



# IUMI – At the Forefront of Marine Risk

Richard Turner, FCII

IUMI President and CEO, RSA Luxembourg S.A.

May 2019

Le Rendezvous Presentation, Paris



# Agenda

About IUMI

Membership

Education

Statistics and Data

Current Issues and Advocacy

Communication

Toronto conference – September 2019

Things to watch out for!

- **Achievements**
- **Priorities**



IUMI's first conference in  
144 years on African soil





## About IUMI





# IUMI at a Glance



1. International Union of Marine Insurance (IUMI) traces its roots back to 1874
2. Membership
  - 41 national (marine) insurance associations as members
  - 2 new Associate members (Russia and Myanmar)
  - 19 Affiliate Members
  - 20 IUMI Professional Partners
3. Technical Committee infrastructure focussed on main Marine product areas (but not P&I)
4. Accredited NGO at the International Maritime Organisation (IMO) in London



# About IUMI – Core Tasks



1. Advocacy
2. Services
  - Education
  - Statistics
3. Providing **network** in the industry and with other maritime stakeholders
  - Meetings
  - Conferences
4. Representing the industry's **views and opinions**
  - Dialogue with other stakeholders
  - Position Papers / Press Releases



# IUMI – Operating Rhythm






- **Main conference** in September – each year (in **Toronto** this year) – approximately 500 to 700 attendees normally
- Committee members meet at the **Spring Conference** in April in Hamburg
- Additionally:
  - the Executive Committee and the Technical Committee chairs meet in London for a **Winter Meeting**
  - The **Executive Committee** also meet in May – rotating venue
  - And a new development is the **Asia Forum**

# The IUMI Secretariat

– based in Hamburg








## Achievements



<b>Secretary General</b>	<b>Mr</b>	<b>Lars</b>	<b>Lange</b>	
<b>Policy Director</b>	<b>Ms</b>	<b>Hendrike</b>	<b>Kühl</b>	
<b>Executive Assistant</b>	<b>Ms</b>	<b>Corinna</b>	<b>Wintjen</b>	

# The IUMI Executive Committee





President	Richard	Turner	UK	
Vice Chair	Patrizia	Kern-Ferretti	Switzerland	
Vice Chair	Takeshi	Miyazaki	Japan	
Vice Chair	Colin	Sprott	UK	
Vice Chair	Michael	McKenna	USA	
Vice Chair	Jan-Hugo	Marthinsen	CEFOR	
Vice Chair	Frédéric	Denèfle	France	



# Chairs of the IUMI Technical Committees & Forums



Cargo Committee	Sean M.	Dalton	USA	
Education Forum	John	Miklus	USA	
Facts and Figures Committee	Donald	Harrell	UK	
IFY Committee	Anneke	Kooiman	Netherlands	
Legal and Liability Committee	Charles	Fernandez	UK	
Loss Prevention Committee	Pascal	Dubois	France	

# Chairs of the IUMI Technical Committees & Forums



Nominating Committee	Alessandro	Morelli	Italy	
Ocean Hull Committee	Rama	Chandran	Singapore	
Offshore Energy Committee	James	McDonald	UK	
Policy Forum	Helle	Hammer	CEFOR	
Salvage Forum	Philip	Norwood	UK	

# About IUMI - Affiliates

Close relation to other maritime / transport stakeholders



**BIMCO**



**INTERTANKO**

**IACS** | International  
Association of  
Classification  
Societies

**IGP&I**  
International Group of P&I Clubs



International  
Chamber of Shipping  
Shaping the future of shipping

A  D  
M





## Membership

**Priority** - Serve our members well, stay highly engaged, and seek opportunities to expand our network





# IUMI Asia Forum

## Achievements



- ... Asian countries' market share in marine market premium rises  $\Rightarrow$  29% (2017)
- This is a key focus of IUMI's membership development work
  - **IUMI Asia Hub** in Hong Kong opened in October 2016
  - Local conference: **IUMI Asia Forum** in April 2018 in Singapore
  - Efforts to increase number of **Asian member associations**
  - Next Asia Forum – **Shanghai May 2019**



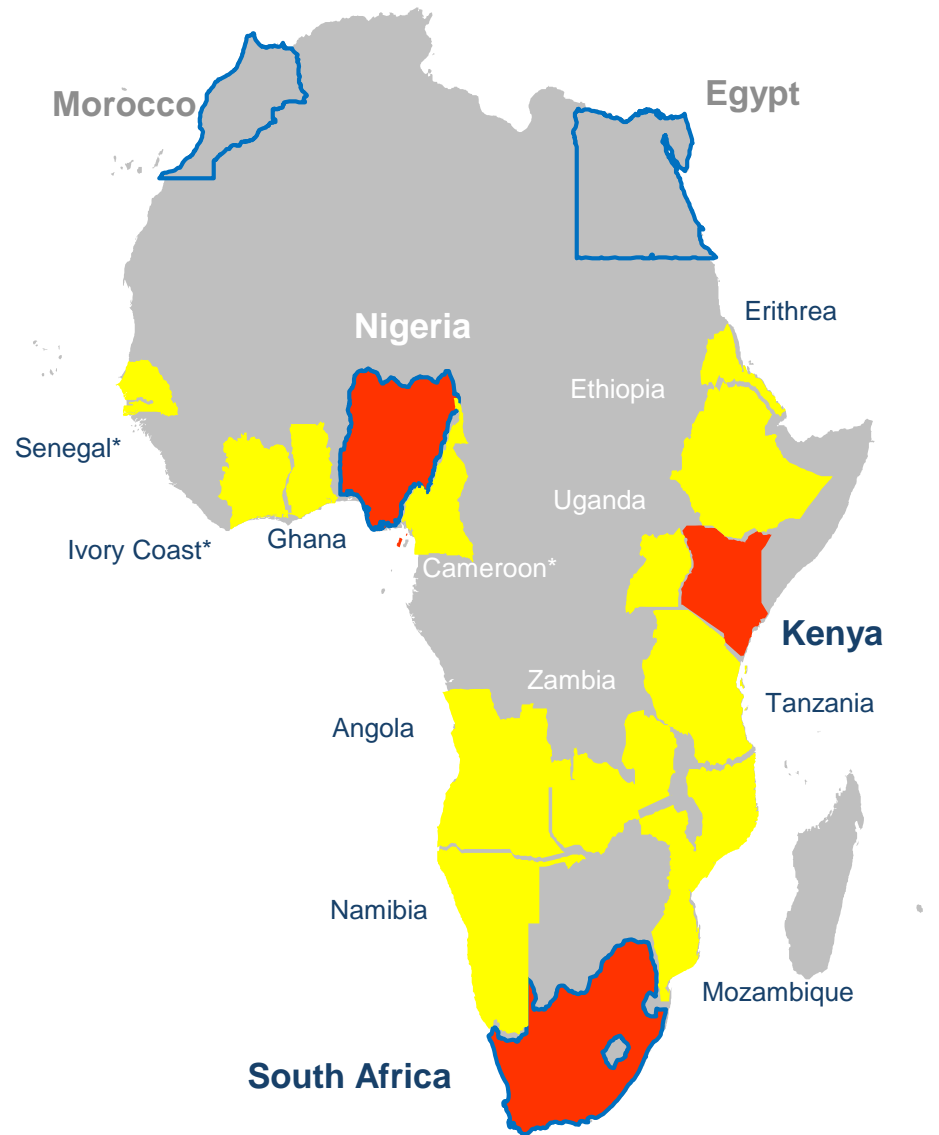
## IUMI 2018 ASIA FORUM

In association with GIA Singapore



# IUMI AFRICA STRATEGY

## PRIORITY 1 COUNTRIES



 Selected **priority 1** countries

 Emerging countries sub-Saharan Africa

 Present IUMI Members

\* French speaking countries



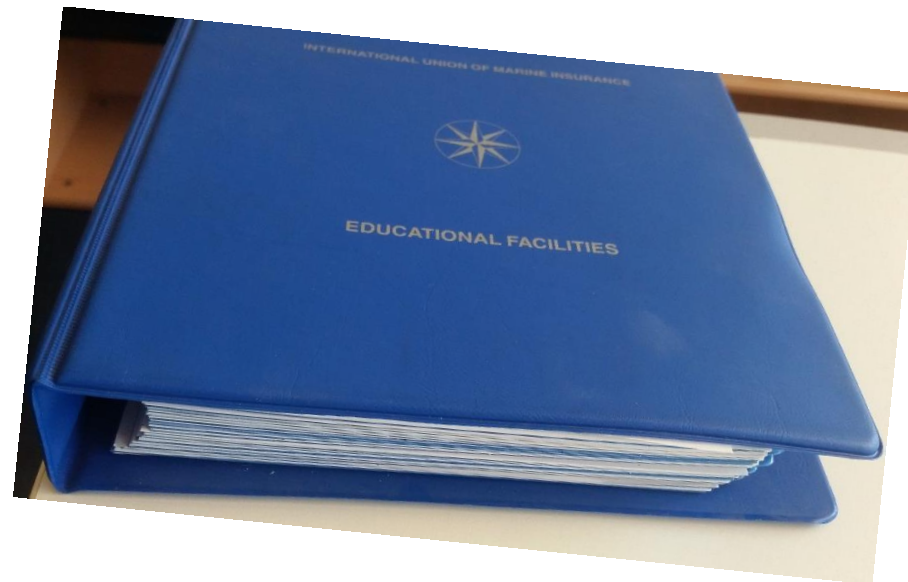
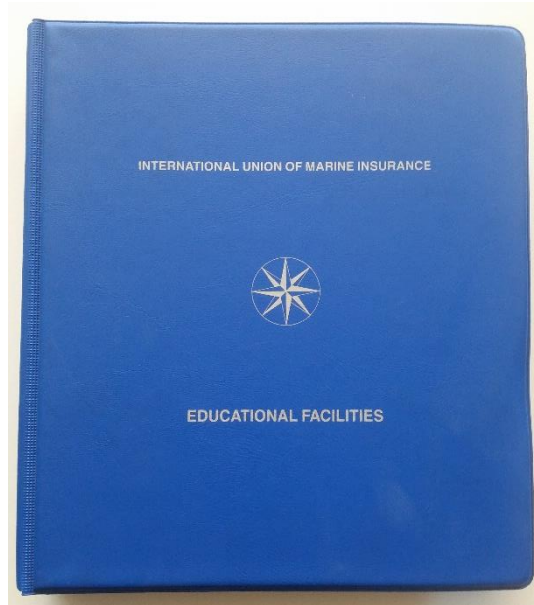
# Education

**Priority** - Establish IUMI as a leading Educational provider of technical marine insurance skills



# IUMI “Educational Facilities”

1997



# IUMI Education Programme



- 2014/15: Education identified as a major objective for IUMI
- Membership survey to identify needs:
  - ✓ Webinars
  - ✓ Online tutorials
  - ✓ In-class instruction
  - ✓ National education initiatives
  - ✓ IUMI database
- 2016: Education Forum established



- First IUMI Online Tutorial launched in 2018!
- IUMI Online Cargo Tutorial
- 11 modules covering all aspects of cargo insurance
- Registration open to all interested students (not only marine insurers)
- 60-80 hours to work through all modules





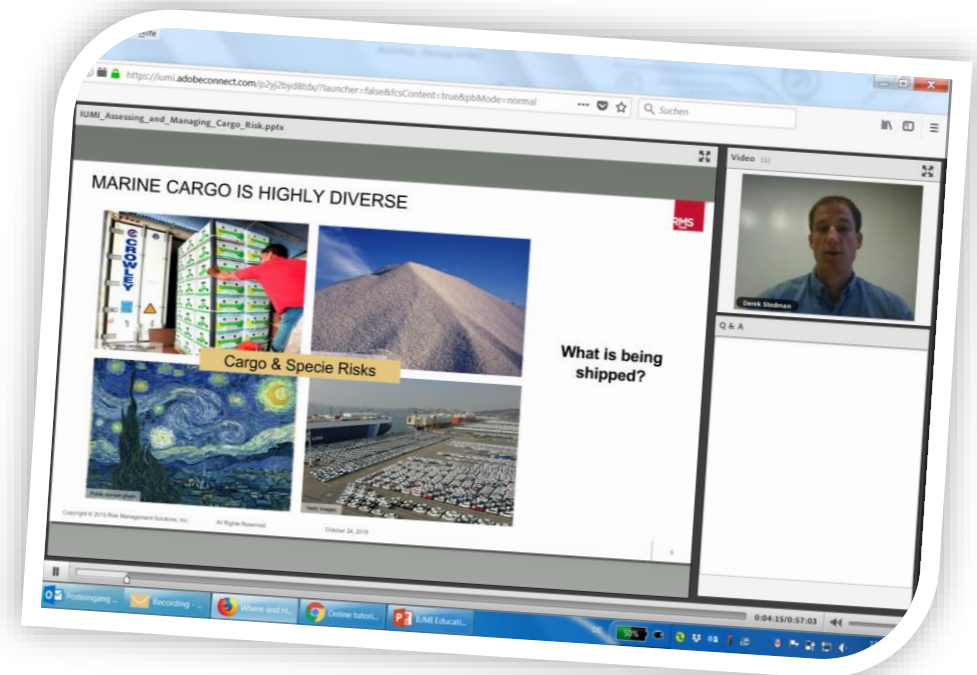
- Suitable for intermediate level underwriters and beginners
- Interactive content, videos, quizzes
- Optional exam → IUMI Certificate
- 550 EUR for IUMI members
- 880 EUR for non members



- Next step: Hull tutorial
- Launched: Q1 2019
- 13 modules
- Optional exam → IUMI Certificate
- 650 EUR IUMI members
- 1,040 EUR non members



- Over 30 webinars held since June 2016
- Wide range of topics
- Participants from over 50 countries
- IUMI members attend free of charge
- Fee for non members: 60 EUR



# Webinars

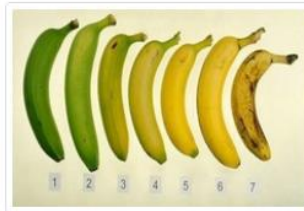
Available at: <https://iumishop.mycoracle.com>



Accurate Assessment and  
Management of Cargo Risk

Non member: €60.00  
Member: €0.00

Add to basket



Bananas - a perishable  
commodity

Non member: €60.00  
Member: €0.00

Add to basket



Blockchain: Transformation for  
Cargo Insurance

Non member: €60.00  
Member: €0.00

Add to basket



Cargo catastrophe risk: New  
analytics for the world's oldest  
line

Non member: €60.00  
Member: €0.00

Add to basket



Cargo Risk Outlook 2017



Cargo theft - minimising risk in  
global supply chains



Cold Storage Facilities



Dangerous Goods





## Data and Digitilisation

**Priority** – Act as an industry recognised source of high quality statistical information on Marine insurance. Help our members prepare for a world in which the art and nature of underwriting evolves into a different phase, where there is more focus on data and digitalisation.





# IUMI – Data & Digitalisation - Statistics

IUMI Facts & Figures Committee chaired by Don Harrell

Contributors include BCG, Clarkson, Cefor and Lloyd's List Intelligence

Publication of IUMI Statistical Report – March 2019

Evolution of IUMI Claims Database



An analysis of the global marine insurance market 2018



STATS



IUMI Stats 2018

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### Marine insurance

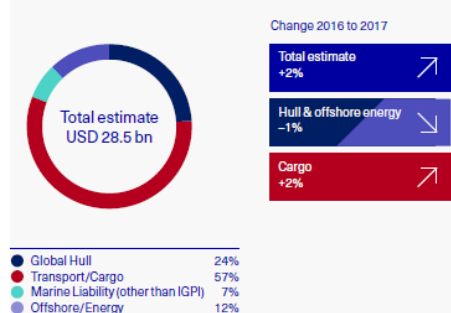
# 28.5 bn

US dollar marine insurance premiums in 2017

Global marine insurance premiums reached USD 28.5 billion in 2017 representing a 2% increase compared with 2016 (Chart 7 and 8). This upswing was largely attributable to growth in trade plus strengthening of European and other currencies against the US dollar.

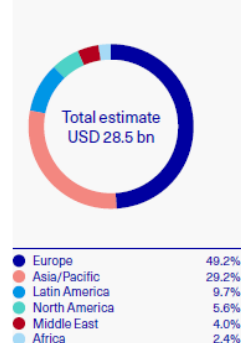
The modest increase in absolute global premium income does not reflect any actual market development. When taking all factors into account which influence both income and cost, a contrary picture emerges and underlines the need for robust risk evaluation. Static or reduced premium income in relation to the covered risks in all sectors coupled with a growing overall risk profile remains an ongoing concern.

Chart 7: Marine Premium 2017 by line of business



Source: IUMI Global Marine Insurance Report

Chart 8: Marine Premium 2017 by region



Source: IUMI Global Marine Insurance Report

IUMI Stats 2018

9



“The statistics clearly illustrate the need for sustainable underwriting”

However, accelerating trade growth and a general improvement in several frame conditions, together with the rally in oil price, create a more positive outlook for underwriters – if these opportunities are coupled with prudent underwriting.

In general, the statistics clearly illustrate the need for sustainable underwriting by understanding the simple – and sometimes not so simple – mathematics of evaluating the risks and expected costs associated with a prudent marine portfolio. In this context, one aim of the IUMI Facts and Figures Committee is to provide up to date information on relevant trends in the global economy, the marine industry, and the marine insurance market specifically, and illustrate how these influence both income and cost and their combined effect on marine insurance results.

# IUMI Statistics - Premium



Reported Premium up by 2% to \$28.5 bn in 2017

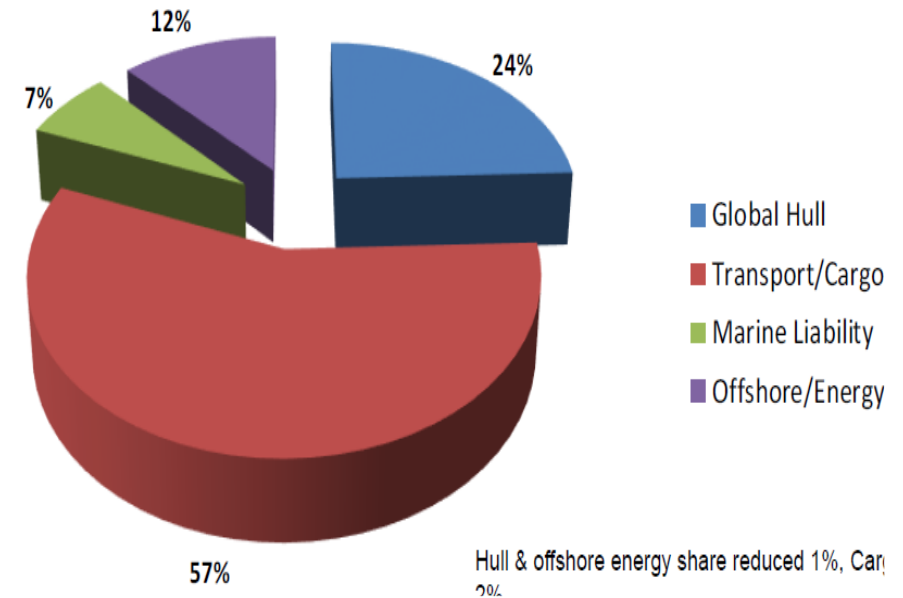
- Partly affected by FX
- Cargo remains the biggest line of business
- Asia has a 29% world market share
- Cargo premium up by 6% to USD 16bn
- Hull premium down by 6% to USD 7bn
- Offshore premium down by 5% to USD 3.5bn

## Marine Premium 2017

by line of business

Total estimate 2017: 28.5 USD billion / Change 2016 to 2017: +2%

NB: Exchange rate effects!

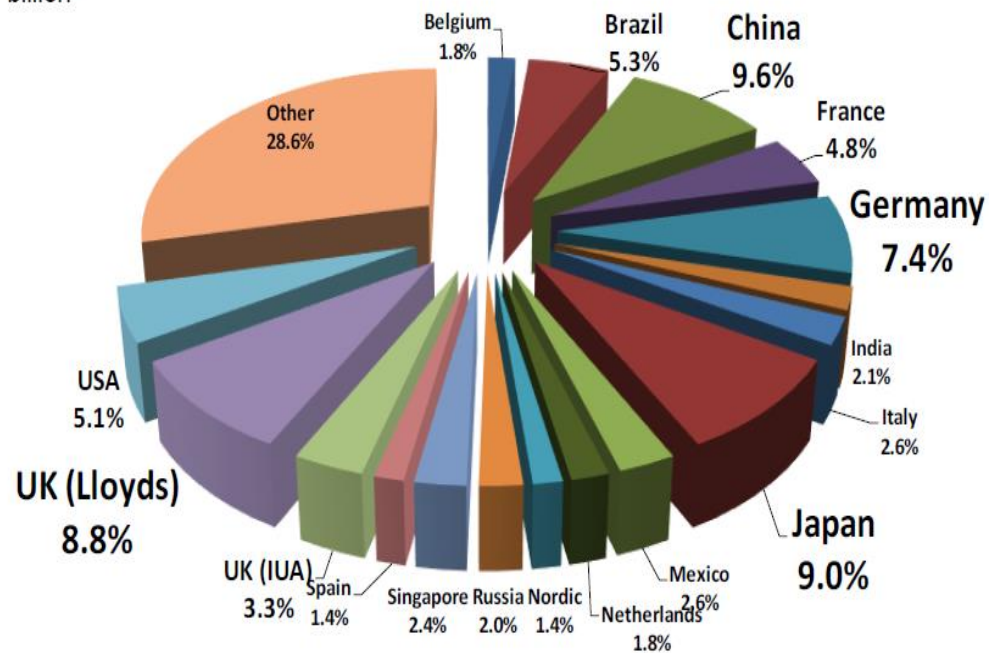


# IUMI Statistics – Premium - Cargo

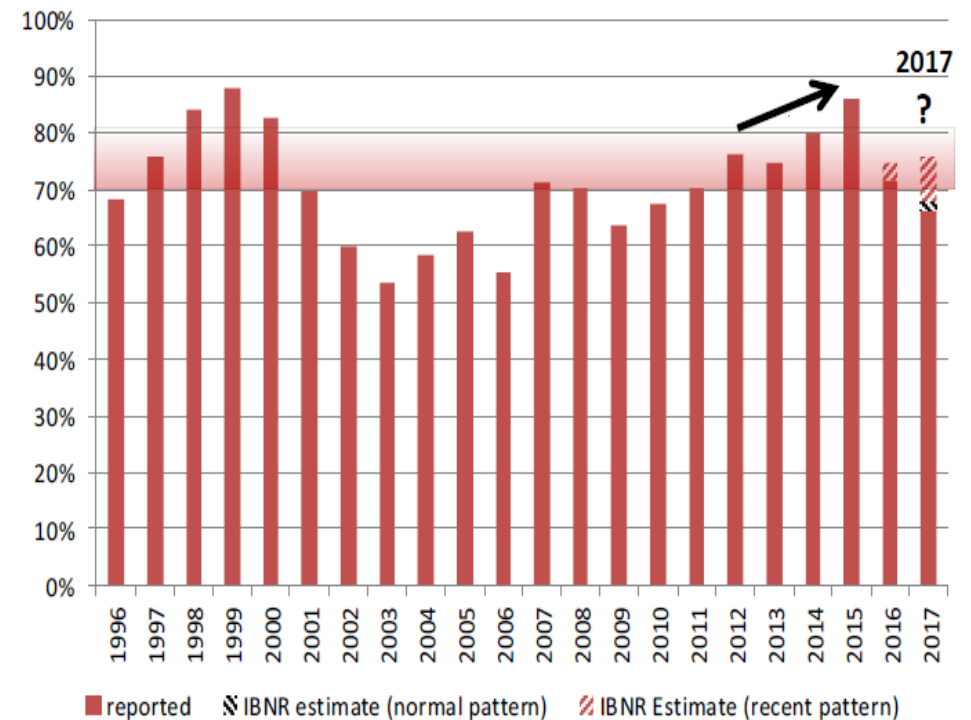


## Cargo Premium 2017 – by markets

Total estimate: 16.1 USD billion



## Loss Ratio

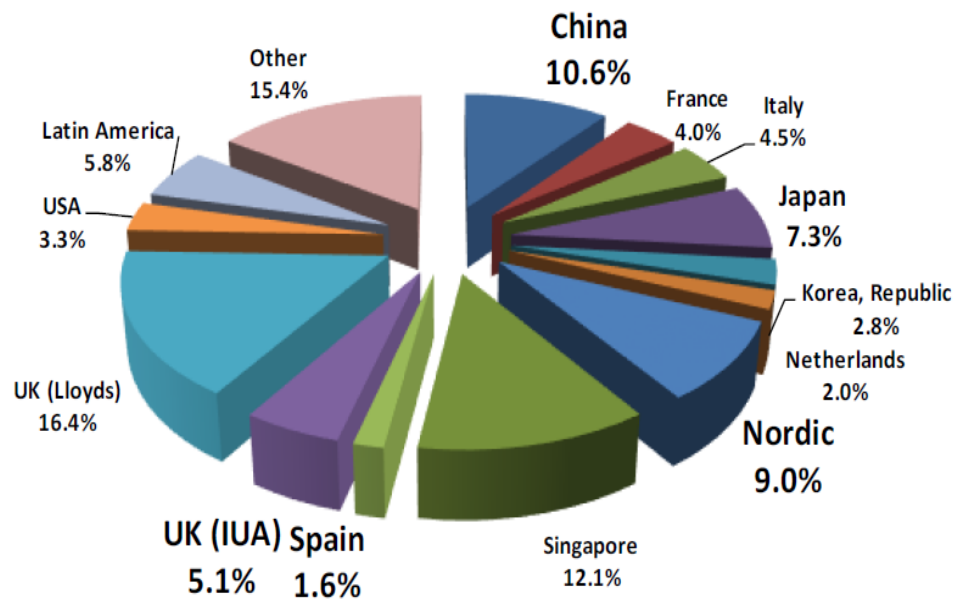


# IUMI Statistics – Premium - Hull

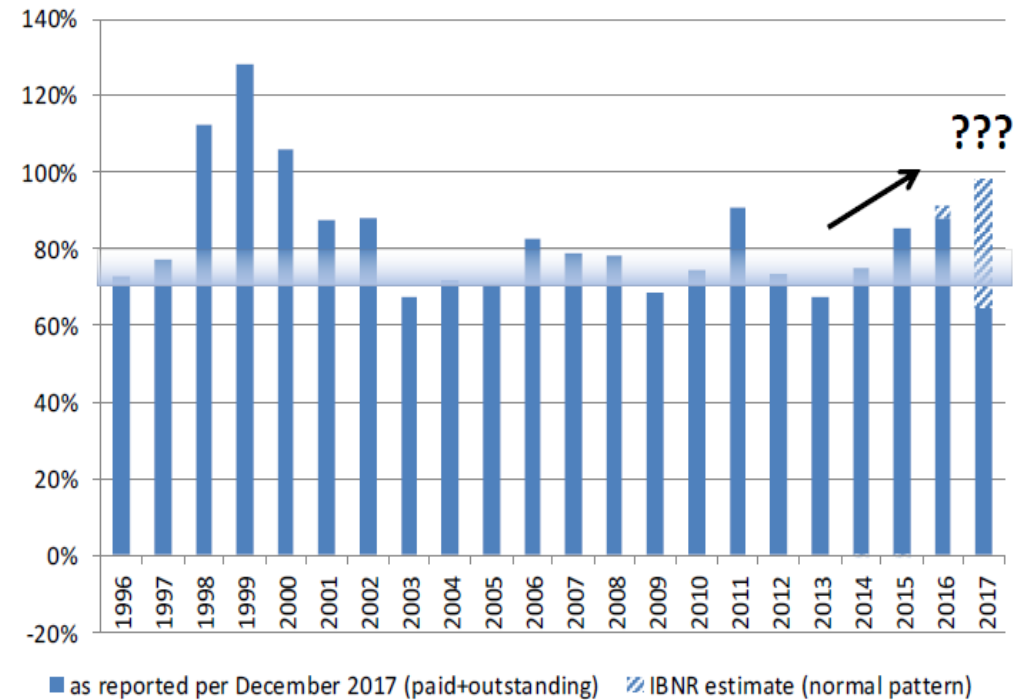


## Hull Premium 2017 – by markets

Total estimate 2017: USD 6.9 billion



## Loss Ratio



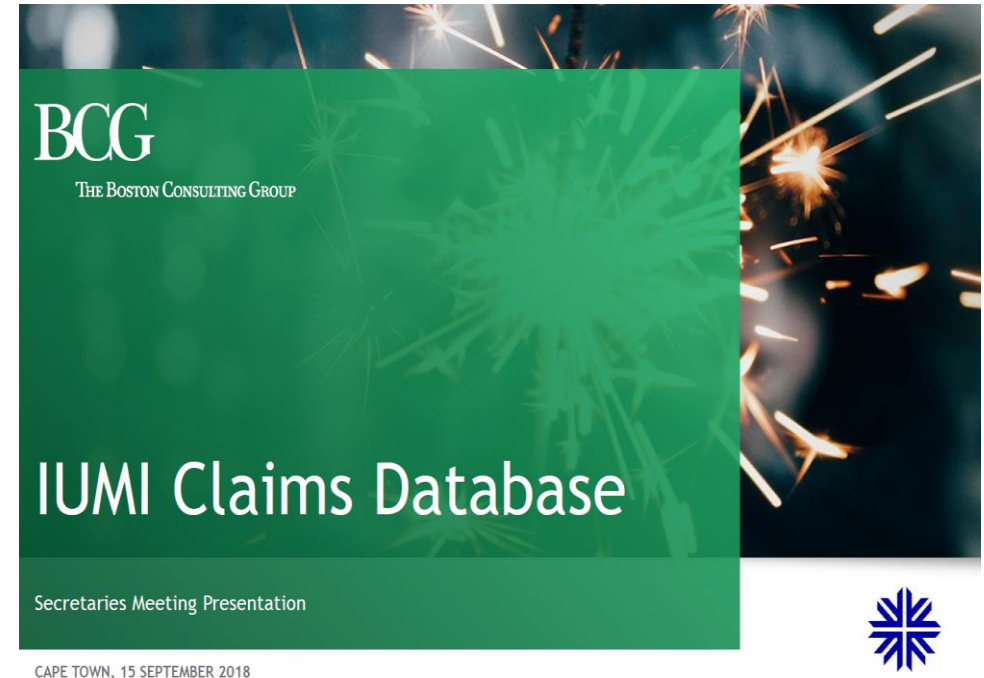


# IUMI Major Claims Database

## Achievements



- Joint project between IUMI and Boston Consulting Group
- Pilot project was introduced in Cape Town
  - Threshold \$250k for hull & cargo (100% of gross loss)
  - Only hull and cargo are in scope at this stage
  - Data collection via associations
- 6 member associations participated in pilot – Japan, Singapore, Sweden, Germany, Netherlands, Belgium. More associations now signing up – including UK IUA, France and Italy
- Over \$2bn of data captured in first phase



# IUMI – Priorities – Data & Digitalisation



**Formation of Data & Digitalisation working group at IUMI**

**Chaired by Patrizia Kern, EC Vice Chairman**

**Members include IPPS such as E&Y, BCG, Concirrus and Windward**

**Will impact our way of working, the risks we insure and the coverage we offer**







## Current Issues and Advocacy

**Priority** – Act as the voice of the marine insurance industry, represent members' interests. Work closely with affiliates & continue to build our contribution at IMO.



# Current Issues and Advocacy



- IUMI has a key role, speaking on matters of concern and interest to Marine insurers & reinsurers
- We can lobby through our NGO observer status at the International Maritime Organisation and into other governmental / political forums (e.g. EU)
- IMO comes to IUMI on specific issues to provide an expert view (e.g. insurance industry statistics)
- Our focus is on issues that promote safety, or tackle emerging new risks
- Our Policy Forum has active positions on some prioritised (urgent) issues and a monitoring position on others
- Our Policy Agenda is published on the IUMI website and is regularly updated



# IUMI Policy Agenda



- Mutual recognition
- Places of refuge
- Low sulphur fuels
- Arctic sailing
- Cyber
- Unmanned / autonomous ships
- Fires on ro-ro and container vessels / misdeclaration of cargo
- Ports of Refuge
- Maritime Security & Piracy
- Theft Prevention

# IUMI – Priorities - Advocacy

Act as the voice of the marine insurance industry, represent members' interests.  
Work closely with affiliates & continue to build our contribution at IMO



## IUMI Policy Agenda





# Communication

**Priority** – Utilise multimedia to engage with members and the industry, and increase our profile





# IUMI - PROGRESS IN THE LAST 5 YEARS

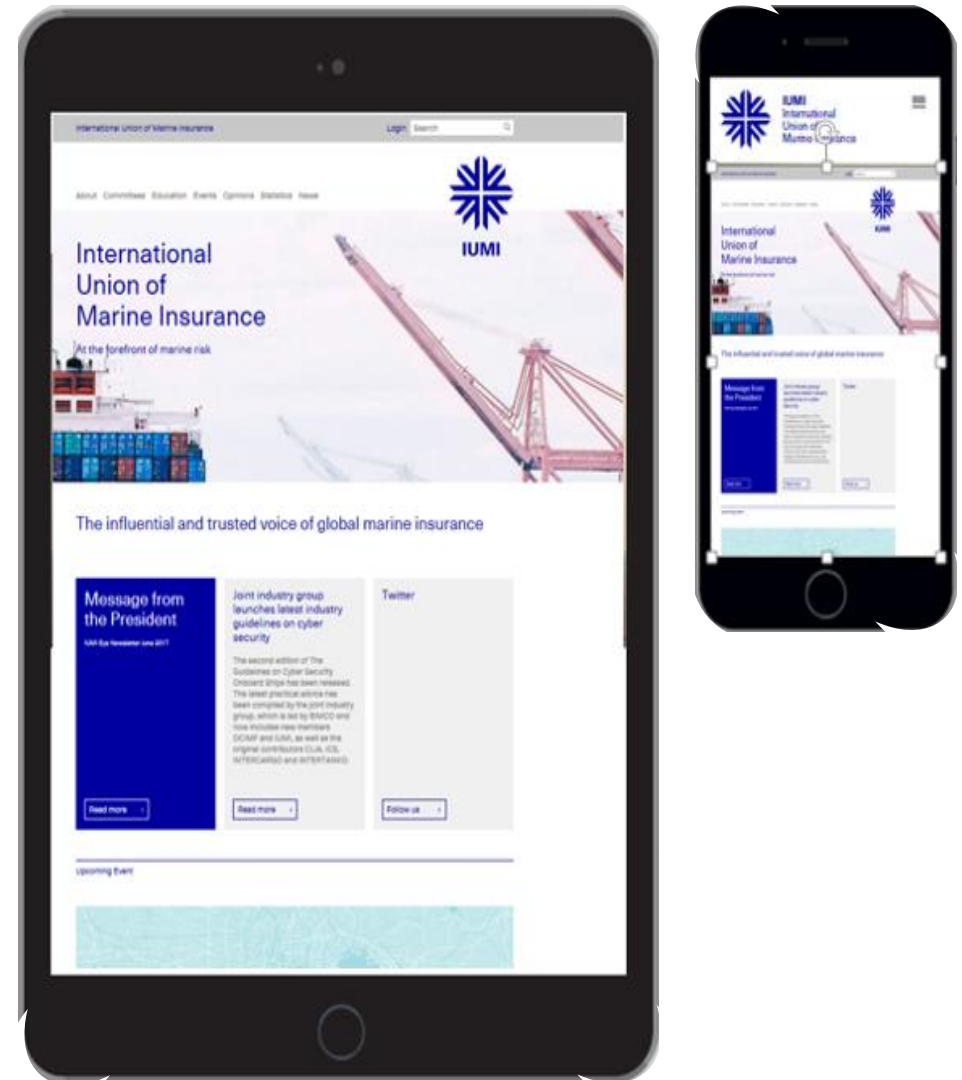
## COMMUNICATION

## Achievements

### New IUMI website

- Interactive online information portal
- Public information
- Protected „members only“ section
- Search function by keyword

- Press releases, News & blog
- Position papers
- IUMI EYE newsletter, Twitter
- IUMI Professional Partners site
- TC Chair's videos
- IUMI promotion film





# Connect to IUMI

www.iumi.com



@IUMI\_marine



International Union of Marine Insurance (IUMI)

## Achievements

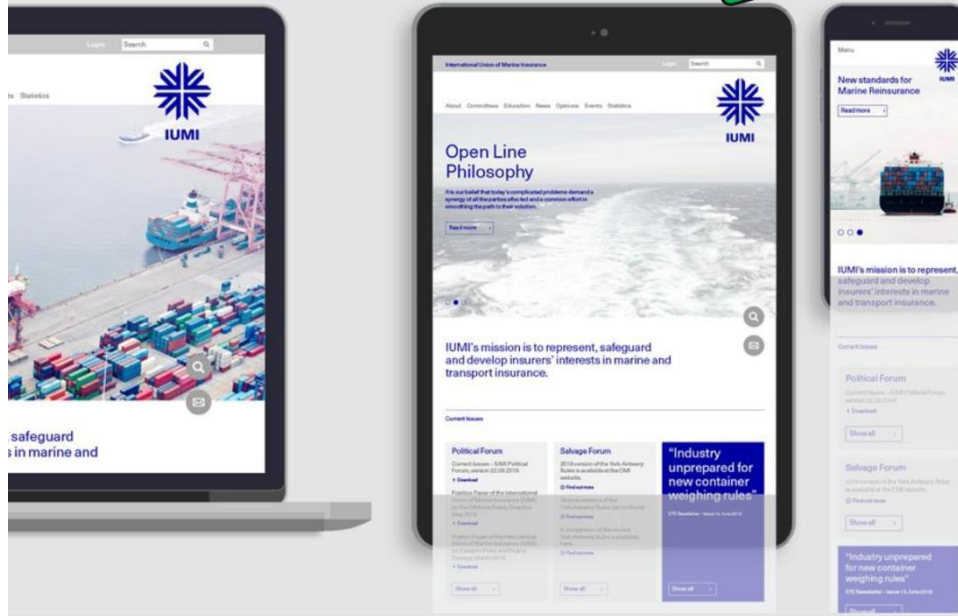


Quarterly news from the  
International Union of Marine Insurance

Issue 22 — September 2018  
Cape Town Conference Edition



- 2 Message from the President
- 3 IUMI announces nomination for new President
- 3 Next stride forward for IUMI: Education Programme: Online Cargo Tutorial now live!
- 4 Insurance for Arctic sailings
- 5 Places of refuge: IUMI supports EU paper to IMO MSC 100 in December 2018
- 6 Revised guidelines on fatigue agreed
- 7 Mutual recognition gives reason for ongoing caution
- 8 IUMI participation in MARCOM
- 9 Best Management Practices (BMP) 5
- 10 South Africa: the local fishing vessels and pleasure crafts market
- 12 People at IUMI: Eric De Smet
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- 15 Machine Learning for Marine Insurance
- 16 Where and How: Accurately Assessing Cargo Risk
- 17 Building Super Models for Marine Insurers
- 18 Container vessels urgently need better regulation to enhance fire safety
- 20 Final round of input to revised Incoterms® 2020
- 20 UAE Insurance Association to join IUMI
- 20 EU proposal on e-freight documents
- 20 Imprint



15 - 18 SEPTEMBER



TORONTO  2019

# CANADA'S DOWNTOWN TORONTO.



save the date



**CBMU**  
The Canadian Board of Marine Underwriters

Common Theme - Toronto

# **Confronting the chaos for a sustainable future?**



Marine insurance underpins world trade

Marine insurance industry facing biggest profitability challenge for the last 25 years

No. of roles in sector are diminishing

Growth in protectionism and tit-for-tat measures

Additional friction in international trade? Impact of Brexit?

Economic outlook for international trade?

Political uncertainties





# Thank you for your attention

**Richard Turner**

President

International Union of Marine Insurance e.V.

Große Elbstraße 36

D-22767 Hamburg

**Richard Turner**

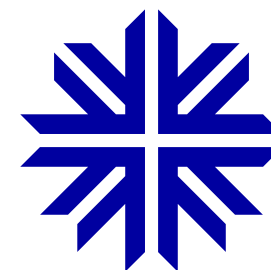
CEO

RSA Luxembourg S.A.

40 rue du Cure

Luxembourg, L1368

[Richard.x.turner@eu.rsagroup.com](mailto:Richard.x.turner@eu.rsagroup.com)



**IUMI**