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Message from the President

A warm welcome to (a 'virtual') Stockholm



Richard Turner
IUMI President

What a difference a year makes! I don't suppose anyone other than the most skilled pandemic experts with a sharp eye on the future, could have predicted the extraordinary events that have occurred since the IUMI community gathered together in Toronto last September.

Our common theme in Toronto was 'Confronting the chaos for a sustainable future'. We could quite easily have stuck to the same theme for the upcoming conference. The COVID-19 pandemic has played havoc with global trade and caused widespread disruption. There is hardly an area of people's lives and livelihoods that has been left untouched. Neither has IUMI's operating rhythm been unaffected: our secretariat has been largely home working and our normal pattern of international travel, engagement and conference activity has been heavily disrupted.

In this situation, it would have been quite a simple decision to drop this year's main conference. It was obvious early on that travel would be very challenging and we had few certainties with which to plan a major global event.

Instead, we decided to innovate – and the result is our first ever online conference. In a further break from normality, we have opened up the programme to non-members, a step made possible by the revised format of the conference. We shall of course miss the opportunity to be in the fine city of Stockholm, which is a real shame. Delegates – both seasoned and new – will nonetheless experience many of the traditions of an IUMI conference, notably the rich technical detail that underpins the event.

It would be easy in these unprecedented circumstances to focus our programme on COVID-19 and little else. Indeed, the President's workshop is fully devoted to considering the impact and ramifications of the pandemic. Many of our technical committees will have speakers addressing the same theme. Yet it would be a mistake to drill down only on COVID-19. There is much else going on. This year's common theme – **'Navigating changing climates; delivering expertise to shape the future'** provides a helpful tag line not only to think about the virus, but it enables us to reflect on other issues too – affecting both the short and the long term. Taken together, all of these threads have the potential to alter the landscape and prospects for marine insurers. They include macro-economic developments and geopolitical tensions, and the growing pace of data and digitalisation that is changing the framework of our industry. We must not forget, either, that the world is confronting a climate emergency. All these features will impact the risks we insure over the coming years and decade.

So there is much to discuss. Wherever you are in the world, I hope you enjoy our different conference format.

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

Want to build and develop your knowledge and expertise in cargo insurance?

The International Union of Marine Insurance (IUMI) has officially launched its online cargo tutorial programme. 11 engaging and interactive modules specifically designed to widen your knowledge of cargo insurance.

This flexible, self-paced learning programme works to your schedule and can be completed to each individual's timeframe.



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

NEW

Buy 5–9 tutorials,
get a 10% discount

Buy 10+ tutorials,
get a 20% discount



IUMI launches new podcast series



Never one to shy away from new ways of communicating with our members we have recently launched a new podcast series to cover a range of marine insurance matters. Our new monthly series will examine the various challenges and issues our industry is currently facing through open and frank conversations with leading experts.

Our first podcast featured President Richard Turner who discussed the impact of the recent and unprecedented pandemic on the marine insurance market. Richard delved into the challenges facing world trade, the ramifications COVID-19 may have on premiums and other related issues. It first aired on 6 August 2020 and is [still available here if you missed it](#).

Secretary General Lars Lange was next in the hot seat to preview the highly anticipated upcoming [IUMI annual conference](#).

Keep an ear out for our next podcast which will air in September.



Hull insurance tutorial programme

Following the successful launch of the International Union of Marine Insurance (IUMI) cargo tutorial, IUMI has launched a new hull insurance online tutorial programme – which is available now!

Designed to widen participants' knowledge and expertise in hull insurance this extensive programme consists of a total of thirteen modules. Topics include Ships 101; Collision Liability; General Average and Salvage; Exclusions; Claims; plus many more.

For more information please visit:

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

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get a 10% discount

Buy 10+ tutorials,
get a 20% discount



IUMI

Testimonial

Juliet Ang
Manager Claims Services
(Marine), MSIG Insurance
(Singapore) Pte Ltd

Juliet Ang passed the
hull exam with 85.56% —
the highest score to date.

Learning and development has always been a much-encouraged area in our line of business. I first heard about the IUMI hull tutorial from our Learning & Development Department. Handling hull claims requires in-depth knowledge on the coverages and exclusions and I figured the hull tutorial would provide a good foundation for me as a claims' handler, handling both cargo and hull claims.

I felt really challenged when I was told that the pass mark for the exam was 65% and even contemplated not taking the exam! But I am glad that after going through the modules that were planned out in an informative and a well-structured way, I decided to book for the exam after my third reading. It was definitely rewarding going through this online tutorial at my own pace whilst deepening my understanding in the areas of underwriting, risk assessment and claims adjustment.

I strongly encourage underwriters, adjusters, surveyors or anyone else working in the marine insurance industry to take up this online course. From the vast topics covered throughout the tutorial, there is definitely rewards to reap when one decides to embark on this learning journey!



Policy Forum

European Parliament impatient on greenhouse gas ambitions



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

Members of the European Parliament (MEPs) demand an ambitious legislation for greenhouse gas emissions 'in line with the European Green Deal and the climate emergency'. On 7 July 2020, the Environment Committee voted to include ships of 5,000 gross tonnage and above in the EU Emissions Trading Systems. Part of the revenues are proposed to be used for an Ocean Fund to support innovative green technologies and protect the marine ecosystems. With market-based emissions reduction policies thought insufficient, additional binding requirements for shipping companies to reduce the annual average CO₂ emissions per transport work for all their vessels by at least 40% by 2030 were also introduced.

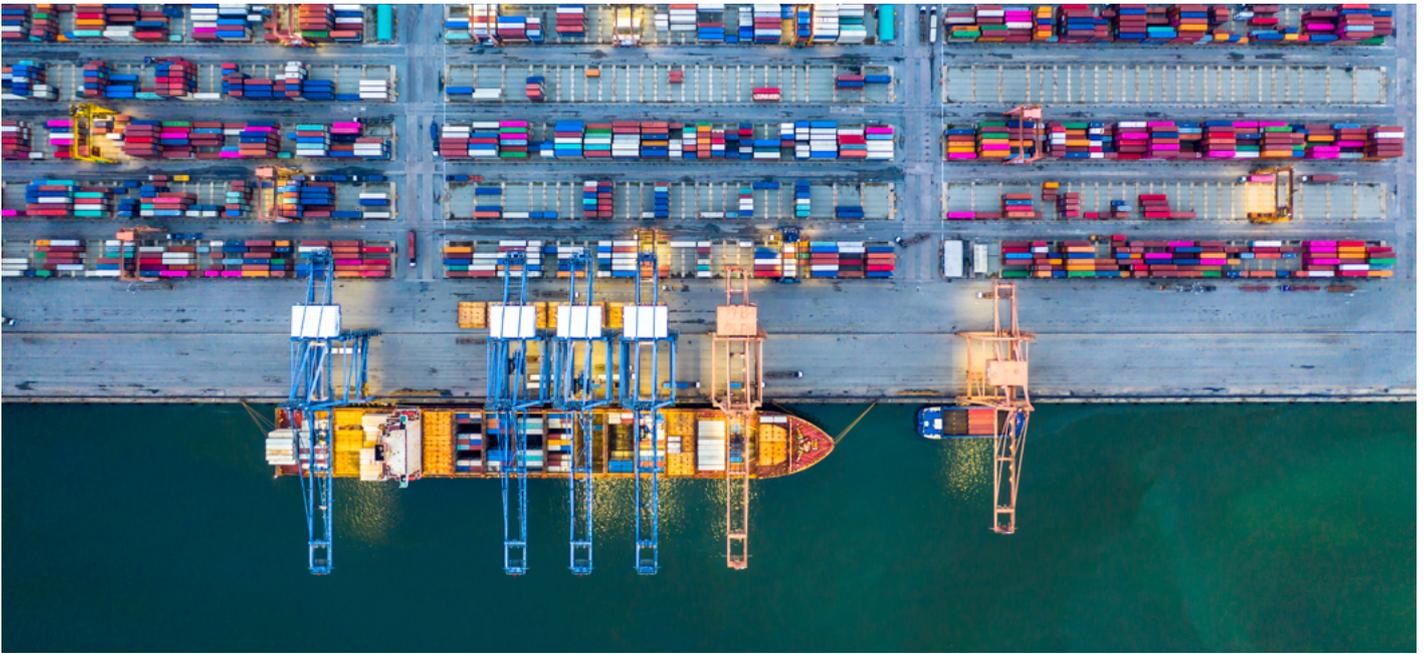
This target exceeds the initial strategy of the International Maritime Organization (IMO) that was adopted in April 2018. The strategy includes an agreement to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008. IMO's Fourth Greenhouse Gas Study recently revealed that despite improvements in engine and hull efficiency, and

slower average speeds, shipping's carbon emissions rose from 962m tonnes to 1.06bn tonnes between 2012 and 2018. This will make an interesting backdrop for the next IMO Intersessional Working Group on GHG emissions and Maritime Environmental Committee (MEPC) meetings in October and November, respectively, where further measures are on the agenda.

The MEPs emphasise the need for international efforts to reduce GHG emissions from shipping. Simultaneously, they express concern with the 'insufficient progress in IMO' and ask the Commission to 'examine the overall environmental integrity of the measures decided upon' by the United Nations specialised agency.

The Environmental Committee proposals are presented to the Plenary for adoption in mid-September 2020.

The IUMI Policy Forum will focus on this and other issues concerning climate change during its [Stockholm online workshops](#) on Wednesday 23 September.



Policy Forum

IUMI and National Cargo Bureau (NCB): Partners in the push for improved containership safety



By Hendrike Kühl
IUMI Policy Director

In July the National Cargo Bureau (NCB) published a [white paper](#) advocating for a comprehensive approach to address the challenging issue of misdeclared and undeclared dangerous goods. The document outlines the significant risks to which crews, ships, cargoes and the environment are exposed to when dangerous goods (DG) are not shipped in compliance with the necessary rules and regulations. The continuous growth of the size of containerships which are carrying ever more containers represents a further increase of accumulation risk.

The cause of the problem is manifold: It starts with the challenge to ensure that DG regulations are not simply viewed as a regulatory requirement but a fundamental part of one's safety regime. It continues with the blunt disregard of DG regulations. Inadvertently, port authorities and shipping lines themselves contribute to the risk of misdeclarations when they restrict the carriage of specific DGs. Vessel sharing agreements in which not all carriers necessarily adhere to the same high level of safety standards is another challenge which needs to be

taken into account. Ever more complex supply chains put additional strain on successful safety regimes.

IUMI therefore wholeheartedly supports the recommendations set out in the NCB paper. A multi-stakeholder approach is urgently needed to address the various safety concerns explained above, both from an industry and a regulatory perspective.

At the same time, equal focus needs to be placed on fire detection and protection measures. Such efforts are already underway in the joint proposal which IUMI along with Germany, Bahamas, BIMCO and CESA put forward to the Maritime Safety Committee (MSC) 102. The International Maritime Organization's (IMO) work will pick up again in a virtual format this autumn. The proposal for a new output on a review of the fire protection and fire detection measures onboard containership in combination with the NCB's proposal to tackle misdeclaration and non-declaration of DGs are two sides of the same coin.

IUMI EYE

Q&A

Ian Lennard

President, National Cargo Bureau (NCB)



www.natcargo.org

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

NCB is a not for profit organisation dedicated to our mission of *safety of life and cargo at sea*. We were created in 1952 to assist the industry and the U.S. Coast Guard in the discharge of its responsibilities under the 1948 SOLAS Convention which addressed the carriage of dangerous goods for the first time. All of our services performed for the industry and the Coast Guard are designed and carried out with the intent to enhance our mission.

You recently published a white paper highlighting a holistic approach to enhancing safety and addressing the carriage of undeclared, misdeclared and other non-complaint dangerous goods, is this the biggest challenge facing container shipping today?

As far as enhancing safety I would say it is, as it is quite literally comparable to finding a needle in a haystack. The challenge is the balance between safety and efficiencies (both economic and operational). Certainly opening up and physically inspecting the contents of each container is neither economically nor operationally possible. Conversely, ignoring the issue leads to loss of life and property. The key is finding solutions that balance safety with efficiency such as improved targeting for container inspections and automated screening of the documentation for potential mis or undeclared cargo.

How does the NCB and IUMI work together?

NCB personnel have presented at several IUMI annual conferences over the years, most recently last year in Toronto, where I was on a panel discussing containership fires. We have a shared common interest in our mission of *safety of life and cargo at sea* as does the entire industry. As a result we are mutually involved in working groups and organisations whose purpose is to create solutions to some of these difficult issues. We also participate in the American Institute of Marine Underwriters (AIMU) committees, IUMI's U.S. member.

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

Stay focused on underwriting discipline; thoroughly vetting risks and maintaining the necessary controls to reduce losses. This should go a long way in weeding out bad actors in the supply chain.

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

From what I understand the market continues to harden despite the uncertainty induced by the current global pandemic. We see this as a great opportunity for underwriters, through increased discipline and more robust controls, to work with their insureds to ensure best practices are being followed and the risks associated with mis-declared and other non-compliant dangerous good shipments are reduced.

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

Nothing specifically, but what I do enjoy about my current role is that NCB has a mission which demands that through our efforts ships and really the entire industry become a safer place. Everything we do furthers our mission. It is extremely gratifying knowing that we have helped make the industry safer. So my ideal job would give me that same sort of satisfaction.

What do you like doing when not working?

Skiing in the winter, tennis, hiking and relaxing with family and friends.

COVID-19: Does marine behaviour data show signs of recovery for global shipping?



By James Whitlam
Data Strategist

Concurrus
IUMI Professional Partner
www.concurrus.com

Global business leaders are assessing the full impact of COVID-19 with a focus on getting the economy back on track. Here we look at the latest global vessel movement trends to see if the shipping industry is showing signs of recovery.

May 2020 saw the following activity compared to 2019:

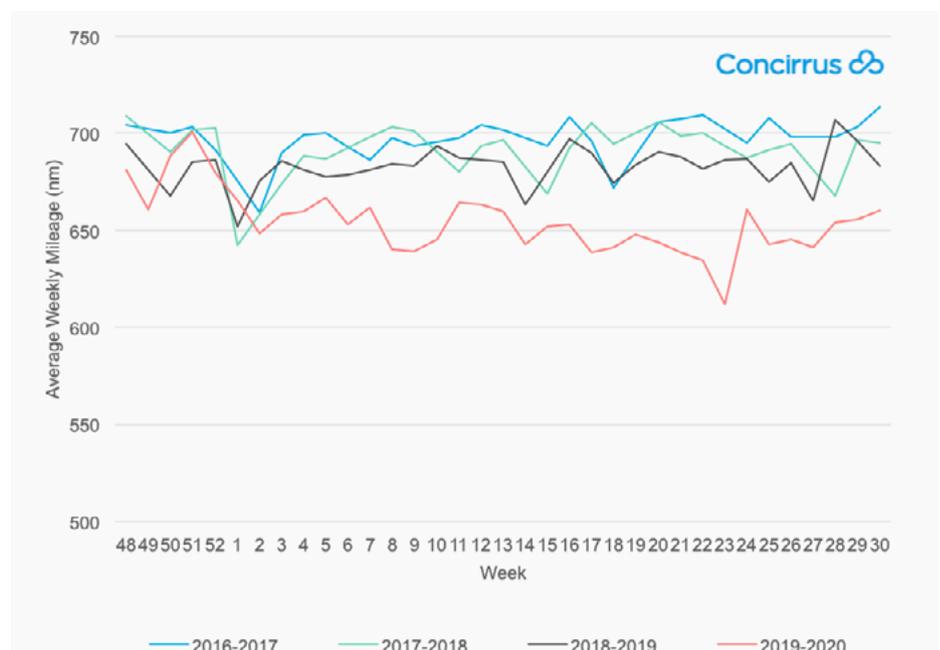
- A 10% global reduction in weekly distance travelled by containerships.
- Reductions in containership average weekly port visits across multiple regions.
- A 70.5% global reduction in distance travelled by cruise ships.
- Challenging risk aggregations of cruise ships in the Caribbean ahead of hurricane season.

Three months on, global vessel data shows that average weekly mileage is increasing steadily.

Global vessel mileage levels were down by just 3.5% vs 2019 at the end of July 2020. However, average weekly unique port visits haven't stabilised at the same rate. During March 2020, average weekly port visits were 11.7% lower than in 2019. At the end of July, port activity still lagged by 5.9%.

→

Figure 1
Average weekly mileage –
global, all vessels



COVID-19: Does marine behaviour data show signs of recovery for global shipping?

Continued

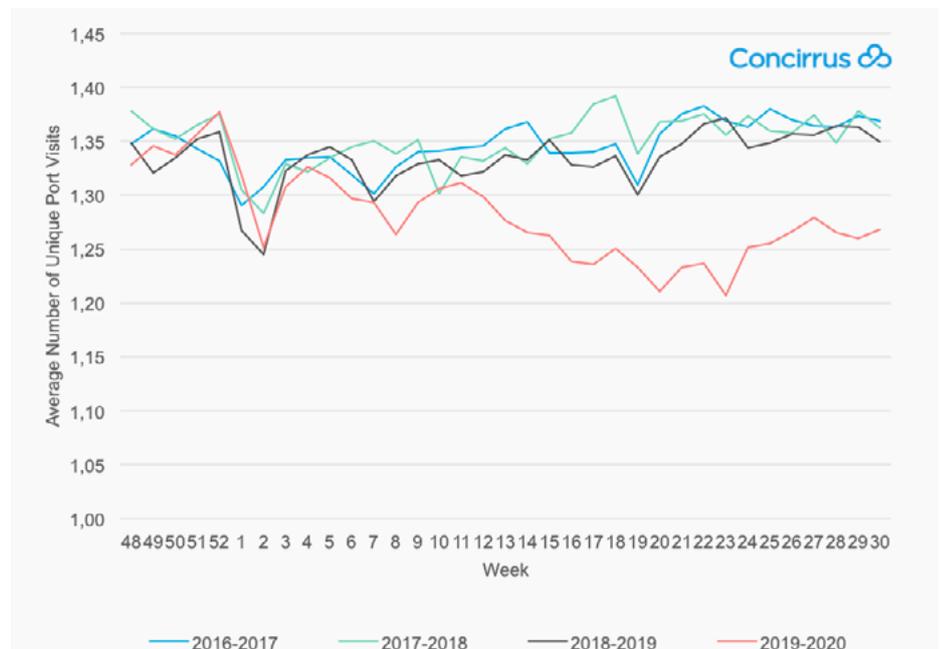


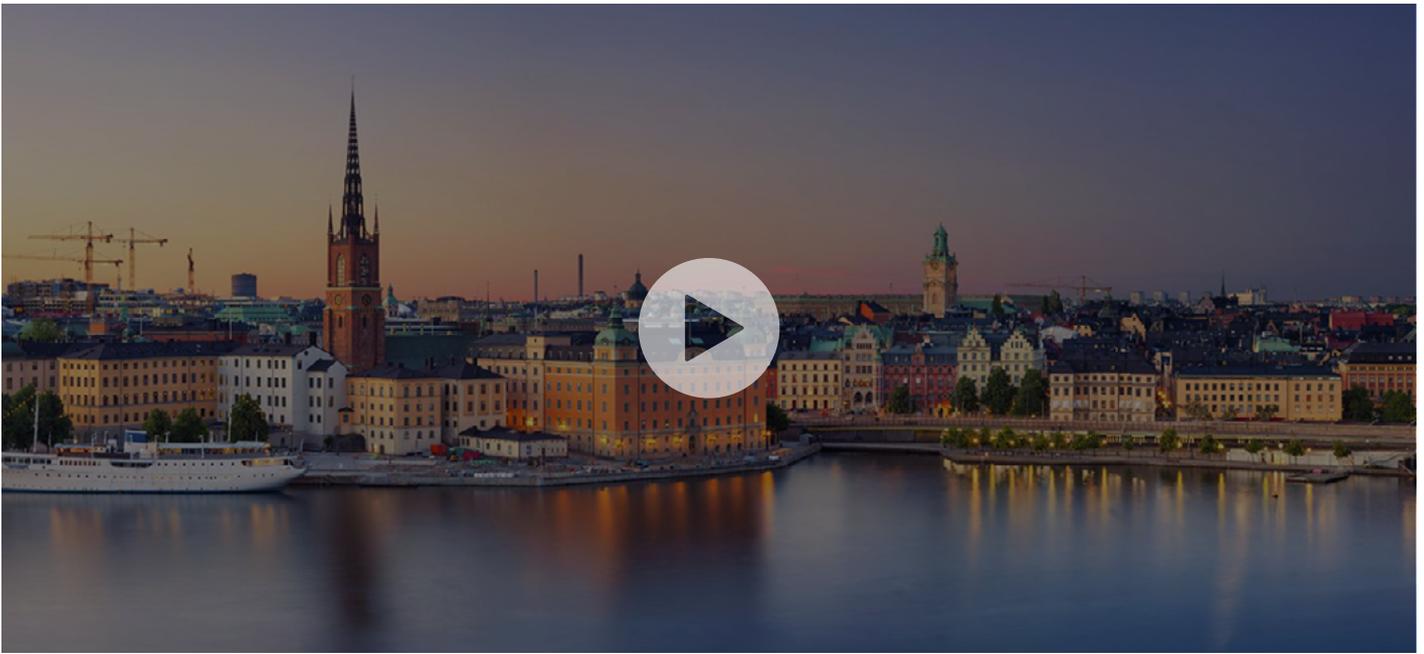
It's expected that port activity will continue to return towards normal levels as international trade resumes. However, as some ports are operating at reduced capacity, we could see a backlog of goods and therefore risk aggregations at key storage locations.

The cruise sector has seen the largest reduction in activity throughout the pandemic yet is showing a slight increase in port visits in recent weeks. Average weekly distance travelled reduced by 70.5% and average weekly port visits by 78.4% compared to 2019 figures. It will take some time for the cruise ship sector to return to normal operating levels due to extended restrictions and a reluctance from passengers to return.

Whilst global vessel data shows improvement, further analysis uncovers a variety of implications for specific sectors and regions. For the insurance community this level of detail is extremely important for effective risk management and customer engagement. [A more detailed breakdown can be found here.](#)

Figure 2
Average weekly unique port visits – global, all vessels





IUMI 2020

Just a click away

The time is almost upon us again and the IUMI annual conference is just around the corner. It was very disappointing this year to not be able to go to Stockholm and see everyone in person due to the current challenging global conditions, however the Swedish organising committee has done an amazing job to bring the conference online for the first time ever.

The event will kick off on the 14 September with the opening session followed by the President's workshop which will focus on COVID-19 and the impact on marine insurance. The next two weeks will be filled with highly topical and engaging issues and looks set to be a huge success. We will be running one workshop each day over a 90–120-minute session and most sessions will run twice a day to ensure all time zones are able to participate. Sessions will comprise a mix of presentations, discussion and online Q&A.

Topics covered include; RoRo safety; the much-anticipated global marine insurance report; the use of Ion-Lithium batteries in the marine environment; the impact of a pandemic on project cargo; vessel detentions; the impact of sustainability and digitalization on marine insurance and many others. For the full agenda [please click here](#).



For more information and to register please visit the official IUMI annual conference website www.iumi2020.com

We look forward to 'seeing' you then!

New sanctions regimes and compliance issues for marine insurers



By Christopher Jones, Director of Legal and Market Services, International Underwriting Association, IUMI Member Association, www.iaa.co.uk, and Daniel Martin, Partner, HFW, IUMI Professional Partner, www.hfw.com

There has never been greater focus by sanctions authorities on the maritime sector, with increasing pressure on owners, operators and insurers to adopt ever more extensive due diligence and compliance checks in order to manage these changing and complex risks.

The US continues to impose new sanctions, including sanctions with extra-territorial effect, and there has been aggressive enforcement against the maritime sector, with both Cosco Dalian and Eagle Shipping feeling the effects. In addition, designation of shipowners and vessels in connection with US sanctions against Venezuela created headaches not only for them, but also their charterers, flag states, insurers and banks.

This is also an era of unprecedented change and flux: the UK must choose its own course from the end of the Transition Period on 1 January 2021 and there are already signs of the UK “going it alone” with its own human rights sanctions. The complex relationships between Russia and the US, UK and EU, as well as Sino-US tensions, are likely to continue through 2020 and 2021.

The burdens on insurers continue to evolve: in May 2020 the US authorities published guidance (by way of a [Sanctions Advisory](#)) which aimed to reshape all aspects of maritime industry behaviour and touches upon fundamental issues for our community – including AIS manipulation, know your customer, supply chain risk, information sharing with counterparties and the recommended use of insurance clauses. In July 2020 the UK sanctions regulator, OFSI, [followed suit](#).

Insurers operating a step removed from the underlying trade need to navigate these complexities in a risk-based and proportionate manner. But what does that mean in light of recent developments?

Reviewing existing compliance programmes in light of the guidance is clearly necessary. Considering whether and how to detect and address AIS manipulation in the insurance policy is a more nuanced issue. Sanctions authorities would like to see continuous checking of all insured vessels' AIS, but is this really practical? Greater information sharing on AIS manipulation and other sanctions issues – not only between industry stakeholders but, crucially, also between authorities and industry – is an obvious area where progress could be made.

The increased scrutiny on the maritime sector is here to stay. Pro-actively managing the underwriting, compliance and regulatory risks arising from international sanctions remains ever more important.





By Paula Bäckdén,
Associate, Vinge Lawfirm,
and Mikaela Tamm,
Senior Legal Advisor,
Insurance Sweden and member
of the IUMI Cargo Committee

Liability limitations of the CMR — can they be waived?

The liability of carriers for loss of, or damage to, the goods carried is as we all are aware limited both in terms of scope of liability but also in relation to the amount paid out to the owner of the cargo. In an environment where transport becomes a service like other services and is amalgamated with other services into a product that includes both transportation and also warehousing, repackaging etc., a carrier may be tempted, or even “forced”, to undertake a greater liability than what is described by law. The questions is – can you?

Mandatory Rules

Everybody involved in the transport sector is likely to be aware of the mandatory status of the international liability rules. From a European perspective, all liability conventions, except one, are mandatory only towards the carrier. Thus, the carrier can undertake a stricter liability than that provided by the convention, but never lessen its liability. However, in the case of the European Convention on the Contract for the International Carriage of Goods by Road (CMR), which applies to international transport of goods by road, the mandatory nature of the rules plays both ways. Thus, a European road carrier cannot, in an international transport, undertake a stricter liability than that provided by the CMR.

Exclusive Regulation

As pointed out by courts and scholars, the international carrier’s liability conventions are preemptive. Thus, where the rules of a convention provide no remedy, no remedy can be granted. However, the conventions are naturally only preemptive within their respective scopes. For example, the CMR regulates the carrier’s liability for loss of or damage to the goods carried, and should the carrier cause damage to other property, the relief can, and must, be sought outside the CMR. On the other hand, where a claim against a carrier relates to damage to the goods consigned to that carrier, the carrier’s liability is regulated by the rules of the convention. And where no remedy is provided by the convention, no remedy can be granted.

→

Liability limitations of the CMR — can they be waived?

Continued

Mandatory and exclusive

As far as international road transport within Europe is concerned, the carrier cannot, as mentioned, undertake a liability that deviates from the CMR. Thus, taking into account what has been accounted for above, where a claim relates to the carrier's liability for loss of or damage to the goods carried, the carrier may not contract for a liability which does not mirror the liability provided for in the CMR.

Who will tell?

A natural objection to the above would be: "but if the carrier extends their liability, the owner of the cargo is happy, who will then complain about the non-conformance with the CMR?" The answer is: the insurer. As an insurer of a carrier's liability risk, an insurance company expects the carrier's liability to be as predictable as possible, and the limitations set out in the CMR provides such predictability. Thus, the insurer ought not to be willing to indemnify the insured to a larger extent than what is set out in the CMR. In particular in relation to road carriage, an insurer should even dispute any contractually increased liability undertaken by the insured on the basis that it is actually prohibited. In any other type of transport an extended risk should be notified to the insurer in order to be covered by a carrier's liability insurance.

BUT

There is always a "but"... In a logistics contract, the service provider would normally undertake the carriage of goods, but in addition also other types of service. The CMR, the Hague-Visby Rules and the CIM, applies to *contracts of carriage of goods* (rather than the actual performance of the transport). As may be known, jurisprudence and precedence in Europe is heterogenous on the issue of whether such conventions apply when the contract provides for more than one mode of transport.

The arguments proposed to support such an argument can with the same force be used in relation to contracts that provide for other types of service than only transport. It can therefore be argued that the service provider's liability for loss of or damage to the goods is not limited by the CMR, or other conventions with the exclusion of the Montreal Convention, but that the service provider is liable in full – even if the loss or damage occurred during carriage.

In our opinion, there are solid arguments in support of the applicability of the CMR and other conventions to the carriage, even where the contract provides for other modes of transport and/or other types of service in addition to carriage. However, an insurer of carrier's liability risks should be aware of the risk, and that there is solid precedence in some jurisdictions to the effect that the liability conventions do not apply.

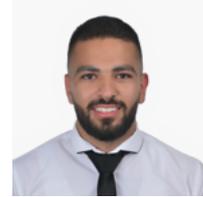
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Underwater inspection of fixed offshore steel structures



By Jean-Pierre Assaker
Marine Surveyor

CL Surveys
IUMI Professional Partner
www.cl-surveys.com

Offshore structures are large platforms that provide the necessary facilities and equipment for exploration and production at sea. Generally, these structures are progressively being used in the offshore sector. They are designed to withstand environmental loads such as waves, currents, wind, earthquakes and daily operational forces. Inspection procedures must be performed in an effective way to reduce the risk of fatigue and failure of these structures.

A research paper by CL Surveys discusses international and national codes and regulations concerning the inspections of offshore structures, as well as the different types of underwater non-destructive testing inspections that must be carried out at sea. Moreover, this research elaborates on marine growth development, inspection and the cleaning of the underwater offshore structure. It also provides information on the correct implementation, inspection and monitoring of the corrosion prevention system fitted on these structures. In addition, we have developed a strategy for an effective underwater inspection, allowing for a better understanding of the risk levels during the expected service life of the structure.

Finally, we discuss what risks divers frequently face, the access limitations of the structures and the role of automation in this sector. The purpose of this paper is to identify different inspection and maintenance systems to develop an efficient methodology that will keep fixed offshore structures safely out of dry-dock.

[For the full paper please click here.](#)



People at IUMI

Sanjiv Singh

Member, Facts and Figures Committee,
Education Forum IUMI



How long have you been associated with IUMI?

I attended my first IUMI conference in 2011 in Paris. Since then I have attended all annual conferences including the IUMI Asia Forum.

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

I am member of the Education Forum as well as a member of the Facts & Figure Committee. Previously I have been a member of the Cargo Committee, elected in 2014. I am helping my fellow committee members by gathering data from India, as well as non IUMI member countries in the South East Asian region. My main priority is to promote education in marine insurance in the Indian subcontinent. With the support of IUMI we have conducted market meetings and workshops in India in the past and have also planned webinars on current topics in the coming months.

And what is your day job?

I work in the Indian Association – General Insurance Council of India – leading the marine and aviation divisions. My job involves promoting best practices and skill development in marine underwriting in the Indian market and spreading awareness of IUMI's education programme. I also meet with the national regulators and marine underwriters of member companies to discuss current issues of importance. Apart from participating in live webinars and contributing articles in journals, I support the marine insurance industry through participation on the platforms of various trade bodies and government institutions. I am also on the Board of Directors of the Maritime Protection and Indemnity Association of India (MPIAI).

What benefits do you get from being associated with IUMI?

IUMI is a great platform to bring all those associated with marine insurance together at a global level. One of the most valuable benefits of the association is the building of a great network of expert professionals in this field. The mutual exchange of knowledge and experience is priceless. Apart from the excellent presentations and discussions during the annual conferences, the webinar series keeps us in regular touch with current topics and IUMI is an institution that works tirelessly throughout the year. The IUMI Education programme continues to gain popularity and Indian underwriters keenly participate in webinars hosted by IUMI. Being a member of the IUMI technical committees is a great privilege and opportunity for meaningful interactions with important leaders of this global community, to help find solutions to the many problems facing the industry today.

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

IUMI needs to be more visible in developing countries through workshops and meetings, personal visits of Executive Committee members. Though there is already great focus on Asia currently, we need to include more issues impacting developing economies directly. Topics like Arctic sailings or specific EU issues do not attract South Asian underwriters as much as the container fires issue or matters related to policy coverage and interpretation of clauses. I am sure once premium volumes from these regions grows and more people from developing countries show interest in joining IUMI committees the bond will grow stronger.

How did you reach your current position in marine insurance?

I was a history and economics student at university and had very little idea about insurance as a career but after I joined the insurance industry in 1984, I developed very deep interest in marine insurance. The company I worked for- New India Assurance, a leader in the market – always had great focus on marine insurance and it gave me a lot of opportunity at every level to improve on my education, knowledge and experience in the field. I worked as country head of marine for a decade at the corporate office from 2009.

And what do you do away from the office?

I read a lot and watch international movies. Practice meditation daily. I also love trekking and travelling.

Diesel electric battery hybrid vessels: Is it for every vessel?



Dr. Julius Partridge, Sr. Electrical
Engineering Consultant

London Offshore Consultants Ltd.
IUMI Professional Partner
www.loc-group.com

In the face of increased environmental regulations, the marine industry is looking for technological ways to reduce its environmental impact. One such technology currently experiencing rapid growth is the integration of lithium-ion batteries, to convert traditional diesel electric propulsion systems to diesel electric-hybrid power systems.

A diesel electric-hybrid system offers several potential advantages, including reduced fuel consumption and emissions, both locally and globally, and reduced operating hours for the diesel generators.

These benefits are made possible by the increased operating flexibility of the vessel's power system and the ability to operate the diesel generators more efficiently. These factors can be summarised through the following functions: load levelling, peak shaving, spinning reserve, anchor/port hotel load and increases in the standby generator set point.

Fundamental properties of lithium battery technology support power system flexibility and explain why diesel electric hybrid vessels are seeing such growth and interest.

However, it should be noted that diesel electric-hybrid systems should not be considered a silver bullet for emissions reductions – the benefits depend heavily on the type of vessel and the application it is used for, though when applied to the right sort of vessel the benefits are clear. Dynamic Positioning (DP) is one mode of operation that offers considerable potential where the batteries can be utilised to reduce the number of generators required and improve the loading on the generators that are running.

Whilst battery technologies have been around for a significant period of time, the capital costs associated with battery systems have fallen dramatically in the last decade as a result of widespread deployment, particularly in the automotive market. These cost reductions have transferred into the marine market, making integration of battery systems onto vessels increasingly attractive.

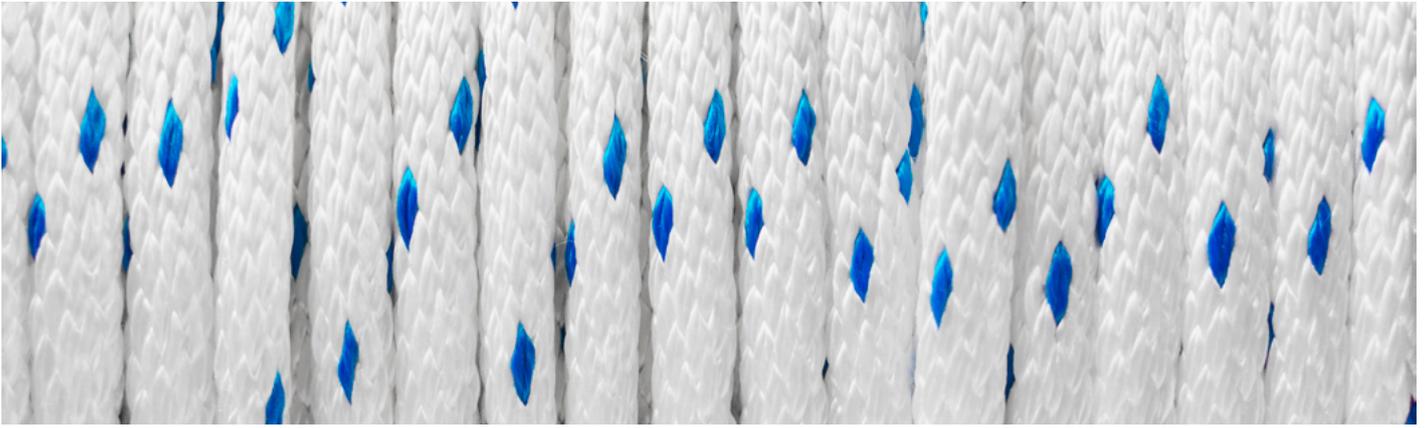
Deployment of diesel electric-hybrid power systems can bring economic and environmental benefits to the operation of a wide range of vessels. It is, however, important to acknowledge that this is dependent on the vessel type and operation of the vessel.

[Full article on LOC Group website.](#)



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International Maritime Organization (IMO) — a brief update



By Hendrike Kühl
IUMI Policy Director

Like so many other physical meetings and events, the International Maritime Organization's (IMO) Committee Meetings have fallen victim to the COVID-19 pandemic. The last session which took place physically at the IMO's headquarters in London was the 7th session of the Ship Systems and Equipment (SSE) Sub-Committee in early March. All meetings since then, and through to the end of 2020, have been postponed. The IMO Council which convened in writing over the course of several weeks approved of the following order of priorities for a reconstructed meeting schedule which will take place virtually:

1. Council 124
2. Marine Environment Protection Committee (MEPC) 75
3. Intersessional Working Group (ISWG) on Greenhouse Gases
4. Maritime Safety Committee (MSC) 102 (8-day meeting)

The 102nd session of the Maritime Safety Committee is of particular relevance to IUMI as the proposal for improved containership fire safety which was co-sponsored by IUMI along with Germany, Bahamas, BIMCO and CESA was set to be on the agenda. This meeting has recently been postponed to take place in a virtual format from 4–11 November 2020. It will be interesting to see how the digital meeting will cope with the various agenda items, not least because IMO remote meetings should run for a maximum of three hours.

The IMO has set up a [dedicated section](#) on the corona virus on their website which provides detailed information and guidance on various aspects of the COVID-19 crisis and the multitude of problems it causes to the maritime industry. This includes circulars about:

- Health protection measures on board ships
- Recommendations for port and coastal states on the prompt disembarkation of seafarers
- Guidance for flag states regarding surveys and renewals of certificates
- Recommendations on the facilitation of maritime trade

With potential reoccurrences of the pandemic in IMO member states, the resumption of physical meetings at the IMO building continues to look uncertain until well into 2021. This is particularly unfortunate given the host of urgent and important issues the organisation is asked to deal with. Not only various safety related issues must be addressed and resolved, equally pressing are environmental matters related to the maritime industry and its impact on climate change which are dealt with in the Marine Environment Protection Committee (MEPC). The move toward virtual meetings is the only avenue to keep progress underway on all these critical issues.



By Sean M. Dalton
IUMI Cargo Committee Chair

A personal view: cargo underwriting in 2020

As cargo underwriters returned to work following the 1 January renewal, the outlook for 2020 was promising in that the market should continue to improve. What started in 2018 and continued throughout 2019 can be described as a widespread market correction driven by many years of unprofitable results causing underwriters to address portfolios with urgency. One may debate how the situation got so bad but like many things it was the result of a combination of factors contributed to over an 18+ year sustained soft market.

Challenges to the industry exist in plenty, ranging from unknown accumulations to cyber exposures to cargo vessel fires. However, in early January 2020 we just started to learn about COVID-19 and not many people could have imagined what lay ahead.

By the end of March most re/insurance industry companies, if not all, were working remotely. Prior to the global pandemic very few underwriters worked from home on a full-time basis. Marine insurance professionals adapted quickly as they faced even greater urgency to remediate business and improve results. Lower interest rates and investment losses have put even more pressure on underwriting results.

From claims to risk engineering, and underwriting to account support, marine insurers continued to deliver on their promises and provide the requisite services that this specialty line demands. Brokers have done an incredible job in providing outstanding service to insureds. It is important to keep in mind that brokers were also dealing with addressing many of the same skill gaps as underwriters and also working to keep abreast of a rapidly changing environment.

IUMI has adapted as well moving to a virtual format for the 2020 conference. The ongoing education offerings from IUMI have extended the reach of the organisation to better serve the membership. The work that has taken place in the past five years has positioned IUMI to deliver these valuable services. One of the greatest advantages for a marine insurer is the technical expertise of their staff. While this may be under-valued and perhaps underappreciated in a soft market, it is vital to providing solutions and running a sustainable business. IUMI and the local market associations have delivered in helping build these skills.

As we prepare for the 2020 conference one would be remiss in failing to acknowledge the human toll and suffering. Many have lost loved ones and had their lives disrupted in unexpected ways. In a market that saw a number of colleagues

displaced as a result of underwriters exiting the cargo line of business before the pandemic, the situation has become even more difficult. One of the benefits of working in a small specialty line like marine is that you have the opportunity to make personal relationships. We benefit from the happiness this brings us and also feel great sadness when our friends and colleagues suffer.

Looking forward, I believe this is about solving problems to meet the needs of our customers and key stakeholders. It is not about going backwards but finding a way ahead professionally and personally. To this end, the 2020 IUMI Conference theme of "Navigating changing climates: Delivering expertise to shape the future" could not be more appropriate.



Preview of the Inland Hull, Fishing and Yachts Committee IUMI conference workshop

By Anneke Kooiman
IUMI Inland Hull, Fishing and Yachts
Committee Chair and Underwriting
Manager, Co-insurance/Marine,
Nationale-Nederlanden
www.nn.nl

The world does not stand still, and technological developments are moving at an accelerated pace. Increase in productivity, lower operational costs, change of laws and regulations, (semi) autonomous sailing, Internet of Things (IoT), the use of lithium-ion batteries, sustainability, but also climatic changes, have all had an impact or will have an impact on our underwriting results, policy and capacity in our market(s).

The Inland Hull, Fishing Vessels and Yachts Committee (IFY) is committed to informing insurers of this continuous stream of changes, either through the IUMI Eye newsletter or by organising interesting workshops during IUMI's annual conference and Asia Forum. By taking a proactive stance and being open to changes and developments in these markets, one creates a basis that can serve as a foundation for a sustainable and future-proof insurance portfolio.

In the light of this and thinking about the upcoming theme in Stockholm *"Navigating Changing Climate, delivering expertise to shape the future"* the Committee came up with the following topics which will certainly ensure some very interesting presentations and discussions:

Tore Høisæther, Fender Marine AS, and member of the IFY Committee, NO-Bergen and Halvard Hauso, Chief Commercial Officer, Corvus Energy, NO-Bergen will be presenting on:

"The use of lithium batteries in a marine environment"

All of us are familiar with lithium batteries from smart phones and other wireless household products. Now, on a larger scale, these batteries are being used in boats and large ships both for propulsion and for onboard equipment such as cranes, winches and thrusters. Some vessels are 100% electrified and some have hybrid solutions. This presentation will give some predictions on what vessel types are most likely to be 100% electric in the near future and how a hybrid system may improve safety. Is it safe and what are the experiences so far? Hopefully all these questions will be answered during the presentation.

Margaret Zaccaria from Satec Group and member of the IFY Committee, and Filippo Pellerano, lawyer at Studio Legale Mordiglia will be presenting on:

"Liability issues regarding the use of drydocks. An illuminating story!"

In this presentation you will learn about the liabilities to which the insured can be exposed to when using drydocks. The use of third parties' facilities, the technical nature of a drydock operation, the interactions between the different players involved in the operation, each having a specific task and responsibility together with the high values at stake may give rise to potential risks, liabilities

and claims. Eventually, in the worst-case scenario of an accident this may also end up in a salvage or wreck removal operation and, accordingly, to an additional challenge for the insured and the underwriters.

Rick Salway, GAIG USA, and member of the IFY Committee will be presenting on:

"Struck by lightning, no pleasure at all for a yacht owner and the underwriting market!"

Being struck by lightning and winning the lottery, what are the chances? In the case of lightning it is increasing and for yacht underwriters, it is quite the opposite of winning the lottery. A story and facts about the economics facing the landscape of the yachting market. It has all to do with the changing climate and new technology.

Overall the IFY workshop looks set to be a high quality and interactive session that should not be missed. It will be taking place on Friday 18th of September from 0900–1100 (CEST), and again in the afternoon from 1500–1700 (CEST).

To register and for further information please visit www.iumi2020.com.



POSTGRADUATE DIPLOMA MARINE INSURANCE LAW & PRACTICE BY DISTANCE LEARNING

This long-established programme offers an outstanding academic foundation for professionals in the marine insurance industry to develop their expertise and their careers, as well as professionals planning to move into the field of marine insurance. IUMI is proud to award a bursary for the programme to one successful candidate of the IUMI online hull or cargo exam per year. For questions related to the bursary, please contact education@iumi.com.

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International Union of Marine Insurance
Grosse Elbstrasse 36
D-22767 Hamburg, Germany
Telephone +49 40 2000 747-0
Email info@iumi.com

iumi.com

Editorial team
Hendrike Kühl, Corinna Wintjen, IUMI, Hamburg
Katerina Dimitropoulos, Navigate PR, London

Design
Keller Maurer Design, Munich

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