

# IUMI President characterises marine insurance market as “strength and stability in turbulent seas”



18th September 2023

Opening this week’s International Union of Marine Insurance (IUMI) annual conference in Edinburgh, Scotland, President Frédéric Denèfle expands and explains the conference common theme of “strength and stability in turbulent seas”.

Discussing current turbulence, he began by setting out what is essentially “business as usual” for marine underwriters. He said:

*“As marine underwriters, we are used to managing an array of casualties and losses onboard a variety of vessels and in ports and other shoreside facilities. Dealing with the fall-out from natural catastrophes such as earthquakes and weather events are also workaday issues. Similarly, operating amongst geopolitical chaos is an ongoing problem we face but this has been exacerbated recently with the war in Ukraine.”*

*“Marine insurers actively supported the creation of the original grain corridor to ensure that Ukrainian exports could still continue. Now that agreement has broken down, marine insurers are in discussions with the Ukrainian government to provide cover for the vessels moving Ukrainian cargoes.”*



Continuing the theme of turbulence, Frédéric Denèfle explained how fragmentation was also causing headaches. From a trade perspective, covid had highlighted a range of strategic dependencies, it had led to a general reduction in global demand and had encouraged a relocation of activity closer to the consumer. On the legal side, shipping and insurance was being targeted with increased sanctions as well as local green regulations where, for example, some jurisdictions will not register vessels above a certain age. As the unified spokesperson for marine insurers, IUMI has liaised with various authorities and regulators to support both the industry and underwriters.

A consequence of inflation, caused by covid and the war in Ukraine was already manifesting itself

in the increased cost of claims, the requirement to take on more risk as asset values increase, and a related need for more capacity in the market. Added to this, a general technology shift in terms of clean energy, clean propulsion and autonomous vessels was creating more “turbulence”. However, all new technologies and climate change reduction measures are welcomed by IUMI which stands ready to act as an enabler to their introduction.

Although the marine insurance market was in a state of flux, Frédéric Denèfle was confident in its ability to cope:

*“As the world’s oldest insurance business, our sector has demonstrated its ability to flex to new needs and conditions, both market and macro-economic. I foresee a return to dedicated, experienced teams; a heightened reliance on intelligence and data systems to anticipate the consequences of geopolitical uncertainty; the emergence of local teams underwriting local business in their own areas to challenge fragmentation; an adjustment of market capacities and pricing to fight inflation pressures; and the creation of specialist teams to fully understand the implications of new technologies. Of course, much of this is already happening.”*

Turning to IUMI itself, Frédéric Denèfle took the opportunity to highlight how the association had powered ahead in recent years and the changes that had taken place since 1979 when the conference had last been hosted in Edinburgh. He said:

*“During my first full year as President, I have come to understand that marine underwriters face a range of complex issues but that they share common risks and don’t operate in isolation. As a community, we must invest in our collective future. Our business is not well understood and so we must draw on IUMI to bring us together, to provide a common voice and a unified path ahead. With that in mind, our 2030 strategy will lead us to become a stronger and ever-relevant association operating within a larger community of members and partners.”*

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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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