

## Safer designation for Indian Ocean unlikely to cut insurance premiums immediately: Roberts

*By admin On September 2, 2022 In Cargo, Insurance Marine News, Keep, Marine Hull, Marine Liability, Political Risk, Credit & Finance*

Shipowners and charterers carrying commodities in the Indian Ocean should not expect a sudden cut in insurance premiums as a result of the decision to stop classing the Indian Ocean as a High risk Area, according to Neil Roberts, head of marine & aviation with the Lloyd's Market Association.

Industry bodies, including the International Chamber of Shipping, BIMCO, International Marine Contractors Association, INTERCARGO, INTERTANKO and Oil Companies International Marine Forum forwarded a submission on August 22nd to the International Maritime Organization to remove the HRA from January 1st, 2023. It is likely to be taken up by the IMO at a meeting at the end of October. Roberts said that the market's Joint War Committee would consider the announcement at its next meeting in September.

Additional war risk premium is not always the same and may have already been reduced in many insurance covers in recent years due to the lowered threat perception in the Indian Ocean region. In such a scenario, any incremental reduction in insurance costs would be limited. It was now up to the individual underwriters to assess the risk of ships moving in the Indian Ocean region and to adjust their terms and conditions accordingly.

Notable risks remained on several key maritime routes, with the Middle East still an area of concern due to US sanctions against Iran. There have been several violent terrorism related incidents in the region during the past three years.

The Persian Gulf and its adjacent waters, including parts of the Gulf of Oman, are still listed by the JWC as areas under risk of Hull War, Piracy, Terrorism and Related perils.

The Persian Gulf is not significantly affected by the latest HRA decision on the Indian Ocean, Roberts said. Insurers continued to charge a premium to owners whose ships pass the Gulf of Oman.