A New Insurance Tool to Close the Net on Illegal Fishers

Overview

Illegal, unreported, and unregulated (IUU) fishing undercuts effective fisheries management, harms Ocean ecosystems, and undermines food security.

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It is estimated that IUU fishing costs the global economy over US$20 billion per annum[1], leading to some fish stocks being on the verge of collapse. With some 12 per cent of the world's population relying on fisheries for their livelihood, IUU fishing threatens the economic security of millions of fishers and their families. It is also closely associated with labour and human rights abuses including modern slavery. IUU fishing exploits the lack of transparency in the fishing industry, using gaps in regulation and monitoring of the high seas and at ports to operate undetected.

Vessels engaging in or supporting IUU fishing also present a risk to insurers' balance sheets. Operators involved in IUU fishing expose their insurers to costly claims and potential legal and reputational liabilities. IUU vessels can slip through due diligence efforts, due to frequent changes in vessel name, ownership, flag or lack of an IMO (International Maritime Organization) number. At present, insurers lack consolidated risk management data on IUU fishing on the vessels they insure. IUU fishing often takes place in international waters, on the high seas or within the maritime zones of developing countries. It is an environmental and social problem that has proved very difficult to solve – despite government and enforcement actions.

Ultimately IUU fishing is about profits, and cutting off access to insurance is one key lever to deter this illicit activity by making it more costly for IUU vessels to operate.

The Role of the Insurance Sector in Combating IUU Fishing

A new tool is available and aims to help the insurance industry limit this pervasive activity and protect their business.

The Ocean Risk and Resilience Action Alliance (ORRAA) is leading an initiative to connect insurers with data to better assess the risk of vessels engaging in or supporting IUU fishing. Vessel Viewer is an innovative vessel history and insights tool that provides current and historic information on a vessel's identity, activity and authorisations. Developed in partnership by Global Fishing Watch and TMT, it was originally developed to support government fisheries controls before being adapted to also meet the needs of the insurance industry through engagement with global insurers and in collaboration with the environmental group, Oceana.

1. Miller, D, Marine Insurance and IUU Fishing: Questions and Answers, Oceana, June 2017

Vessel Viewer: A New Solution

Vessel Viewer provides a robust and accessible solution for underwriters to immediately access information and analysis to make a rapid and informed assessment of a fishing vessel and its operations. Essential for the insurance sector, Vessel Viewer uses data from over 40 publicly available sources to compile profiles of fishing and fishing-related vessels.

By arming underwriters with data and analytical tools, they will be better able to assess which vessels may present a risk of being involved in IUU fishing. Removing access to insurance makes it more costly for IUU vessels to operate and disincentivises operators from engaging in this illicit activity. It can also help insurers avoid costly claims and exposure to potential liability, making the business case for this initiative clear.

Integration with existing systems

Vessel Viewer helps insurers to identify and avoid providing coverage for vessels potentially engaged in or supporting IUU fishing by helping to fill information gaps on the vessels they do insure. With a focus on accessibility and ease of use, the tool is designed to integrate seamlessly into existing underwriting procedures and support risk-based decision-making on whether to investigate and/or insure a vessel. The tool's data is also available through Application Programming Interfaces (APIs), so that it can be integrated into existing tools or platforms that an insurer already uses.

Features and functionalities

— Provides current and historical information on a vessel's identity based on known identifiers including vessel name, IMO (International Maritime Organization) and / or MMSI (Maritime Mobile Service Identity.

— Displays a vessel activity summary based on AIS transmissions going back to 2012, including fishing events, port visits, and encounter events. Information is summerised and viewed by event type, voyage, and geographic area.

— Visualises vessel tracks to review relevant boundaries such as EEZ (Exclusive Economic Zone), FAO area, RFMO (Regional Fisheries Management Organization), and/or MPAs (Marine Protected Areas) across a map.

The tool will provide an accessible way to view important information about a vessel and its operations, enabling insurance underwriters to more easily identify areas of concern and information gaps that they should consider further before proceeding with insurance. This tool has been designed to aid decision-making of underwriters and works to complement existing schemes and work processes.

Launch of Vessel Viewer

A beta-version of Vessel Viewer has been pilot tested with 16 insurance and reinsurance companies taking part to help co-develop the tool with industry insight. Feedback from insurers has been incorporated into the tool, launched and accessible publicly since October 2023. Further improvements and additional features, including vessel insights, AIS off events (i.e. where a vessel may have switched off its AIS device), and the AIS coverage metric, as well ability for bulk search, create and view a group (e.g. portfolio) of vessels, and dynamic reporting on a vessel group's characteristics, also incorporated for use in late 2024. The development of these features is also being informed by feedback received during the pilots with insurers. Vessel Viewer is now available for commercial use by insurers.

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Vessel Viewer's APIs are also now available for integration directly into insurers' internal data tools.

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If you and your business are interested in using Vessel Viewer, please contact:
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Or by using the QR code

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