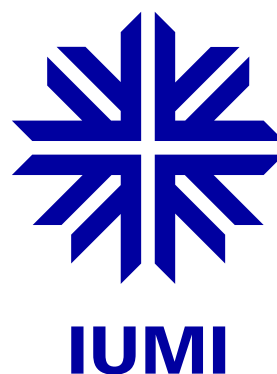


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|----|--|----|--|
| 2 | Message from the President | 16 | 8th session of the Sub-Committee on Ship Design and Construction (SDC 8) |
| 3 | Full support for seafarers in Ukraine | 17 | An underwriter's view on automating submissions |
| 4 | Tutorial programme | 18 | People at IUMI: Tom Shinya |
| 5 | IUMI supports IMO in decisions for "Non-IG insurers" | 19 | Cyber and infrastructure chokepoints |
| 6 | Time to take a trip to the Windy City | 20 | Cyber risk & freight forwarding liability: How is the marine insurance industry responding? |
| 7 | IUMI Winter Meeting returns to in-person | 22 | Resolutions on Unified Interpretations on the test for breaking the shipowner's right to limit liability: finally passed |
| 8 | IUMI EYE Q&A Luc Smulders | 23 | Forthcoming IUMI webinars |
| 9 | IUMI podcast series | 24 | Cargo insurance: a valuable ally for logistics sustainability |
| 10 | 8th session of the Sub-Committee on Human Element, Training and Watchkeeping (HTW 8) | 25 | Congratulations to the successful IUMI exam candidates |
| 11 | Cyber 'war': a question of 'reasonable expectations' | 25 | Imprint |
| 12 | Insurers call for increased transparency through climate reporting | | |
| 13 | New risk of cargo damage – unsuitable transport by bulk carriers | | |
| 14 | Containership and RoRo fires at 8th session of IMO's Sub-Committee on Ship Systems and Equipment (SSE 8) | | |
| 15 | The case against seaman status for offshore energy workers | | |



Message from the President

Adapting to a world in transition



Richard Turner
IUMI President

Welcome to the latest edition of IUMI Eye.

It feels incredible to be marking the second anniversary of the Covid-19 pandemic. During this difficult phase, IUMI has coped remarkably well with the challenges of an online remote working environment, though we have certainly missed our face-to-face interactions. It is exciting therefore to be able to report that two years on from our last in-person meeting, we were able to hold our traditional Winter meeting in London (courtesy of the IUA) in February, albeit on a hybrid basis.

The Winter meeting marks the real start of IUMI's year – and it is in this forum that we bring together the IUMI Secretariat, the Executive Committee and the Technical and Forum Chairs and a number of the Secretaries.

One of the pivotal tasks of this event is to select a Common Theme for our main conference in September. Our common theme changes each year. It provides a banner and acts as a rallying point for the conference. Our workshops in September will have topics that embrace the Common Theme and feed off it.

This year's common theme will be:
“Adapting to a World in Transition.”

We can draw on some important topics off the back of this theme:

- The pandemic continues to evolve, and we will likely have to learn to live with it in our communities for many years to come.
- There is the ongoing theme of environmental pressures, as the world transitions towards a more decarbonised future.
- In the wake of the pandemic, vulnerability in global supply chains will be a key point of focus.
- Data and digitalisation' is a major driver of change, in both our client base and the marine insurance sector itself.
- And we will have the opportunity to think further about the people skills that will be required for our industry to be successful in the next few decades.

So, all in all, I think we have devised a vibrant and energetic banner for our conference in the Autumn.

Finally, a reminder to our members to keep the conference dates – 18th to 21st September – free in your calendars. The US conference organisers are pulling out the stops to enable us to have an in-person event in Chicago, so I hope to see you there later this year.

Enjoy the publication. Stay safe and well.

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

Message from the Secretary General
Lars Lange

Full support for seafarers in Ukraine

All of us at IUMI are shocked and saddened by the war unfolding in Ukraine. Whilst it is not appropriate for us to comment on the political situation, we are fully aware that Russia's attack has directly impacted shipping in the area as well as the safety and welfare of many seafarers.

We have heard reports of vessels being attacked by missiles resulting, tragically, in at least one fatality. A number of vessels are alongside in Ukrainian ports where they remain at high risk. A lack of tugs, pilots and shoreside facilities are currently preventing these ships from departing. Inevitably, stocks of potable water, food and fuel will begin to run low as the war continues.

It goes without saying that we must place the safety and welfare of all those affected – both at sea and ashore - at the top of our list of priorities and we urge all maritime stakeholders to do the same.

Currently, the flow of accurate information from Ukraine and the surrounding areas is poor making it challenging to fully assess the risk levels for shipping. Insurance companies are seeking continuous updates from a variety of sources including from their assureds and independent security companies. Marine war risk insurers are monitoring the situation and are able to provide cover in most circumstances as long as information is available and accurate. Vessels entering high-risk areas should notify their underwriters who will assess the risk accordingly.

We join many others in the call for a swift and peaceful end to the current situation and we call upon all marine underwriters to continue to support their assureds during this difficult time.

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



IUMI supports IMO in decisions for “Non-IG insurers”



By Lars Lange
IUMI Secretary General

1
Proper implementation of international conventions

2
Proper understanding of international convention requirements

3
Proper application/enforcement of international conventions

In 2014, the International Maritime Organization's (IMO) Legal Committee adopted Guidelines for accepting insurance companies, financial security providers and International Group of P&I Clubs (IG) to verify the compulsory insurance requirements. With a reference to these guidelines, IMO member states suggested in March 2020 a further consideration regarding problems encountered in some oil pollution incidents involving insurers that are not members of the IG.

The issue is also being examined by the governing bodies of the International Oil Pollution Compensation Funds (the IOPC Funds). During the 108th session of the IMO Legal Committee in July 2021, the IOPC Funds provided an update on the problems encountered in some oil pollution incidents involving 'non-IG insurers'. 147 incidents were identified of which 44 incidents either had no insurer or the insurer was unidentified. Of the remaining 103 incidents, 20 incidents were found to be insured by non-IG insurers and six of these resulted in the IOPC Funds providing compensation before the shipowner's limit of liability had been reached.

Challenges can be grouped into three categories:

1. Proper implementation of international conventions: State Parties to the Conventions have an obligation to ensure that they have properly implemented the Conventions, including any subsequent amendments.

2. Proper understanding of international convention requirements: Not all parties involved in the international conventions may have a proper understanding of the requirements. For example, non-IG insurers may not be aware that the conventions provide a right to direct-action against an insurer.

3. Proper application/enforcement of international conventions: For international conventions with compulsory insurance requirements, States are required to ensure that ships flying their flag do not operate without having the appropriate State issued certificate validating that insurance or other finances are in place. States are also required to ensure that ships entering or leaving ports in their States have a valid State issued certificate.

In preparation for the 109th session of the IMO Legal Committee, Canada submitted a proposal for a “new output” in discussing these insurance problems at LEG 109 in March 2022. The purpose is to develop guidance for the proper implementation and application of IMO liability and compensation conventions. Potential fields of action could be:

- The review of the Guidelines for accepting insurance companies (Circ. No. 3464),
- The development of educational and practical information sources,
- Awareness training for both Flag and Port state controls on the compulsory insurance requirements of the IMO liability conventions.

A group of Flag States under the leadership of Canada, the International Group of P&I Clubs and IUMI cooperated in the preparation of the paper inviting the Legal Committee to agree on a new output for the 2022–2023 biennial agenda with a target completion date of 2024.

Annual IUMI Conference
2022

Time to take a trip to the Windy City

We have officially commenced the countdown to Chicago for the 2022 Annual IUMI Conference from 18–21 September 2022. This will be the first in-person conference in three years and it would be an understatement to say that we are very excited about seeing our friends and colleagues in person after a trying and difficult time.

The American Institute of Marine Underwriters (AIMU) will be our host this year and it looks to be an unforgettable event. Chicago is the third largest city in the United States and is well known for being the Windy City. The venue is the beautiful Chicago Marriott Downtown Magnificent Mile Hotel, located in the centre of Chicago, and has exceptional views of the city and Lake Michigan. The city itself is budding with an abundance of unique architectural styles, around 60 museums, nearly 200 art galleries, and more than 7,300 restaurants and 167 breweries. It would be safe to say there is plenty to do.

This year's conference theme is '**Adapting to a world in transition**', and as our President Richard Turner discusses in his opening statement of this IUMI Eye (page 2) has been specifically chosen to encompass how we must adapt to our changing world. Richard highlights a number of factors including how Covid-19 will be with us for some time to come and the need to constantly adapt; ever more stringent environmental pressures; and how data and digitalisation is becoming increasingly prominent in our working lives.

For more information on the upcoming IUMI Annual Conference please visit www.iumi2022.com

Registration is set to open in early Spring.

We look forward to seeing you there.





By Lars Lange
IUMI Secretary General

IUMI Winter Meeting returns to in-person

In early February, the IUMI Executive Committee and the Chairs of the IUMI Technical Committees and Forums convened in London for the Annual Winter Meeting, which was kindly hosted by the IUA. A number of the attendees were still not able to travel to London due to travel restrictions and dialed into the meeting, but a considerable part of the group was able to meet in person in London.

A number of key topics were on the agenda:

- The IUMI Executive Committee (EC) started a new **strategy debate “IUMI 2030”**, in September 2021. EC members prepared six proposed work streams for the EC’s consideration during the Winter Meeting. The target is to develop IUMI further, based on the successful work of the last ten years, maintaining the achievements already made. The six work streams are; 1) IUMI tasks and purposes, 2) IUMI finances and funding, 3) IUMI organisation, 4) IUMI people and diversity, 5) IUMI membership, and 6) IUMI events. The EC aims to hand over in September 2022 a robust set of concrete proposals to the new EC after Chicago for final consideration and implementation. The membership will be actively involved in the decision-making process.
- Final decisions on the revision of the **IUMI Articles of Association** were made, based on the successful work of the Working Group founded in May 2021. The final draft will be sent to member associations for comments and input, before a final decision on the revision be taken by the IUMI Council in September 2022 in Chicago.
- First content decisions for the **IUMI Chicago conference** in September 2022 (www.iumi2022.com) were taken. The common theme was agreed as “Adapting to a world in transition”.
- IUMI’s **lobbying and advocacy agenda**, in close cooperation with the IUMI Policy Forum, was discussed and adjusted, and contacts and networks for this purpose were revisited. This was done with the purpose of having a streamlined advocacy agenda to ensure all relevant topics are covered, priorities set correctly and to ensure the best possible support for the industry.
- **IUMI finances** 2021 were approved and the budget for 2022 was agreed. The financial results for 2021 were very positive despite the pandemic and will be introduced to the Chicago conference by the IUMI Secretary General.
- IUMI wishes to strengthen the work of its **Salvage Forum**. A working group was founded, and challenges and targets were discussed together with the Chair Phil Norwood. Moreover, documents regarding Comité Maritime International’s (CMI) General Average Guidelines and a Memorandum of Understanding (MoU) with the International Group on incident coordination were approved.
- Communication is of the utmost importance for IUMI’s visibility and success. The existing IUMI communication strategy had been developed in 2015. Together with IUMI’s PR partner Navigate the Winter Meeting agreed on key targets for a revised **IUMI communication strategy**, incorporating the more diverse media and communication landscape.
- Based on the work of the newly founded IUMI **ESG/Sustainability** Working Group, the EC acknowledged milestones achieved and decided on further strategy and key targets. The Poseidon Principles for Marine Insurance, where IUMI is a supporting partner, were discussed as well.

IUMI EYE

Q&A

Luc Smulders

Secretary-General of Paris MoU



In a nutshell, how would you describe the main role of Paris MoU?

The main role of the Paris MoU is captured in its mission statement: "The mission of the Paris MoU is to accomplish the elimination of substandard shipping by inspecting the ships in the region using a risk based methodology. This risk based inspection method ensures that the merchant ships in the region meet the international safety, security and environmental standards, and that crewmembers have adequate living and working conditions in compliance with the international maritime labour standards".

The need for Port State Control actually stems from the experience that not all parties, in the first instance shipowners and flag states, take their responsibility for their ships' compliance with international maritime regulations equally seriously. In that respect, you could see the role of the Paris MoU as a safety net for that.

What is the biggest challenge facing Paris MoU today?

The biggest challenge today, with the ever-expanding complexity of regulations, is to carry out inspections that provide a representative picture of the ship's state of compliance (in terms of safety, protection of the marine environment and working and living conditions). This of course applies to all working in the industry, but a complicating factor for Port State Control Officers (PSCOs) is that the inspections are based on spot-checks, whilst PSCOs do not follow a ship through its lifetime and often visit such a ship only once. The challenge then is to find the appropriate level of the inspection, whilst knowing that a negative outcome of an inspection has a huge impact on ship, company and crew.

PSCOs in the Paris MoU region generally have a technical background as a deck officer, engineer or naval architect. Regardless of that background, they are expected to have knowledge in all areas covered during an inspection. The more regulations involved, and the more complex these regulations become, the more complicated the task of the PSCO becomes.

How do Paris MoU and IUMI work together?

Paris MoU and IUMI are organisations that, in fact, pursue similar objectives, cooperating unconsciously or consciously. That the member Authorities of the Paris MoU, but also those of the Tokyo MoU are well aware of this, is apparent from the relevant paragraphs in the 3rd Joint Ministerial Declaration, drawn up during a Ministerial Conference of the Paris and the Tokyo MoU in Vancouver, Canada in May 2017, highlighting the following:

All parties concerned, flag States, Recognised Organisations (ROs), owners, operators, shippers, pilots, and classification societies need to continue to work together to improve the performance of the shipping industry with respect to safety, security, on-board working and living conditions and ship sourced pollution in a circle of responsibility and to foster transparency between flag and port States. Other important parties are seafarers and their representative organisations, industry organisations, charterers, and coastal states;

Cooperation with financial institutions, insurance companies, ship builders, marine equipment manufacturers, recognised security organisations, port authorities, maritime training and education establishments and seafarer welfare organisations should form an extended circle of responsibility which will highlight deficient areas and simplify rectification;

Actions should be taken by all relevant parties in the circle of responsibility toward the goal of eliminating sub-standard shipping and promoting a level playing field.

An example of cooperation, although not yet reciprocal, is the opportunity offered by the Paris MoU to interested parties to analyze inspection data for their own purposes. The Paris MoU recently decided to no longer only provide insight into inspection data at ship level, but to also make it available in bulk. This enables interested parties, including insurers, to analyse and use this inspection data. However, with regard to such analyses, it should be noted that Port State Control inspections under the Paris MoU are not a full ship survey, but rather a random spot check; so some caution should be exercised in drawing conclusions based on this inspection data.

→

IUMI EYE Q&A
Luc Smulders
Continued

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

My knowledge of how insurers work is relatively limited, but I can imagine that in some cases they can also play a role in ensuring or even setting minimum standards. For example, in those situations where the international regulations themselves provide too little certainty about the compliance result and the associated risk. A good example would be the crew composition on board where the flag state issues the minimum required crew composition (Minimum Safe Manning Document) which does not necessarily have to be an adequate crew composition under all circumstances. Insurance companies may be in a position to impose certain crew composition requirements, in addition to the Minimum Safe Manning Document, to mitigate potential risks where necessary.

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

Perhaps not so much in the shipping industry itself as in the general public's appreciation of the way in which hundreds of thousands of seafarers, under difficult circumstances and day in and day out, enable the world to remain interconnected in the transport of pretty much everything.

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

I can imagine jobs in both the public and private sectors that could be of interest to me. Primarily I would be interested in those functions that serve a social interest. If that is also linked to the maritime sector in which I have been working for a long time, that would be very nice.

What do you like doing when not working?

I spend a significant amount of my free time taking walks with my dogs. We have two Boerboels, aka South African Mastiffs, and, for contrast, a puppy Miniature Bull Terrier coming soon.

IUMI podcast series



Busy in the Green Room

The last quarter has seen IUMI continue to record highly interesting and relevant podcasts. At the end of 2021, our President Richard Turner recorded a very special podcast looking at the highlights of 2021. Richard discussed the ongoing pandemic, the challenges marine insurers are currently facing as well as IUMI's focus for 2022.

We kicked off 2022 with a podcast looking at piracy in the Gulf of Guinea. Our guest, Neil Roberts, Head of Marine Underwriting at the LMA and member of IUMI's Policy Forum, drew on his years of experience to discuss the current challenges with piracy in the area, the measures to help alleviate the problem and a look to the future.

Finally, our last podcast of this quarter was more technical and investigated engine room fires. Sverre Andersen, Senior Surveyor at the Norwegian Hull Club, joined us to talk about the difficulties and challenges with engine room fires. Engine room fires are one of the most common fires onboard ships and dealing with them and preventing them are key to safety at sea. During this highly informative podcast Sverre highlighted the causes of these fires, preventative measures that can be taken and industry guidelines to follow to mitigate the risk.

[If you missed any of these podcasts they are available here](#)





8th session of the Sub-Committee on Human Element, Training and Watchkeeping (HTW 8)



By Hendrike Kühl
IUMI Policy Director

The eighth session of the Sub-Committee on Human Element, Training and Watchkeeping (HTW) was held remotely from 7 to 11 February 2022. The session was chaired by Mr Haakon Storhaug from Norway.

Information related to seafarers' fatigue

The Sub-Committee noted information provided on the analysis of sleeping hours and efficiency of seafarers measured with wearable devices as well as information on the release of an Australian publication that focuses on managing and reducing the risk of fatigue at sea.

Cybersecurity-related training for seafarers

In response to the increasing digitalisation in the maritime industry, the Ship Design and Construction (SDC) Sub-Committee discussed a proposal for the development of provisions on cybersecurity-related training for seafarers. An approved safety management system should take into account cyber risk

management in accordance with the objectives and functional requirements of the International Safety Management (ISM) Code.

The proposal was considered relevant in the context of new technologies in the maritime sector, as well as the ongoing work on Maritime Surface Autonomous Ships (MASS). The Sub-Committee invited interested Member States and international organisations to submit proposals for a new output to the Maritime Safety Committee.

[A complete report of the meeting is available here.](#)

Cyber 'war': a question of 'reasonable expectations'



Simon Jackson
Partner

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

The concept and characterisation of war risks arises in a number of ways in marine insurance. The separation of war perils from marine perils, and therefore the need to categorise them, has been an area in development for many hundreds of years, and modern more decentralised and asymmetric warfare throws up its own challenges. One aspect of that is 'cyber war'.

In *Merck v Ace* the Superior Court of New Jersey was asked to consider coverage under Merck's all risks property insurance following the infection of its systems with the 'notpetya' virus. Insurers refused coverage relying on the policy's war risks exclusion, arguing that the 'notpetya' virus was an instrument of the Russian Federation as part of its ongoing hostilities against the Ukraine.

The court rejected that argument. It noted that *"no court has applied a war (or hostile acts) exclusion to anything remotely close to the facts herein. The evidence suggests that the language used in these policies has been virtually the same for many years"*. That said, the court acknowledged that *"both parties to this contract are aware that cyber attacks of various forms, sometimes from private sources and sometimes from nation-states have become more common"* but *"despite this, insurers did nothing to change the language of the exemption to reasonably put this insured on notice that it intended to exclude cyber attacks"*. That being so, the court concluded that *"Merck had every right to anticipate that the exclusion applied only to traditional forms of warfare"* and that this *"reasonable expectation"* meant that the exclusion would not apply.

Viewing construction from the perspective of the insured's 'reasonable expectation' is an interesting concept. English law disregards the subjective views of the parties in favour of ascertaining what a notional 'reasonable person' would have understood the contracting parties to have meant by the language used. It will be interesting to see how the mapping of 'cyber war' on to war perils develops, both as a matter of insurance product development and judicial intervention. Merck will not be the last word on the subject!

For the full article please click here:
[Cyber 'war': a question of 'reasonable expectations': Clyde & Co \(clydeco.com\)](https://www.clydeco.com/cyber-war-a-question-of-reasonable-expectations/)

CLYDE & CO



By Patrizia Kern
Head Marine Swiss Re
Corporate Solutions, and
IUMI Data & Digitalization
Forum Chair

Insurers call for increased transparency through climate reporting

The Poseidon Principles for Marine Insurance will soon enter into force. They are a framework for quantitatively assessing and disclosing the climate alignment of marine hull insurers' underwriting portfolios. They have been established to engage with the shipping industry and support net-zero insurance as a main focus area. They provide a framework for transparent disclosure based on [four principles](#) (Assessment of Climate Alignment, Accountability, Enforcement and Transparency) and they are the first tangible step towards enabling hull & machinery insurers to support ship owners in reducing greenhouse gas (GHG) emissions. This shows the Principles are bringing the shipping industry closer to the implementation of the Conference of the Parties (COP)21 Paris Agreement. Consistency with the policies and ambitions of the Initial GHG Strategy of the International Maritime Organization (IMO) is a given.

Leading marine insurers, brokers, associations and IUMI make up the founding members of the Poseidon Principles for Marine Insurance, which were launched in December 2021. [Swiss Re Corporate Solutions](#) and Gard are among the main contributors involved in drafting the Principles under the auspices of the Global Maritime Forum. Extensive expert support was provided by the [Swiss Re Institute](#) and UMAS in defining the applicable metrics.

Patrizia Kern, Head Marine at Swiss Re Corporate Solutions and [Chair of the Poseidon Principles for Marine Insurance drafting committee](#), proudly announces that there are now seven Signatories in total. "We are so close to the Poseidon Principles for Marine Insurance officially entering into force as a minimum of eight Signatories is required. Having IUMI as a supporting partner in driving the green transition in the shipping industry is hugely beneficial."

The Principles have received a lot of attention already, featuring in articles by outlets such as [Lloyd's List](#), [TradeWinds](#) and [Splash 247](#). The Principles members and supporting partners want to share some background information with the marine industry and its stakeholders with [a short presentation video](#).

Becoming a Signatory provides the opportunity to be a role model and an enabler of change to make the necessary transition from fossil fuels to green alternatives and low-emissions shipping. It can also support ship owners in becoming competitive charterers of the future, improving their reputation and approaching transparency demands in a positive way.

Reporting ship owners will already be well aware of data transparency through using the IMO Data Collection System. With the Principles, a new method of transparency and support between

insured parties and the Signatories can be created. Assisting insured parties with their sustainability ambitions and creating financial and reputational benefits for them are great incentives. But early adopters are needed to facilitate the transition. Members and partners of the Principles and the Global Maritime Forum want to support ship owners. The positive experience with the [Poseidon Principles for Financial Institutions](#) so far shows that transparency has not been an obstacle.

With the Poseidon Principles for Marine Insurance, "action above perfection" will be prioritised. They are an outstanding example of a tangible initiative that is actually "walking the walk". Therefore, signing up to the Principles should be powerful motivation for becoming a leader and role model for the shipping industry's green transition, helping to reduce global warming.

If you want to learn more or become a Signatory, please reach out to

Heidi Kilemo
Project Coordinator
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New risk of cargo damage – unsuitable transport by bulk carriers



Patrick Tillery, Managing Director
Member of the IUMI
Loss Prevention Committee

Battermann & Tillery Group
IUMI Professional Partner
www.ba-ty.com

Container transports by sea have become significantly more expensive in recent months. In addition, it is becoming increasingly difficult for cargo owners to find empty containers or even free slots.

As an alternative, the movement of goods as general cargo has experienced a sudden renaissance. As a result, we have recently dealt with a number of cargo claims where, for example, plywood panels or granite stones, usually containerised cargo, were transported in large quantities by bulk carriers. This resulted in damage, in some cases extensive damage, in conjunction with normal transport strains and in combination with packaging unfit for purpose, cargo shifting and stowage problems.

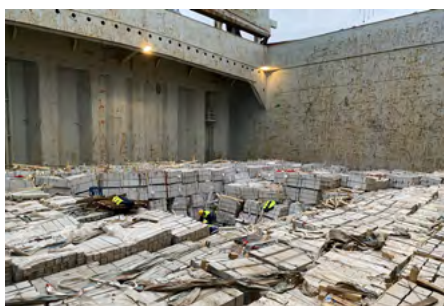
Bulk carriers are designed for the transport of bulk cargo such as ores, coal, etc. The holds are usually designed in such a way that bulk goods can be easily accessed with grabs. In comparison with transport by ocean container, the differences include the following:

Significantly different stowage patterns

Container stowage: two to three layers;
bulk carriers: ten and more layers.
The packaging has to be modified and reinforced.

Handling

Container stowage: by forklift truck
– individual packing units can be accurately loaded and unloaded.
Stowage in a bulk carrier by means of cranes: several packing units are moved in a basket hitch. Impacts on all edges and sides are common.



Securing

Due to the small number of packing units and a container's small space, securing the goods in container transport is comparatively simple. On bulk carriers, however, different consignments are loaded together. Due to the design of the vessels, various problems arise, such as gaps between packing units, differences in height, etc. In principle, such problems can be countered with suitable means and expertise in order to prevent damage. However, the cases we have seen also show that staff at the ports of loading often do not have sufficient experience to load and secure these goods properly.

Conclusion

Safe and damage-free transport of cargo by bulk carrier is generally possible. However, the different transport strains compared to container transport must be taken into account by the shipper when choosing and designing the packaging. In most cases, the packaging must be modified, rendered sturdier and should be suitable for form-fit stowage.

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Containership and RoRo fires at 8th session of IMO's Sub-Committee on Ship Systems and Equipment (SSE 8)

By Hendrike Kühl
IUMI Policy Director



The 8th session of the Sub-Committee on Ship Systems and Equipment (SSE 8) took place virtually from 28 February to 4 March 2022 and was chaired by Umut Şentürk from Turkey. Its agenda included both containership fire safety and fires on ro-ro ships – more timely than ever in light of the fire incidences of the Euroferry *Olympia* and *Felicity Ace* which emphasise the compelling need to adopt provisions to minimise the risks on these types of ships.

IUMI used this occasion to reiterate the importance of the Sub-Committee's work to address containership fire safety by holding a presentation on this urgent issue. Mikkel Gardner Andersen from Codan Insurance and a member of IUMI's Loss Prevention Committee outlined the importance of taking a holistic approach on regulatory actions. Any amendments need to cover all angles, including improved fire protection and detection measures which keep pace with the growing size of the vessels as well as risk prevention to avoid mis-declaration of dangerous cargoes.

Mikkel further discussed the challenge of the existing fleet of container vessels which will not fall under the scope of the International Convention for the Safety of Life at Sea (SOLAS) amendments to be considered by the SSE Sub-Committee. During his presentation Mikkel referred to data from Cefor, the Nordic Association of Marine Insurers, which indicate that while the overall claims frequency has declined over the past 15 years, the percentage of fires and explosions has been on the rise. The slide deck can be downloaded [here](#).

IUMI has been a central player pushing for the inclusion of this issue on the International Maritime Organization's (IMO) agenda. The Maritime Safety Committee (MSC) last May approved the "Development of amendments to SOLAS chapter II-2 and the FSS Code concerning detection and control of fires in cargo holds and on the cargo deck of containerships". These amendments will be applicable to newbuild ships. The SSE Sub-Committee was requested to work on this topic. In the run-up to SSE 8, IUMI has been highly engaged via an IUMI-led expert group consisting of representatives from Flag States, shipowners, class and many other maritime stakeholders. The group worked on a joint paper to be submitted to SSE 8. The document outlines a road map as a basis for the further work and offered an initial assessment of gaps and regulations which are considered neither practicable nor workable for fire detection and fire-fighting capabilities on board containerships.

At the same time, the European Maritime Safety Agency (EMSA) is undertaking a "Study Investigating Cost Efficient Measures for Reducing the Risk from Cargo Fires on Container Vessels (CARGOSAFE)". It includes the tasks of hazard identification, risk analysis, risk control options, cost effectiveness assessment, and making recommendations for decision making. The structure of the study is in line with the IMO requirements for a formal safety assessment (FSA). The results of CARGOSAFE and any other FSA based study were agreed by SSE 8 to be included in a review by an FSA Expert Group. The establishment of this group will have to be approved by the MSC. Once all FSA

based studies have been assessed by the FSA Expert Group, the SSE Sub-Committee can truly start its work to discuss risk control options for newbuilds. IUMI will continue to engage in these deliberations with the objective to bring about major improvements for containership safety.

In relation to the work on ro-ro fires, the Sub-Committee continued to review SOLAS chapter II-2 and associated codes to minimise the incidence and consequences of fires on ro-ro spaces and special category spaces of new and existing ro-ro passenger ships. A working group was established to consider a range of technical issues related to the proposed amendments. While the group made progress on several aspects, it was agreed to reestablish the Correspondence Group on Fire Protection to continue the work intersessionally. Among other issues, the group will discuss fixed water-based extinguishing systems and linear heat detection systems.

In addition to monitoring the ongoing work on ro-ro fires at the IMO, IUMI has also recently become a member of an advisory group to [LASHFIRE](#), an international research project aimed at reducing the risk of fires on board ro-ro vessels which concludes in 2023.

The case against seaman status for offshore energy workers



Jeanie Tate Goodwin
Partner

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Achieving “seaman” status (or more gender neutrally, mariner status) under the U.S. Jones Act opens the door to a world of desirable opportunities, including the right to sue your employer in state court under a relaxed causation standard and have your claim and damages decided by a jury of your peers. With the traditional workers’ compensation bar to suing employers out of the way, and a sympathetic jury on the horizon, Jones Act mariner claims are lucrative business. Unsurprisingly then, plaintiffs’ maritime personal injury attorneys regularly allege that each claimant is a Jones Act mariner.

But not every person who works at sea is a mariner. In 2021, the Fifth Circuit Court of Appeals further refined the U.S. Supreme Court’s long-time mariner status test found in *Chandris v. Latsis*, 515 U.S. 347 (1995), focusing on what it means for a worker to have a “connection to a vessel substantial in nature.” In *Sanchez v. Smart Fabricators of Texas, LLC*, 997 F.3d 564 (5th Cir. 2021) (en banc), the Fifth Circuit recognised that a singular focus on whether a worker is subjected to the “perils of the sea” is insufficient. Instead, courts should also analyze (1) whether the worker owes allegiance to the vessel or simply to a shoreside employer that send him to work on a vessel; and (2) whether the worker’s assignment to a vessel is limited to performance of a discrete task after which the worker’s connection to the vessel ends.

Energy contractors who employ workers aboard third-party vessels should pay particular attention to the Fifth Circuit’s new Sanchez factors when defending mariner status. Focusing on the substantial-in-nature test will differentiate the two types of workers normally found on drilling rigs: mariners who conduct the marine and drilling operations and stay with the vessel as it moves from location to location; and non-mariners engaged to do a discrete job aboard the vessel for a limited time.

HFW recently achieved success in arguing these factors for an energy contractor client.

[Read more here.](#)



By Hendrike Kühl
IUMI Policy Director

8th session of the Sub-Committee on Ship Design and Construction (SDC 8)

The eighth session of the Sub-Committee on Ship Design and Construction (SDC), which was postponed to 2022 due to the Covid-19 pandemic, was held remotely from 17 to 21 January 2022. The session was chaired by Ms Turid Stemre from Norway. Key issues discussed at the meeting included:

Second generation intact stability criteria

Mandatory criteria and recommended provisions regarding intact stability are set out in the International Maritime Organization's (IMO) 2008 Intact Stability (IS) Code, which is mandatory under chapter II-1 of the International Convention for the Safety of Life at Sea (SOLAS) and the 1988 Load Lines Protocol. Advanced computer technology and intensive research have enabled "second generation" intact stability criteria to be developed, for a comprehensive safety assessment of ship dynamics in waves.

The Sub-Committee agreed draft Explanatory Notes to the Interim Guidelines on second generation intact stability criteria which are being used on a trial basis, following their approval by Maritime Safety Committee (MSC) 102. The Explanatory Notes provide administrations and the shipping industry with specific guidance to assist in the uniform interpretation and application of the Interim Guidelines.

The Interim Guidelines address vulnerability criteria, direct stability failure assessment and operational measures and contain performance-based criteria for assessing five dynamic stability failure modes in waves: dead ship condition, excessive acceleration, pure loss of stability, parametric rolling and surf-riding/broaching. The reference to "second generation" derives from the fact that they are based on first principles and latest technology, as opposed to predominant use of casualty records which form the basis of the mandatory intact stability criteria.

Safety measures for non-SOLAS ships operating in polar waters

Neither SOLAS nor the draft guidelines for non-SOLAS ships operating in polar waters cover pleasure yachts of 300 gross tonnage and above and less than 500 gross tonnage engaged in trade (i.e. commercial yachts) or cargo ships of 300 gross tonnage and above and less than 500 gross tonnage. MSC 102 had agreed that safety guidelines should also be developed for those ship types operating in polar waters. The Sub-Committee decided to invite proposals for the development of safety measures for these ships to SDC 9.

Moreover, a proposal for a unified interpretation relating to the ice accretion and the intact and damage stability under the Polar Code was submitted by International Association of Classification Societies (IACS). Given the wide scope of the matter which could result in unintended consequences, invited interested delegations to submit a revised proposal to a future session.

Reducing underwater noise from ships

SDC 8 began a review of the 2014 Guidelines for the reduction of underwater noise from commercial shipping. The international community recognises that underwater-radiated noise from ships may have negative consequences on marine life, especially marine mammals. The aim of the review is to provide updated recommendations based on the latest developments in ship design and technology and to address the barriers to their uptake in an effort towards a significant reduction of underwater-radiated noise from ships.

[A complete report of the meeting is available here.](#)

An underwriter’s view on automating submissions



Joseph Artgole
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As technology makes operations more efficient, and risk analysis more advanced, the time taken for underwriters to triage accounts decreases. This is specifically true for automated submissions, where processes like data import, validation, scoring, and filtering is done in minutes. Underwriters can immediately see which risks match their appetite and focus on risk selection.

Comparison is the best measure of progress. Using ex-underwriters as reference, a load test of Concirrus’ submissions workflow can be compared to the traditional hull and cargo triage process. Large test sets were used to ensure relevance, as a benefit of automation is to simplify significant tasks. When applied all at once, the system experiences stress and proves reliability.

Two tests measured the processing speed of large submissions. The first saw submissions processed individually. The second saw all submissions processed at once.

Hull
“The comparison between a traditional and automated workflow is significant considering you have data validation, risk scoring, and pricing included. It means underwriters can reduce the time spent on analysis and focus on risk selection. With fast and informed decisions, an insurer can reduce broker response times, resulting in the receipt of more risk for consideration. This is significant for today’s market, as risk is often sent to multiple underwriters. Slow broker response times can lead to opportunity costs if the underwriter misses the opportunity to quote lead terms or their desired line size, which can be expensive long-term” – Dermot O’Flynn, Strategic Client Manager at Concirrus and ex-Hull underwriter.

[Read more on the comparison between automated submissions vs current processes here.](#)



Results				
	Automated		Manual (ex-underwriter perception)	
	Test 1 (one by one)	Test 2 (all at once)	Cargo (approx.)	Hull (approx.)
150 vessels	5 minutes	1 minute	1h 20 mins	1 hour
181 vessels	5 minutes	2 minutes	Dependent on submission type, quality of available data, loss record and data capture requirements	Dependent on submission type, quality of available data, loss record and data capture requirements
251 vessels	9 minutes	10 minutes		
*Manual timings based on perception. Cargo perspective reflects equivalent processing of storage locations.				

People at IUMI

Tom Shinya

Deputy General Manager, Marine Underwriting
Dept, Cargo Underwriting Group, Tokyo Marine
& Niched Fire Insurance Co., Ltd. and Member of
IUMI's Cargo Committee, Education Forum and Data
& Digitalisation Forum.



Have you always wanted to be a marine insurer? How did you enter this profession?

During my college days, I happened to watch a Japanese TV documentary introducing the issues of Lloyd's at the time. It was the first time I'd come across the occupation of "underwriter" and I became interested (I guess the programme made it dramatic too!). My father worked within the maritime law sector and he used to attend the International Maritime Organization (IMO), Comité Maritime International (CMI), United Nations Conference on Trade and Development (UNCTAD), etc. for a long time as a Japanese delegate. So he knew the marine insurance industry very well and spoke highly of the people working there. I studied business at college and there was a marine insurance class. Understandably, it was not strange for me to consider the marine insurance industry as a potential workplace. During my interview with Tokio Marine in 1993, I asked to get involved in marine insurance which turned out to be rare. Marine was already a minor line of business, less than 5% of the company's premium back then. However, since joining the company, I always felt happy and proud to be engaged with marine. Across my career, I have had times working in the non-marine departments but it didn't feel the same. After all, I guess it's safe to say that I wanted to become a marine insurer.

As a member of IUMI what drew you to the organisation?

The first IUMI annual conference I attended was the 2007 Tokyo conference. At the 2017 Tokyo conference I presented on blockchain based trading and insurance which I was working on at the time and following this conference some people recommended me as a candidate for the Cargo Committee and Education Forum. The following year (2018) I became a member of the Data and Digitalisation forum as well.

Who has had the biggest impact on your professional career?

I worked at Tokio Marine America in New York City between 2008 to 2015. During this time I was working with Ralph Salce who is still there and we started together on a new cargo underwriting team. Ralph always had a lot of new ideas and we used to discuss for hours about strategy, underwriting, forms and wording, hiring etc. The time that I spent with Ralph made me really think deeply and study underwriting and business strategy, and also made me realise I love the business. Big thanks to Ralph.

What advice would you give to the new generation entering marine insurance?

It is international and dynamic. You will see the vitality of the world economy through daily business. If you think you are a creative person, you have the potential of becoming a good underwriter. If you have the appetite for knowledge, there is a vast amount of knowledge to learn from and you could even become a better underwriter.

What has been your biggest achievement in your career?

I wrote a book (in Japanese) and was fortunate to have it published last year. It is a commentary on the cargo clauses based on English law. A maritime lawyer told me he cited parts of my book for the final documentation of a trial on a cargo loss case. The fact that my book was used in this way was an achievement for me. I also came up with a new structure for a digital platform for payments on international trade and am currently starting it up as Tokio Marine's new business. Last year, the new idea and business was reported on the front page of the Nikkei which is a flagship financial newspaper here. That was also a big deal for me.

What has been the most surprising element in your profession?

The vast and endless field of marine underwriting. To be honest, life is too short to study the entire art of marine underwriting. There is so much to explore in the field of law, trade, geopolitics, business, science, modelling, technology, and so on. From my perspective, underwriting is all about "experience and studying".

What do you like to do away from the office?

I enjoy surfing and reading. I used to do a lot of skateboarding too. I am a huge fan of Sumo wrestling. These are all since my youth. I used to love the time with my three children but they have grown up, so now I am enjoying time with my wife again.

Cyber and infrastructure chokepoints



Alex Mican
Director Product Development

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The lack of cyber insurance penetration has contributed to large economic losses and ongoing risk management challenges for critical infrastructure, particularly in marine and energy. What may look like near misses for the re/insurance industry can be manifestations of a global cyber threat that require a focused and innovative risk transfer solution.

The 2017 *NotPetya* cyber attack led to insurance industry losses of more than US\$3 billion, according to PCS Global Cyber, but most of it went to the property market. Marine and energy insurers may have been spared, but their clients were not. Maersk and FedEx (TNT) were among the companies affected, with economic losses approaching US\$1 billion according to PCS research.

The *LockerGoga* ransomware hit a series of energy and industrial targets in 2019, encrypting their data and paralyzing their systems before moving on to other devices in the network. Six companies were impacted, with an aggregate industry-wide insured loss of just over US\$100 million, according to PCS Global Cyber data. Economic losses were even higher given, in part, the lack of cyber insurance penetration among the companies affected.

The Colonial Pipeline ransomware attack in May 2021 shows some evolution in cyber insurance penetration in the critical national infrastructure space. The cyber insurance cover in place certainly appears to have helped, but the extent of the impact – with fuel shortages and lines of up to three hours at gas stations – showed the potential for economic loss well in excess of the insurance coverage in place. Critical infrastructure appears to remain under-insured, representing for insurers both a growth opportunity and the chance to fulfill the industry's stated mission more fully.

The cyber threat has continued to evolve and right now, critical infrastructure has been made more vulnerable, in part, by two full years of worldwide pandemic. Add to that cyber risk, and the potential for significant insured and economic losses – as well as broad disruption to society – escalates quickly. Cyber is no longer an emerging risk – it's an immediate risk that warrants at least an emerging solution.





Cyber risk & freight forwarding liability: How is the marine insurance industry responding?



By Frédéric Bécard
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From paper and wheels to wireless devices

For more than two decades, the world economy has seen a dramatic increase of digitalisation. This has particularly increased in recent years with the Covid pandemic highlighting the need for digital solutions in business.

As an important part of the global economy, the supply chain has been massively impacted by this technological turning point putting transportation & logistics (T&L) companies under the spotlight of cyber-attacks.

Those attacks can have multifactorial origins, from mere criminal aims (e.g.: ransomware, cyberextortion), to competitors war (e.g.: business interruption loss of data), terrorism hacktivists or nation states motivation (e.g.: malwares affecting ports & terminal structures, energy distribution, blocking airports and transportation infrastructure).

Whatever the motivation, hackers are seeing T&L as an easy target for cyber-attacks as they are processing tremendous amount of data on vendors, buyers, shipping routes, cargo types and infrastructures, thus offering many attack opportunities and multiple entry points through operational technology (wireless devices).

Marine cargo Insurance: what is the current situation?

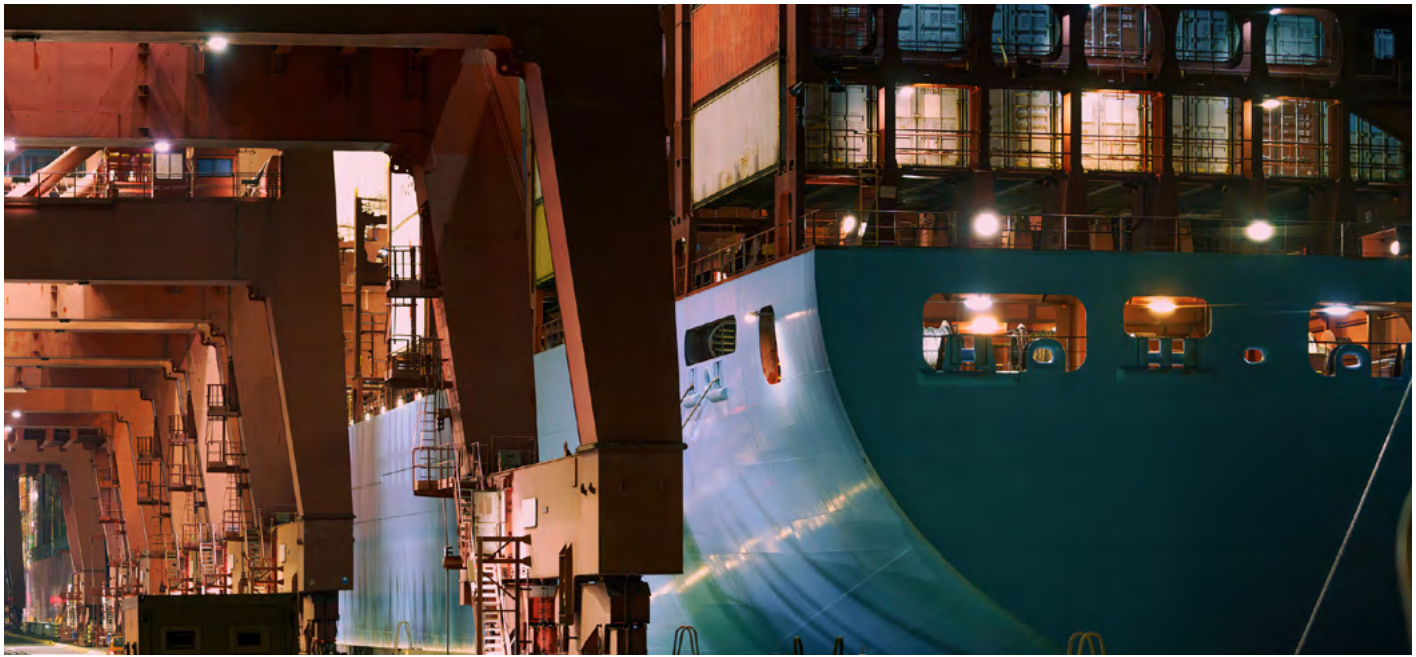
It is not necessary to remind anyone of major cyberattacks reported (recently or not) and their financial consequences for the T&L companies, but how is the marine cargo market currently considering this risk?

Setting aside the questions of financial losses and prejudice covered through dedicated cyber insurance products (e.g.: ransomware, data recovery cover), marine cargo insurance primarily focuses on loss and damage to cargo and the most agreed position is to exclude cyber-attack from cover.

This exclusion is commonly worded through the LMA5403 Marine endorsement clause which has gained traction from insurers and has effectively replaced the former CL380 Institute Cyber-attack exclusion clause (10/11/2003) since 2019.

Indeed, given the rapid evolution of technology and risk factors since 2003, CL380 was deemed not as clear-cut or all-encompassing as originally thought and LMA5403 introduced a new paragraph which gives affirmative cover for cyber/electronic causes not aimed at inflicting harm (accidental or negligent act vs malicious intent).

→



Cyber risk & freight forwarding liability: How Marine Insurance Industry is responding?
Continued

Thus, it formally describes the scope of the exclusion being any cyber cause resulting from a malicious act defined as electronic means with the will of inflicting harm. Nonetheless, as “inflicting harm” has not been defined in either of the clauses, it could still provide room for legal interpretation under certain circumstances.

Following the UK market, other local players have widely adopted the same position in their contracts replacing CL380 with LMA5403 or any local assimilated wordings (e.g.: AIMU exclusion clause in the USA).

Other markets where no cyber exclusion pre-existed have also recently moved from a historically silent position to affirmative exclusion and/or proposing alternative limited write-back following the global trend to exit from the silent context to an affirmative position (e.g.: the recent cyber/blackout clause of the German Insurance Association (GDV)). For those countries, the insurer's position towards cyber risk is still heterogeneous but will likely move forward to a global practice driven by re-insurance constraints that will likely be imposed.

Cyber risk in freight forwarding liability insurance: inflated factor?

Looking at freight forwarding liability insurance, cyber risk is largely excluded on the same basis as marine cargo insurance and should be similarly handled by insurers.

However, for bespoke contracts and non-standardised practices, there could be a situation where the policy is silent and/or clients and brokers would ask not to exclude cyberattacks. What would be the potential risk exposure for insurers?

On the one hand, risk exposure should be lower on freight forwarders liability (FFL) compared with marine cargo as, most of the time, it is being considered as an external event. Being so, like armed robberies, logistics operators would probably invoke Force Majeure (i.e., Act of God) to reject any liability following a cyberattack that would cause loss and/or damage to goods during shipments.

On the other hand, the claimant could point towards a cyber security breach to demonstrate the forwarder's direct liability and thus demand that consequential losses be paid. This would be particularly true when the policy provides Error & Omissions cover that would be triggered by the insured when facing such situations.

When insurers are ready to consider any sort of write-back for cyber exclusion (limited or not) they should be cautious in assessing the potential consequences and triggering effect. Liability to be proven on FFL insurance could let them think that the risk is minimised but would face the issue of the cyber security system of their insured, who would have to prove the highest possible service and system standards to duly set aside any claimant's requests.

As of today it can be observed that the exclusion principle remains largely in place. Whether to go beyond this and to be more responsive to clients' needs is an underwriting decision to be taken by individual insurers and underwriters. If considering to go beyond the exclusion principle, marine insurers would need to extend beyond the liability aspect to properly define a robust security standard as a warranty on their potential affirmative inclusion clause that would not be easy to formalise.

Resolutions on Unified Interpretations on the test for breaking the shipowner's right to limit liability: finally passed



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In Issue 33 of IUMI Eye June 2021, Charles Fernandez, Chair of the IUMI Legal & Liability Committee, has already addressed the endeavours made to create Unified Interpretations, which clarify the requirements for breaking the shipowner's right to limit liability. These Unified Interpretations were drafted by a Correspondence Group established by the Legal Committee of the International Maritime Organization (IMO).

During its 108th session, the Legal Committee unanimously agreed on the drafts of such Unified Interpretations, also recommending that the Unified Interpretations should be resolved by the member states to the conventions, which the Unified Interpretations address, namely the 1976 and 1996 Convention on Limitation of Liability for Maritime Claims (LLMC) and the 1992 International Convention on Civil Liability for Oil Pollution Damage (CLC). This was achieved by the respective member states, present at the 32nd session of the IMO Assembly, unanimously passing resolutions on the Unified Interpretations.

Technically, thus, the resolutions have not been passed by IMO, which as such has no powers to resolve authoritative interpretations of conventions, but by all member states to the conventions. This is important as the International Court of Justice had ruled in the Whaling in the Antarctic case that, under the Vienna Convention on the Law of Treaties, interpretations of conventions require the "support of all State parties to the Convention". With the unanimous resolutions the LLMC and CLC conventions parties, this requirement is fulfilled.

The effect is that the interpretations are authoritative and have to be observed by courts in convention states when testing whether under the facts of a case in front of them a loss resulted from the shipowner's personal act or omission, committed with the intent to cause such loss, or recklessly and with knowledge that such loss would probably result.

What practical effect the Unified Interpretations will have depends on how courts in convention states so far have interpreted the conventions. The closer they have been to what the Unified Interpretations state, the less influence the Unified Interpretations have. Or in other words: Where courts have interpreted the conventions in the way now set down in the Unified Interpretations, they will not have to change their practice. This is different for such courts in convention states, which have adopted different tests and disregarded what the Unified Interpretations now fix. The Comité Maritime International (CMI) has called on its members, the national Maritime Law Associations of some 54 countries, to provide reports on the court practices in their jurisdictions, and CMI will publish the results in due course. Whatever these reports will show, non-observance of the Unified Interpretations from now on will be a wrong interpretation of the Conventions.

Turning to the principles the Unified Interpretations have set, first, the courts of convention member states are now bound to hold that limitation under the conventions as meant to be "*virtually unbreakable in nature i.e. breakable only in very limited circumstances and based on the principle of unbreakability*". This will require that the courts consider the wider effects of their findings. Should they entail an increased breaking of limitation, the courts will have to determine whether this would still be in line with the concept of '*virtual unbreakability*'.

Second, the level of culpability required for breaking limitation shall '*be analogous to wilful misconduct*'. This may be easy to follow for courts of such states, the laws of which contain the concept of wilful misconduct but be more difficult to apply for jurisdiction to which the concept of wilful misconduct is alien. However, Unified Interpretations go beyond just referring to wilful misconduct but specify this and thereby allow also courts of such countries to adhere to the Unified Interpretations. They go back to the negotiations leading to the 1976 LLMC. [The Travaux Préparatoire, published by the CMI](#), shows the common understanding that the level of fault required is more than gross negligence. This is what the Unified Interpretations now expressly clarify. Courts, which so far have allowed unlimited liability in cases of gross negligence, will have to change their rulings.

→

Resolutions on Unified Interpretations on the test for breaking the shipowner's right to limit liability: finally passed

Continued

In practice more relevant will be what the Unified Interpretations stipulate in respect of the relationship between insurance cover and limited or unlimited liability respectively. By stating that such a level of fault is required *'that would deprive the shipowner of the right to be indemnified under their marine insurance policy and that the loss of entitlement to limit liability should begin where the level of culpability is such that insurability ends'*, the Unified Interpretations link unlimited liability to loss of insurance cover. Pursuance of claims for unlimited liability will be inconsistent with attempts to enforce a judgement for unlimited liability against a liability insurer.

The Unified Interpretations go on to state that *'the term "recklessly" is to be accompanied by "knowledge" that such pollution damage, damage or loss would probably result, and that the two terms establish a level of culpability that must be met in their combined totality and should not be considered in isolation of each other'*.

Finally, the Unified Interpretations deal with the aspect that only the conduct of the shipowners themselves shall be relevant for breaking limitation. This aims to avoid that *'the conduct of parties other than the shipowner, for example the master, crew or servants of the shipowner'*, is taken into account.

It is hoped that the Unified Interpretations not only lead to an application of the conventions which is in line with their intentions but that Uniform Interpretations in all convention states also avoid forum shopping and make litigation much more predictable.



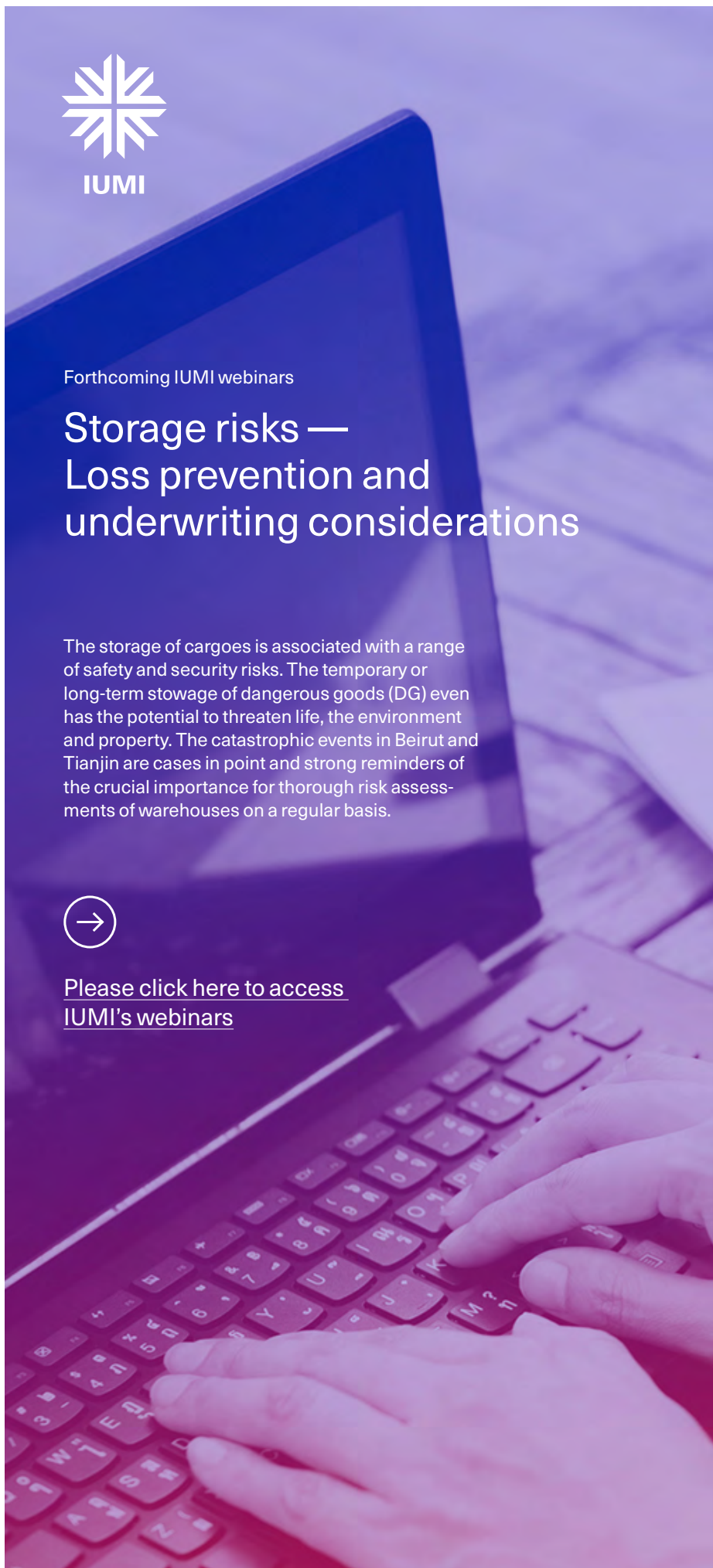
Forthcoming IUMI webinars

Storage risks — Loss prevention and underwriting considerations

The storage of cargoes is associated with a range of safety and security risks. The temporary or long-term stowage of dangerous goods (DG) even has the potential to threaten life, the environment and property. The catastrophic events in Beirut and Tianjin are cases in point and strong reminders of the crucial importance for thorough risk assessments of warehouses on a regular basis.



Please click here to access
IUMI's webinars





Cargo insurance: a valuable ally for logistics sustainability



By Jose Luis Anselmi
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ALSUM
Cargo & Loss Prevention
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It is estimated that logistics activity generates around 10% of the global greenhouse gases (GHG) that deteriorate the quality of the environment. This is because the carriage and distribution of goods is carried out entirely by means that use highly polluting fossil fuels.

With growing concern about the effects of climate change, we see that society and companies, insurers included, are becoming aware of the importance of supporting sustainable and environmentally friendly initiatives. However, I do not think that cargo insurers are aware of the valuable contributions they have been making for decades to limit environmental pollution.

Sustainable logistics practices

To substantiate my point of view, it is first necessary to know what the good practices are, and the following could be highlighted:

- Optimisation of cargo and routes.
- Monitoring and control of transport vehicles.
- Road drivers' behaviour.
- Use of recyclable containers and packaging.
- Established environmental programmes.
- Environmental certifications such as ISO 14000.

The effective contribution of cargo insurance

After analysing different recommendations, we found that many align with those that professional cargo insurers carry out through their risk analysis and prevention programmes.

Among the most relevant are the following:

- Use of systems to design routes.
- Monitoring of the distances travelled by each vehicle.
- Monitoring and limiting the speed of vehicles during their trips.
- Established plans of distribution and transportation routes.
- Policies established to maintain vehicles.

Towards a sustainable insurance model

As can be seen, cargo insurance has been contributing to improving logistics practice without being specifically aware of it; however, there is much more you could do to benefit the environment and your own bottom line by improving the risk profile of your portfolio. Incorporating a look at sustainability into traditional risk analysis would be a significant contribution.



Congratulations to the successful IUMI exam candidates

We are pleased to announce the students who have passed our online hull and cargo exams in 2021. The pass mark for the exam is 65% and students achieving 90% or higher are awarded a certificate with distinction.

Congratulations to each one of our successful candidates!

For all our successful candidates you are invited to apply for two partial IUMI bursaries for the WMU's Marine Insurance Law & Practice Postgraduate Diploma programme worth US\$ 8,750.

Hull distinction

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Hull

Eirini Gerani, Hellenic Hull Management Ltd. managers of American Hellenic Hull registered in Cyprus, Greece

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Cargo Distinction

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Cargo

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Denise Ng Kit Yeet, The Pacific Insurance Berhad, Malaysia

Muniruddin Hassan, QNS Container Services Ltd, Bangladesh

Hilda van der Klei, Corins, Netherlands

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