IUMI – an update

Lars Lange, IUMI Secretary General

14th International Marine Claims Conference IMCC,
27-29 Sep 2017, Grand Hotel, Malahide, Ireland

IUMI

IUMI Tokyo Conference 17-20 Sep 2017

IUMI

IUMI
2017 TOKYO
September 17-20

Agenda

IUMI

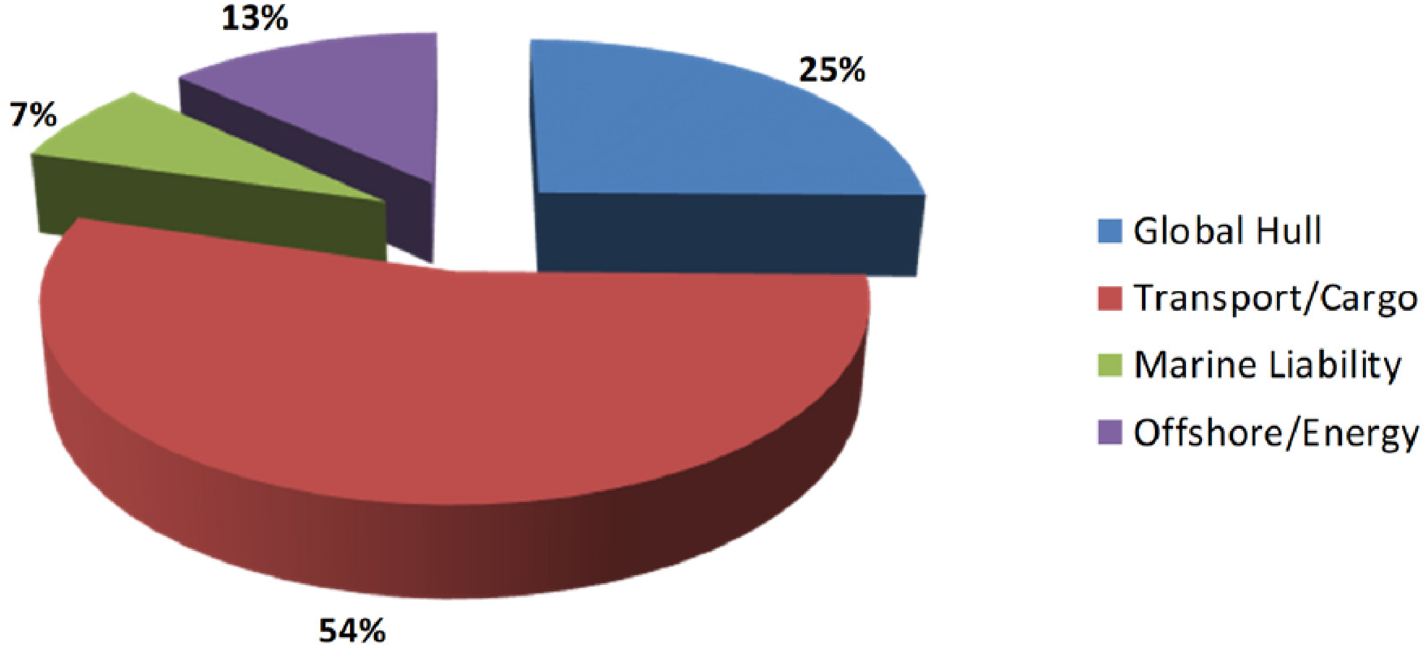
1. **IUMI statistics**
2. A few IUMI topics
3. Disruptive Times
4. IUMI education
5. IUMI goes east
6. Connect to IUMI

Marine Premium 2016

by line of business

Total estimate 2016: 27.5 USD billion / Change 2015 to 2016: -9%

NB: Exchange rate effects due to recent strong USD!



Offshore energy share down 2%, Cargo up 2%.

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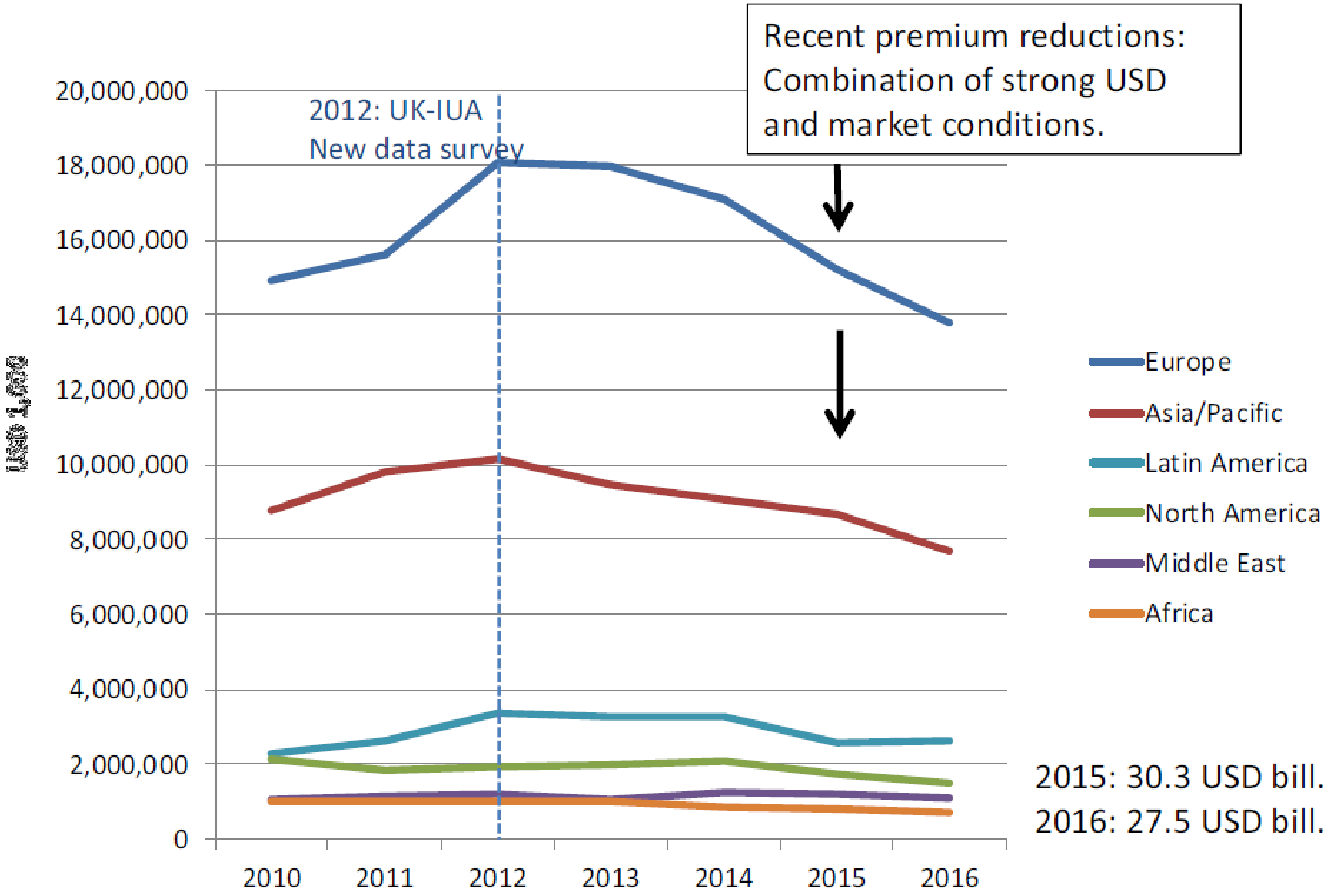
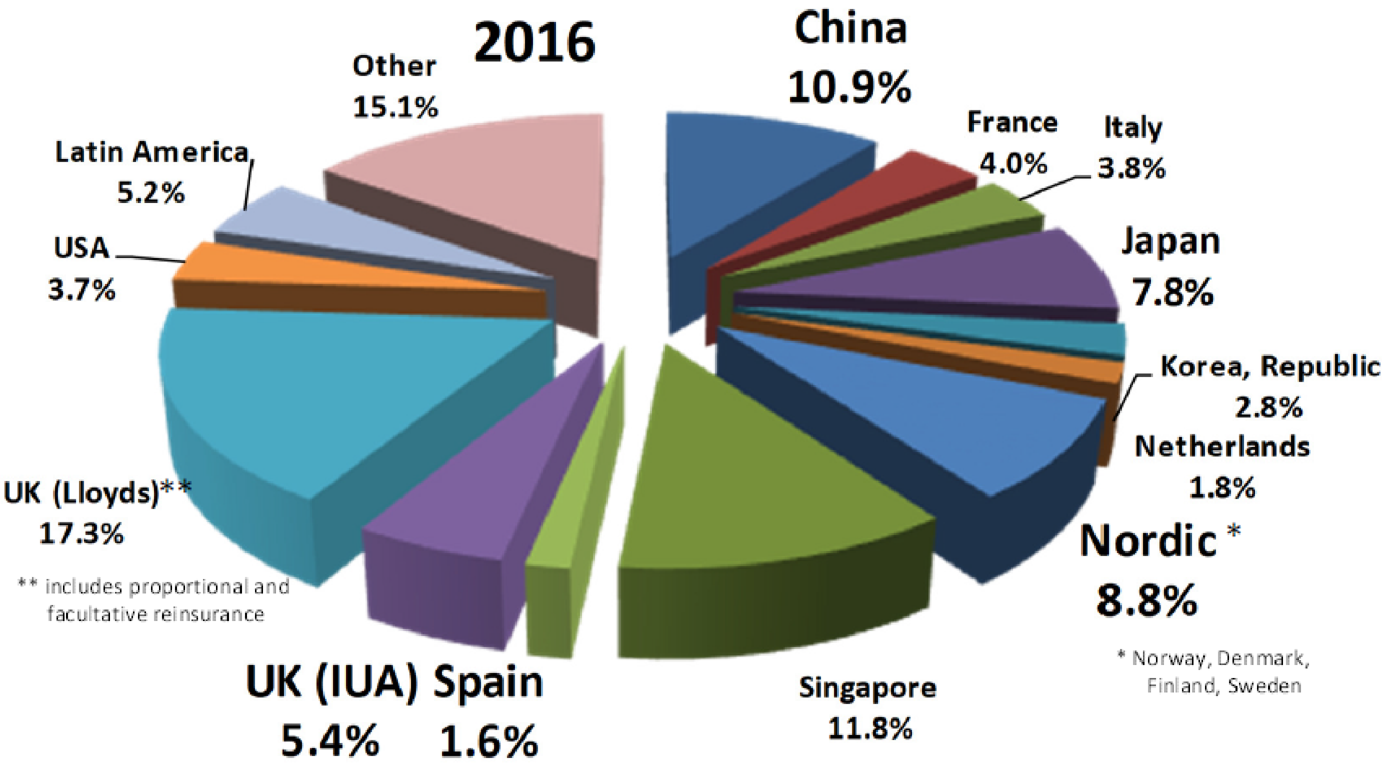
Marine premiums by region 2010-2016, Data as reported 2017



Hull Premium 2016 – by markets

Total estimate 2016: USD 7 billion



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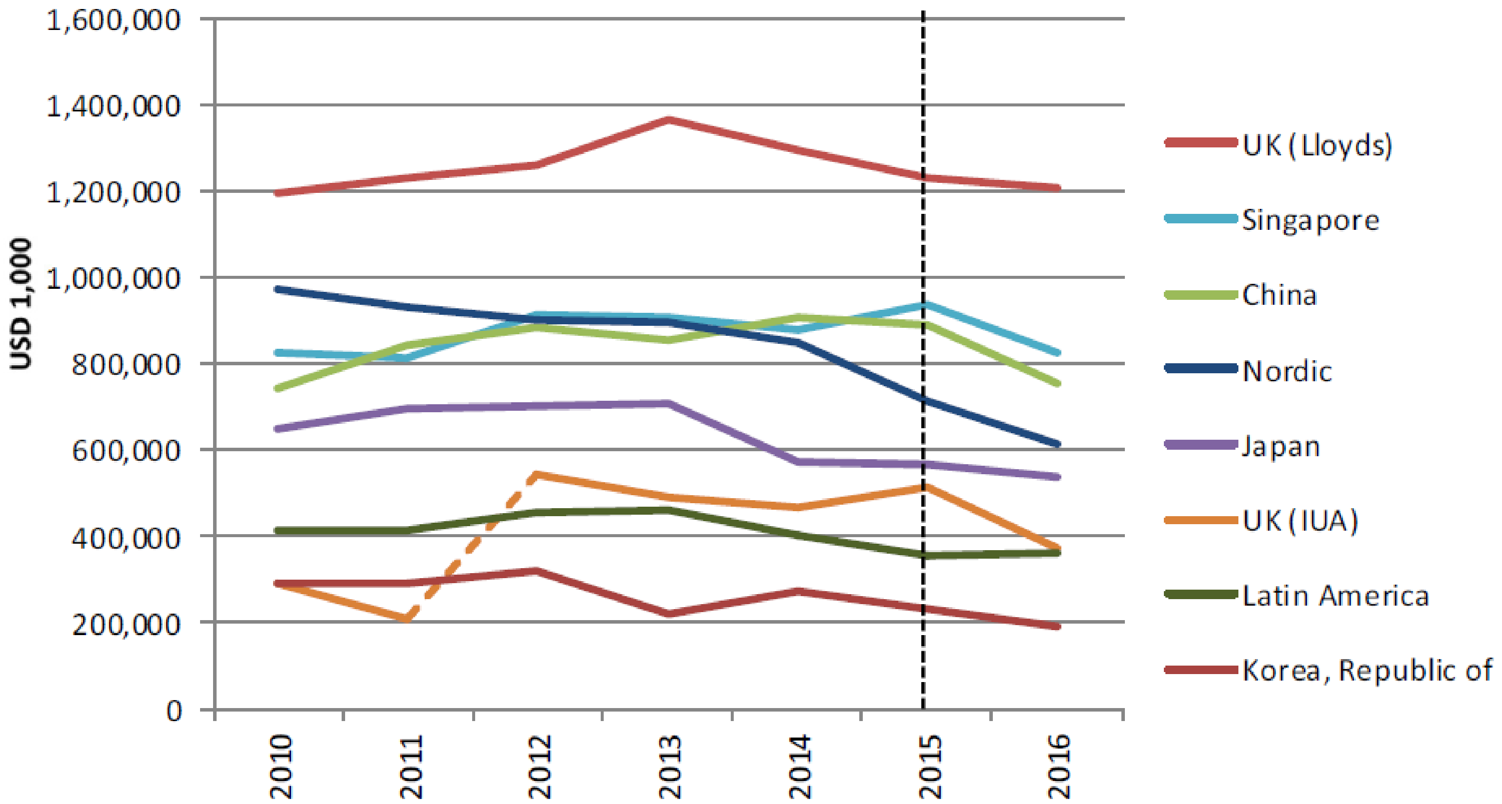
Hull Premium 2010-2016

Selected markets

Hull premium reduced in most markets from 2015 to 2016.



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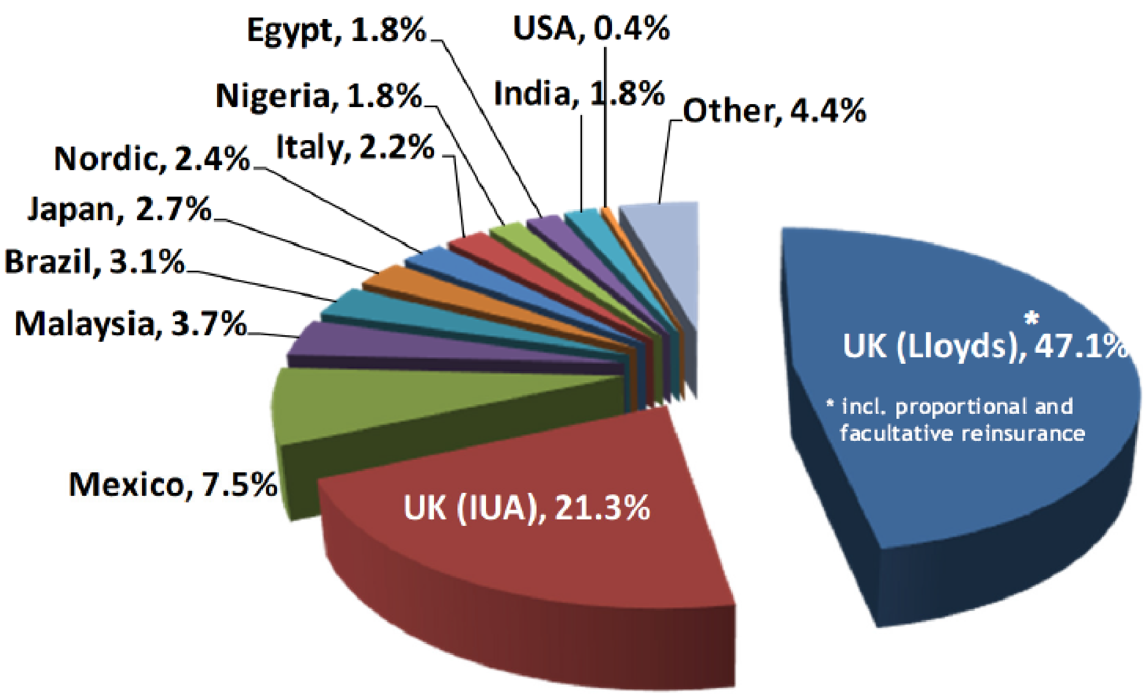
Offshore Energy Premium 2016

Total estimated: 3.6 USD billion /
Change 2015 to 2016: **-21%** (2014 to 2015: **-20%)** !



Kazakhstan and some other countries: no data available.

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2. IUMI Topics

Cyber risks / autonomous shipping

- IMO MSC 98
  - …agreed a regulatory scoping exercise to determine the need to amend the regulatory framework for maritime autonomous surface ships (MASS)
  - ...encouraged member governments to make cyber security part of the ship management system in the ISM Code framework
  - …approved Guidelines on maritime cyber risk management
- Shipowners and IUMI published the 2nd edition of the «Guidelines for Cyber Security onboard Ships»
- Classification societies work on a set of 11 «recommendations», IUMI takes part in the IACS/Industry joint working group on cyber systems

2. IUMI Topics

Container ship safety

- IUMI Position paper on firefighting on container vessels published on 19 Sep 2017

International Union of Marine Insurance

IUMI calls for improved firefighting systems on board container vessels

19th September 2017

With the growing size of container vessels, and a recent spate of fires on board these ships, IUMI is concerned that current firefighting provisions are insufficient.

The International Union of Marine Insurance (IUMI) has published today - Tuesday 19 September - a position paper calling for better on board firefighting systems for container vessels.

Fires on board container vessels are very real threats. Recent examples include fires on NNCI Arauco (9,000 TEU) in September 2016 during welding operations whilst alongside in Hamburg, Hanjin Pennsylvania (4,000 TEU) in November 2002 claiming the lives of two crew members and resulting in a constructive total loss; and MSC Flaminia (6,732TEU) in July 2012, resulting in three fatalities and also a constructive total loss.

Whilst IUMI expressly welcomes the 2014 amendment to the International Convention for the Safety of Life at Sea (SOLAS) to increase the effectiveness of firefighting, the association believes more should be done.

Helle Hammer, IUMI Political Forum Chair said:

"Recent amendments to SOLAS are a move in the right direction but they do not go far enough. The legal requirements prescribed by SOLAS were originally developed for fires on board general cargo vessels and these ships are structurally very different to a container vessel; and cargo is stored differently. We believe the mode of firefighting set out in SOLAS is not suitable for a modern containership."

IUMI supports as best practice a proposal presented by the German Insurance Association GDV that sets out an improved concept for firefighting facilities on board a containership.

Uwe-Peter Schieder, Marine and Loss Prevention, GDV, explains:

2. Lloyd's Agency on «Future of LOF» in Tokyo

- «LOF 2018 under consideration of the Lloyd's Salvage Group
- Challenges
  - Costs
  - Trust as key element of LOF agreements has to be maintained
  - Overcapacity in the salvage industry?
  - Emergence of side agreements
  - Knowledge gap of marine claims practitioners?
- Innovation is needed to adapt on current demands – 11 revisions since 1908 – 13th version to come»

LOF – Determining the future

Opportunities

- LOF 2018/2019
- An Article 13 tariff based LOF
- Fixed Cost Arbitration Procedure (FCAP) under LOF
- Cargo & Hull collaboration

2. IUMI Topics

IUMI „Current Issue List“ on www.iumi.com

5 September 2017

IUMI

Current Issues
IUMI Political Forum

1

5 September 2017
Current Issues
IUMI Political Forum

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Current Issues
IUMI Political Forum

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3. Disruptive Times

Opportunity or threat for marine Insurers?

Challenges:

- Weakening global economy, pressure on marine insurance markets – market volume?
- 3D printing, Increasing protectionism, OBOR – trade patterns?
- Digitalization, autonomous shipping, cyber – technical expertise?
- Smart port logistics / intelligent containers – «big data»?
- Blockchain technology, IoT, internet based placing platforms – distribution channels?

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3. Disruptive Times

Future role of insurers? Innovation and disruptive technologies

IUMI

- Insurance premium volume will reduce
  - Increasing competition
  - Alternative capital
  - Market transparency – role of internet
  - Lower claims burden through new technologies
  - InsurTechs
  - Big data / artificial intelligence / machine learning


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- Clients' expectations: Assistance & services instead of financial compensation only

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3. Disruptive Times

Turning Disruption into opportunity

- Marine Insurers can cope with changes with
  - Expertise
  - Service
  - Relationship
- … and need to develop
  - Innovation
    - Monitor latent trends
    - Use smart technology for risk mitigation
    - Improve data analytics
  - Customer intelligence
    - Shift in customers' expectations + behavior
    - Customized products + services / cater on demand
    - using trusted position
- Changing staff profiles
  - attract & retain the right talents
  - Adopting new culture to foster innovation

technical underwriting alone will not suffice !

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4. IUMI Education Programme

IUMI

1. Member associations‘ education programmes
2. „IUMI database“
3. Webinars
   - 19 webinars in 16 months
   - 2,445 participants from 56 countries
4. Tutorials (to come in Q1 2018)
   - Cargo & Hull Intermediate Level Online Courses - Cargo: 11 modules / Hull: 14 modules in total
   - Content developed by Sarnia Training (UK)
   - Courses include tests & certificate upon completion
5. In-class training (to come in 2018/19)

… steered by IUMI Education Forum

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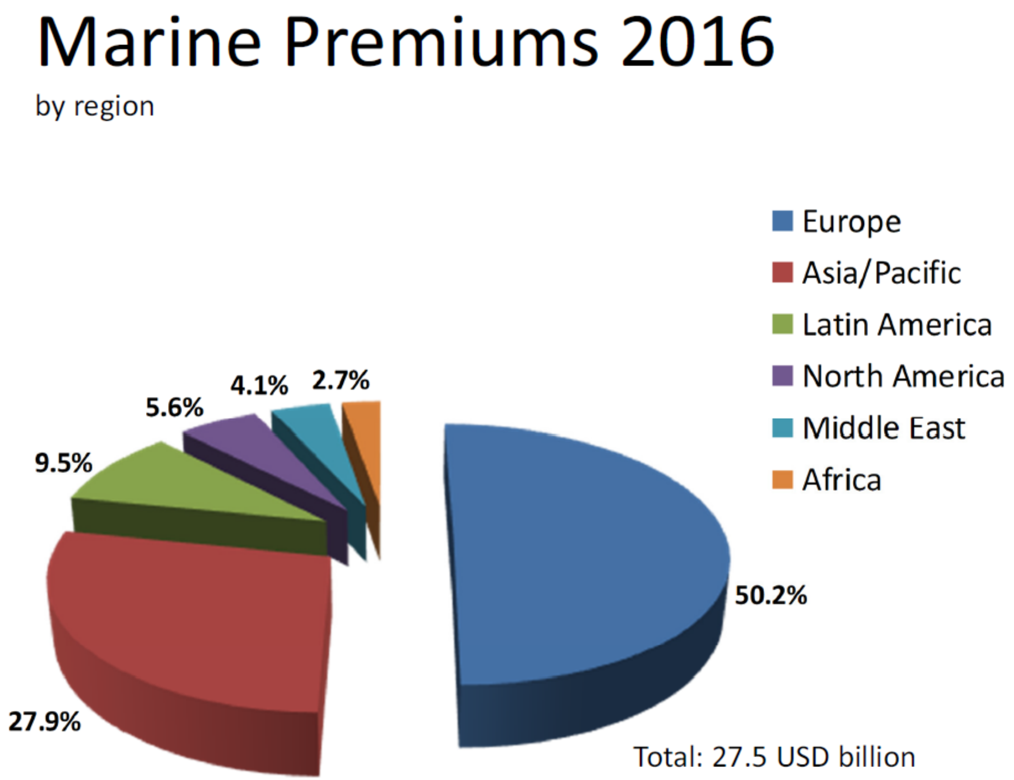
5. IUMI goes east

… IUMI Asian Hub

- … Asian countries' market share rises ⇒ 27.1% (2015) to 27,9% (2016)
- IUMI Asia strategy
  - increase number of Asian member associations
  - intensify cooperation with existing Asian member associations



5. IUMI goes east

… IUMI Asian Hub

- IUMI Asian Hub in Hong Kong opened in October 2016
  - Closer contact to political stakeholders in Asia
  - Intensified cooperation with local marine markets
  - Better awareness and understanding of Asian topics

- Cooperation with Hong Kong Federation of Insurers, HKFI

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IUMI Eye

- Quarterly newsletter
- Mail, pdf or www.iumi.com

Quarterly news from the
International Union of Marine Insurance

Issue 18 September 2017

EYE

2 Message from the President
3 IMO undertakes regulatory scoping exercise on autonomous ships
4 IUMI update on the 98th session of the Maritime Safety Committee
5 IUMI update on the MEPC 71 Meeting
6 EU-US covered agreement
7 Latest cyber security guidelines launched by joint industry group
8 Flat racks – Heavy-weight champions with a catch
9 Cyber Marine Insurance: are we ready?
10 The Ocean Victory Supreme Court decision and its implications on hull insurers
11 Confidence redresses the balance?
12 Reducing the risk of liquefaction
13 People at IUMI: Peter Tam
14 Cold Storage Facilities
15 Loss prevention measures for the transportation of wheat
16 IUMI welcomes new International Professional Partner Windward
16 Imprint

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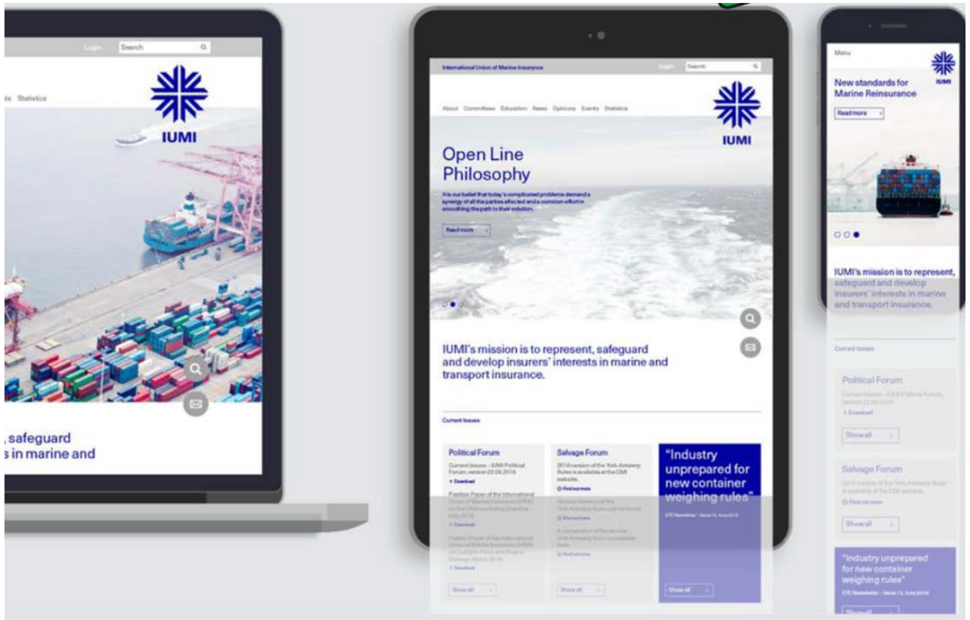
6. Connect to IUMI

Homepage

- www.iumi.com
- New design and logo
- Much more information
- Password protection



6. Connect to IUMI

Conferences

IUMI

- **IUMI Asian Forum**

  Singapore, 24/25 April 2018

  www.iumi.com

GENERAL INSURANCE ASSOCIATION

IUMI International Union of Marine Insurance

IUMI 2018 ASIA FORUM

In association with GIA Singapore

- **IUMI Conference 2018**

  Cape Town / ZA, 16-19 September 2018

  www.iumi2018.com

IUMI 2018 Cape Town 16-19 SEPTEMBER

That‘s it!

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