CARGO INSURANCE MATTERS!

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BACKGROUND

(POETRY FIRST!)

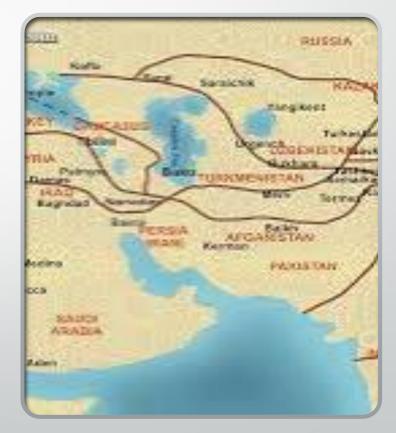
CARGOES (1903)

Quinquireme of Nineveh from distant Ophir Rowing home to haven in sunny Palestine, With a cargo of ivory, And apes and peacocks, Sandalwood, cedarwood, and sweet white wine.

John Masefield - English poet and writer – 1878/1967

BACKGROUND

- Middle East, Anatolia, and the Black Sea regions have stood as vital hubs of agricultural trade
- Nurturing ancient civilizations and fostering influential empires, rendering this region the very cradle of civilization
- A complex trade network comprising of traders, convoys and ships
- Risks they encountered are similar to today's.
- Mitigation? Both spiritual and material





HISTORICAL DEVELOPMENT OF INSURANCE

- earliest recorded instance of an insurance policy dates back to antiquity, originating in the time of Babylon where loans were granted to merchants with the provision that if the shipment was lost at sea the loan did not have to be repaid
- it was also practiced by the Hindus in 600 bc and was well understood in ancient Greece as early as the 4th century bc
- Traders from Greece, India, and Phoenicia were known to have embraced the concept of general average. A written reference to it even exists in Rhodian Law
- 11th and 12th-century Europe. Danish navigators formed guilds, an organization that indemnified members against maritime losses



HISTORICAL DEVELOPMENT OF INSURANCE

- first modern form of insurance policy was signed in Italy in 14th century
- fire insurance arose later after the Great Fire of London in 1666
- current insurance industry generates around EUR 5.6 trillion in premiums annually



SHIPOWNERS



FINANCE INSTITUTIONS



CARGO OWNERS



FREIGHT FORWARDERS



CHARTERERS



GENERAL PUBLIC

TYPES OF MARINE COVERS AVAILABLE

CARGO OWNERS

PROPERTY

- Marine perils
- War perils
- Strikes perils

LIABILITY

- Cargo owners' liability

SHIPOWNERS

PROPERTY

 Hull and Machinery (H&M) insurance

FINANCIAL

- Interest insurances
- Loss of hire

LIABILITY

 Protection and Indemnity (P&I) Insurance

FORWARDERS, CHARTERERS, PORT OPERATORS ETC

LIABILITY

- Charterers' Liability
- Freight Forwarders' Liability
- Ports & Terminals

CARGO INSURANCE

- 60% of the marine market's composition
- voyage policy vs open policy



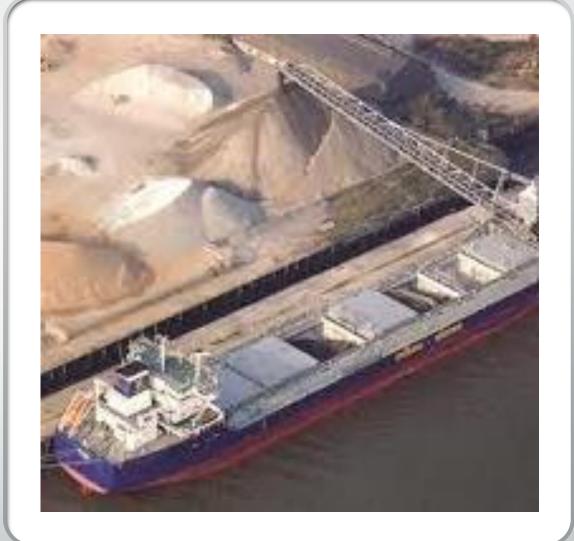
INSTITUTE CARGO CLAUSES

- certain insurance conditions published by the International Underwriting Association of London.
- a ready- made and widely understood set of insurance conditions for cargo underwriters and Assureds in the London market, and also around the world.
- wider or narrower covers
- do they fully align with the requirements of agricultural Commodities?

Hexandria District 10 THIS Policy of Affurance, Witneffeth, that MA ha entered the building herein mentioned in the Motual Affurance Society, against fire on buildings of the flate of Virginia, Swelling house anarked A the wall puil of Brick ______ and filed in the office. of Painta dollars, which faid Sive thousand Sour he dollars, is the real fum infured, and on which he has cents premium, and dive for tax on the policy, and theraid therefore further further thaving a sted to abide to conflict on, rules, and regulations for full fociety, as are already or may hereafter be effablished having agreed to abide by, NOW Know all Men by these Prefents, That the faid Mutual Affurance Society, fhall after this day be fabject and liable to pay immediately after, due proof, agreeable to the form effablish-furance Society, fhall after this day be fabject and liable to pay immediately after, due proof, agreeable to the form effablish-figure, all fuch damages or loffes (not excepted againft by the confliction, rules, and regulations, of this fociety, and by this poli-ey) as thall happen by fire or lighting to the property above mentioned for ever to any amount above three per cent. on the amount infured on faid building, and not exceeding the fum of **Joo** three and **Society** and in cafe of partial lofs, t' e faid for the provided atwayr, that the faid building is at this inflant in existence; and in cafe of partial lofs, t' e faid Ro thastes Simus Charstes Simues ______ fhall be paid fuch part thereof in proportion to the fum infured there-and thall bear fuch part in proportion to the fum he runs the rifk on himself under the limitations aforefaid, but what may be faved of any building hereby infured, is to be valued and the amount fhall be divided between the infured and the fociety, according to the fum infured, and the fum on which the faid further finned further fund the rifk himself, but in cafe of a total lofs, the fait floarles further further for the fait infured goes. And that the faid building fhall be alued at the end of every feven years according to the rules and regulations of the fociety, and in ease of lots are the explanation of the first seven years, the faid the rules of the rules and regulations of the fociety, fhall be paid according to the last valuation not exceeding the faid fum of Jwo thread und four hundred Dollars nor four-fifth of the feptennial verified variation ; and that the flock, fecurity, and of the aforefaid mutual afforance fociety, fhall not be liable to make good any lofs or damage by fire, occafioned by riromanotions or infurrections, invation of foreign enemies, fieges, or other military or uturped force, or hurricanes, kes, or in cales where it is proved that the proprietor of the faid building infured, did wilfally occasion the fire actly : Provided alfo, that the members of this fociety, are not to be liable in cafe of lots further than they Acts of Affembly, conflictuting the faid fociety. In cafe that the building herein mentioned, has been alrear infured by any policy iffued from this office, or by any agent for this office, or any other infurance a infurers ; fuch other infurance mult be made known to this office, mentioned in or endoried on this including what is infured in this affurance fociety, mult not exceed in ail, four-fifths of the veriof the faid affurance fociety, has hereunto fet har hand and the

RISKS SPECIFIC TO AGRICULTURAL TRADE

- gray areas to be identified and addressed
- tailored wordings required
- risk management collaboration
- policy structure for seamless coverage such as Stock Throughput



STATE OF THE MARKET

- •Soft market before 2017-18
- Covid related challenges
- Food supply chain disruptions due to war

• Insurers remain steadfast in their commitment to safeguarding your trade

• As circumstances evolve, insurers stand ready to evolve alongside them, steadfastly protecting your interests and the continuity of global trade



THANKYOU!

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