

Marine insurers continue to support trade in the Red Sea and Black Sea, says IUMI



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At its annual winter meeting in London, the International Union of Marine Insurance (IUMI), confirmed that the global marine insurance market is continuing to support trade in the Red Sea and the Ukraine/Black Sea area.

Since the cessation of the Ukraine grain corridor in September 2023, some 10 million MT of grain has been successfully lifted from Ukrainian ports using international tonnage insured by marine underwriters. This is despite Russia damaging Ukrainian shore-side facilities and mining local waters. Insurance cover has contributed to much of the Ukrainian grain harvest being exported overseas which, in turn, has helped stabilise international agri-commodity prices.

In the Red Sea, the insurance market is providing hull and cargo products at affordable prices and vessel owners are able to obtain the cover they require. The attacks are continuing despite military intervention but, fortunately, vessel casualties have not been catastrophic. The impact on Suez Canal transits and global supply chains are significant but this has not affected the ability of the marine insurance market to provide adequate cover – both for Red Sea/Suez Canal transits or for the longer route around the Cape of Good Hope.

IUMI also reported on restricted movement through the Panama Canal due to low water levels causing a restriction on a vessel's maximum draught from 50 feet to 44 feet. This has reduced daily transits to around 24 vessels from a norm of 34-36 vessels. Sailings are expected to decrease further to 18 vessels later this month. The result is longer transit times as vessels are re-routed - but voyages have been further compromised by events in the Red Sea. The convergence of these two crises comes in advance of the export surge around the lunar new year shutdowns in Asia. Expected consequences may include a shortage of delivered goods, containers out of position, gridlock at freight handling terminals and congestion at ports.



More positively, it was noted that the growth in global marine insurance premiums experienced in 2022 would likely give momentum to the 2023 results which IUMI will publish at its annual conference in September. The 2024 premium base would be harder to predict due to the supply chain issues already mentioned as well as weaker consumer confidence, high interest rates, and an economic slowdown in some regions; inflationary pressures were easing, however.

IUMI's report on the global marine insurance market along with discussion and debate on the pressing issues of the day will be featured at its annual conference to be held in Berlin 15-18 September 2024. This year, IUMI celebrates its 150th anniversary which is reflected in the conference common theme "Building on 150 years of enabling global commerce".

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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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