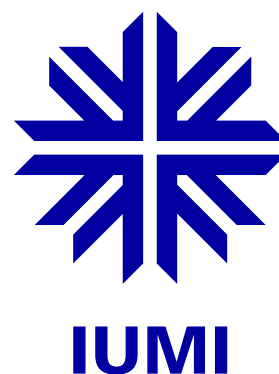


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Message from the President

President's reflections on the past four years



Richard Turner
IUMI President

One of IUMI's traditions is that its President holds their position in the organisation for up to four years. My own four-year term is reaching its conclusion, so I feel it's worth looking back to 2018 and reflecting on what's happened since. Had we taken the time to think about what the world might look like by 2022, I doubt many of us would have predicted a global pandemic or a land war on European soil.

However, other trends were already apparent back in 2018:

- We were already seeing a rise in protectionist measures, adversely affecting international trade
- We knew that mankind's response to the planet's climate emergency could not long be delayed
- It was abundantly clear that the world would be going through a technological, data and digital upheaval

Against this volatile background, the marine insurance and reinsurance sector has continued to operate pretty well. We have continued to discharge our core purpose of enabling and protecting international trade.

In summary:

- Marine insurance adapted positively to the operational and risk challenges of the pandemic
- We accelerated the pace at which data and technology were embraced (partly because the pandemic forced us to)
- We took steps to immerse ourselves in the ESG (environmental, social, governance) debate

We successfully navigated through the pandemic

Covid-19 caused an immediate and long-lasting disruption to our sector's working environment, and we witnessed a sequence of challenges affecting the clients and industries we support. These ranged from the initial slowdown of shipping activity, to the subsequent surge of international trade in the post-pandemic phase and the consequent problems of port blockages.

From the narrower perspective of IUMI, much – if not all – of our work and conference activity shifted to an online setting. We learned valuable lessons, and the use of 'Zoom' is now an embedded part of our operation.

More recently, we have started to travel again. A recent highlight was the successful Asia Forum event, held in Mumbai in June, with over 200 people present. This is the first time we have been able to hold this 'mini-IUMI' conference since Shanghai in 2019.

IUMI has continued to work on key priorities – and introduced a new one

A key feature of IUMI's success in the past 10-years has been that we have developed a clear strategic direction and ensured its continuity. We have made progress in all areas:

Membership

During the pandemic, we introduced a new online format – member roadshows. So far, we have held events with India, Australia, Turkey, the Philippines, Spain, Croatia, South Africa and Malaysia.

Education

Our educational offering has expanded and matured. In addition to the cargo and hull tutorials, we have increased the frequency of webinars and introduced monthly podcasts as a new innovation.

Advocacy

The past four years have seen IUMI step up its presence and influence at the International Maritime Organisation (IMO). At present, the IMO is engaged in considering a proposal by IUMI (and other IMO members) which concerns 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 container ships*”.

IUMI has also shared a discussion paper at IMO on the growing problem of containers being lost overboard at sea. We are also engaged in IMO projects to consider the development of autonomous ships and to improve the position regarding ports of refuge.

Statistics and data

The IUMI Stats Report – first launched in 2018 and published annually since then – is a key part of IUMI's drive to diversify the distribution of information. On top of this, the launch of the IUMI Claims Database is a major step forward, with \$14 billion in claims now collated from 25 countries.

Then there is the growing impact of digitalisation in our sector. During my term as President, we have recognised this growing trend by enhancing the status of what was originally created under Dieter Berg's presidency as a Big Data and Digitalisation Working Group and made it a full IUMI Forum with its own slot at conference.

Sustainability and ESG

Last but not least, IUMI's latest strategic priority has been launched – ESG. Alongside data and digitalisation, this will be the dominant catalyst for change in our sector in the coming years.

From an IUMI perspective, and with explicit support from our members, we have stepped up our engagement:

- IUMI became a Supporting Institution for the UN's Principles for Sustainable Insurance.
- We formed an internal ESG Working Group.
- We became a Supporting Partner of the newly created Poseidon Principles for Marine Insurance.

IUMI will have an important role in continuing to nurture the debate across our industry sector.

→

Message from the President
Continued

Summary

Much has happened in the space of the last four years. The external world has thrown unexpected problems in our direction. Yet my firm conviction is that the whole marine insurance sector has risen to the scale of the challenges, and I think it can be reasonably suggested that IUMI has played its part too.

Who knows what the next four years hold for our industry? I would suggest that some of the events and trends alluded to in this article will feature strongly during this period and beyond:

- How will the Russia/Ukraine conflict play out, and what will be the impact on international trade?
- How fast will be the pace of digitalisation?
- What decisions will the shipping industry take concerning the deployment of alternate fuels?
- How quickly will the offshore sector transition to embrace renewable energy production?

The only 'constant' in all of this activity is that 'change' is always with us. The world and our sector are reaching a key moment in history and it will be fascinating to see how events unfold over the coming years and decades.

Richard Turner, IUMI President

IUMI podcast series



Four years in the hot seat

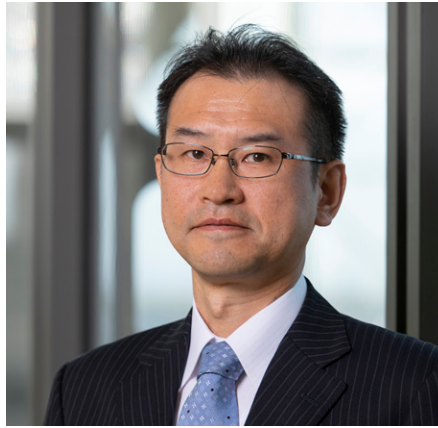
Listen to Richard Turner's thoughts on data, ESG and the future of marine insurance in the latest IUMI podcast. The outgoing IUMI President reflects on his time in office and offers some advice to his successor.

[Take a listen here](#)





Frédéric Denèfle
IUMI President nominee



Kosuke Hashimoto
Vice President nominee

IUMI announces nomination for new President and Vice President

IUMI has announced the nomination of Frédéric Denèfle, Managing Director at GAREX, as a candidate for the role of IUMI President. Frédéric's history with IUMI is extensive, serving on the Executive Committee between since 2018 after a few years as Legal and Liability Technical Committee Chair. He is a member of the French Marine law association and France Assureurs (French Insurance Professional association).

The current President, Richard Turner, ends his full four-year term at this year's IUMI annual conference in Chicago. In accordance with the Articles of Association, IUMI's President is elected by the IUMI Council.

Frédéric's nomination as the next IUMI President will be considered by the Council and a formal announcement will be made once the Council has voted.

The IUMI Council will also be approving the new Articles of Association, which will contain a new role – Vice President. If elected by the Council, the first VP will be Kosuke Hashimoto, the current Vice Chair of the Executive Committee and General Manager of Marine Underwriting at Tokio Marine & Nichido Fire Insurance.

Annual IUMI Conference 2022

The IUMI conference in Chicago will commence soon, and we couldn't be more excited to welcome you in person for the first time in three years.

This year's theme is 'Adapting to a world in transition'. The globe is facing massive upheaval at every axis, and the need to focus on solutions has never been more pressing.

Topics addressed at this year's conference will range from the state of the global supply chain, the geopolitical implications of the Russia/Ukraine war, electric vehicles and decarbonising North America to cargo losses and insurance.

Chicago will serve as the perfect backdrop to the array of sessions, including presentations, panel discussions and Q&A. The city is famous for its unique architectural display, museums, renowned food and how it folds into Lake Michigan, making it one of the United States' primary marine markets.

The conference hotel – the Chicago Marriott Downtown Magnificent Mile – is in a prime location for sightseeing, less than a mile from the Cloud Gate centerpiece.

For registered delegates, there will be a Welcome Reception on 18 September. Conference sessions, exhibits, breakfast, lunch and coffee breaks will begin from 19–21 September, with a special themed American Evening on 21 September.

Thanks to our hosts, the American Institute of Marine Underwriters (AIMU), the annual IUMI conference is the largest international marine insurance forum, keeping with IUMI's vision to 'be the influential and trusted voice of global marine insurance'.

AIMU has hosted six annual IUMI conferences, the most recent being in San Diego in 2012.

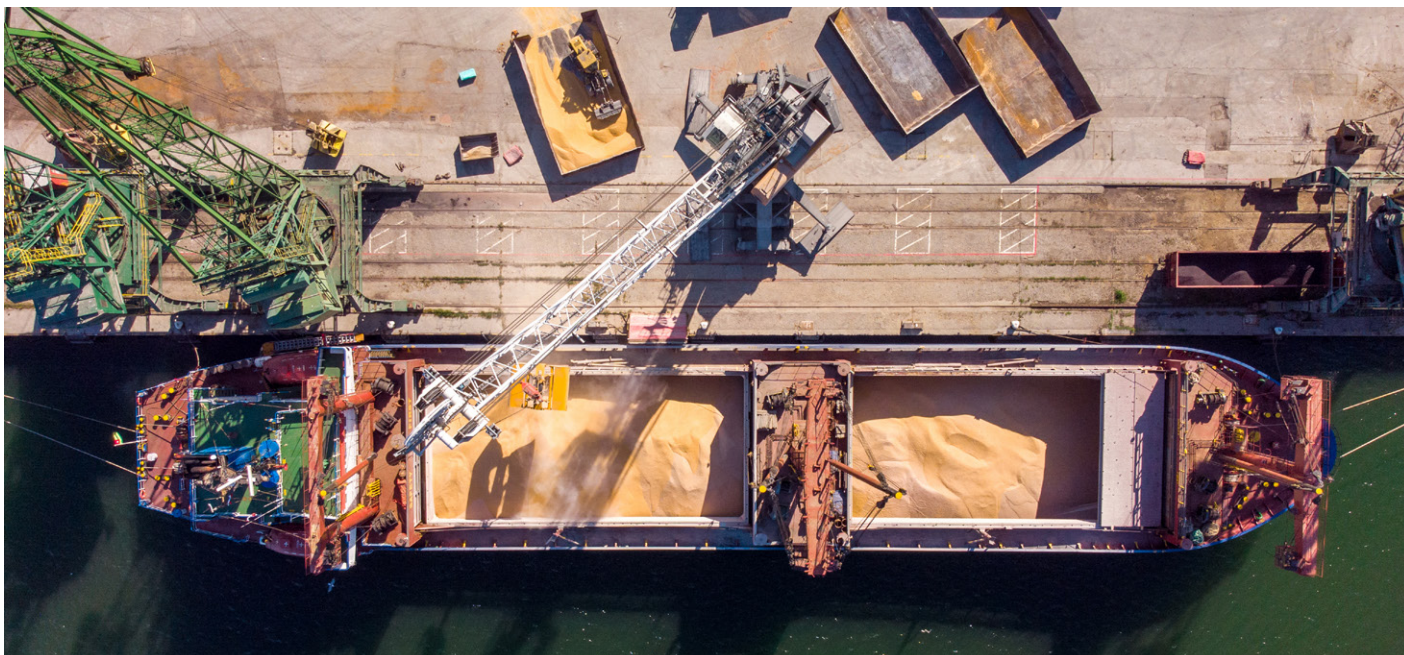
The Chicago Organising Committee is working to make this conference exceptional since the previous IUMI events in Stockholm and Seoul could not be held in person.

Networking opportunities will also be abundant, as marine insurance professionals will come from around the world to attend.

For further information, please visit www.iumi2022.com

Feel free to contact us if you have any questions.





Policy Forum

Sanctions remain in focus for insurers



By Lars Lange
IUMI Secretary General

Insurers have been used to dealing with sanctions for a long time. The sanctions against Iran 12 years ago led to a number of adaptations and the development of sanction clauses. It is, however, still a challenge for marine insurers to be aware of any new sanctions, to understand their impact and to comply with them.

The Russian aggression against Ukraine led many countries and regions to impose new sanctions against Russia, starting in 2014 with the invasion of Crimea, and expanding after the attack which started on 24 February this year. Particularly, the US and the UK brought a number of additional sanctions into force. And the European Union enhanced its existing sanctions with seven additional packages alone since February 2022.

Marine insurers understand the aim of sanctions, and exercise robust due diligence to comply with them. In doing so, IUMI would make the following observations:

1. Sanctions have to be clear, transparent, easy to understand and feasible. This helps insurers to comply. Too many new and different packages in too short a time frame jeopardise the compliance.
2. IUMI offers public stakeholders ongoing dialogue to help understand marine insurers' needs and challenges. This has been well received and IUMI representatives have been able to provide input enhancing the understanding on how insurers deal with sanctions.
3. An (oil) price cap ruling the applicability of sanctions, as discussed by the G7, would need a transparent and robust set-up to work in practice: Which price is relevant? In which currency? At which point of time of the journey? Who is responsible for the correctness? Otherwise insurers would run an uncontrollable risk of unintentionally breaching sanctions.
4. If exceptions from sanctions are granted – as in place for the grain transports out of Ukrainian ports – they have to be very clear, unambiguous and harmonised to enable insurers to work with them efficiently.

IUMI appreciates the close cooperation with authorities on this topic.

IUMI's overall statement on Ukraine can be found here: [IUMI Statement on the Russian invasion of Ukraine](#)

Cargo theft and the role of insurance



By Eric de Smet
Manager, Marine & Transport,
Baloise Insurance &
IUMI Policy Forum Member

Cargo theft and security issues during transport on land remain a serious issue and point of attention. In that respect, the TAPA EMEA conference on 7 and 8 June in Amsterdam focussed on risk prevention, security and resilience in supply and logistics under the heading of "Resilience@risk". IUMI was invited to speak at the insurance panel discussion on day 2, emphasising the need for collaboration in risk prevention by all stakeholders and to clarify some transport insurance baselines. The panel discussion titled *'Don't worry, we have insurance for lost items'* was led by Björn Hartong of Zurich and joined by Michael Yarwood of TT Club, Thomas Ziehn of Köln Assekuranz, Ben Suurd of Reckitt Benckiser and Eric De Smet of Baloise on behalf of IUMI.

A first point of attention was the hidden cost of theft and consequential disruption of the supply chain. Although difficult to quantify in general terms, but based on real life examples, it was held that the actual economical costs of theft during road transport is a multitude of the value of stolen goods. Other hidden aspects are reputational risks and lack of transparency in the logistical chain.

This statement offered a good opening to clarify some unknown elements of (transport) insurance. The consequential losses are not compensated in a cargo theft insurance. Also the fact that road carriers can be held liable for damages and losses (including, depending on the circumstances, for theft) is not sufficient to rely thereon and not take out proper cargo insurance. Indeed, the road carrier and/or freight forwarder can be exempted from liability according to CMR, haulage or forwarders' general conditions. And even in case of liability the amount can be limited as per CMR or other limitations. Therefore, also the cooperation within companies between risk prevention, insurance and procurement should be in focus: decisions on with whom to transport or store goods should not be a cost-only decision.

In the short-term surveyors, investigators, insurers can deal with claims but the long-term view is equally important: raising awareness, working on prevention and building long-term partnerships with reliable contractual partners for transport, storage, distribution.

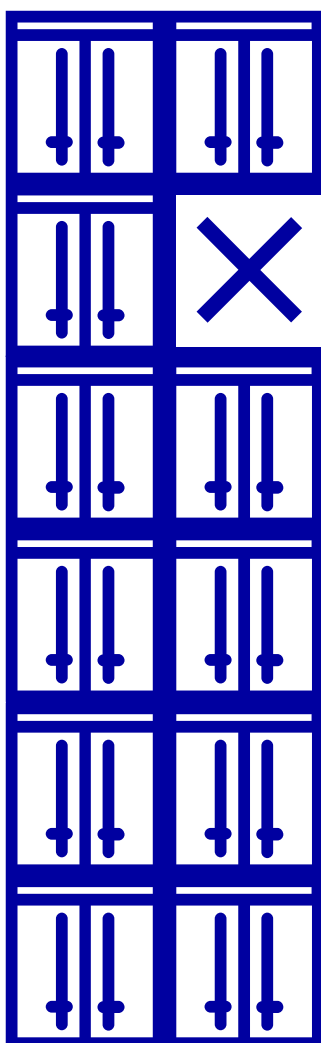
A second theme of the discussion was the importance of risk prevention and security. Here of course insurers and stakeholders associations such as TAPA have common ground. Initiatives of cooperation on security, information sharing (e.g. TAPA EMEA Intelligence System (TIS)), Facility Security Requirements (FSR) and safe parking as coordinated by TAPA are good examples of best practices and tools. They are at least as important as legislation and funding by public funds. So self-organisation and joining forces are key.

Where legislators could come in is regulation regarding freight platforms. The managers of these panels should be held accountable for properly checking the persons or companies joining it to offer their services. This is crucial to prevent the fraud which is being done by unreliable transporters or criminal organisation making misuse of the platform and its innocent users.

Investing in risk prevention could be a winner for all: the company from a risk and loss mitigation point of view (certainly for losses not covered by insurance) and insurers to take that into account in pricing and long-term relationships. Working together and knowing the risk but also the insurance policy terms is important.

A last remark concerns the fact that cargo is much more at risk for theft when it is not moving. The secure parking initiative is important but also the changes in the 'just in time' concept is an element to be taken into account. The COVID-19 aftermath and disruptions in the logistical chain will see a shift to more storage as stock and distribution will be moved (again) closer to production and consumer centres. Therefore, one can fear that more cargo which is not 'moving' will be vulnerable. It is an increasing risk and warning for all, a real wake up call.

[The panel discussion can be viewed in this YouTube video.](#)





America's Winds of Change: floating offshore wind from a marine perspective

By Sean Murphy
Senior Surveyor and Naval Architect
[ABL Group](#)

The upcoming California lease auction is expected to see the US become a major floating offshore wind player. Given the US's ambition to upscale its current offshore wind capacity from 42 MW to 30 GW by 2030, the market is primed for development. With higher winds further offshore and the resulting higher energy yield and improved capacity factor, two questions loom for the US floating wind market: how much potential exists, and how do marine risks compare to anticipated benefits?

In comparing floating to fixed offshore wind, the best choice is site-dependent: which technology best suits that location's unique characteristics. For the West Coast, with a small continental shelf and deep-water depths beyond, floating is the more suitable technology.

Fixed and floating have many similarities. Wind turbine generator (WTG) technology is comparable. The electrical infrastructure is similar in operation and technology. Supporting vessels must contend with the Jones Act, though in different ways depending on the technology and methodology for transportation and installation (T&I) and operations and maintenance (O&M).

T&I for floating brings unique challenges. Integration of tower and WTG is completed quayside, then towed to site for hook-up, putting more onerous requirements on port infrastructure and comprising a weather-restricted tow with the integrated floating WTG. Floating subsea architecture means deep sea operations for mooring and cabling.

Furthermore, locations further offshore mean longer transit times for vessels and more diverse weather and metocean profiles. Cable risks persist, though instead of worrying about a dragged anchor intercepting a cable, West Coast tectonic activity will be a factor. The associated risks, if not given advance consideration, will impact both short-term T&I and long-term O&M, playing into each site's financial competitiveness.

California will soon be home to the first US commercial-scale floating wind farms; other deep-water locations along the coastal US will follow soon after. Initial risks will be high and there will be lessons to learn. Yet, this new technology is ripe for innovation, with the potential for impressive energy yields. With proper siting and risk management, floating will be the key to reaching the US offshore wind target.

www.abl-group.com



New set-up for IUMI Salvage Forum



By Lars Lange
IUMI Secretary General

Sitting at the heart of IUMI's daily work are the Technical Committees (TCs) and Forums. While the "TCs" have existed for a long time, the first Forum was only founded in 2011 in Vienna. Initially, this was known as the "Salvage Forum". The Salvage Forum represents IUMI in all matters relevant to salvage and wreck removal, such as the York Antwerp Rules and the Lloyd's Open Form or "SCOPIC". Salvage Forum representatives were IUMI's voice in the CMI reconsideration of the York Antwerp Rules a few years ago, for example, and also represent IUMI day-to-day in bodies such as the Lloyd's Salvage Group or the CMI Standing Committee on YAR.

After more than 10 years of experience, the IUMI Executive Committee (EC) felt it was time to reconsider its tasks and purpose and propose an "upgrade" of the Salvage Forum's impact and responsibilities. Salvage and wreck removal related topics have become increasingly important. To address this, special knowledge and cooperation between different lines of business is necessary. The Salvage Forum offers, in the EC's view, a unique opportunity to bundle these functions.

Accordingly, under the leadership of IUMI EC member Jan-Hugo Marthinsen and the new Salvage Forum Chair Nick Coleman, a working group was tasked to investigate the following issues:

1. Rethink the mandate for the Salvage Forum and widen it in a sense that the Salvage Forum can comply with the tasks it is confronted with.
2. Build a stronger ongoing connection between the Salvage Forum and IUMI's relevant TCs, namely Ocean Hull, Offshore Energy and Cargo.
3. Ensure that the Salvage Forum has a suitable set-up for its work (composition of membership (skills/regional), support from the Secretariat / a secretary).
4. Amend the Terms of Reference for the Salvage Forum accordingly.

This work was completed in the summer of 2022. The new Terms of Reference for the Salvage Forum reflect the enhanced responsibility and [can be found here](#).

The Salvage Forum is underway to work with IUMI TCs on closer cooperation and to add new members to represent all skills and regions needed. Many thanks to Salvage Forum and Working Group members for supporting this change!



Update: UNCITRAL Working Group of the Judicial Sale of Ships



By Brian F. Murphy, Senior Vice President, Berkley Offshore and Vice Chair, IUMI Legal and Liability Committee

When a shipowner fails to pay its creditors, the vessel is seized and is then frequently sold at a judicial sale. Problems arise when the new owner takes possession and then has the vessel seized again in another country for the debts and encumbrances of the prior owner, since the country of the port that the vessel is calling does not recognise the sale or change of title of the country where it was recorded. This failure to recognise clean title internationally creates a number of legal and financial issues and needs to be addressed by an international instrument.

Such an instrument was drafted by the Comité Maritime International (CMI) and presented by Switzerland, and became the sole topic of a UNCITRAL Working Group held 13–17 May 2019 in New York. IUMI had representation at this session and read a statement expressing the views of IUMI which support the development of an international instrument for cross-border recognition of the judicial sale of ships.

Subsequent Working Groups were convened and, at the most recent session held 27 June – 15 July 2022 in New York, the document was finalised and is now officially a Convention. A quote from Ann Fenech, who spearheaded this initiative along with several other key players, succinctly describes the successful week:

“Wonderful news from New York. This week we successfully concluded the final reading of the Convention. We had a few challenges on the way which were overcome and yesterday afternoon the Commission approved the final text of the Convention which will be known as ‘The Convention on the International Effects of Judicial Sales of Ships’ shortened to the ‘Beijing Convention on Judicial Sales’”.

It is anticipated that the General Assembly will adopt the Convention at its next meeting in the autumn and a decision will be made as to when the signing ceremony will take place.

Congratulations to Ann and the entire UNCITRAL Working Group for their tireless efforts to move this forward to its completion.

Returning to Ukraine: Issues to consider



Simon Maxwell, Associate

HFW, London, UK
IUMI Professional Partner
www.hfw.com

The shipping world watched with relief when, in early August 2022, the first stranded vessel (the “RAZONI”) safely navigated the “grain corridor” out of Ukrainian waters. Within days of this event, the first commercial vessel (the “FULMAR S”) was steaming back the other way, ready to load a cargo. Whilst operating within a conflict zone is an acceptable risk to some, careful consideration should be given to the legal issues which have emerged since the start of the war.

Firstly, attention should be given to ensuring that contractual obligations and the allocation of risk are consistent throughout the contractual chains and insurance policies. Therefore, should a potentially frustrating or force majeure event occur (e.g. extended detention), a party is not left in the position whereby it is bound to the terms of one contract but cannot enforce its obligations under another contract. When negotiating or renegotiating contracts, standard form wording should be carefully considered to account for the shift in risk since the start of the war in Ukraine

Secondly, it remains a truism that “operational” problems can quickly lead to legal ones. Crew nationality issues, stevedore shortages, damaged loading equipment, availability of tugs and concerns over cargo quality continue to hamper commercial shipping in Ukraine. These, in turn, affect the abilities of parties to complete their contractual obligations. Therefore, only with a full appraisal of the reality on the ground can an operator understand the risks being run and mitigate them, price them and insure against them appropriately.

Lastly legal advice should be sought as early as possible if an incident occurs as a result of the hostilities. It is often in the early stages of an incident that crucial decisions need to be taken - often with consequences that result and impact upon lengthy disputes and litigation. Lawyers experienced in the nuances of operating in conflict zones can add value to the decision-making – backed by legal privilege.

HFW is widely regarded as the leading global law firm with the expertise to respond to incidents in complex and hostile environments. Our [Complex Environments](#) team specialises in advising those operating in high-risk jurisdictions. The team represents the owners/insurers of 17 vessels detained in Ukraine. [Richard Neylon](#) will be presenting on this topic at IUMI Chicago.

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Bunker fuel challenges: Q&A with Unni Einemo, Director at IBIA



Unni Einemo
IBIA Director & IMO Representative

By Unni Einemo
Director IBIA

Bunker fuels are a central component of the maritime industry which keep marine trade spinning. Despite climate change and the urgency to decarbonise, the vast majority of vessels today are still reliant on conventional fuel oil.

The International Bunker Industry Association (IBIA) is the voice of the global bunker industry and represents stakeholders across the industry value chain.

Contamination of bunker fuels is an issue which has kept both IBIA and IUMI on their toes since it has the potential to cause various technical problems, including blocked fuel filters, fuel pump seizures and even loss of main engine power. The cost of engine damage can be significant. The loss of engine power from contamination may lead to serious incidents such as collisions and groundings. Testing to the ISO 8217 standard does not necessarily indicate whether the fuel is contaminated or not. Sometimes gas chromatography and specialised equipment in a laboratory are required to determine contamination. Such tests take several days to be completed. Consequently, vessels are often forced to sail with fuel in separate tanks and it is down to the ability of the crew and equipment to make the fuel fit for use.

The IMO's Maritime Safety Committee (MSC) agreed in December 2018 to include in its biennial agenda an output on the "Development of further measures to enhance the safety of ships relating to the use of fuel oil", with a focus on safety issues related to flashpoint requirements. Since then IUMI has been involved in this work item together with IBIA and many other flag states and NGO observers at the IMO.

To understand the appetite of the maritime industry of increased transparency through bunker licensing schemes (BLS) and mass flow metering (MFM), IBIA, together with BIMCO, surveyed relevant stakeholders. The resounding response was a desire by the majority of participants to implement all of these measures to improve the quality of bunker fuel and avoid quantity disputes. These results are encouraging from an insurance perspective, not least because IUMI has long advocated that the current system, which sees the end-users taking all the risk, is not acceptable. Refineries should be compelled to test and confirm the delivery of non-contaminated fuels. The introduction of BLS would be a step in the right direction.

We speak with Unni Einemo, IBIA's Director & IMO Representative and learn more about IBIA's role and its work on current and future challenges.

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

IBIA is a membership organisation for all stakeholders across the global marine fuel industry value chain, including those involved in the production, distribution and sales of marine fuels, marine fuel consumers and a range of service providers with an interest in the sector. We provide a platform for discussion of industry issues so that we can be an effective voice for the sector. IBIA seeks to promote better understanding, professionalism and cooperation between all stakeholders through communication and education. We do this through a variety of events and courses, engaging in working groups, by disseminating reliable and accurate information and offering practical advice and expertise where we can. We also lobby for effective, pragmatic and workable regulations at the IMO and elsewhere, and take part in development and promotion of best practices and standards.

→

IUMI EYE Q&A With Unni Einemo

Continued

What is the biggest challenge facing IBIA today?

That's a tough one, as there are so many challenges facing our members and we have to pick our battles carefully. One of the key challenges today is to work out how we can support the energy transition, without losing sight of the ongoing issues facing our members while traditional oil-based fuels continue to be the dominant fuel for international shipping. This is where we need to promote best practices, transparency and ethical behavior. Bunker licensing and uptake of mass flow meter technology are means to enhance industry performance and build trust in the sector; trust that we often find lacking today.

To what extent are the findings of the joint IBIA/BIMCO survey on bunker licensing schemes and mass flow metering indicative to improve bunker quality and avoid quantity disputes?

Two things stood out to me from the [survey](#): The percentage of deliveries associated with disputes about quantity (1.61%) and quality (0.98%) reported by the survey respondents was relatively low, yet a clear majority of respondents were in favour of bunker licensing programmes and MFMs as tools to improve transparency and trust in the bunker supply industry. Respondents included a large share of traders and suppliers, over half of the total, so it isn't just bunker buyers that want this. There were mixed views on how effective bunker licensing would be to reduce quality and quantity disputes: 62% expected a decrease in quantity disputes, while 48% said they anticipated it would lead to a decrease in quality disputes. Nevertheless, 81% of those answering this particular question said they would prefer to bunker in a port that has a bunker licensing programme.

What are the lessons drawn from the introduction of the IMO 2020 low sulphur limit?

Prior to 2020, I often spoke about the three P's: Plan, Prepare, Practice – and how they were relevant to both the supply side and ship operators. In essence, it related to planning a compliance strategy, in particular the switch from mainly HSFO to mainly VLSFO, preparing supply infrastructure and ship's tanks and fuel

systems, and practice producing and using the new VLSFO fuel blends to identify and address potential problems. IBIA also called for cooperation and communication to facilitate the timing of the switch to ensure supply and demand were aligned.

Moreover, we took part in developing the Joint Industry Guidance on the supply and use of 0.50% – sulphur marine fuel, which we made available for free – it is still [available to download](#) from our website. We also took part in developing IMO guidance and additional regulatory elements to assist with consistent implementation of the new sulphur limit. All of this raised awareness and knowledge of what was coming, and in hindsight I do believe this helped the industry plan and prepare and thereby achieve a much smoother transition to IMO 2020 than most had dared to hope for. So, the lessons, in essence, are that when we apply focus and all stakeholders pull together, we can make it happen. I think IMO 2020 is a remarkable success story, though I do appreciate that it has put increased demand on ship operators in terms of fuel management. VLSFO can present challenges with cold flow and sludge formation, requiring very careful management of fuel temperature during storage and pre-combustion fuel treatment, as well as great care to avoid co-mingling with other fuel stems as in case it creates an unstable mix.

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

I'd like to see more open-mindedness and positivity, both within the shipping industry and in terms of how shipping is perceived in general society. We see a lot of focus on the negatives and playing the blame-game, both between stakeholders and in how things are depicted in the press. We'd be better off having constructive and open dialogue between stakeholders about where problems lie and strive to find ways to address them, and there should be more appreciation in society of the vital role of shipping for the world.

How did you get to your current role today?

My career path has been a bit unusual. I did my first degree at Oslo University in Norway, and then came to London to do a Master's Degree in Middle Eastern studies at the School of Oriental and African Studies. That didn't lead to the jobs I had hoped for, so when I was invited by a friend to join him and his father in a start-up website called Bunkerworld in 1997, I jumped on the opportunity to try something different. We developed that website into a well-respected news and analysis resource for the marine fuels industry. I was head of the editorial team at Petromedia, the publisher of Bunkerworld, until it was acquired by S&P Global Platts. During my tenure with Bunkerworld, I was elected to the Board of IBIA and learned a lot more about what IBIA does. I found IBIA's work very interesting and was able to join the Secretariat in April 2016 as Communications Manager and IMO Representative. In September 2018, when the CEO of IBIA resigned, I was promoted by the Board of Directors to become the new head of the Association.

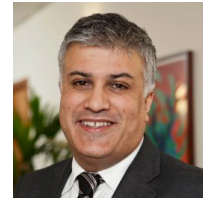
If you were not in your current role what would be your ideal job?

What makes me tick is to get stuck into specific subjects, study them and work with others so I can understand them; and then finding ways of communicating these effectively in order to raise awareness and improve understanding of various issues. It is also very gratifying to work with others to identify solutions to problems. Thankfully my current role includes these elements!

What do you like doing when not working?

I took up road cycling a few years ago to get fit for winter skiing holidays, and now it is one of my favourite past-times as part of a local club that organises regular rides for recreational cyclists like me. Also, I enjoy cooking, and sometimes making jams, jellies and chutneys – all very rewarding, especially when I am able to use ingredients grown in my own little garden.

Outcome solutions to protect the flow of trade



Suki Basi
Managing Director & Founder

Russell Group
IUMI Professional Partner
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The global economy is a maze of interconnected business relationships supporting the successful flow of trade around the world. This has enabled frictionless trade but has also created contagion paths that expose the same trade to connected risk, as trade, risk and exposure are truly borderless.

As a result, the frequency and severity of events with an interconnected nature are rising, leading to companies facing direct and indirect exposure to disruption. This has led to rising balance sheet vulnerability, as insurance does not cover all event exposure. This hampers risk taking (as risk appetite is squeezed), thus stifling opportunity.

Marine (re)insurers execute a [vital role in the flow of global trade](#) and will play their part in the recovery of the global economy. In this era of complexity, we need to protect the flow of trade with more comprehensive outcome-based insurance.

The [Russia-Ukraine conflict brings into focus the correlation](#) between marine, credit and other lines of insurance business. With the changing world order leading to potential flashpoints, (re) insurance management needs to understand how credit may be correlated with other lines of business. The International Credit Insurance & Surety Association (ICISA) comments: "How the credit insurance market ultimately fares in this period of instability will depend on its ability to demonstrate true value in protecting the flow of trade and ultimately economies in Europe and around the world."

Marine (re)insurance is directly impacted by downturns in trading countries or transit routes like the Sea of Azov or the Strait of Malacca. \$3.5tr of global trade reportedly passes through the Strait of Malacca and across the South China Sea annually, including 67% of China's maritime trade volume, 40% of Japan's maritime trade and 33% of global trade.

These trade flows include 15m barrels of oil daily and 33% of the world's liquefied natural gas to China and Japan. Furthermore, a Chinese incursion in Taiwan would have severe impacts on the global economy, and hence to marine (re)insurers, through sanctions and disrupted trade.

These scenarios illustrate that industry needs more outcome-based solutions to protect the flow of trade.

Readers of IUMI Eye can download an exclusive copy of a new Russell White Paper: "The Need to Develop Connected Outcome-based Solutions for Marine, Credit and Political Risks". [This can be downloaded here.](#)





By Lars Lange
IUMI Secretary General

Report of the 78th session of the Committee on Marine Environment Protection Committee (MEPC 78)

The Marine Environment Protection Committee (MEPC) addresses environmental issues under the IMO's remit, including air pollutants and greenhouse gas emissions. The 78th session of the Committee (MEPC 78) met virtually from 6–10 June 2022. The meeting was chaired by Hideako Saito from Japan.

The MEPC reiterated its commitment to review and strengthen the IMO Initial Strategy on reducing greenhouse gas (GHG) emissions from shipping, with a view to adopting a revised strategy in mid-2023. The revision will take into account the commitment to strengthen the levels of ambition of the Initial Strategy and the needs of developing states, in particular Small Island Developing States (SIDS) and Least Developed Countries (LDCs). Further work will continue in an intersessional GHG working group (ISWG-GHG 13) before the next MEPC meeting in December 2022.

Mid-term GHG reduction measures

The MEPC noted the progress made by the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG 12) in advancing the further development of a "basket of candidate mid-term measures", i.e. integrating various technical elements (for example, a GHG fuel standard and/or enhancement of IMO's carbon intensity measures) and carbon pricing elements (for example, a market-based measure).

The MEPC concluded that additional information on the proposed mid-term measures is necessary. Accordingly, it encouraged proponents of measures to work together intersessionally with a view to exploring how different elements of these proposals could be combined in the context of a basket of mid-term GHG reduction measures.

Guidelines adopted to support the short-term measure

The MEPC adopted a series of guidelines to support the implementation of the short-term measure to reduce ships' carbon intensity in accordance with the timelines set out in the Initial IMO GHG Strategy. The short-term measure enters into force on 1 November 2022 and introduces the Energy Efficiency Existing Ship Index (EEXI), the annual operational carbon intensity indicator (CII) rating and an enhanced Ship Energy Efficiency Management Plan (SEEMP).

The MEPC also approved draft amendments to appendix IX of MARPOL Annex VI on reporting EEXI and CII values to the IMO Data Collection System (DCS). The Committee further agreed to include a new work stream on further revisions to the IMO DCS in the agenda of ISWG-GHG 13.

The intersessional working group (ISWG-GHG 13) is instructed to complete the lessons-learned exercise of the comprehensive impact assessment of the short-term measures and in particular, finalise the review of the 'procedure for assessing impacts on states of candidate measures'.

Development of lifecycle guidelines

The MEPC noted the discussion in the ISWG-GHG 11 on the progress made in the development of draft guidelines on lifecycle GHG/carbon intensity for marine fuels (LCA guidelines) and established a correspondence group on marine fuel lifecycle GHG analysis to advance the work further. The LCA guidelines will allow for a Well-to-Wake calculation, including Well-to-Tank and Tank-to-Wake emission factors, of total GHG emissions related to the production and use of alternative marine fuels.

Marine litter

The MEPC approved draft amendments to MARPOL Annex V to make the Garbage Record Book mandatory also for ships at 100 gross tonnage and above but less than 400 gross tonnage, with a view to subsequent adoption.

The MEPC noted the ongoing work in the PPR Sub-Committee on marking fishing gear, which has been identified as a key factor in reducing marine plastic litter from lost, abandoned and otherwise discarded fishing gear.



New IUMI Professional Partners

IUMI is pleased to announce that two new firms have joined the IUMI Professional Partners (IPP) programme.



Russell Group, is a story-telling data and analytics company which creates solutions that challenge clients to visualise and transform their trading portfolios. Russell consists of a team of creative, insightful and respected people who deliver connected, forward-looking solutions.

The company's Managing Director & Founder, Suki Basi, will present on "The impact of Ukraine on the marine (re) insurance market" at the forthcoming IUMI 2022 conference in Chicago.

On founding Russell, Suki created the claims database for London Market Claims Services, which was then used to help Lloyd's model its exposures during Reconstruction and Renewal (R&R).

Russell Group has offices in Nottingham and London, UK.

russell.co.uk



ShipIn, an innovative industry player for connected ships of the future, offers technology platforms and data analytics products which enable better visibility and safety for shipowners and fleet managers by using camera footage. This footage is turned into events and ongoing analytics with the ambition to increase fleets' productivity, deliver crew safety, and better the global environment.

In light of ShipIn's unique skills and offerings, Amit Shalev, VP Business Development and Strategy, has been appointed as a new member of IUMI's Data and Digitalisation Forum.

ShipIn has offices in Boston and Singapore.

shipin.ai

EVER GIVEN — German court denies cover for financial losses under cargo insurance



Prof. Dr. Dieter Schwampe
Senior Insurance Partner

Arnecke Sibeth Dabelstein, Hamburg
IUMI Professional Partner
www.asd-law.com

Member of the Legal & Liability Committee of
IUMI and Vice President of the Comité Maritime
International (CMI)

Everybody still remembers the EVER GIVEN casualty. It is said that the most losses following the grounding of the ship in the Suez Canal in March 2021 were pure financial losses resulting from delay. In the first judgement rendered in Germany on cargo insurance on the EVER GIVEN casualty, the Regional Court of Düsseldorf recently rejected a cover action for such losses under a German cargo policy. On the facts, the claimant had purchased certain goods in China for resale in Germany. He had alleged that the goods had a limited lifetime and that the delay had led to a reduced value. Additionally, he claimed he had to order a replacement cargo, and shipped this by air, as he was under a delivery obligation to his own resale buyer. It was common ground between the parties, that [DTV Cargo 2000/2011](#), the standard German cargo insurance conditions, do not provide cover either for delay or for pure financial losses. The Court action, therefore, concentrated on the question whether the loss suffered by the claimant was covered under the [Pure Financial Loss Clause](#) hereafter PFLC, which was also part of the policy. For various reasons, the Court held it did not.

First, cl. 1 PFCL requires that the carrier involved in the insured shipment is liable under the terms of a standard forwarding, carriage of goods or warehousing or similar contract under German law. The Court denied that there was liability here. Error in navigation, initially pleaded by the claimant, was no issue, because the parties finally agreed that standard contracts exclude such liability (cf. cl. 25 of the German General Freight Forwarders Conditions, ADSp). Between the parties, it was not in dispute that

not only the vessel had been arrested, but also the cargo. A proper reason for denying liability, thus, would have been that no carrier is obliged to put up security to release cargo from arrest. However, referring to the fact that according to the arrest order, the arrest would be lifted not against a guarantee, but against settlement of the claim, the Court held that there is no fault in not providing a guarantee where no guarantee would lead to the release of the respective cargo from arrest.

The Court also rejected the argument that there is liability because the carrier should have provided a guarantee to release and then tranship the cargo for on-carriage to destination. Against this background, the Court left open whether transhipment was a realistic possibility at all, an aspect which would have required taking evidence. The Court's main reason for rejecting the action, however, was that cl. 4.3.1 PFCL excludes the perils of confiscation, deprivation of possession or other acts of authorities. The Court held that the arrest at least are other acts of authorities, rejecting the claimant's view that arrest orders by courts do not so qualify.

It should be added that another cover extension available in the German insurance market, the [Confiscation Clause](#) leads to no other result. While this clause does cover the perils of confiscation, deprivation or other acts of authorities, it does so only in respect of loss or damage to the goods. It does not provide protection against pure financial loss. Apart from that cl. 3.2.2 excludes loss or damage resulting from court orders in connection with a civil procedure.





Report of the 9th session of the IMO'S Sub-Committee on Navigation, Communications and Search and Rescue (NCSR 9)



By Hendrike Kühl
IUMI Policy Director

The Sub-Committee on Navigation, Communications and Search and Rescue (NCSR) deals with all matters related to navigation and communication. These include the analysis and approval of ship routing measures and ship reporting systems; carriage requirements and performance standards for navigational and communication equipment; the Long-Range Identification and Tracking (LRIT) system and the development of e-navigation.

The body also deals with search and rescue matters and the Global Maritime Distress and Safety System (GMDSS), including recognition of service providers. Joint working groups reporting to the NCSR Sub-Committee include the ICAO/IMO Joint Working Group on Harmonisation of Aeronautical and Maritime Search and Rescue and the Joint IMO/ITU Experts Group on Maritime Radiocommunication Matters.

The 9th session of the Sub-Committee took place from 21–30 June 2022 under the chairmanship of Nigel Clifford from New Zealand, supported by Vice Chair Alexander Schwarz from Germany.

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Report of the 9th session of the
IMO'S Sub-Committee on Navigation,
Communications and Search and
Rescue (NCSR 9)

Continued

Revision of guidelines on places of refuge

The Sub-Committee finalised a revision of the guidelines on places of refuge for ships in need of assistance. The draft revised assembly resolution will be submitted to the MSC and subsequently to the Marine Environment Protection Committee (MEPC) and the Legal Committee (LEG), for approval, with a view to adoption by the IMO assembly in 2023. IUMI has been involved in this process from the outset and participated in the review by providing input and comments on various proposed changes and amendments.

The guidelines were first adopted in 2003 to provide guidance for cases where a ship requires assistance, but safety of life is not involved (when safety of life is involved, SAR provisions should be followed). The proposed revision recognises that various organisational, operational and technological developments have taken place in a rapidly changing global maritime domain. Experience in handling situations of ships in need of assistance has been gained significantly worldwide and informed the guideline revisions

The new guidelines aim to provide the basis of an operational framework for coastal states, ship masters, operators and/or salvors, as well as other involved parties on how to handle and take a decision when a ship is in need of assistance and seeks a place of refuge.

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

Safety measures for non-SOLAS ships operating in polar waters

The Sub-Committee finalised the first set of draft amendments to the Polar Code, together with associated amendments to the SOLAS Convention, to incorporate new requirements for non-SOLAS ships concerning the safety of navigation and voyage planning. The amendments will be applicable to some non-SOLAS ships, i.e. fishing vessels of 24 metres in length overall and above, as well as pleasure yachts of 300 gross tonnage and upwards not engaged in trade and cargo ships of 300 gross tonnage and upwards but below 500 gross tonnage.

IMO's Polar Code sets out requirements to ensure the safety of ships operating under the harsh conditions of the Arctic and Antarctic areas, taking into account extreme temperatures and that critical equipment remains operational under those conditions.

The amendments aim to enhance the safety of ships operating under the special conditions the polar areas present, as well as that of those onboard. The Maritime Safety Committee is invited to approve the draft amendments for subsequent adoption with that they will come into force from 1 January 2026.

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People at IUMI

Keeley Wylie

CMBU President, member of IUMI's Legal & Liability Committee and National Practice Leader for Marine in Canada, Liberty Mutual Canada



Who are Liberty Mutual Canada, and what is your role as head of their marine insurance?

Liberty Mutual Canada is the Canadian division of Liberty Mutual, the 6th largest property and casualty insurer globally. We've been operating in Canada in our current capacity since 1993, and have about 260 employees spread across five regions, coast to coast.

In my role as the National Practice Leader for Marine in Canada, I'm responsible for creating and maintaining our underwriting strategy specific to the Marine industry and leading a team of underwriters to provide customer-centric solutions. I also use my expertise to bring value to our insureds, and broker partners, to help them understand our rapidly evolving risk landscape, and provide them with coverage that can help their business operate.

What is CBMU, and what is its role within the Canadian marine insurance sector more broadly?

The Canadian Board of Marine Underwriters has been in existence since 1917, and its purpose is threefold:

- procure and disseminate information to the marine insurance community;
- facilitate the exchange of views and ideas to improve marine insurance; and
- promote and protect the interests of the underwriting community.

The Board of Directors consists of members from various insurance companies, and five committees help drive the goals of the CBMU. We host a variety of education sessions and two annual seminars, along with networking opportunities. Like so many people in our industry, we're looking forward to attending and hosting in-person events.

What are the biggest challenges facing the maritime industry right now, and what role, ideally, can Marine insurance play to address those challenges?

The Canadian Maritime industry's biggest challenges are supply chain issues, ESG concerns, and claims inflation. Canada has not been immune to the supply chain issues; there is greater congestion at and pressure on the major ports. Some businesses that are importing goods are moving from 'just in time' to 'just in case', resulting in greater stock exposures.

The Canadian maritime industry is also facing ESG concerns. On one hand, the maritime industry is a very efficient way to transport goods. As an example, a single Seaway-sized laker can carry about 30,000 tonnes of cargo. To transport the equivalent amount of cargo on land would require a fleet of 963 large trucks or 301 rail cars. Having said that, vessel emissions accounted for about 3% of the global CO2 emissions. The maritime industry recognizes that it can, and should do more, and is addressing the issue by using low sulphur fuels, installing scrubbers, and exploring the use of alternative fuels.

Claims inflation is also occurring across all lines of marine insurance – from the stock exposures increasing in warehouse, hull repair costs increasing due to labour, and availability of parts and social inflation in settling liability claims.

The Marine insurance industry plays a role in assisting businesses with all of these issues. Our main goal is to help facilitate commerce and support businesses in maintaining their operations when a claim occurs. We're helping address the challenges spurred by claims inflation by providing adequate capacity, establishing ESG practices that align with and support our insureds, and guiding our insureds in claims handling to arrive at the most cost-effective solution for all parties.

What life events brought you to become involved in the maritime industry, and more specifically, what draws you to marine insurance?

Like many others in the industry, I knew nothing about insurance or the maritime industry when I was trying to enter the workforce after graduating. Thankfully, I've had the benefit of learning from talented colleagues who've shared their knowledge, mentored me, and have helped me to build up my own pool of knowledge.

Marine is a very niche area within the broader Canadian insurance industry, but I believe it's one of the most interesting lines of business. Global trade relies on the maritime industry. To operate, the maritime businesses have relied on the insurance industry to help mitigate their risk for hundreds of years. So, for me, when I think about what draws me to marine insurance, it's that zoomed out view where I can look at what's happening within the global economy and know that I played a key part in supporting it.

What in your nearly 20-years of experience is your proudest accomplishment?

It's hard to pick just one, but I would say taking on the role of National Practice Leader for Marine at Liberty and my recent appointment as president of CBMU, are some of my proudest. It's admittedly a little intimidating to step into these new roles, given the history of impressive talent that have also walked in these shoes prior to me, but it's been a great opportunity for me to work more closely with others across our industry, and my involvement with CBMU is allowing me to help support and give back to the industry that has provided me with so much throughout my career.

→

People at IUMI
Keeley Wylie

Continued

What has caught the focus of your eye in the news this week or in recent weeks?

I think when dealing with global trade, you must keep an eye on things that are happening both domestically and internationally.

From a Canadian perspective, there was recently an unfortunate fire incident on a ferry on the East Coast that resulted in the evacuation of the passengers and crew. Thankfully, it seems as though there are not any serious injuries or loss of life, which can be attributed to the crew getting all passengers off safely during an unimaginably stressful situation.

To me, this highlights the contribution our seafarers have, and the importance of the work that they do. They spend weeks, and sometimes months, away from home and working in a hazardous environment, often battling with loneliness and mental health issues, to make global trade possible. Should an accident occur at sea, they risk their life to protect others and make sure the incident is dealt with as safely as possible. We owe a lot to our seafarers, and it's something that the CBMU believes quite strongly. To show our appreciation, the CBMU has been a long-time supporter of the Mission to Seafarers, an organization that supports over 1.5 million crewmen and women who face danger every day.

From an international perspective, the war in Ukraine is having devastating consequences on Ukrainian citizens. Others around the world are feeling the consequences too with high inflation and shortage of grain. Recently, shipments of grain have been leaving Ukraine, and is a positive development after a long and devastating year. The marine industry is helping to support many of the humanitarian efforts by stepping up to insure the hull and cargo, despite the high risk posed by the war.

What are the biggest opportunities for marine insurance right now?

In my opinion, the two largest opportunities are the use of data and technology and diversity and inclusion in hiring practices. The use of data and technology is not a novel concept, but I do think our industry has a long way to go before we efficiently use data and technology in assisting underwriters in making informed underwriting decisions and improving internal processes.

Incorporating diversity and inclusion practices when hiring talent is a key aspect to ensure retention and diverse thoughts within an organization. Marine insurance has traditionally been a male-dominated industry, but during my career there has been a positive shift to a more balanced workforce. When I first started, I may have been the only woman in a meeting, but that is rarely the case now.



Glossary for climate change definitions

In June 2022, BIMCO, FONASBA, IAPH, IFPSMA, InterManager, INTERTANKO, IPTA and IUMI published a climate change glossary to clarify and harmonise definitions and terminology to ensure that discussions around climate change and potential solutions for the shipping industry are based on a mutual understanding of what the commonly used terms mean.

The document was developed by the BIMCO secretariat under the auspices and in collaboration with the sub-group on alternative fuels. The glossary was peer-reviewed by Katharine Palmer, United Nations Climate Change (UNFCCC) High-Level Climate Champion's (HLCC) Shipping Lead and can be downloaded [here](#).

What summer hailstorms in Europe could mean for the renewable industry



Alex Mican
Director Product Development

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Demand for renewable energy projects has spiked over the past few years, increasing demand for equipment, labour and capital. While all are in short supply – and exacerbated by the pandemic's impact on supply chains – the shortage of capital has become particularly problematic. Investment capital continues to pour into renewables, according to PCS's market sources, but they struggle with access to insurance. Without appropriate insurance protection, renewables project financing is much more difficult to attain.

For many insurers, elemental risks have become an impediment. PCS client conversations suggest the existence of a risk appetite to insure renewables projects, but many would likely require exclusions for directly relevant natural risks, from wildfires in California to tropical storms in Texas and California. Hailstorms – both frequent and increasingly severe – have posed the greatest challenge to renewables insurers. And it could get worse.

A 2020 study from the European Severe Storms Laboratory (ESSL) forecasts an increase in hail events by as much as 80% over the next decades because of climate change, with Italy, Germany and Eastern Europe particularly exposed. The recent French hailstorms that swept through central and southwestern France in June offer a timely reminder. The study further observes that events with hailstones larger than 5cm in diameter are particularly relevant for claims. A 4cm hailstone (the size of a golf ball) travels at 100km/h, while a 10cm hailstone (small soccer ball) travels at 150km/h. About 52% of the tracks have a diameter between 20–40km wide, covering larger areas of exposure.

In the second quarter of 2022, several hail events each caused losses in excess of \$50m in the solar industry – all within a span of 60 days. France sustained the greatest damage, with events from June 3–4 and June 21–22. The reported size of the hail ranged from golf balls to tennis balls.

The energy transition requires insurance – not just investment capital. However, cleaner energy brings a set of risks that insurers will need to understand, as well as the new technologies that can mitigate the risk of insured loss. Loss experience doesn't come without experience, though. While it is tempting to wait on the sidelines to see how the market evolves, doing so puts more at risk than insurance market expansion. It could cost future generations the planet they deserve.



PCS Global
Marine and
Energy



Verisk



By Lars Lange
IUMI Secretary General

Report of the 8th session of the IMO's Sub-Committee on Implementation of IMO Instruments (III 8)

The Sub-Committee on Implementation of IMO Instruments (III) brings together flag, port and coastal states to consider implementation issues, including the analysis of consolidated audit summary reports from the mandatory IMO Member state Audit Scheme. The Sub-Committee has a key role in casualty analysis and issuing lessons learned from marine incidents. It analyses port state control data and keeps under review the procedures for port state control. The Committee also reviews the work of the International Quality Assessment Review Body (IQARB) which is chaired by IUMI.

The III Sub-Committee held its 8th session (III 8) remotely from 25–29 July under the chairmanship of Claudia Grant from Jamaica and her Vice-Chair, Captain Marek Rauk from Estonia.

Development of guidance on assessments and applications of remote surveys

The Sub-Committee progressed its work on development of guidance on assessments and applications of remote surveys, the International Safety Management (ISM) Code audits and ISPS Code verifications, in particular with an agreement on a roadmap and methodology on the way forward.

Given the urgent demand for guidance on remote surveys and ISM Code audits, the Sub-Committee agreed in its roadmap that amendments to Survey Guidelines under the HSSC and amendments to the Revised Guidelines on the implementation of the ISM Code, containing remote surveys and ISM audits, should be finalised next year at III 9, with a view to adoption in 2023.

In addition to the above, it was agreed to task a correspondence group with the agreed methodology to proceed on the basis of one document containing principles and common areas and three guidance documents:

- Guidance on assessments and applications of remote surveys (part 3-1)
- Guidance on assessments and applications of remote ISM Code audits (part 3-2)
- Guidance on assessments and applications of remote ISPS Code verifications (part 3-3)

Procedures for PSC on the short-term GHG reduction measures

The Sub-Committee discussed specific PSC issues related to the implementation of the short-term GHG reduction measures, set to enter into force on 1 November 2022.

Under the short-term measure, ships are required to calculate their Energy Efficiency Existing Ship Index (EEXI) following technical means to improve their energy efficiency and to establish their annual operational carbon intensity indicator (CII) and associated CII rating. Carbon intensity links the GHG emissions to the amount of cargo carried over distance travelled.

Ships will receive a rating of their energy efficiency (A, B, C, D, E – where A is the best). Administrations, port authorities and other stakeholders as appropriate, are encouraged to provide incentives to ships rated as A or B also sending out a strong signal to the market and financial sector.

A ship rated 'D' for three consecutive years, or 'E', is required to submit a corrective action plan, to outline how the required index (C or above) would be achieved.

A Correspondence Group has been tasked with incorporating the various amendments supporting the enforcement of the short-term GHG reduction measure into the PSC procedures. The Sub-Committee, however, agreed that at this stage, there was no support for an amendment to regard as a detainable deficiency the absence of implementation by the ship as planned at the time of the inspection of the three-year implementation plan and/or the plan of corrective actions for a ship rated as D for three consecutive years, or rated as E. The Sub-Committee agreed to advise the Marine Environment Protection Committee (MEPC 79) accordingly.

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Report of the 8th session
of the IMO's Sub-Committee
on Implementation of IMO
Instruments (III 8)

Continued

International Quality Assessment Review Body (IQARB)

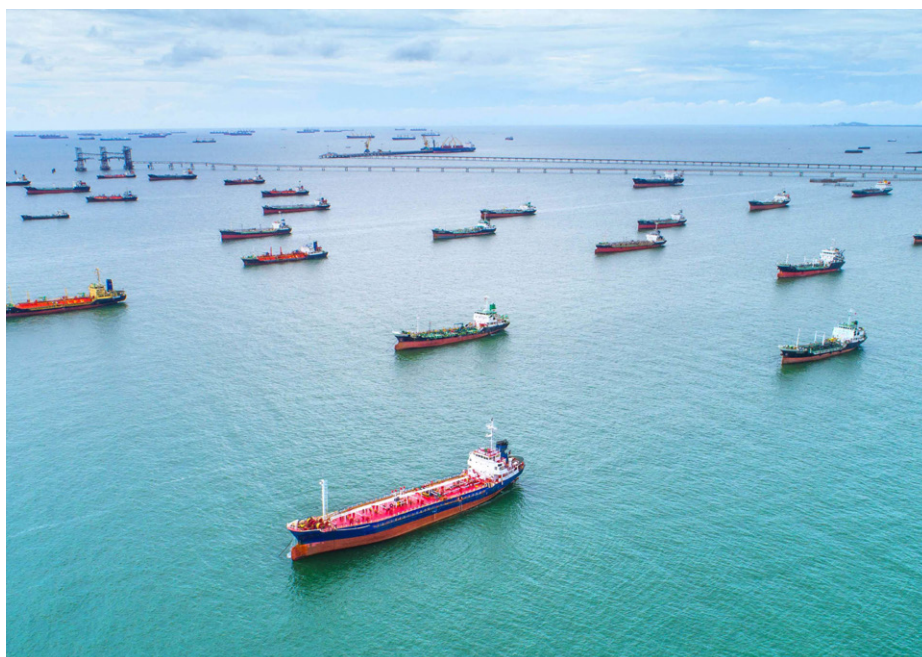
On 28 July 2022, delegations were invited to attend a presentation titled "Update on the further development of the International Quality Assessment Review Body (IQARB)". It was held by Lars Lange, IUMI Secretary General, who chairs IQARB.

IQARB is an advisory and a non-decision-making body established in 2019 to review the certification process of the quality management systems of IACS classification societies. It comprises qualified individuals from maritime authorities, the IMO Secretariat and industry bodies – including those from the insurance industry, shipowners and shipbuilders. These collectively represent the views and interests of the stakeholders that have a particular interest in the work of classification societies and recognised organisations (ROs).

In its annual meetings, IQARB members review IACS society audits based on the report of IQARB's Independent Quality Assessment Analyst. During the year, a standing Steering Committee and a Technical Committee support the IQARB in ensuring steady and ongoing progress. More information about IQARB-specific tasks is available [here](#).

A permanent Secretariat for the IQARB is currently being established, and future funding issues are being considered. Opening up IQARB to all flag States and all classification societies is under discussion to ensure suitability for all participants, not only IQARB members.

Looking forward, IQARB offers flag States the option to consider the use of IQARB Factual Statements as a component to assist in fulfilling some of their obligations under the relevant provisions of IMO mandatory instruments, such as SOLAS, 1974, regulations I/6, II-1/3-1 and XI-1/1, etc. as well as the IMO Instruments Implementation Code (III Code) and the Code for Recognised Organisations (RO Code).



World Maritime University 2022 bursaries

The World Maritime University (WMU) and IUMI share many common interests in the field of maritime and oceans. These include the development of expertise, the protection of the marine environment and the building of capacity worldwide. Based on this mutual understanding, an MOU was signed in 2020 and includes IUMI's support in the delivery of [WMU's Marine Insurance Law & Practice Postgraduate Diploma](#). 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.

As part of the MOU, IUMI awards two partial bursaries for the Postgraduate Diploma in Marine Insurance Law & Practice. Candidates who successfully pass the [IUMI Hull Exam](#) or the [IUMI Cargo Exam](#) are invited to apply for two bursaries per academic year for the Postgraduate Diploma programme. Both bursaries cover 75% (US\$ 6,562.50) of the full tuition fee for each candidate. The remaining 25% of the tuition fee (US\$ 2,187.50) is borne by the winners themselves.

This year IUMI's Education Forum chose to award the 2022 bursaries to two highly accomplished individuals:

Satoshi Hashiba

Marine Claims, Sompo Japan Insurance Inc., Tokyo

Muniruddin Hassan

Chief Operating Officer (COO), QNS Container Services Ltd, Chittagong

Congratulations from IUMI and best of luck for your studies at the World Maritime University!



Have we become our own enemies?



By Cenk Bilgin
Senior Regional Marine Underwriting
Manager, GIG Gulf Insurance,
Member of IFY Committee at IUMI

Between 2001–2021, 119 million hectares of tree cover was reportedly lost in fires globally. Is climate change and the rise in temperatures to blame? Surprisingly, not completely! In the US, over more than 80% percent of wildfires are caused by people, and a similar percentage is reflected in global data. Fires are typically the result of human activity.

Naturally, more evaporated moisture, dried soil and lowered humidity are creating a more flammable environment and making the firefighters' jobs tougher. 2020 became the hottest year ever recorded, with not only numerous forest fires but also hurricanes. Bushfires, increased numbers of storms, and devastating floods are causing thousands of casualties and billions of losses to the global economy.

Climate change and global warming are among mankind's biggest challenges, today and tomorrow, for our global economy and for our future generations. We seem to have found ourselves in a vicious circle where humankind's presence on this planet could well be the main cause of its extinction.

But there are solutions and alternatives. Leave it to these same humans to find solutions to counteract the growing threat. Solar energy, used in heavy industries, in houses, vehicles and even in solar-powered yachts is on the

rise. According to the World Resources Institute, wind and solar energy has seen a growth of 15% between 2015 and 2020 and at this rate, it should reach 45% of electricity generation by 2030.

We have seen this trend in yachting over the past couple of years with hybrid propulsion solutions coming to life. Two solar power systems on yachts have seen major uplift developments in a short period of time: photovoltaic and solar thermal panels. These cost-efficient energy sources have become key alternatives for power generation in the yacht industry.

Marine insurers have a role to play. We know that the shipping industry is an important contributor to the world's carbon emissions [i.e. 2.5%]. But by developing offers and coverages that cater to the trend of sustainable energy solutions, by collaborating with international and local maritime authorities, and by facilitating awareness programmes across the industry, we do justice to our responsibility towards future generations.

The solutions exist, the appetite is there, now it's time to scale up. Just as we have become our own enemies, we can become our own rescuers.

The role of insurtech in ESG



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Launched earlier this year, the [Poseidon Principles for Marine Insurance](#) have heralded a significant step forward in creating a new global framework for responsible marine insurance to reduce shipping's greenhouse gas emissions. Global strategic initiatives such as these put the topic of ESG (Environmental, Social and corporate Governance) further into the spotlight of the insurance industry, but navigating this nebulous landscape can be challenging. So, what role can insurtech play for insurers as ESG components become more and more relevant for underwriting?

The primary role of insurtech is to use digital technology to deliver savings and efficiencies from the current insurance business model. More specifically, insurtech focuses on:

- Aggregating huge amounts of data.
- Cleaning, processing and creating 'analytics ready' data assets.
- Creating complex models to ultimately increase underwriting profitability or portfolio performance.

If we take a closer look at ESG, we recognise that there is a significant synergy with the insurtech industry. The fundamentals of assessing ESG compliance are centered around processing, analysing and disseminating data to draw meaningful conclusions to assess and price a corporate insured party's environmental and social risks. This is a capability firmly within an insurtech's wheelhouse.

ESG data – current challenges and the future

Insurers must get a holistic view of what ESG means for the insurance industry, how we want to measure it and what underwriting relevance it will have. Still, it is important to recognise some of the challenges around ESG data as it is not possible to measure everything – the data is simply not yet available to measure and qualify all aspects of ESG. To better assess the ESG underwriting risk, the industry needs to strive for increased standardisation in data reporting and increase information transparency across the sector. Continuing regulatory pressure will accelerate this process.

Key bodies such as the IMO have made good progress in measuring and evaluating emissions data, which led to the creation of frameworks such as the Poseidon Principles. Greater industry collaboration and standardisation will ultimately allow similar frameworks to assess the full ESG spectrum, enabling the insurance industry to drive holistic assessment and sustainable industry change.

Concirrus 

Big Data and Marine Insurance: how does it work?



By Laurent Barbagli, CEO
[Meetrisk](#)

What is shared online about big data and marine insurance? Observers say that it can “*disrupt the future of post pandemic underwriting including blockchain, ... AI and machine learning: learn how to leverage data to support augmented underwriting*”, and so on...

If mass disruption is to take place, how can we square the circle of partnering innovation with traditional insurance business? And what is the balance between concrete added value and challenges?

Perhaps analysing some business cases will help illuminate this problem.

Business case 1

Who? Marine insurer actuaries

Pain point: Lack of accurate insured values impacting the insurance pricing and the amount of indemnification negatively.

Solution: Proceed to clean internal data of vessel references, hunt external data (values) and aggregate internal and external data.

Added value: A better pricing and indemnification process, as well as increased productivity and better interactions between actuaries and underwriting.

The next step is to correlate vessel characteristics with loss data to discriminate risk profiles.

Business Case 2

Who? A marine underwriter.

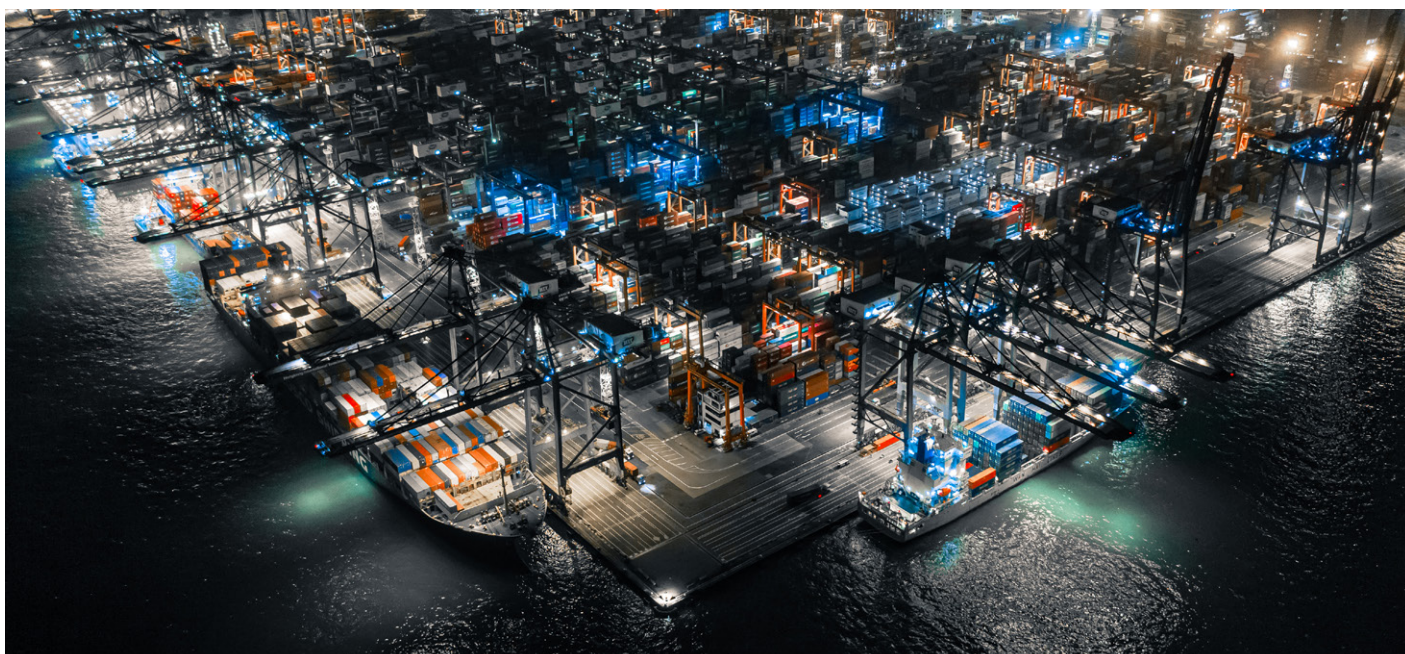
Pain point: Lack of visibility of actual risk per vessel and lack of KPI regarding portfolio risk profile.

Solution: An insurtech platform automatically connected with global data sources, supported by data science and providing a Risk Rating and an Emission Estimation of the vessel, fleet and portfolio, together with a detailed risk radar explaining the rating.

Added value: A quick and much more accurate risk analysis along with improved productivity. Moreover, Emission Estimation, as an underwriting criterion, supports the operational declination of ESG, aligned with the Poseidon Principles.

To conclude, here are key transversal learnings we are happy to share as an insurtech:

- The status of historical data is a challenge but not a blocking point.
- The leverage of data science is huge regarding the whole combined ratio: productivity, losses (right amount/avoidance), premium (better matching with each risk profile).
- In the end, innovation should serve every stakeholder with the democratisation of data science: insurers, clients and brokers, with more transparency about risks.



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.

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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>

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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

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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.



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