



IUMI Update

South Africa Marine Forum – May 2022

Richard Turner FCII
President



Lest there be any doubt...



... my family and I
love South Africa!!



Agenda



Back on the road: emerging from the pandemic

Containership safety

ESG

Russia / Ukraine conflict

IUMI – The Future

IUMI's Priorities



Membership

Education

Advocacy

Data & Statistics

ESG



Back on the Road: Emerging from the Pandemic



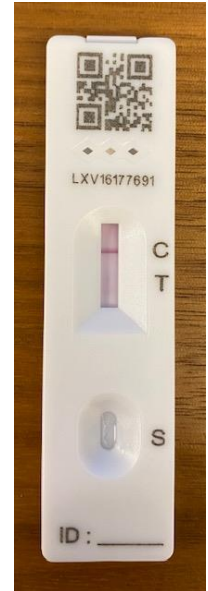
IUMI: Back on the road

- Secretariat
- IUMI Meetings
- IUMI conferences
- Travel and meet stakeholders



... information and education work well online, networking and exchange don't

... long-term solution to come – what's the “new normal” of association work?



Emerging from the pandemic...

Winter meeting held in London as a hybrid session



Rebound in Cargo trade - 2021 in review

•After shock of the Pandemic – A year of extremes

- Port Congestion
- Shortage of containers and increased dwell time of containers
- Increased blank sailings
- Increased freight rates
- Warehouses operating at 100% capacity
- Labour shortages
- NAT CAT events

Global Trade Trends

25% higher than 2020 and 13% higher than 2019





Container ship safety

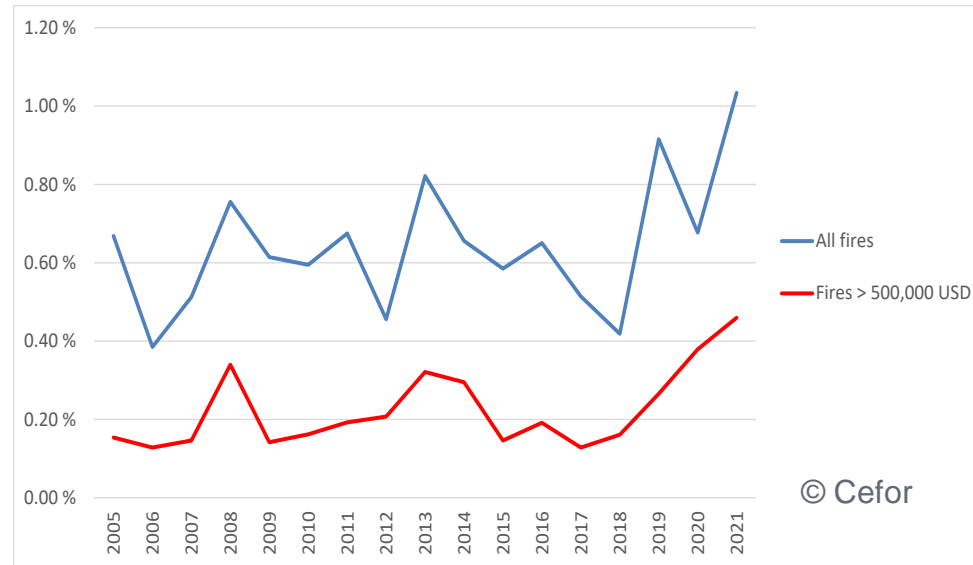


Container fires @ IMO



- Sub-Committee on Ship Systems & Equipment (SSE)
 - Presentation by Mikkel Andersen, LPC, March 2022
- Roadmap incl. Formal Safety Assessment
 - CARGOSAFE study until 2023
- Target completion: 2025
 - In force from 2028 for new vessels

Frequency of fires on container vessels, by accident year



<https://cefor.no/statistics/analysis-with-special-focus/>



Russia / Ukraine conflict



Russia / Ukraine conflict

Ramifications for marine insurance sector?



In the vicinity of the conflict

- 82 vessels stuck or abandoned – as at mid April 2022
- Mines in waters around conflict area
- Risk of ships being attacked by one side or the other
- Crew issues – approx. 14% of crews are Russian / Ukrainian
- Cargo stuck in storage areas and/or damaged / destroyed (issue for political risk insurers)
- Drop-off in use of Russian ships
- Reduced vessel activity into Russian / Ukrainian ports

Russia / Ukraine conflict



Ramifications for marine insurance sector?

Wider Ramifications

- Breakdown in infrastructure
- Sanctions on Russian banks
- Rapid changes to sanctions rules
- Some ports refusing to offload Russian ships and/or cargoes
- Russian Class ejected by IACS
- Wider insurance industry claims likely to be significant(?)

Concept of 'World to World' sendings under review?

Russia / Ukraine conflict

Ramifications for marine insurance sector?



Russia / Ukraine conflict

Ramifications for marine insurance sector



1. Regulatory Sanctions

- Minimum governance requirements
- Primary focus
 - US / EU / UK
- Geographic
- People / entities
- Things you cannot do

2. Risk monitoring & control

- Standard insurance & reinsurance area of response
- Measurement of exposure going into 'war zone' area

3. 'Self sanctioning'

- Treading new ground?
- Corporate choices being exercised
- Range of actions, even to the point of excluding Russia exposure from Marine policies



ESG



Environmental, Social, Governance (ESG) issues

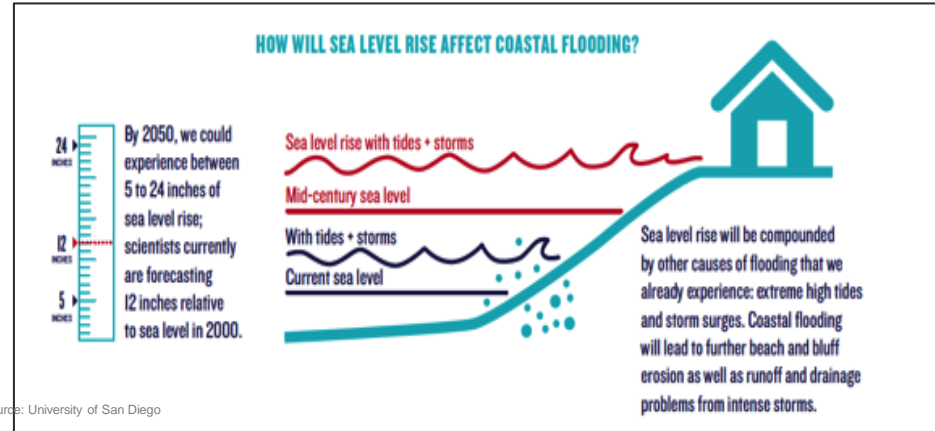
How will Marine insurers be affected by sustainability issues?



Climate Change

Asset Change

Sustainability of
clients & industries



Source: University of San Diego

Environmental, Social, Governance (ESG) issues

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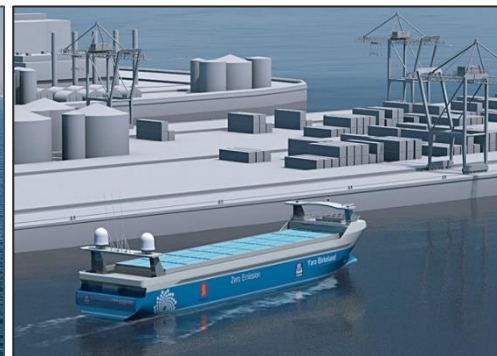
Sustainability of
clients & industries

Five beneficial changes from IMO's Sulphur Limit for ships' fuel oil

Sulphur 2020

- Cleaner air**
77% drop in overall sulphur oxide (SOx) emissions from ships – annual reduction of approximately 8.5 million metric tonnes of SOx.
- Positive impacts on human health**
Premature deaths, cardiovascular, respiratory and pulmonary diseases will all be reduced.
- Higher quality fuels**
The majority of ships will switch to higher quality, low sulphur fuel oil to meet the limit.
- Ship operators, owners + refiners have adapted**
Guidance issued by IMO and other stakeholders to enhance preparedness ahead of the entry into force of Sulphur 2020.
- Changes for enforcement authorities**
Flag and port State control will be making sure ships are compliant.

IMO



Environmental, Social, Governance (ESG) issues

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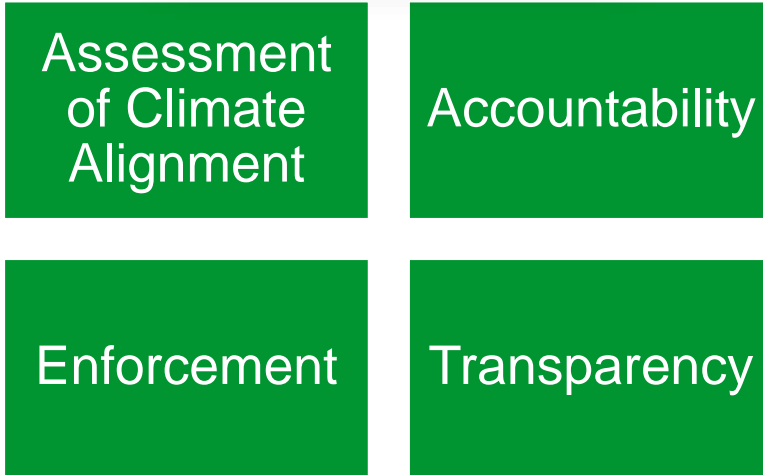
Climate Change

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Sustainability of
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IUMI has become a Supporting Partner of the Poseidon Principles for Marine Insurance



Green and Safe fuels?

Balancing act

- IMO vs. EU
- Developed vs. underdeveloped countries
- Early vs. late movers
- Known vs. unknown risks



environment & safety





Chicago conference – September 2022



Chicago Conference – Common Theme

“Adapting to a world in transition”



IUMI

ESG
Pressures

People &
Skills

Supply
Chains

Operating
Environment

Geopolitical
& economic
pressures

Post
Pandemic
Landscape

Data,
Digitalisation
&
Technological
Change



IUMI – Looking to the Future



“IUMI 2030” is underway



- New **IUMI strategy** process
- Builds on the “IUMI 2015” programme (lobbying, education, communication)
- Not to reinvent the wheel, but to **modernize**, to **enhance services** and to include **lessons learned**
- EC kick-off Sep 2021, EC workshop Nov 2021, working groups Nov 2021-Feb 2022, put together in the winter meeting Feb 2022
- Fully developed **set of ideas** will be handed over **to the new EC** after Chicago for further consideration and decision
- **Membership will be included** in the decision making



Summary

