

Standardization of Cargo Insurance Data

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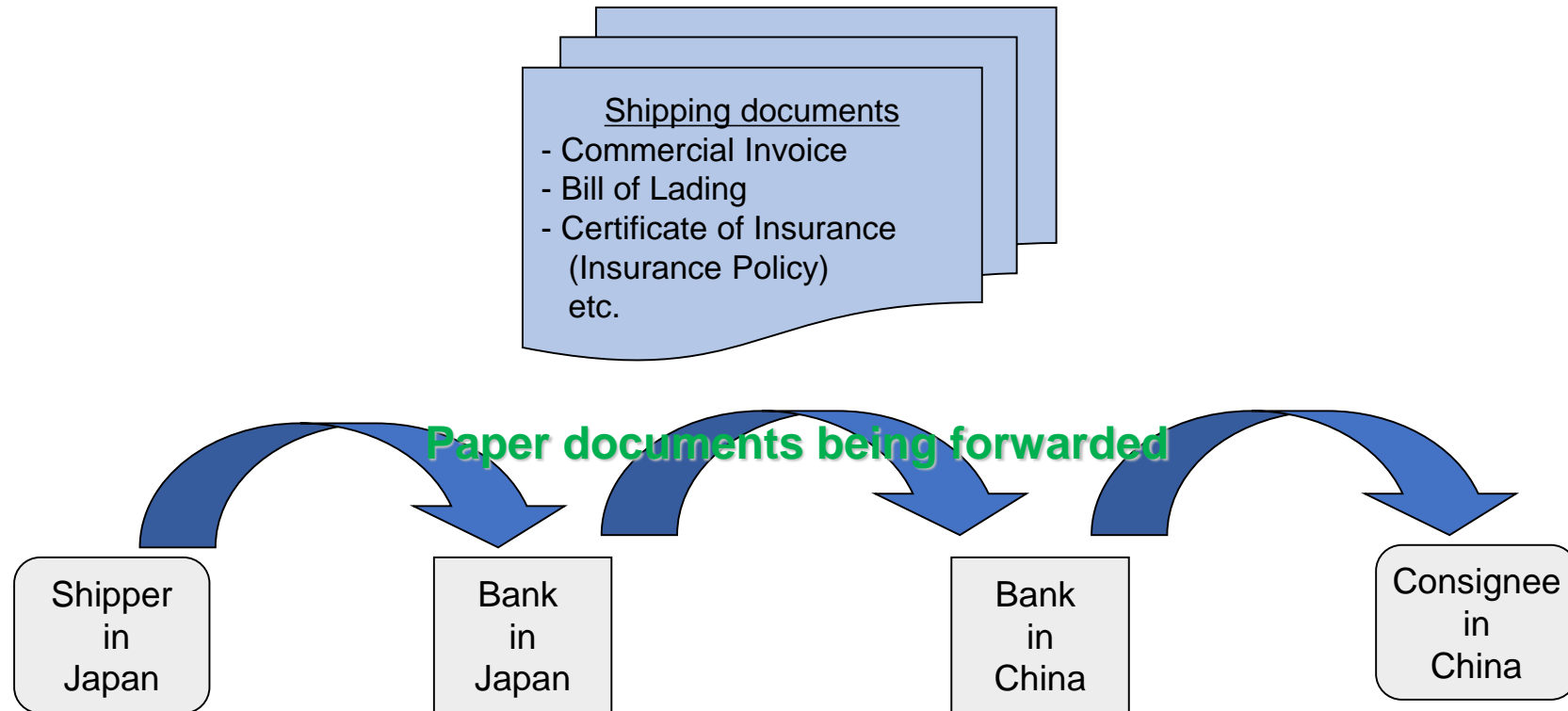
IUMI Cargo Committee

IUMI Education Forum

Why Standards?

- Trading is becoming digital / paperless
- For instance; Letter of Credit, B/L
- Cargo insurance policy/certificate is an essential document which gets assigned and transferred along with the B/L
- When the document is in digital format, it needs to be in a unified format.
- When “TradeWaltz” started it’s service, the insurers came up with a unified data format for a digital insurance policy / certificate.

Flow of documents under a L/C (CIF terms)



The Bank buys the shipping documents and the Shipper gets paid.

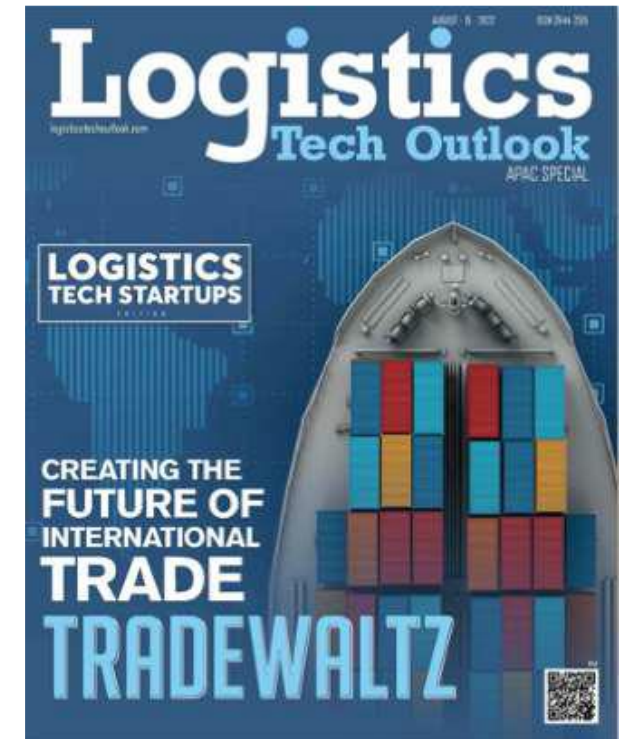
TradeWaltz

- Concept introduced at 2017 IUMI Tokyo conference
- Company started 2021




Toward an Open and Global Trade Ecosystem

International trade is a highly complicated system that involves many different types of participants and as such, is considered impossible to digitalize with existing technologies. Using blockchain technology, we are building a new platform, "TradeWaltz®", that will enable all participants to share information and




But that's not
enough!

- Unified format in one country is good for the parties in that country. (e.g. shipper)
- Consignee will have a chance to receive data from multiple countries.(e.g. on a CIF term)
-  **Interoperability among platforms/countries will be needed**

There could be ;

- difference of data items (e.g. “shipper reference number”, “place of issuance”, “vessel IMO number”...)
- difference of data formats (e.g. “varchar 30 characters”, “integer 8 characters”)
- difference of the definitions (same item name but some difference of definition by countries)

Beauty of digitalization on trade

- The beauty is that you can import the data into your internal system instead of typing in the data from a paper
- If every data is in a different format, it is basically same as receiving paper
-  **That is why a universal standard is needed**

Our neighbors

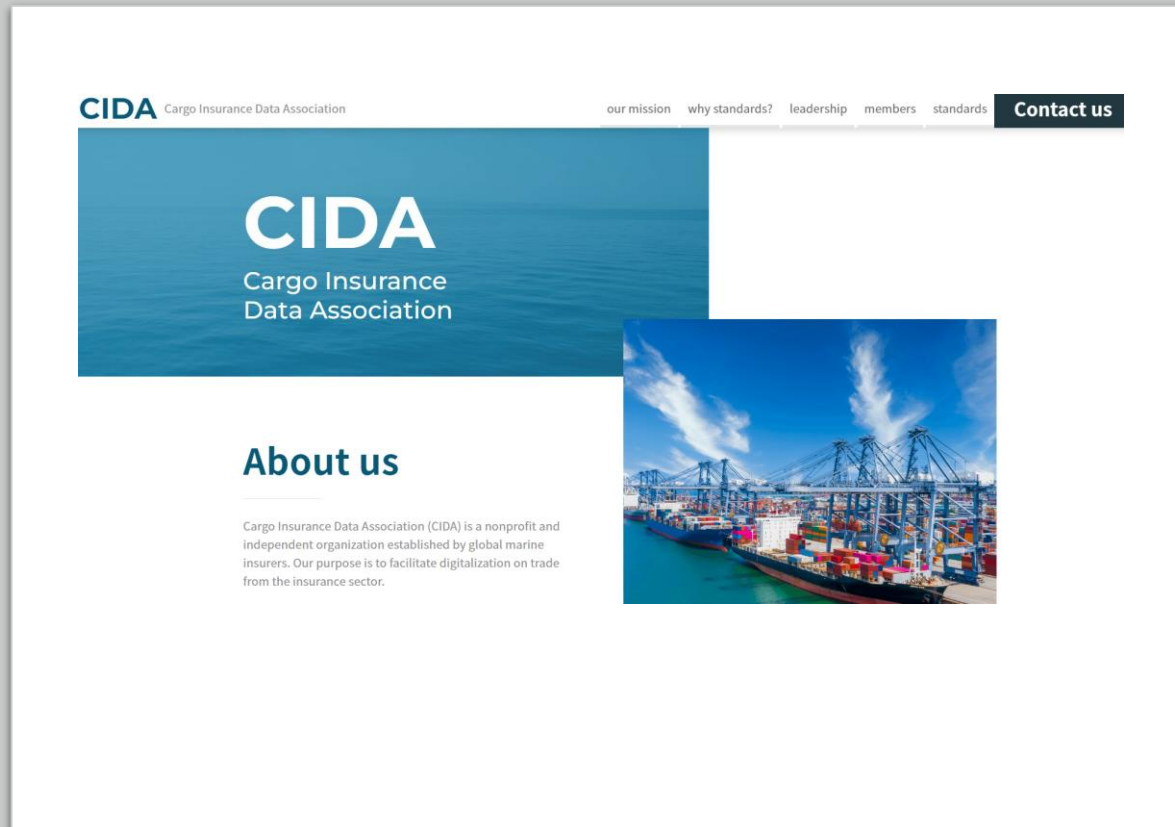
- For the B/L and SWB, a universal standard (UN/EDIFACT) is already there.
- DCSA(Digital Container Shipping Association) is promoting the standards.
- With the standard, every cargo owner, bank, custom house, insurer can receive the B/L & SWB data in a single format.

What we should expect

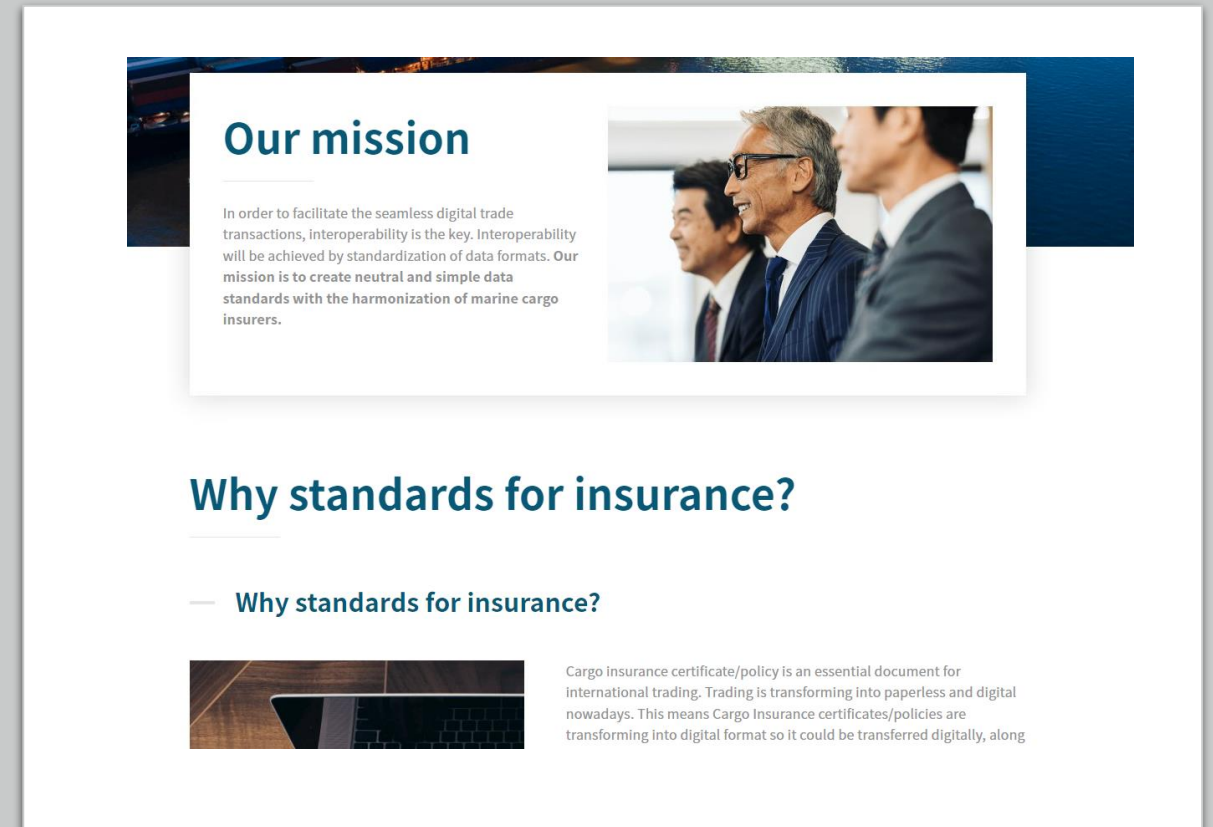
- Under a Letter of Credit transaction, B/L and Insurance documents are always assigned/transferred as a “set”.
- When B/L and SWB becomes transferred as digital data, it is easy to predict the needs of the shippers, consignees and the banks.

example of standards

- CIDA(Cargo Insurance Data Association) has been established (<http://cargo-insurance-data.com/>)
- CIDA has disclosed the unified data set used on the TradeWaltz platform.



The screenshot shows the CIDA website homepage. At the top left, the logo reads "CIDA Cargo Insurance Data Association". A navigation menu includes "our mission", "why standards?", "leadership", "members", "standards", and "Contact us". The main header features the text "CIDA Cargo Insurance Data Association" over a blue background. Below this, there is a section titled "About us" with a paragraph: "Cargo Insurance Data Association (CIDA) is a nonprofit and independent organization established by global marine insurers. Our purpose is to facilitate digitalization on trade from the insurance sector." To the right of the text is a photograph of a large cargo ship at a port with multiple cranes.



The screenshot shows a presentation slide. The top section is titled "Our mission" and contains the text: "In order to facilitate the seamless digital trade transactions, interoperability is the key. Interoperability will be achieved by standardization of data formats. Our mission is to create neutral and simple data standards with the harmonization of marine cargo insurers." To the right of this text is a photograph of three men in business suits looking towards the right. Below this is another section titled "Why standards for insurance?" with a sub-heading "Why standards for insurance?". To the left of the text is a photograph of a laptop keyboard. To the right of the text is a paragraph: "Cargo insurance certificate/policy is an essential document for international trading. Trading is transforming into paperless and digital nowadays. This means Cargo Insurance certificates/policies are transforming into digital format so it could be transferred digitally, along

Key takeaways

- Cargo insurance certificate/policies circulate internationally along with the B/L as a “set”
- Digitalization of B/L is developing and an international standard is there
- As a cargo insurer, we need to predict what is to come

Thank you for your attention.

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