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IUMI TODAY

First focus on talent: new president Dalton wants to help develop new cohort of leaders

WHEN SEAN DALTON BECOMES PRESIDENT

of the International Union of Marine Insurance (IUMI) on September 23, succeeding Frédéric Denèfle after his four-year term, he will inherit leadership of an industry navigating geopolitical instability, technological disruption and the transition to a more sustainable global economy.

Yet while those issues will remain central to IUMI's agenda, Dalton believes the organisation's greatest long-term priority lies elsewhere: ensuring the marine insurance

industry continues to attract, develop and retain the talented professionals needed to meet tomorrow's challenges.

Currently vice-president of IUMI and a former chair of both its cargo committee and the American Institute of Marine Underwriters (AIMU), Dalton is clear that every priority begins with one question: how does the organisation create value for its members?

"Everything we do at IUMI has got to be really fundamentally driven in how we serve our members," he said. "What that 4 →



Sean Dalton

CLAIMS FOR DELAYS: total-loss events on trapped ships



(L-R) Mark Allison and Tom Perkins

ATTACKS AND DETENTIONS across the Middle East and Red Sea do not have to damage vessels directly to trigger an insurance claim: they can put ships beyond their owners' control for extended periods of time or render undamaged cargo uneconomical to deliver.

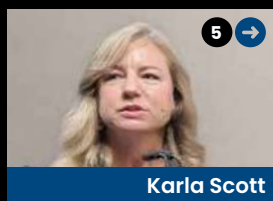
Mark Allison, a director in global marine and transit claims management firm W K Webster, and Tom Perkins, general manager of its cargo division, said the firm's teams were handling both hull casualties and cargo

rerouting claims arising from the same conflict and disruption. Gallagher Bassett acquired W K Webster in February 2025.

"From an H&M perspective, we are seeing vessels hit by missiles and drones," Allison said. "Some of these result in minimal damage but others have resulted in major casualties, loss of life and sinking of vessels."

The same disruption was also producing cargo claims for rerouting costs rather than damage. Perkins said W K Webster had 6 →

INSIGHTS AND ANALYSIS FROM THE INDUSTRY'S MOVERS AND SHAKERS INSIDE



Karla Scott



Matthias Kirchner



Phoebe Clark



Mike Brews

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COVER STORY

Dalton wants to develop a new cohort of leaders

“ means for me is how do we deliver value for those members?”

That commitment, he explained, extends across a diverse international membership, from large, mature insurance markets to much smaller ones with fewer resources. For Dalton, IUMI's role is to provide expertise, insight and support that individual organisations may struggle to develop alone.

“One of the best definitions I've ever heard of value is when somebody offers me something that I maybe don't have the resources or capabilities to do myself, or I can't do in a scalable or cost-efficient manner.”

Building on success

The organisation's established priorities, including supporting free trade, responding to geopolitical conflict, monitoring changing trade routes and helping members understand evolving exposures, will remain central to its work. But Dalton also wants to continue delivering against IUMI's broader 2030 strategy while preparing the industry for the next generation of challenges.

That includes building on the work of his predecessor. Dalton praised Denèfle's leadership during one of the most geopolitically challenging periods the marine insurance market has experienced in decades, noting that his experience in marine war risks had proved particularly valuable as conflicts disrupted global shipping and supply chains. “I look to build on their successes,” Dalton said of previous IUMI presidents.

Among his own priorities, however, one theme stands out above the rest: people. “There are a number of challenges we're facing around talent in the industry,” he said.

For Dalton, attracting the right people is not simply a recruitment exercise. Marine insurance remains a highly specialised sector whose value is created by the expertise of its professionals.

“People are the priority. We've got a huge opportunity in understanding the impact of AI,” he said. “There's going to be new tools that will be available for the marine insurance professional.”

Equally important, he added, is preparing the next generation to step into technical and leadership roles. “The demographic shift that's already started with more experienced practitioners leaving the industry means we've got an opportunity to do more in addressing knowledge continuity and knowledge transfer.”

KEY POINTS:

- Dalton becomes new president
- Priority will be serving members
- Attracting talent a priority

Dalton argues that one of the industry's biggest challenges is not convincing people to stay once they discover marine insurance but making sure they discover it in the first place.

“Marine insurance has traditionally been a profession that people discovered by chance,” he said. “But it should be and can be one that people actively seek out.”

Despite being a relatively small specialty, he believes marine insurance offers an unusually broad and rewarding career. The profession combines intellectually demanding work with international exposure, technical problem-solving and a direct connection to the movement of global commerce. “I don't know necessarily that we have so much a challenge attracting

“Our challenge is to ensure that we can attract the best and brightest new entrants to the workforce as a career destination, not just one that they discovered by chance”

talent,” Dalton said. “It's really raising awareness and making people understand the relevance of this. Our challenge is to ensure that we can attract the best and brightest new entrants to the workforce as a career destination, not just one that they discovered by chance.”

Artificial intelligence is likely to play an important role in that future, although Dalton sees it primarily as an enabler rather than a replacement for professional judgment. “I think we do our best work as an industry where we're solving problems,” he said. “That's something that AI will not replace.”

Instead, he expects AI to make marine insurance professionals more effective by improving access to information, supporting better decision-making and helping organisations work more efficiently.

The voice of industry

But talent and technology represent only part of Dalton's vision for IUMI. He also believes the organisation has an increasingly important responsibility as the global voice of marine insurance, helping members understand regulatory developments, sustainability challenges and changing exposures.

“IUMI has made incredible progress in being the voice of the industry and being visible as a thought leader on these sorts of topics,” he said. That work increasingly draws together expertise from across the association, particularly through its Policy Forum and Data and Digitalisation Forum, enabling members to understand how developments in regulation, technology and risk affect every area of marine insurance.

“Are our products addressing these changes properly and serving our customers well? How has risk changed, if at all?”

Environmental issues will remain high on that agenda. Dalton believes IUMI must continue advocating on behalf of marine insurers while helping members understand the implications of alternative fuels, regulatory developments, changing technologies and the growing impact of severe weather and secondary perils.

Those responsibilities reinforce Dalton's leadership philosophy, which he describes as one of servant leadership. “I embrace the practice of servant leadership,” he said. “It's about how we're delivering for our members.”

That means listening carefully, empowering IUMI's committees and forums and ensuring the organisation remains responsive as members' needs evolve. It also means broadening participation.

Dalton wants to encourage more professionals to become involved with IUMI earlier in their careers and believes the organisation can do more to explain how individuals can contribute.

Ultimately, Dalton hopes his presidency will be judged not simply by the issues discussed during his term, but by whether the organisation continues to evolve in ways that help its members and strengthen the profession.

“I'm a graduate of the US Merchant Marine Academy, and our motto was always *Acta non verba*,” he said. “That translates to deeds, not words.” He intends that philosophy to guide his presidency. ●

CARGO

Cargo theft now a growing threat

Cargo theft has become such a serious threat to marine insurers that the IUMI cargo committee identified it as the market's most pressing issue – despite making that assessment just weeks after conflict had erupted around Iran and the Strait of Hormuz.

Karla Scott, head of cargo and logistics at MSIG, said the committee reached the conclusion unanimously when representatives from around 18 countries met to determine the biggest issue facing the cargo market.

“That’s sort of interesting because the timing of that was just three weeks after the Iran war and Strait of Hormuz issue had started,” she said. “Strategic cargo theft, we felt, is more pressing to our market.”

The reason, Scott argued, is that cargo theft has fundamentally changed. Insurers increasingly face organised criminal groups using sophisticated technology and intelligence to identify and steal valuable cargo. “It is now organised crime with computer scientists working for them that would rival any Silicon Valley tech company,” Scott said.

At the same time, the value of individual shipments is increasing, creating the potential for greater severity just as cargo insurance enters a softer pricing environment. Scott also identified a potential coverage challenge. Strategic cargo theft can sit in a “grey zone” between cyber insurance and physical loss or damage as criminals increasingly use digital techniques to facilitate physical theft.

For Scott, however, the immediate challenge is ensuring insurance keeps pace with a threat that has moved beyond traditional ideas of cargo theft. “It’s our duty to provide peace of mind and risk transfer to our clients,” she said. “So we need to figure out how to solve it.”

Higher values, higher losses

Thorsten Neumann, president and CEO of the Transported Asset Protection Association (TAPA) EMEA, provided figures illustrating the scale of the problem.

TAPA EMEA has recorded more than 170,000 cargo crime incidents over the past three years across the data it collects, although Neumann stressed that only 6.5% of reports include a loss value.

Over the same period, it recorded €6 billion of cargo crime across Europe, the Middle East and Africa. More significant for

KEY POINTS:

- Organised crime at heart of problem
- Average loss increasing rapidly
- Premiums remain soft despite risks

insurers, however, is the changing severity of major losses. TAPA defines a major loss as one exceeding €100,000. Neumann said the average value of those losses is now €2.8 million, compared with €350,000 five years ago and €200,000 a decade ago.

Part of that escalation reflects the increasing concentration of value within individual shipments. Neumann gave examples ranging from electronics and pharmaceuticals to food products, warning that criminals are

themselves be countered through techniques including GPS jamming and spoofing.

More organised, sophisticated

Mike Brews, chair of the cargo committee at Horizon Underwriting Managers, similarly described cargo theft as becoming more organised and sophisticated. “It’s no more guns blazing,” he said. “It’s a lot more well thought out, well syndicated.”

The changing nature of the cargo market is also evident in its premium base. According to IUMI’s latest research, global cargo premiums reached \$24.2 billion in 2025, representing a 6.9% increase on the previous year and continuing a multi-year upward trend.

Brews highlighted was the narrowing gap between Europe and Asia. Brews said the difference between the two markets’ premium volumes has fallen to just over 3%, reflecting relatively slower growth in Europe and the rapid expansion of the Asian market, particularly China.

“Europe’s not growing as fast as it would like to be,” he said. “China specifically out of the Asian market is growing exponentially.”

That growth is also taking place against an increasingly competitive rating environment. Brews described the cargo market as “very soft”, pointing to surplus capital, relatively benign losses and new entrants as factors putting pressure on rates.

War business has provided an important counterweight to that trend. Despite softening elsewhere, Brews said elevated war premiums had helped support the cargo market’s overall premium volume. “I think the war premiums have really managed to prop up the cargo market’s premiums,” he said.

Looking ahead, Brews identified global conflict, changing trade routes, unexpected cargo accumulations, cyber and computer crime and increasingly severe weather as some of the issues insurers must navigate. Cargo theft therefore sits within a market already dealing with a rapidly changing collection of risks – while simultaneously facing pressure on pricing.

Brews also used the session to announce that he is stepping down as chair of the cargo committee, with Howard Potter taking over the role. During his eight years in the committee, he noted that the cargo market has navigated a global pandemic, wars and increasingly challenging weather patterns. ●



“We are not talking about petty theft or opportunity crime any more. The biggest concern is organised criminals.”

Karla Scott

increasingly willing to target almost anything that can be quickly monetised.

But sophistication is increasing alongside severity. “We are not talking about petty theft or opportunity crime any more,” Neumann said. “The biggest concern is organised criminals.”

He described criminal organisations using AI, social engineering and detailed supply chain intelligence to identify vulnerabilities. Technologies introduced to protect cargo can

WAR RISK

Claims for delays: total-loss events on trapped ships

KEY POINTS:

- Long detention may mean total loss
- Freight can cost more than cargo
- Cargo policies rarely pay for delay

➡️ seen “hundreds of claims” in recent months as shipping lines rerouted vessels, imposed surcharges or ended voyages before the cargo’s final destination.

“Whether such costs are covered under an insurance policy is entirely down to the policy wording,” Perkins said. Wider broker-driven policies could cover additional freight and forwarding expenses, while war-risk cancellations and forwarding-expense clauses could change the outcome.

A complex area

War-zone casualties complicated the practical response. “Handling such claims brings into play a whole host of different considerations when compared to dealing with other fire

“From an H&M perspective, we are seeing vessels hit by missiles and drones. Some of these result in minimal damage but others have resulted in major casualties, loss of life and sinking of vessels.”

or explosion cases; and remember, fires and explosions happen on ships every day,” Allison said. “For example, are tug owners willing to send expensive salvage vessels and, importantly, their crew to work in a high-risk war zone?”

For cargo owners, delivery could become uneconomic. “We are seeing claims every day for increased or extra freight charges,” Perkins said.

“Some of these extra charges are coming close to the value of the cargo. We could see situations where cargo is simply abandoned because costs to deliver the cargo are more than it is worth. Also, as delays continue, you are likely to find that some receivers are no longer



IMAGE: SHUTTERSTOCK.COM / LAVIZZARA

interested in receiving goods they ordered four to six months ago.”

Cargo owners could return goods to origin or arrange delivery overland, depending on the distance, cargo type and volume. That was easier over shorter distances and for containerised goods than for bulk cargo.

Allison also cited a report in which IUMI director general Lars Lange estimated that marine insurers had paid about \$2 billion across some 70 casualties. “That figure is only going to increase as conflicts continue,” he said. The hull exposure extended beyond physical casualties to stranded vessels that remained undamaged but unavailable to their owners.

Longer routes mean delays

As traffic through ports inside the Persian Gulf declined, more cargo was being diverted to Fujairah and Khor Fakkan on the UAE’s east coast, avoiding the Strait of Hormuz, Perkins said. The ports were handling unfamiliar volumes, with goods discharged there and transported by road to Sharjah, Dubai and Abu Dhabi.

Freight rates had also risen. He noted that cargo owners would need to factor them into future prices, while receivers might have to pay additional charges to take delivery and seek to pass them back to shippers.

Longer routes delayed deliveries, increased the risk of spoilage and disrupted production lines and supply chains. Perkins said cargo owners needed to allow for longer transit times when planning future shipments.

“Most cargo insurance policies do not cover losses arising from delay,” Perkins said. “Cargo may be spoilt as a result of that delay and a receiver suffers a real loss through no fault of their own. It can be difficult for them to accept that they have no insurance cover in place for such eventualities but still have to pay for the

cargo they have not received or received spoilt.”

Cargo clients had historically lacked a clear overview of their claims numbers, affecting pricing, policy wordings, claims approaches and risk management programmes. Perkins said claims handlers were now expected to give assureds, brokers and underwriters accurate, current information.

For hull insurers, however, the question was whether owners of stranded ships would meet the policy test for a constructive total loss.

“In terms of hull insurance, if an insured vessel is restrained, seized, or trapped for a continuous period of 12 months due to an

“We could see situations where cargo is simply abandoned because costs to deliver the cargo are more than it is worth.”

insured peril, the owner can often treat it as a constructive total loss,” Allison said. “There will be some interesting discussions in the market as we approach the anniversary of the conflicts. Are vessels trapped? Does a war exclusion apply? We have seen a number of vessels safely pass through the Straits of Hormuz but equally, a significant number have been attacked.” ●

Mark Allison is a director at W K Webster. He can be reached at: mallison@wkwebster.com

Tom Perkins is general manager of W K Webster’s cargo division. He can be reached at: tperkins@wkwebster.com

CASUALTY

War risks expose acute policy gaps

The rapidly changing nature of marine war risk is exposing gaps between the physical threats facing vessels, the insurance cover available and the practical reality of managing claims when an incident occurs.

That was the message from Jonathan Evans, partner, global risks at DWF, who outlined the “Legal and practical challenges arising out of marine war risk insurance claims” at IUMI in Rotterdam this week.

Evans said marine insurers are dealing with an expanding range of threats, from the Black Sea, Red Sea, Persian Gulf and Strait of Hormuz to piracy, state intervention, sabotage, seizures, detentions and cyberattacks.

But geography alone is no longer sufficient to understand the exposure. “A ship now could be targeted because of her beneficial ownership, charterers, flag state, type of cargo being carried or perhaps her trading history,” Evans said.

That creates difficulties at the point of underwriting because some of that information might not be known when the risk is placed. The physical exposure might be acceptable, for example, while sanctions, exclusions or other policy conditions could subsequently prevent a claim from being paid.

Many different outcomes

Different forms of cover can also produce very different outcomes. Evans contrasted all-risk policies with named-perils policies and highlighted potential differences in how they respond to events such as the seizure of a vessel by a state.

Another developing issue is the potential for constructive total loss (CTL) claims involving vessels unable to leave areas affected by conflict or disruption. With vessels caught in the Persian Gulf and around the Strait of Hormuz, Evans said shipowners may argue that they have been blocked or trapped for sufficiently long periods to trigger CTL provisions.

But such claims will depend heavily on their individual circumstances. “Each shipowner will have to prove their own claim on its facts for the purposes of the CTL,” he said.

The changing nature of warfare creates further uncertainty. Evans highlighted the Five Powers Exclusion, under which war risk cover can automatically terminate following the outbreak of war between the five permanent members of the UN Security Council.

KEY POINTS:

- Ships targeted for many reasons
- Different policies, varied outcomes
- CTL claims a growing problem



“It remains unclear what specific scale of hostile activity is required to be sufficient to trigger a war exclusion under the policy.”

Jonathan Evans

The difficulty is determining how that language operates in an era when confrontation might involve cyberattacks, drone incursions, sabotage, espionage or proxies rather than formally declared war.

“It remains unclear what specific scale of hostile activity is required to be sufficient to trigger a war exclusion under the policy,” he said.

For reinsurers, consistency between primary and reinsurance cover is crucial. Evans warned that disagreement over how such provisions operate could potentially create gaps between the two.

Cyber risk is creating similar questions of causation. Evans described cases involving

vessels grounding following GPS disruption, where insurers must establish whether a cyber event was sufficiently connected to the eventual casualty or whether another cause, such as crew negligence, intervened.

Layers of complexity

Sanctions add another layer of complexity. Different insurers participating on the same risk might have different sanctions exposures or appetites, potentially leaving some able to pay their share of a claim while others cannot. “This is becoming quite problematic because it could lead to split markets when it comes towards the payment of a claim,” Evans said.

Even where coverage is established, handling a war loss presents substantial practical problems.

Experts might struggle to reach vessels to assess damage or undertake repairs. Firefighting, salvage and tug capacity can be limited. Unexploded weapons might need removing, crews require supplies and medical support and pollution or environmental damage must be controlled.

Military escorts, Evans noted, might not always be available when required.

These difficulties can make determining whether a casualty represents a partial or total loss significantly harder, particularly when surveyors cannot safely access the vessel.

For Evans, closing these gaps requires action throughout the insurance process. “We need better information, clearer wording and earlier action,” he said.

War premiums need to reflect evolving exposures; brokers and insureds need to understand differences between policies, bespoke clauses and exclusions; and material changes in circumstances must be communicated to underwriters.

Claims also require earlier cooperation between shipowners, insurers and other stakeholders.

“The more communication there can be with all the relevant stakeholders,” Evans said, the greater the opportunity to “help minimise costs and exposure”. The underlying challenge is that marine war risk is evolving faster than some traditional assumptions about coverage and claims.

For insurers, closing that gap increasingly means ensuring that policy wording, pricing, information and claims processes evolve with it. ●

“Each shipowner will have to prove their own claim on its facts for the purposes of the CTL.”

WAR RISK

US Navy calls on insurers to share

KEY POINTS:

- US Navy urges cooperation
- Strait of Hormuz risk calculable
- Possible to quantify the risk

The US Navy is urging marine insurers and their clients to work more closely with naval forces in the Strait of Hormuz, arguing that better coordination can reduce the risk facing merchant vessels and help underwriters more accurately price the exposure.

Speaking at IUMI in Rotterdam in a presentation titled 'US Navy merchant shipping cooperation brief – defending the Strait of Hormuz', Rear Admiral Matthew Kawas, deputy commander, US Naval forces central command / deputy commander, US 5th Fleet, described insurers and naval forces as having closely aligned objectives.

"You're in the business of quantifying uncertainty and ensuring that when something goes wrong, your clients can recover," he said. "We are in the business of reducing that uncertainty, of making the Strait of Hormuz a calculable risk rather than an uninsurable one."

Kawas said the strait remains open to commercial traffic, despite vessels operating in a contested environment where merchant shipping faces an ongoing threat from missiles and drones.

US forces have coordinated more than 2,000 transits through the strait, he said, with three viable routes available. The Omani coastal route is currently preferred because the additional sea room provides naval forces with more time to detect and respond to airborne threats.

"From an underwriting perspective, that geometry matters," Kawas said. "It's the difference between minutes and seconds to react to a threat that faces a vessel."

Dilemma for insurers

But routing alone does not determine the risk. Kawas identified coordination, communications and management of electronic emissions as important factors influencing a vessel's exposure. That presents a particular dilemma for insurers.

Technology such as Automatic Identification System (AIS) provide valuable



Rear Admiral Matthew Kawas

PHOTOGRAPHY: SANDRO SLEPIC

“When incidents go unreported, everyone’s risk model degrades – yours and ours.”

information about the location and movement of vessels. Yet Kawas said US forces have observed a pattern of attacks involving vessels emitting electronic signals, particularly AIS, and recommended that vessels coordinate their emissions profile with naval authorities according to prevailing conditions.

"This is not a mandate," he stressed. "The ship's master retains full authority for navigation, safety and security decisions at all times."

The issue highlights a wider challenge for marine insurers: accurate exposure information is essential to underwriting, but operating safely in a contested environment can require vessels to limit the very electronic signals normally used to track them.

Kawas therefore emphasised direct information-sharing between merchant shipping, naval forces and organisations including UK Maritime Trade Operations. "When incidents go unreported, everyone's risk model degrades – yours and ours," he said.

Greater transparency, he argued, allows

both sides to build a clearer picture of the threat. For insurers, that can improve exposure assessment and premium setting; for naval forces, knowing where vessels are and when they intend to transit allows them to integrate shipping into their protective arrangements.

Kawas also made clear that naval protection cannot eliminate the danger. Instead, the objective is to reduce the probability of a successful attack through surveillance, early warning, defensive capabilities and closer coordination with merchant traffic.

For insurers, he believes that difference in risk should ultimately be reflected in underwriting decisions. "The premiums you set, the conditions you attach and the guidance you provide to insured vessels shape behaviour," Kawas said.

His message was that insurers are therefore not simply observers of the security situation. Their underwriting decisions can influence how vessels operate, while information from insureds can improve the wider understanding of threats.

"Every ship that transits safely under coordination is a data point that strengthens our collective risk model," he said.

For an insurance industry trying to quantify rapidly changing geopolitical exposures, that cooperation could prove increasingly important. "We are here to make sure the risk stays manageable," Kawas concluded, "but it requires partnership, communication, and a shared commitment to not letting coercion become the new normal." ●

SHIPPING

Crew wellbeing increases vessel safety

Crew wellbeing and its impact on the wider safety and performance of every vessel was one of the key themes at the official IUMI press conference, which took place during its annual conference in Rotterdam this week.

Speakers including Frédéric Denèfle, IUMI president, Sean Dalton, IUMI president elect, and secretary general Lars Lange discussed a wide range of topics from the complexity of war risks to nuclear-powered ships to a shortage of talent in the industry.

However, Ilias Tsakiris, CEO American Club (Europe) and chair of the IUMI Ocean Hull Committee, discussed the topic of crew wellbeing, linking it to risk assessment methodology and making the case that it can reduce claims.

He made the point that seafarers are civilian workers, but many now sail through areas exposed to war and other hostilities. A number have been killed or injured in recent years while many have been trapped on board,



IUMI leaders at the press conference

uncertain whether they will be attacked or when they can return home.

“There’s a growing amount of research that indicates that crew wellbeing is directly and indirectly related to the actual business risk. Things like fatigue, excessive workload, inadequate rest and poor living conditions have a direct effect on decision-making,” he said. “Equally, we have crew members stranded. We don’t know how their mental state is or if they are getting fed correctly;

provisions are very difficult to provide to certain vessels.”

He noted that piracy also creates fear. During the first half of 2026, 67 crew members were taken hostage. Yet the profession also faces a shortage of talent. BIMCO and the International Chamber of Shipping estimate a current shortage of 39,100 qualified officers and say that 113,735 additional officers will be needed by 2030.

“If conditions do not improve, shipping risks an ageing and shrinking pool of experienced seafarers,” he said.

He suggested hull underwriters should ask more questions about fatigue, retention, shore support, warlike voyages, repatriation and family communication. He said IUMI was developing a checklist to aid this. “Protecting crews protects vessels. Crew wellbeing is therefore a measure of management quality, operational resilience and, ultimately, hull risk. It belongs in every serious assessment of hull risk.” ●



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LOGISTICS

Focus on freight forwarding liability

At its annual conference in Rotterdam on September 22, the International Union of Marine Insurance (IUMI) discussed whether freight forwarding liability insurance should become a greater focus of its work, recognising the increasingly important role freight forwarders play in managing global supply chain risks.

Freight forwarding liability is an important subline of marine insurance but one that has received less systematic attention from the international marine insurance community than cargo insurance.

Freight forwarders occupy a central position in global supply chains, coordinating transport, logistics and other activities on behalf of their customers. Growing geopolitical tensions, conflicts, trade disruption and other supply chain challenges are further expanding their role, with forwarders increasingly providing alternative solutions, including crisis management, to help customers manage disruption.

"The logistics industry is very creative, flexible and innovative and continuously finds new solutions. The freight forwarder is often at the centre of the supply chain organising and arranging all relevant activities for their clients globally," said Matthias Kirchner, IUMI executive committee member and conference workshop chair.

"This is becoming increasingly a strategic role, but unlike cargo insurance, there is no globally consistent wording for freight forwarding liability insurance. Legal and

KEY POINTS:

- Focus on freight forwarding liability
- Key in global supply chain risks
- Globally consistent wording needed



“The freight forwarder is often at the centre of the supply chain for their clients globally.”

Matthias Kirchner

regulatory frameworks vary considerably between countries, while insurers generally use their own individual policy wordings. There might be a role here for IUMI to address some of these challenges and, perhaps, consider a platform for sharing information.”

The workshop also discussed whether greater consistency could eventually be

achieved through the development of a global freight forwarding liability insurance standard, alongside the collection of international market statistics for the subline. Any such developments would require further consideration and would need to reflect the significant differences between individual jurisdictions.

The changing role of freight forwarders is also placing greater emphasis on risk management and loss prevention. As forwarders increasingly act as supply chain coordinators and use technology to anticipate and respond to disruption, effective risk management needs to extend beyond the physical movement of cargo. Areas requiring attention include organisational structures, operational risk management, subcontractor oversight, documentation and information management, contractual arrangements, incident and claims response, appropriate liability insurance and continuous improvement.

Kirchner said: “For IUMI, the discussion reflects the wider evolution of marine insurance as global trade becomes increasingly exposed to disruption, geopolitical uncertainty and complex supply chain risks. Freight forwarding liability insurance is relevant because it supports the logistics company to make the supply chains more resilient. It deserves much more attention because it plays a vital role in the development of global trade in a world of disruption, geopolitics and crisis.” ●

APPOINTMENT

Markel unveils new marine transportation hires

Markel Insurance, the insurance operation within Markel Group, has unveiled two senior appointments, following the establishment of Markel International's new marine transportation business, which brings together leadership across hull and hull war, MECO, marine and energy liabilities (M&E) and transport and logistics.

Dean Johnson joins as head of transport and logistics (T&L) and Rhys O'Neill as head of marine liability.

O'Neill will lead on strategy and be responsible for managing, assessing and

placing complex risks with brokers, ensuring clients continue to receive bespoke insurance solutions for their evolving exposures.

Both Johnson and O'Neill will be based in London and report directly to Grant Smith, who was appointed director of marine transportation earlier this year.

Smith commented: “From rising geopolitical tensions and shifting weather patterns to emerging technological developments, the marine and energy industries are navigating myriad complex, interconnected risks requiring tailored solutions and specialist underwriting

expertise. “Since starting at Markel, both Dean and Rhys have demonstrated exceptional leadership across their teams, fostered strong connections in the market and negotiated large broker deals to support the expansion of our transport and logistics and marine and energy liability portfolios.

“With their deep sector knowledge and technical expertise, I'm delighted to see them step up in their new roles to further strengthen our portfolios and provide brokers with even greater access to Markel's bespoke solutions.” ●

POLITICAL VIOLENCE

SRCC risk shift raises call for response

As civil unrest becomes a more material source of insured loss, insurers and reinsurers need a more granular way to understand strikes, riots and civil commotion (SRCC) risk, which can also impact marine business.

That is according to Phoebe Clark, director, marine, energy and political violence, Howden Re, who stresses that while property damage is often the most visible part of an SRCC loss, the implications can extend well beyond this line.

“Civil unrest can affect terrorism and political violence programmes, marine and cargo exposures, event cancellation, business interruption, trade and supply chain risk, credit, casualty and broader specialty portfolios,” Clark told *IUMI Today*.

“It can also create questions about aggregation where clients have exposures spread across multiple lines but concentrated in the same city, transport corridor, retail district or critical infrastructure zone.

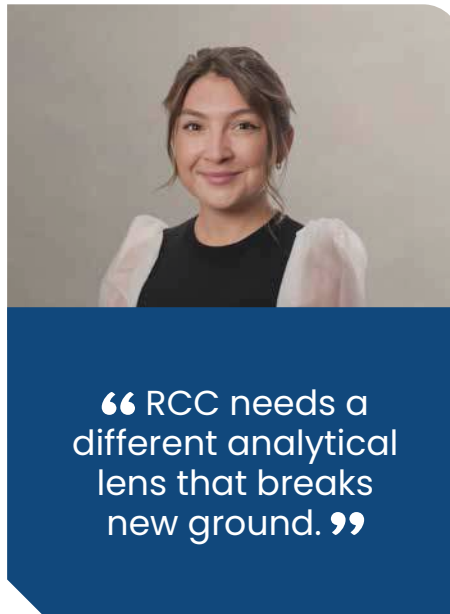
“That cross-class impact is why SRCC needs a different analytical lens that breaks new ground rather than trying to reverse engineer existing approaches and old technologies into this challenging space. If clients look at the peril only through one line of business, they may miss how losses can transmit across a portfolio.”

To solve some of these challenges, Howden Re has developed a new tool designed to leverage state-of-the-art modelling technology to help clients move from broad assumptions to actionable portfolio insight.

UNREST (Understanding Networked Risk, Exposure and Scenario Trends), is designed to help insurers and reinsurers better understand, quantify and manage SRCC risk.

KEY POINTS:

- SRCC a growing risk
- Can impact marine lines
- New tool to help quantify



“Unlike existing offerings which tend to apply natural catastrophe frameworks to an SRCC problem, it is the first tool set up and built to precisely reflect and address the unique nature of risks in this space,” Clark said.

She added that SRCC has moved from an ancillary concern to a capital and portfolio management issue. “Political violence and civil unrest are no longer peripheral risks; they are increasingly central to how capital is deployed, portfolios are structured and exposure is assessed. The market is softening,

but that should not be mistaken for a less risky world.

“The problem is that SRCC does not behave like a natural catastrophe peril. It is political, social, economic and geographic all at once. Two events can look similar at the point of ignition and produce very different losses depending on where they happen, how quickly they spread and which assets sit in the path of escalation.”

Recent years have shown that SRCC can create very large losses, often from events that escalate quickly and do not follow a neat historical pattern. Howden Re analysis has estimated that insured losses related to SRCC rose from negligible levels in 2013 to more than \$8 billion between 2020 and 2024. Losses in markets such as Chile, South Africa, France, the US and New Caledonia show how civil unrest can move rapidly from local disruption to a material insured loss event.

She added that clients should be asking whether they have a clear enough view of their SRCC exposure across the whole portfolio. “They should also be wary of approaches that have not been specifically built and adapted to reflect the unique nature of this fast-evolving class of risk.”

For marine insurers and reinsurers, she suggests mapping cargo, terminals, warehouses and key transit routes against plausible SRCC footprints; identifying the largest port and logistics accumulations; testing how hours and radius clauses change the amount treated as one occurrence; and examining whether the same scenario also creates material property or political violence losses. The result is a more complete view of marine accumulation risk and how it interacts with the wider reinsurance programme. ●

NEWS

ATL boosts marine capabilities with senior specialist hire

Lloyd's broker ATL has strengthened its marine capabilities with the appointment of a senior specialist with more than 35 years of experience in the international marine insurance market.

Sean Woollerson joins the independent Lloyd's insurance and reinsurance broker as director in its marine division.

Woollerson brings expertise across marine

hull, war risks, loss of hire and associated specialty marine products. He also initiated the Global Maritime Security Report, which ATL said has become a recognised industry resource, using market intelligence and thought leadership to strengthen client relationships and expand market reach.

“We are delighted to welcome Sean to ATL. His depth of marine expertise, extensive

international network and proven ability to develop innovative solutions for clients make him an outstanding addition to our team.

“Sean joins us at an exciting stage in our growth and will play a key role in further enhancing our marine capabilities and supporting the continued expansion of the business.” ATL CEO Iñaki Bandres said. ●

PRICING

Marine cargo rates soften in 2025

The latest available 2025 global marine cargo insurance premium figures indicate the cargo market softened in that year despite continued growth in the overall premium base, according to the International Union of Marine Insurance (IUMI).

According to IUMI's latest research, global cargo premiums reached \$24.2 billion in 2025, representing a 6.9% increase on the previous year and continuing a multi-year upward trend.

Speaking at today's IUMI annual conference in Rotterdam, Mike Brews, chair of the IUMI cargo committee cautioned that the headline growth figure should be viewed in context.

"A 6.9% uplift in our premium base in 2025 is welcome but we should recognise that the depreciation of the US dollar against European currencies has accounted for much of this growth rather than underlying market development. The majority of real growth has come from Asia, predominantly China."

"We have also had to contend with additional capacity and increased competition, which has softened the market somewhat. More positively, the claims environment has remained favourable, and this is reflected in the loss ratios. Overall, the cargo market softened in 2025 rather than correcting, and that pattern has continued into 2026."

Asia closes the gap

Europe continued to account for the largest share of the global cargo market in 2025, but Asia is rapidly closing the gap. The difference in premium share between the two regions

KEY POINTS:

- Most real growth from China, Asia
- Yet premium base increases
- Europe still biggest share of market



"We have not seen (tariffs) influence the cargo market as strongly as some had predicted. Insured values have held up and volumes have not declined as sharply as many expected."

Mike Brews

narrowed to just 3.3 percentage points in 2025, compared with 7.8 percentage points in 2024.

As in previous years, the Chinese market was a key growth driver. This was mainly due to new products tied to the rise of domestic e-commerce and return-insurance schemes, as well as high-value exports

such as EVs, photovoltaics and lithium batteries. Singapore also recorded strong growth of 13%, driven in part by high-tech and semiconductor shipments moving through the city-state. Europe also recorded strong headline premium growth, much of this increase was attributable to currency movements – with a roughly 13% stronger euro to the US\$ – rather than significant underlying market development.

Loss ratios in Europe continued to trend downwards, reaching approximately 40% in 2025. Latin America has also shown a gradual improvement since 2017, with loss ratios of around 45%.

Asia, by contrast, reported a loss ratio just below 70%, continuing an upward trend since 2020. In the US, the loss ratio fell significantly to around 40% in 2025, compared with approximately 75% the previous year, although this might partly reflect some under-reporting in the market.

It should be noted that loss ratios are reported mainly as "paid only" and generally exclude case reserves and "incurred but not reported (IBNR)" losses which have the potential to erode future profitability significantly.

Overall, the cargo sector experienced no losses in 2025 that were significant enough to materially influence the wider market.

Brews noted that concerns over tariffs and their potential impact on global trade had been a major theme over the previous year. However, their effect on the marine cargo insurance market has so far been less pronounced than anticipated.

"Last year, the discussion was dominated by tariffs and their potential impact on global trade. We have not seen them influence the cargo market as strongly as some had predicted. Insured values have held up and, although volumes have slowed, they have not declined as sharply as many expected."

Looking ahead, Brews said: "In general, the underlying cargo market remains soft, with over-capacity putting pressure on rates, particularly across Europe. It is largely competition that is affecting market conditions rather than significant claims activity."

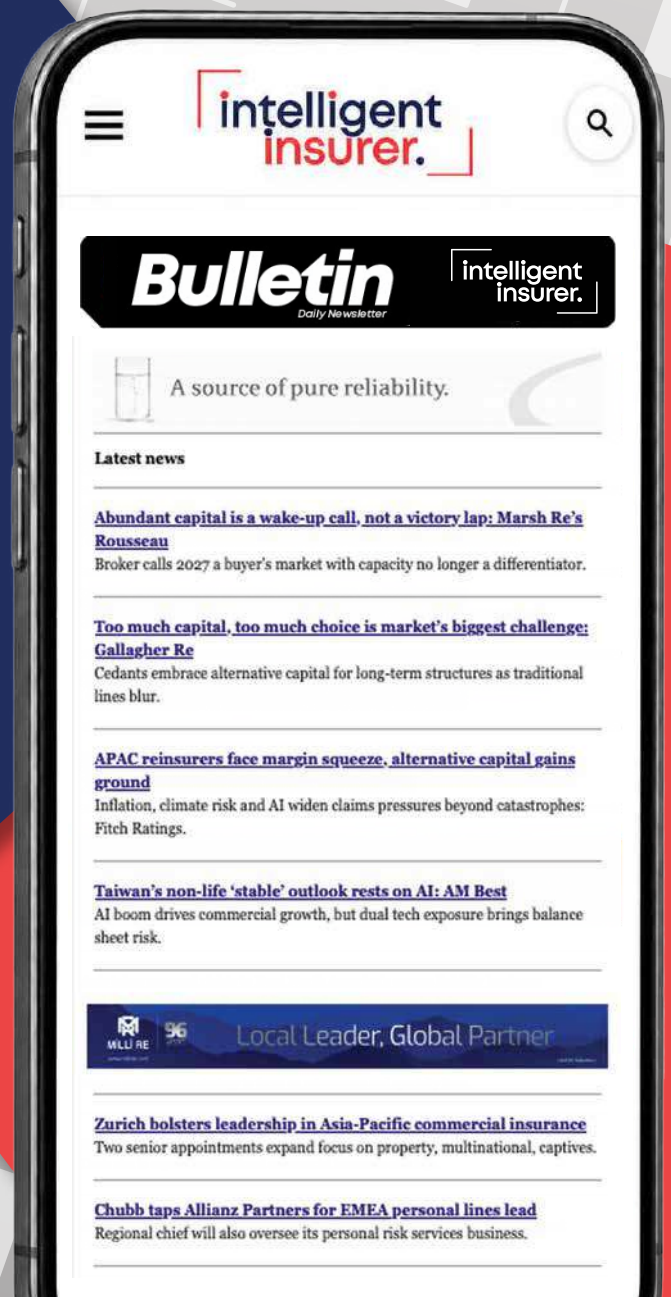
"Our top-line premium base has grown, but that growth is largely attributable to trade volumes and currency movements. It does not necessarily herald a healthier market." ●



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GEOPOLITICAL RISK

Shipping is demonstrating resilience

Geopolitical disruption is creating significant new risks for global shipping, but the industry's ability to adapt to longer voyages and changing trade patterns is also generating exceptional earnings from historically strong freight markets.

That was the central message from Steve Gordon, managing director of Clarksons Research, during his 'Shipping market outlook: disruption, risk and opportunity' presentation at IUMI in Rotterdam this week.

"Shipping has had to be resilient and flexible to provide the operational flexibility to get cargo – and this year oil – to market," Gordon said. "But to do that, we have a supply-demand market and shipping gets paid for that resilience and managing that operational stress."



“Shipping has had to be resilient and flexible to provide the operational flexibility to get cargo – and this year oil – to market.”

Steve Gordon

The long way around

One of the most important consequences of geopolitical disruption is additional sailing distance. It is not simply the volume of cargo that determines demand for shipping capacity, Gordon explained, but how far that cargo must travel. Average voyage distances have increased substantially over the past two decades, partly because of changing economic patterns, but increasingly because ships are being re-routed around geopolitical flashpoints.

The re-routing of Russian oil, disruption in the Red Sea and more recent events in the Middle East have all added distance, time and inefficiency. The result is a series of ripple effects across shipping markets. "It's a bit like

KEY POINTS:

- New risks for global shipping
- Earnings at all-time high
- Vulnerable to economic shock

an onion," Gordon said. "You peel the onion back and you see these ripple effects around the global economy."

Ships must reposition between regions, cargoes are transferred between vessels or alternative transport infrastructure and longer routes absorb additional vessel capacity. For insurers, those changes also alter the risk landscape.

Yet economically, the disruption has created extraordinarily strong conditions for shipowners. Gordon said Clarksons Research's broad shipping earnings index was at an all-time high, with particularly strong tanker markets. Shipping is consequently experiencing what he described as its "best period ever in terms of cash flow".

That profitability is feeding into asset values. New-build prices and second-hand vessel values are highly elevated, meaning insurers are covering increasingly valuable assets at a time when those ships might also be navigating a more complicated operating environment.

Also years of limited demolition have left the global fleet ageing, while a substantial shipbuilding programme is now under way.

Gordon cautioned against assuming this represents a repeat of the shipping boom preceding the 2008 financial crisis. Today's order book is around 22% of the existing fleet, against more than 50% back then.

Nevertheless, a growing order book leaves shipping more exposed should the global economy weaken. "Some of these markets are looking like big order books, and it makes you vulnerable if there's an interruption in the global economy," Gordon said.

For insurers, the overall picture is therefore far from straightforward. Geopolitical disruption is increasing voyage distances and changing where vessels operate. Shipping markets are generating exceptional cash flows and supporting higher asset values. The fleet is ageing and entering a major renewal cycle, amid uncertainty around the economy and decarbonisation. "Geopolitics is driving demand," Gordon said. "We're right at the front line."

His message was ultimately one of balance: shipping has demonstrated remarkable resilience and has benefited economically from providing that flexibility, but today's exceptional market conditions are themselves creating exposures insurers will need to understand.

"Understand the risks," Gordon concluded, "but also some of the differences that are happening in the markets." ●

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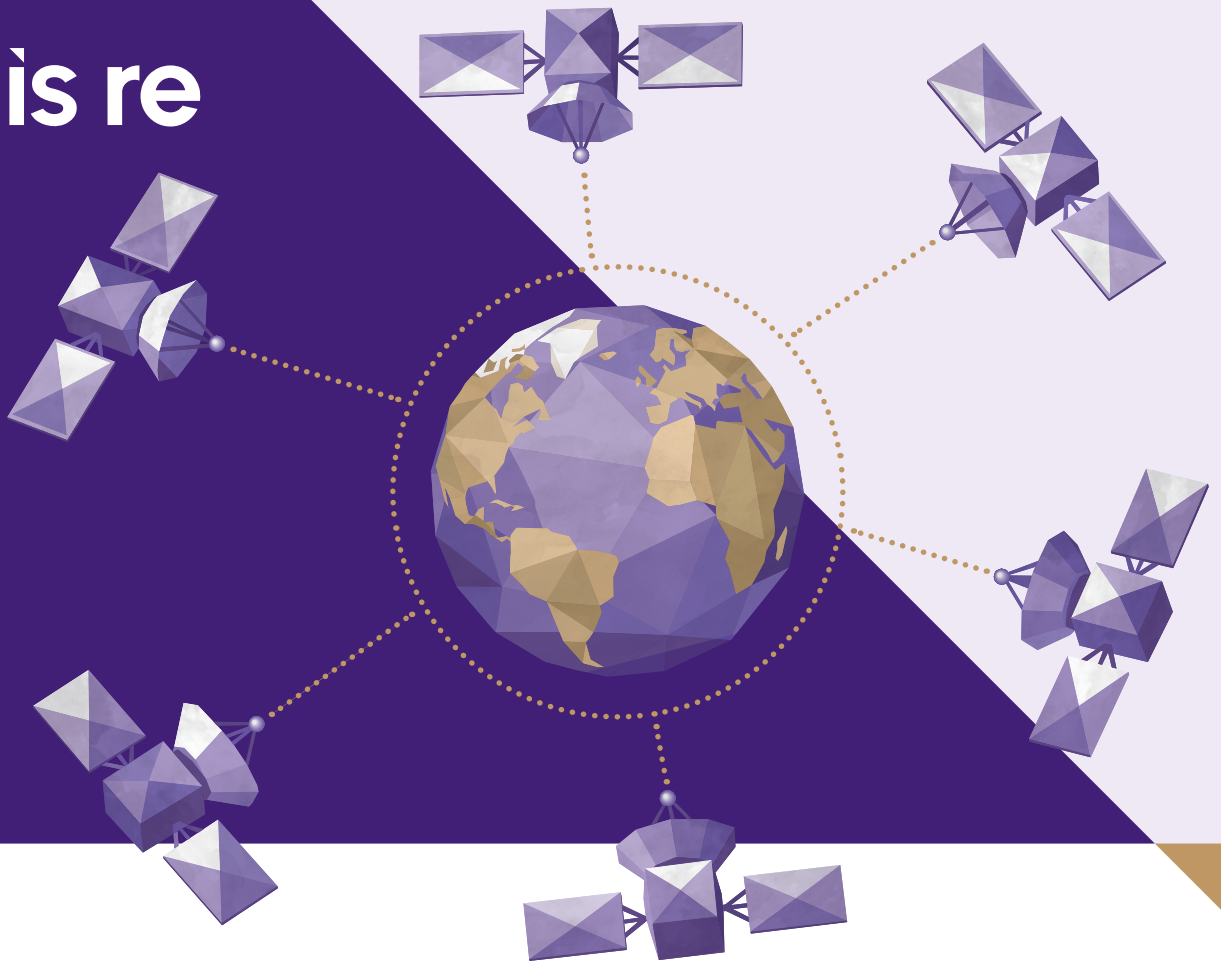
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