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**PRESENTATION FOR THE OUR OCEAN CONFERENCE, 2017**

**PANEL SESSION: SUSTAINABLE FISHERIES 10:45-12:15**

**Assisting ocean stewardship through marine insurance**

## **SLIDE 1**

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**Title slide**

## **SLIDE 2**

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7.6 billion people. There are 7.6 billion people on this planet and every year that number significantly increases. Fish from our oceans is the last major wild food source we have, and this combined with farmed seafood accounts for about 17% of the global population's intake of animal protein. About 1 billion people largely living in developing countries depend on fish as their primary source of animal protein.

Those that participate in illegal, unreported, and unregulated fishing steal this food away from vulnerable coastal communities. They deplete fish populations and damage habitats. They steal away the ability of marine ecosystems to produce the food our world needs in order to sustain itself.

## **SLIDE 3**

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Two years ago, the United Nations adopted a set of 17 Sustainable Development Goals. Goal 14 relates specifically to the oceans and explicitly targets overfishing and IUU fishing, alongside the wider aim of conserving and protecting marine and coastal areas and ecosystems. Countries are expected to take ownership and establish frameworks for achieving the SDGs, but the private sector can also play a significant role in catalysing change.

Marine insurers provide insurance cover arrangements against the risks to which shipping and fishing fleets are exposed. They often provide loss prevention advice to their clients on loss mitigation measures and this in turn can lead to better maritime industry practices that could contribute to conserving and improving the health of our oceans. Insurers, brokers, and other industry stakeholders are also uniquely positioned, having the ability to financially incentivize safe and responsible, risk averse behavior. Importantly, insurers can deter illicit activity like IUU fishing by refusing access to insurance, to those that participate. If fishing companies and vessel

owners are unable to secure access to insurance, it may increase their financial risk, impair operational abilities, and eliminate any possibility for them to launder money through fraudulent insurance claims.

#### **SLIDE 4:**

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An example with immediate relevance is that of the *Zemour 1* and *Zemour 2*, more famously known within the international fisheries enforcement community as the *Yongding* and *Songhua*. Research conducted in 2015 revealed that at the time, both of these blacklisted IUU fishing vessels were insured. Legal approaches aimed at incapacitating the businesses and individuals behind these vessels have failed due to loopholes and weaknesses in international legal frameworks. Just two weeks ago, these vessels were observed preparing to set sail after more than two years in detention in the Cabo Verde port of Mindelo. New names have been painted on their hulls – *Atlantic Wind* and *Pescacisne 2*.

This is the perfect example of a situation where the insurance industry could help. Insurers can cut the lifeline that provides financial security to the owners of these vessels. Supporting the activities of these vessels – found on multiple international blacklists - is also against EU law.

#### **SLIDE 5:**

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Last year Oceana joined an initiative led by UN Environment, aimed at promoting responsible practices within the insurance industry - the Principles for Sustainable Insurance. Oceana is promoting the adoption and implementation of the Principles in the context of addressing IUU fishing, and with the assistance of the PSI Secretariat and input from industry stakeholders, we have facilitated the development of an insurance industry statement on the topic of IUU fishing – the world's first insurance industry statement on sustainable marine insurance.

Global insurance industry leaders including Allianz AGCS, AXA, Generali, Hanseatic Underwriters and the Shipowners' Club have signed this statement, specifically committing to not insure or facilitate the insuring of IUU fishing vessels. Signatories have also agreed to encourage the adoption of other measures that may help to reduce, and ultimately eliminate IUU fishing.

IUU fishing exposes insurers to various risks such as financial, legal and reputational risks. The Statement lays the foundation for insurers to help combat IUU fishing through education, awareness building, risk management, and insurance underwriting—the process of evaluating, defining and pricing insurance risks. Oceana and the PSI are currently working to develop guidelines to assist insurers, reinsurers, brokers, and agents in avoiding contracts with association to IUU fishing.

**SLIDE 6:**

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The statement remains open to new signatories, accessible through Oceana's website. We hope that other insurers, brokers, and agents will follow the lead of Allianz AGCS, AXA, Generali, Hanseatic Underwriters, and The Shipowners Club by signing this Statement and committing to efforts that will cut this financial lifeline of support to IUU fishing.

**End of the presentation**