

Marine insurance adapting to a world in transition, says IUMI President



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Opening this year's IUMI (International Union of Marine Insurance) annual conference in Chicago, President Richard Turner introduced "Adapting to a World in Transition" as this year's conference theme, highlighting the impact of climate, asset, macroeconomic and geopolitical changes on marine insurers, the clients they support and IUMI itself.

Addressing the 585 attendees he said: *"The growing climate emergency, the rise of protectionism affecting international trade and the emergence of data and technology as a driver of huge change in all sectors have different ramifications for the world, international trade and by extension for us as a marine insurance sector."*



Explaining that the conference theme was chosen in London in early February, he noted how Russia's subsequent invasion of Ukraine had created a new set of challenges on top of the existing challenges of protectionism and climate change.

The IUMI President said that part of the longer-term solution for the marine insurance industry lay with better data and an increased focus on ESG (Environmental, Social & Governance) issues.

"It is no exaggeration to foresee that the whole operation of our sector will be revolutionised by the harnessing of better data and the opportunities presented by digitalisation. Many of the more repetitive (unproductive) human tasks in our industry will increasingly be managed with AI or software. The whole concept of what it means to be an underwriter, a claims practitioner, or a surveyor – all of these roles will be updated. This activity need not be to the detriment of client service. In fact, some of the new digital capabilities offer the prospect of better service and even new forms of coverage."

He added:

“ESG will be a dominant catalyst for change in our sector in the next few years. It is simply not credible for the marine insurance industry merely to ‘spectate’ on the issue and leave it to the ‘industry’ to resolve the problems. The growing pressures in society, in politics and regulation and in terms of investor expectations require us to participate and act.”

He said that the increasing frequency and severity of storms, fires and floods, coupled with changes to the ships, rigs and cargoes which IUMI members are protecting, would put pressure on the viability of some clients and sectors.

He noted that IUMI had significantly stepped up its engagement in ESG, becoming a Supporting Institution for the UN’s Principles for Sustainable Insurance (2020); signing the Neptune Declaration in support of seafarers’ rights and welfare (2020); forming an ESG Working Group (2021); and becoming a Supporting Partner of the Poseidon Principles for Marine Insurance (2021).

“IUMI has an important role in nurturing the debate across our industry sector and encouraging our members to think through their approach to ESG,” said Turner.

He told the audience that IUMI was reflecting on its long-term future under the banner of IUMI 2030, with various workstreams already underway.

“No organisation can simply stand still. We cannot simply assume that the work we did in the last decade will be sufficient to see us through the next decade. The wider changes in the world make such an outcome unlikely. We will need to evolve if we are to stay relevant to the sector we represent.”

Richard Turner also highlighted IUMI’s enhanced presence at the International Maritime Organization (IMO) and how it has enabled the industry to agitate for improvements to containership fire protection as well as close involvement in work related to autonomous ships, ports of refuge and the growing problem of containers being lost overboard at sea.

Notes to editors:

The International Union of Marine Insurance (IUMI) represents 44 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 lobbying activities. As a forum for the exchange of ideas and best practice, 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.