

# TOPIC - INCREASED WAR RISKS

- Introduction to panel
- Current situation & outlook
- War insurance covers
- Panel debate



# PANEL DEBATE - PANELISTS



Laura Langh-Lagerlöf  
Managing Director



Anders Hovelsrud  
Insurance Director



Helle Hammer  
Managing Director



# A NEW WORLD ORDER?



Geopolitical fragmentation will drive  
gloeonomic warfare and heighten the risk  
of multi-domain conflicts

The New York Times

## Germany Braces for Decades of Confrontation With Russia

Leaders are sounding alarms about growing threats, but  
Chancellor Olaf Scholz is wary of pushing the Kremlin, and his  
own ambivalent public, too far.

Houthi Won't Target Chinese, Russian  
Ships in Red Sea



# SHIPPING IMPACTS?

## Flag State Fleets - Africa/Middle East/Asia/Pacific

Source: Clarksons  
Research

Africa/ Mid E./ S. Asia		Age <sup>1</sup>	No Vessels, end				Million GT, end				01 Apr 24		Fleet This Year
			2020	2021	2022	2023	2020	2021	2022	2023	No.	m.GT	
Liberia	Open	12.7	3,928	4,300	4,820	5,215	185.2	207.6	233.2	257.2	5,219	256.9	DOWN... -0.1%
Gabon	National	20.5	71	78	91	126	0.7	0.9	1.2	3.1	217	7.4	UP BY... 138.4%
Cameroon	Open	33.9	104	130	209	296	1.5	2.7	4.1	4.6	280	4.5	DOWN... -1.8%
Nigeria	National	28.0	874	898	933	947	3.2	3.3	3.8	4.3	952	4.3	DOWN... -1.0%
Comoro Islands	Open	34.5	244	253	275	290	1.2	1.2	1.3	1.3	346	2.7	UP BY... 109.0%
Sierra Leone	Open	30.1	587	599	599	587	1.8	1.8	1.7	1.6	599	1.7	UP BY... 3.9%
Djibouti	National	26.8	36	42	39	39	1.0	1.7	1.4	1.6	38	1.6	DOWN... -2.6%
Tanzania	Open	34.7	322	321	398	465	1.1	1.2	1.4	1.7	456	1.5	DOWN... -8.7%
Egypt	National	30.0	425	438	439	442	1.2	1.2	1.2	1.2	443	1.3	UP BY... 3.7%
Togo	Open	36.7	412	400	392	368	1.4	1.7	1.5	1.1	362	1.0	DOWN... -2.1%
Guinea Bissau	National	29.3	8	8	20	43	0.0	0.0	0.1	0.2	59	0.9	UP BY... 333.8%

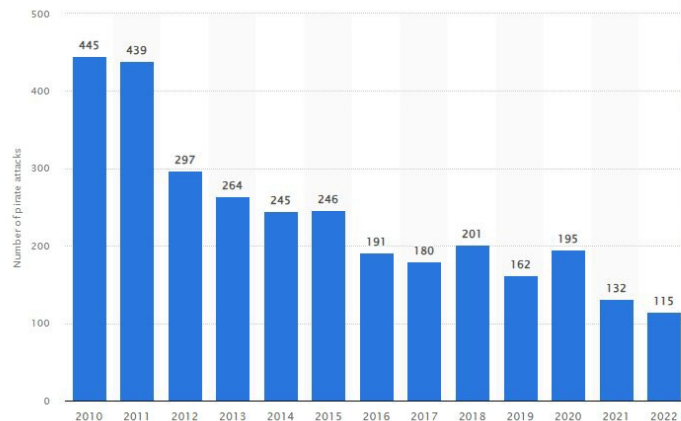
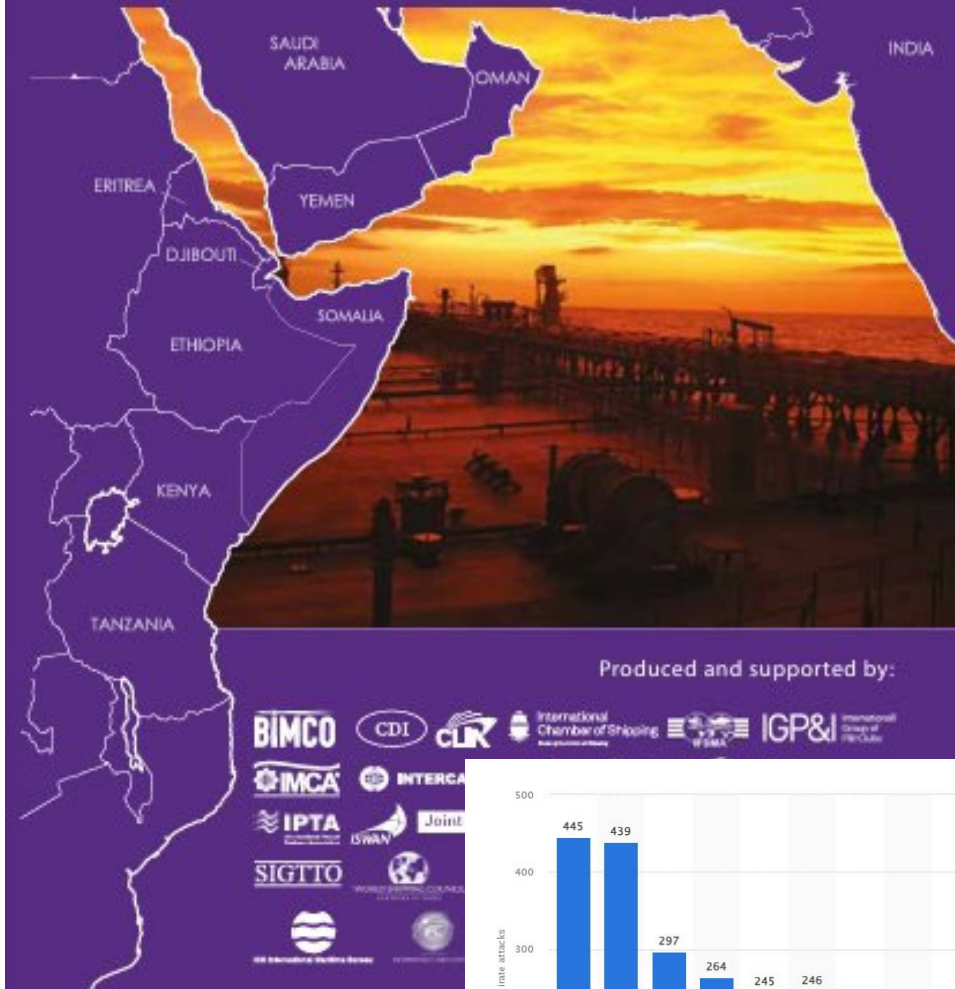


International Association of Classification Societies has  
slipped two percentage in members during 2022 - 2023.



# BMP5

Best Management Practices to Deter Piracy and Enhance Maritime Security in the Red Sea, Gulf of Aden, Indian Ocean and Arabian Sea



## Global trade falls amid Houthi attacks on merchant ships in Red Sea

Maersk boss says it could take months before trade route is safe to traverse

Business live - latest updates



A Houthi military helicopter flies over the Galaxy Leader cargo ship in the Red Sea in November last year. Photograph: Houthi Military Media/Reuters



Iran says **MSC Aries** vessel violated maritime laws

Container ship **MSC Aries** (IMO 9857169) was seized in the Strait of Hormuz on April 13<sup>th</sup> because it had violated maritime laws, the Iranian Foreign Ministry claimed.

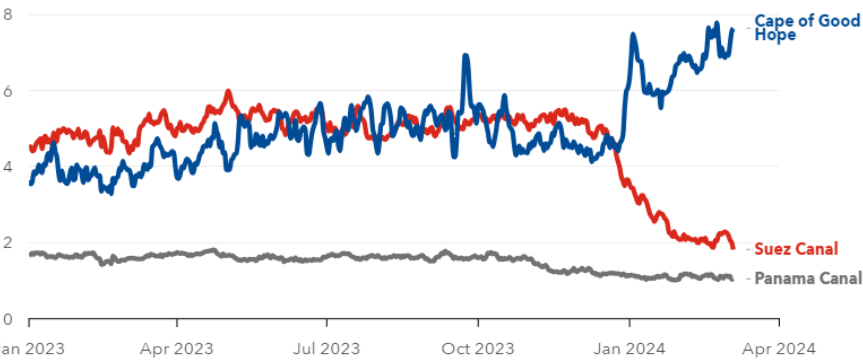
# RED SEA, GULF OF ADEN, INDIAN OCEAN & ARABIAN SEA



December 23 – Feb 24

## Red Sea Attacks Disrupt Global Trade

Daily transit trade volume  
(million metric tons, 7-day moving average)



Sources: UN Global Platform, [IMF PortWatch](#).

IMF



Avoiding passage through the Bab el-Mandeb strait, adds about 10 to 14 days to journey times and significantly increases costs and environmental effects.

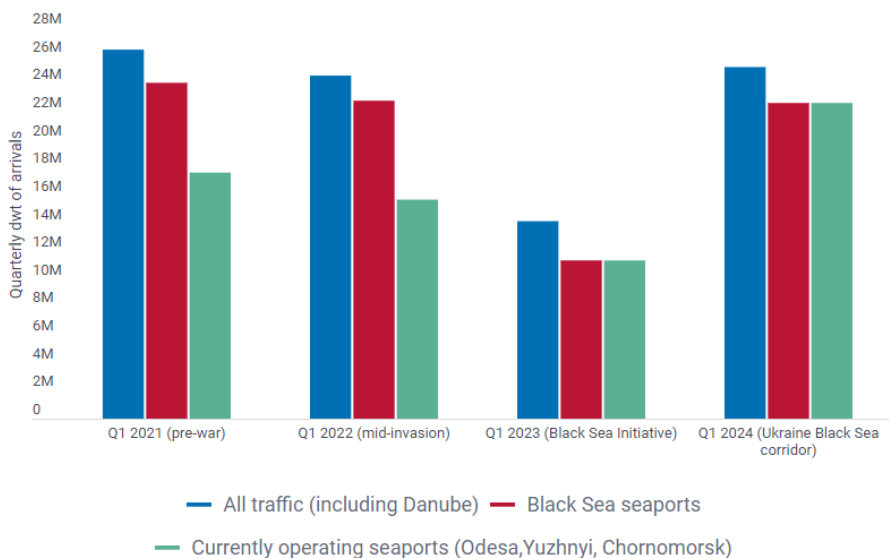


# BLACK SEA

## Ukrainian grain exports rebound as ship arrivals near pre-war levels

*Q124 arrivals' dwt up 78% year on year, down just 4.7% vs pre-war*

Grain ship arrivals to Ukraine by dwt



Source: [Lloyd's List Intelligence](#) / [Seasearcher](#)

## Two cargo ships hit by explosives off Ukraine following reports of Russia using vessels as a 'human shield'

Grace Kay Mar 3, 2022, 6:04 PM CET

Share Save



## Turkish Cargo Ship Hit By Missile in Ukraine



World Business Markets Sustainability Legal More

Europe

## Bulk carrier hits mine in Black Sea, two people injured, Ukraine says

Reuters

December 28, 2023 7:07 PM GMT+1 · Updated a month ago

Share Aa



# WAR INSURANCE COVER

War insurance provides cover for damage due to acts of war and marine terrorism perils that are excluded from other marine policies.



# HISTORY AND CONSTRUCTION

NEED FOR COVER	Cover for war risks needed but World War –scenarios would mean very high loss expectations and very high premiums.
SOLUTION	<p>Exclusion of WW-scenarios focusing on general peacetime war cover.</p> <p>Out of these considerations, therefore, has been born the concept of two premiums.</p> <p><b>The first premium</b> is paid for the whole period of the insurance, which will be paid for war risk insurance cover to the insured ship throughout the world.</p> <p><b>The second premium</b> is the additional premium for visits which are made by the insured ship to geographically defined areas which have a high element of danger to them.</p>
EXCLUDED AREAS	The underwriter reserves to him or herself to designate a new area at any time during the period of the insurance, which is not among the areas that were agreed at the time the insurance contract was made, and, by giving seven days' notice, require additional premiums to be paid for visits to that area.



# WAR INSURANCE - THE NORDIC PLAN

## ***Clause 2-8. Perils covered by an insurance against marine perils***

An insurance against marine perils covers all perils to which the interest may be exposed, **with the exception of: perils covered by an insurance against war perils in accordance with Cl. 2-9,**

## ***Clause 2-9. Perils covered by an insurance against war perils***

An insurance against war perils covers:

- war or war-like conditions etc. etc.

## ***Clause 15-2. Interests insured***

Subject to Cl. 15-3 the insurance covers:

- total loss and damage, cf. Chapter 10-12 and Section 4 and 5 below,
- collision liability, cf. Chapter 13,
- hull interest/freight interest, cf. Chapter 14,
- loss of hire, cf. Chapter 16 and Section 6 below,
- owner's liability (P&I), cf. Section 7 below including occupational injuries etc. cf. Section 8 below.

# PANEL DEBATE

Questions - Join at **menti.com** | use code

**33 21 91 6**

 Mentimeter

# THANK YOU

