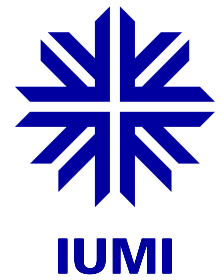


# Times are changing for marine insurance, says IUMI President, Frédéric Denèfle



16th September 2024

Opening this week's International Union of Marine Insurance (IUMI) annual conference in Berlin (Germany), President Frédéric Denèfle focused on how change was likely to impact on all lines of marine insurance business.

Referring to the common theme of the conference "building on 150 years of enabling global commerce", he said:

"This year we celebrate the 150th anniversary of IUMI and its extraordinary history which started here in Berlin. We've seen our association grow from what was essentially a German organisation into a truly global institution that has become the accepted and trusted voice of the marine insurance industry across the world. Over those 150 years, marine underwriters have assisted, supported and facilitated global trade and we continue to do that today. However, times are changing rapidly and I foresee a different landscape for underwriters in the coming years".



He highlighted the recent geopolitical tensions as one of the key drivers of change. War risks, sanctions and embargoes were increasing and this was impacting traditional shipping routes and international trade more generally. He raised concerns over vessel operators opting for the longer sea-routes around Africa to avoid high-risk areas and asked if vessels and their crews were prepared for the specific navigational challenges they would face. Financial costs and the environmental impact would also be a concern.

Denèfle also pinpointed changes due to the evolution of global markets, both technical and commercial, which would affect how vessels are operated and how cargo shipments and logistics chains would be organised in the future. Nearshoring would have a particular impact, he said.

Coupled with this, the steps being taken by the shipping community to reduce its impact on the environment were beginning to make themselves known. New fuels, new vessel designs, new operating practices and new regulations would all impact and would require a renewed focus. He specifically highlighted the EU's Emissions Trading System that became law in January of this year.

More widely, change would be encouraged by the international economic situation and the relationship between countries and their appetite for global trade versus nationalism. More restrictions and regulations would inevitably lead to a reduction in marine cargoes. Conversely, many large countries were sitting on untapped commodities which would likely be exploited in coming years. This had the potential to unlock more cargo and new shipping routes, he said.

“There is much study and analysis being undertaken currently as we find ourselves in a position of real change being driven by so many factors”, said Denèfle. “I feel we have reached the end of the globalisation process that began post second world war and accelerated with the GATT extension. The world is now starting to contract. In the past, as marine insurers we were free to write business across the world, and vessel and cargo owners were similarly free to place their insurance in almost any location they chose. This is no longer the case. Similarly, cargo trade restrictions are bound to lead to a reduction in shipping and, in turn, a reduction in global marine insurance premium.”

“Whilst we have a lot of issues to face over the coming period, marine underwriters have been around for many hundreds of years and I'm confident that our adaptability will ensure our survival - and the survival of IUMI – for many years to come. We will continue to operate, albeit in a different way”.

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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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