

# IUMI conference raises concerns over “mutual recognition”



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Concerns were raised today by marine insurers at IUMI’s annual conference in Berlin over the potential impact of "mutual recognition" by classification societies acting as EU Recognised Organisations (ROs).



Classification societies can be individually approved by EU flag states to operate as EU Recognised Organisations and this gives them authority to carry out statutory surveys and certifications on behalf of flag states. "Mutual recognition" is an EU Regulation (Art. 10.1 of Regulation (EC) No. 391/2009) - in place since 2009 to enforce EU ROs to accept another society’s certification of certain vessel components on transfer of class. The purpose of the initiative is to ease the financial burden on shipowners by reducing the amount of re-certification required when a vessel moves class.

Marine insurers are concerned that "mutual recognition" might impact on their ability to fully understand the level of risk they are covering.

Frederic Deneffe, Chairman of IUMI’s Legal and Liability Committee explains:

"Under these mutual recognition conditions, a vessel can transfer class but a range of components within that vessel could easily have been certified by another society. This gives us a problem in terms of traceability and accountability. An insurer might be happy to accept risk based on a specific classification society but could have a problem if it is not clear which society – or societies - have actually awarded the certification. Mutual recognition makes it harder to be certain of the quality and the source of the survey".

"This is probably not too much of an issue today as mutual recognition does not currently cover safety-related components", he continued, " but as more complex equipment is included under the mutual recognition umbrella, there will come a time when marine insurers will need a mechanism to ensure they fully understand the risk they are covering".

A vote at today’s conference revealed that the majority of insurers in the audience believed that mutual recognition would present significant challenges for the marine sector in the future.

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Notes to editors:

The International Union of Marine Insurance (IUMI) is a professional body which is run by and for its members. IUMI represents national and international marine insurers and considers issues of interest to the worldwide marine insurance industry. IUMI currently has 48 national associations as members, protecting and advancing their interests. IUMI's roots date back to 1874.