Megaship Challenges: The P&I Perspective

★ Issues are of scale, not substance
★ Insurer vessel type concerns over time have evolved
  • large tankers (late 1960s onward)
  • large passenger ships (mid-2000s onward)
  • large container ships (c. 2010 onward)
★ Insurer concerns have been impelled by
  • major casualties over recent years
  • international/local regulation and limitation regimes
★ Insurer response to changing risk landscape has included
  • trading surcharges
  • differential reinsurance rating
  • limits placed on quantum of claims recoverability
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★ Insurer apprehension mainly focused nowadays on
  • large passenger vessels, especially after COSTA CONCORDIA (an outlier?)
  • large container ships, especially after MSC NAPOLI and many other casualties thereafter

★ “Realistic Disaster Scenarios” contemplate
  • large passenger vessels
    - massive loss of life
    - salvage/wreck removal
  • large container ships
    - fires
    - salvage, general average
    - wreck removal
    - hazardous cargoes (misdeclared or otherwise)

★ Does industry have capabilities to handle major catastrophes?
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★ All in a day’s work!
★ Group clubs’ (disaster) claims handling unmatched
★ Group clubs’ financial security unmatched
★ Large claims working group focus on major accidents
★ Differential reinsurance rating for container ships?
★ Limitation on quantum of claims recoverability?
★ Disinclination to overreact!
★ Future loss patterns will define P&I insurers’ response
MARINE INSURANCE ISSUES SEMINAR
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