



# Sea of Change Marine Insurance & Dispute Resolution

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18<sup>th</sup> Dec 2025





## ▶ "Sea of Change"

- ❖ Significant shifts or transformations within the industry.

## ▶ Changes:

- ❖ Advances in Technology (AI, new engines, etc.)
- ❖ Sustainability Initiatives
- ❖ New Regulations
- ❖ Logistics Strategies and Market Dynamics affecting maritime trade

- **Origin:** Engines are made with safety standards using RM
- Having extra equipment or backup systems to ensure continuous operation if a primary machine fails.
- Eliminate single points of failure to maintain high availability and reliability in critical processes.
- **Application to US:** Some sort of RM when insuring or dealing with disputes.



- **Active-Active:** Multiple machines work in parallel - If one fails, the remaining machines handle the full workload without interruption.
- **Active-Passive:** One machine is active while one or more are on standby
- **Key Principles:**
  - ❖ Continuous operation (preventing downtime)
  - ❖ Increased reliability
- **Systemic Approach:** Requires proper maintenance, spare parts, and a strategy to prevent common cause failures such as power outage affecting systems

- **Focus:** Spreading risks.
- **Small vs. Large Claims:** Small claims manageable, issues generally arise with **large claims**, where it is often too late to deal with them once they occur.
- **Proactive Focus:** How to avoid large claims?
- **Operational Redundancy:** Training, Safety standards (e.g., CO2 for container fires), and addressing potential outages/blackouts (e.g., MV Dali generator failure).
- **Training** to avoid say **Misdeclaration of Cargo** – part of operational risks.

- **Know Your Cover:** Understand what covers are available and what is actually required.
- **Avoid Over-Insuring:** No need for a general limit of half a billion USD Mutual Cover if only involved in "Brown water" shipping.
- Focus on what you **require**, not what is available (avoid the "Feel good factor").
- **New Risks** : Pandemic, Technology, New Fuel Systems, Cyber, Ideology.
- **What if ...?**– stress test (opposite of *But for* test ... to ascertain liability)
- **Policy Constraints:** Legality, Sanctions...
- **Crucial:** Know your philosophy regarding risk-taking (certain risks may void or make the cover voidable)



- **Nature of Disputes:** Differences are bound to happen, especially with differing cultures, languages, legal systems, etc..
- **Focus on Outcomes:**
  - ❖ understand and navigate the situation; do not simply focus on what is "right".
  - ❖ ensuring you get what you paid for.
  - ❖ compromise if necessary: "A bird in hand is ...".
- **Business Continuity &** not just winning.
- **Contingency:** Prevention is better than cure, but if not possible, work on a Risk Management Culture.
- If you fight, focus on getting an **enforceable judgement/award** rather than a "Paper Judgement/Award".



## ➤ **Key Future Drivers:**

- ❖ AI
- ❖ Geopolitics
- ❖ Developments in Transport Technology
- ❖ Inshoring and offshoring
- ❖ Technological advances (e.g., Electric Cars)

## ➤ **Required Knowledge Skills**

- ❖ **Awareness**
- ❖ **Adaptability**
- ❖ **Action**





## ➤ **Summary:**

- "Sea of Change" approach across MI & DR
- Implement a RM Culture that prioritizes
  - ❖ prevention
  - ❖ focus
  - ❖ enforceable outcomes.



# THANK YOU FOR HEARING MY TALK



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