

Facilitating free trade remains top of IUMI's agenda



6th February 2025

At a meeting of the International Union of Marine Insurance (IUMI) executive earlier this week, it was made clear that protectionist measures were not in the interests of the marine insurance community.

In an inter-connected global economy, protectionism in the form of trade tariffs were said to run counter to IUMI's values of securing free trade and maintaining and growing the global economy.



IUMI Secretary General, Lars Lange said:

“More trade equates to more vessels and cargoes to insure. Protectionist measures tend to restrict trade and impact on exposures and insured values for marine underwriters. They will exert stress on supply chains and put pressure on certain trade routes and add to accumulations on vessels or in ports. This all adds to the overall risk profile. As an international association we are concerned that the escalation of trade wars generally is an ineffective solution to what is often a deep-rooted problem”.

Tension and conflict continues to impact free trade in the Black Sea, Red Sea and Baltic areas.

In the Black Sea, the situation has not changed significantly since the outbreak of the Russia/Ukraine war and marine insurers have been able to provide cover for vessel operators and cargo interests without interruption. Safe navigation remains a challenge although the passage of international vessels has not been severely disrupted. Prices of Ukrainian exports have risen, however. There is no clear signal that the threat will reduce anytime soon.

Improved stability in the Red Sea region is predicted to herald a return of shipping to that area but these supply chains are likely to remain fragile for some time. The Houthis were at war long before the current escalation and so underwriters can't be certain how the situation will unfold. However, insurance cover remains available to vessel operators who choose to use that waterway.

IUMI also supports freedom of navigation in the Baltic Sea where recent cable breaks caused by prolonged anchor dragging is causing some tension. Although there is no adequate legislation to deal with this issue, IUMI supports all moves to secure subsea infrastructure and ensure free passage.

IUMI's executive also discussed the growing impact of technology on its sector and recognised its significance in assessing and quantifying risk; improving loss prevention and safeguarding life and property; and streamlining claims handling. Underwriters are already embracing this change and IUMI's Data & Digitalization Forum is monitoring progress and informing the market.

Separately, the meeting discussed this year's annual conference to be held in Singapore 7-10 September and agreed a common theme of "Charting Opportunities in Changing Tides". Included will be two dedicated workshops covering current geopolitical tensions and the impact of technology and artificial intelligence.

Ends

For further information contact:

Mike Elsom

mike@mikeelsom.com

About IUMI The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals.

IUMI currently represents 42 national and marine market insurance and reinsurance associations.

International Union of Marine Insurance

Grosse Elbstrasse 36, 22767 Hamburg, Germany

Phone +49 (0) 40 2000 747-0

Email info@iumi.com