

Trade & Transportation Insurance News

IUMI

November 2007

Introduction

IUMI (the International Union of Marine Insurance) provides an essential forum to discuss and exchange ideas of common interest.

The 2007 IUMI Conference was held in Copenhagen in September with the theme

“Marine Insurance – the Technical, Financial and Human Challenge”.

The human element is rapidly emerging as one of the most critical problems facing operators and insurers.

Vero National Marine attended along with some 750 Delegates, Accredited Underwriters and accompanying persons from 50 Countries.

This newsletter summarises the key topics and more information (including copies of the Powerpoints delivered) can be found on the IUMI website www.iumi.com or via the links page on our website www.veronationalmarine.com.au

Disclaimer

This newsletter is for information purposes only and is not legal advice.

Developments in Shipping

The key points are:

- Lack of experienced crews.
- Lack of infrastructure at ports to accommodate the larger container vessels now operating.
- Substantial increase in claims through misdescription of containerised cargo by shippers.
- Replacement of over-age vessels with new tonnage - there being 850 new vessels on order world wide.

Developments in Maritime Law

In 2008 a new Convention will be introduced which will increase the responsibility of shipowners for loss or damage to cargo in their care. This to be on a Door to Door basis.

Pollution

Pollution in the majority of Industrial Nations has become a major problem. The Shipping Industry has been identified as a major contributor with 43,000 vessels operating.

China has massive environmental problems which require considerable capital to rectify.

New International Laws (eg: Athens Protocol) are being introduced to reduce pollution.

Capital Demand

It is anticipated that the home mortgage failures in the USA, UK, France and Germany will have a serious effect on the availability of capital.

Consequently, capital investors will demand greater returns on their investment which could affect the Insurance Industry.

New Accounting System

In 2008 a new Accounting System will be introduced into Europe which will result in the release of funds for European Insurers who are consequently expected to become very aggressive in seeking business.

Climate Change

In case you've missed it:

- Climate change is real
- Sea Levels are rising
- Temperatures are increasing
- Volanic eruptions are on a major scale
- Rogue waves more than twice the size of normal waves are being experienced
- the Arctic Icecap is melting at an alarming rate

Future World Economics

- The possibility of a world recession in the future exists (aka Mr Costello's tsunami) and this could start from China.
- Countries such as China, Japan, Korea, India, South East Asia & Russia are becoming the major players.
- Need for China to devalue their currency if recession should become a possibility
- USA manufacturers being affected by cheaper Imports from China & SE Asia and requiring government intervention.

**The Team at Vero
Marine and Aviation**