



DEVELOPMENTS IN MARITIME INSURANCE AND SURVEYING INDUSTRIES

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DEVELOPMENTS IN MARITIME INSURANCE AND SURVEYING INDUSTRIES

The marine insurance industry is largely premised on the provision of insurance by various insurance companies to ship owners , cargo owners and all parties engaged in maritime commerce.

Other stakeholders involved in marine insurance business in Nigeria include agents (individual and corporate), brokers, surveyors and third party administrators .

The importance of the maritime industry in international trade cannot be over-emphasized .Maritime transportation has made the movement of cargoes of all types and volume possible and efficient. , it is fitting to say that the maritime industry is arguably the most important aspect of international trade. However, carrying the world's trade by sea comes with its challenges and risks

The Nigerian Maritime industry is constantly evolving leading to greater efficiencies and facilitating economic growth and prosperity of the Nation. There are opportunities and challenges in the Maritime and Shipping Sector such as:

An increase in local participation.

Capacity Building and Development

Engagement of Seafarers on Board Cabotage Vessels

Cooperation among Regulators and Stakeholders

Review of Fiscal and Trade Policies

Challenges of funding and investment capital for assets acquisition

Intervention Fund for the Sector

local ownership of Marine Vessels

Enforce utilization of Nigerian owned Marine Vessels

Marine insurance is a major maritime supporter providing coverage and services with enormous capacity for wealth.

According to the International Maritime Organisation (IMO), over 90% of the world's trade is carried by sea and it is, by far, the most cost-effective way to move en masse goods and raw materials around the world.

This simply suggests that the Nigerian economy will be hugely threatened if the maritime industry is endangered in any way.

Marine Insurance sector represents the backbone of Nigeria's risk management system.

Therefore, the role of insurance in the growth and development of the economy cannot be over emphasized.

Insurance has the ability to mitigate the impact of risk and positively correlates with growth as investors and entrepreneurs cover their exposures and inculcate more risk abilities.

For marine insurance to thrive, underwriters must adopt a realistic approach to the enormous build-up of exposures in the maritime trade.

Nigeria's marine subsector is one of the most under developed compared to peers and a number of critical factors that have the potential to drive growth in the area such as

Technological disruption

Mergers and acquisition

Recapitalization to underwrite big transactions in the industry have been identified as game changers for investors.

Ship owners are called upon to also look into establishing a Protection and Indemnity Club (P&I)

Intervention by Government in the sector is essential to source funding required to unlock the acquisition of these maritime assets.

The Maritime Industry has a lot to do in terms of Technology.

A number of innovation and new technology approaches are taking place globally and even locally in the oil and gas sector.

Investment opportunities exist in setting up training and research centres as these will scale up activities in the maritime sector..

Nigeria is making heavy investments in human capacity development in the maritime industry

Increase in local participation in shipping especially shipping operations.

Plans are on by government for Nigeria to re-float a national shipping fleet.

THE ROLE OF CARGO SUPERINTENDENTS

The relationship between marine Insurers ,Superintendents, and Surveyors is as old as marine business itself Marine surveyors play very important role in the business of marine insurance. Marine Insurance business consist of three broad arrears namely marine cargo, marine hull and machinery and marine liabilities. In most cases in determining the acceptance of any business, an underwriter will depend on the report of the marine surveyor. Survey is intended to assist insurance underwriters in making underwriting decisions.

The nature of each survey will depend on the class of the business.

A Superintendent acts as an Underwriters' Risk Management analyst. He plays a vital role on behalf of underwriters, during sea and air transit of cargo insured . He monitors the cargo from loadind on board theseaor air vessel untill final delivery at insured's warehouse.

Their function begins as soon as they are in possession of the Marine Insurance Certificate and relevant Bill of Lading/Air Waybill, which give evidence that the goods have been shipped on board the Vessel/Aircraft.

DUTIES OF SUPERINTENDENTS

To liaise with the Brokers and/or the Insured in order that necessary information concerning the carrying vessel is obtained prior to her arrival within Nigeria.

To inspect and report on the condition of hatches, holds and storage whilst the vessel is lying alongside the berth.

To supervise the discharge and report any case of loss or damage or shortage, noting the seal numbers on the container(s) at the point of discharge ex vessels.

To witness custom examination and ensure that container(s) are properly padlocked and the contents are properly protected.

To witness delivery of containers/consignment from the Ports, Supervise the unstuffing of the container(s)/consignment at the final Warehouse and reporting the extent of loss or damage, if any.

To hold the negligent party responsible for any loss or damage on behalf of the Underwriters or Cargo

MARINE SURVEY OF VESSELS

The role of a marine surveyor is an extensive, encompassing tasks such as inspections and examinations of marine vessels.

It is the duty of the marine surveyor to assess, monitor and report on the condition of the vessel, ensuring its safety and sea worthiness.

It is vitally important for both new and existing vessels to comply with necessary safety and certification standards. It is the responsibility of a marine surveyor to determine the certification of a vessel through conducting detailed surveys. The marine surveys are not exclusive to the vessel itself but also the equipment held on the vessel. Generally a marine surveyor's examination will include the structure, machinery and equipment of the vessel to ascertain its condition.

While the duties of a marine surveyor are broad in nature, the essential function is to assess the entire marine venture to determine the potential risks

The survey has two primary purposes:

- (1) to identify the vessel, its equipment, condition and general value
- (2) (2) to identify defects, damages or hazardous conditions that pose a potential threat to the safety of the vessel and its passengers, or any other such condition that is likely to result in loss or damage.
- (3) Insurance surveys should never be provided to a client who is purchasing a vessel for the purpose of making a purchase decision. It should be for risk assessment management

COLLABORATION BETWEEN MARINE INSURERS AND SURVEYORS IN NIGERIA

Insurers, surveyors partner to boost marine business in Nigeria. The Nigerian Insurers Association have always rendered support for the Guild of Marine Surveyors to attain success and enhance marine business in Nigeria.

Through various meetings Port visits and trainings the Guild of Marine Surveyors have always been involved in business decisions in respect of marine businesses.

There are lots of issues which the Guild of Marine Surveyors have raised with insurers and the Nigerian Insurers Association such as :

Rate cutting

Delay in payment of their fees

Poor rate applied by underwriters

Low patronage

The Nigerian Insurers Association and Insurers are doing all in their powers to address these and other issues, noting that surveyors work so hard to provide professional services for the industry.

CONCLUSION

As partners in progress Underwriters and Marine Surveyors should work hand in hand for the success and enhancement of Marine business in Nigeria. NIA is ready to assist the SURVEYORS in whatever way they can .

THANK YOU

