

IUMI to play key role as marine insurers face challenging conditions



7th February 2023

Today – 07 February 2023 – the International Union of Marine Insurance (IUMI) held its annual Winter Meeting in London; this is its first meeting of the year.

Fundamental challenges facing the marine insurance market were on the agenda, and IUMI said it would play an important role this year as it meets difficult conditions.



Speaking at its winter meeting, Frédéric Denèfle, President of IUMI, said:

"IUMI has a responsibility to navigate and support the marine insurance industry. A downturn in trade, geopolitical tensions, inflation, Environmental, Social and Governance (ESG) factors - as well as onboard safety - are all creating complexity.

"We remain fully committed to assisting our members and providing comprehensive guidelines to the larger marine insurance market."

One of the many challenges that marine insurers are facing is the reluctance of the reinsurance market to provide cover for risks involved in insuring maritime vessels in war-related regions. The question insurance companies face: How would they find their way around the risks without the support of reinsurers?

Marine insurers are also currently confronted with geopolitical challenges amid ongoing sanctions, the war in Ukraine and increasing tensions in Southeast Asia.

Also, there has been a significant recent reduction in demand, resulting in slower vessel turnarounds in ports due to low cargo volumes. This, together with declining freight rates, shows that the market is decreasing. In turn, it impacts marine insurance as there is far less value to insure.

However, Denèfle told delegates that digitalisation must remain at the forefront of developments

in the industry.

"Keeping up to date with data-led innovations and digitalisation is essential for marine insurers. This includes the technical development of vessels and the ongoing challenges regarding fires on container and RoRo vessels. IUMI must advocate for proper regulations to address these challenges."

IUMI provides an essential forum to discuss and exchange ideas, information, and statistics of common interest for marine underwriters and in exchange with other maritime professionals. IUMI currently represents 42 national and marine market insurance and reinsurance associations.

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Notes to editors:

The International Union of Marine Insurance (IUMI) represents 42 national and marine market insurance and reinsurance associations. Operating at the forefront of marine risk, it gives a unified voice to the global marine insurance market through effective representation and advocacy activities. As a forum for exchanging ideas and best practices, IUMI works to raise standards across the industry and provides opportunities for education and the collection and publication of industry statistics. IUMI is headquartered in Hamburg and traces its roots back to 1874.

More information can be found at www.iumi.com.