

International Standard for Phytosanitary Measures (ISPM) 15 non-compliance:

What marine cargo insurers should be aware of

Synopsis

Wood packaging material (WPM) – pallets, crates, dunnage and similar items made from raw wood – is one of the most common physical components of an international cargo shipment, and one of the most heavily regulated. Under International Standard for Phytosanitary Measures (ISPM) 15, the International Plant Protection Convention's standard for WPM, non-compliant packaging can be detained, ordered destroyed, or turned back at the border of the importing country, regardless of the condition of the cargo it protects.

For marine cargo insurers, the practical significance of ISPM 15 is easily misread. The exposure it typically creates is not physical loss of or damage to the insured goods, but the operational and financial disruption that follows a regulatory rejection: detention, emergency fumigation or re-treatment, repacking, destruction of packaging, and the delay costs and contractual penalties that can follow. Responsibility for compliant WPM lies, in the first instance, with the party that packs and ships the consignment, but the treatment-and-marking chain typically runs through several independent suppliers. This can complicate attribution when something goes wrong. Relatively simple preventive steps, applied consistently, meaningfully reduce both the frequency and severity of these incidents. This paper outlines the regulatory background, the loss-prevention and claims implications, and practical steps to avoid risks in the first place.

Three practical takeaways for insurers

1. ISPM 15 non-compliance is, in the great majority of cases, a story about **operational disruption** – detention, fumigation, repacking and delay cost – rather than physical damage to the insured cargo.
2. Responsibility for compliant WPM typically rests with the **shipper or packer**, but the supply chain behind a single pallet is often longer than it appears, which complicates attribution and recovery.
3. Simple, low-cost preventive measures such as **the use of registered treatment providers and verifying International Plant Protection Convention (IPPC) marks and the package condition before loading** meaningfully reduce the likelihood of a rejection.

1. Introduction

This paper has been prepared by a working group of IUMI's Loss Prevention Committee to raise awareness, across the marine cargo insurance market, of the operational and claims risks created by non-compliance with ISPM 15 – the International Plant Protection Convention's (IPPC) standard governing wood packaging material (WPM) in international trade.

The intended audience is broad by design: cargo underwriters and brokers who assess and place the risk; claims handlers who deal with the consequences when something goes wrong; and exporters, packers and freight forwarders whose operational practices determine whether a shipment's WPM is compliant in the first place. ISPM 15 is, at its core, a plant-health measure, but its enforcement mechanics create a distinctly insurance-relevant risk that is not always well understood outside specialist phytosanitary or trade-compliance circles.

This paper does not attempt to provide legal or coverage advice, nor does it recommend particular policy wording. Coverage outcomes depend on the specific terms of the policy in question, the applicable law, and the facts of the individual case. Underwriters and claims handlers should reach their own conclusions, informed by their own legal and technical advisers, on any individual matter. The purpose here is more modest: to explain what ISPM 15 requires, what typically happens when a shipment falls short of it, and what that means in practice for the parties who stand behind the risk.

2. ISPM 15 in brief

ISPM 15 – formally, International Standard for Phytosanitary Measures No. 15, Regulation of wood packaging material in international trade – was first adopted in 2002 and most recently revised in 2018 by the Commission on Phytosanitary Measures, the IPPC's governing body.¹ The IPPC counts more than 180 contracting parties,² and ISPM 15 is among its most widely applied standards. It has been adopted, in substance, by all of the world's major trading economies, including the United States, the European Union, China, Australia, New Zealand, Canada and the United Kingdom.

2.1 What is covered

ISPM 15 applies to wood packaging material made from raw, non-manufactured wood: pallets, crates, boxes, packing cases, dunnage, cable drums, and reels or spools. It does *not* apply to wood that has been processed in a way that itself removes pest risk. Plywood, particle board, oriented strand board and veneer are exempt. So are items made of wood 6 mm or less in thickness, sawdust and wood shavings, heat-treated wine and spirit barrels, certain gift boxes, and wood components permanently fixed to a vehicle or container.³

¹ IPPC. ISPM 15: Regulation of wood packaging material in international trade. Rome, FAO, 2018 (published 2019).

² IPPC, ISPM 15 (2019), organisational note on IPPC membership.

³ IPPC, ISPM 15 (2019), section 2.1, "Exemptions."

2.2 Treatment and marking

Compliant WPM must be made from debarked wood (a small tolerance for residual bark is permitted) and must have undergone one of four approved treatments, each identified by a code that appears on the mark:⁴

- **HT — Heat treatment:** core temperature of at least 56°C maintained for at least 30 continuous minutes, applied via a conventional steam or kiln heat chamber; for thicker timber sections, achieving and reliably maintaining the required core temperature can be more challenging.
- **DH — Dielectric heating:** at least 60°C for at least 1 continuous minute throughout the wood's profile, applied by microwave or radio-frequency energy.
- **MB — Methyl bromide fumigation:** a specified concentration–time regime over a minimum 24-hour exposure; wood exceeding 20 cm in cross-section may not be treated by this method.
- **SF — Sulphuryl fluoride fumigation:** a specified concentration–time regime over 24 or 48 hours, subject to similar size and moisture limits.

Once treated, WPM must carry the internationally recognised IPPC mark: a stylised symbol, an ISO two-letter country code, a producer or treatment-provider code, and the treatment code, presented within a bordered rectangle or square. The mark must be legible, durable, not hand-drawn and – deliberately, so as not to be confused with dangerous-goods labelling – never rendered in red or orange.⁵ Treatment and the application of the mark must always take place under the authority of the exporting country's National Plant Protection Organization (NPPO). The NPPO registers and is expected to supervise, audit or review the producers and treatment providers permitted to use it.

Two formatting details, in particular, have caused disputes and are worth calling out on their own. First, Annex 2 requires the country code to be separated from the producer/treatment-provider code by a hyphen – a requirement that applies even where the two codes are split across separate lines of the mark. In the United States, Animal and Plant Health Inspection Service (APHIS) suspended enforcement of this specific point between March and 31 December 2025 after observing a high volume of otherwise-compliant shipments arriving without it. Enforcement resumed in full on 1 January 2026, with APHIS stating that the requirement matters for “maintaining the integrity of the program and preventing fraudulent markings.”⁶

Second, where a unit of WPM combines several wood components fixed together – a skid with square beams nailed to it or a crate with a lid – the importing authority may treat the assembly as a single composite unit needing only one mark. However, enforcement is not always consistent. Working group members have reported cases where every individual component was instead required to carry its own mark, including one where a crate lid, fixed only with plastic strapping rather than screws or nails, was

⁴ IPPC, ISPM 15 (2019), Annex 1, “Approved treatments associated with wood packaging material (2018).”

⁵ IPPC, ISPM 15 (2019), Annex 2, “The mark and its application (2018).”

⁶ USDA Animal and Plant Health Inspection Service (APHIS), “Stakeholder Reminder: Suspension of ISPM 15 Hyphen Requirement Ends December 31, 2025,” aphis.usda.gov, January 2026.

treated as a separate unit for that reason.⁷ Where the fixing method leaves any doubt, marking every component individually removes the question before it can be raised.

2.3 Reuse, repair and remanufacture

Because WPM is frequently reused, the standard sets out specific rules for its ongoing life.⁸ Unaltered, previously marked WPM does not need to be re-treated. Where up to roughly a third of a unit's components have been replaced ("repaired"), only compliant wood may be used for the repair, and each replaced component must carry its own mark. A single pallet can therefore legitimately carry more than one mark, which is not itself a sign of non-compliance. Where more than a third has been replaced ("remanufactured"), all earlier marks must be obliterated and the whole unit re-treated and re-marked.

This detail matters more than it might first appear: a meaningful share of the WPM in circulation at any time has been reused, repaired or remanufactured at least once. The further back a defect originates in that chain, the harder it can be to trace.

2.4 Fraudulent and counterfeit marking

The mark is deliberately simple to check but not difficult to forge, and regulators treat that risk seriously. Where WPM bears a mark but is nonetheless found to be infested, or where a mark is applied without the underlying treatment having taken place, authorities in several jurisdictions treat the marking itself as fraudulent rather than merely non-compliant.⁹ In the United States, APHIS has stated that it is authorised under the Plant Protection Act to pursue fraudulent ISPM 15 stamps with the same tools used against counterfeit phytosanitary certificates. Violations have resulted in administrative orders, civil penalties of up to US\$ 100,000, and, in some cases, felony convictions.

The practical implication is that a live-pest finding on marked WPM is not treated by regulators as a simple, no-fault packaging failure. It can trigger a fraud inquiry directed at the packer, the treatment provider, or both, materially raising the stakes of the causation and recovery questions discussed in section 6. This is a further reason why documentation, discussed in section 7, matters as much as the physical treatment itself.

3. Why this matters for marine cargo insurers: operational disruption, not (usually) cargo damage

3.1 What happens when WPM is found non-compliant

⁷ U.S. Customs and Border Protection, Trade Information Notice #67373551 (as relayed to the working group, June 2026); see also IPPC, ISPM 15 (2019), Annex 2, on composite units and the application of the mark.

⁸ IPPC, ISPM 15 (2019), section 4.3, "Treatment and marking requirements for wood packaging material that is re-used, repaired or remanufactured."

⁹ USDA APHIS, "Notice to U.S. Exporters: Altering Certified Wood Packaging Materials," govdelivery notice, August 2015 (APHIS authority under the Plant Protection Act; penalties as described remain the position stated by APHIS).

ISPM 15 does not regulate the insured cargo, it regulates the packaging around it. When an importing country's NPPO finds that WPM does not meet the standard, whether because a live pest is present, the mark is missing or illegible, or the treatment cannot be verified, its response is directed at the packaging. It can include detention of the consignment, removal of the non-compliant wood (with the balance of the shipment released), re-treatment at the importer's cost, destruction or secure disposal of the packaging, or return of the consignment to its origin.¹⁰ In some jurisdictions, and particularly where a live quarantine pest is found, the regulator may treat the finding as a matter for immediate action. This leaves limited scope for the shipper to contest the finding or arrange an independent inspection before action is taken.

The critical point for insurers is this: in the great majority of these cases, the cargo itself is undamaged. Machinery, furniture, or a container of manufactured goods can pass through an ISPM 15 rejection physically unharmed while still generating a serious loss, because the loss is operational: the shipment is held up, has to be unpacked and re-packed into compliant materials, or is fumigated, re-exported or destroyed as packaging, all while demurrage, storage and, in some cases, contractual delay penalties accumulate.

3.2 Translating regulatory action into cost

The costs that typically follow an ISPM 15 rejection fall into a consistent pattern:

- Detention, storage charges and quarantine charges while the consignment awaits a decision or corrective action.
- Emergency re-treatment or fumigation costs, often arranged at short notice and at a premium.
- Labour and materials for repacking into compliant WPM.
- Destruction costs for non-compliant packaging, and occasionally for cargo that cannot practically be separated from it.
- Return freight, where reshipment to origin is the chosen remedy, and the freight for re-delivery after reconditioning.
- Delay-related costs: demurrage, contractual penalties for late delivery, and lost sales where the cargo is time-sensitive.
- Less directly, but not less real: the cost of enhanced scrutiny applied to a shipper's future shipments once an NPPO has flagged its WPM as unreliable.

Re-export merits a specific mention since it raises questions beyond cost. Where the NPPO's response is to return the consignment to origin, and the original transport was insured under a single-transit certificate rather than an open cover, it is worth checking, rather than assuming, whether that certificate extends to the return voyage and the subsequent re-delivery leg, or whether fresh cover needs to be arranged for either. Separately, an ordered re-export is a risk-increasing event in its own right. It adds a further transport leg and at least one additional round of handling and transshipment beyond what the original voyage contemplated, independent of the WPM issue that triggered it.

¹⁰ IPPC, ISPM 15 (2019), section 4.6 and Appendix 1.

3.3 How this sits alongside cargo insurance concepts

None of this is unique to ISPM 15. It is a recognisable pattern under long-established marine insurance concepts. Loss or damage arising from a defect or characteristic inherent in the goods themselves, rather than from a fortuitous event during the voyage, is conventionally treated as inherent vice. Loss arising from the act of a public authority, rather than from an insured peril, is conventionally treated as regulatory or governmental action. Delay is conventionally excluded from marine cargo cover even where an insured peril contributed to it. Pre-existing pest infestation of packaging, and the regulatory response to it, will often fall within the scope of one or more of these general concepts under a given policy.

How any of this applies to a specific claim is a question of policy wording, the applicable law, and the facts of the case – a question for the underwriter, the claims handler and their legal advisers on the matter at hand, not one this paper attempts to generally answer. The objective is more modest: The market should recognise ISPM 15 exposure as a disruption and consequential-cost risk sitting adjacent to the cargo policy. This recognition is to be factored into underwriting, wording review and claims handling as each participant sees fit.

4. What the data shows

Robust, internationally comparable statistics on ISPM 15 non-compliance are scarce. The European Commission's own compilation of national interception data was discontinued after its 2018 annual report.¹¹ National plant health authorities, however, continue to collect such data domestically. Germany's Federal Ministry of Food, Agriculture and Home Affairs (Bundesministerium für Landwirtschaft, Ernährung und Heimat, BMLEH), which is responsible for phytosanitary matters relating to German exports, compiled the figures below at the working group's request. The data covers formal non-compliance notifications raised by third-country authorities against German-origin WPM between 2023 and the third quarter of 2025.¹²

Year	Total notifications	Marking / documentation	Pest finding
2023	39	29 (74%)	10 (26%)
2024	49	39 (80%)	10 (20%)
2025 (Jan-Sep, partial)*	47	43 (91%)	4 (9%)
Total	135	111 (82%)	24 (18%)

¹¹ European Commission, EUROPHYT interceptions annual reports (series discontinued after the 2018 report); referenced to the working group by BMLEH, January 2026.

¹² BMLEH, Referat 714 (Plant Health, Phytosanitary Affairs relating to Export), data compiled for the working group covering third-country non-compliance notifications against German-origin wood packaging material, 2023 to Q3 2025 (correspondence with IUMI, January 2026).

*2025 figures for the United States which accounts for the majority of notifications in every year shown cover January to September only; full-year 2025 figures were not available at the time of writing.
Source: BMLEH, Referat 714 (Plant Health, Phytosanitary Affairs relating to Export).

Three patterns stand out. First, notifications relating to missing, illegible or otherwise deficient ISPM 15 marking substantially outnumber notifications relating to an actual pest finding by more than four to one across the three years shown. This is consistent with feedback the working group received directly from BMLEH's plant health division. More than two decades after ISPM 15 first took effect, a meaningful share of the market is apparently still shipping WPM that is either unmarked or incorrectly marked, rather than falling foul of the treatment requirement itself.

Second, a single destination – the United States – accounts for the majority of all notifications in every year (between 61% and 82%, depending on the year), consistent with the strict, less-discretionary enforcement approach for which the USDA's Animal and Plant Health Inspection Service (APHIS) is well known in trade-compliance circles.¹³

Third, and easy to lose sight of behind the US figures, the remaining notifications in this data set were raised by ten further destinations across four continents: Republic of Korea, Canada, the United Kingdom, Argentina, China, Australia, Belarus, Chile, Kazakhstan and Turkey. Due diligence on wood packaging is accordingly not a market-specific discipline reserved for the handful of jurisdictions most often discussed. Any importing country's NPPO can act, and the working group has seen recent cases confirming exactly that (section 5).

This creates an apparent tension with the experience of the marine claims and survey community, where – anecdotally – pest-related findings, rather than paperwork deficiencies, dominate the caseload. The two observations are not necessarily inconsistent. A marking deficiency is frequently resolved quickly and inexpensively at the border, through on-the-spot correction or removal of the single offending component and may never generate an insurance notification at all. A live pest finding, by contrast, is more likely to trigger the more severe end of the regulatory response such as full detention, destruction or an emergency action notice. This is more likely to produce a loss serious enough, and a coverage position contested enough, to reach an underwriter, a surveyor or a claims handler. The population of all ISPM 15 rejections, in other words, looks different from the population of ISPM 15 rejections that become insurance claims. This is a distinction worth bearing in mind when calibrating underwriting and claims practice against either data set alone.

Within the pest-related share of notifications, one family recurs more than any other: Cerambycidae, the longhorn beetles, whose larvae bore deep into wood and can be difficult to detect on a routine inspection. APHIS itself has reported that Cerambycidae accounts for close to half of all wood-boring pest interceptions recorded in the United States, ahead of any other family.¹⁴ Consistent with this, a live Cerambycidae finding is generally treated by USDA/APHIS with the same strict, non-discretionary response as any other actionable quarantine pest: detention and an Emergency Action Notification,

¹³ Working group review of the BMLEH data set at note 12; see also USDA APHIS, general guidance on Emergency Action Notifications for wood packaging material, aphis.usda.gov.

¹⁴ USDA APHIS, "International Standards Reduce Pest Risk in Wood Packaging Materials," aphis.usda.gov.

with no case-by-case leniency simply because the shipper's paperwork was otherwise in order. The working group's own case material, discussed next, includes a directly relevant example.

5. What this looks like in practice

The pattern in the data is easiest to see in specific cases. The working group draws the three below from its own case material and from cases reported directly to it; identifying details have been generalised.

5.1 A groupage container, Canada

A recent case reported to the working group illustrates the geographic breadth noted above, and a further complication specific to consolidated cargo. A groupage (LCL) container carrying consolidated cargo for multiple, unrelated shippers was detained by the Canadian authorities. It was made subject to formal emergency enforcement action after the dunnage used to secure the load was found to be infested despite bearing what appeared to be a compliant ISPM 15 stamp.¹⁵ Dunnage is called out in ISPM 15 itself as carrying a particularly high risk of harbouring pests, and, as section 2.4 notes, a mark is not proof against infestation. For groupage traffic specifically, the consolidation adds a further wrinkle: every cargo interest sharing the container was affected by a packing decision taken by a consolidator or a single co-loaded shipper that most of the others had no relationship with and no visibility into. Attribution has to be worked out sideways, across unrelated cargo interests, and not only up the supply chain as section 6 discusses.

5.2 Twenty-two containers, confirmed infestation

A 22-container machinery project shipment bound for Houston was denied entry after live insects were found in the wood packaging. A survey and entomological assessment carried out after the shipment's return confirmed boreholes and living larvae of Siricidae (horntail wasps) and Cerambycidae (longhorn beetles).¹⁶ The larvae's developmental stage indicated the infestation pre-dated construction of the packaging which excluded the possibility that adequate treatment had been carried out. The rejection was, on the evidence, justified. All of the wood packaging had to be destroyed or re-treated and the cargo re-shipped. Because the loss stemmed from a pre-existing condition of the packaging rather than damage in transit, it fell to inherent vice and the cargo underwriter had no liability. The exporter was left to pursue recovery directly against the packing and treatment companies.

¹⁵ Reported to the working group, June 2026; identifying details generalised.

¹⁶ IUMI Loss Prevention Committee meeting, Singapore, 7 September 2025 (working group case material; identifying details generalised).

5.3 Four containers, treatment that had worked

A related case shows the other side of the same coin. A four-container shipment, also bound for Houston, was similarly denied entry and returned after live insects were reported. On survey, however, only boreholes and dead larvae were found, consistent with an ISPM 15 heat treatment that had, in fact, worked as intended.¹⁷ The rejection was, in that narrower technical sense, not justified but the consequences were largely the same: partial re-packing, a further transatlantic transport, and no cargo cover since there was no transport damage to respond to. Because the treatment had demonstrably worked, there was no realistic recourse against the packing or treatment company either. The only remaining avenue was a claim against the regulator itself, with no guarantee of success. The lesson for insurers is that the cost of an ISPM 15 rejection does not track neatly with fault. A technically defensible position is not the same as a low-cost outcome.

6. Where responsibility sits and why attribution isn't always simple

6.1 The standard's own allocation of responsibility

ISPM 15 itself is largely silent on commercial liability. It regulates NPPOs, producers and treatment providers, not shippers or insurers as such. Treatment and marking must always occur under the authority of the exporting country's NPPO which is responsible for authorising, registering and, at a minimum, auditing or reviewing the producers and treatment providers who apply the mark.¹⁸ In practice, this means the entity legally entitled to certify a piece of WPM as compliant is rarely the shipper itself. It is a specialised treatment provider or producer operating under NPPO oversight, several steps removed from the insured's own operations.

6.2 Where commercial responsibility typically lies

As a matter of ordinary commercial and contractual practice, rather than of ISPM 15 itself, the party that packs and tenders a consignment for shipment is generally treated as the first point of responsibility for ensuring its WPM is compliant, whether that party is the exporter directly or a packing contractor acting on its behalf. This is a sensible starting point: the packer chooses the pallets, the packing site is where a pre-loading check can catch a problem before it travels, and the export documentation is generated at that point in the chain.

In practice, however, the chain behind that single point of responsibility is often longer and less transparent than it first appears. A typical pallet may originate with a timber supplier, pass through an independent NPPO-registered treatment provider, be assembled by a separate pallet manufacturer, and only then reach the packer who loads the cargo. Given the reuse and repair provisions described in section 2.3, it may already carry the history, and the marks, of one or more earlier lives before any of that happens.

¹⁷ IUMI Loss Prevention Committee meeting, Singapore, 7 September 2025 (working group case material; identifying details generalised).

¹⁸ IPPC, ISPM 15 (2019), sections 3.1 and 4.1.

Each of these parties operates under its own contract, often with limited visibility into the others. The packer loading the container is rarely in a position to independently verify a treatment provider's underlying process, only to check that the mark is present, legible and appears genuine.

6.3 Why this matters for claims and recovery

When a shipment is rejected on a live-pest finding, this layered structure complicates two things insurers care about: establishing causation and identifying a party against whom recovery can realistically be pursued.

Causation turns on pest biology as much as on documentation. A live pest recovered from WPM typically points to treatment that failed or was never properly applied. It is a pre-existing condition of the packaging, consistent with inherent vice (section 3.3), and one that leaves the exporter, rather than the cargo underwriter, to pursue recovery against the packer or treatment company (section 5.2). Not every wood-boring family fits that pattern cleanly, however. Cerambycidae, the largest single source of US interceptions (section 4), includes species that infest only fresh or recently felled wood alongside others associated with dry, seasoned timber that can develop in packaging wood well after treatment.¹⁹ USDA/APHIS typically acts at the family level without a species-level determination, so a Cerambycidae finding on its own does not establish which pattern applies. Where the species involved is one capable of developing in wood after treatment, the inherent-vice analysis is less straightforward, and recourse against the packer or treatment provider correspondingly weaker (section 5.3). This is a distinction that documentation alone will not resolve, and one that may call for an entomological opinion on the specific find.

Recovery, more generally, depends on tracing the treatment-and-marking chain. Identifying a responsible party is only possible where documentation survives – treatment certificates, batch or calibration records, and proof of the treatment provider's NPPO registration at the relevant time.

Where that documentation exists and is available, a claims handler can usually trace the loss back through the chain and assess recovery prospects with some confidence. Where it does not, the loss tends to settle, by default, on whichever party is left holding it when the paperwork runs out which is not always the party actually responsible for the underlying failure. This is, in the working group's view, one of the more underappreciated features of ISPM 15 risk. It is not that responsibility is undefined, but that the evidence needed to locate it correctly is easy to lose track of across a multi-party supply chain. This is rarely thought about until a rejection has already occurred.

¹⁹ Cerambycidae includes species restricted to fresh or recently felled wood as well as species associated with dry, seasoned timber, for example the old house borer (*Hylotrupes bajulus*), a recognised pest of structural and packaging softwood in Europe that can continue developing in wood for years after felling or treatment. Identification to species level, rather than family, is generally needed to distinguish the two.

7. Loss prevention: simple measures, meaningful risk reduction

None of the preventive measures below are technically difficult or expensive relative to the cost of a single rejected shipment. This is why they are worth emphasising. The market's experience, mirrored in the data and case examples, is that a large share of ISPM 15 incidents trace back to a small number of recurring, avoidable gaps.

Due diligence should not be calibrated to a handful of well-known markets. It is tempting to treat ISPM 15 discipline as something that mainly matters for shipments to the United States, China or Australia. The data in section 4 and the Canadian case in section 5.1 both argue against that. Any importing country's NPPO can act on non-compliant WPM. Groupage traffic can expose cargo interests to a packing decision made by an unrelated shipper. The working group is not aware of a market that can safely be treated as low-risk enough to skip the checks in section 7.1 below.

7.1 For exporters, packers and freight forwarders

- Source WPM only from producers or treatment providers who can demonstrate current NPPO registration. Consider periodic (e.g. annual) re-verification rather than a one-off check at the start of a supplier relationship.
- Build a pre-loading visual check into standard packing procedure:
 - Is the mark present on every component of a composite pallet, legible, hyphenated where required, and consistent with the treatment claimed?
 - Is there visible frass, boreholes or other sign of infestation?
 - Is bark within tolerance?
- Treat multi-component WPM as a single marking problem, not an assumption. Mark every component individually, including lids, blocking and dunnage, rather than relying on an interpretation of the composite-unit rule that an importing authority may not share.
- Retain treatment certificates, batch records and supplier registration evidence for a defined period in a form that can be produced quickly if a shipment is queried or a claim arises.
- Apply the same checks regardless of destination. Do not reserve enhanced scrutiny for a short list of jurisdictions with a reputation for strict enforcement.
- For groupage/consolidated shipments, ask the consolidator what verification they apply to co-loaded shippers' dunnage and packing, since a single non-compliant party can expose the whole container.
- Address WPM compliance explicitly in supplier and packing contracts, so that responsibility for a treatment or marking failure is allocated before a dispute arises, not during one.

7.2 For insurers

- Treat WPM sourcing and documentation practice as a relevant, if modest, part of understanding any cargo risk moving in WPM, not only shipments to markets with a reputation for strict enforcement.
- Recognise the limits of documentation review at placement. A treatment certificate or registration number on file at inception says relatively little about the specific batch of WPM used for a specific shipment months later, and a paper record is not a substitute for the exporter's own operational discipline.
- Where an insured's export profile is concentrated in markets with a track record of stricter enforcement, awareness of that concentration is itself useful underwriting information. But the absence of such concentration is not, on its own, a reason to disregard the potential exposure.
- For consolidators, Non-Vessel Operating Common Carriers (NVOCCs) and their insurers, note that a groupage container's WPM risk is a function of every shipper loaded into it, not only the policyholder's own practice.
- Bear in mind that a live-pest finding on marked WPM may be treated by the regulator as a potential fraud matter, not only a packaging failure. This can affect timelines and the parties involved.
- Encourage insureds with repeat exposure to build the pre-loading and documentation practices in section 7.1 into their own operations, as part of the broader loss-prevention relationship rather than as a one-off condition.

These are, deliberately, practical and operational recommendations rather than coverage or wording recommendations. The working group's focus is on reducing the frequency and severity of the underlying incidents, not on how any resulting loss should be treated under a given policy.

8. Conclusion

Twenty-plus years after ISPM 15 first took effect, non-compliant wood packaging material remains a persistent, largely avoidable source of disruption in international trade. It is a source of cost and dispute that reaches the marine cargo insurance market more often than its physical-damage profile would suggest. The exposure is rarely about the goods themselves. It is about what happens operationally once a regulator, rather than a peril, intervenes. Responsibility for avoiding that outcome lies, as a starting point, with the exporter and packer, but the supply chain behind a single pallet is often longer and less visible than it appears. This is why documentation and traceability matter as much as compliance itself.

This paper is intended as a working document. The IUMI Loss Prevention Committee's working group on ISPM 15 welcomes feedback²⁰, additional data and examples from across the membership, and will look to develop this material further, including more granular claims examples, as the group's work continues.

About IUMI The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals. IUMI currently represents 42 national and marine market insurance and reinsurance associations.

International Union of Marine Insurance

Grosse Elbstrasse 36
22767 Hamburg, Germany
Phone: +49 (0) 40 2000 747-0
Email: info@iumi.com

²⁰ Comments and feedback can be sent to info@iumi.com.