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 exposure to potential legal and reputational liabilities. IUU vessels can slip through due diligence 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 on the international waters of the high seas or within the maritime zones of developing countries, often unseen. 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 IUU Fishing

A new tool 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 a decision support tool that provides current and historic information on a vessel’s identity, activity and potential risk indicators. The new technology and associated data were developed by Global Fishing Watch (GFW) and TM-Tracking (TMT). It builds on a tool initially developed to support government fisheries controls and was adapted to meet the needs of the insurance industry through engagement with a number of global insurers and in collaboration with 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 the first one-stop-shop for underwriters to immediately access information and analysis on a vessel's identity and activity. Essential for the insurance sector, Vessel Viewer uses this data to compile a summary of risk indicators to help indicate the likelihood that a vessel may be engaging in risky activity, such as fishing in a marine protected area (MPA), or a vessel appearing on an IUU fishing vessel blacklist.

By arming underwriters with data and analytical tools, underwriters will be better able to assess which vessels 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 will help insurers identify and avoid providing coverage for high-risk vessels and will 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 will also be available through an API, so that it can be integrated into existing tools 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 from the previous year, including fishing events, port visits, disabling events, loitering and encounter events. Information is summarised by event type with the ability to access details of specific events as needed
- Brings together new datasets to provide information on likely disabling events — where a vessel appears to have disabled or intentionally turned off its AIS (Automatic Identification System) tracking device
- Visualizes vessel tracks across maps
- Gives an AIS coverage metric, i.e.: the percentage of the vessel's voyages that GFW has AIS transmissions for and can therefore reasonably estimate the activities a vessel was engaged in, and where
- Exhibits a risk summary with a ‘red flag’ indicator if the vessel is listed on a regional fisheries management organization (RFMO) blacklist as well as ‘yellow flag’ indicators if the vessel has characteristics or events that may indicate a higher likelihood of engaging in risky activity, such as fishing events detected in a MPA or flag changes

Through the vessel history and risk indicator flagging system, the tool will highlight areas of concern and information gaps that underwriters should consider looking into 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.
Pilot phase

Vessel Viewer launched in September 2022 under a pilot phase – during which we are seeking insurers to join us in trialling the pilot, to provide feedback on the tool's utility, including the relevance and accessibility of the data and information, ease of use and impact on their work. The pilot phase will help us co-develop the tool with industry insight and ensure it is fit for purpose. A set of software designs and instructions, known as a technology blueprint, of the tool, will be released in 2023.

For more information or to participate in the pilot, please contact Lindsay Getschel, ORRAA via lindsay.getschel@oceanriskalliance.org

or by using the QR code