

THE SHIOWNERS' CLUB



# Autonomy – Risk and Insurance

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Ensuring peace of mind



## You're in Safe Hands

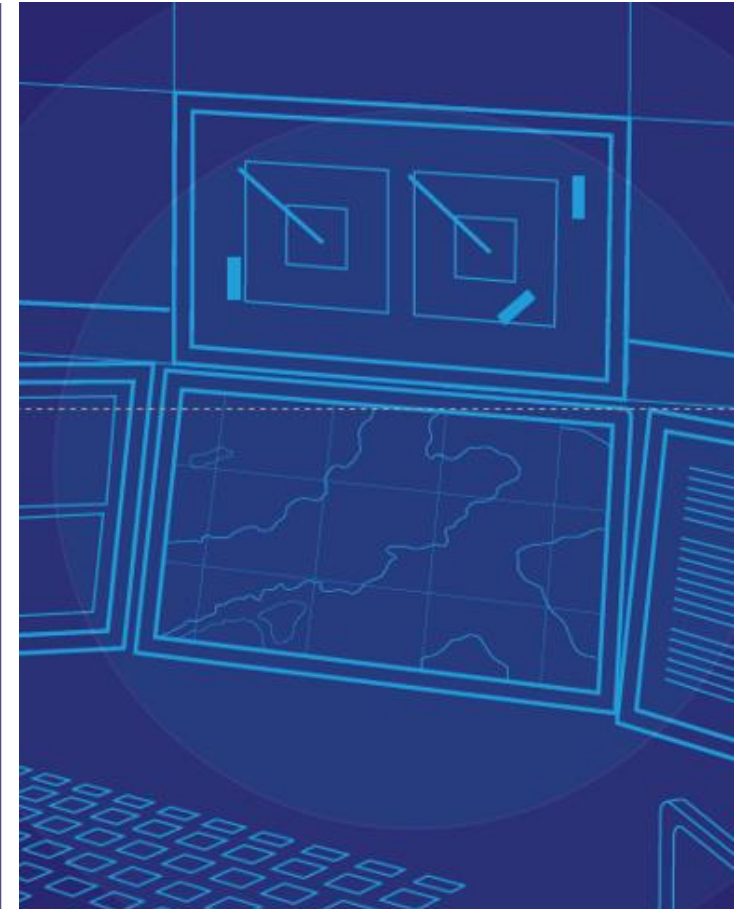




## Growth in Mass Sector

### AGAINST THE TREND:

- Smaller, domestically trading, vessels will lead the way
- Envisaged larger fleets of smaller vessels
- Predominantly specialist vessels
- An opportunity for small ports with specific infrastructure



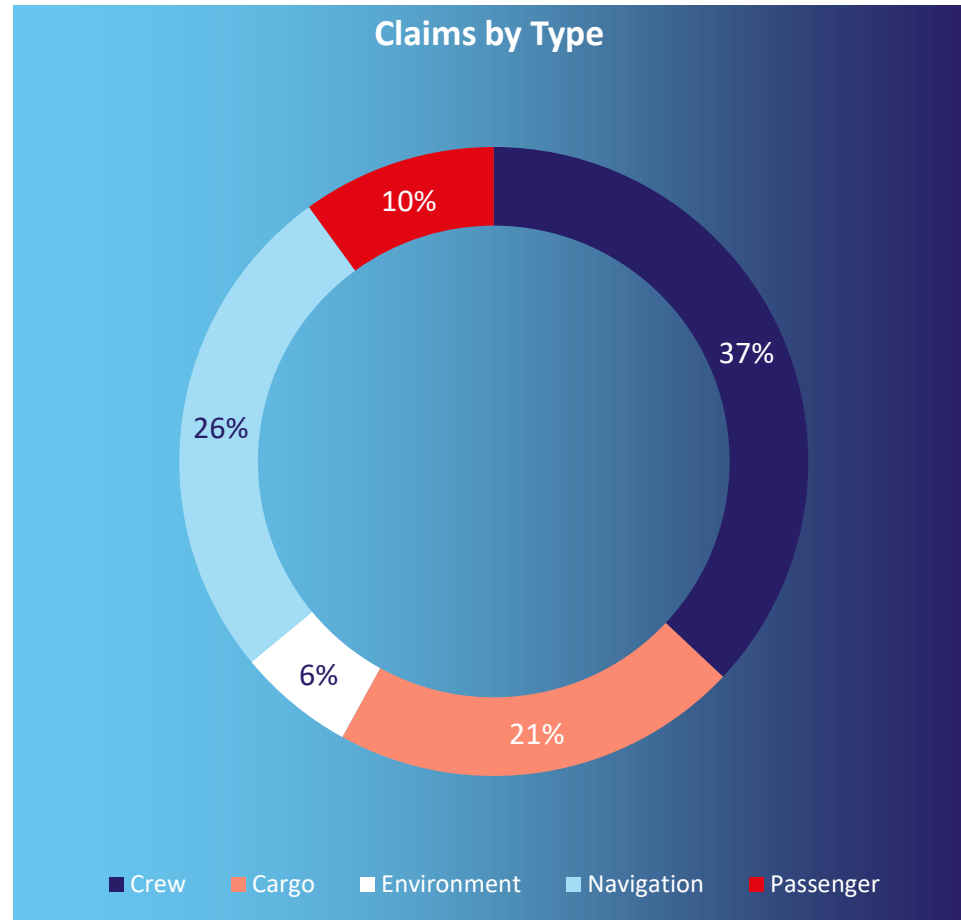
## Shipowners' Club – Claims Experience Reflects our Core Covers

### OUR CORE COVERS INCLUDE:

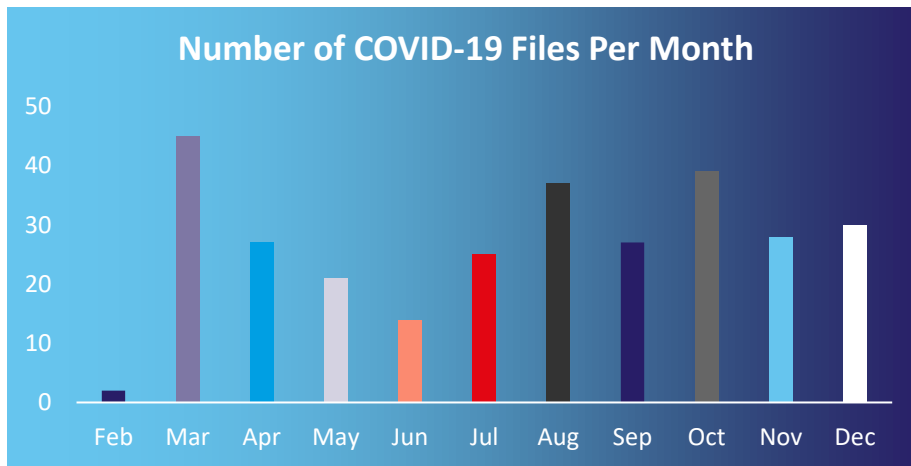
- Crew illness/injury/death
- Cargo loss/damage
- Environment – pollution and wreck
- Navigation
- Passenger

### WE ALSO PROVIDE:

- Specialist additional insurance for Members engaged under onerous contracts and those undertaking very specialist works
- Legal Costs Cover for legal expenses arising out of a wide range of disputes

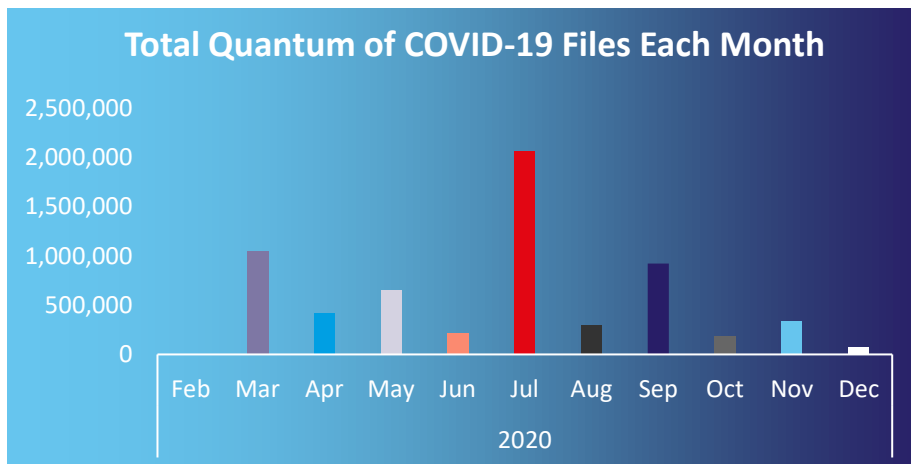


# COVID-19 2020 – A New Claim Type



## CLAIM FREQUENCY

- Claim frequency of approximately 300 claims since February

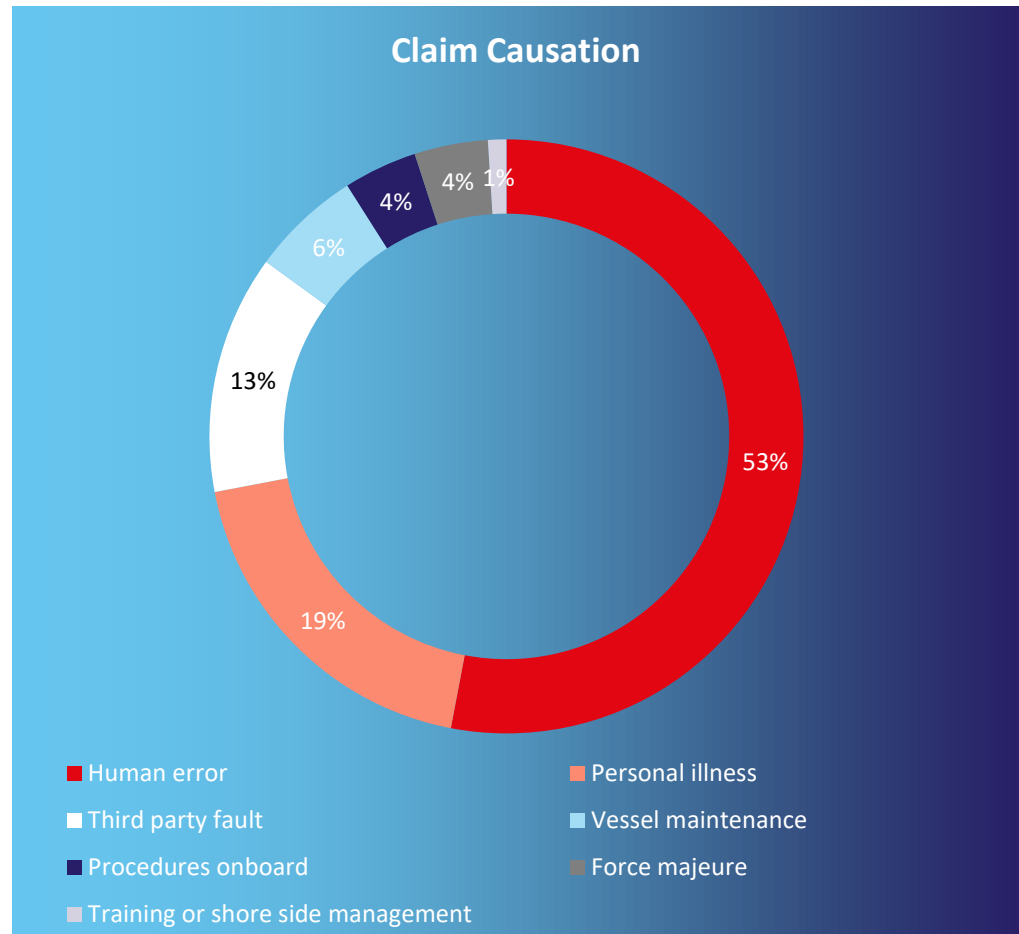


## CLAIM QUANTUM

- Incurred value of approximately US\$5.5 million

## A Change in Risk Environment for MASS

- Crew claims (illness/injury/death) – implications for MASS
- Human error is the most common cause of claims in traditional marine operations. How does this change for MASS?



## Growth in MASS Sector Leads to Demand for Tailored Insurance Solutions

- Growth in sector leads to demand for suitable insurance
- In 2011 – Club's plain language all risk policies developed for specialist sectors
- Why does MASS suit our plain language wordings?
- What cover does the Club's policy provide for MASS?

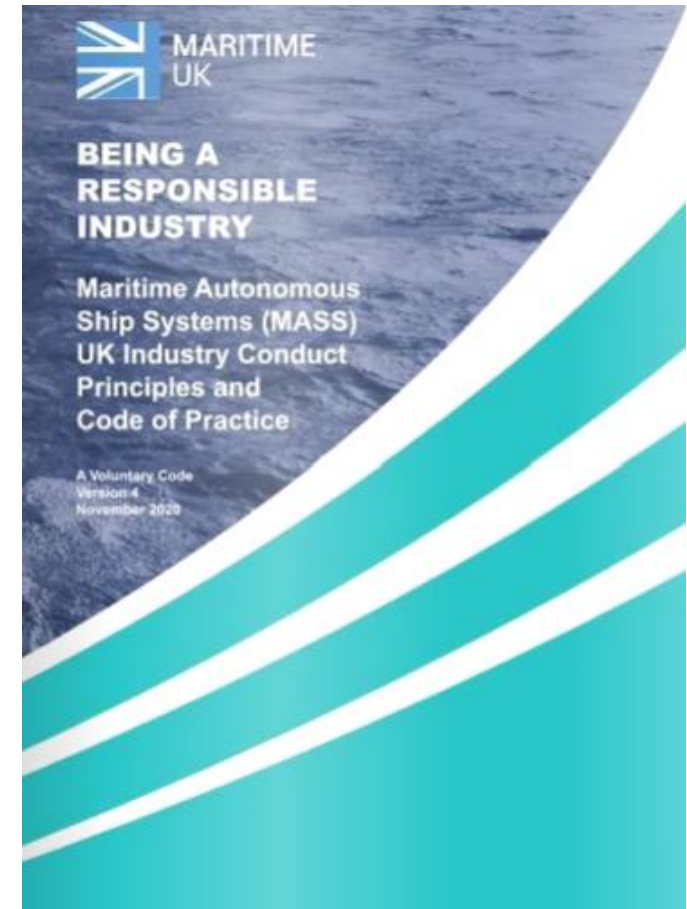


▶ AUTONOMOUS VEHICLE LIABILITY INSURANCE



## Challenges for Insurers – Understanding the MASS Risk

- Identification and Registration of MASS:
  - Is this important to Insurers?
  - Understanding the quality of tonnage and operational standards
- Legal and regulatory framework
- International Conventions were not designed with MASS in mind and IMO's work will take time. However, industry forges ahead. In the meantime:
  - UK Code of Practise and Code of Conduct
  - Insurers must approach each risk on a case by case basis





## Challenges for Insurers – Understanding the MASS Risk

- Traditionally, Club cover based on requirement for vessels to be supervised by Flag/Class
- To ensure 'unclassified/unregistered' MASS are assessed as suitable for entry. Criteria assessed include:
  - Compliance with voluntary codes
  - Operational range and contracts
  - Levels of autonomy to be utilised in the operation
  - Experience of the company in operating MASS
  - Standards the vessel has been built to
  - Experience of the vessel builders
  - Cyber security measures



## Cyber – Opportunity or Challenge?

### OPPORTUNITIES

- Knock on effects for aligned enabling technology:
  - Interactive monitoring, data analysis, connectivity and geo fencing
  - Possibility for a truly evidence based insurance policy – pay as you go
  - Evidence gathering

### CHALLENGES

- Cyber attacks could lead to P&I claims



## Closing Thoughts

- Insurers must adapt and recognise a shift in risk
- To begin with the underwriting approach must be individual
- Shipowners' Club take part in shaping the future liability landscape



# Thank you!



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The Shipowners' Club

[www.shipownersclub.com](http://www.shipownersclub.com)

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