



IUMI Policy Agenda





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Contents¹

UNDER REVIEW	3
1. Autonomous / unmanned transport	3
2. Casualty Investigations	4
3. Containers lost at sea	5
4. Containership fire safety	7
5. EU Recognised Organisations and Mutual Recognition	9
6. International standardization of cargo insurance documents	11
7. Liability	12
8. Low pressure fuel systems	16
9. Nuclear Propulsion	17
10. Plastic litter	18
11. Safe decarbonisation and alternative fuels	20
12. Transport of electric vehicles (EVs)	22
13. Transport of lithium-ion batteries (LIBs)	23
STANDING ITEMS	25
14. Cross border trade	25
15. Maritime security / piracy	25
16. Sanctions	28
Glossary of abbreviations	31

IUMI's Policy Agenda includes topics and issues which require advocacy efforts by relevant IUMI Technical Committees and the Policy Forum. Matters which have been concluded or which do not currently require action can be found in the [archive](#).

ESG and sustainability issues which do not require specific advocacy but are important to raise awareness about are under the remit of IUMI's Sustainability Working Group and can be found in the ESG Watch List on the [IUMI ESG webpage](#).

¹ Items are listed in alphabetical order.
Recommended core documents are highlighted in red

UNDER REVIEW

1. Autonomous / unmanned transport

Unmanned transports are gaining acceptance from industry and public entities as research and innovation bring the possibility of driverless trucks and vessels closer to realization. This raises some legal and liability issues that need to be resolved.

Insurers also need to address the risks related to innovative technologies and the internet of things. New types of failure modes may be introduced due to the lack of knowledge and unforeseen interdependencies in the system design, operation complexity, and environmental challenges. Cyber-attacks, connectivity, interactions between components and between technical systems and humans, and autonomy assisted accidents are among the challenges.

To become insurable, the use of autonomous systems must rely on proper industry standards, certification and classification regimes. Verification of safe performance is crucial.

An unmanned vessel can be both remote controlled or fully automated, and it has been suggested that the first unmanned vessel will be in service by the end of the decade. Most likely, there will be a number of variations and a stepwise progress, including the use of automated technologies to aid decisions with a reduced number of crew on board and for certain manoeuvres.

The IMO Maritime Safety Committee (MSC) has thus far agreed to focus on the following two levels of autonomy: (1) Remotely controlled ship with seafarers on board and (2) Remotely controlled ship without seafarers on board.

Interim guidelines for trials of Maritime Autonomous Surface Ships (MASS) were finalized by MSC in June 2019. As a basic principle, these trials shall meet at least the same level of safety, security and environmental protection as required for conventional vessels.

In April 2022, MSC 105 agreed to develop a goal-based Code for MASS (MASS Code). Work has since progressed, and MSC has agreed that the MASS Code will apply to SOLAS cargo vessels only. It is further agreed in principle that the MASS Code should contain a risk-analysis based approach, that a human master shall be responsible regardless of the vessel's mode of operation and that there is no need to amend COLREGS to accommodate MASS at this stage. A non-mandatory MASS Code is planned for adoption by MSC 111 in May 2026. This will be followed by an experience-building phase. The earliest possible entry into force of a mandatory MASS Code through amendments of SOLAS and other IMO instruments will be 1 January 2032.

There are also several other initiatives relating to legislation and insurance of autonomous vessels. These include; Comité Maritime International (CMI) formed an International Working Group on Unmanned Vessels which presented results from its research on liability issues to the IMO (LEG) in January 2024, and Association Mondiale de Dispatcheurs (AMD) are considering how the adoption of unmanned vessels may impact marine insurance claims and the application of general

average. The International Group of P&I Clubs (IG) formed and Autonomous Vessels work stream in 2018, which has worked alongside IUMI, CMI and ICS at IMO. The IG is expected to announce shortly (2026) that mutual (i.e. poolable) P&I insurance will be available for MASS 20/2/2026 up to and including IMO Level 4 (unmanned, operated autonomously) in the same way that mutual insurance is available for conventional ships. In 2024, BIMCO adopted the first ever standard contract for MASS, AUTOSHIPMAN, which is adapted from the SHIPMAN 2009 form to govern ship management services and provide a framework for the obligations, responsibilities, and liabilities for MASS through IMO Level 1 to 4 (inclusive).

Timeline / important dates

- MSC scoping exercise June 2017 - June 2020.
- LEG scoping exercise April 2018 – July 2021.
- Target completion year within MSC for a non-mandatory code: 2026.
- MSC 111: May 2026.

IUMI will:

- Monitor ongoing industry and government-run projects and provide input as appropriate.
- Monitor development of the MASS Code by the IMO and take part in discussions on regulatory amendments.
- Encourage classification societies to take an active role in both technical and operational risk aspects of increasingly autonomous vessels.
- Encourage the development of industry standards, certification schemes and class requirements for autonomous systems and remote-control centres.
- Continue its work alongside the IG, CMI and ICS to achieve the above, as necessary.

2. Casualty Investigations

If very serious marine casualties occur, SOLAS requires the flag administrations involved to conduct a safety investigation. Relevant information arising from the investigations should be made available to the IMO in a timely manner so that lessons can be learnt. The “Code of the international standards and recommended practices for a safety investigation into a marine casualty or marine incident” (Casualty Investigation Code) provides assistance and defines a very serious marine casualty as “a marine casualty involving the total loss of the ship or a death or a severe damage to the environment.” There is no mandatory defined time frame for the investigation to be carried out and the findings made available. It is merely stated that the reports should be “completed as quickly as practicable”.

INTERCARGO, the International Association of Dry Cargo Shipowners, published the “Bulk Carrier Casualty Report”, providing information on bulk carrier losses over a rolling 10-year period, every year. The association has found that from January 2013 to December 2022, only 19 investigation reports are available, which equates to a reporting rate of 73%. The average reporting time for 2013 to 2022 is approximately 28 months.



In comparison to previous 10-year spans, the reporting times and reporting rates have improved. However, accident reports are still missing from as far back as 2014 and 2015.

Due to the critical nature of improving the safety and of protecting the environment, the importance of lessons learned cannot be overstated. Without accurate investigation reports being made available in a timely manner, key improvements to safety-related requirements may come too late or not at all. For this reason, IUMI supports work in the IMO's Sub-Committee on the Implementation of IMO Instruments (III) which aims to establish a new investigation status facility in the IMO's virtual platform. This will provide clarity for interested stakeholders on the progress of marine investigations. In addition, the work aims to facilitate timely completion of casualty investigations. This includes a requirement to provide an investigation status and defined time periods for updates on the investigations.

During the 110th session of the Maritime Safety Committee (MSC 110), a new agenda item titled "Review of the Casualty Investigation Code and the associated implementation Guidelines (resolution A.1075(28))" was approved. The target completion year is 2028. The Sub-Committee on Implementation of IMO Instruments (III) has been tasked to undertake the review and is requested to primarily address the quality and timeliness of investigations and reports.

Timeline:

- IUMI co-sponsored document III 9/4/5 which suggests amending the Casualty Investigation Code. The paper was discussed at III 9 in August 2023.
- The Maritime Safety Committee approved a new agenda item on a review of the Casualty Investigation Code. The III Sub-Committee will be tasked with the work and the target completion year is 2028. IUMI will participate in the work of the III Sub-Committee.

IUMI will:

- IUMI advocates for the timely publication of casualty investigation reports.
- IUMI further urges that such reports are made available for all very serious marine casualties to ensure lessons can be learned and safety improved.

3. Containers lost at sea

According to the World Shipping Council a number of containers are lost at sea each year. High profile accidents include the One Apus which lost a total of 1,816 containers (November 2020) and the Maersk Essen which lost 750 containers (January 2021) during their respective voyages. These events show the necessity to review the root causes of the incidents. Average annual losses currently stand at around 1,200 containers, with 576 lost in 2024.

Container ships have grown at an incredible pace over the past 40 years. While the maximization of economies of scale and the overall impact of transportation costs is impressive, this does come with increased risk. Larger beams and container stack heights lead to high metacentric heights (GM) making the vessels very stable/stiff and prone to violent rolling in heavy seas. Wind exposure

on deck stacks further increases the momentum, while specific wave patterns may trigger parametric or synchronous rolling. These dynamics impose extreme loads on lashing systems.

Stowing, lashing and securing practices are a further weak link. The distribution of weight within a container stack has an impact on the stability of a vessel. Misdeclared weight can cause stack collapse, and even one faulty twist lock or damaged securing device may cascade into the loss of entire stacks. Enforcement of the IMO's verified gross mass (VGM) regulation is therefore critical.

Operational aspects may also play a role. Current calculation methods determine where and how many containers can be stowed on board. They often rely on idealized "in-design" assumptions. These in-design conditions cover standardized operating conditions as envisaged in the ship's design, for example symmetric loading or moderate sea states. In practice, however, container vessels are frequently exposed to "off-design" conditions – such as quartering seas, long-period swell, or asymmetric loading – where dynamic roll phenomena like parametric or synchronous rolling can occur. These situations are far from rare in daily operations, yet assessment methods for such off-design conditions vary significantly between classification societies. The absence of harmonized, transparent standards hampers reliable risk evaluation and increases the likelihood of container losses.

Climate change has increased the frequency of severe weather. Improvements in marine weather forecasting and weather routing services help but cannot fully mitigate the risks. Human error is another contributing factor. This includes poor adherence to stowage or lashing plans, insufficient re-securing of lashings during the voyage, and inadequate cargo stowage within containers.

Losses affect multiple insurance lines, from cargo and hull to liability. They also raise environmental concerns, while salvage capabilities have not kept pace with vessel growth. IUMI notes that internationally harmonized stability and securing standards, greater transparency of calculation models, and binding minimum requirements for dynamic stability assessments could strengthen safety and resilience.

IUMI has been involved in the MARIN-led TopTier Joint Industry Project, which addresses the problem in its full complexity. Outcomes include guidance for crews on how to recognize and avoid parametric rolling, as well as educational material for the wider industry. TopTier findings have also been taken up at IMO level, for example in the publication of MSC.1/Circ.1642, a Notice to Mariners on parametric rolling, and in the ongoing work to revise the Cargo Securing Manual with harmonized performance standards for lashing software. Furthermore, IUMI has co-sponsored TopTier submissions to IMO, including a filing for the 10th session of the Sub-Committee on Carriage of Cargoes and Containers (CCC 10, September 2024). In July 2025, IUMI also co-sponsored a further TopTier submission for CCC 11, ensuring that project results continue to inform IMO deliberations.

In parallel, the IMO has amended SOLAS to require Masters to report without delay any lost containers to the nearest coastal State and the flag State, with the amendments having entered into force on 1 January 2026. At the same time, IUMI, IACS and others are working through the IMO Correspondence Group on harmonized performance standards for lashing software. The work continued at the CCC Sub-Committee meeting in September 2025 where a work plan on measures to prevent the loss of containers at sea was completed. Flag States and observer organisations can now submit proposals for new outputs related to the work plan to the next MSC meeting. The work plan covers these aspects:

- Operational guidance and limitations
- Conditions at sea
- Loading, stowage, validation and planning
- Strength properties and calculations issues (calculation technical standard and container securing gear properties)
- Inspection programmes (container securing and lashing gear)
- Strength properties and calculations issues (container properties)
- Inspection programmes (ACEP, PES) (container strength)

A proposal for a new output will have to be submitted to the Maritime Safety Committee to pick up on any of the issues included in the work plan.

The work on performance standards for lashing software continues in a Correspondence Group and will be on the agenda for CCC 12 in September 2026. IUMI suggested the widening of the scope of this work item to the CG, proposing to prioritise the development of a framework for acceleration calculations. If the proposal is supported by the CG, the CCC Sub-Committee may agree to work on this aspect at the CCC 12 meeting.

IUMI will:

- Support the implementation of the findings of the TopTier JIP into the IMO to effect regulatory improvements with regard to containers lost at sea.
- Raise awareness for the complexity of the root causes of containers lost at sea and means to address them.
- Support lashing software being allowed as supplement to the Cargo Securing Manual for all operating container vessels. The lashing software has to comply at least with minimum and harmonized standards which are to be discussed in the CCC Sub-Committee.
- Support harmonisation of calculation methods for load quantities.

4. Containership fire safety

Firefighting capacity on board large containerships has long been considered insufficient. The problem has grown with the rapid increase in vessel size. Early work within the IMO dates back to a 2008 impact assessment which highlighted the specific vulnerability of container stacks on deck. As a result, the Maritime Safety Committee (MSC) approved in June 2013 new requirements under SOLAS II-2/10. Since 1 January 2016, all newly built vessels designed to carry five or more tiers of containers on or above the weather deck must be equipped with mobile water monitors and at least one water mist lance in addition to the existing protection arrangements. These measures represented a first regulatory step, yet concerns about the firefighting capability of the existing fleet remained. With container vessels continuing to grow in size and complexity, the challenge of insufficient firefighting arrangements became even more acute.

There is concern that many ships are unable to evidence compliance with SOLAS in respect of fire detection, containment and extinction. With fires being not only common but increasing in prevalence it is worth noting that insurers are discharged from liability if there is non-compliance

with SOLAS. The situation also raises questions about the seaworthiness of vessels, the view of classification societies and crew safety.

The contents of a container must be known if it is to be transported safely, but misdeclaration is a recurring safety problem. This applies equally to road, rail, brown and blue water transport. Containers often contain a wide range of hazardous and toxic substances. It is reported that approximately 20% of containers in transportation are misdeclared. An analysis from the Cargo Incident Notification System (CINS) shows that just over a quarter of the incidents where causation was detected were attributable to cargo being misdeclared. This may lead to insufficient handling of the container, and worst case an incorrect firefighting strategy that may increase the danger of combustion of the goods in the container. The World Shipping Council has launched the Cargo Safety Program (CSP) to address the issue of misdeclared cargoes before they get onboard container vessels. The National Cargo Bureau (NCB) has been tasked with implementing the CSP using AI technology. The matter is also considered by the IMO's CCC Sub-Committee.

In September 2017, IUMI published a position paper recommending that authorities, classification societies, and industry stakeholders explore further improvements in fire detection, protection, and suppression systems. IUMI joined forces with Germany, the Bahamas, BIMCO, and CESA to submit a proposal to MSC 102. This initiated a new regulatory stream under the Sub-Committee on Ship Systems and Equipment (SSE) to develop amendments to SOLAS chapter II-2 and the Fire Safety Systems (FSS) Code. The aim is to enhance early detection and effective control of fires in containerized cargo, both on deck and in cargo holds.

To structure this process, IUMI set up a group of experts who drafted a roadmap for SOLAS amendments. In November 2021, six flag States together with IUMI, BIMCO, and IACS presented an initial gap analysis to the SSE. In parallel, the European Maritime Safety Agency (EMSA) launched the CARGOSAFE study, designed as a Formal Safety Assessment (FSA). It systematically addressed hazard identification, risk analysis, possible risk control options, and cost-effectiveness. The CARGOSAFE final report was published in March 2023.

Building on these findings, possible amendments and risk control options were placed on the agenda of SSE 10 in March 2024. IUMI, together with France and BIMCO, submitted document SSE 10/10/2, advocating for the most impactful measures identified by CARGOSAFE. These included the installation of linear heat detection systems capable of identifying temperature rises inside individual containers, as well as fixed water monitors mounted on the superstructure to improve reach and effectiveness of firefighting streams. Both measures are seen as decisive improvements compared to the current reliance on mobile equipment.

The IMO Fire Protection Correspondence Group continues its work to amend SOLAS regulations. IUMI actively participates and supports stronger requirements, particularly for newbuilds to include not only mobile water monitors, but fixed water monitors as well, the inclusion of video-based fire detection on deck, and the deployment of heat detection systems under deck. A number of detailed SOLAS amendments have been discussed in detail. At SSE 11 in February 2025 where IUMI advocated for mandatory requirements for fixed water monitors as well as improved detection methods such as video fire detection (on deck) and linear heat detection (under deck). Various

matters such as guidelines for water mist lances, the requirements for the mandatory carriage of infrared imagers, and the installations of fixed water monitors were discussed in detail, but no final conclusions could be reached yet. The deliberations continued in a Correspondence Group and at SSE 12 in March 2026. Two items were completed during this session: Guidelines for water mist lances and requirements for portable IR cameras. Discussions on fire detection and extinguishing systems will continue in a Correspondence Group which will report to SSE 13 in March 2027.

During the 11th session of the SSE (2025), the Sub-Committee agreed to delay the regulatory process and have all amendments related to improved containership fire safety approved as one “package”. The original target completion year was 2025. For this timeline, amendments would have come into force on 1 January 2028, provided that they had been adopted before 1 July 2026. This has now been shifted to the SOLAS amendment cycle 2032, i.e. all agreed amendments will come into force on 1 January 2032, provided they will be adopted before 1 July 2030.

IUMI will:

- Support a holistic approach to preventing and mitigating fires starting in the cargo on board container vessels.
- Support measures that improve the monitoring of containers and their contents.
- Support internationally harmonized legislation and national regulations based on the CTU Code.
- Monitor and support measures to ensure the structural safety of large container vessels.
- Support SOLAS amendments to improve fire safety.
- Support the NCB recommendations and the World Shipping Council’s Cargo Safety Program to address the carriage of undeclared, mis-declared and other non-compliant dangerous goods.

5. EU Recognised Organisations and Mutual Recognition

Article 10 of EU Regulation No. 391/2009 on common rules and standards for ship inspection and survey organizations states that “Recognised organisations shall, in appropriate cases, agree on the technical and procedural conditions under which they will mutually recognize the class certificates for materials, equipment and components based on equivalent standards, taking the most demanding and rigorous standards as the reference.”

The EU Recognised Organisations (ROs) have established procedures and technical requirements for Mutual Recognition (MR) and coordinate their work through an Advisory Board supported by a Technical Committee. A hierarchy of six safety levels has been agreed between the ROs. Levels I and II include products with no/very low impact on safety and are uncontroversial. Level III products are currently under consideration, and the most recent MR Technical Requirements were published on 1 January 2019 (Tier 7). In May 2020, the EU RO MR Group published a summary report of their activities from 2015-2019 to furthering the implementation of the MR scheme.



Insurers expect the surveys of safety critical materials, equipment and components to be carried out by the RO classing the vessel. Classification has an important role in ensuring a certain level of safety to the vessel and its equipment, and there is usually a requirement under most individual insurance conditions that the vessel shall be classed with a classification society approved by the insurer before cover commences. Should any RO be allowed to certify and approve components and equipment for a vessel at all safety levels and regardless of which society will be responsible for classing the vessels, neither the classification society nor owners or underwriters will be able to assess a vessel's quality, or the quality of components that have gone into them. To allow MR on safety critical materials, equipment and components would undermine the significance of ship classification as a key component of today's safety regime at sea and is a major cause of concern among underwriters.

There is also a question related to the acceptance of the EU RO regime by third party flag states. The sovereignty of the flag state under which a vessel operates is at the core of international maritime regulations and widely supported by the global marine insurance industry.

Based on a study from the University of Strathclyde, the European Commission (EC) reported on the status of the implementation to the European Parliament and the Council at the end of July 2015.

The EU RO MR Group released an alternative Product Evaluation Process (PEP) model as well as a PEP Instruction Manual and PEP Guiding Questions in June 2020.

In September 2024, the EU RO MR Group organized a workshop for all stakeholders involved in Hamburg. During the workshop, IUMI emphasized the historically grown effective and trusted cooperation between insurers and classification societies, the importance of safety from an insurer's perspective, and IUMI's preference for the MR scheme to cover only non-safety critical parts. For safety-critical parts, IUMI suggested that the classification should be conducted by the Recognized Organization (RO) that is classifying the vessel. IUMI confirmed their position recommending that mutual recognition be clearly limited to materials, equipment and components of proven low safety criticality. The scope of the MR should not go beyond further analysis and consideration of Level III products. IUMI emphasized the importance of a reliable system and warned that any dilution will conflict with insurance matters.

In February 2026, the new European Industrial Maritime Strategy aimed to enhance the current EC position and to strengthen the safety but also the competitiveness and global leadership of the EU marine equipment industry. The Commission intends to assess whether the scope of the Marine Equipment Directive or existing mutual recognition arrangements should be extended to additional equipment, with a view to simplifying approvals and improving access to international markets. IUMI and other industry stakeholders fear that this may lead to an inclusion of "safety critical parts" such as ship engines and propellers, and – although the Commission ensures that safety is paramount - a different understanding of safety criticality may lead differences.

Relevant authority / organisations and documents

- European Union – Article 10.1 of EU Regulation (EC) No 391/2009 of 23 April 2009 on common rules and standards for ship inspection and survey organisations.
- EU RO Mutual Recognition Group
 - EU RO Mutual recognition group report 2015-2019, May 2014.
- IMO – Proposed Code for Recognized Organisations (RO Code) and related amendments to SOLAS chapter XI-1 and the 1988 Load Lines Protocol, and resolution MEPC.237(65).
- IUMI
 - Letter to Commission 30 October 2013 & reply letter 6 December 2013.
 - Response to questionnaire from Strathclyde University 8 December 2014.
- University of Strathclyde
 - Study report to the EC 29 May 2015.
 - Workshop report October 2015.

Timeline / important dates

- RO Code in force from 1 January 2015.
- EC report to Parliament (EP TRAN) on 21 December 2015.
- EU RO MR workshop, Hamburg, 5 September 2018.
- Meeting with EC DG MOVE, Brussels, 8 March 2019
- EU RO MR workshop, Hamburg, 4 September 2024.

IUMI will:

- Recommend that mutual recognition is clearly limited to materials, equipment and components of proven low safety criticality. Scope of the MR should not go beyond further analysis and consideration of Level III products.
- Participate in workshops and consultations as appropriate.

6. International standardization of cargo insurance documents

Trade documents are transforming into digital data. The most common example is the Bill of Lading which already has multiple digital platforms that are accepted by the International Group of P&I Clubs. On the legal side, UNCITRAL created a model law to enable the legal use of electronic transferable records and accordingly many countries have been developing legislation on Electronic Bills of Lading or Electronic Trade Documents.

The Cargo Insurance Document (Certificate/Policy) is one of the fundamental trade documents along with the Bill of Lading and Commercial Invoice, however it is still being issued and transferred as paper or PDF file. Digital data transfer is still very limited for Cargo Insurance Documents when other trade documents are transforming into digital data transfer.

For the digital data to be actually transferable, standardization becomes crucial. In order to transfer the digital data on an international basis, the data needs to be in a certain format to be acceptable by any country or any party that receives the data. Therefore setting an international standard is the first step that must be taken for digitalization.

The digital standards of trade documents are set and authorized by UN/CEFACT (Centre for Trade Facilitation and Electronic Business). Another organization that is involved is the International Chamber of Commerce's DSI (Digital Standard Initiative) that works on adoption and promotion of the standards.

In August 2024, the tentative standard of Cargo Insurance document data was submitted by the Japanese delegation to the UN/CEFACT bureau and had been approved. Accordingly, it was on public review by UN/CEFACT for feedback. Simultaneously, the same tentative standard was reviewed by the IUMI member associations through the Cargo Committee. Based on their feedback, the standard was revised in March 2025. The revised standard had been under further review ("additional consultation round") by IUMI's member associations also by non-insurers such as brokers and certificate system service providers for universal understanding.

Multiple feedback was received during the additional consultation round and this was taken into consideration to revise the standard. The standard will again be submitted to the UN/CEFACT bureau in order to be reviewed during 2026.

Timeline / important dates

- Revised standard after the additional consultation round to be sent to UN/CEFACT bureau during 2026
- Further public review at UN/CEFACT bureau during 2026
- UN/CEFACT forum will be held in November 2026 which should be the timing to explain the revisions.
- Target completion: 2027

IUMI will:

- Keep promoting and raising awareness for digitalization on Cargo Insurance documents.
- Keep the members updated with the progress on UN/CEFACT.

7. Liability

The insurance of marine liabilities helps to protect third party rights. Since the liability (e.g. for environmental damages caused by an oil-spill) can be extraordinarily high, sufficient insurance coverage for these liabilities is crucial. Many international liability conventions outline compulsory insurance requirements, and in some jurisdictions direct action against insurers is also allowed.



Marine liability insurance is mainly provided by Protection and Indemnity Clubs (P&I Clubs) organized as mutual insurers with shipowners as members. The 12 largest P&I Clubs are organized under the umbrella of the International Group of P&I Clubs (IG).

While the member companies of IUMI's member associations predominantly provide insurance coverage for property damage to the hull and machinery of vessels or offshore energy units, and cargoes in transit, some of the companies also offer marine liability insurance through reinsurance arrangements (reinsuring the Clubs) or directly through covers such as 'fixed premium P&I' or 'war P&I'.

1910 Collision Convention

The 1910 Convention covers important aspects of collision liability and has been adopted by numerous countries. In 2019, the Comité Maritime International (CMI) established an International Working Group to consider the review of it. The initiative for a new IWG flowed from two sources - first, the IMO review of current instruments in the context of autonomous ships; second, the Italian Maritime Law Association 2019 initiative on the expediency of reviewing the Collision Convention 1910 along with the 1952 conventions concerning civil and penal jurisdiction where a collision occurs. Moreover, the Legal Committee of the IMO showed some initial interest in assisting the CMI in piloting this project and the CMI IWG aimed to provide input of what the new Convention should include prior to LEG 110 in March 2023. IUMI was also represented in the CMI WG by the Legal & Liability Committee Chair Charles Fernandez, Committee member Keeley Wylie, and also Dieter Schwampe, who is involved in both IUMI and CMI activities.

The initial scope for review of the Convention was wide in nature and looked at aspects such as the scope of application of a revised convention, court jurisdiction over collisions and compulsory insurance for collision liability. As a first step, the CMI prepared a questionnaire to maritime law associations in February 2023. There were two fundamental aspects of the review that were of particular interest to insurers – the possibility for mandated insurance covering collisions and the potential for direct action by third parties against insurers. IUMI pushed back on introducing these elements into a revised Convention. Fortunately, the national maritime law association largely supported the IUMI position, and these elements were not included in the latest discussion documents arising from the CMI Conference in Tokyo in May 2025. There remains a residual concern that the CMI group looking at MASS could 'by the back door' bring some of these concepts back into the discussion. IUMI will monitor developments accordingly.

Relevant authority / organisations and documents

- CMI webpage on the Collision Convention
- IMO Legal Committee

Potential gaps in liability insurance for ‘non-IG insurers’

In April/May 2014, the IMO Legal Committee (LEG 101) adopted Guidelines for accepting insurance companies, financial security providers and IG P&I Clubs to verify the compulsory insurance requirements. With a reference to these guidelines, six Member States suggested in a submission to LEG 107 in March 2020 that further consideration may be desired of problems encountered in some oil pollution incidents involving insurers that are not members of the IG. The belief is that this is an issue that affects not only the 1992 CLC, but also other IMO liability conventions. The issue is also being examined by the governing bodies of the IOPC Funds, and during the 108th session of the IMO Legal Committee in July 2021, the IOPC Funds provided an update on the problems encountered in some oil pollution incidents involving ‘non-IG insurers’. 147 incidents were identified of which 44 incidents either had no insurer or the insurer was unidentified.

The key developments include:

- LEG 109 (2022) Correspondence Group, which included IUMI, with the following workstreams:
 - (i) Development of informational pamphlets for the Bunkers Convention, Civil Liability Convention, Athens Convention and the Wreck Removal Convention to assist Flag States, Port State control officers, shipowners, and insurers in their interpretation and application of the liability and compensation requirements of the Conventions.
 - (ii) Review of existing IMO guidelines; primarily IMO Circ. No. 3464 for accepting insurance certificates. The purpose of these guidelines is to provide State Parties to conventions covering liability issues with guidance for accepting insurance companies and certificates or similar documentation from insurance companies, financial security providers, IG members and P&I Clubs outside the IG.
 - (iii) Development of a new GISIS module for those involved in issuing convention certificates.
- Per (i), LEG 110 (2023) approved the text of three pamphlets (Bunkers Convention, Civil Liability Convention and Wreck Removal Convention). Further, an intersessional Correspondence Group was established to review the IMO guidelines and create a new GISIS module.
- Per (ii), between LEG 110 and LEG 111 (2024), IUMI was involved in a further Correspondence Group on the revision of the Guidelines for accepting Insurance Companies and Certificates and the discussion on measures to assess the need to amend liability limits approved led by Canada. LEG 111 approved the revision of IMO Circ. No. 3464. The revised Guidelines include a list of definitions and a new section on ‘Criteria for accepting Insurance Certificates’.
- LEG 111 established a further Correspondence Group towards LEG 112 (2025) to look into the necessity to preparing a further Guideline with regard to liabilities under the “Athens Convention” 2002 / 2006. IUMI participated in this Correspondence Group. The group did not agree on a proposed course of action, but two options were proposed to LEG 112 (scheduled for March 2025):

- **Option 1:** A reference to the Athens Convention 2002 could be included in the guidelines contained in LEG.1-Circ.16 for accepting insurance certificates and insurance companies, financial security providers, and protection and indemnity clubs (P & I Clubs) or the application "*mutatis mutandis*" of such guidelines for non-war risks.
- **Option 2:** A State Party to the Athens Convention 2002 could make use of the guidelines contained in LEG.1-Circ.16 for accepting insurance certificates and insurance companies, financial security providers, and protection and indemnity clubs (P & I Clubs) or the application "*mutatis mutandis*" of such guidelines for non-war risks.

During the IOPC Funds meeting in November 2025, Turkey introduced a paper with ongoing concerns with regards to vessels with no or insufficient liability insurance. (IOPC/NOV25/4/5 – Risk of Uninsured and Unsafe Ships). While parties emphasized in the meeting that the issue was already dealt with in the proceedings of the IMO LEG Committee (see above), and no further action based on the paper was decided, Turkey was invited to consider a further submission to the next meeting of the IMO LEG Committee. IUMI is in touch with Turkey and expects to receive a draft of the paper – if any – in late 2025 for consideration.

Consequently, Turkey sent a paper (LEG113/5/1) to the 113th session of the Legal Committee in April 2026. Turkey proposed that Flag States could share lists of insurers which they personally found reputable or not reputable. A WG during LEG 113 did not support Turkey's proposal in the form of a GISIS module or similar. However, there was support that Member States shall be instead encouraged to share their experiences on a voluntary basis in this regard. The Group further noted that sharing information in cases where States rejected insurers could be beneficial to combat substandard shipping and that the Correspondence Group should keep this under review."

- **IMO – Legal Committee**

- **Circular Letter 3464:** Guidelines for accepting insurance companies, financial security providers and the IG P & I Clubs, July 2014.
- **LEG 107/6:** Compulsory insurance requirements under IMO conventions and insurance problems, submitted by Canada, Denmark, Italy, Japan, Norway and Republic of Korea, 9 January 2021.
- **LEG 108/5:** Review of insurance problems with non-IG insurers, submitted by IOPC Funds, 20 April 2021.
- **LEG109/13:** Proposal to add a new output under the work programme on the Development of guidance for the proper implementation and application of IMO liability and compensation conventions, submitted by Canada, Denmark, Italy, Japan and United Arab Emirates, 24 December 2021.
- **LEG110/7:** Report of the Correspondence Group on measures to transparently assess the need to amend liability limits, submitted by Australia, 20 December 2022.

- **LEG110/10:** Proposed measures related to Guidance for the proper implementation and application of IMO liability and compensation conventions, submitted by Canada, Greece, Italy, Malaysia, Republic of Korea, United Arab Emirates, ICS, IG and IUMI, 22 December 2022.
- **LEG110/WP.6:** Measures to assess the need to amend liability limits, report of the Working Group, 20 March 2023.
- **IOPC Funds**
 - **IOPC/OCT18/5/5/1:** The 20 incidents involving the IOPC Funds and non-IG insurers are available in this document.
 - **IOPC/NOV20/5/5/1:** Conclusions of the sixth joint Audit Body and the recommended measures and future tasks to be undertaken in respect of the risk relating to 'non-IG insurers'.
 - **IOPC/NOV25/4/5:** Risk of Uninsured and Unsafe Ships

IUMI will:

- Monitor developments via the IUMI Legal & Liability Committee and Policy Forum.
- Liaise directly with the IMO LEG as required to represent members' interests.
- Explain to IMO Member States and other interested bodies such as the IOPC Funds the practical aspects of insurance related to marine liability insurance of insurance entities not belonging to the IG.

8. Low pressure fuel systems

More than one third of all fires on board vessels start in the engine room. Leaking oil pipes or equipment placed very closely to a potential ignition source – a so-called hot spot – has been identified as the cause of several of these engine room fires.

Measures to control such leaks are described in SOLAS Reg.II-2/4. The regulation includes, amongst others, requirements to

- use suitable materials in piping conveying flammable oils,
- minimise the number of joints in such piping,
- use screening and jacketed high pressure fuel oil pipes to prevent flammable oil sprays, and
- properly insulate hot surfaces.

While the risk of fires from high pressure systems has decreased with the implementation of new design rules for the fuel pipes in 2003, the low pressure pipes/systems remain a significant risk.

To further consider measures that would be effective to reduce the risk of fires from low pressure fuel systems and mitigate the consequences, IACS and IUMI formed a correspondence group comprised of technical experts from the membership of both associations.

Identification of hot spots, use of thermography, and proper installation of insulation were among the preventive measures identified for further discussion and review by the two associations.

Based on this, IACS and IUMI recommend that SOLAS requirements are amended and in March 2025 a proposal for a new output to mitigate these fires was submitted by the two associations and all EU Member States to the IMO's Maritime Safety Committee. In June 2025, MSC approved a new output for their post-biennial agenda (after 2027): *Mitigation of fire risks caused by leakages from low-pressure fuel pipes and lubrication oil pipe, and use of thermal imaging cameras when inspecting insulations, in engine rooms*. Meanwhile, IACS and IUMI have agreed to consider actions to raise awareness of the problem in addition to the regulatory path.

Timeline / important dates

- New output agreed by MSC 110 in May 2025 for the post-biennial agenda (after 2027).

IUMI will:

- Take part in discussions and raise awareness on how to prevent and mitigate fire risks due to leakage from low pressure fuel systems.
- Participate in work to amend SOLAS regulations.

9. Nuclear Propulsion

Focus on nuclear propulsion for commercial vessels has increased due to its potential to overcome the lack of scalable low-carbon fuel alternatives. Advanced reactor technologies have significantly improved inherent safety and production resistance compared with older generations. However, a fundamental challenge persists, which is that nuclear risks are excluded from conventional marine insurance, and neither the current maritime liability conventions nor the existing IMO framework (e.g. the Code of Safety for Nuclear Merchant Ships 1981) are designed for nuclear-powered merchant ships. Conventional insurance is generally unavailable for them. Additional concerns relate to the safety of repairs and decommissioning, and ports may restrict access to nuclear-powered vessels. The handling, disposal, and export of nuclear waste are also strictly regulated.

Commercial marine insurers also face exposure from nuclear-related risks that are unrelated to propulsion, such as the carriage of nuclear materials and the management of exclusion zones imposed by certain States. The Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (CL370) and Radioactive Contamination Exclusion Clause (RACE II) nuclear exclusions are principal in almost all marine policies, reflecting the absence of global reinsurance appetite for nuclear exposures.

In March 2024, the World Nuclear Transport Institute presented a gap analysis to the IMO Maritime Safety Committee (MSC). This analysis provides a framework for revising the Nuclear Code,

incorporating a non-prescriptive, technology-neutral approach aligned with IAEA safety standards. A Correspondence Group established by the MSC recommended in March 2025 that the gap analysis serve as the basis for updating the Code of Safety for Nuclear Merchant Ships. Updates to SOLAS Chapter VIII, concerning nuclear ships, would also be required. At its 110th session in June 2025, the MSC agreed to review the Nuclear Code, which was considered outdated due to the substantial gap between current technology and existing regulations. The review is expected to adopt a goal-based, technology-neutral approach while adhering to IAEA safety standards.

Separately, a Correspondence Group formed by the Legal Committee (LEG) to examine liability frameworks for alternative fuels, recommended in January 2026 that, given the unique risks posed by nuclear fuels, LEG should consider establishing a new output on the development of a civil liability regime for incidents caused by nuclear fuels used in the propulsion and operation of commercial vessels.

10. Plastic litter

Over 300 million tons of plastic are produced every year, with at least 8 million tons of plastic ending up in the oceans annually. Researchers estimate a plastic leakage into the oceans in 2040 of 29 million tons. Under UV radiation, wind, currents and other natural factors, plastic fragments into small particles, termed microplastics (particles smaller than 5 mm) or nanoplastics (particles smaller than 100 nm), which harm marine life, food safety and quality, human health, and coastal economies.

The main sources of marine plastic are land-based, but the fishing industry, nautical activities and aquaculture also play a role. In 2018, the IMO's Marine Environment Protection Committee (MEPC) adopted the IMO Action Plan on marine plastic litter from ships including reporting on loss of containers and the safe carriage of plastic pellets.

Incidents such as the X-Press Pearl spill in 2021 and other casualties have shown the severe consequences of pellets losses at sea. For insurers this poses risk across all major lines: H&M underwriters face risks from fire and contamination, P&I clubs are confronted with massive clean-up and liability claims, and cargo insurers cover degraded or contaminated plastics. IUMI has therefore participated in discussions at the IMO, stressing the need for binding measures, clear responsibilities and stronger preventive standards to reduce both environmental and financial risks.

Since 2022, the IMO has advanced proposals to classify plastic pellets as environmentally hazardous substances under the IMDG Code, to amend MARPOL Annex II, and to strengthen stowage requirements. At PPR 11 (February 2024), recommendations were agreed on packaging, clear identification of containers and appropriate stowage under deck or in sheltered areas, along with guidelines for the clean-up of plastic pellets for ship-source spills. These guidelines cover contingency planning, response, post-spill monitoring, analysis, and cost recovery.

At MEPC 82 in October 2024, the Committee instructed the PPR Sub-Committee to analyse potential mandatory instruments and their implications, with the aim of developing a regulatory

framework. Building on this mandate, PPR 12 in January 2025 finalized the 2025 Action Plan to Address Marine Plastic Litter from Ships, endorsed draft recommendations for mandatory pellet carriage requirements, and agreed on guidelines for spill response. These outputs were considered by MEPC 83 in April 2025. All proposals align with the objective of establishing binding regulations, as pursued by IUMI. However, the approaches differ in their allocation of responsibilities, with one focusing on cargo interests and the other on the ship. IUMI therefore does not explicitly favour either proposal.

PPR 12 also advanced work on reporting mechanisms for lost fishing gear and on the development of ship-specific plans for its on-board management. The results were likewise discussed at MEPC 83 as part of the broader effort to strengthen the IMO Action Plan.

PPR 13 in February 2026 advanced the discussion by identifying legal pathways for binding measures and recommending the development of a mandatory code for the transport of plastic pellets under MARPOL Annex III and or SOLAS, for consideration by MEPC 84. In parallel, MSC 111 is expected to examine the safety dimension under SOLAS, including whether existing instruments are sufficient and how requirements on packaging, stowage, container securing and operational handling of pellets should be addressed, as well as how these elements can be aligned with the environmental framework under MARPOL.

All proposals align with the objective of establishing binding regulations, as pursued by IUMI. However, the approaches differ in their allocation of responsibilities, with one focusing on cargo interests and the other on the ship. IUMI therefore does not explicitly favour either proposal.

Relevant authority / organizations and documents:

- **International Maritime Organization (IMO), MEPC and PPR:**
(www.imo.org/en/OurWork/Environment/Pages/Default.aspx#have)
 - **Resolution MEPC.310(73):** Action Plan to address marine plastic litter from ships (MEPC73/19 - Annex 10), adopted 26 October 2018.
 - **MEPC75/8/3:** Report of the Correspondence Group on development of a strategy to address marine plastic litter from ships, 27 December 2019.
 - **MEPC77/8/3:** Follow-up work emanating from the action plan to address marine plastic litter from ships, submitted by Sri Lanka, 1 October 2021.
 - **PPR10/13:** Report of the Correspondence Group on marine plastic litter from ships, 20 January 2023.
 - **PPR10/INF.13:** Guidelines on clean-up of plastic pellets from ship-source spills, submitted by Norway, South Africa, ITOPI and IG, 17 February 2023.
- MEPC.1/Circ.909 Recommendations for the carriage of plastic pellets by sea in freight containers**

Timeline / important dates:

- Action plan to address plastic litter from ships adopted by IMO, October 2018

- Ongoing work in MEPC and PPR (Sub-)Committees

IUMI will:

- Participate in IMO Working Groups and Correspondence Groups to communicate marine insurers' positions regarding safe packaging of plastic pellets.
- Support mandatory requirements for the safe carriage of plastic pellets in containers.

11. Safe decarbonisation and alternative fuels

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 which drives up losses and leaves some assets uninsurable. The potential impact of climate change is therefore a fundamental issue for regulators.

The shipping sector accounts for approx. 3% of global CO₂ emissions. International agreements on the need to combat climate change require the reduction of greenhouse gas emissions from shipping. In addition to regulatory pressures from the IMO, other stakeholders such as banks, charterers and the broader public are setting requirements for the environmental performance of vessels, for instance in connection with the financing of new ships and new chartering agreements. Therefore, the industry must examine low and zero carbon ship propulsion systems taking into account the entire value chain, not just the combustion cycle.

There is currently no agreement on which fuel or fuels will be favoured and there can be very little progress without political support for the necessary infrastructure which is internationally absent. Notwithstanding the imperative of the green energy transition, it is crucial for carriers to assess potential safety concerns associated with measures to reduce the carbon footprint. Proper risk management is critical and safety must not be an afterthought.

In April 2018, the IMO adopted the Initial IMO Strategy on the reduction of GHG emissions from vessels. A revised Strategy was adopted by MEPC 80 in July 2023, setting a well-to-wake target of net-zero GHG emissions by 2050. Interim goals were agreed with a 20% reduction by 2030 (compared with 2008), including a 40% carbon intensity reduction target and 5% uptake of net-zero technologies, fuel and/or energy savings, and 70% reduction by 2040. During its 83rd session in April 2025, the MEPC approved measures for a new fuel standard for ships and a global pricing mechanism for emissions. Under the draft regulations, ships will be required to comply with:

- Global fuel standard: Ships must reduce, over time, their annual greenhouse gas fuel intensity (GFI) – that is, how much GHG is emitted for each unit of energy used. This is calculated using a well-to-wake approach.
- Global economic measure: Ships emitting above GFI thresholds will have to acquire remedial units to balance its deficit emissions, while those using zero or near-zero GHG technologies will be eligible for financial rewards.

The extraordinary session of the MEPC in October 2025 during which the new rules were expected to be adopted was adjourned due to growing pressure from some IMO Member States opposing them. The future of the Net-Zero Framework is now uncertain and further negotiations will take place in the run-up to the next MEPC extraordinary session which is due to take place in October 2026. The postponement leads to further uncertainty in the shipping industry and may cause a patchwork of various regional regulations.

The [Fourth IMO GHG Study 2020](#) is the first IMO greenhouse gas study published since the adoption of the Initial IMO Strategy on reduction of GHG emissions from ships. It demonstrates that whilst further improvement of the carbon intensity of shipping can be achieved, it will be difficult to reach IMO's 2050 GHG reduction ambitions through energy-saving technologies and speed reduction of ships. Therefore, under all projected scenarios, in 2050, a large share of the total amount of CO₂ reduction will have to come from the use of low-carbon alternative fuels.

In February 2023, IUMI co-sponsored a proposal for a new output at the IMO to undertake a regulatory assessment of safety aspects associated with reducing GHG emissions from vessels in line with the Organization's strategy and to develop a road map to support the safe delivery of IMO's strategy. The proposal was agreed by the Maritime Safety Committee in June 2023 and continued in a Correspondence Group in which IUMI participated.

In December 2024, the International Group of P&I Clubs and CMI along with several member states proposed to the IMO Legal Committee (LEG) a new output on the suitability of IMO liability and compensation regimes with respect to alternative fuels. The proposal was accepted and will be included in the provisional agenda for LEG 113 (2026) with a target completion year of 2027. An informal Correspondence Group had been established to structure the work in which IUMI participated.

The Marine Environment Protection Committee (MEPC) adopted in June 2021 a measure demanding energy efficiency requirements on existing vessels starting from 2023, and the introduction of carbon intensity targets for vessels with a first reporting deadline in March 2024.

In September 2021, the IMO's Sub-Committee on Carriage of Cargoes and Containers (CCC) initiated the development of guidelines on the safety of vessels using hydrogen as fuel under the International Code for Ships using Gases or Other Low-flashpoint Fuels (IGF Code). The guidelines address both liquefied and compressed fuel. The Sub-Committee plans to further develop and finalize the interim guidelines on hydrogen as fuel for approval at MSC 111 in 2026. In December 2024, the Maritime Safety Committee approved "Interim Guidelines for the safety of ships using ammonia as fuel" which had also been developed by the CCC Sub-Committee. MSC 109 further adopted amendments to the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases (IGC Code) to enable the use of ammonia as fuel on ammonia carriers. The amendments will enter into force on 1 July 2026, but a circular was also approved to encourage voluntary early implementation.

The European Union is implementing its own legislation through their [Fit for 55 package](#). In January 2024, the EU's Emissions Trading System (EU ETS) was extended to cover CO₂ emissions from all large ships (of 5000 gross tonnage and above) entering EU ports, regardless of the flag they fly. In addition, the package includes a requirement for owners to buy cleaner fuels and ports to ramp up supply of shore power and liquefied natural gas (LNG) as fuel.

A significant push for decarbonisation in the maritime industry was made by regulatory authorities but also in the form of various industry initiatives comprised of a diverse range of maritime stakeholders, e.g. the [Poseidon Principles for Marine Insurance](#).

Under the current plans much of the existing fleet is going to be non-compliant with IMO requirements by 2030. Changes in vessel design, fuel and propulsion types, and infrastructure will affect the risk landscape for marine insurers going forward so underwriters must be prepared to assess new risks and potential safety concerns. Moreover, they are likely to play a role as facilitators for decarbonisation by providing guidance and advice to their insureds.

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 ways of collaboration, and new procedures and processes for bunkering. At the same time, conventional fuel types will be in use for the foreseeable future and until the transition period is concluded. In February 2024, the Sub-Committee on Human element, Training and Watchkeeping (HTW) agreed to develop interim guidance on training for seafarers on ships using alternative fuels.

IUMI will:

- Increase awareness for alternative low and zero carbon fuel types and propulsion methods and contribute towards any necessary safety regulation amendments.
- Will support industry initiatives such as the Poseidon Principles for Marine Insurance which underpin the transition to zero emissions shipping.

12. Transport of electric vehicles (EVs)

Considering the drive to decarbonize all modes of transport, the number of new energy vehicles has been on the rise and electric vehicles (EVs) sales are projected to match internal combustion engine vehicles (ICEVs) by 2030, and to surpass them by 2040.

Battery electric vehicles are usually fitted with a lithium-ion traction battery which is encapsulated and shielded by the vehicle's body. The battery is made of modules and cells. It is usually placed in the vehicle floor or undercarriage and protected by an anti-crash frame. Electric vehicles have extensive safety systems designed to isolate the battery pack when a collision or a short circuit is detected. The battery management systems (BMS) monitors and controls the battery and ensures safe operating conditions.

The state of charge (SoC) is the charge level of a battery compared to its total capacity. High SoC increases heat release rates, maximum temperatures, and concentrations of flammable and toxic gases during thermal runaway, though it does not affect the total heat release. For EV transport onboard Pure Care and Truck Carriers (PCTCs) it is recommended to keep the SoC as low as practically possible.

Thermal runaway may occur if cells are abused, e.g. by heat, mechanically damaged, overcharged or defective. It is a self-sustaining chemical reaction that produces heat, raises cell temperatures and releases toxic and flammable gases. Heat can propagate from one cell to another and spread throughout the battery.

Safety standards such as casings and the BMS make the likelihood of thermal runaway very low. Statistics indicate that EVs cause fewer fires than ICEVs when compared over the same distance. However, EV fires carry a higher risk of re-ignition which can persist for longer periods.

Thermal runaway is difficult to stop unless the firefighting agents are injected directly into the battery to enable efficient cooling. Early fire detection and verification/confirmation, fast suppression and boundary cooling are essential to stop the spread to the battery and to adjacent vehicles. Extended monitoring and pre-cautions against re-ignition are necessary after a fire.

IUMI published recommendations on the safe transport of EVs on board PCTCs and ro-ro vessels. A second iteration of the paper was published in September 2025 to reflect the latest technological advances and research. At the IMO, the SSE Sub-Committee has placed the adequacy of fire protection, detection and extinction arrangements for ships carrying new energy vehicles on its agenda.

At SSE 12 in March 2026, the Sub-Committee agreed to prioritize battery electric vehicles. It was further decided to prioritize measures for vehicle carriers, followed by ro-ro cargo ships, followed by ropax vessels. A Correspondence Group was established which will start work on interim guidelines for the safe carriage of EVs onboard vehicle carriers. Additional focus will be on the development of guidelines for video-based detection systems.

IUMI further intends to work with relevant stakeholders from OEMs and standard setting organisations encouraging them to develop a standard which makes use of the BMS for (ultra) early detection of faults in the battery.

IUMI will:

- Be involved in the IMO's work to effect appropriate safety measures to address this risk.
- Cooperate with relevant maritime stakeholders to address the risks associated with the carriage of EVs.

13. Transport of lithium-ion batteries (LIBs)

In light of the efforts to combat climate change and to reduce the dependence on fossil fuels, new sources of energy and energy storage systems are being developed and constantly evolve. This has led to the increased use of lithium-ion batteries (LIBs) in all kinds of electronic devices,

appliances, battery energy storage systems (BESS) and small vehicles. Unlike the LIBs incorporated in BESS and in electric cars, smaller devices which include LIBs do not have a battery management system which ensures that the battery operates within its safety parameters.

This section will focus on LIBs carried as cargo and LIBs within electronic devices. The peculiarities to consider when transporting BESS are not addressed since currently only limited knowledge is available on risks and loss prevention measures associated with their carriage.

With the number of LIBs in use growing, they are being shipped as cargoes across all modes of transport. This includes new, used and damaged batteries as well as electronic devices. If such cargoes are not handled, packaged, classified and declared correctly, they can be hazardous to people, property and the environment.

A risk associated with LIBs is thermal runaway (TR): Under certain conditions such as electrical abuse, heat, or mechanical abuse, an increase in the internal temperature of a lithium-ion cell can be triggered. This can initiate reactions which release heat, i.e. causing a heat-temperature loop. If the heat does not dissipate, the battery cell temperature will increase further, thereby accelerating the process of heat release. The battery enters an uncontrollable self-heating state. TR can affect adjacent cells and nearby materials, thus causing fire. In addition to the fire risk, TR reaction products also contain toxic substances. The toxicity characteristics applicable to potential gas clouds and their residues remain after a fire has been extinguished. If TR occurs, it is important to consider that even if the flames have been suppressed, this may not suffice to interrupt/stop the TR chemical reaction. Due to such risks, LIBs are classified as Class 9 dangerous goods. This means that they are subject to regulations on packaging, labelling, quantity limits, training, and reporting.

To ensure the safe handling of LIBs in the global supply chain it is crucial to comply with international safety regulations. Stakeholders involved in shipping or storing of LIBs must be aware of relevant information and communicate it to all those involved in the handling of the cargo. Guidance is included in the International Maritime Dangerous Goods (IMDG) Code, the Code of Practice for Packing of Cargo Transport Units (CTU Code), the Cargo Stowage and Securing (CSS) Code and the CINS Lithium-ion Batteries in Containers Guidelines. Training for staff involved with the handling of these cargoes is crucial to ensure they are aware of the risks and know how to handle them in case of an incident.

Mandatory 30% State of Charge (SoC) Rule - As of January 1, 2026, lithium-ion batteries (UN 3480) and many batteries packed with or in equipment (UN 3481) must be transported at a state of charge (SoC) not exceeding 30% of their rated capacity for transportation. (ADR 2026 Regulations)

CINS Guidelines for Shipping Lithium-ion Cells and Batteries, published in April 2026. The document provides shipping companies, operators and carriers with safety guidance for the transport of lithium-ion cells and batteries, classified under UN Nos. 3480 and 3481, in Cargo Transport Units (CTUs). It focuses on the specific risks associated with shipping lithium-ion cells and batteries.



Relevant authority / organisations and documents

- IATA Battery Guidance Document, Revised for the 2026 Regulations
- Cargo Incident Notification System (CINS); Guidelines for Shipping Lithium-ion Cells and Batteries in Containers, April 2026

IUMI will:

- IUMI will support the development of appropriate guidelines and safety measures to address the risks associated with the carriage of LIBs.

STANDING ITEMS

14. Cross border trade

It has long been recognised that cross border trade needs cooperation to enable it to work and marine insurance plays its part in facilitating that trade amidst a well understood set of international trading rules and agreements. Since the recent escalation in tariff policies and port fees, international trade has been faced with new levels of uncertainty. When parties in the trade chain are targeted, questions of economics will force adaptation; supply and demand play their part as does the price of materials. When, in parallel, the freedom of navigation is also challenged, the situation quickly becomes very complicated.

Putting tariffs on certain ships or goods will obviously add costs and this has naturally led to a review of booking viability by traders, with corresponding reductions in scheduled voyages. This will feed through to port activity and its supporting road and rail distribution network as supply reduces.

The supply chain is based on consistency. With the elaborate structure being pulled in numerous directions, the overall outcome is likely to be increased costs through loss of efficiencies. Consumer appetite will combine with frictional costs to determine whether and how demand might change.

Insurers may be contingently affected but cannot directly influence state policy of this kind. IUMI will contribute to the debate, outlining likely consequences that can be envisaged. With its broad membership, IUMI is also cognisant that not all members will have the same views or be affected in the same way and it is therefore part of our role to also articulate that diversity as needed.

15. Maritime security / piracy

The world is facing a new era of instability in which the rules-based order which has underpinned global trade and the social order since 1945 is under threat from several directions. UNCLOS is

being tested and clashing territorial ambitions are posing difficult legal and practical questions to which there is no clear answer.

Strait of Hormuz

On the 27th February 2026 hostilities began between US, Israel and Iran, resulting in over 1,000 sea-going vessels being trapped west of Hormuz with over 20,000 crew aboard. There have been almost 30 attacks on vessels. The US has deployed minesweepers to the area, implying there are mines there. There are suggestions that Iran may be attempting to charge for passage and that raises a number of legal questions for anyone insuring such vessels. Both Iran and the US are attempting to blockade the strait and masters are unwilling to take the risk of trying to leave under the Iranian gaze. The situation remains fluid. The second and third order effects of the trade interruption will be felt for months after a peace is confirmed.

Gaza/Red Sea

The conflict situation in Gaza continued for over a year and the region remains highly unstable. The insurgent Houthis chose to attack international shipping in a show of support for the Palestinians. This has resulted in around 55% of all transits being re-routed away from Suez. NATO supported shipping via Operation Prosperity Guardian and Poseidon Archer whilst the EU intervened through Operation Aspides which provided an escort service to some vessels when possible. IUMI assisted Aspides with their guidance to shipping. Since mid-2025 Houthi attacks on shipping have reduced but the threat endures. Trading and underwriting in the area remain subject to high levels of risk and uncertainty where political motives clash with commercial operations.

Ukraine

The conflict continues with no end in sight. Despite continuing resistance by Ukraine, and an unprecedented regime of sanctions, Russia's strategic goals remain unchanged; they seek total control over Ukraine and appear undeterred by very significant casualties and economic damage. The European strategic picture has been recast with the continent recognizing the downside of oil and gas reliance on a country with contrasting strategic ambitions.

Baltic

Following the addition of Sweden and Finland to NATO there were a number of sub-sea cable incidents involving Russian and Chinese linked ships. NATO countries launched "Baltic Sentry" which will involve the deployment of defensive patrols by frigates, planes and drones. This receives support from NMCSUI, the "cell", a specific knowledge centre at MARCOM which is co-ordinating action on undersea infrastructures and response.

Piracy

The Shipping Round Table has worked to update Best Management Practices into BMP Maritime Security. BMP MS comprises a useful and comprehensive guidance which introduces effective measures for the protection of crew, vessels and cargo while transiting the Red Sea, the Gulf of Aden, the Indian Ocean and the Arabian Sea. It is intended for use with the companion Maritime Security Industry Threat Overview (MISTO).

Q6099, the maritime security planning chart for the Indian Ocean has now been supplemented with Q6112 which covers Karachi to Hong Kong. Both provide routing information and contact details for masters.

In the Gulf of Guinea, the IMB continues to seek continued, robust regional and international naval presence as a deterrent to address piracy and kidnapping. Nigeria's Deep Blue Project and the Gulf of Guinea Maritime Collaboration Forum are complementary initiatives, created to support the fight against piracy in the region.

Relevant authority / organisations and documents

- **International Maritime Organization (IMO)**
 - **Global Integrated Shipping Information System (GISIS)**: Recent reported incidents of piracy & armed robbery.
 - **MSC102/10/3**: Security in the Gulf of Guinea, submitted by ICS, BIMCO, OCIMF, INTERTANKO and INTERCARGO, 10 March 2020.
 - **Circular Letter No. 4382**: Piracy in the Gulf of Guinea, 10 February 2021.
 - **Resolution A.1069(28)**: Prevention and suppression of piracy, armed robbery against ships and illicit maritime activity in the Gulf of Guinea, 15 December 2021.
 - **MSC106/INF.10**: Removal of the Indian Ocean High Risk Area, submitted by ICS, BIMCO, OCIMF, INTERTANKO, INTERCARGO and IMCA, 22 August 2022.
- **BM MS 2025:**
 - Consolidates previously published guidelines in one place. They focus on threat and risk management, give guidance how to detect, avoid, deter, delay and report maritime security incidents. They also address seafarer welfare.
- **BIMCO's GUARDCON contract**
 - **IGP&I GUARDCON West Africa** – IG clubs' version including the recommended amendments in Circular 1, 9 April 2014.
- **European Union:**
 - **EU Maritime Security Factsheet: The Gulf of Guinea, 25 January 2021.**
- **EU Naval Force (EU NAVFOR)** – Operation Atalanta.
- **ICC International Maritime Bureau – Piracy Reporting Centre**
- **Maritime Security Centre Horn of Africa (MSCHOA)**
- **Joint War Committee (JWC)**: Listed areas.
- **IUMI: Position Paper – Piracy and its suppression, 29 January 2026**
- **Maritime Domain Awareness for Trade – Gulf of Guinea (MDAT-GoG)**
- **U.S. Coast Guard: Port Security Advisory (1-20)**, 10 June 2020.
- **Benin**: Interministerial decree concerning means of protection of ships in territorial waters, 13 July 2020.
- **OCIMF**: Guidance for the employment of private maritime security companies, October 2021.
- **NATO Shipping Centre.**

IUMI will:

- Monitor and inform IUMI membership of new developments.
- Strongly support implementation of BMP Maritime Security and consider amendments and/or more suitably adapted versions for new areas/threats as and when appropriate.
- Support implementation of ISO PSA 28007 as the sole standard when determining rules for the use of force.
- Endorse guidelines issued by BIMCO and ICS for vessels and crews.
- Encourage governments to support counter-piracy operations through naval task forces and other means of support off the Horn of Africa.
- Encourage owners and insurers to remain vigilant in the Indian Ocean.
- Support all efforts to find a lasting solution to ensure the safe passage of vessels and crew in the Strait of Hormuz and Persian Gulf.
- Participate in the EU's Stakeholder Advisory Group on Maritime Security (SAGMAS)

16. Sanctions

International sanctions are front and centre to the major economic powers' political strategies and objectives but their efficacy is debateable. Shipping as a key cog to the global economy is an obvious sector to be adversely impacted by rises in geopolitical tensions. While sanctions are nothing new, the targeting of financial services have demonstrated the need for marine insurers to keep up to date with new sanction regimes and how to comply with them.

In recent years the application of unilateral sanctions, i.e. without broad, international consensus, has escalated significantly, as has the potential over-reach by governments to try and control the actions of entities trading in their country or using their currency but not directly sanctioned by them – the 'secondary sanctions' phenomenon. The increasing use of 'tit-for-tat' sanctions between the major trading nations further raises the political temperature and difficulties for internationally focused industries such as shipping.

There has been an increasing focus by sanctions authorities on the maritime sector, with pressure on owners, operators and insurers to adopt ever more extensive due diligence and compliance checks in order to manage evolving and complex risks. The May 2020 guidance Sanctions Advisory by OFAC, the Department of State and the U.S. Coast Guard was intended to reshape all aspects of maritime industry behaviour and touches upon fundamental issues for our community – for instance, AIS manipulation, know your customer, supply chain risk, information sharing with counterparties and the recommended use of insurance policy provisions. In July 2020, the UK sanctions regulator, OFSI, followed suit.

Since then we have seen the implementation of a sanctions regime against Russia on a scale never previously seen. These measures include the Oil Price Cap (OPC) which was intended to reduce oil revenue to Russia and simultaneously keep oil flowing to non-G20 countries. The effect has been to produce an independent Russian tanker fleet and to largely remove G20 participation in Russian oil of any kind. It has also raised unanswered legal questions around oil spills involving

sanctioned vessels or cargo. The International Group and others have drawn attention to the risks from the aging tankers employed by Russia, particularly when transiting narrow straits. The implementation and compliance difficulties for insurers impacted by the OPC have increased given the divergence in the quantum of the OPC between the UK and EU, and the US.

Following the release of the EU's 19th Package, and a change in political stance, it is likely that the Oil Price Cap will become redundant as a mechanism as more overarching measures take precedence. Underwriters have additionally been challenged by the temporary derogations given by the US on Iranian and Russian oil, but the rising oil price has rendered the OPC less useful than before.

It is beyond the scope of this document to analyse specific sanctions measures or regimes except to make the wider point that sanctions measures are updated on an almost daily basis across multiple jurisdictions, which require continued due diligence by those in the shipping sector. Moreover, in some cases, sanctions requirements are either ambiguous or conflict across jurisdictions.

Insurers maintain exhaustive checks and systems to avoid insuring sanctioned entities in the first place, or paying claims where sanctions are introduced mid-policy term. Insurance policies will generally include as standard a sanctions exclusion clause, in addition to provisions, both implied and expressed, around illegal activity by the insured. But the speed of sanctions developments and differences in approaches and legislation across jurisdictions is a challenge. Furthermore, secondary sanctions can leave both insurers and their clients in the difficult situation of having competing sanctions measures in place, particularly so where there is the 'threat' of potential sanctions should the parties pursue what may be an otherwise valid commercial contract. Moreover, as the sanctions threat evolves so does the increasing technology employed by bad actors to circumvent measures – AIS manipulation being the best example but also including physical manipulation of the vessel, GNSS spoofing and falsification of documents.

The list below, while not exhaustive, indicates where information can be found from four key sanction regimes.

Key sanction regimes – information links

- **United Nations:**
 - [Security Council - General Information about Sanctions](#)

- **United States of America:**
 - [U.S. Office of Foreign Assets Control \(OFAC\) Sanctions List Search](#)
 - [U.S. Treasury OFAC Sanctions Programs](#)
 - [U.S. Treasury OFAC Recent Actions](#)
 - [OFAC Specially Designated Nationals \(SDN\) List](#)



- OFAC Guidance to address illicit shipping and sanctions evasion practices (14 May 2020)
- **European Union:**
 - EU Consolidated list of sanctions
 - EU Sanctions Map
- **United Kingdom:**
 - HM Treasury – Financial sanctions targets by regime
 - UK Office of Financial Sanctions Implementation
 - OFSI Financial sanctions guidance for entities and individuals operating within the maritime shipping sector (December 2020)
 - Lloyd’s Marine sanctions guidance – Enhanced Due Diligence measures
- **IUMI:**
 - OFAC webinar, 10 June 2020
 - Sanctions update webinar (HFW and Windward), 8 December 2021
 - OFAC webinar, 24 January 2024
- **BIMCO:** Sanctions clause for container vessel time charter parties 2021.
- **China:** Anti-foreign sanctions law necessary to fight hegemonism, power politics: official.

Glossary of abbreviations

ABS – American Bureau of Shipping
AFV – Alternative Fuel Vehicle
AIFTA – ASEAN-India Trade Area
AKFTA – ASEAN-Republic of Korea Free Trade Agreement
AMD – Association Mondiale de Dispatcheurs
ASEAN – Association of Southeast Asian nations
BBNJ – Biodiversity Beyond National Jurisdiction
BMP – Best Management Practice (BMP WA – Best Management Practice West Africa)
BRI – Belt and Road Initiative (People’s Republic of China)
C – Council (IMO)
CCC – Sub-Committee on Carriage in Cargoes and Containers (IMO)
CFLII – Cargo Fire and Loss Innovation Initiative
CG – Correspondence Group
CIMAC – International Council on Combustion Engines
CINS – Cargo Incident Notification System
CIRM – Comité International Radio-Maritime
CLC – Civil Liability Convention
CLIA – Cruise Lines International Association
CMF – Combined Maritime Forces
CMI – Comité Maritime International
COLREG – Convention on the International Regulations for Preventing Collisions at Sea
CPTPP – Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CTU Code – Code of Practice for Packing of Cargo Transport Units
DBI – The Danish Institute of Fire and Security Technology
DG MOVE – Directorate-General Mobility and Transport (EC)
EC – European Commission
ECA – Emission Control Area
ECSA – European Community Shipowners’ Associations
EEA – European Economic Area
EEXI – Energy Efficiency Existing Ship Index (IMO)
EFTA – European Free Trade Association
EIOPA – European Insurance and Occupational Pensions Authority
EMASOH – European Maritime Surveillance Mission in the Strait of Hormuz
EMSA – European Maritime Safety Agency
ENISA – European Network and Information Security Agency
ESG – Environmental, Social and Governance
ETS – Emission Trading System (EU)
EU – European Union
EU NAVFOR – EU Naval Forces
FAL – Facilitation Committee (IMO)
FIATA – International Federation of Freight Forwarders Association
FONASBA – The Federation of National Associations of Ship Brokers and Agents

FTA – Free Trade Agreement
GDP – Gross Domestic Product
GHG – Greenhouse Gas
GNSS – Global Navigation Satellite Systems
GoG – Gulf of Guinea
HTW – Sub-Committee on Human element, Training and Watchkeeping (IMO)
IACS – International Association of Classification Societies
IAPH – International Association of Ports and Harbors
ICS – International Chamber of Shipping
IFSMA – International Federation of Shipmasters’ Associations
IG – International Group of P&I Clubs
IMB – International Maritime Bureau
IMDG Code – International Maritime Dangerous Goods Code
IMO – International Maritime Organization; a United Nations specialized agency
INTERCARGO – International Association of Dry Cargo Shipowners
InterManager – international association of ship and crew managers
INTERTANKO – International Association of Independent Tanker Owners
IPTA – International Parcel Tankers Association
ISM Code – International Safety Management Code
ISPS Code – International Ship and Port Facility Security Code
ISO – International Organization for Standardization
ISU – International Salvage Union
ITF – International Transport Workers’ Federation
IUU – Illegal, unreported and unregulated fishing
LEG – Legal Committee (IMO)
MARPOL – International Convention for the Prevention of Pollution from Ships
MASS – Maritime Autonomous Surface Ships
MEPC – Marine Environment Protection Committee (IMO)
MSC – Maritime Safety Committee (IMO)
MSCHOA – Maritime Security Centre Horn of Africa
MR – Mutual Recognition (ROs)
NATO – North Atlantic Treaty Organization
NCSR – Sub-Committee on Navigation, Communications and Search and Rescue (IMO)
OCIMF – Oil Companies International Maritime Forum
OFAC – Office of Foreign Assets Control (United States)
OFSI – Office of Financial Sanctions Implementation (United Kingdom)
ORRA – Ocean Risk Alliance
Polar Code – International Code for Ships Operating in Polar Waters
POLARIS – Polar Operational Limit Assessment Risk Index System
PoR – Places of Refuge
PPMI – Poseidon Principles for Marine Insurance
PPR – Sub-Committee on Pollution Prevention and Response (IMO)
PSA – Port Security Advisory
PSI – Principles for Sustainable Insurance (UNEP FI)
RCEP – Regional Comprehensive Economic Partnership (between 15 Indo-Pacific nations)



ReCAAP ISC – Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia Information Sharing Centre
RO – Recognised Organisation
ROADSEC – European road freight transport sector security guidelines
SAE – Society of Automotive Engineers
SDC – Sub-Committee on Ship Design and Construction (IMO)
SDG – Sustainable Development Goals (UN)
SOLAS – International Convention for the Safety of Life at Sea
SSE – Sub-Committee on Ship Systems and Equipment (IMO)
STCW – International Convention on Standards of training, Certification and Watchkeeping for Seafarers
TAPA – Transport Asset Protection Association
TEN-T – Trans-European Transport Network (EC)
UI – Unified Interpretation (IACS)
UN – United Nations
UNCAC – Convention Against Corruption (UN)
UNCLOS – Convention on the law of the seas (UN)
UNEP FI – United Nations Environment Programme Finance Initiative
UR – Unified Requirement (IACS)
WSC – World Shipping Council