

Marine insurers adopt principles to decarbonize shipping

The Poseidon Principles for Marine Insurance establish a pioneering framework to engage with the shipping industry and support net-zero insurance.

15 December 2021 – Six of the world’s leading marine insurers launch a groundbreaking initiative to provide transparency on carbon emissions and support the shipping industry’s green transition.

The Poseidon Principles for Marine Insurance are a framework to quantitatively assess and disclose the climate alignment of marine insurers’ underwriting portfolios. This pioneering initiative makes marine insurance the first line of business to establish a sector-specific methodology to support the ambition of the Net-Zero Insurance Alliance (NZIA), where members commit to transitioning their underwriting portfolios to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100, in order to contribute to the implementation of the COP21 Paris Agreement.

“The transition to net zero is a massive endeavour and we appreciate the efforts of the marine industry. As risk managers, insurers and investors, the insurance industry has a key role in supporting the transition to a net-zero economy. The Poseidon Principles will serve our institutions as well as our clients to quantitatively assess and disclose the climate alignment of their underwriting portfolios and thus improve decision-making at a strategic level and shape a sustainable future for all. The disclosure framework provided by the Poseidon Principles will enable us to credibly report our progress towards net-zero insurance using granular marine data,” says **Patrizia Kern, Marine Head at Swiss Re Corporate Solutions and Chair of the drafting committee for the Poseidon Principles for Marine Insurance.** *“As signatories of the Net-Zero Insurance Alliance, NZIA, we at Swiss Re encourage everyone in the marine industry to align with net-zero 2050 targets.”*

Signatories to the Poseidon Principles for Marine Insurance commit to assessing and disclosing the climate alignment of their hull and machinery portfolios, and to benchmarking them against two trajectories: one linked to a 50% reduction of annual CO2 emissions by 2050 compared to 2008 – in line with the International Maritime Organization’s Initial GHG Strategy; and one linked to a 100% reduction of emissions by 2050. Furthermore, a third trajectory will be introduced to align the full decarbonization trajectory with zero-lifecycle GHG emissions in order to meet the ambition of net-zero commitments such as the NZIA, and to support a zero-emissions future for shipping.

“We need to work together to tackle the challenge of climate change. As such, the Poseidon Principles for Marine Insurance are an important contribution from the marine hull insurance industry. The principles provide us with a common tool to monitor progress over time. As a leading marine insurer, we will work together with our Members and clients to make sure that the principles and the methodologies applied are as practical and straightforward as possible. Our common goal is an accelerated move towards a decarbonized industry,” says **Rolf Thore Roppestad, Chief Executive Officer of Gard, and Vice-Chair of the drafting committee.**

Brokers and other key stakeholders in marine insurance commit to supporting the Principles as affiliate members and align with the goal of decarbonizing international shipping by 2050.

“By joining this important initiative, we wish to demonstrate our deep commitment to working with our clients and business partners to successfully navigate the transition to a net-zero future,” says **Ben Abraham Chief Executive Officer, Global Marine at Willis Towers Watson.**

“Cefor is committed to promoting a more sustainable ocean industry, and supports the transparency offered by the Poseidon Principles for Marine Insurance to foster dialogue towards this common goal,” says **Helle Hammer, Managing Director, Cefor, the Nordic Association of Marine Insurers.**

Founding Signatories include **Swiss Re, Gard, Hellenic Hull Management, SCOR, Victor International,** and **Norwegian Hull Club.** Additional marine insurers are expected to join in the near future.

Affiliate members supporting the Principles are **Willis Towers Watson, Cefor, and EF Marine.**

The Poseidon Principles for Marine Insurance are founded on the methodology used in the Poseidon Principles for Financial Institutions and were developed in an effort spearheaded by leading marine insurers and industry stakeholders with expert support provided by the **Global Maritime Forum, Swiss Re Institute, and UMAS.** The **International Union of Marine Insurers (IUMI)** is a supporting partner.

For further information, Head of Communications (interim) Sofie Rud at rud@globalmaritimeforum.org or +45 2810 2332 or visit <https://www.poseidonprinciples.org/insurance/>.

Founding members and members of the drafting committee quote:

About A.P Moller – Maersk

A.P. Moller - Maersk is an integrated container logistics company working to connect and simplify its customers' supply chains. As the global leader in shipping services, the company operates in 130 countries and employs around 80,000 people. For more information: <https://www.maersk.com/>.

"The science is crystal clear; we need to decarbonize global shipping and we need to start right now to stay in line with the Paris Agreement. There is an increasing convergence of interests across the shipping stakeholder landscape to build further progress and momentum for this agenda and alongside customers, investors and shipowners we warmly welcome and support that key marine insurance players are now showing clear commitment to play their part with this initiative," says **Lars Henneberg, Vice President, Head of Risk Management at A.P. Moller – Maersk.**

About Cefor

The Nordic Association of Marine Insurers (Cefor) represents marine insurers in the Nordic countries. Our objective is to further enhance the lead Nordic marine insurance market, and promote quality marine insurance and knowledge sharing through agreed all risk insurance conditions, comprehensive statistics, a common public voice, and competence building.

About EF Marine

EF Marine provides Fixed Premium P&I solutions to Shipowners, Charterers and MultiModal operators, and have a global client base with offices in Singapore and Rotterdam. Through the partnership with Swiss Re Corporate Solutions EF Marine provide clients with first class security combined with EF Marine's extensive knowledge of the P&I market.

"EF Marine as a provider of Fixed Premium P&I Insurance is proud to be the first affiliate member from the P&I industry to join the Poseidon Principles for Marine Insurance. We take our role seriously in tackling sustainability issues arising from climate change and will work on embedding the Poseidon Principles for Marine Insurance in our business and encourage our clients to support the Poseidon Principles to achieve the climate goals to prevent the catastrophic climate changes facing the future generations and the world. We will work as facilitators for providing guidance and advice to the insureds to minimise carbon emission and environmental impact and participating in this initiative is the first big step in this direction," says **Folkert Strengtholt, CEO, EF Marine.**

About Gard

Gard is a leading marine insurer, covering more than 50 per cent of the global merchant fleet. It is owned by the industry it serves, providing P&I, marine and energy insurance products to the maritime industry. Gard has nearly 550 employees and 13 offices around the world.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Our Global Marine team has 550+ marine risk and insurance specialists working together as one global team in more than 55 locations. It is this collaboration that gives our clients the opportunity to access the best solutions available anywhere in Global Marine, regardless of their location. Together, we unlock potential. Learn more at [willistowerswatson.com](https://www.willistowerswatson.com).

About Hellenic Hull Management

Hellenic Hull Management (HMA), exclusive managers of American Hellenic Hull Insurance Company (AHHIC), is a Hull and Machinery Marine insurance company for all types of vessels.

“We are happy to adhere to the Poseidon Principles for Marine Insurance. We firmly believe that this is a step closer to a more responsible shipping industry – and we are sure that we shall be able to support our clients by becoming part of the solution towards a sustainable future for all,” says **Mr. Ilias Tsakiris, Director of HMA and CEO of AHHIC**.

About Lloyd’s Register

Lloyd’s Register is a global professional services company specialising in engineering and technology for the maritime industry. Our Marine and Offshore business is a leading provider of classification and compliance services to the marine and offshore industries, while our Maritime Performance Services enable businesses to reach their full potential – now and into the future. Our Digital Products combine modern digital tools with deep technical expertise. Lloyd’s Register is wholly owned by the Lloyd’s Register Foundation, a politically and financially independent global charity. All of this helps us stand by the purpose that drives us every single day; working together for a safer world.

“Lloyd’s Register has been involved with the Poseidon Principles from the very beginning and we’re proud to provide independent expertise and advice to support the development of this new framework for marine insurance. This is a significant milestone for maritime – providing the marine insurance industry with a framework that will effectively support the acceleration of maritime decarbonisation,” says **Nick Brown, CEO, Lloyd’s Register**.

About Norwegian Hull Club

Norwegian Hull Club is a leading mutual marine and energy insurance provider, serving members and clients worldwide, with roots going back to 1837. Our mission is to secure lives, health, environment and property to help protect both people and the planet. Our slogan, “Expect More”, derives from our efforts to fulfil and exceed the expectations of our clients, business associates and colleagues at all times.

“Norwegian Hull Club is committed to taking part in its clients’ journeys towards zero emissions. Partnerships are key to achieving this goal. Through Poseidon Principles for Marine Insurance, The Club can help influence how the insurance industry contributes to this transition,” says **Hans Christian Seim, Chief Executive Officer, Norwegian Hull Club**.

About SCOR

SCOR, the world’s fourth largest reinsurer, offers its clients a diversified and innovative range of solutions and services to control and manage risk. Applying “The Art & Science of Risk”, SCOR uses its industry-recognized expertise and cutting-edge financial solutions to serve its clients and contribute to the welfare and resilience of society. SCOR offers its clients an optimal level of security with its AA- rating or equivalent from S&P, Moody’s, Fitch and AM Best. The Group generated premiums of more than EUR 16 billion in 2020, and serves clients in more than 160 countries from its 36 offices worldwide. For more information, visit www.scor.com.

“Participating in the launch of the Poseidon Principles for Marine Insurance and supporting the initiative is a firm step forward for SCOR in accompanying our international shipping clients towards a zero emission future for the industry. As a founding member of the Net-Zero Insurance Alliance, we strongly believe that (re)insurers have an important role to play in addressing climate change and that collective action is the only way forward,” says **Jean-Paul Conoscente, CEO, SCOR Global P&C.**

About Star Bulk

Star Bulk is a leading global shipping company which owns and manages a diverse and modern fleet of dry bulk vessels. Every year, the Star Bulk vessels transport more than 65 million metric tonnes of dry bulk cargoes across the world, efficiently and sustainably.

“Collaborating with our partners across the value chain to accelerate GHG emissions’ transparency and reduction is a core pillar of the Star Bulk decarbonization strategy. We are happy to have contributed to the development of the Poseidon Principles for Marine Insurance, which – following the Poseidon Principles for financial institutions and the Sea Cargo Charter for charterers – is one more critical step to drive the decarbonization of the shipping industry by 2050,” says **Christos G. Anagnostou, Marine Operations Director at Star Bulk Management Inc.**

About Swiss Re Corporate Solutions

Swiss Re Corporate Solutions provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind. Swiss Re Corporate Solutions serves clients from offices worldwide and is backed by the financial strength of the Swiss Re Group.

Visit corporatesolutions.swissre.com or follow us on [LinkedIn](#) and Twitter [@SwissRe_CS](#).

About IUMI

The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers’ interests in marine and all types of transport insurance. The roles of IUMI are to: act as a focal point and representative voice on behalf of the marine and transport insurance industries in dialogue with all interested parties; share information and research that are non-commercially sensitive with regard to marine and transport insurance; bring together marine insurance practitioners to facilitate the exchange of technical information and best practice; and provide information on positions taken by IUMI.

“Combating climate change is the most pressing issue we face. Swift and effective action is needed from all sectors, including shipping where achieving transformation is complex but not unattainable. All stakeholders have a role to play and IUMI – as the global umbrella organisation for marine underwriting – is proud to support the Poseidon Principles for Marine Insurance. Through collaboration, shipping will move closer to a global fleet that meets its carbon reduction goals and eventually becomes carbon neutral,” says **Lars Lange, Secretary General, IUMI.**

About Victor International

Victor Insurance Holdings is the world’s largest managing general underwriter with locations in the US, Canada, UK, Netherlands, Germany, Italy, and Australia. It handles more than \$2.5 billion in premium on behalf of numerous insurance carriers, through a large network of more than 25,000 active insurance agents and brokers. With deep, specialized underwriting expertise, the company provides a wide range of insurance coverage – from specialty, property and casualty, professional liability and marine insurance to group and retiree benefits. Victor Insurance is committed to building on 60-plus years of experience to develop products that address risk in new and evolving areas. For more information, visit www.victorinsurance.com.

“Decarbonising international shipping is a major goal that will contribute towards global efforts to stabilise climate change over the coming decades. Victor is committed to being at the forefront of insurance industry initiatives such as the Poseidon Principles that will play a pivotal role in supporting the innovations needed to achieve this objective and make shipping safer and sustainable,” says **Richard Turner, International Head of Marine at Victor Insurance and President of the International Union of Marine Insurers.**

Expert support:

About Global Maritime Forum

The Global Maritime Forum is an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.

“At the Global Maritime Forum, we are pleased to see leading marine insurers join forces with signatories to the Poseidon Principles and the Sea Cargo Charter in establishing a framework to quantitatively assess and disclose the climate alignment of their underwriting portfolios, and raising the bar for everyone by doing so relative to the goal of full decarbonization of international shipping. Alongside other stakeholders in the maritime value chain, the insurance industry has the influence and responsibility to drive progress and I urge other marine insurers to follow the example set by the founding members of this pioneering initiative. It takes partnerships like these to make the transformational changes needed to tackle the climate crisis and build a sustainable future for all,” says **Johannah Christensen, CEO at Global Maritime Forum.**

About UCL Energy Institute

UCL is among the world’s top universities as reflected in performance in a range of national and international rankings. UCL Energy Institute has, since its launch in June 2009, developed a strong national and international reputation for energy demand and energy systems research. The shipping research group at UCL Energy Institute consists of around 15 researchers and PhD students, involved in a number of on-going projects, through UMAS, funded through a mixture of research grants and our consultancy. The group undertakes research both using models of the shipping system, shipping big data and qualitative and social science analysis of the policy and commercial structure of the shipping system. The research activity is centered on understanding patterns of energy demand in shipping and how this knowledge can be applied to help shipping transition to a low carbon future. The shipping research group is world leading on two key areas; using big data to understand trends and drivers of shipping energy demand or emissions and using models to explore what-ifs for future markets and policies.

About UMAS

UMAS is a sector focused, commercial advisory service that draws upon the world leading expertise of the UCL Shipping Team combined with the advisory and management system expertise of UMAS International Ltd.

“Signatories to the Poseidon Principles for Marine Insurance have set the bar high on their ambition, not only in terms of measuring the climate alignment of their portfolio relative to a 100% CO2 reduction goal by 2050 and aiming to align with the Paris Agreement in time, but also the scope of the global fleet that this new initiative would include. As most insurance portfolios include almost all vessels in the global fleet, this creates an opportunity for marine insurers to have a dialogue with a vast number of shipowners on their transition to adopting zero emissions ships in their fleets. Maintaining this close dialogue will also allow insurers to manage some of the risk that comes with insuring vessels running on new fuels,” says **Sophie Parker, Principal Consultant, UMAS.**

About UN Environment Programme’s Principles for Sustainable Insurance Initiative

Endorsed by the UN Secretary-General and insurance industry CEOs, the Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities—and a global initiative to strengthen the insurance industry’s contribution as risk managers, insurers and investors to building resilient, inclusive and sustainable communities and economies on a healthy planet. The PSI is the largest collaborative initiative between the UN and the global insurance industry and hosts the Net-Zero Insurance Alliance and the Sustainable Insurance Facility of the Vulnerable Twenty Group of Finance Ministers (V20).

“The launch of the Poseidon Principles for Marine Insurance (Poseidon Principles for Marine Insurance) is a clarion call to immediately decarbonise the shipping sector, which transports about 90% of global trade. Shipping is viewed as a sector that is difficult to decarbonise—and is not directly included in the Paris Climate Agreement—so the Poseidon Principles for Marine Insurance is an important step forward,” says **Butch Bacani, who leads UN Environment Programme’s Principles for Sustainable Insurance Initiative (PSI), which hosts the Net-Zero Insurance Alliance (NZIA).** *“This is why we are pleased that most of the founding members of the Poseidon Principles for Marine Insurance are also members of the PSI and the NZIA. By taking action now, these insurance organisations are leading by example and serve as a compass as we navigate and accelerate the voyage to a net-zero emissions economy.”*

About the Swiss Re Institute

Swiss Re Institute harnesses Swiss Re’s risk knowledge to produce data driven research across the company and with partner organisations. The Swiss Re Institute fosters knowledge sharing and supports decision making with re/insurance industry focused publications, client programmes and conferences. Visit swissre.com/institute for more information.

“Creating more transparent supply chains through better access to data and open data sharing is critical to successfully transition to cleaner shipping. A large R&D effort is required to agree on common metrics and approaches, test new technology and fuels, and develop facilities at scale. Swiss Re institute is a proud partner to this effort, providing technical expertise and risk insights,” says **Alicia Montoya, Head Research Commercialization, Swiss Re Institute.**