

Innovate

The International Union of Marine Insurance issues a rallying cry to the industry, imploring underwriters to lift their game, writes **Jon Guy**

The *Costa Concordia* after its 'parbuckling' on 17 September. The *Concordia* disaster of 2012 in Italy delivered the biggest single insured marine loss to the marine insurance industry

> **The 139th IUMI Annual Conference** opened in London this week with a call for marine insurers to adapt to the changing needs of its clients against a backdrop of further hefty underwriting losses for 2012.

IUMI president Ole Wikbøg warned insurers not to simply believe 'safe and sound' was the right strategy. "The common theme selected for this conference is 'Marine Insurance – Building Resilience and Defining a Sustainable Future'," he said. "This indicates that, as an industry, we want to preserve the best part of our past. We must apply our experience, regain the momentum and utilise our imagination and innovative skills to bring our business forward."

"A major driver for our efforts is our ability to adapt and satisfy the apparent and future needs of our clients. Our industry must be

50%

of total vessel losses between 2008 and 2012 were caused by weather-related incidents

close to those we are serving and not only provide a financial risk relief instrument.

"A part of the package must be a genuine risk management component where we actively put our professional, hard-earned and often expensive knowledge and expertise to use. We must learn to apply our claim history to broaden the scope of what we can do and not use it as an excuse to put

limits on our willingness to respond to new opportunities and risks."

However, he said insurers also had to drive differentiation. "The commodity providers of the marine insurance industry should transform themselves [into] service providers to care better for their clients. Developing a business relationship based on a service concept that includes flexibility and adaptability is more likely to result in a sustainable business model for the future."

"This conference will address issues relevant to this overall goal, believing that there is a future. One may argue that the real risk-taking required is to dare to challenge existing ways of doing things. It appears safe and sound to have both feet solidly planted on the ground but when both feet are solidly planted on the ground you get nowhere."