

By Dirk Polfliet, Manager International Desk, DP Survey Group, IUMI Professional Partner, Belgium

In our involvement as prevention and claims surveyors on behalf of trading houses and their insurers, we are often faced with storage conditions that were surprisingly unknown previously. This gives rise to thought that in many cargo books of business the storage risk and exposure appear to be a blind spot to both the insurers and the traders.

Be it concerns of poor warehouse construction, outside storage of vulnerable cargo, prolonged storage of perishable cargo, insufficient fire extinguishing means or doubtful back up power supply, it should be possible to define the exposure for a specific cargo.

Even if we would take into account that certain situations and conditions are customary to a certain geographical area in which traders operate, it should be possible to determine the minimum requirements to accept a specific storage risk, or, using the terminology that is used in shipping, to consider whether a storage location is 'cargoworthy'.

While actuaries and re-insurers would try to divide the world in risk rated zones for different types of exposure, the approach we suggest, is a down-to-earth warehouse inspection, considering the same evaluation criteria (Construction, Occupancy, Protection, Exposure), but from a practical point of view and focussed only on the cargo as being the asset to protect. This is being done along the lines of following methodology.



The first task of course is to determine the defect and the hazard it represents to the cargo as an insured object. Additionally, it should be evaluated how likely a related incident will occur and what is the potential severity and consequence of such incident. Both the probability and severity should be weighed to form an opinion on the actual exposure. Based on this a list of deficiencies is drawn up.



The second step is then to evaluate what means are available to rectify the problem and to define how quickly the hazard needs to be addressed (e.g. a leaking roof or blocked drainage will require more immediate attention compared to implementation of a 'no smoking' policy although both are pertinent risks).

Considering that the different parties involved (brokers, insurers, cargo owners, warehouse management and surveyors), may have different views on probability and severity of certain risks or hazards, an open communication is required in order to come to a consensus on the points of action to be taken in order to manage the risk.

You may find further useful information on our site at <http://www.dpsurveys.com/special-services/risk-prevention/>.



Charity gets boost from IUMI delegates

The IUMI winter meeting in London saw the presentation of a cheque for £7,000 as a result of fundraising efforts at the 2013 annual conference in London. It was the first time the conference had organised a charitable initiative and the efforts were aimed at raising thousands of pounds for a charity close the hearts of the maritime industry.

The Maritime Piracy Humanitarian Response Programme (MPHRP) helps seafarers and the families of seafarers which have been taken hostage by piracy gangs across the world. It aims to provide both financial and emotional support to families during the period when the seafarer is held and will repatriate and support the seafarer and their family in the aftermath of their release.

The efforts raised a significant total and Roy Paul, Programme Director MPHRP, came to Lloyd's to accept the cheque. Pictured left to right at the presentation are: Lars Lange (IUMI Secretary General), Caroline Windsor (TFI Group Account Director for IUMI 2013), Roy Paul (Programme Director, Maritime Piracy Humanitarian Response Programme), Ole Wikborg (IUMI President), Neil Smith (LMA Head of Underwriting), Dave Matcham (IUA Chief Executive)



Theme announced for 2014 IUMI conference

When the IUMI Executive Committee gathered in London for its annual Winter Meeting one of the decisions was to agree a theme for the 2014 Annual Conference.

With this year's conference being held in Hong Kong from 21-24 September the theme will be "Building expertise for a changing world"

It was chosen given the focus on emerging markets providing new risks, issues with the lengthening of global supply chains coupled with larger vessels and higher exposure.

The Executive Committee believes the theme will enable the conference to address the major issues which are affecting the market today and in the near future, in what looks set to be a eagerly anticipated conference this year.

For more information visit the conference website at www.iumi2014hk.com.



Claims handling in automotive logistics

By Arend Egbers, General Manager Region South and Senior Surveyor of Battermann & Tillery, IUMI Professional Partner, Germany, www.ba-ty.com

Considerate action to minimise losses is a mandatory prerequisite in claims handling. In light of the valuable and technically sensitive goods, this is true in particular for logistics services in the automotive industry. Concerted action, taken by all the parties involved, from the carrier to supply chain solutions, is necessary in all damage events.

A lack of coordination between the parties involved (shipper, consignee, logistics service provider, and staff) and non-purposeful action often lead to undesired manipulation, considerable increase of losses and can make it impossible to clarify the circumstances of the loss and the extent of the damage.

Several practical examples are indicative of the above: A pallet unit stacked with small load carriers containing valuable electronic components tilts during handling by forklift in the warehouse, and some of the load carriers fall off the pallet unit. Individual components fall out of the load carriers, as well. The party responsible for the incident immediately returns the items to the load carriers, thus mixing directly affected and not directly affected components. As a result of this manipulation, subsequent detailed differentiation between affected and unaffected goods and loss-minimising sorting and inspection are hampered or rendered impossible.

Another example – some pallet units within the stow on the loading space of a truck have shifted during transport. In the process, some of the pallet units and parts of the packaged goods sustained damage. The cargo is unloaded and the pallet units are straightened, placed in quarantined storage and claimed in their entirety – regardless of their condition upon delivery. In light of the damage event, claiming the entire cargo is incomprehensible and a disproportionate reaction. Hasty and inappropriate action has interfered with the proper course of claims handling.

In both of the abovementioned examples, considerate action and detailed documentation of the damage would have minimised the loss considerably. Therefore, raising the operative staff's awareness by providing further information and training is the prerequisite of successful loss prevention. In the case of a damage event, the respective staff at the transfer points (warehouse/handling staff, truck drivers, etc.) has to be enabled to identify and initiate the appropriate steps and measures.

Ultimately, the incidence of a damage event does not necessarily mean, as it is often claimed, a total loss; rather considerate action results in loss minimisation.

BATTERMANN & TILLERY



Mega containerships: their impact on cargo underwriters

By Matthew Wilmshurst, Associate, Holman Fenwick Willan

With the introduction of 15,000+ TEU container vessels, many questions have been asked of the shipping industry's readiness handle them. Little has been said, however, of the impact of these new vessels on the cargo insurance market. Concerns arise out of risks that are in existence today, but are amplified by the size of the mega-container vessels, in particular:

Larger salvage payments?

Factors which are considered by an LOF arbitrator in determining an Article 13 Salvage Award (the salvor's remuneration under the "no-cure, no-pay" LOF contract) will be directly affected by the difficulties in salvaging mega-containerships. These, along with the potentially enormous salvaged funds, and the expectation that salvors will invest in more equipment to deal with such casualties, are likely to influence an arbitrator and may result in more encouraging awards, ultimately costing the cargo insurers.

More expensive total losses?

A comparatively small 8,000 TEU container vessel on a Far East to Europe service could commence its voyage with roughly US\$500m of cargo value onboard. It is not therefore unreasonable to assume that a mega-container vessel on the same service could carry cargo valued in excess of US\$1,000m. For the cargo industry as a whole, the total loss of such a vessel could result in claims at a level similar to the cost of the entire 2012 UK floods – a potentially catastrophic outcome for some in the industry if more than one such event happened in an underwriting year.



Claims for delay?

Longer, more complex salvage operations and delays in discharge due to general average security issues could result in cargo insurers facing more claims for losses and expenses caused by delay. In light of CENDOR MOPU (where the English Supreme Court considered the relationship between an insured risk of "perils of the sea" and the excluded "peril of inherent vice", and concluded that perils of the sea was the proximate cause of the loss), there is now a risk that insurers cannot rely on the ICC exclusions if the proximate cause of the losses was perils of the sea.

The advent of mega-containerships has resulted in much debate about the potential impact across the worldwide shipping industry, including the cargo insurance market., but the effect goes beyond just shipping and insurance. The natural reaction for insurers might be to protect themselves against the risk of higher claims by raising premiums – an action normally passed directly on to the last person in the supply chain: the high street consumer.

Iran Sanctions – new EU legislation

By Prof. Dr. Dieter Schwampe, Dabelstein & Passehl, IUMI Professional Partner, Member of the IUMI Legal and Liability Committee

In the last edition of the IUMI eye we had addressed latest developments in respect of an agreement between Iran and a group of six states (the 4 UN veto powers United States, Russia, Great Britain and France plus China and Germany) found in Geneva on 24 November, 2013. Meanwhile the EU has reacted and adopted the Council Regulation (EU) of 20 January 2014 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran (published in the Official Journal of the European Union L 15/18; text available on the internet under <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:015:0018:0021:EN:PDF>).

Amongst other aspects of interest, one of the most relevant aspects for insurers is what is part of a number of voluntary measures ... which would include the suspension by the Union, for a duration of six months, during which the relevant contracts would have to be executed, of the following restrictive measures: the prohibition on the provision of insurance and reinsurance and transport of Iranian crude oil. To give effect to this intention as mentioned in Recital (3) of the Regulation, Art. 11 of the Regulation 267/2012 (available under <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:088:0001:0112:en:PDF>) is amended by two further paragraphs (3) and (4), whereof (4) relates to the insurance and re-insurance related to the import, purchase or transport of crude oil and petroleum products of Iranian origin or that have been imported from Iran. The respective prohibition provided for in Art. 11 (1) (d) of Regulation 267/2012 shall be suspended insofar as it concerns the provision of insurance and reinsurance related to the import, purchase or transport of the products listed in Annex XI. As per Art. 2 of the Council Regulation it shall enter into force on the date of its publication in the Official Journal of the European Union, which was on 20 January, 2014. Recital (2) states that the suspension shall be for a duration of six months, during which the relevant contracts would have to be executed. The amendment of Regulation 267/2012, however, does not appear to be limited in time as such. The Regulation does not exclude that sanctions may be re-imposed before expiry of six months, so insurers are well-advised to take care for such possibilities when entering into respective contracts. Insurers are also warned that those provisions of Regulation 267/2012, which are not amended by the recent Regulation, remain in full force, so that due diligence procedures should be kept at the required levels.

DABELSTEIN & PASSEHL
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The above sets out only the situation under EU law. The US has taken its own approach. Insurers will have to consider this before entering into insurance contracts. Dieter Schwampe is available for advice on sanctions under d.schwampe@da-pa.com.

Arctic opening: an emerging reality

By Anders W Færden, admitted to the Supreme Court, partner Wikborg, Rein & Co. DA International Law Firm, IUMI Professional partners

The unprecedented retreat of sea ice and change to seasonal length and weather patterns in the Arctic region provide new opportunities and risks for the shipping community. In particular the time saving achievable through the Northern Sea Route (NSR) along Russia's coastline attracts increasing interest. IMO's ongoing work on the Polar Code, increased focus on polar hazards amongst the IACS members and rising attention to the risks and possibilities in the Arctic region shown by a number of governments illustrates this emerging reality.

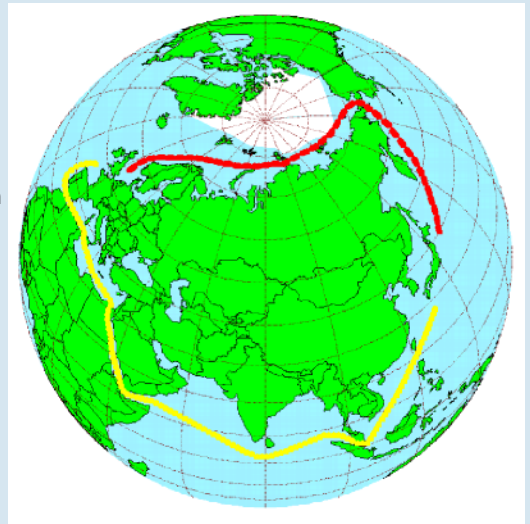
As a matter of course the marine insurance industry is responding, and will to an increasing degree respond, to the growing desire to navigate the NSR and other polar waters. The purpose here is to look briefly at the insurance cover under the Nordic Marine Insurance Plan (the Nordic Plan) relating to the NSR. The starting point is that the NSR is part of the excluded trading area. This follows from the Nordic Plan Cl. 3-15 and also from a particular so-called Cefor Trading Area Clause which was issued in November 2013. Hence, the insurance ceases to be in effect unless permission from the insurer to transit the NSR has been obtained.

But what is the legal position if permission to transit the NSR is granted by the insurer? Breach of "safety regulations" as defined in the Nordic Plan may lead to loss of cover if there is causation between the breach and the casualty and negligence of the insured, ref. Cl. 3-22 and Cl. 3-25. It is basic that the classification society's rules and the flag state's regulations must be complied with, but also coastal states' regulations constitute safety regulations to the extent they are binding on the insured. When it comes to the NSR in particular, provisions and orders given by the Russian authorities on the safety of navigation such as icebreaker assistance, use of ice pilots and shipboard ice navigators and rules on the regulation of maritime traffic therefore constitute relevant safety regulations to the extent they are legally binding on the insured. Information about the Russian regulations can be found on <http://www.nsr.ru/>. The views on the extent of Russia's jurisdiction over the NSR differ. This may lead to questions as to the scope of the safety regulations that are applicable to the NSR.

In addition to the statutory safety regulations and the rules of the classification society, the Nordic Plan provides the possibility to incorporate particular safety regulations into the policy. Such safety regulations may be demands for ice class, voyage planning, additional navigational and emergency equipment, additional spare parts, towage and other emergency preparedness, protection against ice build-up, particular Arctic operational manuals etc. If such particularly agreed safety regulations have been breached, loss of cover is subject to causation and negligence of the insured or anyone whose duty it is to ensure compliance on behalf of the insured. Alternatively, special safety rules may be drafted as warranties like in the English marine insurance system even where the policy is based on the Nordic Plan. However, it is probably less likely that Nordic insurers will adopt this approach.

If the casualty has been caused by gross negligence, ref. the Nordic Plan Cl. 3-33, the claim may be lost. Although the new Cefor Trading Area Clause (if incorporated into the policy) implies that the classification societies' rules regarding ice class no longer constitute safety regulations due to the deletion of Cl. 3-22 sub-clause 3, it may, depending on the circumstances, still be considered as gross negligence to navigate through ice infested waters without appropriate ice class.

Anders W Færden is available for further advice on the NSR and the Nordic Plan on awf@wr.no and www.wr.no.



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Innovation will meet salvage challenges of tomorrow

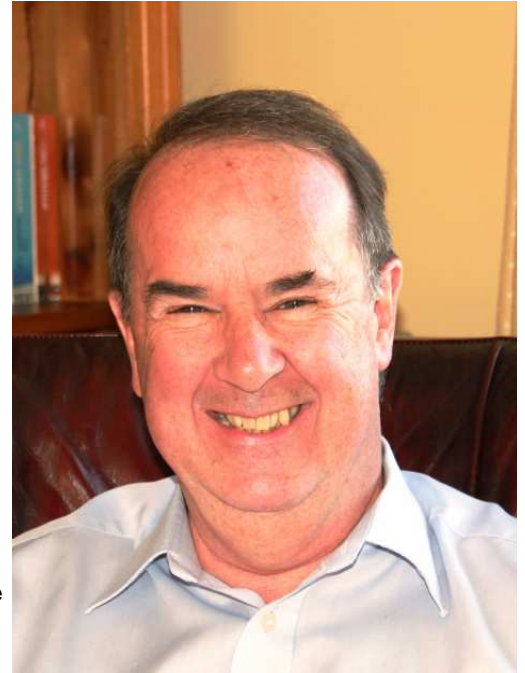
In the second of a regular profile articles IUMI Eye puts the questions to Mark Hoddinott, General Manager of the International Salvage Union.

The International Salvage Union (ISU) is the global trade association representing marine salvors. Its members provide essential services to the world's maritime and insurance communities. Members are engaged in marine casualty response, pollution defence, wreck removal, cargo recovery, towage and related activities.

Mark is a Master Mariner who commenced his seagoing career with P&O in 1967. He served on a variety of ships including passenger, container, oil tanker, bulk carrier, reefer, short-sea ferry and deep sea tugs, up to and including the rank of Master. In 1982 he joined the UK-based company, United Towing Limited, as Salvage Master and spent the next 15 years leading salvage operations on a worldwide basis.

He advanced to the position of Salvage Manager with United Salvage before moving to Titan Salvage in 2007 where he was Managing Director Europe and, for a period, General Manager Asia leading the company's expansion into Asia and Australia.

In 2012 he took up his current position as General Manager of the International Salvage Union based in London.



- How do you view the marine insurance market?

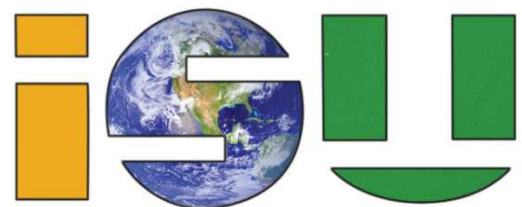
In terms of salvage and wreck removal, the marine insurance market plays an enormous part in the international marine salvage industry. They are our paymasters, property insurers for salvage and liability insurers for wreck removal. Huge hull losses such as the 'Costa Concordia' have brought into sharp focus the difficulties with salvaging large vessels, which the salvage industry is, to its credit, working on through the development of innovative solutions which will ultimately reduce potential losses for marine property insurers. Wreck removals are becoming more expensive as environmental concerns and the influence of coastal states become more prevalent. We have sympathy with liability insurers over the rising costs of wreck removal and have discussed ways in which the costs may be mitigated for the future.

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

It would be useful if marine insurers were better informed about the key salvage contract, the Lloyd's Open Form (LOF). Property underwriters and owners are often the beneficiaries of this contract and yet sometimes they do not seem to recognise its advantages. We would like to see more support for LOF. In addition, the marine salvage industry and marine insurance industry need to have more transparency with each other and work in open co-operation to develop better working relationships. ISU has recently become an affiliate member of IUMI, and IUMI has become an affiliate member of ISU. It is another step towards a better working relationship.

- What is the biggest issue currently for ISU?

We have several issues, but the biggest has to be the continued decline in the use of Lloyd's Open Form as the preferred contract for salvage. This is due to several factors, not least over-capacity in the emergency response market which is having a detrimental effect on traditional 'no cure, no pay' principles, and an inherent fear and loathing of Lloyd's Open Form amongst shipowners and underwriters. Another major issue is Places of Refuge; despite having key international legislation in place through the 1989 Salvage Convention, IMO Guidelines and EU Directives, coastal states are not stepping up and showing the required responsibility towards casualties seeking a Place of Refuge. Other issues include the lack of responder immunity in most areas of the world, criminalisation, the development of ultra large vessels, particularly container ships, LNG carriers, bulk carriers and passenger ships. These huge vessels pose new challenges for salvors due to their sheer physical size.



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

I was a good cricketer in my youth and dreamed of playing for England. England cricket is in a dark place now following a mauling at the hands of the Australians, so I would love to be involved in the management of the England team and its rebuilding. It will never happen, of course.

- What is the most important thing on your desk?

Business-wise, it is my iPhone; what a great invention. Otherwise it is a photograph of my wife and dogs that serve as a continual reminder of the welcome I will receive when I get home.

Secretary General's Address

By Lars Lange, Secretary General, IUMI

Again, IUMI has been able to expand its number of partners and affiliates in the last three months. In December 2013 IUMI granted the Association Mondiale de Dispatcheurs („AMD“, see www.amdadjusters.org) affiliate membership to IUMI. AMD is the world association of average adjusters. AMD'S current President Michael Harvey and IUMI President Ole Wikborg are happy to cooperate in the future on common issues, for example the revision of the York Antwerp Rules, which is in the focus of AMD and also on IUMI's current issue list. AMD and IUMI will also talk about Places of Refuge and wreck removal issues. In February 2014 two law firms from Scandinavia joined IUMI as new IUMI Professional Partners IPP:

- Wikborg Rein, headquartered in Oslo, Norway, is an international law firm with over 230 lawyers working in the offices in Oslo, Bergen, London, Singapore, Shanghai and Kobe. Wikborg Rein's unique and long-standing presence over-seas enables the firm to offer their clients the benefit of an extensive international expertise. Wikborg Rein's broad range of legal

services includes the following: corporate; dispute resolution; banking and finance; shipping and offshore; trade, industry and energy. The insurance law expert group advises hull and cargo insurers and P&I clubs on a wide variety of contentious and advisory matters. In the shipping and offshore fields together with banking and finance the firm is able to provide services under both Norwegian and English law. (www.wr.no).

- Thommessen is one of Norway's leading business law firms with offices in Oslo, Bergen and London. Established in 1856, Thommessen has today more than 285 employees assisting leading companies both in Norway and abroad. The firm covers all aspects of business and commercial law and advises clients of all kind: domestic and international, private and public. Thommessen has long standing experience with insurance law and the insurance sector as a whole. Thommessen's practice covers all insurance related areas from Non-marine/Casualty, Life and Pensions, Marine/Energy, P&I as well as Reinsurance. The firm helps insurers and policyholders in connection with terms & conditions, assessment of coverage and claims handling (www.thommessen.no).

IUMI is more than happy about these new partners and looks forward to an intensive cooperation in the future.

IUMI also welcomes Nick Derrick as new chairman of the IUMI Cargo Committee starting in January 2014. You'll find a short portrait of Nick in this IUMI Eye. Nick is following Dennis Marvin who stepped down after many years of serving IUMI and especially the Cargo Committee. IUMI's warmest thanks go to Dennis Marvin who led the Cargo Committee through a very successful time.

In the meantime the voting results for the London Conference are on hand and were presented to the IUMI officers during the EC/TC winter meeting in January 2014. The very positive results proof the excellent organization of the conference by IUA and LMA and the superior quality of the speakers.

IUMI is now as before intensively working on the implementation of the "IUMI 2015" programme. "IUMI 2015" shall modernize the organization and make IUMI – in a catchword – "more political and more visible". IUMI currently redrafts its Articles of Association in a working group and, once the draft is finished, will discuss the proposal with the whole membership in preparation of a decision by the IUMI council in September 2014 in Hong Kong. IUMI has also established a working group elaborating a communication strategy for IUMI defining where IUMI does want to stand for in the future and how to forward this to the membership and all interested third parties.

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IMO Workshop on Arctic Safe Ship Operations

By Lars Lange, Secretary General, IUMI

On 28 Feb 2014 IMO held a workshop on Safe Ship Operations in the Arctic Region in London. Moderated by Prof. Paul Berkman, University of California, Santa Barbara and Dr. Heike Deggim, IMO, more than 100 participants representing many stakeholders in the arctic shipping had the opportunity to learn about the positions of other parties and to discuss how to develop the rules for the arctic shipping successfully. The workshop was organized in collaboration with two other projects:

- The "Arctic Options" project: Holistic Integration for Arctic Coastal-Marine Sustainability Project, funded by the National Science Foundation (United States),
- The Arctic Climate Change, Economy and Society (ACCESS) Project, funded by the European Commission.

Objective of the workshop was to facilitate an exchange of information among diverse experts and to consider issues and strategies for ensuring safe shipping operations in the Arctic Ocean taking IMO's ongoing work on the mandatory Polar Code, which is anticipated for completion in 2014 into account.

Prof. Jean-Claude Gascard, Universite Pierre et Marie Curie, Paris, introduced the European Commission ACCESS project. Amb. Hannu Halinen, Finnish Ministry of Foreign Affairs, explained the work and position of the Arctic Council and its relation and cooperation with the work at IMO. Many other speakers explained their interests, activities and positions for stakeholders such as ship-owners, arctic coastal states, tourism industry and insurers.

IMO is currently developing a Polar Code. In her speech Dr. Deggim outlined the progress. The work regarding the Polar Code had been initiated in 2009 by MSC 86 and taken up by DE 53 in 2010. The working group founded to prepare a draft of the Polar Code submitted its final report to SDC1 in January 2014. In Part 1 the draft provides various safety measures for Arctic shipping operations (such as polar water operation manuals, structural integrity, stability requirements, life-saving appliances and arrangements, safety of navigation, communication etc.) and in part 2 pollution prevention measures.

The draft Polar Code is expected to be adopted by MSC and MEPC this year. Respective amendments to SOLAS and MARPOL integrating the regulations of the Polar Code are being prepared. 1 ½ years after the adoption, the regulations will enter into force. IMO expects this for summer 2016. The rules are intended to be mandatory. More detailed information on the Polar Code can be found on the IMO website www.imo.org.

IUMI strongly endorses the development of the Polar Code and is fully committed to the successful completion of the Polar Code at IMO.