



CURRENT ISSUES – IUMI POLITICAL FORUM

Updated as per 13 May 2015

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A. ACTION recommended

1) Ship recycling – EU study on a financial instrument

Brief description

The European Ship Recycling Regulation (SRR) entered into force on 30 December 2013. Its main objective is to ensure that ships sailing under the flag of an EU Member State are recycled in a sustainable manner at the end of their operating life.

The SRR brings into force requirements of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships that was adopted by the IMO in May 2009, but not expected to enter into force before 2020 at the earliest. In addition, the SRR requires that ships flying an EU flag may only be recycled in facilities approved by a Member State (for facilities within the EU) or the Commission (for facilities in third countries).

A financial mechanism to incentivize shipowners to recycle ships in a safe and environmentally manner was considered in the SRR, which requires the Commission to *“submit to the European Parliament and to the Council a report on the feasibility of a financial instrument that would facilitate safe and sound ship recycling.”*

Following up on this, the European Commission (EC) has initiated a study by Ecorys, DNV GL and Erasmus University of Rotterdam, and hosted a first stakeholder validation seminar in March 2015 in which IUMI participated. “Ship life insurance” is among the six options currently under investigation.

IUMI does not support the proposed “Ship life insurance” option. Insurance is a strictly regulated and highly competitive business, which has clear limits on what it can and cannot take on. It does not have limitless appetite and is there to cope with unexpected fortuities rather than inevitable events. A financial instrument is too close to being a guarantee without a trade aspect for it to be widely insurable.

Furthermore, it is thought there would be very limited desire to extend ship insurance to include the recycling facilities; that is a non-marine property risk and would include liability for the scrapping work after sale by workers who are completely unrelated to the previous owner (assured).

Relevant authority / organisations and documents / links

- **EU:** The European Ship Recycling Regulation (COM(2013)1257, 20 November 2013).
- **IMO:** The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, adopted May 2009.

Timeline / important dates

- First stakeholder validation seminar: 5 March 2015.
- Second stakeholder session est. September 2015.
- Draft report from EC study by end 2015.

IUMI will:

- Support international regulation and solutions under the auspices of IMO through the Hong Kong Convention.
- Give input to the EC study through the participation in stakeholder seminars and in writing, explaining how insurance works and its limitations which makes insurance unfit as a financial instrument to facilitate safe and sound ship recycling.

2) Theft prevention / safe and secure parking places

Brief description

EU stated in a 2009 study that each year direct and consequential claims arising to an amount of 8 billion EUR are caused by theft from means of transport. However, the fact remains that there are far too few parking areas and especially far too few secured parking areas. At the same time, the perpetrators are acting more and more in an organized way.

Both for cargo and forwarders' liability insurance, only effective loss prevention measures make some types of transport insurable. Infrastructure and legislation related to this are country specific and made at a national level. Hence, the respective IUMI member associations must deal with specific suggestions and needs. IUMI will publish a position paper with a statement of the more general concerns and needs of insurers.

Relevant authority / organisations and documents / links

- **National** authorities / ministries of transport
- **EC (DG Mobility and Transport)**
 - TEN-T: Trans European transport network guidelines.
 - EC Regulation 561/2006 on driving times.
 - Directive 2003/59/EU driver training – crime prevention.
 - Directive 2008/96/EC road infrastructure safety management.
 - Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport.
 - Council Resolution 8/9 November 2010 on secure TPAs.
- **SETPOS** – secure European truck park: www.setpos.eu
- **LABEL** – classification of TPAs for security and comfort quality standards: www.truckparkinglabel.eu
- **TRANSPark** (International Road Transport Union (IRU): www.iru.org/transpark-app)
- **TRUCKinform** (The European truck parking information portal): www.truckinform.eu
- **Road Haulage Association**: www.rha.uk.net
- **IUMI national associations' web pages** (in particular):
 - Italy: www.ania.it
 - Germany: High-security truck park – Non-binding security recommendations: http://www.tis-gdv.de/tis_e/bedingungen/parken/parkplatz_gesichert/inhalt.htm

- Netherlands: www.verzekeraars.nl
- **Cargo workshop**, IUMI conference London, 16 September 2013: “Tackling global theft through the Label Initiative”, Eric de Smet, Baloise Insurance, Antwerp

Timeline / important dates

- Political Forum workshop, IUMI conference Berlin, 15 September 2015: “Theft prevention; IUMI position and recommendations”, Håkan Nyström, AIG.

IUMI will:

- Prepare position paper with IUMI recommendations to be presented in the Political Forum workshop in Berlin, 15 September 2015.

3) **EC Offshore Safety Regulation**

Brief description

The EC proposed in October 2011 a Regulation on the safety of offshore oil and gas prospection, exploration and production activities aiming amongst others to extend the scope of the Environmental Liability Directive (ELD) to include “all waters under the jurisdiction of the Member States” and mandating financial security. A study has been commissioned on *liability security schemes for offshore environmental risks* which currently is being drafted by the University of Maastricht.

Joint industry efforts have been made to prevent some of the more controversial suggestions of the Regulation and explain the practical implications – and impracticability – of extending the ELD due to:

- most likely an inability to quantify the damages in a longer term, and
- scale of potential loss and selectivity by insurers.

In October 2012, the Industry, Research and Energy Committee (ITRE) of the European Parliament voted in favour of transforming the proposal from a Regulation to a Directive. The Directive was formally adopted in June 2013.

Article 4 of the new Directive states that evidence of provisions to cover potential liabilities shall be included in the application for a licence.

With reference to financial security, the Directive states that:

“(63) Operators should ensure they have access to sufficient physical, human and financial resources to prevent major accidents and limit the consequences of such accidents. However, as no existing financial security instruments, including risk pooling arrangements, can accommodate all possible consequences of major accidents, the Commission should undertake further analysis and studies of the appropriate measures to ensure an adequately robust liability regime for damages relating to offshore oil and gas operations, requirements on financial capacity including availability of appropriated financial security instruments or other arrangements. This may include an examination

of the feasibility of a mutual compensation scheme. The Commission should submit a report to the European Parliament and to the Council on its findings, accompanied if appropriate, by proposals.”

Following up on these requests, two studies have been completed on civil liability, financial security and compensation claims for offshore oil and gas activities. The reports were published by the Commission in October 2013 and August 2014. IUMI was consulted as part of these studies, explaining the practical implications, limitations and how the market functions from an offshore energy insurance perspective.

A report on the Commission’s assessment of the effectiveness of the liability regimes in the EU in respect of the damage caused by offshore oil and gas operations are to be submitted by mid 2015. This report will include an assessment of the appropriateness of broadening liability provisions.

Relevant authority / organisations and documents

- **European Commission**
 - Proposed EC Regulation 27 October 2011.
 - University of Maastricht – Civil liability, financial security and compensation claims for offshore oil and gas activities, 22 October 2013.
 - BioIS study – Civil liability, financial security and compensation claims for offshore oil and gas activities in the EEA, 14 August 2014.
- **European Parliament** – Environment, Public Health and Food Safety Committee (ENVI) & Industry, Research and Energy Committee (ITRE).
 - Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC.
- **Position papers – industry:**
 - Insurance Europe: 2012.
 - Norwegian maritime/oil & gas industries: 30 January 2012.
 - UK maritime industry: 18 April 2012.
 - IUMI: 24 September 2012.
 - ECSA comments to EC study on civil liability for offshore and gas activities, 2 October 2014

Timeline / important dates

- Directive 2013/30/EU shall apply through national laws/regulations by 19 July 2016 for new installations, and no later than 19 July 2018 for existing.

IUMI will:

- Monitor and comment on Commission report as appropriate.

4) Places of Refuge

Brief description

Current practice concerning places of refuge is a concern to insurers. The “*Flaminia*” incident prompted a new EC Cooperation Group on Places of Refuge, charged with assessing the need to improve existing legislation and why EU Member States took so long to provide safe refuge. Draft “EU Operational Guidelines” was presented to Member States and industry stakeholders in January 2015, and a joint industry group will submit their comments by end January. Hereafter EC will consolidate the text and prepare a desktop exercise. The guidelines will also most likely be presented in a paper to the IMO.

After an explosion and fire aboard the “*M/T Stolt Valor*” at a distance of 40 nm from Kingdom of Saudi Arabia in March 2012, a place of refuge was denied by the coastal States in spite of repeated requests. In September that year, a round table of shipowner associations and IPTA urged the MSC to consider what additional measures may be appropriate, and stressed the need for all States to apply amongst others the IMO Guidelines on places of refuge for ships in need of assistance.

Following these incidents, and further prompted by the “*Maritime Maisie*” being held at sea off the coast of Japan for weeks after a collision and fire in December 2013, IUMI is, together with the International Chamber of Shipping (ICS) and the International Salvage Union (ISU), campaigning to urge governments to adopt the IMO places of refuge guidelines.

Relevant authority / organisations and documents

- **IMO – MSC & MEPC & LEG & CCC:**
 - MSC77/8/2: Places of refuge, submitted by IUMI, 14 February 2003.
 - Resolution A.949(23): Guidelines on places of refuge for ships in need of assistance, 5 March 2004.
 - MEPC64/INF.30 (27.7.2012) from ROPME/MEMAC and MSC91/21 (24.9.2012) from ICS, BIMCO, INTERCARGO, IPTA and INTERTANKO, concerning the “*M/T Stolt Valor*” incident.
 - LEG101/11/4: Places of refuge for ships in need of assistance, submitted by ICS, IGP&I, IUMI & ISU, 14 March 2014.
 - III1/INF.33: Port of refuge, *Maritime Maisie*, submitted by Hong Kong, China, 14 May 2014.
 - MSC93: Statement made by Intertanko.
 - CCC1/INF.2: Investigation on the fire and explosion on board the *MSC Flaminia*, submitted by Germany, 3 June 2014.
 - MSC94/20/1: Guidelines on PoR – proposed additional text, submitted by Liberia, the Marshall islands, IMPA, IFSMA, INTERTANKO, INTERCARGO and INTERMANAGER, 10 September 2014.
 - MSC95/INF.8: Information on the work within the European Union on operational guidelines for places of refuge following recent incidents, submitted by EU Member

States, The European Commission, IUMI, BIMCO, ICS, ISU, INTERTANKO and IG, 31 March 2015.

- **EC/EU:**
 - Directives 2009/17/EG (23.4.2009) and 2002/59/EG (27.6.2002), mandating EU Member States to provide places of refuge for stricken vessels in order to prevent greater damage to the environment.
 - IUMI invited to contribute to the work of the Correspondence Group on the development of “Operational Guidelines” for Places of Refuge, 15 April 2014. Consultation letter 17 June 2014, IUMI response sent 20 June 2014.
- **EMSA:**
 - Background document for an industry consultation meeting 26 June 2013 and questionnaire concerning the EC Vessel Traffic Monitoring and Information System.
- **ICS, ISU & IUMI:** Joint press release 13 February 2014.
- **ICS, IGP&I, IUMI, ISU & Asian Shipowners’ Forum:** Joint position paper April 2014.
- **UK SOSREP** presentation during Legal & Liability workshop, IUMI conference, London, 17 September 2013.

Timeline / important dates

- IMO – Legal Committee (LEG) 101: 28 April – 2 May 2014.
- MSC 93: 14-23 May 2014.
- Legal & Liability workshop, IUMI conference, Hong Kong, 23 September 2014.
- MSC 94: 17-21 November 2014.
- EC roundtable discussion with all relevant stakeholders during IMO MSC 94, London, 21 November 2014.
- EC: First discussion industry stakeholders on the Draft EU Operational Guidelines, Brussels, 15 January 2015.
- EU Operational Guidelines to be completed in 2015.

IUMI will:

- Actively promote better accommodation of ships in distress through the implementation and enforcement of existing measures.
- Provide input to the Draft EU Operational Guidelines together with a joint industry group (ICS, IG, ISU, IUMI, INTERTANKO).

5) Cat fines & low-sulphur fuels

Brief description

Machinery damage is by far the most frequent cause of loss in marine insurance, and the numbers are likely to increase with the introduction of low-sulphur limits. Historically, 40% of hull claims by number are machinery damage and make up 20% of costs.

The most typical and well known contaminant that can destroy an engine in a short time is cat fines. Cat fines are an inevitable by-product of refining and consist of small particles of metal that are deliberately introduced to 'crack' the fuel. Unless removed by purification, cat fines will become embedded in engine parts and cause serious and rapid engine damage. Filtration of fuel has been a requirement on board for many years, but crews are now noticeably less experienced and less reliable in operating the systems. The level of cat fines is also likely to increase with the introduction of new low sulphur regulations, which will require more refining.

Vessel operators and crew often have no idea about the purity of the fuel they use, nor is there any compulsion to find out before using it. Often, the purifiers installed are inefficient and cannot cope. Cases are known where filters have been removed. Engines need fuel with no more than 15ppm, but fuel is produced at 60ppm and over. There is clearly a need for more crew training and somebody to verify that the equipment and systems installed really remove the cat fines on their way to the engine.

According to the fuel testing agency DNV Petroleum Services, the bunker fuel industry in the U.S. has seen a rise in metals content as a result of regulations to reduce the level of sulphur in bunker fuel. Low sulphur fuels are less lubricating and this combined with the introduction of increased amounts of abrasive materials, causes damage. Once cat fines become embedded in engine parts, they cannot be removed. Until fairly recently, such losses have simply been described as engine damage or crew negligence and the real cause not identified. It is only now that definite attributable losses are being reported.

Claims due to cat fines have been identified in the range of USD 300,000 to USD 1.5m, mostly in low speed engines. Wear is very rapid; for example, if liners are replaced, they could be worn out again in three days. In a technical paper presented at the CIMAC Congress in 2013, cat fines were found in 84% of all the cylinder liner high wear cases investigated.

Contributory changes which would help:

- Sampling and testing of fuel before use
- Improved fuel handling on board
- Improve the quality of bunkers
- Alter the ISO standard
- Charter/bunkering contracts should specify fuel less than 60ppm
- Regular cleaning of filters, frequent drainage
- Clean the settling and service tanks during dry dock
- Check centrifuge capacity on specifications for new buildings
- Ensuring optimized fuel system treatment
- Introducing a new fuel cleaning system layout
- Automatic control of the cleaning flow rate
- Intensified monitoring of the fuel treatment efficiency

IUMI raised the need of more class involvement to ensure that vessels safely can operate on the new fuels required in the future with IACS in January 2011, and attended a meeting with the Machinery Panel in September 2013 to present the insurance industry's concerns. Following this meeting, the IACS Machinery Panel decided to review the members' current requirements on facilities provided

for handling the fuel on board in order to establish a common baseline. IUMI will be invited to take part in these discussions.

Furthermore, recent statistics from the California Department of Fish and Wildlife show that switch-overs between heavy fuel oils and distillate fuels to comply with the lower 0.1% sulphur limit in the Californian ECA increase the risk of vessels losing power. The risks related to the complex switch-over will have to be carefully monitored, and proper crew training and awareness is needed.

Nevertheless, 1 January was the implementation date of the 0.1% sulphur content limit for marine fuel on vessels operating in the North American Emission Control Area. The U.S. Environmental Protection Agency (EPA) and the U.S. Coast Guard are ramping up their inspection and enforcement efforts to monitor compliance.

The 0.1% sulphur limit also became mandatory in the northern European Emission Control Areas (ECAs) as of 1 January 2015. The European Commission has proposed that at least 10% of vessels calling in European ports are monitored for compliance, with results being made public. From 2016, up to 40% of vessels inspected will have their fuel sampled.

Relevant authority / organisations and documents

- **IMO – MEPC & MSC**
 - MARPOL Regulation 14 & Annex VI: “Prevention of Air Pollution from Ships, allowing for special (SOx) Emission Control Areas”.
 - MSC93/INF.8: Safety implications arising from the supply of “Out of Specification” Marine Fuels, submitted by ICS and IPTA, 13 March 2014.
- **EU**
 - Sulphur Directive 1999/32/EC with amendments.
- **CIMAC Congress 2013**, Paper no. 51: “Onboard fuel oil cleaning, the ever neglected process How to restrain cat-fine damages in two-stroke marine engines”. Paper presented by experts from MAN Diesel and Turbo (Denmark), DNV Petroleum Services (Singapore), NanoNord (Denmark), Alfa Laval Tumba (Sweden)
- **UK P&I Club Risk Focus**: Loss of power
- **Joint Hull Committee** information pack: Marine engine damage due to catalytic fines in fuel, joint paper with Braemar (The Salvage Association), 26 September 2013
- **U.S. Environmental Protection Agency (EPA)**: North American Emission Control Area: <http://www.epa.gov/otaq/oceanvessels.htm#north-american>
- **Wärtsilä** Fuel Oil Requirements (Heavy Fuel Oil)
- **Gard** Loss Prevention Circular No. 01-14: Prevention of engine damage due to catalytic fines, February 2014.
- **IACS Machinery Panel**
- **ISO: 8217:2012** – Specifications of marine fuels

Timeline / important dates

- **Sulphur limits:**
 - Californian waters: 0.1% sulphur limit as of 1 August 2012.
 - North American Emission Control Area (ECA): 1.0% sulphur limit as of 1 August 2012.
 - European and North American ECAs: 0.1% sulphur limit as of 1 January 2015.

- MARPOL – outside ECAs: 0.5% sulphur limit as of 1 January 2020.
- IACS letter to IUMI 23 July 2012. IUMI response 19 November 2012.
- Loss Prevention workshop, IUMI conference London, 15-18 September 2013.
- Meeting with IACS Machinery Panel, 3 September 2013. Working group results expected in spring 2015.

IUMI will:

- Strongly recommend a common baseline among IACS members following a review of current requirements on facilities provided for handling the fuel on board when participating in these discussions.
- Increase awareness by presenting available documentation of losses due to cat fines and warn of the risks involved.
- Monitor developments related to switch-over from heavy fuel to distillates in the ECAs.
- Consider possible action to amend the ISO standard.

6) General Average and York-Antwerp Rules

Brief description

York-Antwerp Rules (YAR) are one of the very few subjects relating to shipping that does not fall into the international convention scheme. YAR are more like a professional common set of rules agreed upon by the various parties involved in the shipping industry, i.e. shipowner, P&I and property insurers together with GA adjusters. As long as these rules are mentioned in the contractual relationship of the party to the maritime venture; charter-party and/or Bill of lading, any GA situation will be sorted out using those rules.

Since their first inception in 1890, YAR have been amended several times to consider the shipping evolution and acknowledge legal impact of some important international maritime conventions. The last attempt was made in 2004, but this new set of rules remains unused. Hence, it has been agreed that the Comité Maritime International (CMI) shall make a 2nd attempt to amend the 1994 rules.

A new International Working Group (IWG) was established in October 2012, with the mandate to carry out a general review of the YAR on General Average (GA) and draft a new set of Rules taking into consideration that the 2004 YAR had not found acceptance among shipowners. Target date for adoption of the new YAR is the 2016 CMI conference.

The CMI IWG issued in 2013 a questionnaire to national associations. A summary report was discussed at a CMI Colloquium in Dublin in September. Items requiring further work were identified and groups formed to consider them. Four sub-groups met in London in March 2014 to work on the following items:

- Financial issues
- Rules X and XI including security documents and processes, treatment of low value cargo
- Salvage and GA

- Tidying up paper

Reports from the three first sub-groups were presented 19 May 2014, and formed basis for first discussions during the meeting of the International Subcommittee on General Average in Hamburg 14-15 June 2014. The IWG and its subgroups continue to work towards a firm set of proposals, which will be debated by the CMI colloquium in Istanbul 7-9 June 2015. The hope is to agree in principle on a wording in time for the CMI conference in New York May 2016.

Relevant authority / organisations and documents

- **CMI & national law associations**
 - Questionnaire from the CMI IWG March-June 2013. 26 responses, including that of IUMI 30 August 2013 available from the CMI website.
 - Reports from sub-groups on
 - Financial issues
 - Rules X and XI including security documents and processes, treatment of low value cargo
 - Salvage and GA
 - Report of the meeting of the International Subcommittee on GA held at the 2014 Hamburg conference.
- Guideline to IUMI member associations in response to CMI questionnaire was prepared by the IUMI Salvage Forum and circulated 28 May 2013.
- IUMI response to the CMI questionnaire 30 August 2013.

Timeline / important dates

- CMI IWG, Dublin, 28 - 29 September 2013 & London, 27 – 28 January 2014.
- Sub-group reports 19 May 2014
- CMI IWG Hamburg, 13 – 14 June 2014.
- Roundtable, Legal & Liability workshop, IUMI conference, Hong Kong, 23 September 2014.
- CMI colloquium Istanbul: 7-9 June 2015.
- CMI conference New York: 3-6 May 2016.

IUMI will:

- Participate in the CMI discussions through direct representation in meetings and in written consultations as appropriate. Monitor and inform on the progress as relevant.

7) Arctic Sailings

Brief description

Ice conditions make Arctic sailings a relevant option for more commercial vessels transiting between Europe and Asia and the number of cruise ships in polar waters are on the rise. Ice conditions, the role of class, ship design, remoteness, support networks, availability of icebreakers, SAR, and

experience and training of crew are amongst the relevant issues for underwriters in assessing this risk.

In November 2014, the IMO Maritime Safety Committee (MSC) adopted the International Code for Ships Operating in Polar Waters and the associated new SOLAS chapter XIV. The Code is expected to enter into force 1 January 2017, with the MARPOL amendments due for adoption at the next meeting of the Maritime Environmental Protection Committee (MEPC) in May 2015.

The MSC also agreed to establish a Correspondence Group on Operational Limitations in Ice. The CG is instructed to:

1. *“prepare draft guidance on a methodology for determining limitations for operation in ice, and the associated draft MSC circular, for structural risk assessment and inclusion in the ship’s documentation, based on documents MSC 94/3/7 and MSC 94./INF.13, taking into account documents MSC 94/3/18, MSC 94/3/19, MSC 94/3/21, MSC 94/3/22, MSC 94/3/23 and MSC 94/WP.7, annex 3;*
2. *exchange information on experience with operations in ice for the purpose of validating guidance for operation in ice, and*
3. *submit a report to MSC 95.”*

Training requirements within the STCW Convention and the Code for officers and crew on board ships operating in polar waters were discussed and finalized during session 2 of the Sub-Committee on Human element, Training and Watchkeeping (HTW) in February 2015. The requirements may not come into force until 1 January 2018 unless the Sub-Committee’s recommendation for early adoption to match with that of the SOLAS and MARPOL provisions is accepted.

A draft Arctic “Best Practice Declaration” consultation document was circulated to industry stakeholders in April 2013. Based on input an updated version was presented to the Arctic Council summit in May.

Relevant authority / organisations and documents

- **IMO Assembly:** [Resolution A.1024\(26\)](#) - Guidelines for ships operating in Polar waters, 2 December 2009.
- **MARPOL:** New chapter 9 to Annex 1 with a new regulation 43 which prohibits the carriage in bulk as cargo, or carriage and use as fuel, of: crude oils having a density at 15°C higher than 900 kg/m³; oils, other than crude oils, having a density at 15°C higher than 900 kg/m³ or a kinematic viscosity at 50°C higher than 180 mm²/s; or bitumen, tar and the emulsions.
- **IMO MEPC & MSC & SDC** with input from other Sub-Committees (HTW, SSE, NCSR)
 - [SDC 1/3/8 \(15.11.2013\) & SDC 1/3/16 \(29.11.2013\)](#): Determination of equivalent ice class.
 - [MSC93/INF.12](#): Workshop on Safe Ship Operations in the Arctic Ocean, 11 March 2014.
 - [NCSR1/WP.5/Add.1](#): Report of the SAR Working Group.
 - [NCSR1/WP.6/Add.1](#): Report of the Ship’s Routeing Working Group.
 - [MSC94/3/1](#): Adoption of the International Code for Ships Operating in Polar Waters (Polar Code), note by the Secretariat, 30 July 2014.
 - [MEPC67/WP.8](#): Report of the Intersessional Polar Code Working Group, 9 October 2014.

- [MEPC67/WP.14](#): Report of the Polar Code Working Group, 15 October 2014.
- [HTW2/9](#): Training requirements for officers and crew on board ships operating in polar waters, submitted by the United States, 31 October 2014.
- [MEPC68/6/2](#): Draft Polar Code and adoption of amendments to mandatory instruments, note by the Secretariat, 21 January 2015.
- **Arctic Council** comprising Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the U.S. (www.arctic-council.org).
- **Arctic “Best Practice Declaration”**. IUMI letter of support 19 April 2013.
- **Arctic information database**: www.arctis-search.com (Centre for High North Logistics).
- **ArcticWeb**: www.arcticweb.com – provides information on offshore Arctic areas through access to public data sources in the Arctic region.
- **European Commission**: Developing a European Union Policy towards the Arctic Region: progress since 2008 and next steps (JOIN(2012) 19 final), 26 June 2012.
- **Swedish conference and workshop** March 2014:
<http://www.polar.se/en/articles/conference-report-sustainable-arctic-shipping-and-marine-operations>
- **Northern Sea Route Administration**: http://asmp.morflot.ru/en/celi_funktsii/
- **Marsh**: Arctic shipping: Navigating the risks and opportunities, August 2014
- **Insurance industry**:
 - **Lloyd’s / Chatham House**: Arctic Opening: Opportunity and Risk in the High North: <http://www.chathamhouse.org/publications/papers/view/182839> - 1 April 2012
 - **Cefor**: Arctic Sailings Check List: <http://cefor.no/Clauses/Arctic-Sailings-Check-List/> - October 2012
 - **Gard**: Climate change creates a new trade route – and new risks: <http://www.gard.no/ikbViewer/web/updates/content/20738960/climate-change-creates-a-new-trade-route-and-new-risks> - 26 February 2014
 - **The Swedish Club**: Ice – Advice for trading in the polar regions: <http://www.eyemag.se/core/main.php?SITEID=98b6c&PROJECTNR=4931> – 2014
- **ABS**: Navigating the Northern Sea Route Advisory: http://www.eagle.org/eagleExternalPortalWEB/ShowProperty/BEA%20Repository/References/Capability%20Brochures/NSR_Advisory - January 2014
- **US** Bureau of Safety and Environmental Enforcement & Bureau of Ocean Energy Management: Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf, 20 February 2015.

Timeline / important dates

- Russian Northern Sea Route Administration established 15 March 2013.
- IMO Workshop on Safe Ship operations in the Arctic Ocean: 28 February 2014.
- “Sustainable Arctic Shipping and Marine Operations” conference in London by the Swedish Government on behalf of the Nordic Council of Ministers: 11 March 2014.
- Workshop on “Bridging the Arctic marine risk gap – The need for a cross Arctic Ice Regime – linking ice conditions to ice class requirements” in London 12 March 2014, organized by the Swedish Polar Research Secretariat.
- IUMI PF Workshop 23 September 2014.
- MSC 94: 17-21 November 2014: Adoption Polar Code and SOLAS Chapter XIV.

- HTW 2: 2-6 February 2015.
- 11th Arctic Shipping Forum, Helsinki – Finland, 24-27 February 2015.
- 6th Arctic Shipping Summit, Montreal – Canada, 18-19 March 2015.
- MEPC 68: 11-16 May 2015: MARPOL amendments due for adoption.
- MSC 95: 3-12 June 2015: Report on operational limitations in ice.
- IUMI PF workshop Berlin, 15 September 2015: Presentation by Michael Kingston (IUMI representative in correspondence group on polar ice regime)
- Expected entry into force: 1 January 2017, applying for new ships constructed after that date. Ships constructed before that date will be required to meet the relevant requirements by the first intermediate or renewal survey, whichever occurs first, after 1 January 2017.

IUMI will:

- Support the implementation of the mandatory Polar Code at IMO.
- Monitor, inform and educate the IUMI membership.
- Support in principle the Arctic “Best Practice Declaration”.
- Participate in discussions with industry, IMO and coastal states on necessary standards and infrastructure in Polar waters.
- Participate in Correspondence Group on Operational Limitations in Ice.

8) EU Recognised Organisations and Mutual Recognition

Brief description

Article 10 of EU Regulation No 391/2009 on common rules and standards for ship inspection and survey organizations states that *“Recognised organisations shall, in appropriate cases, agree on the technical and procedural conditions under which they will mutually recognize the class certificates for materials, equipment and components based on equivalent standards, taking the most demanding and rigorous standards as the reference.”*

The EU Recognised Organisations (ROs) have established procedures and technical requirements for Mutual Recognition (MR), and coordinates its work through an Advisory Board supported by a Technical Committee.

A hierarchy of six safety levels has been agreed between the ROs. Levels I and II include products with no/very low impact on safety and are uncontroversial. Level III products are currently under consideration. The first tier of products was adopted for implementation in 2012 and the next in mid 2013. The third tier was released in July 2014, and the fourth is due 1 July 2015 at which time approximately 60% of all products in Level III will be covered (75 to 90 products). As per end May 2014 only four certificates had been issued.

Insurers expect the surveys of safety critical materials, equipment and components to be carried out by the RO classing the vessel. Classification has an important role in ensuring a certain level of safety to the vessel and its equipment, and there is usually a requirement under most individual insurance

conditions that the vessel shall be classed with a classification society approved by the insurer before the insurance commences. Should any RO be allowed to certify and approve components and equipment for a vessel at all safety levels and regardless of which society will be responsible for classing the vessels, neither the classification society nor owners or underwriters will really know what quality of vessels they have or what quality of components have gone into them. To allow MR on safety critical materials, equipments and components would undermine the significance of ship classification as a key component of today's safety regime at sea, and is a major cause of concern among underwriters.

There is also a question related to the acceptance of the EU RO regime by third party flag states. The sovereignty of the flag state under which the vessel operates is at the core of international maritime regulations and widely supported by the global marine insurance industry.

Relevant authority / organisations and documents

- **European Union** – Article 10.1 of EU Regulation (EC) No 391/2009 of 23 April 2009 on common rules and standards for ship inspection and survey organisations.
- **EU ROs**
 - First report to the EC and Member States – October 2012.
 - Joint report from EU-ROs and SEA Europe workshop, London, 28 May 2014.
 - www.euomr.org
- **IMO** – Proposed Code for Recognized Organisations (RO Code) and related amendments to SOLAS chapter XI-1 and the 1988 Load Lines Protocol, and resolution MEPC.237(65).
- **IUMI**
 - Letter to Commission 30 October 2013 & reply letter 6 December 2013.
 - Response to questionnaire from Strathclyde University 8 December 2014.

Timeline / important dates

- Report from the Commission to the European Parliament, based on an independent study on the level reached in harmonizing rules and procedures and on mutual recognition. Independent study from Dr. Iraklis Lazaklis of Strathclyde University, Glasgow, that was due by end 2014.
- Workshop on EC Reg. 391/2009 Article 10.1, London, 28 May 2014.
- RO Code in force from 1 January 2015.
- Technical Review meetings with industry associations: April 2015.
- Target release date Tier 4 MR Technical Requirements: 1 July 2015.

IUMI will:

- Recommend that mutual recognition is clearly limited to materials, equipment and components of proven low safety criticality. Scope of the MR should not go beyond further analysis and consideration of Level III products.
- Participate in workshops and consultations as appropriate.

9) EU Insurance Block Exemption Regulation (IBER)

Brief description

The European Commission has launched a public consultation on the functioning and future of the new Insurance Block Exemption Regulation (IBER) adopted in 2010. The IBER expires in 2017. The IBER allows insurers and reinsurers to benefit from an exemption to the prohibition of anti-competitive arrangements laid down in Article 101(1) of the Treaty on the Functioning of the European Union (TFEU).

The Commission is consulting on how the IBER is being used and on stakeholders' experience in applying it. The Commission is also interested to hear about market developments and views on whether the regulation should be renewed, partially renewed or not renewed at all.

The exemption covers two types of agreements between insurance and reinsurance companies:

- a) Agreements with respect to joint compilations, joint tables and studies; and
- b) Common coverage of certain types of risks (co-insurance or co-reinsurance pools)

Based on the contributions received, the Commission will submit a report to the European Parliament and the Council by the end of March 2016.

Relevant authority / organisations and documents

- **European Union**
 - Insurance Block Exemption (IBER), 24 March 2010 (<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010R0267&from=EN>)
 - Consultation document, 5 August 2014 (http://ec.europa.eu/eusurvey/runner/Public_Consultation_Insurance_Block_Exemption_Regulation)
- **IUMI**: Consultation input to EC – DG Competition, 14 November 2014.

Timeline / important dates

- Consultation deadline 4 November 2014.
- EC report to Parliament by end March 2016.
- Current IBER due to expire March 2017.

IUMI will:

- Recommend that the IBER is renewed for both current exemptions.
- Monitor the IBER review and respond as appropriate.

10) Maritime cyber security

Brief description

The growing reliance of information technology and data in the daily work within the marine and energy sectors increases their exposure to cyber related risks. These risks represent a challenge to underwriters, both in terms of properly understanding the exposures and in tailoring their products to meet client needs.

Techopedia¹ defines cyber attack as deliberate exploitation of computer systems, technology-dependent enterprises and networks. Cyber attacks use malicious code to alter computer code, logic or data, resulting in disruptive consequences that can compromise data and lead to cyber crimes, such as information and identity theft. Cyber attack is also known as a computer network attack (CNA).

A successful cyber attack can have several implications relevant to insurance: Loss of life, personal injury, pollution, loss of property, business interruption, loss of production, loss of data and loss of reputation.

IMO's Maritime Safety Committee (MSC) supported in November 2014 a Canadian / U.S. recommendation to develop voluntary guidelines on maritime cyber security practices. The purpose being to protect and enhance the resiliency of cyber systems supporting the operations of ports, vessels, marine facilities and other elements of the marine transportation system. For the purpose of this proposal, cyber security is defined as measures taken to protect cyber systems, or any data contained therein, against unauthorized access, alteration, control, data loss, and prolonged unplanned outage. Cyber systems are defined as any system or subsystem of hardware and/or software whose purpose is acquiring, processing, storing or communicating information or data, including systems that use that data to control physical processes.

Member States and industry stakeholders are invited to put forward papers and examples of existing guidelines to MSC 95 in June 2015, in which a full debate will take place. ICS, BIMCO, INTERTANKO and INTERCARGO informed in March about the ongoing work to develop industry guidelines on maritime security in a paper to the Committee. The guidelines will be progressed during 2015, and the industry group intends to submit finalized guidelines to MSC 96 for consideration of the Committee.

The United States Department of Homeland Security (DHS) and the United States Coast Guard (USCG) are also requesting input from industry stakeholders to new regulatory guidance on cybersecurity in the maritime and offshore energy industries. The comments will be used to consider relevant guidance, which may include standards, guidelines, and best practices to protect maritime critical infrastructure.

e-Navigation

e-Navigation is an IMO initiative defined as "the harmonized collection, integration, exchange,

¹ <http://www.techopedia.com/definition/24748/cyberattack>

presentation and analysis of maritime information onboard and ashore by electronic means to enhance berth to berth navigation and related services, for safety and security at sea and protection of the environment. To effectively use this as a tool to reduce human error, owners and operators should incorporate e-Navigation Best Practices as an integral part of their Bridge Resource Management (BRM).

Relevant authority / organisations and documents

- **IMO – Maritime Safety Committee (MSC) & Sub-Committee on Navigation, Communication and Search and Rescue (NCSR):**
 - NCSR1/INF.5: Background information related to the development of e-navigation, submitted by Norway, 28 March 2014.
 - NCSR1/: Report of the Correspondence Group on e-navigation, submitted by Norway, 28 March 2014.
 - MSC94/4/1: Measures toward enhancing maritime cyber security, submitted by Canada and the United States, 12 September 2014.
 - MSC95/4/1: Industry guidelines on cyber security on board ships, submitted by ICS, BIMCO, INTERTANKO and INTERCARGO, 5 March 2015.
 - MSC95/4/2: International Ship and Port Facility Security (ISPS) Code cyber security provisions, submitted by Canada, 18 March 2015.
 - MSC95/4/3: Voluntary maritime cybersecurity guidelines, submitted by Canada, 20 March 2015.
 - NCSR1/INF.5: Background information related to the development of e-navigation, submitted by Norway, 28 March 2015.
 - NCSR1/9: Report of the correspondence Group on e-navigation, submitted by Norway, 28 March 2015.
 - MSC95/4/6: Measures to address cyber-related risks, submitted by the United States, 31 March 2015.
 - MSC95/INF.19: Cyberphysical relationship in port security – CYSM project, submitted by the European Commission, 14 April 2015.
- **2014 IUMI Conference** – presentation by Markus Wähler, Munich Re.
- **United States:**
 - United States Coast Guard: www.homeport.uscg.mil (Cybersecurity left hand side of page).
 - Symantec Web Security Threat Report 2014.
 - NIST Cybersecurity framework: <http://www.nist.gov/cyberframework/>
 - CyberKeel: <http://www.cyberkeel.com/>
 - US Government Accounting Office (GAO): Report on “Maritime Critical Infrastructure protection”, <http://www.gao.gov/assets/670/663828.pdf> , June 2014.
 - Department of Homeland Security, Coast Guard: Guidance on Maritime Cybersecurity Standards, Federal Register/Vol 79, No. 239 12 December 2014 & No. 243, 18 December 2014.
- **European Network and Information Security Agency:**
 - Analyses of cyber security aspects in the maritime sector, November 2011.

Timeline / important dates

- IUMI conference Hong Kong, President's workshop: 24 September 2014.
- MSC 94: 17-21 November 2014
- MSC 95: 3-12 June 2015
- MSC 69: 11-20 May 2016

IUMI will:

- Support the development of voluntary guidelines on maritime cybersecurity practices, and provide input as appropriate.
- Monitor the development of e-Navigation through the IMO.

B. SUPPORT recommended:

11) International Trade in Services Agreement (TiSA)

Brief description

Multinational marine insurers are affected by a wide range of barriers of doing business abroad; limited movement of data across borders, unfair competition from state-owned enterprises, lack of transparency and need for due process of law, and forced local ownership and discrimination in obtaining business licenses and permits. Some countries also require that import or export shipments have to be insured by a locally registered insurer, while buyers are only allowed to buy insurance coverage for import shipments abroad or on basis CIF. Any agreement which leads to a reduction of the aforesaid restrictions would contribute to enable marine insurers to achieve their full potential.

Since the General Agreement on Trade in Services (GATS) was established by the World Trade Organization (WTO) in 1995, trade in services has evolved dramatically due to technological advances, changing business practices, and deeper global integration. The dynamism and importance of trade in services contrast strongly with the slow pace of multilateral negotiations in this area. When the Doha Development Round of a multilateral trade negotiation reached an impasse, the idea of the Trade in Services Agreement (TiSA) was launched by the U.S. and proposed to a group of WTO members, the so-called Really Good Friends (RGF) group. The group has met regularly since February 2012.

TiSA represents an opportunity to improve and expand trade in services. Major and fundamental barriers to trade in services are addressed. Through the ongoing RGF process, a more liberal approach to cross-border regulation in areas such as marine and energy insurance is suggested. This is strongly supported by IUMI.

Participants in the TiSA include Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, the European Union representing their member states, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Republic of Korea, Switzerland, Turkey, and the United States. The list of participants does not include some prominent trading nations as the so called BRICS-states (Brazil, Russia, India, China and South Africa). However, China confirmed in March 2014 that it would like to participate in the negotiations. If all current countries approve China's participation in the negotiations, the group of 51 countries will account for around 77 % of global trade in services. Uruguay has also expressed an interest, and others may follow.

Relevant authority / organisations and documents

- **WTO** – General Agreement on Trade in Services (GATS), 1995.
- **Industry position papers:**
 - Insurance Europe, 10 June 2013
 - Global Federation of Insurance Associations (GFIA), 28 November 2013
 - IUMI, 6 November 2014

Timeline / important dates

- TiSA negotiations, Geneva, 13-18 April 2015.
- Stocktaking exercise planned for July 2015.

IUMI will:

- Support the RGF initiative.
- Argue in favor of allowing cross-border trade for marine and energy insurance, reflecting the international character of these services.

12) Passenger & Cruise ships' safety in the wake of the "Costa Concordia" casualty

Brief description

Following the "Costa Concordia" casualty 13 January 2012, calls have been made for new/stricter regulations to avoid groundings, rapid capsizes and catastrophic loss of buoyancy and stability. A more efficient regulatory framework to further reduce the risk of incidents is welcomed by the marine insurance industry. The Maritime Safety Committee (MSC) adopted at its 90th session in May 2012 a resolution with recommended interim measures to enhance passenger ship safety.

Pending the final casualty report from Italy, MSC agreed at its 91st session in November 2012 to revise some of its recommended measures under SOLAS, including safety drills that will be required to take place prior to, or immediately upon, departure.

The 92nd session of the MSC, held in June 2013, considered the casualty report on the "Costa Concordia". How to make progress with the aim to substantially increase the safety level provided by the 2009 IMO sub-division and damage stability regulations for passenger vessels was a key issue for the meeting, and subject to a report of "WG1" in which IUMI participated. The report is referred to MSC 93 in 2014 where the committee has agreed to establish working and drafting groups. Damage stability regulations, evacuation analysis and watertight doors on passenger ships were discussed at the first meeting of the new Sub-Committee on Ship Design and Construction (SDC) in January 2014.

MSC 93 instructed SDC 2 to include double hull in way of main engine rooms, and monitoring and assessing risks from operation of watertight doors in the sub-committee's ongoing reviews. An Italian paper with preliminary recommendations from the Costa Concordia casualty investigation was referred to a Working Group. MSC 94 agreed in November 2014 to add the item "watertight doors maintenance" to the long-term action plan.

Due to the "Nordic Atlantic" fire just before New Year 2014 and the loss of the South Korean ferry "Sewol" earlier the same year, IMO is also increasing its focus on evacuation and the safety of ro-ro vessels.

Relevant authority / organisations and documents

- **IMO – Maritime Safety Committee (MSC) & Sub-Committee on Ship Design and Construction**
 - MSC 90/INF.19: "Proposals for the implementation of short-term additional safety measures on board passenger ships", submitted by Italy, 19 May 2012.
 - MSC 92/WP.8: Report from WG1, 19 June 2013.

- *Italian casualty report "Costa Concordia" MSC 92/INF.6*
Italian paper MSC 92/6/3, dated 18th March 2013, made some preliminary recommendations concerning stability issues, vital equipment and electrical distribution, emergency power generation, operational matters, evacuation analysis, search and rescue.
- MSC93/6/1: "Preliminary recommendations arising from the Costa Concordia marine casualty investigation", submitted by Italy, 11 February 2014.
- MSC93/WP.6/Rev.1: Report of the working group, 23 May 2014.
- MSC93/6/6: "Damage stability of cruise passenger ships", submitted by CLIA, 11 March 2014.
- MSC93/6/7: "Measures to enhance survivability after flooding, submitted by CLIA, 11 March 2014.
- MSC.1/Circ. 1380: Guidance for watertight doors on passenger ships which may be opened during navigation, 10 December 2010.
- MSC94/6/3: Maintenance of watertight doors, submitted by Italy, 12 September 2014.
- SDC2/16: Revision of conditions under which passenger ship watertight doors may be opened during navigation and development of amendments to SOLAS regulation II-1/22 and MSC.1/Circ. 1380, submitted by Canada and the United States, 14 November 2014.
- MSC95/INF.4: Proposals to improve passenger ship survivability after damage (incl. watertight doors), submitted by the European Commission, 27 March 2015.
- **European Commission – Maritime Safety**
 - Public consultation on a review of EU passenger ship safety legislation started in 2010. The EC will participate in the IMO discussions, but independent of this, the Commission also continues with the revision of Directive 2009/45/EC on safety rules and standards for passenger ships engaged in domestic trade of 6 May 2009. The EC is also looking into a revision of Directive 2003/25/EC on specific stability requirements for ro-ro passenger ships in order to align the existing Directive with internationally agreed calculation methods for stability.

Timeline / important dates

- EC maritime transport consultation period ended 5 July 2012. Will await outcome of IMO discussions concerning "*Costa Concordia*".
- Italian "*Costa Concordia*" casualty investigation report dated 14 May 2013. MSC 92 invited further consideration by the Flag State Implementation Sub-Committee. Detailed comments and proposals to be submitted to MSC 93.
- MSC 92: 12-21 June 2013
- SDC 1: 20-24 January 2014.
- MSC 94: 17 – 21 November 2014.
- SDC 2: 16-20 February 2015.
- MSC 93: 14-23 May 2015.

IUMI will:

- Endorse all measures improving passenger ship safety in the aftermath of the “Costa Concordia” casualty, provided they are in line with IACS recommendations/opinions.
- EU survey: Monitor and inform IUMI membership, and if appropriate; argue to avoid regional differences in legislation.

13) International Maritime Solid Bulk Cargoes (IMSBC) Code²

Brief description

Due to a number of catastrophic total losses of bulk carriers, including tragic loss of lives, and near misses due to liquefaction of certain bulk cargoes with excessive and/or unduly high moisture content, several maritime organisations, IUMI included, have taken an active position in the development of a more efficient regulation through the IMO.

DSC 18 agreed in September 2013 a draft individual schedule for iron ore fines, a draft amendment for the individual schedule for iron ore and a draft amendment to appendix 2 to the IMSBC Code for the inclusion of “Modified Proctor/Fagerberg test procedure for iron ore fines”; intended to determine the transportable moisture limit (TML) for iron ore fines. The amendments are expected to be adopted by MSC in 2015. Mandatory entry into force is 1 January 2017.

Until the finalization of the schedules, the DSC had revised DSC.1/Circ.66 on Carriage of iron ore fines, so that it would continue to be applied. The circular explains the dangers of liquefaction of iron ore fines and advises competent authorities, shippers and masters to take into account the relevant section of the IMSBC Code.

DSC issued in November 2013 DSC.1/Circ.71, inviting SOLAS Contracting Governments to voluntarily implement the aforementioned draft schedules and test procedure as soon as possible. Brazil and Australia gave in January 2014 early effect to the new schedule, and all ships flying the Antigua and Barbuda flag are required to comply as of 1 July 2014. The Sub-Committee also invited Member States, inter-governmental organizations and non-governmental organizations in consultative status with IMO to make available to the Organization detailed technical information on incidents or casualties resulting from liquefaction.

Relevant authority / organisations and documents

- **International Maritime Organization (IMO)**
 - MSC 89/7/4: “Measures to improve safe transportation of solid bulk cargo that may liquefy”, submitted by China, 2 March 2011.

² Item previously named «Liquefaction» - renamed September 2014

- MSC 89/7/7: “Dangerous goods, solid cargoes and containers”, submitted by INTERCARGO and BIMCO, 22 March 2011.
- DSC 16/4/95: “Amendments to IMO’s IMSBC Code, including evaluation of properties of Solid Bulk Cargoes”, submitted by INTERCARGO, BIMCO, IGP&I and IUMI, 15 July 2011.
- MSC90/12/3: Bulk carrier casualties caused by cargo liquefaction, submitted by INTERCARGO, ICS, BIMCO, IGP&I and IUMI, 27 March 2012.
- DSC 17/WP.5: “Report of the Working Group: Amendment 02-13 to the IMSBC Code and supplements”, 20 September 2012.
- DSC.1/Circ.66/Rev.1: “Carriage of iron ore fines that may liquefy”, 25 October 2012.
- MSC.1/Circ. 1452 on early implementation of amendment 02-13 to the IMSBC Code, approved by MSC 92.
- MSC.1/Circ. 1453 containing the Guidelines for the submission of information and completion of the format for the properties of cargoes not listed in the IMBSC Code and their conditions of carriage in the IMBSC Code, approved by MSC 92.
- MSC.1/Circ. 1454 containing the Guidelines for developing and approving procedures for sampling, testing and controlling the moisture content for solid bulk cargoes that may liquefy, approved by MSC 92.
- MSC93/17 “Implementation of the IMSBC Code”, submitted by INTERCARGO and IACS, 17 October 2013.
- DSC.1/Circ.71 “Early implementation of draft amendments to the IMBSC Code related to the carriage and testing of iron ore fines”, 15 November 2013.
- **Lloyd’s Register in conjunction with Intercargo and UK P&I Club**: IMSBC Code pocket guide, 13 May 2014.

Timeline / important dates

- MSC 92: 12-21 June 2013.
- DSC 18: 16-20 September 2013.
- Schedule in effect in Australia and Brazil from January 2014.
- MSC 93: 14-23 May 2014.
- Schedule in effect for Antigua and Barbuda flagged vessels from 1 July 2014.
- MSC 95: IMSBC Code to be adopted in 2015
- Expected date of entry into force for IMSBC amendments (03-13) regarding the individual schedule for iron ore and the new test procedure for iron ore fines: 1 January 2017.

IUMI will:

- Support industry initiatives as appropriate for a more efficient regulation.
- Monitor and inform the membership in consultation with INTERCARGO, ICS & IGP&I.

14) Container ship safety

Brief description

The increasing size of container ships and recent incidents contribute to the high awareness and importance placed by insurers on several issues related to the safety of these ships. Also based on ongoing IMO discussions, the following issues are currently targeted by IUMI:

- Container weight and contents
- Packing of cargo transport units
- Flexitanks
- Construction / structural safety

Container weight & contents

The weight and contents of a container have to be known if it is to be transported safely, and misdeclaration of a container's weight and its contents is a recurring safety problem. This applies equally to road, rail, and brown and blue water transport.

Following deliberations, the IMO agreed in 2014 on a compromise solution allowing two methods to verify the containers' weights: Weighing the boxes before they are loaded or calculating overall weight through addition of the weights of the constituent parts of a loaded container. The SOLAS amendments were adopted by MSC 94 in November 2014, and will take effect on 1 June 2016. Guidelines regarding the verified gross mass of a container carrying cargo were circulated to Member Governments in June 2014.

The U.S. Congress passed a statute in 2007 that required 100% scanning of US-bound containers by 2012. The deadline has been extended twice, and the current deadline is now 2016.

CTU & Flexitanks

Flexitanks are effectively large plastic bags containing fluids. When loaded into a general purpose ISO box container, some have recommend a maximum value of the flexitank up to 24 tonnes. However, a Germanischer Lloyd (GL) report demonstrates that container sides are irreparably weakened by the fluid pressure in flexitanks over 18 tons, 15 in more difficult waters, and can suffer catastrophic collapse as a result. A Group of Experts established for the revision of the IMO/ILO/UNECE guidelines for packing of cargo transport units (CTUs), recommended the following wording: *"When a flexitank is loaded into a general purpose ISO box container, the mass of the liquid in the flexitank should not exceed a value agreed with the operator of the CTU, to prevent the container from suffering bulging damages."* The draft CTU Code, after finalization by the Group of Experts in November 2013, was approved by MSC 93 in May 2014. Some minor additional issues were forwarded to IMO CCC 1 in September 2014 for further consideration.

Structural safety

Following the losses of *"Napoli"* and *"MOL Comfort"*, the use of high tensile steel and structural damages has become another concern for insurers related to the safety of container vessels. Several reviews were undertaken due to the *"MOL Comfort"* loss:

- Two months after the “*MOL Comfort*” casualty, in August 2013, Japan’s Ministry of Land, Infrastructure, Transport and Tourism established the Committee on Large Container Ship Safety to ensure the safety of large container vessels. The Committee delivered its final report in March 2015, recommending that classification requirements for large container ship structural strength should be amended. IACS will carefully examine this report.
- A ClassNK investigation report on structural safety of large container ships was released in September 2014. The report suggests that the casualty could be due to a ship-specific issue related to the lateral load and compressive stress by vertical bending.
- IACS launched at the beginning of 2014 an expert group on structural safety of container ships, which carried out a post “*MOL Comfort*” review. This work resulted in the development of two new IACS Unified Requirements (URs) which is still ongoing:
 - UR S11A – longitudinal strength standard for containers hips.
 - URS 34 – functional requirements for direct analysis by Finite Element Method of container ships, including a set of loading conditions.

Firefighting system on container vessels

It is noted that insufficient firefighting capacity on board large container vessels poses a challenge that is only increasing with larger vessels. Liner ships transport approximately 60 percent of the value of seaborne trade or more than 33 percent of the volume³, and these figures are still increasing.

Based on a 2008 impact assessment, the MSC approved in June 2013 new requirements for fire protection of on-deck cargo areas. The amended SOLAS regulation II-2/10 requirements will only apply to new ships constructed on or after 1 January 2016. In addition to all other fire protection arrangements as per existing regulations, ships designed to carry five or more tiers of containers on or above the weather deck shall from then on also be provided with mobile water monitors and at least one water mist lance. While supported by IUMI, this compromise solution is insufficient, and will only be mandatory for new vessels. Hence, further improvements are necessary to combat container fires on existing vessels.

IUMI raised its concerns in the annual meeting of the IACS Council and industry representatives in December 2013, and continues to be in discussion with IACS on this. A possible solution was also presented at the 2013 IUMI conference in London.

Relevant authority / organisations and documents

- **IMO - Maritime Safety Committee (MSC) and Sub-Committees on Dangerous Goods, Solid Cargoes and Containers (DSC), Sub-Committee on Fire Protection (FP) & on Carriage of Cargoes and Containers (CCC)**
 - DSC 17/WP.3: Report of the Working Group on Container Safety, submitted 20 September 2012, including draft amendment to SOLAS Regulation VI/2.
 - FP 56/23 Annex 4 & 5: Report to the MSC, including recommendations on Suppression of fire and Guidelines for mobile water monitors, 31 January 2013.
 - MSC 92/8/2: Draft IMO Guidelines for the design, performance, testing and approval of mobile water monitors used for the protection of on-deck cargo areas designed to

³ Source: World Shipping Council

carry 5 or more tiers of containers on or above the weather deck, submitted by Denmark and Norway, 23 April 2013.

- DSC 18/WP.3: Report of the working group: Development of measures to prevent loss of containers. Revision of guidelines for packing of cargo transport units, 18 September 2013.
- MSC 93/9/1: Draft IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units (CTUs), 31 January 2014.
- CCC1/INF.2: Investigation on the fire and explosion on board the MSC Flaminia, submitted by Germany, 3 June 2014.
- CCC1/9: Draft informative material related to the CTU Code, note by the Secretariat, 5 June 2014.
- MSC.1/Circ. 1475: Guidelines regarding the verified gross mass of a container carrying cargo, 9 June 2014.
- CCC1/9/2: Comments on the draft informative material related to the CTU Code, submitted by the UK, 18 July 2014.
- MSC94/INF.9: Industry concerns regarding the verified gross mass of containers, submitted by ITF and Nautical Institute, 12 September 2014.
- MSC.1/Circ. 1497: IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units (CTU Code), 16 December 2014.
- MSC.1/Circ. 1498: Informative material related to the CTU Code, 16 December 2014.
- **Germanischer Lloyd for GDV** – examination of flexitanks.
- **IUMI**:
 - Press release urging caution over flexitanks, 16 September 2013.
 - Loss Prevention workshop London, 18 September 2013, Presentation of possible firefighting solution by Uwe-Peter Schieder, GDV.
- **Container Owners Association (COA)**: Code of Practice for Flexitanks, 1 September 2011.
- **Group of Experts on the IMO/ILO/UNECE Guidelines for packing CTUs**: <http://www.unece.org/trans/wp24/guidelinespackingctus/intro.html>
- **Committee on large Container Ship Safety** (Japan): Interim Report “MOL Comfort”, 17 December 2013 – Final Report March 2015.
- **ClassNK** Investigation Report on Structural Safety of Large Container Ships, 30 September 2014.
- **IACS**: Sub-working group on structural safety of large container ships.

Timeline / important dates & decisions

- MSC 92: 12-21 June 2013.
- GoE meeting Geneva, 4-5 November 2013: Draft CTU Code
- MSC 93: 14-23 May 2014
- IMO Sub-Committee on Carriage of Cargo and Containers (CCC) 1: 8-12 September 2014.
- Loss Prevention workshop, IUMI conference, Hong Kong, 24 September 2014.
- MSC 94: 17-21 November 2014.
- IACS Council 11 December 2014: Firefighting mentioned by several industry stakeholders and further measures considered.
- Final report Committee on large Container Ship Safety (Japan): March 2015.
- 100% scanning of all US-bound containers by 2016.

- Entry into force of amended FSS Code & SOLAS regulation II-2/10: 1 January 2016.
- SOLAS requirements regarding verified gross mass of a container carrying cargo (SOLAS regulation VI/2) expected to enter into force in July 2016.

IUMI will:

- Support measures that improve the monitoring of containers and their weight/contents.
- Support the approved SOLAS amendments concerning container weight verification, although primarily favoring mandatory weighing of all boxes prior to loading over the compromise solution.
- Urge caution over flexitanks and the maximum value allowed, as expressed in the September 2013 press release.
- Monitor and support measures to ensure the structural safety of large container ships.
- Consider further action to install necessary firefighting measures in discussions with other interested parties and class in particular.

C. MONITOR & INFORM recommended:

15) Sanctions

Brief description

International sanctions as a tool for countries to take action against others for political reasons influence the global maritime industry on a daily basis.

While sanctions are nothing new, recent developments have demonstrated the need for marine insurers to keep up to date with new sanction regimes and how to comply with them.

Several markets have issued optional sanctions clauses to comply with these new regimes. In addition, proper due diligence is recommended from individual insurers.

Iran

Council Regulation (EU) No 1263/2012 of 21 December 2012, amending Regulation (EU) No 267/2012, provides for additional restrictive measures against Iran. This includes a ban on providing, directly or indirectly, insurance and reinsurance in respect of transport of natural gas originating in Iran into the Union.

The Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRA) tightens up on previously legitimate trades to Iran, as it is thought that any US connection would be enough to invalidate most business. There are also additional sanction provisions contained in the National Defense Authorization Act for Fiscal Year 2013 (“NDAA 2013”). These sanctions are not restricted to “US persons”, but are designed to have extraterritorial effect. Additionally, NDAA 2013 provides for sanctions with respect to any person who “knowingly” provides underwriting services, insurance or reinsurance for any activity that gives rise to sanctions.

The Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) was signed into US law on 2 January 2012. Effective as of 1 July 2013, the IFCA will impose a number of sanctions that will directly affect also non-US shipowners/operators that call on Iran, including a ban on providing insurance or reinsurance on these activities. In particular, the IFCA targets the Iranian energy, shipbuilding, shipping, and ports sectors, requiring the President to block all Iranian entities in these sectors.

As of 20 January, the US and the EU have provided for a *temporary suspension of sanctions on Iran* petrochemical exports, including insurance and other associated services. The sanctions relief follows up the agreement reached between China, France, Germany, the Russian Federation, the United Kingdom and the U.S. (P5), supported by the High Representative of the European Union for Foreign Affairs and Security Policy (+1), and Iran on 24 November 2013. In return for Iran halting the progress of its nuclear program, the six partners + EU would commit to provide Iran with a limited, targeted,

and reversible sanctions relief for a six-month period. The suspension has been extended twice; on 19 July and 24 November through 30 June 2015. However, with the continuing restrictions and caveats, the marginal relief remains largely unworkable from an insurer standpoint.

The suspension of sanctions does not reinstate, or make permissible, the transport and related insurance activities of oil and petroleum cargoes that are not destined for the US National Defence Authorization Act (NDAA) waived countries. The NDAA countries are currently: China, India, Japan, Republic of Korea, Taiwan and Turkey.

Additionally, on 2 February 2014 OFAC published a list of foreign individuals and entities determined to have violated, attempted to violate, conspired to violate, or caused a violation of US sanctions on Syria or Iran. It also lists foreign persons who have facilitated deceptive transactions for or on behalf of persons subject to US sanctions. Collectively, such individuals and companies are called "Foreign Sanctions Evaders" or "FSEs." Transactions by US persons or within the United States involving FSEs are prohibited.

Cuba

Cuba presents the marine insurance industry with a unique problem in that the United States stands as the only country which currently targets Cuba with a comprehensive sanctions program. The position is further complicated as in 1996 the EU adopted its own legislation which required that all EU persons were not to give effect to the US legislation.

Recently, over 50 years after the US trade embargo against Cuba went into effect, the US put into effect new rules altering the 1960 US embargo against Cuba. The updated regulations liberalize former policies, but do not wipe out the embargo. A new general license authorizes foreign vessels to enter the US after engaging in certain trade in Cuba, removing the previous 180-day restriction from ships leaving Cuba.

Russia-Ukraine

Due to the crisis in Ukraine, both the U.S. and the EU have announced sanctions targeting individuals and entities in Russia. Several additions have been made since March 2014 when the EU and US first imposed travel bans and asset freezes on several officials from Russia and Ukraine after Crimea's referendum to join Russia.

Following the downing of Malaysian Airlines Flight MH17 in Donetsk with the tragic loss of so many lives, both the US and EU announced on 29 July 2014 new restrictive measures against Russia:

OFAC imposed prohibitions on three Russian financial institutions and one state-owned defense technology firm (United Shipbuilding Corporation). These new targets come in addition to the restrictive measures on "US-Person" dealings in new debt or new equity of two Russian banks (Gazprombank OAO and VEB) and in new debt of two Russian energy companies (OAO Novatek and Rosneft) that were announced on 16 July.

The EU agreed on a package that will "limit access to EU capital markets for Russian State-owned financial institutions, impose an embargo on trade in arms, establish an export ban for dual use goods for military end users, and curtail Russian access to sensitive technologies particularly in the field of the oil sector".

As of 15 July, all Crimean ports have been officially closed. The Ukrainian Government informed of this closure and the situation in their territorial sea and exclusive economic zone in the Black Sea and Sea of Azov and the Kerch Strait in a communication to the IMO on 21 July 2014.

On 19 December 2014, the US President imposed comprehensive sanctions against the Crimean peninsula. All US persons are prohibited from any and all direct and indirect dealings involving the Crimean peninsula, its residents, businesses, goods, towns, or ports.

Through a Council decision 18 December 2014, the European Union made similar amendments to further restrict investment in Crimea and Sevastopol. All services in the sectors of transport, oil and gas and maritime shall be prohibited in the area.

Relevant authority / organisations and documents

- **IMO**
 - Circular letter No.3477: Communication from the Government of Ukraine, 12 July 2014.
- **US – OFAC**
 - CISADA – The Comprehensive Iran Sanctions, Accountability, and Divestment Act, 1 July 2010.
 - ITRA - Iran Threat Reduction and Syria Human Rights Act of 2012, 1 August 2012.
 - National Defense Authorization Act for Fiscal Year 2013 (“NDAA 2013”).
 - IFCA – The Iran Freedom and Counter-Proliferation Act of 2012, 2 January 2012.
 - 31 CFR Part 515 – Cuban Assets Control Regulation.
 - Guidance to temporary sanctions relief, 20 January 2014 & 25 November 2014: http://www.treasury.gov/resource-center/sanctions/Programs/Documents/guidance_ext_11252004.pdf
 - Presidential Executive Order 13685: Blocking property of certain persons and prohibiting certain transactions with respect to the Crimea Region of Ukraine, 19 December 2014.
 - <http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
 - Ukraine-related sanctions: <http://www.treasury.gov/resource-center/sanctions/programs/pages/ukraine.aspx>
 - FAQs: http://www.treasury.gov/resource-center/sanctions/Programs/Documents/jpoa_ext_faq_11252014.pdf
 - Cuban Assets Control Regulations, Federal Register Vol. 80, No. 11, 16 January 2015.
- **EU**
 - EU Council decision 35/2012 concerning restrictive measures against Iran, 23 January 2012.
 - EU Council Regulation no. 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation no 961/2010.
 - EU Council Regulation no. 1263/2012 of 21 December 2012 amending Regulation no. 267/2012 concerning restrictive measures against Iran.
 - EU Council Regulation 2013/0452 of 20 January 2014 giving limited sanctions relief.
 - EU Council Regulation 208/2014 of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine.

- http://eeas.europa.eu/cfsp/sanctions/index_en.htm
- <https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>
- <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>
- EU Council Regulation 692/2014 of 23 June 2014 and 825/2014 of 30 July 2014 concerning restrictions on the import into the Union of goods originating in Crimea and Sevastopol.
- Background note Ukraine sanctions, 29 July 2014.
- Council conclusions on Ukraine, 22 July 2014 & Statement on the agreed additional restrictive measures against Russia, 29 July 2014.
- Council decision 2014/829/CFSP amending Decision 2010/413/CFSP concerning restrictive measures against Iran: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_338_R_0001&from=EN
- Council decision 2014/933/CFSP concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol, 18 December 2014.
- **Joint Plan of Action – Iran:** http://eeas.europa.eu/statements/docs/2013/131124_03_en.pdf
- IUMI Eye article by Dieter Schwampe: LMA 3100 Sanctions Clause inconsistent with German law, December 2014.

Timeline / Important dates

- New EU Sanctions regime vs. Iran in effect as of 1 July 2012. Amendments came into force on 22 December 2012.
- New US Sanctions regime vs. Iran and Syria signed into law 1 August 2012.
- IFCA – The Iran Freedom and Counter-Proliferation Act of 2012 came into force as of 1 July 2013.
- IUMI conference London, 15-18 September 2013, presenting updates on sanctions currently in force.
- Temporary Iran sanctions relief 24 November 2014 – 30 June 2015.

IUMI will:

- Monitor and inform its membership of any new developments; especially concerning Iran and Syria, the situation in Ukraine, and measures directed towards the (marine) insurance industry.

16) Ballast water

Brief description

BWM Convention

The 2004 Ballast Water Management (BWM) Convention is expected to enter into force within the next few years.

Very few of the type-approved ballast water management systems have been fitted, and there is a concern insurers will have to pay for failed new and relatively complex technologies without a proven track record. As an example, the majority of the current type-approved ballast water treatment technologies make use of Active Substances. These substances may, depending on the substance, concentration, variation of operating conditions and exposure duration, have an adverse effect on ballast tank coatings, ballast piping system, and anodes within the tank.

Concerns have also been raised concerning the *Guidelines for approval of ballast water management systems (G8)*, which are not sufficient to ensure that a given system will work in compliance with the discharge standard once installed on board and operated in the actual maritime environment (ref. MEPC 64/2/18). MEPC 65 approved in May 2013 BMW related guidance, including Guidance concerning ballast water sampling and analysis for trial use and a BMW Circular on clarification of “major conversion”.

Many Flag State Administrations have expressed serious concerns as to the costs and/or benefits of these newly-available unproven technologies, which are relatively untested and subject to scientific doubts. The difficulties of drafting and implementing a global marine environment convention in advance of readily available scientific evidence and considered support is much commented on in MEPC.

Due to the many industry concerns, MEPC 66 requested the Secretariat to explore the possibility of conducting a study on the implementation of the ballast water performance standard described in regulation D-2 of the BWM Convention. Draft plan and terms of reference will be considered by MEPC 67 in October 2014.

ICS, co-sponsored by IUMI and several other industry associations, presented their main concerns in a paper to MEPC 67 in July 2014: the lack of robustness of the current guidelines for approval of ballast water management systems (G8), the criteria to be used for sampling and analysis of ballast water during Port State control inspections and the subsequent actions that may be taken should any minor deviation be indicated. The document proposes a draft MEPC resolution which, if adopted, will deliver the necessary assurances to allow stakeholders to move forward with confidence in the Convention. MEPC 67 resolved to start immediate work on a revision of the G8 type-approval guidelines through a correspondence group reporting to MEPC 68 in May 2015. The committee also agreed that owners that has invested in first generation treatment system should not be penalized if the equipment is operated and maintained correctly. Furthermore, new Port state control guidelines were adopted to reflect a fair and pragmatic approach to inspection.

U.S. ballast water discharge standards

The U.S. Coast Guard Ballast Water Discharge Rule creates compliance requirements for Vessels sailing in U.S. Waters by requiring the use of an approved ballast water management method. Under certain circumstances, the Coast Guard will grant vessel operators an extension to comply with the requirements.

The U.S. Environmental Protection Agency (EPA) also regulates ballast water discharges under the Vessel General Permit (2013 VGP) program, which regulates all discharges from commercial vessels greater than 79 feet in length and with respect to ballast water discharges all commercial vessels. The Ballast water standards under the Coast Guard and EPA standards are similar but not

identical, and there are also multiple U.S. state law requirements. There is currently legislation pending in the U.S. Senate to establish a single federal framework for the regulation of ballast water and other vessel discharges.

The U.S. ballast water discharge standards are consistent with those contained in the International Maritime Organization's 2004 Ballast Water Convention.

Relevant authority / organisations and documents

- **IMO – Marine Environment Protection Committee:**
 - The International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM Convention).
 - MEPC 64/2/18: Challenges to effective implementation of the BWM Convention, submitted by Liberia, the Marshall Islands, Panama, BIMCO, INTERTANKO, CLIA, INTERCARGO, InterManager, IPTA, NACE and WSC, 27 July 2012.
 - MEPC67/2/6: Measures to be taken to facilitate entry into force of the International Convention for the Control and management of Ships' Ballast Water and Sediments, submitted by ICS, IUMI, BIMCO, INTERTANKO, CLIA, INTERCARGO, InterManager, IPTA, IMCA, INTERFERRY, ITF, the Nautical Institute and WSC, 11 July 2014.
 - MEPC67/2/5: Proposed plan for a study on the implementation of the ballast water performance standard described in regulation D-2 of the BWM Convention, submitted by the Secretariat, 11 July 2014.
 - MEPC67/2/11: Compromise measures towards a fair, practical and protective BMW Convention implementation, submitted by Canada, 8 August 2014.
 - MEPC67/WP.11: Report of the Ballast Water Review Group, 16 October 2014.
 - MEPC68/2/16: Measures to be taken to facilitate entry into force of the BWM Convention, submitted by ICS, BIMCO, IUMI, CLIA, INTERCARGO, InterManager, IMCA, INTERFERRY, ITF, Nautical institute, 12 March 2015.
- **U.S. Environmental Protection Agency:** 2013 Vessel General Permit.
- **United States Senate:** Senate Bill S. 2094
- **U.S. Coast Guard:** 33 CFR part 151, 46 CFR part 162
- **GloBal TestNet:** Formal group of organizations involved in testing for the certification of BWS. Aims to facilitate increased standardization and harmonization of test procedures and information exchange.

Timeline/Important Dates

- U.S. Coast Guard BWM Regulations into force June 2012; applicable for
 - Newbuilds keel laid after December 2013
 - Existing vessels – first scheduled dry-dock after 2014/16
- MEPC 65, 13 – 17 May 2013: Approved a draft IMO Assembly resolution on the application of regulation B-3 of the BMW Convention to ease and facilitate implementation.
- MEPC 66: 31 March – 4 April 2014.
- MEPC 67: 13-17 October 2014.
- New U.S. Vessel General Permit into force from 19 December 2013, for fishing vessels from 18 December 2014.
- MEPC 68: 11-15 May 2015.

- BWM Convention: Entry into force 12 months after ratification by 30 States, representing not less than 35 per cent of world merchant shipping tonnage. To date, 40 States have ratified the convention, representing 30.25% of world tonnage.

IUMI will:

- Monitor implementation of new U.S. Vessel General Permit and performance of approved technologies.
- Monitor implementation of BWM Convention and performance of approved technologies.

17) Maritime Security / Piracy

Brief description

BMP4, use of private armed security guards, UN and IMO guidelines, national regulations, legality of payment of ransoms, and ISO rules for the use of force are some of the issues still very much on the international maritime security agenda. While the situation created by Somalia based pirates has improved, a recent escalation of incidents is noted in the Gulf of Guinea.

IUMI has had an active and direct influence on the drafting of the current IMO Guidelines, which have the force of public international law where incorporated by contract or by national law and/or by international maritime custom and practice.

A move from UK and US sources to push underwriters to mandate and / or incentivize BMP is not possible due to; a) the nature of BMP, not being an underwriting document and b) being full of subjectivities and c) European and U.S. competition laws.

Relevant authority / organisations and documents

- **International Maritime Organization (IMO)**
 - Global Integrated Shipping Information System (GISIS): Recent reported incidents of piracy & armed robbery: <http://gisis.imo.org>
 - MSC Circular 1405/Rev.2 (as amended): “Revised interim guidance to shipowners, ship operators and ship masters on the use of privately contracted armed security personnel on board ships in the High Risk Area”, released 25 May 2012.
 - MSC 92/INF.14: “International model set of rules for Rules for use of Force” (RuF), submitted by Marshall islands, ICS, ISO and BIMCO, 9 April 2014. Also used as input to ISO TC 8.
 - UK documents to MSC
 - MSC 90/20/4: “UK policy on the use of privately contracted armed security personnel”, 21 February 2012.
 - MSC 90/INF. 12: “The use of privately contracted armed security personnel (PCASP) on board United Kingdom-registered ships in exceptional circumstances for the purposes of defending against acts of piracy”, 9 May 2012.

- NATO mandate extended until 2016.

IUMI will:

- Continue monitoring and inform IUMI membership.
- Strongly support implementation of BMP4 and consider amendments and/or more suitably adapted versions for new areas/threats as and when appropriate.
- Recommend Governments to implement IOS PAS 28007 as the sole standard when determining rules for the use of force.
- Endorse guidelines issued by BIMCO and ICS for vessels and crews.