



**IUMI**  
**International Union of Marine Insurance**

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**Position Paper of the International Union of Marine Insurance (IUMI)  
on the Trade in Services Agreement (TiSA)**

**1. Introduction**

IUMI currently has 48 national (marine) insurance associations as members. IUMI's purpose is the protecting, safeguarding and advancing of insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals. IUMI's roots date back to 1874. The roles of IUMI are as follows:

- acting as a focal point and representative voice on behalf of the marine and transport insurance industries in dialogue with all interested parties,
- sharing information and research that are non-commercially sensitive with regard to marine and transport insurance,
- bringing together marine insurance practitioners to facilitate the exchange of technical information and best practice, and
- providing information on positions taken by IUMI.

Therefore, IUMI has an interest in the negotiations on the Trade in Services Agreement (TiSA). These hold the potential to improve the conditions for global trade in marine and transport insurance services for those already acting globally as well as those hoping to expand their business beyond the borders of the country of their main establishment.

IUMI actively engages in the work of the International Maritime Organization, especially the promotion of ship safety standards and its concomitant, the safety of life at sea through its involvement in the Maritime Safety Committee. IUMI also participates in the IMO's Maritime Environmental Protection Committee.

## **2. General remarks: Current WTO GATS Commitments**

IUMI would like to urge the participating countries to reevaluate and bind their current commitments:

- Existing levels of market access and national treatment should be bound by means of a standstill clause so as to avoid future introduction of nonconforming measures.
- The TiSA should ensure that participating countries fully comply with existing GATS commitments.
- GATS commitments which are unbound or bound but contain significant restrictions should be reduced.
- The 'prudential carve-out' presently included in the GATS Annex on financial services should be reformulated through the TiSA so as to ensure it cannot be used to circumvent trade commitments. Proportionate and non-discriminatory application of the carve-out should be the goal.

### **2.1 General remarks: New Commitments**

IUMI believes that the TiSA should encourage new commitments going beyond the compliance with current commitments:

- The negotiating parties should aim at creating horizontal market access and national treatment commitments as well as requirements for the operation of state-owned enterprises that would act as 'base standards' for participating countries for future signatories.
- The TiSA should include commitments on reinsurance specific issues that need to be addressed, such as compulsory level of (re)insurance to be placed locally, collateral requirements for reinsurance placements, excessive approval or licensing requirements, nationality requirements and investment restrictions.
- The TiSA should eliminate restrictions on intrinsically global lines of insurance business, such as reinsurance, retrocession, large risks, energy as well as marine and transport insurance.
- The negotiating parties should agree that all countries participating in the TiSA should sign up to the 'Understanding on Commitments in Financial Services' which up until this point is not obligatory. This would ensure that specific commitments going beyond the GATS are taken, such as monopoly rights, cross-border trade, commercial presence, new financial services.
- Transparency should be a foremost aim of the commitments in the TiSA. In particular, allowing market participants to comment on new regulatory policies openly and within a reasonable timeframe.

## 2.2 Specific remarks: Marine and Transport insurance

IUMI would like to point to the particular interest that Marine and Transport insurers have in the negotiations on the TiSA.

Aforesaid lines of insurance business are affected by a wide range of restrictive measures on doing business abroad such as limited movement of data across borders, unfair competition from state-owned enterprises, lack of transparency and due process of law, and forced local ownership and discrimination in obtaining business licenses and permits. In addition Marine and transport insurers face further domestic restrictions regarding import or export shipments which have to be insured in the country by a locally registered insurer.

Therefore the TiSA should eliminate the following restrictions:

- prohibition for the seller to insure exports abroad,
- prohibition for the buyer to insure imports abroad,
- prohibition for the seller to export on basis of the Incoterm FOB (Free On Board) or similar,
- prohibition for the buyer to import on basis of the Incoterm CIF (Cost, Insurance & Freight) or similar,
- special taxes, extra charges,
- currency restrictions.

Any agreement which leads to a reduction of the aforesaid restrictions would contribute to enabling Marine and Transport insurers to achieve their full potential and to improve global trading.

  
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