



IUMI International Union
of Marine Insurance

IUMI – At the forefront of marine risks

31st Marine Forum
Kievits Kroon Country Estate, 12 May 2016

Lars Lange,
Marine Forum
12/05/2016

Lars Lange
IUMI Secretary General, Hamburg



IUMI International Union
of Marine Insurance

Agenda

- 1. How IUMI works**
2. Political Work – Lobbying
3. Current Topics
4. Connecting to IUMI

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Marine Forum
12/05/2016



IUMI International Union
of Marine Insurance

1. How IUMI works

- IUMI represents national and international marine (re) insurers, no brokers, no P&I
- 46 national (marine) insurance associations and 21 IUMI Professional Partners (IPPs)
- Founded 1874, since 2013 seat in Hamburg



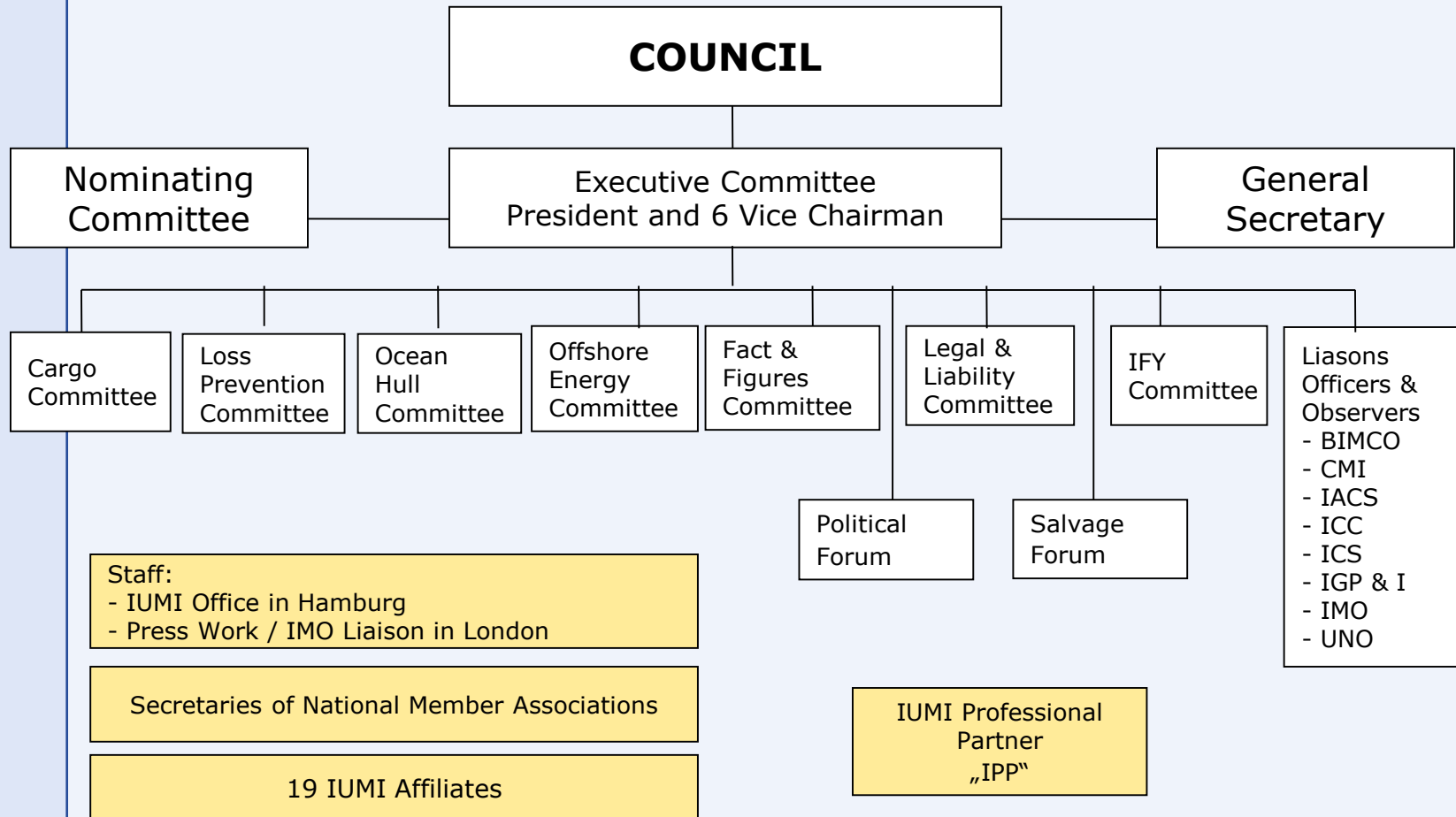
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1. How IUMI works

IUMI International Union
of Marine Insurance

“a professional body which is run by and for its members”





1. How IUMI works

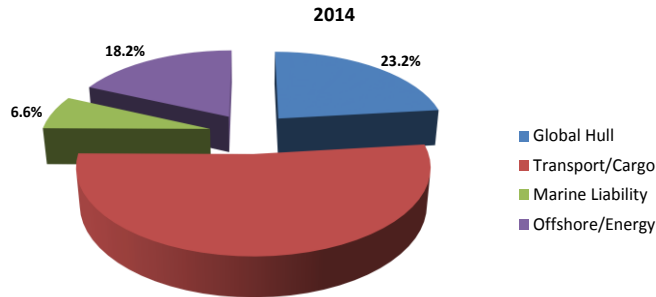
- Lobbying
 - IMO
 - Local Authorities
 - Stakeholder Maritime Business
- Services
 - Statistics
 - Education
 - Information (Press Work, IUMI Newsletter)
 - Conferences, Meetings



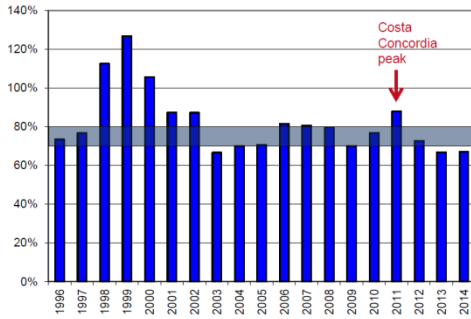
Global Marine Premium 2014

by line of business / loss ratio / analysis

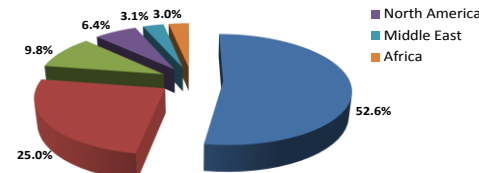
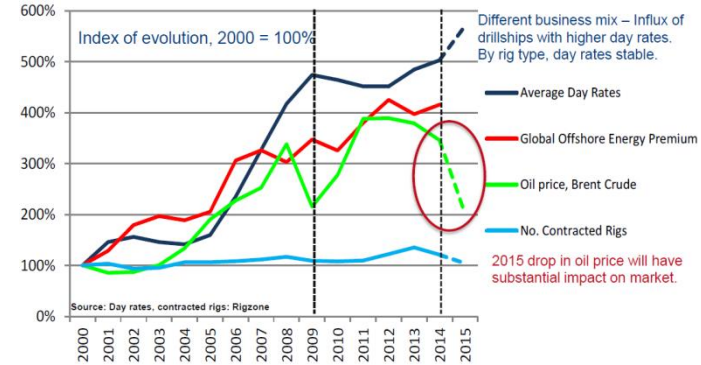
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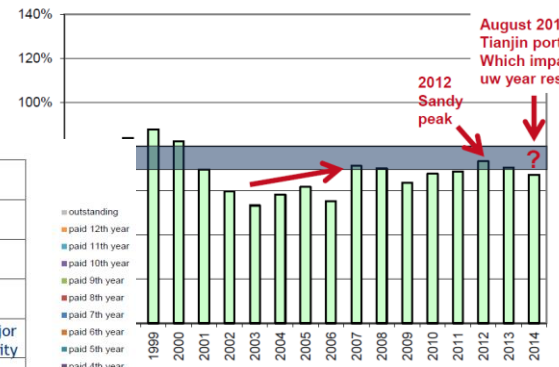
EUROPE/USA**, UNDERWRITING YEARS 1996 TO 2014



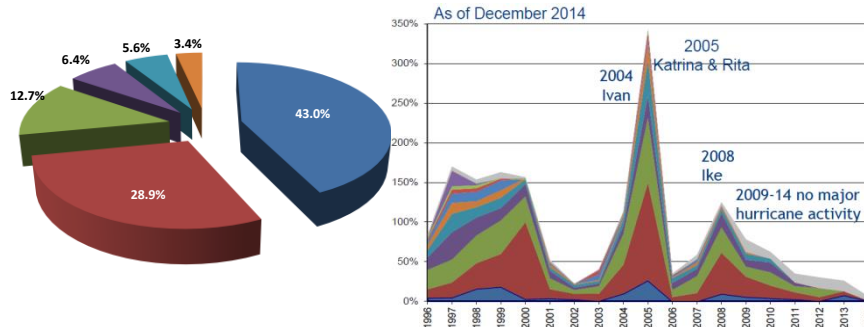
* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (usually 20%-30% acquisition cost, capital cost, management expenses)
** Data: Belgium, France, Germany, (Netherlands), Italy, Spain (until 2007), UK, USA



EUROPE/USA**, UNDERWRITING YEARS 1996 TO 2014



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International Maritime Organisation IMO

- UN organisation, London - „world shipping government“
- MSC, MEPC, Legal and Sub-Committees
- 170 Member States, about 70 NGOs



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European Union

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- European Commission: In 2009 about 23.000 employees
- 28 Commissioner



- DG Move — Maritime Safety Department

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IUMI Affiliates

... stakeholder in maritime / transportation
business



BIMCO



Association Mondiale de Dispatcheurs

IACS

INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES LTD.



IGP&I

International Group of P&I Clubs



*the global voice of
freight logistics*



2. Political Work - Lobbying

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- Action recommended
- Support recommended
- Monitor & Inform

INTERNATIONAL UNION OF MARINE INSURANCE

CURRENT ISSUES – IUMI POLITICAL FORUM

Contents

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Updated very frequently – last 22 Apr 2016



2. Political Work - Lobbying

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The screenshot shows the IUMI website interface. At the top right, there is a 'Contact' link with a house icon and a gear icon. Below the header is a large image of a red container ship. The IUMI logo and name are on the left side of the page. A 'Main Menu' is visible on the left, with 'Home' selected. The 'Political Forum' section is highlighted, showing 'Current Issues' with an update date of '2nd September 2015'. Three position papers are listed: 'Position Paper of the International Union of Marine Insurance (IUMI) on the Loss of Ship Records September 2015', 'Position Paper of the International Union of Marine Insurance (IUMI) on the Trade in Services Agreement (TiSA) October 2014', and 'Position Paper of the International Union of Marine Insurance (IUMI) on Cargo Theft Prevention'. Other sections include 'Salvage Forum', 'Annual Conferences' (with a graphic for 'IUMI Berlin 13-16 September 2015'), 'IUMI Statistics', and 'IUMI Eye Newsletter'.

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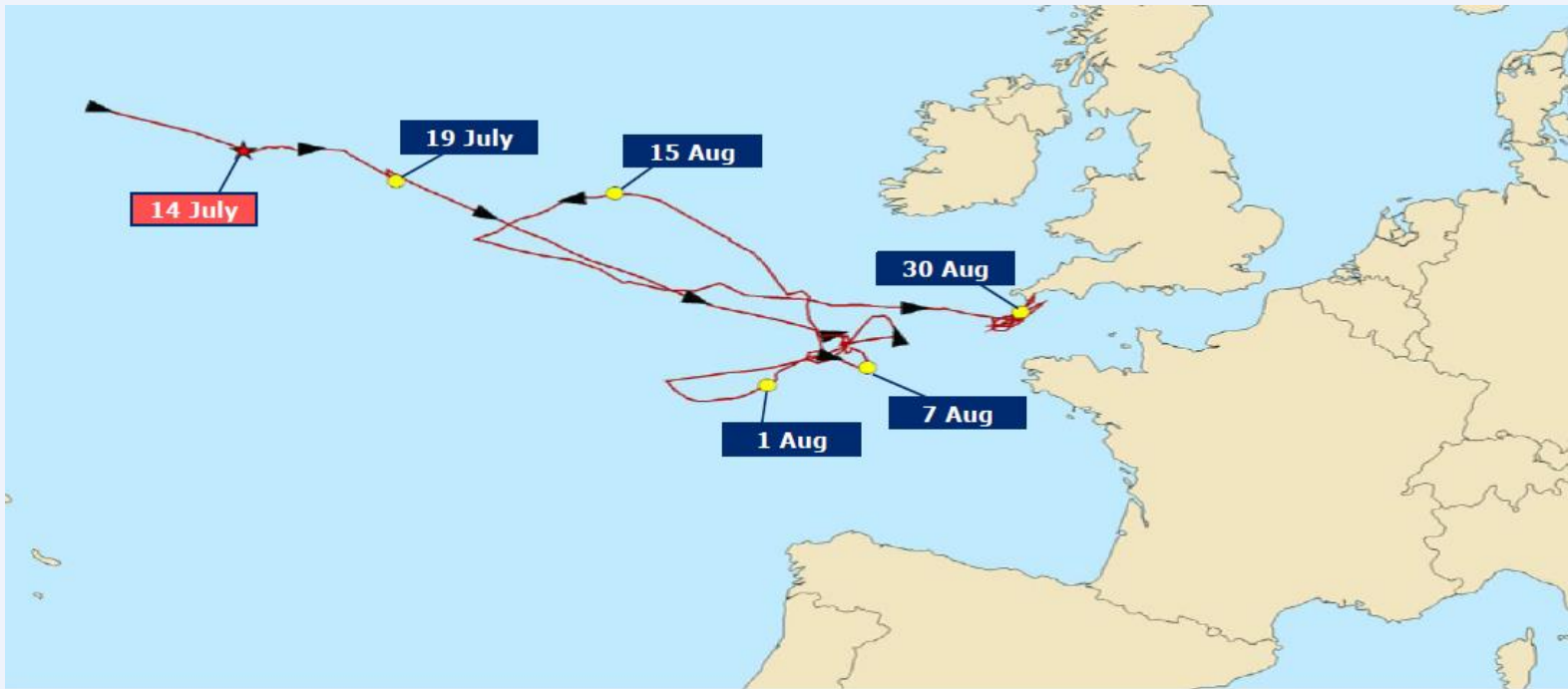
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3. Current Topics 1 – Places of Refuge

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Places of Refuge: Odyssey of the „MSC Flaminia“ Jul / Aug 2012



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3. Current Topics 1 – Places of Refuge

MSC Flaminia: 14.07. – 12.09.2012 at sea



Stolt Valor 2012: 15.03.2012 – Sep 2012 at sea



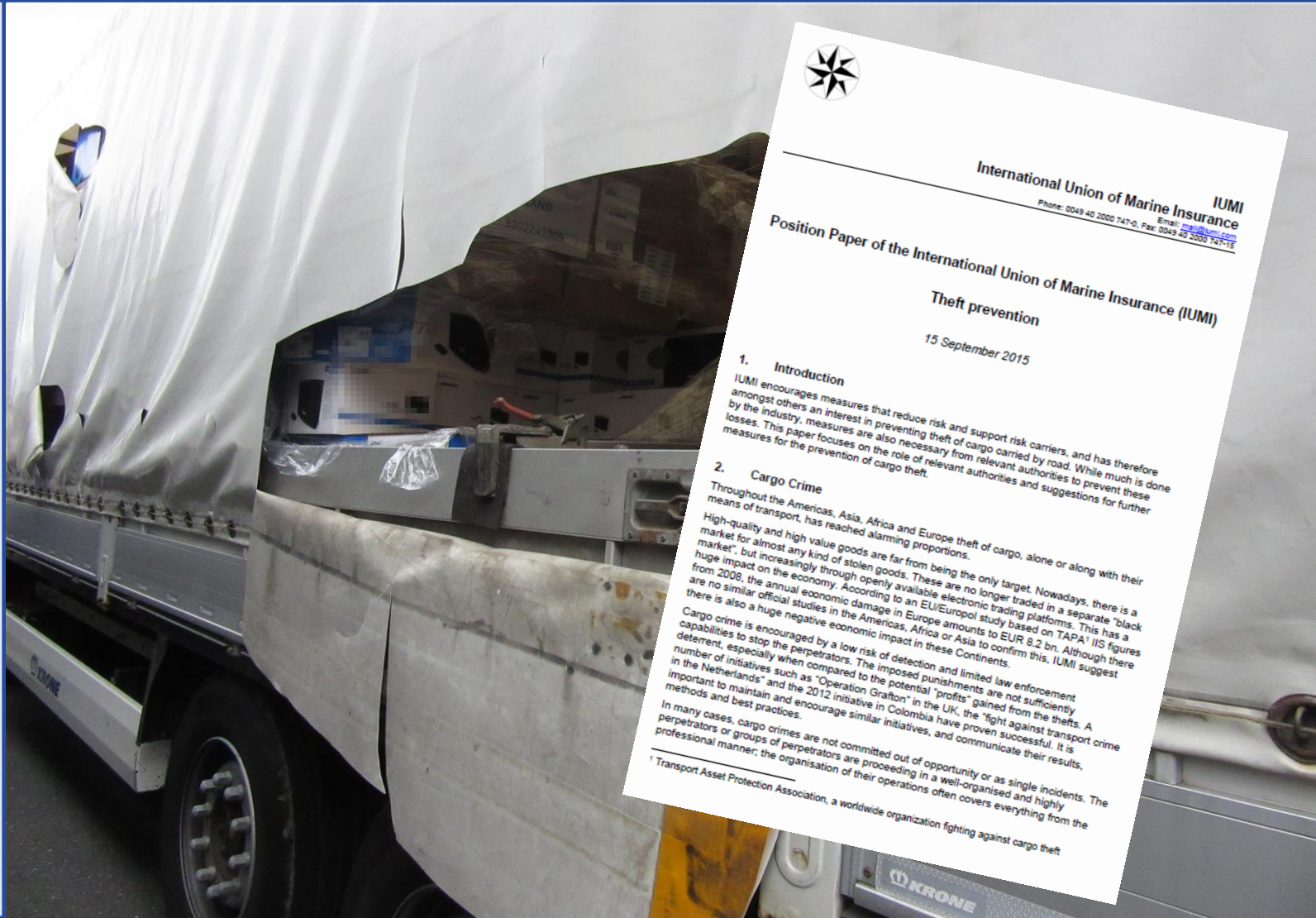
Maritime Maisie 29.12.2013 – 30.04.2014 at sea





3. Current Topics 2 – Theft Prevention

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International Union of Marine Insurance
IUMI
Phone: 0049 40 2000 747-0, Fax: 0049 40 2000 747-15
Email: mail@iumi.com

Position Paper of the International Union of Marine Insurance (IUMI) Theft prevention

15 September 2015

1. Introduction

IUMI encourages measures that reduce risk and support risk carriers, and has therefore amongst others an interest in preventing theft of cargo carried by road. While much is done by the industry, measures are also necessary from relevant authorities to prevent these losses. This paper focuses on the role of relevant authorities and suggestions for further measures for the prevention of cargo theft.

2. Cargo Crime

Throughout the Americas, Asia, Africa and Europe theft of cargo, alone or along with their means of transport, has reached alarming proportions. High-quality and high value goods are far from being the only target. Nowadays, there is a market for almost any kind of stolen goods. These are no longer traded in a separate "black market", but increasingly through openly available electronic trading platforms. This has a huge impact on the economy. According to an EU/Europol study based on TAPA¹ IIS figures from 2008, the annual economic damage in Europe amounts to EUR 8.2 bn. Although there are no similar official studies in the Americas, Africa or Asia to confirm this, IUMI suggest there is also a huge negative economic impact in these Continents. Cargo crime is encouraged by a low risk of detection and limited law enforcement capabilities to stop the perpetrators. The imposed punishments are not sufficiently deterrent, especially when compared to the potential "profits" gained from the thefts. A number of initiatives such as "Operation Grafton" in the UK, the "fight against transport crime in the Netherlands" and the 2012 initiative in Colombia have proven successful. It is important to maintain and encourage similar initiatives, and communicate their results, methods and best practices. In many cases, cargo crimes are not committed out of opportunity or as single incidents. The perpetrators or groups of perpetrators are proceeding in a well-organised and highly professional manner; the organisation of their operations often covers everything from the

¹ Transport Asset Protection Association, a worldwide organization fighting against cargo theft

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3. Current Topics 3 – Cyber Risks

■ BIMCO Industry Guidelines

INDUSTRY GUIDELINES ON CYBER SECURITY ON BOARD SHIPS

- The guidance to ship owners and operators includes how to:
 - minimize the risk of a cyber-attack through user access management
 - protect on board systems
 - develop contingency plans and
 - manage incidents if they do occur



- New IACS Cyber Panel
- Debate at IMO MSC 96 in May 2016



3. Current Topics 4 – Unmanned vessels

- DNV-GL “ReVolt” project





3. Current Topics 5 – York Antwerp Rules

CMI Initiative



York-Antwerp Rules – CMI Questionnaire

Position Paper of the International Union of Marine Insurers ("IUMI")

This paper has been prepared by the IUMI Salvage Forum ("the Forum") at the request of the Executive Committee of IUMI; it represents the views of IUMI who speak for Marine Property Underwriters ("MPUs") and responds to the Questionnaire drafted by the Comité Maritime International's ("CMI") Working Group ("WG") on General Average ("GA") which was sent to the presidents of National Maritime Law Associations ("MLAs") on 15 March 2013.

This is an important topic for MPUs because they pay nearly all GA claims (save cargo's proportion of GA which is not recoverable due to a breach of contract by the carrier which the Owner will usually collect from his P and I insurers). MPUs are the paymasters of the GA system and so their views should be accorded special weight in any debate concerning amendments to the York-Antwerp Rules ("YAR").

This memo will follow the numbering of the Questionnaire itself and will, in addition to offering IUMI's views, try to explain the background to some of the issues under consideration from IUMI's point of view.

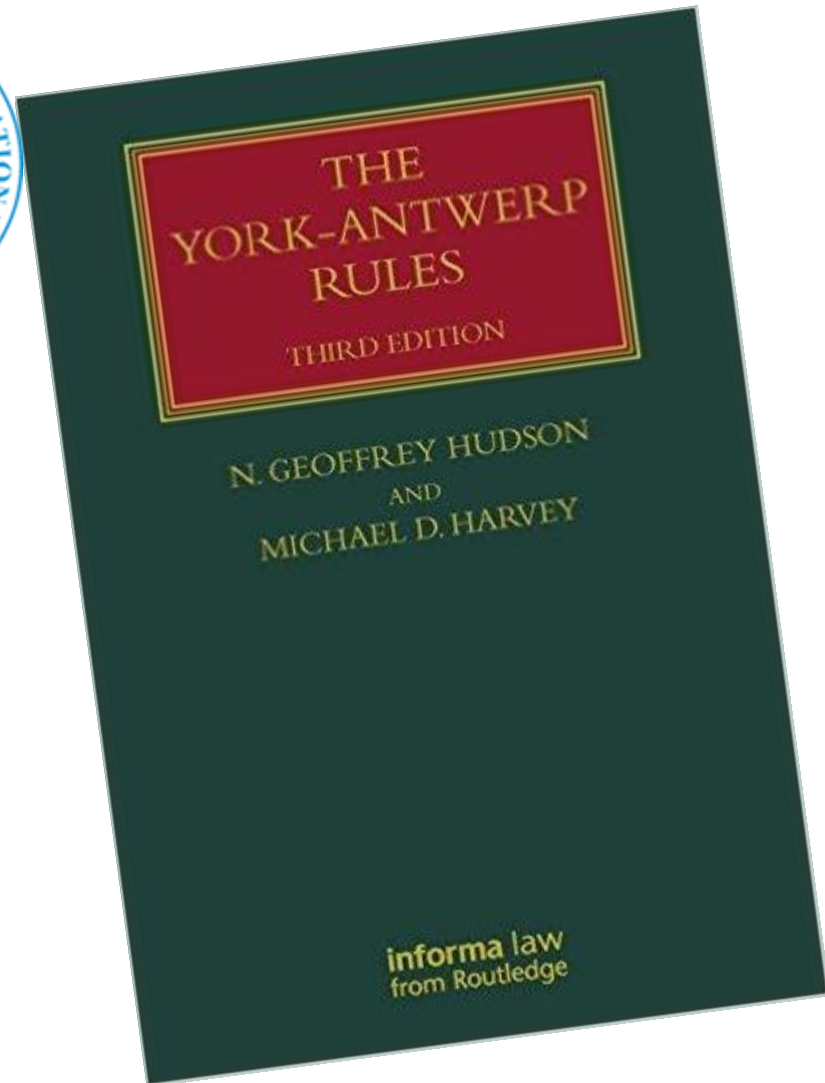
Section 1 - General

1. The Big Picture

1.1 Do you support the "abolition" of General Average?

If MPUs were establishing a system of maritime insurance law from scratch today GA might very well not find a place in it. However GA is over 2000 years old and is incorporated into the legislation of most countries and into most contracts for the carriage of goods by sea. The practical difficulty of abolishing GA would be insurmountable and would involve obtaining the agreement of all countries across the world to an International Convention which would take at least 20 years to get into law. Accordingly "abolition" is not a practical option.

Even if GA was abolished a substantial number of the allowances currently incorporated into the YAR would probably be allowable as a matter of general law under the equitable principles of unjust enrichment in English law and probably in a similar way in many civil law countries. The abolition of G.A. would therefore lead to a number of very





3. Current Topics 6 – Ultra large container vessels

Ultra-large container vessels

- 19,000 TEU: 3 vessels in service
dimensions: 1,312 ft long and
192 ft wide, 100 ft high
- 20,100 TEU: 4 vessels ordered
- 21,100 TEU: 6 vessels ordered



- ➡ Structural stability issues of large vessel designs
- ➡ Fire-fighting capabilities on board
- ➡ High cargo values on board (up to \$1bn)
- ➡ Salvage capability gap? suitable cranes available?
- ➡ Salvage in remote locations (e.g. MV “Rena”)



3. Current Topics 7 – Car Carriers

- 01/2015: Hoegh Osaka ⇒ 1400 Range Rover+Jaguar, cargo loss?
- 04/2014: Asian Empire ⇒ 4600 Kia+Hyundai, \$ 130 mill cargo loss
- 12/2012: Baltic Ace ⇒ 1400 Mitsubishi, \$ 35 – 50 mill cargo loss
- 07/2006: Cougar Ace ⇒ 4812 Mazda, \$ 117 mill cargo loss
- 12/2002: Tricolore ⇒ 2871 new cars/trucks, \$ 60 mill cargo loss
- 10/2002: Hual Europe ⇒ 4000 cars lost

Inherent risks of car carriers

- ➡ High deck superstructures
- ➡ Stability problems
- ➡ Loading ramps
- ➡ Quick water ingress





3. Current Topics 8 – Shipping goes North?

- Polar Code – SOLAS and MARPOL amendments
- IMO Correspondence Group on «Limitations for Operations in Ice» - POLARIS





3. Current Topics 9 - Financial Trends for Marine Insurance

- ⇒ Impact of the financial crisis
- ⇒ Low interest rates
- ⇒ Sanctions policy
- ⇒ Volatile oil price
- ⇒ Risk models + internal capital allocation
- ⇒ Development in China?

... is it just the calculation of burning cost and exposure rating?



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4. Connecting to IUMI: Homepage

[Contact](#)

IUMI
International Union of
Marine Insurance

Home

Main Menu

- Home
- President's Page
- Secretary General's Page
- Committees
- Conferences
- Marine Reinsurance
- IMO
- Affiliates & Reports
- Education
- Press
- About IUMI

Political Forum

Current Issues

Update as per 2nd September 2015

[Position Paper of the International Union of Marine Insurance \(IUMI\) on the Loss of Ship Records September 2015](#)

[Position Paper of the International Union of Marine Insurance \(IUMI\) on the Trade in Services Agreement \(TiSA\) October 2014](#)

[Position Paper of the International Union of Marine Insurance \(IUMI\) on Cargo Theft Prevention](#)

Salvage Forum

Current Issues

[An Update on the reform of the YAR August 2015](#)

Annual Conferences

IUMI Berlin 13 - 16 September 2015

[Berlin 2015](#)

IUMI Statistics

[Global Premium, Loss and Fleet Statistics](#)

IUMI Eye Newsletter

IUMI continues with the publication of its quarterly newsletter with the

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4. Connecting to IUMI: IUMI Eye

IUMI EYE

News from the International Union of Marine Insurance
Issue 7 December 2014



Message from the President

The IUMI 2014 conference in Hong Kong saw the appointment of new members to the Executive Committee, the Technical Committees and Presidency. I am deeply honoured to have been elected to head this important industry body. I would like to thank my predecessor, Ole Wikborg. He and the outgoing IUMI officers have left the organisation in excellent shape, and I will carry on in the same spirit.

The Hong Kong conference was a huge success. The organising committee, speakers and panellists deserve our appreciation, as do the conference sponsors and IUMI Professional Partners (IPPs), for making this global gathering so professional and rewarding. True to its motto, "Building Expertise for a Changing World", the conference highlighted the rapid evolution of the marine insurance world. I was personally impressed by the dynamics and vitality of the Asian markets and the opportunities for marine insurers to participate in and support healthy growth.



With new team compositions in the Executive Committee and Technical Committees, this is a good occasion to prioritise projects and start new initiatives. We will continue to further raise this organisation's visibility and political profile, encourage deeper membership involvement and make the IUMI more transparent, compliant and modern than ever.

At the top of my personal agenda is enabling IUMI to voice the views and concerns of our industry more strongly than in the past. As experts with specialised know-how, we can provide key support in political decision-making processes. This will mean placing greater emphasis on improving and strengthening media relations to raise public awareness of the excellent work being done in our Technical Committees and positioning IUMI as a valuable partner for NGOs and regulatory authorities as well as the global transport and marine community.

But these outwardly directed efforts are only one side: equally important is cultivating the value and importance of the marine insurance sector within our own companies. Marine may be a rather small line of business, but it is certainly the most international class – and of strategic importance for global trade. IUMI and its annual conference represent an ideal platform to strengthen the global network of marine insurance professionals, which in turn helps us perform better than ever and create value for our companies.

This last point brings us back to the motto of the Hong Kong conference, "Building Expertise for a Changing World". By continuously enhancing expertise, marine insurers can secure a strong position as specialised solution providers for their clients. With new capital providers entering the insurance markets and further fuelling the competition, it is more important than ever to establish our unique skill sets and risk knowledge as our most important value proposition for clients.

I look forward to tackling these projects, and having the privilege of helping to bring IUMI to the next level.

Dieter Berg, IUMI President

IMO to develop cyber security guidelines

By Helle Hammer, Managing Director Cefor and Chair of the IUMI Political Forum

The IMO Maritime Safety Committee (MSC) has supported a Canadian / U.S. recommendation to develop voluntary guidelines on maritime security practices. The purpose being to protect and enhance the resiliency of cyber systems supporting the operations of ports, vessels, marine facilities and other elements of the marine transportation system.

The growing reliance of information technology and data in the daily work within the marine and energy sectors increases their exposure to cyber related risks. A successful cyber-attack can have several implications relevant to insurance: Loss of life, personal injury, pollution, loss of property, business interruption, loss of production, loss of data, and loss of reputation.

It is a challenge also to underwriters to understand properly these risks. Hence, the development of these new guidelines has been added to the IUMI Political Forum's current items list for further monitoring and participation with input from an insurance perspective.

Member States and industry are now invited to put forward papers and examples of existing guidelines to MSC 95 next year, in which a full debate will take place.

- Quarterly newsletter
- Information for membership and interested third parties
- www.iumi.com

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Marine Forum
12/05/2016



4. Connecting to IUMI: PRs, Position Papers

IUMI International Union of Marine Insurance

Press Release / 5th March 2013



IUMI CALLS FOR GREATER ACCESS TO INSPECTION DATA

International Union of Marine Insurance (IUMI) Secretary General Lars Lange has written to the Paris Memorandum of Understanding on Port State Control (Paris MoU) to call for greater levels of the inspection regime's data to be available to underwriters.

Mr Lars Lange

General, Carien Droppert and its company profile of sub-standard shipping vessels they are considering the request for all relevant information.

This paper has been prepared by the IUMI Salvage Forum ("the Forum") at the request of the Executive Committee of IUMI; it represents the views of IUMI who speak for Marine Property Underwriters ("MPUs") and responds to the Questionnaire drafted by the Comité Maritime International's ("CMI") Working Group ("WG") on General Average ("GA") which was sent to the presidents of National Maritime Law Associations ("MLAs") on 15 March 2013.

York-Antwerp Rules – CMI Questionnaire Position Paper of the International Union of Marine Insurers ("IUMI")

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It was abolished a substantial number of years ago. The abolition of GA would probably be a just enrichment in Europe. The abolition of GA would probably be a just enrichment in Europe.



IUMI International Union of Marine Insurance

Press Release / 23rd April 2013

IUMI supports effort to establish "Arctic Marine Best Practice Declaration"

The International Union of Marine Insurance has backed efforts to create a declaration of best practice for marine and energy operations in the Arctic.

The declaration has been drawn up by a group of marine and energy experts in the Arctic region to create a voluntary set of standards. It will not be a binding legal document, save for those circumstances where it may be incorporated into private contractual relations between parties.

The objective is to promote good examples in Arctic operations, and to prevent the risk of emergencies from ad-hoc operations set up without careful planning which use potential loop-holes in the existing regulatory process.

The declaration is a proactive response to concerns that there is as yet no consensus amongst nations which have territory within the region on a single legislative standard for those operating in the Arctic.

The hope is that the declaration will be signed by all involved parties like oil companies as well as the operators of ships, drilling rigs, and other marine infrastructure to raise standards and promote best practice.

The draft declaration has been published and sent out for consultation to interested parties. IUMI Secretary General Lars Lange has replied on behalf of the organisation to the consultation with the objective to promote best practice. He said, "While not...



Lars Lange, Marine Forum 12/05/2016



4. Connecting to IUMI: Education

- Education Programmes of the national member associations
- ... and decision in 2015 to build up an IUMI Education Programme
- “IUMI database”





4. Connecting to IUMI: Conferences

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4. Connecting to IUMI: Conferences

... and September 2018 – Cape Town!



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That's it

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