

How will marine underwriters capture the benefits of digitalisation?, asks IUMI



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Digitalisation is making significant inroads into many aspects of global shipping and marine insurance must be ready to embrace this change if it is to reap the associated benefits. This was a topic of discussion at this year's International Union of Marine Insurance (IUMI) conference currently underway in Edinburgh Scotland.



Patrizia Kern-Ferretti, Chair of IUMI's Big Data and Digitalisation Forum said:

"It's gratifying to see our industry continue to adopt the digitalisation process but there is concern that we might be moving too slowly. Today, we heard from the Digital Container Shipping Association on its progress to implement fully electronic bills of lading. This represents a significant step forward in digitalising the supply chain and marine underwriters must be ready".

Bills of lading (BL) provide for receipt of goods, evidence of a contract of carriage, and document of title and are used prolifically throughout the global supply chain. Delegates heard how the Digital Container Shipping Association (DCSA) - a non-profit association - is working to transform paper-based original BLs into data flow based on DCSA standards. Its members, who represent 70% of global container trade, have committed to issue 50% of their BLs digitally within five years and 100% by 2030. This would mark a significant change in how business is currently conducted. The benefits are estimated to be enormous with efficiency savings alone running into many billions of dollars.

For marine insurers, the benefits are also significant, as Patrizia Kern-Ferretti explained:

“Efficient marine insurance relies heavily on the availability of good-quality data. Fully digitalising bills of lading gives the potential for underwriters to access behavioural data coupled with predictive opportunities arising from AI. In short, the more data we can access, the more analysis and insights we can gather and this will translate into better pricing, overall management, claims handling and loss prevention.”

She continued:

“Cargo insurance documents are usually transferred alongside bills of lading as a combined set of documents. Benefiting the entire supply chain, digitalisation has the potential to streamline that process adding efficiency, reducing errors and saving cost. But the big question is, ‘how will the marine insurance industry capture the value of digitalisation, not just for its own benefit but also for the benefit of the assureds?’. That’s why it is so important to debate this topic at this year’s conference”.

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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.

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