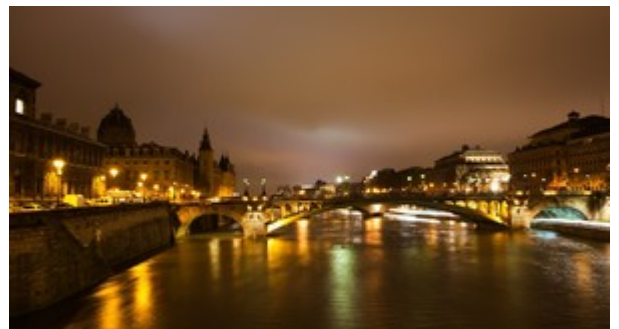


# 'The curse of piracy' . . . will be the big topic when international marine underwriters meet in Paris next month



4th August 2011

The curse of piracy and its vicious implications in human terms, as well as its impact on world trade through disrupting cargoes and the financial losses inflicted on shipowners and insurers, will be fully debated in Paris next month when marine insurers from around the world gather for their annual forum.



More than 500 marine underwriters, and senior representatives from many international maritime organisations, will attend the International Union of Marine Insurance event (September 18-21).

Although there has been a lull in Somali pirate operations because of the monsoon, the past few weeks have seen a worrying upsurge in attacks off West Africa, with a number of vessels successfully hijacked. It has been reported there are now 21 countries, in part or in whole, which are affected by piracy.

But Somalia remains the critical threat. According to the anti-piracy naval forces in the area, more than 400 seafarers are currently being held hostage on some 20 vessels. There have been murders and ill treatment, with many stories of torture and seafarers deprived of adequate food, sleep and health care.

Earlier this year, Ole Wikborg, the Norwegian president of IUMI, called the hostages "the world's forgotten mariners." He said today that the piracy problems in the Gulf of Aden and the Indian Ocean were "an absolutely unacceptable disruption of global trade to which marine insurers must respond."

He added: "The cargo as well as the hull & machinery insurance markets have made their contributions to mitigate the financial losses resulting from the hijacking or detainment of vessels. Insurers have also helped in negotiations with the pirates and to provide the funds demanded to release crews and return them safely to their homes and families."

The president noted that IUMI has made contributions to Best Management Practice No. 3 and subsequent initiatives which formulate the precautions shipowners and operators should take to

minimise the probability of attacks. And in line with the maritime transportation industry at large, property underwriters have taken a more ambivalent stand on the use of armed guards to reduce the risk of a vessel becoming the next victim.

IUMI's executive committee and its seven technical committees will meet on Sunday, 18th September, and there will be an opening reception hosted by the French market in the evening. A packed programme of presentations, workshops and panel discussions will take up the next three days. The 2011 conference title is 'The Evolution of Risk, Safety and Security', and many of the topics will be harnessed to this theme.

On the opening Monday morning the industry keynote speaker will be Bernard Anne, executive vice president and managing director of Bureau Veritas Marine Division, the fast expanding French classification society. Denis Kessler, chief executive of SCOR, the French reinsurer, will also give a keynote presentation.

The IUMI annual forum covers the gamut of marine insurance. Here are some of the highlights:

- An update on IUMI's casualty statistics and changes in the world merchant and offshore energy fleets
- The relentless development of shipboard technology, with computers controlling bridge, engine room and deck operations, and its impact on insurers
- The trend towards building mega-size containerships and cruiseships and consideration of the design, safety and salvage aspects
- Will nuclear-powered merchant ships be a viable option? The debate will be led by John Carlton, president of IMarEST (Institute of Marine Engineering, Science and Technology).
- The great earthquake and tsunami in east Japan earlier this year and the impact on Japanese insurers and international reinsurer
- Vessel vetting and crisis management, by Luc Gillet, group head of shipping at French oil major Total, the world's fourth largest natural gas producer
- Update by the Panamanian Ambassador to France on the Panama Canal's expansion programme, now moving towards an on-time, on-budget 2014 completion
- Safety regulations in the fishing vessel industry
- Mega yachts – increasing sophistication, increasing values
- Cargo theft during inland transit
- The evolution of upstream energy risks and new risks involved in deepwater drilling

IUMI has met in France on five previous occasions, and the last time was in Paris in 1997. Fritz Stabinger, the Zurich-based secretary general of IUMI, said today: "Our technical committees and our French marine insurance association hosts have worked very hard to construct a programme that will be informative and stimulating, and IUMI continues to welcome top-flight personalities from the worlds of insurance and shipping to participate as guest speakers."