

Insurance and Compliance Issues

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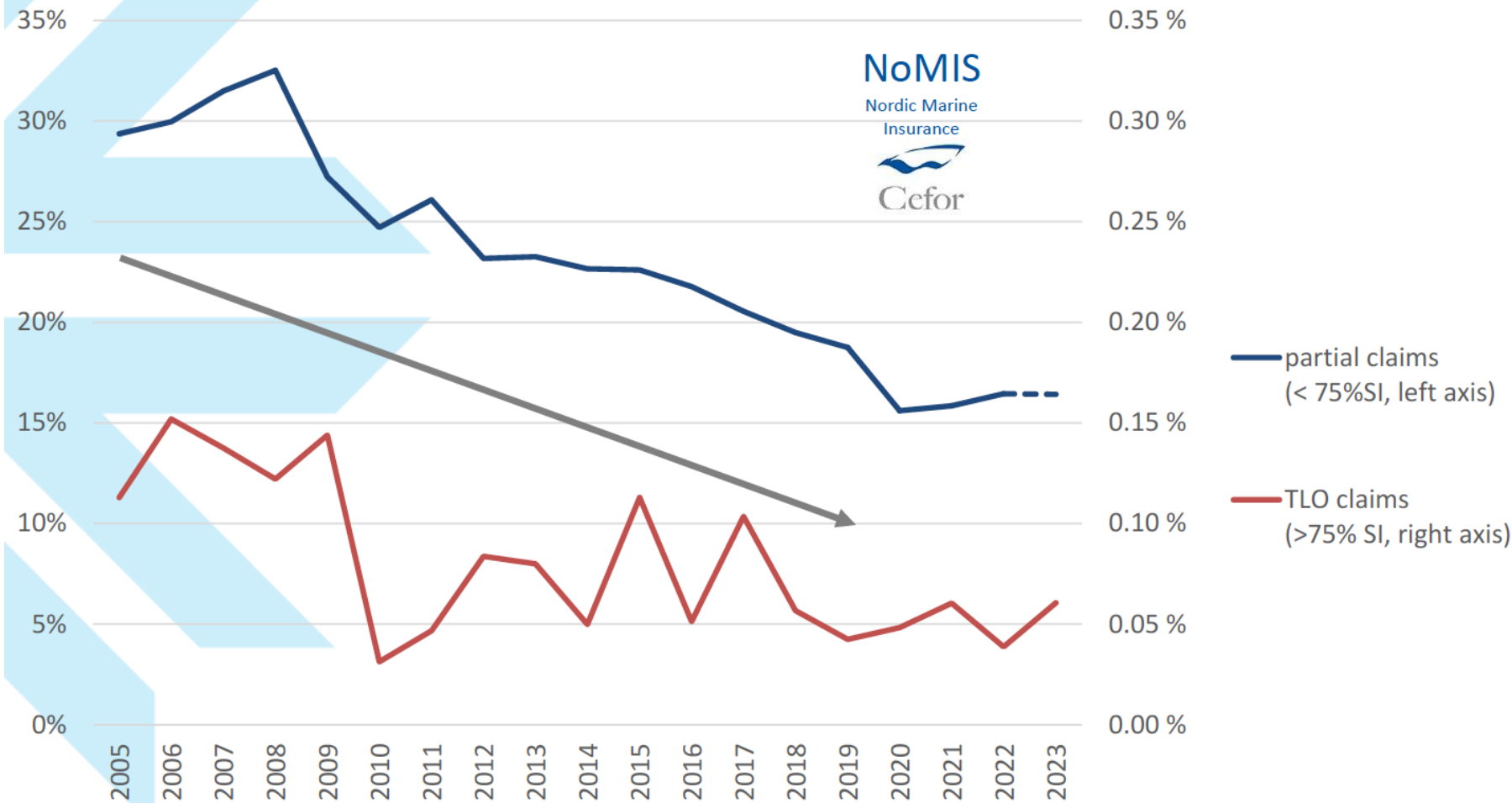
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Current Trends in Premiums

- London – first market to begin hardening on existing accounts due to years of overcapacity and reductions in premium rates.
- Australia – premiums are decreasing due to competition, economic conditions and falling commodity prices. Insurers are moving towards technical rating as a means to increase premiums.
- USA – still providing rate reductions and relatively easy to obtain good results.
- Singapore – London influenced insurers are already tightening, however locally backed insurers remain competitive.
- Looking forward – we're still unsure if the hardening London market will directly or indirectly impact all markets, however there is still an abundance of global capacity available

Aon Insights

Hull claims frequency: Post-pandemic increase but still moderate

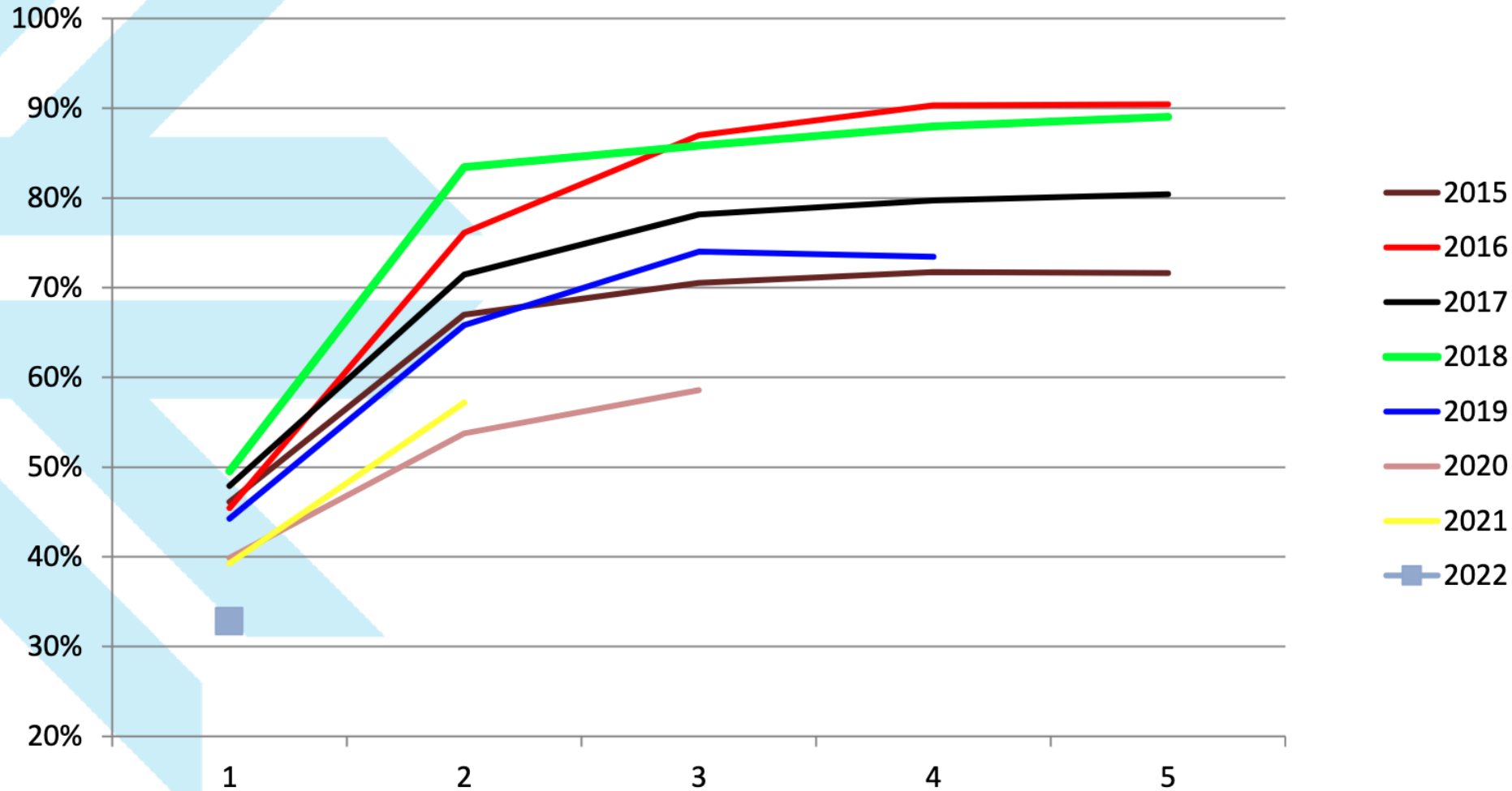


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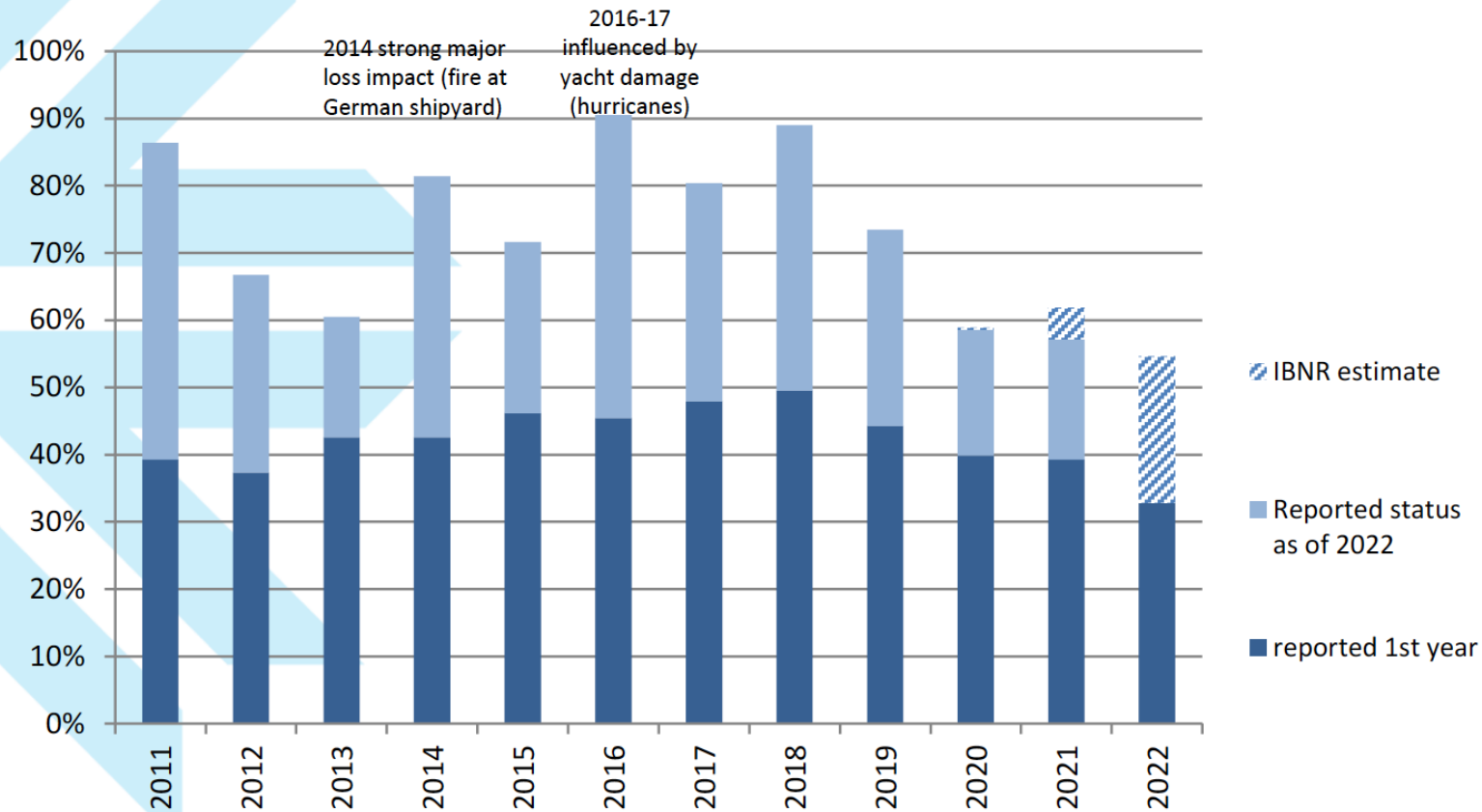
Hull – Loss ratios* Europe**

Underwriting years 2011-22 as reported at 1,2,3,4,5 years
Gross premiums, paid + outstanding claims



Hull – Ultimate loss ratios* – Europe**

Underwriting years 2011-22, gross premiums, paid+outstanding claims (USD)



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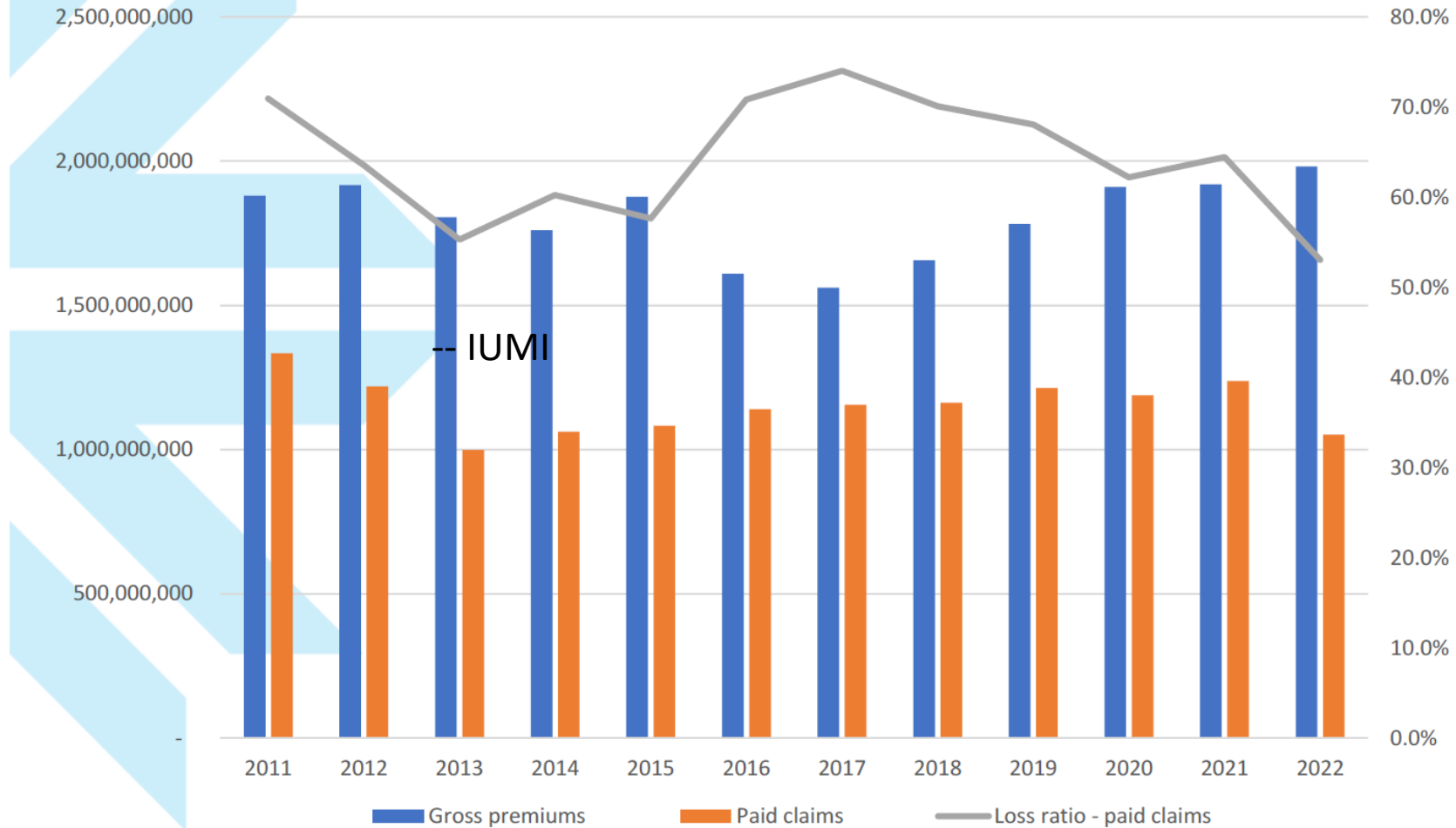
Hull* – Loss ratios US

Accounting year, gross premiums, incurred claims (paid+outstanding)



Hull – Loss ratios Asia*

Accounting year, gross premiums, paid claims



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Current Issues of Uncertain Risk

Cyber

War

Lithium-Ion Batteries (on
UUVs and elsewhere)

Cyber Theats

- Trend separating it from Hull & Machinery Insurance Continues.
- Cyber preparedness could be an issue in the warranty of seaworthiness for charter parties and Hull and Machinery insurances.
 - Insurers could deny coverage.
 - Charterers could claim damages.

War & Piracy

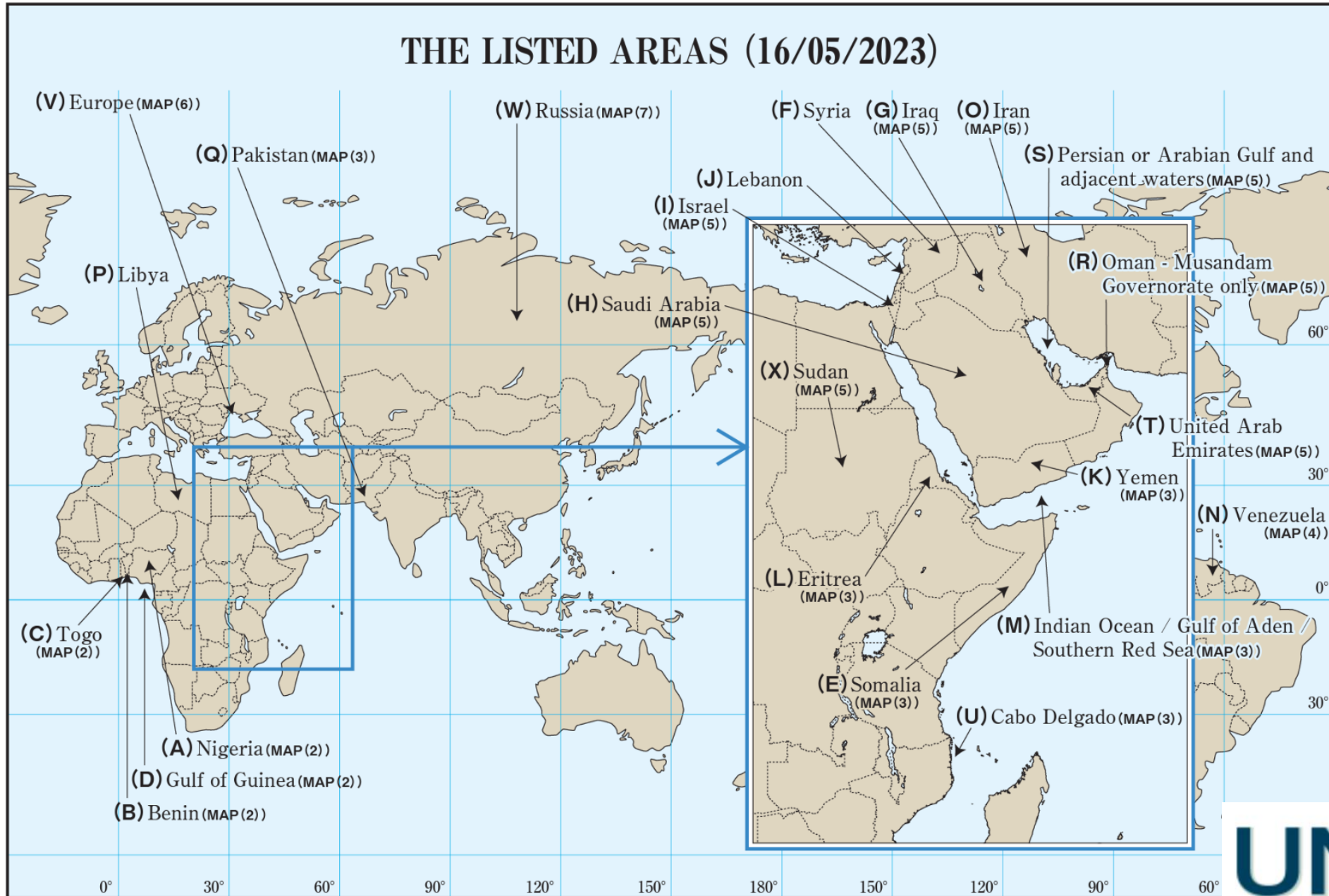
No new additions to excluded areas.

Lloyd's Joint War Committee hasn't met since the escalation of fighting on the borders of Israel.

Some risk of free-floating mines in the Black Sea.

Vessel owners have removed high risk area in Indian Ocean, but maintained by

THE LISTED AREAS (16/05/2023)



[MAP (5)]

Please read carefully "Navigation Limitations for Hull War, Strikes, Terrorism and Related Perils" to check "THE LISTED AREAS" with proper nautical/Admiralty charts.
This map shown herein is only for your information and you should not rely upon this map for geographical accuracy.



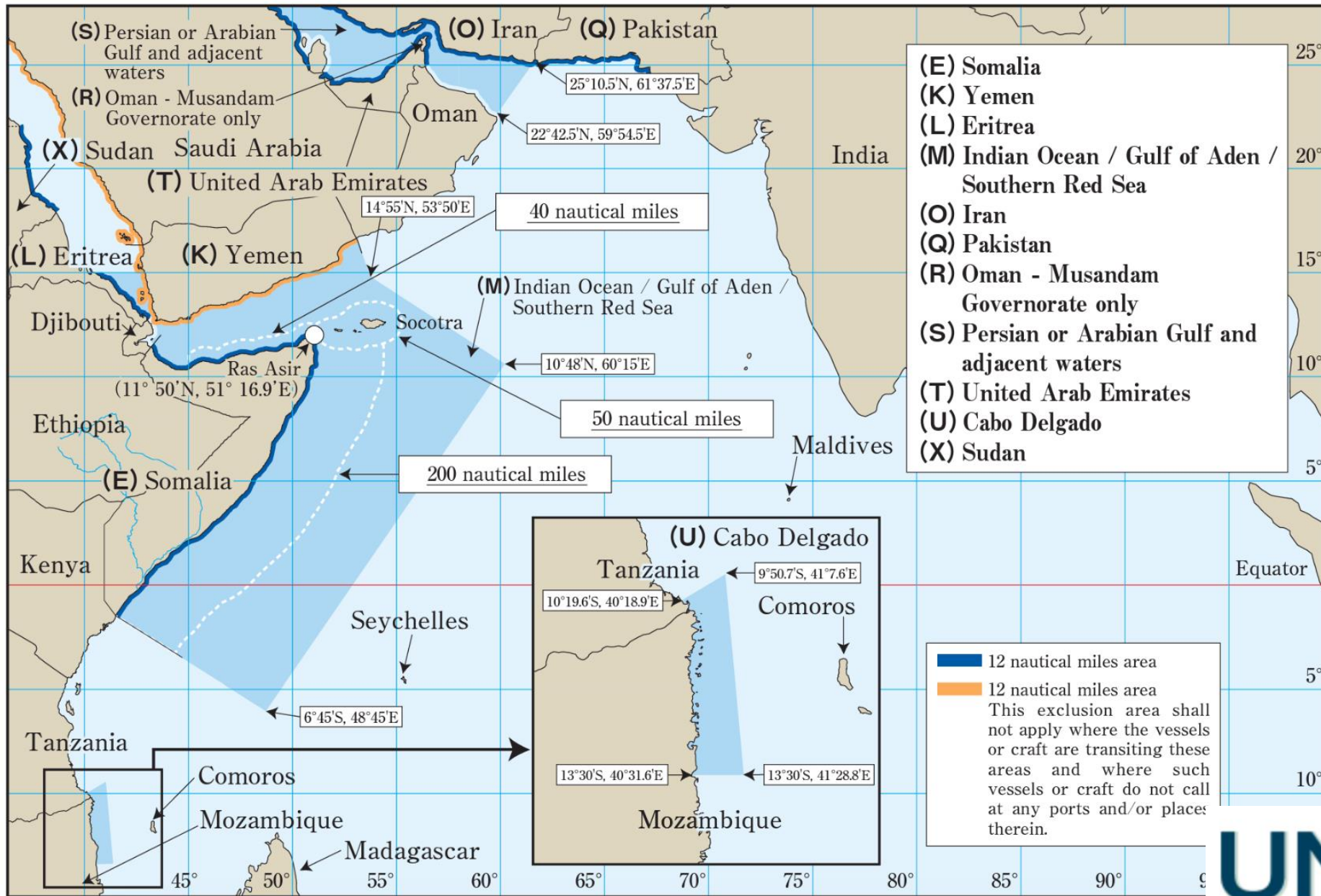
[MAP (6)]

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[MAP (3)]

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Lithium-Ion Batteries

- Concern about fires.
- Possibility of separating from Hull & Machinery Insurance
- Importance of establishing/adopting appropriate protocols to make sure a vessel is seaworthy.
 - Insurers
 - Charterers
 - Members of the crew and science party.

Lithium-Ion Batteries: All Sizes



A UUV



An e-Cigarette