

KEY



Sources: NASA

- 2 Message from the President
- 3 IUMI Seoul 2021 Virtual event
- 4 Cargo tutorial programme
- 5 Hull tutorial programme
- 6 Ever Given – what it tells us about supply chains and large container vessels
- 7 Uniform interpretation of conventions – light at the end of the tunnel
- 8 IUMI Q&A with Christian Allgeier
- 9 New output on container fire issues approved by MSC 103
- 10 Court decision (ABN AMRO v RSA and others) arising out of the Transmar/Euromar cocoa trading collapse
- 11 Decarbonisation: what's in it for marine insurers?
- 12 Regulating carbon emissions in global shipping: an evolving landscape
- 13 IUMI meets IACS in May 2021 for the annual technical meeting
- 14 A digital view of accumulations
- 15 Report from the 103rd session of the Maritime Safety Committee (MSC)
- 16 Summary of the 8th session of the IMO's Sub-Committee on Pollution Prevention and Response (PPR 8)
- 17 Understanding risk to DP's green ambitions
- 18 Places of refuge on the IMO agenda NCSR 8 (19–23 April)
- 19 Nigeria: Pre-shipment challenges in Lagos
- 20 IUMI set to formalise its work on ESG issues
- 21 People at IUMI – Selina Lau
- 22 Gulf of Guinea – Diplomacy in action
- 23 Online platforms, gatekeepers and the EU Digital Markets Act – new European Regulations in view for the maritime industry
- 24 Social inflation: An American phenomenon with international implications, Part Two – The impact of social inflation on the insurance industry
- 25 Successful IUMI tutorial exam candidates
- 26 IUMI podcast series
- 27 10 years of the Latin American Association of Marine Underwriters!
- 27 Imprint



Message from the President

Virtual environment



Richard Turner
IUMI President

Welcome to the latest edition of the IUMI Eye publication.

It is an ongoing reflection of the COVID pandemic that travel is proving difficult and IUMI's activities remain firmly in an 'online' setting. Sadly, and for the second year running, this means we shall be unable to hold a physical conference in Seoul. Instead, IUMI will be re-running the incredibly successful format that we piloted for the 2020 Stockholm conference. Registration is already open for applications (www.iumi2021.com) – for both members and non-members – so please take a closer look at what is a true highlight of the marine insurance calendar.

The pandemic has had quite an impact on the working of our industry. So many of us have been working from home for well over a year. Out of necessity, remote working has encouraged the faster deployment of digital technology across our sector. It feels to me that not only is this an irreversible trend, it is an exciting one too. The emerging technologies have the potential to transform how our sector operates, the coverage that we provide and the service that we offer. Yet the human factor still matters to. I feel strongly that it is those entities best able to combine the science of data with the art of people judgement, who will be the ones who emerge stronger from this revolutionary phase.

IUMI has supported, and in some ways helped to catalyse, the adoption of a more digital age in marine insurance, by creating a Data and Digitalisation Forum, chaired by Patrizia Kern (Swiss Re). This is a unique forum, bringing together software and data experts with experienced insurance practitioners. The role of the working group is not to dictate the future pathway for the sector or to come up with recommended systems. Instead, it focusses its time on discussing the emerging opportunities and thinking about their potential application in the insurance space. The Data and Digitalisation Forum now has its own slot at our main Seoul conference, so there will be an opportunity to hear from a number of industry experts at our annual conference this September.

Enjoy the magazine. Stay safe and well.

Richard Turner, IUMI President
richard.turner@iumi.com



IUMI Seoul 2021 2–15 September

Virtual event

Commencing countdown...

The countdown to the next IUMI conference has commenced and we are looking forward to welcoming you virtually once again from Seoul. This year's theme is 'Pathways to a sustainable, resilient and innovative future' and the Technical Committees and Forums are busy putting together interesting and engaging workshops.

Sessions will comprise of a mix of presentations, panel discussions and Q&A sessions. Topics that will be covered include containership fires, sustainability, digitalisation, COVID-19, human rights risks to supply chains, vaccine transportation and logistics, insights into the transition of a progressive oil and gas company, and much more. For more detailed information on the programme [please click here](#).

The event will take place over two weeks – Thursday 2 September to Wednesday 15 September 2021 – and [registration has officially opened](#). There will be ten sessions in total with one workshop each working day conducted over a two-hour session. To ensure that everyone can participate the workshops will run twice a day at different times. Following the success of last year, the event is open to all interested maritime professionals.

Thanks to the hard work of the Seoul Organising Committee, IUMI Secretariat and the IUMI Technical Committees and Forums this year looks set to be an outstanding event once more and we are looking forward to seeing you virtually in Seoul this September – www.iumi2021.com

Please feel free to [contact us](#) if you have any questions.

Want to build and develop your knowledge and expertise in cargo insurance?

IUMI's online cargo tutorial consists of eleven engaging and interactive modules specifically designed to widen your knowledge of cargo insurance. This flexible, self-paced learning programme works to your schedule and can be completed to each individual's timeframe. Topics include international trade 101; coverage for particular average and sue and labour, general average and salvage, exclusions, and many more.



→ <https://iumi.com/education/online-tutorials/iumi-cargo-tutorials>

NEW

Buy 5–9 tutorials,
get a 10% discount

Buy 10+ tutorials,
get a 20% discount

Candidates who successfully pass the IUMI cargo exam are invited to apply for an IUMI bursary to take the renowned WMU's Marine Insurance Law & Practice Postgraduate Diploma programme. The bursary is worth US\$ 8,750.



Hull insurance tutorial programme

IUMI's hull insurance online tutorial is designed to widen the students' knowledge and expertise in hull insurance. This extensive programme consists of a total of thirteen modules. Topics include Ships 101; Collision Liability; General Average and Salvage; Exclusions; Claims; and many more.

For more information please visit:

→ https://iumishop.mycoracle.com/catalogue/hull-tutorial_79

NEW

Buy 5–9 tutorials,
get a 10% discount

Buy 10+ tutorials,
get a 20% discount

Candidates who successfully pass the IUMI hull exam are invited to apply for the IUMI bursary to take the renowned WMU's Marine Insurance Law & Practice Postgraduate Diploma programme. The bursary is worth US\$ 8,750.



IUMI

Testimonial

Natalie Kwek
Executive, Direct/Japanese,
MSIG Insurance (Singapore) Pte Ltd

I first learnt about IUMI's Hull Tutorial and examination through IUMI's newsletter on LinkedIn. Being a maritime and shipping enthusiast, I was immediately drawn to find out what lessons/topics were covered in the tutorial, and was pleased to discover that the learning materials cover a wide range of maritime hull topics and are arranged in an organised fashion.

After going through a month of self-learning with access to insightful, well-thought out and concise learning materials on key hull underwriting concepts, hull insurances, wordings and clauses not only from the Institute of Time Clauses Hull (ITCH) but also Deutsche Transportversicherung (DTV), Nordic Plan and American Institute Hull Clauses (AIHC), my knowledge and understanding on hull underwriting has widened.

Although I have a busy examination schedule all year round, it really was a bonus for me to know that I had passed the IUMI Hull Tutorial examination. The examination is completed remotely but people should not fret as the procedure is pretty seamless.

Having now completed this programme, I am certain that the knowledge I gained will be helpful in my current work position as a marine underwriter in both marine cargo and hull insurance.

I would highly recommend this course to anyone who enjoys learning and knowledge-building like I do or anyone who is part of the shipping and marine insurance industry.

Best of luck with the examination if you are up for it!



Policy Forum

Ever Given — what it tells us about supply chains and large container vessels



By Lars Lange
IUMI Secretary General

On 23 March 2021 the container vessel *Ever Given* grounded in the Suez Canal while transiting northbound – and with two canal pilots onboard – en-route to Rotterdam, Netherlands. Fortunately, all 25 crew were safe and there have been no reports of pollution or cargo damage. The vessel was safely refloated six days later, and the canal re-opened to marine traffic. Some of the blocked vessels chose another route around the Cape of Good Hope to ensure timely arrival in Europe, Asia or elsewhere, whilst others waited for the re-opening of the canal. However, the *Ever Given* is still being held in the canal at Bitter Lake and the canal authority, the Suez Canal Authority (SCA), claims compensation for expenses made by them.

From a marine insurance perspective, this incident is unlikely to impact significantly on cargo claims as insurance cover does not usually include delays. However, if damage caused by delay is included, this might also affect cargo on other vessels impacted by the closure of the canal. The relevant hull & machinery (H&M) and cargo interests, or their insurers, will likely be responsible for the cost of the salvage operations and any General Average costs that may be incurred. Other claims, including loss of vessel hire or damage to the canal itself are likely to be directed to the protection & indemnity (P&I) or other specialist insurers.

The trend for larger container vessels has highlighted a number of potential issues over the last few years such as compromised maneuverability in high winds, an increasing number of onboard fires, challenges surrounding salvage, and the lack of availability of suitable repair facilities. Moreover, the incident has shown the vulnerability of supply chains in an international trade system. A single incident can interrupt trade between Europe and Asia for a significant amount of time. And single players such as the SCA are in a position to hold a vessel for a longer period of time.

It is unrealistic that container vessels will be built smaller in the near future. However, do underwriters in their daily business, as well as IUMI on a policy level at the International Maritime Organization (IMO) and elsewhere, have to work on solutions for risk assessment and mitigation for these ultra large container vessels? Fire detection and protection have to be improved. Strategies need to be developed for fewer container losses in rough seas. Bottle necks in important trading routes need alternatives. And the overall vessel design must take the size of the vessel and the according relevant accumulation of risks into account.



Policy Forum

Uniform interpretation of conventions — light at the end of the tunnel



By Charles Fernandez,
Head of Marine, Canopus
and IUMI Legal & Liability
Chair

There has been concern in the industry for some time now as to whether courts would interpret the applicable conventions as they were intended to apply following a major casualty. There have been a few cases, where due to political and public pressure, courts have interpreted conventions differently to the general understanding in order to assist the claimant and have ignored the true intent of the conventions. The Spanish Supreme Court judgment in the Prestige case is one such example where, contrary to the common understanding of the Civil Liability Convention, the court held that the shipowner and their P&I insurers were not able to limit liability in respect of pollution damage. Conventions exist so that there is certainty and consistency across countries. If this cannot be achieved, it will call into question the purpose of international conventions especially taking into account the time and effort it takes to draft and ratify these instruments.

The International Maritime Organization (IMO) recognised inconsistent interpretation as an issue specifically with regard to the rules for breaking the shipowners right to limit liability. As a direct result of this, a correspondence group was established to develop a set of guidelines to assist with consistent interpretation. This working group, of which IUMI has been an integral participant, has recently finalised a draft version of the guidelines for

the “Unified interpretation on the test for breaking the owners right to limit liability under the IMO convention”. This will be presented at the IMO legal committee meeting in July 2021 and if approved will likely be adopted as an IMO Assembly Resolution in December.

The guidelines have been drawn up to reflect the principles agreed by the drafters of the Convention on Limitation of Liability for Maritime Claims (LLMC). The guidelines seek to clarify three main aspects. Firstly, the test should be interpreted as “virtually unbreakable” and only breakable in very limited circumstances. Secondly, in order to break limitation, there needs to be culpability greater than gross negligence. The fault needs to be similar to “wilful misconduct”, which would deprive the shipowner of insurance coverage. Finally, the guidelines clarify that it is only the conduct of the shipowner that should be considered when determining if limitation can be broken. The behaviour of others such as the master or the crew are irrelevant.

If these guidelines are adopted by the IMO Assembly later this year, it would represent a huge step forward in creating certainty within the industry. IUMI is pleased to be involved in the development of these important guidelines and to voice the needs and concerns of its members and the shipping industry in general.

IUMI EYE

Q&A



Christian Allgeier

Deputy Head of Division, Maritime Safety Policy,
German Federal Ministry of Transport and Digital Infrastructure
& Chair of IMO's Working Group on Fuel Oil Safety

In a nutshell, how would you describe the background of the IMO Maritime Safety Committee's work on fuel oil safety?

The Maritime Safety Committee (MSC) is the International Maritime Organization's (IMO) technical body in charge of the international regulations regarding safety and security. This includes the responsibility for a number of international conventions like the International Convention for the Safety of Life at Sea (SOLAS), the most important of all treaties dealing with maritime safety. As all ships continuously need energy, a safe use of fuels is essential for crews and ships all over the world. In the last years, the maritime world has been facing a number of changes and challenges regarding fuels, for example the implementation of the sulphur limit under the MARPOL regime. In 2018, delegations reported cases where the fuel supplied to ships has been found not compliant with the existing regulations which adversely affected the safety level. Accordingly, the MSC agreed to start a new agenda item to discuss further measures to enhance the safety of crews, ships and nature in the use of oil fuels.

Can you describe your role as Chairperson of the MSC's Working Group on Fuel Oil Safety?

The task of chairing a Working Group is quite simple – in theory: The Committee gives specific tasks to the Working Group. The Working Group Chair has to guide the Groups' deliberations on the tasks given, to develop consensus in the Group and report back to the Committee. In practice, the Chair has to tackle challenges like ensuring that the Group follows the rules and procedures, summing up numerous and lengthy statements, remaining neutral

and bringing together diverging views. In total, it is a demanding role but with the support of the IMO Secretariat and the Group itself it is a really great experience.

What is the biggest challenge facing the IMO in relation to fuel safety today?

The speed of evolution of new technologies has always been faster than the development of safety provisions for such technologies. In general, safety legislation is developed after gathering experience, which unfortunately includes incidents. Ambitious goals for the reduction of greenhouse gas emissions can only be achieved through the use of sustainable alternative fuels and technologies. The challenge for the maritime world is to have the technologies available together with all measures related to the safe use thereof, which includes provisions for ship design and arrangement, crew training, bunkering and more. And even more challenging, the nature of international shipping requires a globally harmonised approach. We, so my colleagues in the German Federal Ministry of Transport and Digital Infrastructure and myself, are aware of these challenges and are working every day on ensuring the safe, sustainable and climate-friendly future of maritime transport.

How do you see safety challenges related to fuel oil and alternative fuels evolve in view of the IMO's initial GHG Emissions Strategy?

For a really long time, the fuel used on board almost all ships across the world was oil. Over the last few decades, environmental and climate protection became more and more important, and so the proportion of alternative

and renewable fuels has continuously increased and continues to grow. We're now facing safety problems with fuels we have been using for decades. On the other hand, there are alternative fuels we want to bring on board without any experience. For both, the challenges are the same: safety can never be guaranteed, but the risk emanating from the use of fuels should be mitigated as far as practicable.

Is there anything that you would like to see underwriters do differently or better?

I'd like to ask that insurers and IUMI continue their valid contribution to the development of safety provisions. Sharing knowledge and expertise will help us all understand the emerging challenges and opportunities that we will inevitably face.

If you could wave a magic wand and change one thing in the shipping industry what would it be?

I'd really like to have the blueprints for a "perpetuum mobile propulsion system" that would make the use of fossil fuels unnecessary and what would provide safe, sustainable and cheap energy to the entire world – and reduce my workload...

If you were not in your current role what would be your ideal job?

Without shipping in my life I'd probably work on my family's farm in Bavaria.

What do you like doing when not working?

I have two little girls at home who manage quite well to keep me busy. When my time allows, I like to ride my bike or motorcycle.



Maersk Honam fire in the Arabian Sea, 8 March 2018
Image: [Indian Coast Guard](#)

New output on container fire issues approved by MSC 103



By Lars Lange
IUMI Secretary General

IUMI had co-sponsored, together with the Flag States of Germany and Bahamas, the shipowner association BIMCO and the shipbuilder's association CESA, a submission to the International Maritime Organization (IMO) Maritime Safety Committee's (MSC) 102nd session with a view to amending SOLAS. Due to COVID-19 and the interruption of IMO meetings, the adoption of the new output was postponed until MSC 103 in May 2021. Finally, MSC 103 agreed, based on papers MSC 102/21/3 and 102/21/7, to include in the biennial agenda of the Ship Systems and Equipment (SSE) Sub-Committee for 2022-2023 and the provisional agenda for SSE 8 an output on "Development of amendments to SOLAS chapter II-2 and the FSS Code concerning detection and control of fires in cargo holds and on the cargo deck of containerships", with a target completion year of 2025, in association with the CCC Sub-Committee as and when requested by the SSE Sub-Committee.

The amendments shall apply to new ships and they shall enhance provisions for early fire detection and effective control of fires in containerised cargoes stowed on and under deck of containerships. They shall enter into force on 1 January 2028, provided that they are adopted before 1 July 2026. A group of experts has been formed under IUMI's leadership to support work on the new output.

Court decision (ABN AMRO v RSA and others) arising out of the Transmar/Euromar cocoa trading collapse



Mike Roderick
Partner

Clyde & Co LLP
IUMI Professional Partner
www.clydeco.com

The judgment in *ABN AMRO Bank v RSA & others* [2012] EWHC 442 is fascinating, perhaps the most significant on cargo insurance from the English courts in recent years. It is also of relevance to the wider cargo market outside its commodity financing context.

The facts

The case arose out of the collapse of Transmar and Euromar, which traded in cocoa products. ABN AMRO provided commodity financing under which ABN became owners of stock. When the companies collapsed ABN had to sell the stock at a loss. ABN sought to reclaim its financial losses, which were independent of any physical loss, under a specific Policy clause, the Transaction Premium Clause (TPC). The Judge described this as an “unusual and unique clause”. ABN succeeded against all except two of the underwriters involved (but also succeeded, in this respect, against the brokers).

The issues

The judgment addresses a wide range of issues but we focus on just four and on lessons to be learnt going forward.

One, under English law a cargo policy is generally interpreted as only covering physical loss or damage (bar well recognised exceptions such as GA and salvage) unless clear words providing wider cover are used. The Court held that the TPC was sufficiently clear and provided cover for ABN’s financial loss despite there being no physical damage to cargo. The fact that this financial type risk is normally written in the trade credit market and underwriters had no authority to write credit risks could not override the clear wording of the clause. This is perhaps the most controversial aspect of the judgment. Cargo underwriters cannot assume that a cargo policy only covers physical loss.

Two, the Court held that there was no obligation on the insured to disclose the intended meaning and effect of this unusual clause. An underwriter should form their own view of the meaning of policy clauses.

Three, three following underwriters were told, on renewal, that the renewal was “as expiry”. That was incorrect – the TPC had been introduced. The Court held that one underwriter would have written the renewal anyway and so had no remedy. Two underwriters were, however, able to satisfy the Court, by reference to contemporaneous documents, that they would have declined the risk and so were found not liable. This highlights the need for an underwriter to be able to evidence what their decision-making process would be in this situation.

Four, there were other unusual policy clauses, which weakened underwriters’ position, clauses more familiar in the trade credit market (e.g. a non-avoidance clause). It was held that underwriters were bound by these clauses whether or not they appreciated their significance. This emphasises the need for underwriter vigilance where unusual clauses are used.

Conclusion

At the time of writing it is understood that underwriters’ application for permission to appeal is yet to be decided. An update may follow.

CLYDE & CO

Decarbonisation: what's in it for marine insurers?



By Hendrike Kühl
IUMI Policy Director

Climate change is considered one of the most pressing issues of our time. It has also been identified by IUMI as a major concern to marine insurers. The effects of global warming are already evident and are changing the nature of the insured assets. The frequency of weather-related catastrophes has increased significantly driving up losses and leaving some assets uninsurable.

The potential impact of climate change is also a fundamental issue for regulators. International shipping emits around 940 million tonnes of CO₂ annually which corresponds to approximately 3% of global greenhouse gas (GHG) emissions. The Paris Agreement on Climate Change and the work of the International Maritime Organization (IMO) are examples of regulatory efforts to address climate change. In April 2018, the IMO adopted the initial GHG reduction strategy with a view to decarbonise shipping as soon as possible within this century. With 2008 as a baseline, the IMO strategy aims to reduce total GHG emissions from shipping by at least 50% by 2050. The average carbon intensity (CO₂ per tonne-mile) is to be reduced by at least 40% by 2030.¹

While IUMI fully supports the necessity of a transition to green energy, it is crucial to assess potential safety concerns associated with measures to reduce the carbon footprint. In light of the urgency to decarbonise shipping, proper risk management is critical and safety must not become an afterthought. An important aspect of using alternative fuels safely is not only a comprehensive review of risks associated with the new fuels and propulsion methods, but also thorough consideration of how human performance may be influenced by new equipment, new procedures, and processes for bunkering.

In addition to regulatory authorities, a significant push for decarbonisation emanates from industry initiatives comprised of a diverse range of maritime

stakeholders such as lenders who launched the "Poseidon Principles" or cargo owners with the "Sea Cargo Charter". A number of insurers and reinsurers in cooperation with the UN Environment Programme are working to establish the "Net-Zero Insurance Alliance" (NZIA). The NZIA is expected to be launched at the 2021 UN Climate Change Conference in Glasgow this November (COP26). The seven companies (AXA, Allianz, Aviva, Munich Re, SCOR, Swiss Re and Zurich Insurance Group) take the view that the global (re) insurance industry can play a key role in accelerating the transition to a resilient, net-zero emissions economy, in line with the 1.5°C target of the Paris Agreement on Climate Change.

Such industry initiatives are helpful to accelerate decarbonisation efforts in the maritime industry. Swift action to convert the existing fleet will be crucial as many vessels are going to be non-compliant with IMO requirements fairly soon. Changes in ship design, fuel and propulsion types, and infrastructure will affect the risk landscape for marine underwriters going forward. They must therefore be prepared to assess new risks and potential safety concerns. Marine insurers are also likely to act as facilitators for decarbonisation by providing guidance and advice to their insureds.

Given the technological challenges inherent in replacing bunker fuel on long-distance routes, the International Energy Agency stated in a recent report that they do not expect the maritime industry to achieve 100% decarbonisation of its own operations by midcentury². With various options being explored it is not clear yet which low/zero carbon fuels or propulsion methods will be dominant in the future. An overview of green(er) conventional or alternative fuels can be reviewed in section 7 of [IUMI's Policy Agenda](#).

¹ Read more in this article on ["regulating carbon emissions in global shipping"](#)

² "Net Zero by 2050". A Roadmap for the Global Energy Sector: <https://www.iea.org/reports/net-zero-by-2050>
Flagship report by the IEA: "Net Zero by 2050", A Roadmap for the Global Energy Sector: <https://www.iea.org>

Regulating carbon emissions in global shipping: an evolving landscape



Isabel Phillips, Associate
and Joseph Malpas, Associate

HFW
IUMI Professional Partner
www.hfw.com

The spotlight is on global shipping to decarbonise. The sector is responsible for around 3% of global greenhouse gas ('GHG') emissions¹, equivalent to the 6th largest GHG emitting country worldwide. Without policy intervention, emissions from the sector are projected to increase further in line with the increasing growth of international commerce.

In order to address the decarbonisation challenge, a number of policy proposals have been made for shipping.

For example, the International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC) has approved draft regulations that, if formally adopted at MEPC 76 in mid-June, would apply from 1 January 2023. The Energy Efficiency Existing Ship Index (EEXI) would impose targets for energy-efficient ship design on all existing ships above 400GT, and the Carbon Intensity Indicator (CII) operational efficiency rating system would apply to all vessels above 5,000GT. For more information on these measures and their potential impact, [read more here](#).

The European Union (EU) has also proposed to include the shipping sector in its Emissions Trading System (ETS), with the outcome of a formal consultation to be announced around 14 July 2021. Assuming shipping is included in the ETS, the regime could apply from as early as 1 January 2022, and whilst numerous questions remain, it appears the ETS would sit alongside the IMO's EEXI and CII regimes. For further details, please see HFW's briefing [here](#).

The picture is further complicated by the potential inclusion of shipping in other national emissions trading schemes (such as China and the UK) depending on the outcome of the EU's consultation, and also various other 'market-based measures' that have been proposed, such as carbon levies.

Debate also continues regarding the emissions reduction targets that the shipping sector should adhere to, with the USA recently proposing that the IMO should increase its target to achieve absolute zero GHG emissions by 2050.

An evolving and multi-layered regulatory landscape is therefore emerging for the decarbonisation of the shipping sector. Many questions as to the application, impact and interaction between these proposals are yet to be answered, creating considerable uncertainty for the industry. HFW consider the challenges [in more detail](#).



1

<https://www.imo.org/en/OurWork/Environment/Pages/GHG-Emissions.aspx>

IUMI meets IACS in May 2021 for the annual technical meeting



By Lars Lange
IUMI Secretary General

The services classification societies provide to the shipping and offshore industry are very important for marine insurers. Rules and approvals regarding newbuilding designs and checks and audits during the service life of a vessel are key. Marine insurance relies on Class, their work, expertise and judgement. As such, IUMI aims to maintain a close dialogue with Class on topics of common interest through the International Association of Classification Societies (IACS).

In 2017, an annual bilateral technical meeting in which experts of both organisations gather was established. This provides an opportunity to exchange information and insight on concrete technical challenges and to work together very clearly on next steps and technical solutions. IACS is represented in these meetings with their panel Chairs, such as for hull, machinery, cyber, environmental or complex systems, led by the Chair of the General Policy Group. For IUMI, the team currently consists of Svenn Andersen, Norwegian Hull Club (Norway), Mikkel Andersen, IUMI Loss Prevention Committee Member and

Codan (Denmark), Rama Chandran, IUMI Ocean Hull Committee Chairperson and QBE (Singapore), Helle Hammer, Chairperson IUMI Policy Forum Chairperson and Managing Director, Cefor (Norway), Rahul Khana, Allianz GCS (UK), Uwe Schieder, IUMI Loss Prevention Committee Vice Chairperson and GDV (Germany), Steinar Sivertsen, Norwegian Hull Club (Norway), Roberto Spanu, IUMI Loss Prevention Committee Member and Swiss Re (Italy), and IUMI Secretary-General Lars Lange (Germany).

This year's agenda topics included container vessel fires, low pressure fuel pipes, remote surveys during COVID-19 and beyond, the loss of containers at sea, alternative fuels, possible exchange of data and IACS' work on complex systems. IACS and IUMI exchanged information and opinions/targets and agreed on concrete action for further procedure or cooperation.



Please click here to access
[IUMI's webinar on
"Humidity Management course "](#)



A digital view of accumulations



Joseph Artgole
Marketing Manager

Concirrus
IUMI Professional Partner
www.concirrus.com

Recent incidents have emphasised the need to improve our ability to assess maritime accumulations. Proactive analysis of expected threats, such as hurricane season, often provides a maximum exposure value that doesn't adjust as an event unfolds.

Leveraging AIS data, ships can be located on a live map which can draw additional vessel data from an analytics platform. Custom zones within a map can aggregate information relating to on cover vessels, providing a total value within specific regions. This value changes as insured assets enter or exit, providing a real-time view of exposure for areas of interest.

Hull

Hurricane season provides an unpredictable scenario where an understanding of changing exposure would help insurers reduce losses and keep the insured safe. Drawing on real-time weather data, a hurricane path can be treated as an independent zone and provide real-time exposure values. Proactive preparation and real-time analysis controls costs and improves client services through efficient, more focussed responses. Responses can be instigated through automated alerts to key stakeholders, ensuring those with the right experience handle the most relevant cases. Clients can therefore recover faster and return to daily operations, keeping the global economy moving.

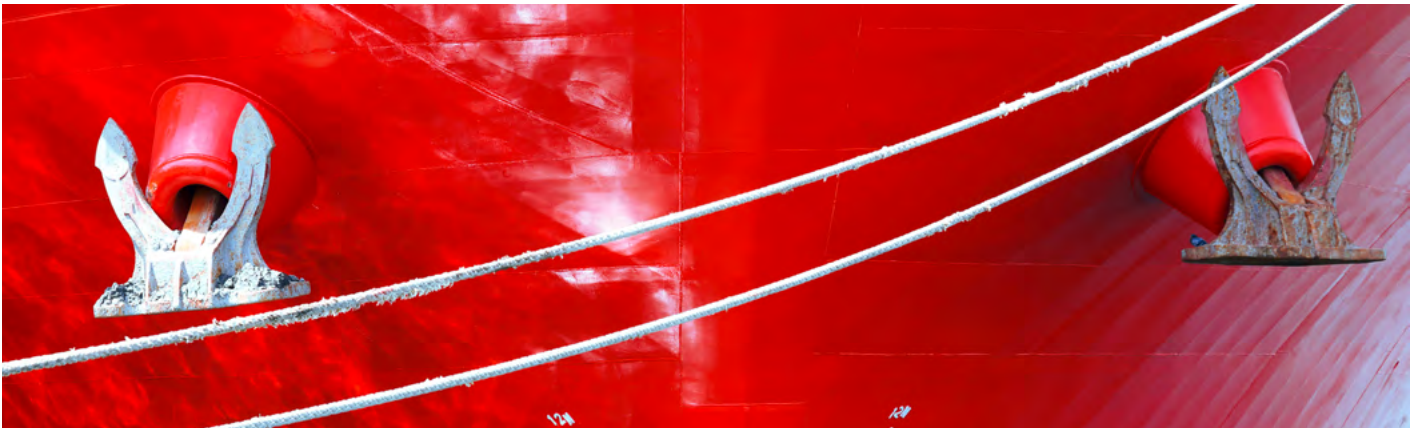
Cargo

Reactive analysis of incidents such as the Ever Given can be tackled in a similar fashion. However, the scale of the event also causes disruption throughout the supply chain. To increase resilience, operators compromise on a just-in-time approach and increase stockpiling. This increases the potential for losses in regional hotspots, forcing a change in cargo accumulation forecasting. Drawing storage location data based on shipping records into a live map helps insurers adapt to such changes in behaviour. Regional exposure, commodity type, and storage locations become visible, helping insurers prepare, protect, and restore the insured.

Reliance is a valid concern as dark activity and spoofing are known issues with AIS technology. Combining datasets from various infrastructure, like near-earth orbit satellites, can mitigate dark activity, whilst data science clarifies spoofing variations. Storage exposures are derived from shipping records, offering the most precise data available to date. As infrastructure changes, data can be continually updated.

[Discover more here](#)





Report from the 103rd session of the Maritime Safety Committee (MSC)



By Lars Lange
IUMI Secretary General

The 103rd session of the Maritime Safety Committee (MSC) took place from 5–14 May 2021. Due to COVID-19, it was again held remotely. A big success for IUMI is the approval by MSC 103 of IUMI's initiative with regard to fires on large container vessels ([see separate article in this IUMI Eye](#)). In addition, the following key outcomes with relevance to IUMI's policy agenda are:

Fuel oil

IUMI joined a working group during MSC 103 on fuel oil safety and was particularly interested in the considerations on bunker licensing schemes. The Working Group proposed in its report to the MSC to "invite Member States to consider the implementation of bunker licensing schemes for bunker suppliers operating in their jurisdiction."

Containers lost at sea

MSC 103 agreed on a new output on "containers lost at sea". A paper by Vanuatu had proposed to agree on the development of "measures to facilitate the detection, reporting, positioning, tracking and recovery of containers lost at sea". A paper submitted by the EU Member States expressed support for this approach. IUMI is in favour of this new output but urges to focus holistically on the addressing of the root causes. Eventually, the new outcome was agreed by MSC based on the proposal of the EU Member States. The proposal was put in the post-biennial agenda for 2022/2023. It has been referred to the Sub-Committee for the Carriage of Cargoes in Containers (CCC). IUMI will keep all internal stakeholders informed and stay involved in the further process at IMO.

Piracy

A working group during MSC 103 prepared a MSC resolution on recommended action to address piracy and armed robbery in the Gulf of Guinea. The resolution calls Member States to strengthen law enforcement and the harmonisation of criminal penalties across local coastal States. It deals with considerations on how to enable security escort vessels and it supports wider participation in the existing international framework to fight piracy in the region.

Maritime Autonomous Surface Ships (MASS)

A working group during MSC 103 finalised the scoping exercise of the MSC allocating all safety related IMO rules where MASS will need amended regulations and instruments in the future. Based on this outcome, MSC will work in its next sessions on the preparation of future instruments. The IMO Legal and Facilitation Committees will work on the topic as well. MSC emphasised that a harmonised approach between all three committees is needed without delaying the work.



By Hendrike Kühl
IUMI Policy Director

Summary of the 8th session of the IMO's Sub-Committee on Pollution Prevention and Response (PPR 8)

The Sub-Committee on Pollution Prevention and Response (PPR 8) met virtually for its 8th session from 22–26 March 2021. The session was chaired by Dr. Flavio da Costa Fernandes (Brazil). The PPR Sub-Committee deals with matters relating to pollution prevention and response within the International Maritime Organization's (IMO) remit. This ranges from all annexes of the International Convention for the Prevention of Pollution from Ships (MARPOL) through to the control and management of harmful aquatic organisms in ships' ballast water and sediments; biofouling; antifouling systems; pollution preparedness, response and cooperation for oil and hazardous and noxious substances; and the safe and environmentally sound recycling of ships. Key issues discussed at PPR 8 included:

Risks of use and carriage of heavy fuel oil on board ships in Arctic waters

The Sub-Committee considered draft guidelines on mitigation measures to reduce risks of use and carriage of heavy fuel oil as fuel by ships in Arctic waters. The draft guidelines are intended to assist MARPOL signatories whose coastlines border on Arctic waters to implement measures at national level to reduce the risks associated with the use and carriage of HFO by ships in Arctic waters. The draft guidelines are also aimed at providing ship operators of ships planning voyages in the Arctic with recommendations on measures to reduce the risk of spills while using or carrying HFO in Arctic waters.

The Sub-Committee noted that the Marine Environment Protection Committee (MEPC) is expected at its next session, MEPC 76 (June 2021), to adopt approved draft amendments to MARPOL to introduce a prohibition on the use and carriage for use as fuel of heavy fuel oil by ships in Arctic waters from 1 July 2024. In this context, the draft guidelines will also assist States to take decisions on waivers which will be permitted until 2029.

Reducing the impact on the Arctic of Black Carbon emissions from international shipping

Black Carbon in the context of international shipping is the product of incomplete combustion of carbon-based fuels. Black Carbon emissions contribute to climate change as a 'Short-Lived Climate Pollutant'. The IMO has been looking at how to measure and report on Black Carbon emissions. A reporting protocol for voluntary measurement studies to collect Black Carbon data and Black Carbon measurement methods for data collection have already been agreed.

The Sub-Committee agreed to develop guidelines on recommendatory goal-based control measures to reduce the impact on the Arctic of Black Carbon

emissions from international shipping. The Committee will further consider regulating Black Carbon emissions from marine diesel engines to reduce the impact on the Arctic of Black Carbon emissions and will reflect on recommended Black Carbon measurement methods. The development of a standardised sampling, conditioning and measurement protocol to make accurate and traceable (comparable) measurements of Black Carbon emissions will also be addressed.

Standard for the verification of ballast water compliance monitoring devices

The IMO's work to prevent the spread of harmful invasive aquatic species is continuing. The Sub-Committee continued its work on the development of a standard for the verification of ballast water compliance monitoring devices. IMO's Ballast Water Management Convention, which has been in force since 2017, aims to prevent the spread of harmful species in ballast water by requiring ships to manage their ballast water. A Correspondence Group on Development of a Protocol for Verification of Ballast Water Compliance Monitoring Devices was established to advance the work.

Marine litter – addressing losses or discharges of fishing gear

The Sub-Committee has been tasked with progressing certain elements of IMO's action plan to address marine plastic litter. In this context, the Sub-Committee considered the output of a correspondence group, which has been looking at how to address losses or discharges of fishing gear. The PPR Sub-Committee agreed to further consider the report of the correspondence group and the commenting document in conjunction with additional relevant documents.

Understanding risk to DP's green ambitions



Dr Julius Partridge
Snr Electrical Engineering Consultant

AqualisBraemar LOC
IUMI Professional Partner
www.abl-group.com

Recent years have seen a rapid increase in both interest and deployment of battery electric hybrid power systems in dynamic positioning ('DP') vessels. The technology's significant benefits in reducing emissions and fuel consumption, whilst increasing stability and flexibility in comparison to traditional DP power systems, are widely reported. However, unlocking those benefits is not as straightforward as at first thought.

Recent deployment indicates that the benefits derived from battery electric hybrid systems are dependent on the battery's specific characteristics and their suitability to the vessel type. Characteristics include the connection points in the power system, size and type of a battery implemented. As such, the battery system's performance of key functions such as peak shaving, spinning reserve, load levelling, redundancy support and battery only operation, and the flexibility the system offers to these operations, can vary, meaning the rewards in moving to battery electric hybrid power are not always so readily reaped.

Why is this the case? The issue can stem from a knowledge gap between stakeholders in the integration process of the battery system into the vessel's power system. More often than not, the battery manufacturer understands the battery system, whilst the vessel designer understands the vessel. This is understandable given that the operation of these systems in the maritime sector is still developing. Another contributing factor is likely to be that such systems would be analysed and inspected with a different approach to that for a traditional DP power system. The cycling of the battery requires a more dynamic analysis of the power system's operation.

There are other associated risks to the use of battery electric hybrid systems in DP vessels. For instance, it is widely understood that battery systems present a fire risk stemming from thermal run away in the battery cells. Battery

manufacturers have dedicated significant work to mitigate this risk through both prevention and containment measures in commercially available systems.

So what does this mean for the technology, which could potentially unlock a more sustainable DP sector, therefore supporting a greener overall offshore construction and production space?

In short, the knowledge gap reported could potentially lead to safety issues if a crew were to overestimate the battery's abilities in assisting the power system. Furthermore, if the battery is poorly integrated into the power management system it could lead to risk of fire or increase battery degradation through excess power demand from batteries. However, these risks can be mitigated through better understanding of the operational characteristics of battery electric hybrid power systems and their suitability to a given vessel type. The solutions lie ahead, but at present the risks here remain an area of concern, and as with the wider alternative fuel picture, more research and development is often required.



Places of refuge on the IMO agenda

NCSR 8 (19–23 April)



By Lars Lange
IUMI Secretary General

The MSC Flaminia incident, which in 2012 fire-stricken was left adrift for weeks until finally granted a port of refuge in Germany, prompted a new European Commission (EC) Cooperation Group on Places of Refuge. Four years after the MSC Flaminia incident, new emergency response procedures for ships in distress were agreed across the European Union (EU). Several industry stakeholders, including IUMI, participated together with EU Member States, the EC, and European Maritime Safety Agency (EMSA) in the drafting. The aim had been to ensure better coordination and exchange of information by providing guidance that led to better advised and quicker decision making. It also emphasised that there shall be no denial of access on anything (commercial or financial) other than safety grounds.

While a modernised EU regulation is in place, the existing International Maritime Organization (IMO) regulation A.949(23) needed, in the view of stakeholders, an update as well. In August 2018, EU Member States together with the EC and industry organisations, including IUMI,

proposed in a submission to the Maritime Safety Committee (MSC) 100 a review of the IMO PoR (Places of Refuge) guidelines. In January 2020, the Sub-Committee on Navigation, Communications and Search and Rescue (NCSR) subsequently agreed to form a Correspondence Group and MSC 102 endorsed in November 2020 an accelerated process in which Marine Environment Protection Committee (MEPC) 76, Legal Committee (LEG) 108 and MSC 104 receive the draft text for approval in view of adoption by Assembly in 2021.

Very recently, after intense debates at NCSR 8 in April 2021, NCSR 8 re-established the Correspondence Group on Revision of the Guidelines instructing it to further develop the draft revision of the Guidelines with a view to finalisation by NCSR 9 and to consider what issues should be brought to the attention of MEPC and the LEG Committee. IUMI will keep a close eye on the work and will continue to report.

Battermann + Tillery Global Marine

INTERNATIONAL MARINE + CARGO SURVEYORS

**YOUR STRONG AND EFFECTIVE PARTNER
ANYWHERE IN THE WORLD**

www.ba-ty.com

Nigeria: Pre-shipment challenges in Lagos



Clara Delaubier
Survey Handler

JLB Expertises
IUMI Professional Partner
www.jlbexpertises.com

As rail transport for cargo is inexistent or inefficient, containers are transported by lorry between warehouses and Lagos ports. Transit to port terminals can be lengthy and the safety of the cargo on the road is very difficult to guarantee.

Trucks can stay up to four weeks queuing on the road before entering either Apapa or Tin Can Island ports. Congestion is created by a combination of gargantuan traffic jams in the city, and disorganisation at the port entry. Terminals are overcrowded with large volumes of containers inefficiently handled. Check-in is now done online but delays for documentation approval by Port Authorities continue. Customs controls are performed manually in both ports: containers are opened and their content verified, and the whole process is time-consuming.

Various "task forces" take advantage of the poor infrastructure to the ports by providing queue-jumping for money, the roadblocks add to the congestion.

Even though shippers put padlocks or temporary seals on the containers, cargo thefts on the road are frequent. Whether the driver is threatened, unaware of the theft or equally an accomplice, we see numerous cases of short-delivered cargo at arrival.

Pre-shipment entails an additional risk for the cargo: a long stay inside the container is particularly problematic for edible goods. The above-mentioned issues added to a potentially long wait in the terminal lengthen further the duration between stuffing and loading.

In an aim to alleviate waiting in the queue at the port entrance, shipping lines have introduced the use of barges to enter the port by the sea. However, trucks also have to queue up to a week on the road before boarding the barges. In addition, containers are sometimes loaded on the barges in a disruptive manner causing accidents. Cases of containers falling into the sea have been reported.

Long term public projects to reduce traffic jams are ongoing: a dry port in Kano and Itakpe-Ajaokuta-Warri railway project, which is supposed to handle 3,5 million tons of freight per year.

All the above logistical aspects should be thoroughly considered locally when insuring Nigerian exports.





IUMI set to formalise its work on ESG issues



By Hendrike Kühl
IUMI Policy Director

Sustainability considerations are having a major impact on the (marine) insurance industry and are “here to stay”. In light of the growing importance placed by many IUMI members on environment, social and governance (ESG) issues, the Executive Committee in their May meeting approved the establishment of an ESG Working Group (WG). The WG’s role is to introduce the topic into IUMI’s thinking, to offer guidance to members whose expertise in this area is at an early stage, and to develop a long-term vision for IUMI’s ESG approach.

The WG will further identify sustainability topics of high relevance to marine insurers. Educating members and raising awareness for these issues will be a key objective. To ensure consistency of IUMI’s activities in the ESG space, close cooperation with the Policy Forum will be warranted. A first step in this regard is the addition of several ESG topics with a direct impact on marine insurers to the [Policy Agenda](#) (section 4).

With climate change being one of the most pressing issues of our time, significant focus will be put on environmental

issues. In the long run topics with an emphasis on the “S” and “G” will also be addressed, not least because many sustainability concerns involve social and governance as well as environmental aspects. Ship recycling is a tangible example where shipyards which do not offer acceptable working conditions have social, governance and environmental implications.

Going forward more questions are likely to arise for the ESG WG, not least related to the assets insurers are willing to protect. The decision taken by various large insurance companies to scale back their exposure to coal, oil and gas projects is an indication of a changing appetite to insure certain industries. This new understanding is likely to trickle down to marine insurers who may only be marginally involved within such businesses. A long-term view taking this evolution into account will be necessary for IUMI’s ESG WG to successfully develop a strategy to address these challenges.

People at IUMI

Selina Lau

Chief Executive, Hong Kong Federation of Insurers
and Member of the IUMI Education Forum



How long have you been associated with IUMI?

I first joined IUMI in 2009. Hong Kong was chosen as the hosting city for the 2010 Spring Meeting and also for the 2014 Annual Conference. As such, I attended the Miami Spring Meeting in 2009 to gain first-hand experience of IUMI, so to speak.

It was a wonderful experience, not only because of the exceptional hospitality offered by American Institute of Marine Underwriters (AIMU), but also due to the incredible people that I met. I was amazed by the sheer camaraderie of the mariners – how a group of competitors could work so well together not just for oneself but for the common good of the maritime industry. I saw kinship, harmony and collaboration. The organisation I work for (The Hong Kong Federation of Insurers – HKFI) has always demonstrated this sort of solidarity among members, but we are in one city and it is easier to maintain that bond when you are in close proximity to one another. IUMI, on the other hand, is an international organisation, where people are based across geographies, speak different languages, come from different cultures and meet twice a year at most.

I took a break from IUMI after the 2014 conference and was dazzled all over again by the IUMI family when I attended the 2019 Toronto Conference – same level of dedication, equally passionate and incredibly friendly.

What is your IUMI role today and what does it involve?

I am currently one of the Association Secretaries at IUMI and also a member of the Education Forum. The Forum has done a great job in, amongst other things, launching two online tutorials and a series of highly informative webinars.

As the representative of the HKFI, I have donned a special hat – a member of the IUMI Asia Hub. Hong Kong was honoured to be selected as the Asia Hub of IUMI in 2016. Together with IUMI Asia Ambassador, Agnes Choi, IUMI Vice Chairperson

Timothy Lee and a group of dedicated marine insurers, we are devoted to helping IUMI raise its profile and build a broader network in the region.

How do you see the current state of the marine insurance sector?

Marine insurance is closely related to trade and also helps to underpin and promote trade. With global trade and logistics being heavily disrupted by the pandemic, the marine insurance sector, especially cargo volume, has been severely impacted. Despite the challenges, I would say marine insurance has never been more important than it is now. And the industry remains committed to supporting the global economy.

The global marine premium in general has not been growing in the past few years but we do see an increasing trend from Asia every year.

What do you see as the biggest issues currently emerging in the marine insurance sector?

There are quite a few issues both from a macro viewpoint as well as maritime specific issues. From the macro perspective, topping the list are the pandemic, geopolitical tension, Environmental, Social and Corporate Governance (ESG), climate change, digitalisation and cyber risk.

For the maritime industry, we see issues like containership fires and safety, the increasing size of vessels, crew recruitment, low sulphur & alternative fuels, piracy, autonomous transport, and Arctic trade. All of these issues are closely related to marine insurance risks and are evolving.

On a more positive note, we are seeing increasing traction in the InsurTech arena. The deployment of tech and big data will open up a whole new horizon.

What benefits do you get from being associated with IUMI?

I come from an organisation encompassing all lines of business including life,

non-life and reinsurance. I am, in a sense, a jack-of-all-trades and marine insurance is not the easiest subject to master. Joining IUMI has given me the chance to learn from the experts and acquire the latest information on the market. Being part of IUMI and serving the Asia Hub and Education Forum has broadened my horizons.

It would be wonderful if we could attract more new blood to experience what I have gone through and grow to be a proud member of the IUMI family.

If you could change anything at IUMI, or marine insurance in general, what would it be?

It would not really be a change but I would definitely welcome more in depth sharing and analysis of the data and statistics collected from around the globe. Aside from the formal online tutorials, practical and hands-on sharing including case studies and the lessons learned will help attract and foster talents to ensure the sustainability of our industry.

As a female practitioner from Asia, I would also love to see more diversity and inclusiveness in terms of gender and geographic location.

And what do you like to do away from the office?

Like many from Hong Kong, who on average travel abroad 11 times a year, I am also a keen traveler. But since travelling is not possible in view of the pandemic, I have spent more time exploring our beautiful city – hiking in the countryside which is only 30 minutes away from the central business district, visiting historical sites, catching up with family and friends.

My all-time favourite pastime is “Mahjong”, a traditional Chinese board game with more than 3,000 years of history. The 144 dominoes, with a myriad of possible combinations, challenge your brain, patience and luck. If you have not seen or played Mahjong before, let me tell you more about it when we meet next time.



Gulf of Guinea — Diplomacy in action



By Neil Roberts
Head of Marine Underwriting,
Lloyd's Market Association and
member of the IUMI Policy Forum,
IUMI Member Association
www.lmalloyds.com

At the recent Maritime Safety Committee (MSC) 103, Nigeria informed International Maritime Organization (IMO) delegates that the Project *Deep Blue* assets would be deployed soon and those would help with the suppression of piracy. Nonetheless, the IMO deemed it necessary to draft a resolution to encourage progress. Crafting the text was a difficult process with careful attention paid to nuances, for example, whether the purpose was to deter, address or prevent piracy in the Gulf of Guinea.

It remains the basic responsibility of littoral states (in this case the focus must be on Nigeria) to ensure safety of life and safe passage in their waters. The Somali emergency was hampered by the absence of a legal finish for years – Nigerian prosecutions have yet to make any significant impact.

The situation is further complicated in this case by there being two distinct legal issues – piracy in international waters which is dealt with by the law of the sea (UNCLOS – United Nations Convention on the Law of the Sea) and secondly, armed robbery in national waters which falls under the criminal law of individual states.

The initiative is well intentioned of course but IMO have to rely on national implementation. So even after years of problems, the strongest measures are for everyone to consider strengthening law enforcement and/or consider commercial security options. Even with the additional desire to support stronger co-operation, these recommended actions unfortunately leave the possibility that not enough will actually change.

Online platforms, gatekeepers and the EU Digital Markets Act — new European Regulations in view for the maritime industry



Sybille Rexer, Counsel

Arnecke Sibeth Dabelstein
IUMI Professional Partner
www.asd-law.com
and Member of the IUMI
Data & Digitalization Forum

The transition to digitalisation and automation is accelerating in the maritime industry. Digital technologies and solutions are being used to increase competitiveness and improve operational efficiency.¹ Intelligent shipping containers, maritime logistics solutions as well as seaport innovations are to a very large extent dependent on data and a functional digital environment. Maritime logistics companies have thus recognised that a sustainable competitive advantage depends on the effective use of existing information and the collection of data throughout the supply chain, and data sharing has a key role to play in the effective management of maritime supply chains.² This data exchange can inter alia reduce costs and shorten delivery times.

The maritime logistics sector is already using the data through digital technologies, such as Automatic Identification System (AIS), which sends the ship-specific data such as navigation data to the other AIS receiving device, improving the safety and guidance of vessel traffic. Governments also have interest regarding digitalisation in the maritime sector. In 2017, the German Federal Ministry for Economic Affairs and Energy and the German Federal Ministry of Transport and Digital Infrastructure signed the “Joint Declaration on digitization within the maritime industry.” As a result, any development in the field of digitalisation also has an impact across the maritime sector.

On 15 December 2020, the European Commission presented the Digital Markets Act (DMA), which is one of two important legislative proposals after the Data Protection Agreement (GDPR), to reform the digital economy. While the Digital Services Act (DSA) aims to create a secure digital space, the DMA on which this article focusses specifically aims to promote fairness and competitiveness in digital markets.

The DMA specifically targets large technology platforms, so-called gatekeepers (Gatekeeper), which act as intermediaries between companies and their end customers. Although it has not yet been determined which companies will be named as Gatekeepers, Amazon, Apple, Facebook, Google, Microsoft and companies with comparable market position in their special area are likely to be identified as the main characters of the DMA. Due to their dominant position, these Gatekeepers exercise considerable control over access to digital markets, on which numerous companies rely. In order to avoid abuse of this position and thereby create fairer and more open markets for all users, the DMA seeks to create an EU-wide, harmonised set of regulations and allow smaller competitors to access to the Gatekeepers' data under certain circumstances.

The impact of the DMA on the maritime industry may be significant since digitalisation has long been part of daily practice such as the use of smart technology to connect with suppliers and freight forwarders in the hinterland. At the same time, it is to be expected that improving the way information is shared in global maritime shipping will help improve maritime security, increase the efficiency of maritime transport and reduce the impact it has on the environment.

[More detailed information about the DMA and its impact on shipping and logistics is available here.](#)



¹ <https://www.dnv.com/maritime/insights/topics/digitalization-in-the-maritime-industry/index.html>

² <https://www.itf-oecd.org/sites/default/files/docs/information-sharing-maritime-logistics.pdf>



By Brian Murphy
Senior Vice President, Berkley
Offshore Underwriting
Managers, and IUMI Legal
& Liability Committee Vice
Chairperson

Social inflation: An American phenomenon with international implications Part Two — The impact of social inflation on the insurance industry

As discussed in the [first article](#), social inflation is broadly defined as the trend of rising insurance costs due to increased litigation, plaintiff-friendly rulings and higher jury awards, often driven more by emotion than by facts, logic, and sound judgment.

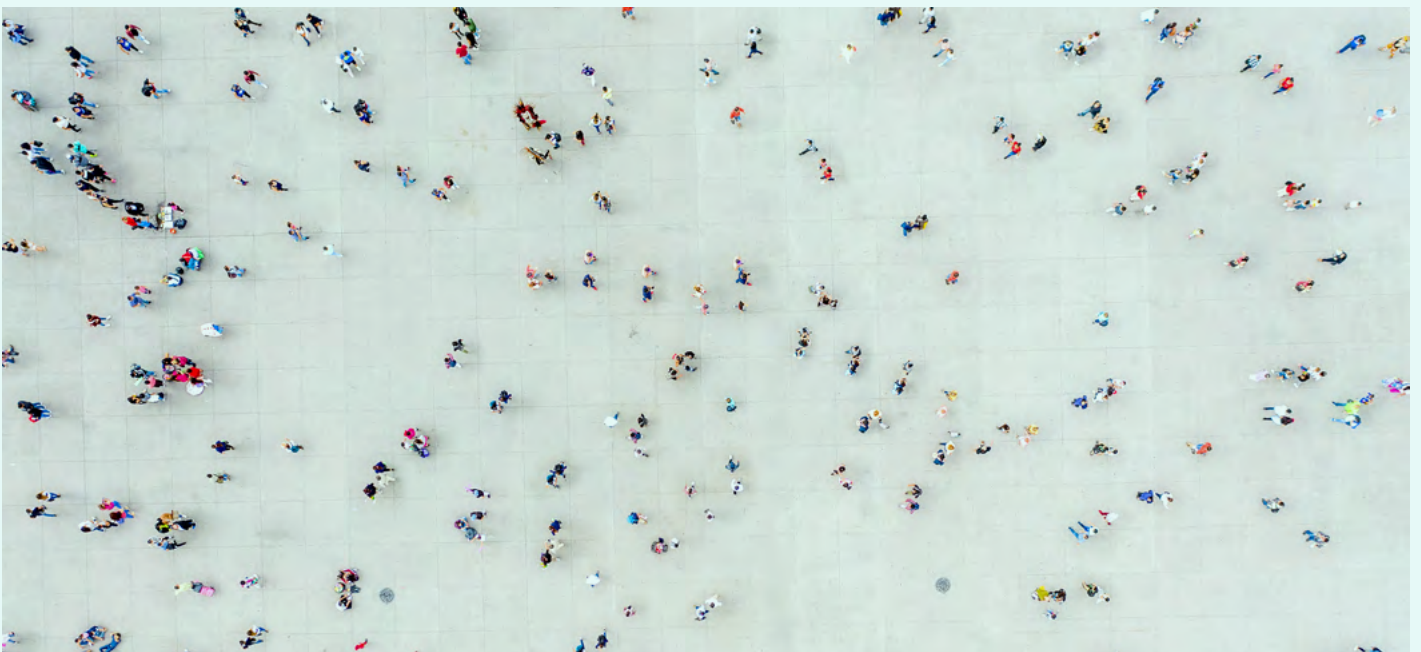
The impact of social inflation on the insurance industry in the United States has been significant and a key driver in the increasing rates over the past two years, particularly in the casualty lines of business. The lines most impacted have been auto liability (especially commercial auto where higher limits are typically carried), general liability, directors & officers liability, and medical malpractice. Generally speaking, any line of business covering death or bodily injury claims has been adversely affected by social inflation.

Focusing on the impact on marine, primary and excess marine liability lines have seen a substantial increase in both the frequency and severity of losses. Awards in Jones Act cases, which are unique to the United States and provide special remedies to crewmembers

suffering injury or death (in which case the remedy passes to their family), have risen dramatically, outpacing normal economic inflation by a wide margin. Claims which typically would have settled within the primary limit (usually \$1,000,000), are now resulting in damages awards well into the excess layer(s) on a regular basis. Auto and general liability (inclusive of products liability) are frequently scheduled as underlayers in bumbershoot policies, and outsized awards in these lines have driven combined ratios for many marine liability carriers well over 100%.

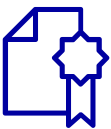
Since social inflation impacts long-tail lines, the impact during the past decade only began to manifest itself in the past few years. The US casualty market is now working to stem the tide, resulting in the current rating environment.

The third and final part of this series (to appear in the next issue of the IUMI Eye), will focus on what can be done to mitigate the impact of social inflation on the insurance industry.





Successful IUMI tutorial exam candidates



Congratulations to the latest successful
IUMI exam candidates!

Cargo exam distinction

Joanna Janusz-Góra
Claims Assistant Consultant
AXA XL
Poland

Cargo exam

Pankaj Gupta
Assistant Vice President
(Marine Underwriting)
HDFC ERGO General Insurance
Company Limited
India

Aakash TR
Deputy Vice President –
Underwriting | Marine
HDFC ERGO General Insurance
Company Limited
India

Hilda van der Klei
Senior Claims Handler
Corins B.V.
The Netherlands

Hull exam

Marianna Angelopoulou
Deputy Underwriting Manager
American Hellenic Hull
Cyprus

Eirini Gerani
Account Executive
American Hellenic Hull
Cyprus

Konstantinos Konstantonis
Underwriting Administrator
American Hellenic Hull Insurance
Company Ltd.
Cyprus

Nafsika Ioli Kontou
Claims Executive
American Hellenic Hull
Cyprus

Chryssoula Kourvisianou
Accounts Payable Manager (Claims)
American Hellenic Hull Insurance
Company
Cyprus

Natalie Kwek
Executive, Direct/Japanese (Marine
Underwriting)
MSIG Insurance (Singapore) Pte Ltd
Singapore

Kyveli Manta
Underwriting Administrator
American Hellenic Hull
Cyprus

Kyriakos Psyrris
Claims Executive
American Hellenic Hull
Cyprus

Panagiotis Tsakiris
Underwriting Administrator
American Hellenic Hull
Cyprus

IUMI podcast series



Since our last newsletter we have been busy recording and are pleased to share three new podcasts with you. To begin IUMI's very own Secretary General Lars Lange took to the microphone to discuss the increasingly concerning issue of container losses at sea. Lars looked at the issues and root causes behind containers being lost at sea, as well as examining the impact of these losses on marine insurance.

Cefor Managing Director and IUMI Policy Forum Chairperson Helle Hammer was next in the hot seat discussing the role of the Policy Forum, the biggest issues currently under review and what new risks are emerging.

Finally, Peregrine Storrs-Fox, a Founding Partner of the Cargo Integrity Group (CIG) and Risk Management Director of the TT Club, joined us to talk about cargo integrity, the work of the CIG and how the organisation works with other stakeholders, as well as looking at the CTU Code (Code of Practice for Packing of Cargo Transport Units) and its biggest challenges.

[Take a listen here](#)



IUMI

WMI  **WORLD
MARITIME
UNIVERSITY**

POSTGRADUATE DIPLOMA MARINE INSURANCE LAW & PRACTICE BY DISTANCE LEARNING

This long-established programme offers an outstanding academic foundation for professionals in the marine insurance industry to develop their expertise and their careers, as well as professionals planning to move into the field of marine insurance. IUMI is proud to award a bursary for the programme to one successful candidate of the IUMI online hull or cargo exam per year. For questions related to the bursary, please contact education@iumi.com.

Supported by:



IUMI
International
Union of
Marine Insurance

wmu.se/marine-insurance

10 years of the Latin American Association of Marine Underwriters!



By Natalia Mejia-Hincapie
Head of Communications,
ALSUM

On 6 May 2011, we finished drafting the statutes of ALSUM, the association that currently represents and trains the marine underwriters' network in Latin America.

We have completed 10 years of constant work as an Association, materialising the dream of a group of visionaries who saw the need to join efforts and raise the quality of cargo and hull insurance underwriting in Latin America. It was through the generous and impartial contribution of ideas, time, and enthusiasm of our founders that today the marine insurance community with operations in our region can count on a world-class training and networking platform, demonstrating the power of working together for the best underwriting practices.

In these 10 years we have achieved:

- 70 affiliates from 12 countries.
- Eight annual conferences held.
- 10,000 participants trained in forums and webinars.
- Two in-depth underwriting accreditation courses in cargo and hull insurance.
- 14 edited magazines.
- 5,000 subscribers to our information services.
- Four technical documents issued.
- 10 years of Marine's premium and claims statistics.
- One Cargo Insurance Handbook
- More than 500 titles collected from marine-related topics in our digital library.
- Associate affiliation to IUMI.

Today we continue to adapt our strategies to improve training and offer professional development options at fair prices, promoting best market practices and consolidating a diverse Latin American network to exchange information, broaden knowledge, create strategic alliances and new business development.

In 2021, our efforts are focused on expanding digitally – offering services through three objectives: to strengthen training plans, to expand networking strategies, and to develop a hybrid conference. In addition to delivering on these objectives, this year we have the challenge of continuing to consolidate the other action lines that over 10 years have allowed us to position ourselves as the main body in Latin America to achieve world-class marine insurance underwriting.

To share our joy with you we have prepared a video for our 10th birthday – you can [watch it here](#).

For more information about ALSUM visit [our website alsum.co](http://ourwebsitealsum.co)

Imprint

International Union of Marine Insurance
Grosse Elbstrasse 36
D-22767 Hamburg, Germany
Telephone +49 40 2000 747-0
Email info@iumi.com

iumi.com

Editorial team
Hendrike Kühn, Corinna Wintjen, IUMI, Hamburg
Katerina Dimitropoulos, Navigate PR, London

Design
Keller Maurer Design, Munich

© 2021 International Union of Marine Insurance
All rights reserved