IUMI Annual Conference,
Cargo Committee Meeting
Sunday 15 September 2019

Minutes of the meeting
Cargo Committee
Sunday, 15 September 2019
09:30-12:30, Algonquin

Dress code: Business Casual

Participants

TC Cargo Committee

Sean M. Dalton, Munich Reinsurance America, Inc., Cargo Committee Chair, USA

Isabelle Therrien, Falvey Cargo, Vice Chair, Canada

Mikaela Tamm, Insurance Sweden, Secretary, Sweden
Niklas Bengtsson, HDI Global Specialty SE, Sweden/Nordic
Ying Bei, PICC Property and Casualty Company Limited, China
Mike Brews, Horizon Underwriting Managers (Pty) Ltd; RSA
David Grant, CNA/Hardy, UK
Sundeep Khera, AXA XL, Singapore
Matthias Kirchner, AXA XL, Germany
Hosny Mishrif, Delta Insurance Company, Egypt
Jill Murphy, Agile Underwriting Services Pty Ltd, Australia
Matthew O'Sullivan, Zurich Financial Services Australia, Australia
Nicole Pousson, Swiss Re Corporate Solutions, France
Sibesh Sen, HDFC Ergo General Insurance Company Limited, India
Long Xu, China Property & Casualty Reinsurance Company Ltd\Travel delay
Tom Shinya, Tokio Marine & Nichido Fire Insurance Co., Ltd. Japan

Observers
Eric De Smet, Policy Forum Liaison
Patrizia Kern-Ferretti, Executive Committee Liaison
Dennis Marvin, Nomination Committee
Caroline Groska, Eventplanner, IUMI2020 in Stockholm
Howard Potter, TBN, UK

Guests
Philip Norwood, Salvage Forum & Offshore Energy

Excused
Cesare Ponti, AIG, Italy

1) Welcome
Sean Dalton

Chairman, Sean Dalton, welcomed the committee members, observers and guests. Sean Dalton made a special thaks to Canada for excellent arrangement and good communication. He gave special thanks to those committee members taking part in the workshop.

Meeting documentation had been sent out by email to the members of the Cargo Committee in due time before the meeting.

Chairman read and explained the Policy Statement and Compliance Guideline in order for the Cargo Committee to understand the importance of these rules and regulations and that it is of outmost importance that the Cargo Committee follows the same. It was agreed that the attending members of the Cargo Committee where to read and follow the Policy Statement and the Compliance Guidelines.

2) Election of Cargo Committee
Isabelle Therrien:

- Committee Vice Chair, Isabelle Therrien, informed that Jill Murphy is leaving the committee after the Toronto Conference and gave Jill a warm and heartly thanks for all the good work she have provided to the Cargo Committee during the past years. It was brought to the Cargo Committees attention that Sean Dalton is stepping down after Stockhom and Isabelle Therrien is in the process of finding a new vice chair when she is stepping up as Chairperson.

  Committee advised that reappointments may be made for shorter terms in order to reach the strive of the TC Cargo Committee is to have 1/3 of the Cargo Committee members up for re-election and reappointment each year.

  Isabelle Therrien emphasised that work effort and feedback where expected by members of the TC Cargo Committee. The Cargo Committee agreed upon being in the lookout for talents that can contribute to the IUMI work.

- Contact information
  Members asked to send the amendments relating to the contact list on the IUMI website to Mikaela Tamm, Mikaela.tamm@insurancesweden.se.

3) Chairman's presentation
Sean Dalton

Sean Dalton reported following:
Cargo Insurance Markets across the globe can best be described as in a state of accelerating change driven by insurers taking action to address unprofitable results and improve performance. This is significant as the cargo line is the largest commercial marine insurance line and offers some of the broadest coverage and services available

in the property casualty insurance industry. On a global basis the cargo line is unprofitable and has been so for several years. In the simplest of terms, premiums have not been technically adequate to cover losses and expenses let alone provide a return for capital providers that meet expectations. There are many reasons for this situation but a significant one is the “commoditization” of a specialty line of business. The cargo market attracted many new entrants in prior years with relatively low barriers for entry, we are now seeing markets exit the class.

Underwriters are addressing their portfolios with urgency and reviewing rate adequacy, expenses, terms and conditions, deductible levels, and capacity / limit deployment. There is a greater focus on cargo insurers commitment to business, stability, capabilities to ensure they provide a sustainable offering that they can deliver upon.

2019 has been a challenging year with 9 major cargo vessel fires through August. Tragically some of these casualties have resulted in loss of life, injury and environmental damage. Shipments of Hazardous Materials / Dangerous Goods are expected to be a factor in most, if not all, casualties. Recently shipping companies have taken the unprecedented step of announcing significant fines for misdeclaration of dangerous goods.

4) Overview of Canadian Market
Isabelle Therrien

Isabelle Therrien made an highly appreciated presentation on the facts and figures of Canada. Attachment 1

5) Technical Presentations
Matthew O’Sullivan, Sundeep Khera, David Grant, Isabelle Therrien, Sean Dalton and Jörn Gröninger

Responsible for the respective cargo workshop module explained briefly for planning and implementation on the theme *"Confronting the chaos for a sustainable future?"*

6) Panel Discussions
Sean Dalton

The Committee discussed the Cargo Workshop and SD informed how the workshop was to be carried out with reference to speakers and questions for the Q&A for the panel on the workshop.

7) Country Reports
Nicole Pousson, All

Nicole Pousson led the round the table presentations of the Country Report, which had been distributed to the Cargo Committee by email on beforehand. Nicole emphasised the necessity of proper references and that comments in the report shall have affiliation to a matter of fact or event of importance to the context, in order for publishing the report on the IUMI webpage.Round the table presentation was limited in time so the discussion was held concise. Attachment 2

8) Other business
All

IUMI Loss Prevention Committee – Position paper on cargo theft
The Posistion Paper was discussed and it was of importance that all of the members of the Cargo Committee contributed in order to promote a robust Position Paper.

Webinars
Tom Shinya promoted the Webinars and emphasised the importance of contributing to the program set up by the Education Forum. It was mentioned that the quality of the Webinars was of benefit for all the marininsurance sector and those who could shoul step up.

IUMI Eye Contribution
The members of the Cargo Committee was encouraged to contribute with articles to the IUMI Eye.

ABLM (Advisory Body Legal Matters) established to assist FIATA
Matthias Kirchner & Eric de Smet:
It was informed that IUMI now can contribute directly to FIATA through Mattias Kirschner and Eric de Smets. This was found whery successful and the Cargo Committee was looking forward to assisting in matters related to the cargo insurance. This will involve engagement with the FIATA Legal and Advisory Body that has an Insurance Working Group.