



# IUMI clear in making industry views heard

By James Brewer

As if their “to do” list was not long enough, the 11 members of the political forum of the International Union of Marine Insurance have just added two more tasks.

These relate to the controversial proposal for a Trade in Services Agreement which could have a significant impact on shipping and insurance; and to the perceived need for the transfer of ship records as a condition of class whenever there is a sale from one owner to another.

At any one time, vigorously led by its chairman Helle Hammer, the political forum is lobbying on well over a dozen topics of moment to the maritime world. Ms Hammer leads IUMI’s determination to ensure the viewpoints of marine and energy underwriters are heard clearly in decision-making circles, including contributing its

expertise to the work of committees of the International Maritime Organization.

More than 500 marine underwriters from many countries gather annually for IUMI’s annual conferences – there have been 140 of them to date, the latest in Hong Kong (the first time the event was on Chinese soil). The get-together brings out all the key issues of the day, but “we wanted IUMI to be more than just a conference, and to take on a more active role in relation to many issues,” Ms Hammer told *SMI*. The creation of the political forum has brought IUMI closer to other interests in the maritime world: “Obviously there are limited resources within the administrative staff of IUMI, but several organisations work with us, so it has made sense for us to join forces and use the common voice we have at IMO and other organisations.”

While most participants in the shipping sector shy away from describing their activities as political, IUMI is refreshingly frank about the purpose of its endeavours. It decided in May 2012 that what was missing from its committee structure was a ‘political forum’ to lend it more firepower. IUMI, comprising 48 national associations, sees the relatively new body as much more than yet another committee.

The establishment of the political forum complemented a salvage forum set up by IUMI the previous year under the chairmanship of Nick Gooding, a highly experienced former London cargo underwriter who since the beginning of 2014 reinforces the lobbying as the insurers’ alternate representative at IMO.

Ms Hammer is ideally placed to lead the political forum. Much of her career has been

bound up with politics, having an invaluable insight into the workings of government gained when she was a state secretary – a kind of extra-parliamentary vice-minister – in Norway’s trade and industry ministry, and later in the finance ministry. She then became part of a team promoting Norway’s business drive in four cities in the US, heading the Houston office with a focus on oil and gas, before returning to Oslo to take up her current post as Managing Director of Cefor, the Nordic Association of Marine Insurers.

The political forum has its origin in the initiative of IUMI immediate past president Ole Wikborg, a director of the Bergen-based Norwegian Hull Club, who pushed for reform under what is known as the IUMI 2015 Strategy. The forum reports to the governing IUMI executive committee, headed since this September by new IUMI Chairman Dieter Berg of Munich Re. It “is a very hands-on, working forum,” said Ms Hammer. “We go through lots of IMO documents, and filter through the issues of relevant concern. Our members represent several national insurance associations and we all work on different issues. What we take up is also very much driven by what people raise with us.”

With such a geographical spread of members, the forum meets during the annual IUMI conference, and during every spring meeting of the executive committee, and the attendance record is notably high – even though much of the business is carried out by email exchanges.

One of the newer priorities is the ‘disappearance’ of ship records in the course of sales transactions. These include documents relating to engine wear, machinery, steel thickness, spares, drydocking, and bunker and lubricating oil.

The paradox is, said Ms Hammer, “if you buy a car, you will ask for its service record; if you buy a ship, you will not necessarily get this. It is not uncommon for the technical manager of the selling company to take the reports with him. That is something to do with the proprietary

rights that the previous owner will have assumed, and we can understand that.

“Usually the argument is that they have built their own maintenance system and programmes, so you do not leave that to your competitor. That means that class does not necessarily get the information either and we think there is something wrong about withholding the maintenance and service history of the vessel. We are trying to see if there is some way of protecting the proprietary rights of companies, and getting that information out. Again, IACS is key, and I know that they are looking at some rules for procedure.”

Removal of records, which some people might suspect can be a cover for inadequate maintenance, has already been highlighted by among others Cefor and the London Joint Hull Committee.

The political forum is meanwhile monitoring as best it can the behind-closed-doors Geneva talks between 50 nations for a global Trade in Services Agreement. TISA has been initiated by the United States, European Union and Australia, “to address major and fundamental barriers to trade in services affecting the United States and the globe.” It will seek to widen dramatically market access, foster substantial deregulation and ease cross-border data exchange, affecting financial services including insurance and its marine and energy segments.

The forum can take credit for intensifying debate over the issue of catalytic fines in ships’ engines: the discussion “is moving in a very positive direction at the moment,” observed Ms Hammer. “Everyone had talked about changes encouraging low sulphur fuel from an environmental perspective. We know already there are some problems with the operation and how it is treated onboard. We have met with the relevant officials of IACS and national associations: they now confirm that they will look at unified requirements in treatment systems. They will establish a working group to look at that, and advise industry to participate in it. IUMI will be invited to be onboard and that

would not have happened if we had not been vocal on this.

The big disappointment for the forum so far has been the rejection of an initiative that came from the IUMI loss prevention committee. “We tried to get the member states of the Paris Memorandum of Understanding on Port State Control to release ship risk profile and company performance information from the Equasis database which is used by insurers in their risk assessments.” Such information has been gained from the Paris New Inspection Regime which is designed to increase oversight of all merchant ships calling into European ports.

IUMI made it clear that information from Equasis was an important supplement to information from class, surveys, fleet records and known company performance, and said that further data including details of ship detentions would help them in their underwriting approach and risk assessment. IUMI’s formal letter on the subject, followed up by telephone and email exchanges, met with a firm refusal from the member states – and there was also opposition from ship owners.

“This is an issue we may want to revisit,” said Ms Hammer, “as the Tokyo MoU has, as of 2014, established a similar regime to Paris, and we have not yet been in any formal contacts regarding the release of their information.”

Current priorities for the political forum include the European Commission August 2014 study on civil liability for offshore accidents in Europe; Arctic sailings; the Polar Code, an IMO instrument that will probably become mandatory in 2015; places of refuge for stricken ships; ballast water management (“we are not quite convinced by all the new technologies, although new regulations are already in place in the US”); EU-wide mutual recognition of classification societies to carry out statutory surveys and certification on behalf of member states; and fire-fighting capability on containerships, another subject about which the political forum has been in talks with classification societies. ●