

# Navigating risk

## Trends and best practice in marine insurance

A FIDI Focus supplement



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**Global conflict**  
Insurers face heightened risks

**Doing the maths**  
Why having the right insurance is essential

**A best-practice guide**  
Tips to ensure you are well covered



# The impact of global conflict on marine insurance

## INTRODUCTION

As we near the end of the first quarter of the 21st century, the marine insurance industry continues to evolve, adapting to new challenges and opportunities brought about by geopolitical tensions, climate change and shifting global trade dynamics. In 2025, marine insurance continues to be a critical component of the global economy, ensuring the safe and efficient movement of goods across the world. This report explores the key trends, challenges and innovations shaping marine insurance this year.

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In 2025, marine insurers face heightened risks because of several ongoing global conflicts and geopolitical tensions that impact maritime trade and shipping routes. Key areas of concern include:

**“These conflicts have forced marine insurers to adapt by bringing in policy exclusions, adjusting premiums, and closely monitoring high-risk zones...”**

**1. Conflict in the Red Sea and Yemen:** The ongoing conflict in Yemen and its spillover effects in the Red Sea have disrupted shipping routes, with threats of missile attacks and hijackings forcing insurers to reassess risks and coverage for vessels passing through this strategically important waterway.

**2. Ukraine war:** The conflict has disrupted Black Sea shipping, with risks of maritime blockades, mines, and attacks on commercial vessels. Insurers are grappling with higher war-risk premiums and exclusions for ships operating in the region.

**3. Instability in the Middle East:** Tensions in the Persian Gulf, particularly between Iran and Western nations, continue to threaten oil tankers and commercial shipping. Attacks on vessels and the risk of escalation have led to increased war-risk coverage demands.

**4. South China Sea tensions:** Disputes over territorial claims and navigation rights in the South China Sea continue to pose risks for shipping. Increased military presence and potential clashes between nations create uncertainty for vessels transiting this critical trade route.

These conflicts have forced marine insurers to adapt by bringing in policy exclusions, adjusting premiums, and closely monitoring high-risk zones to protect their clients and ensure continuity of global trade.

### Climate change and environmental risk

Climate change remains one of the most significant challenges facing the marine insurance industry in 2025. Rising sea levels, increased frequency of extreme weather events, and changing ocean currents have heightened the risks associated with maritime operations.

## GLOBAL SHIPPING LANES



**Natural disasters on the rise:** Insurers are grappling with the financial impact of more frequent and severe hurricanes, typhoons and storms. These events have led to higher claims payouts and necessitated the development of new risk models to account for climate-related uncertainties.

**Carbon credits and emissions trading:** Some marine insurance policies now include provisions related to carbon credits and emissions trading. Insurers are working with shipping companies to develop strategies for reducing their carbon footprint and complying with international environmental regulations.

### Price fluctuations and general unpredictability

All this uncertainty has led to huge fluctuations in prices because of inflationary pressures and a lack of availability of required resources.

**Sanctions and trade wars:** Ongoing trade disputes between major economies have led to fluctuations in global trade volumes and shipping routes. Insurers must navigate the complexities of international sanctions and trade restrictions, ensuring compliance while providing coverage for their clients.

**Supply chain disruptions:** COVID-19 highlighted the vulnerabilities of global supply chains. In 2025, marine insurers are working closely with logistics companies to develop contingency plans and insurance products that mitigate the impact of supply chain disruptions.

### How insurance is adapting

Businesses are responding to this increased volatility in global markets with a variety of strategies. Many companies are shoring up risk-management practices by adopting more flexible supply chain models and

diversifying their supplier bases to mitigate disruptions.

Insurers are investing in technology to gain real-time insights into market conditions, enabling them to make quicker, data-driven decisions. Financial hedging tools are becoming more prevalent, too, allowing businesses to protect against currency fluctuations and price swings in services they use. Finally, companies are focusing on sustainability and resilience, preparing for potential future disruptions by building more robust operational frameworks.

Global shippers have had to respond to these challenges in the best ways they can, looking to provide their services as cost-effectively as possible, while still recognising the rising costs driven by the unpredictability of the world in which we live.

Likewise, marine insurers have responded to this global volatility by adjusting their underwriting practices to account for the increased risks. They are enhancing their risk-assessment models to better understand and price the risks involved in marine operations.

Insurers are sometimes offering more tailored coverage options that reflect the unique challenges businesses face in volatile markets. There is also a growing emphasis on collaboration with clients to improve risk-management strategies and loss-prevention measures to ensure insurance rates can remain competitive.

Today, we are seeing rapid technological advancements, evolving environmental risks and shifting global trade dynamics all have an impact on the marine insurance industry. Insurers must navigate these challenges while seizing new opportunities in emerging markets and leveraging the latest technologies to stay competitive. As the industry continues to adapt, marine insurance will remain a vital component of the global economy, ensuring the safe and efficient movement of goods across the world's oceans.

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# Doing the maths

Having the right marine cargo insurance is essential for several reasons, particularly for businesses involved in international trade or shipping goods across long distances. Here are the key reasons why it is crucial:

## Protection against financial loss

Marine cargo insurance safeguards against financial losses caused by damage, theft or loss of goods during transit. Shipping involves various risks, such as rough weather, accidents, piracy or mishandling, which can result in significant financial loss if the cargo is uninsured.

## Coverage for diverse risks

Marine cargo insurance can cover a wide range of risks, including:

- Natural disasters (such as storms, floods, earthquakes)
- Accidents (such as ship collisions, fires)
- Theft
- Damage from improper handling or storage
- Political risks (such as war, strikes, or customs seizures)

## Customisable coverage

Marine cargo insurance for the shipping of household goods is usually tailored to meet specific needs, according to facts such as the type of goods being shipped, the mode of transport (sea, air or land) and the geographic route. This flexibility ensures that businesses only pay for the coverage they need.

## Mitigation of supply chain disruptions

Cargo damage or loss can disrupt supply chains, leading to unhappy customers. Insurance helps mitigate these disruptions by providing compensation for lost or damaged goods, enabling businesses to provide a fully professional service and focus on their operations.

## Protection of profit margins

For household goods shippers, the cost of replacing lost or damaged goods can eat into profit margins. Marine cargo insurance ensures that these costs are covered, preserving profitability.

## Legal and liability protection

In some cases, businesses may be held liable for damages caused to third parties during transit. Marine cargo insurance can include liability coverage, protecting businesses from legal claims and associated costs.

## Global trade necessity

International shipping involves multiple parties and jurisdictions, increasing the complexity and risk of cargo loss or damage. Marine cargo insurance is a standard practice in global trade, ensuring that all parties are protected.

## Enhanced credibility

Having marine cargo insurance enhances a business's credibility with customers. It demonstrates a commitment to risk management and professionalism.

Having marine cargo insurance that is fit for purpose is a critical part of managing risk for anyone involved in shipping goods. It provides financial protection and offers peace of mind for customers, enabling businesses to operate confidently in the global marketplace. Without it, companies risk significant financial losses for customers and operational disruptions that could have long-term consequences to profitability and brand reputation.

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## How we mitigate risk: Advice from movers



**Ebru Demirel,**  
**Asya**  
**International**  
**Movers**

**A**s a company based in Turkey and providing international services, we see economic factors as the most significant risks, particularly since the pandemic. Currently, an uncertain economy and ongoing wars around our country create a highly risky environment for our operations. High inflation in Turkey has required us to continuously review our costs, which has been a critical measure over the past few years.

While many countries have begun to control inflation, the situation has impacted multinational companies, our clients. Ongoing conflicts around the world have further added to a general sense of uncertainty about the future. There has been a significant decline in volumes in our sector, too.

To mitigate the risks, we conduct frequent assessments, which are essential.

Diversifying our operations is critical, too, because it offers us the opportunity of compensating for declining business volume by potentially increasing other service categories. For example, a company that only handles household goods transport can develop expertise in areas such as office moves, art transportation, or relocation services. Achieving this requires hiring knowledgeable and experienced personnel in these fields, as well as building internal capacity. The infrastructure, such as warehouses, materials, and trucks, is already in place.

While insurance can't cover all the economic risks we face, maintaining the right level of insurance for continuity should always be a priority, too.

**Ebru Demirel, Asya International Movers**



**Anthony Shipp,**  
**President and**  
**CEO, M Dyer**  
**Global**

**R**isk management in global mobility has evolved significantly because of increasing geopolitical instability, climate change, and the complexity of supply chains. With heightened unpredictability, companies must now focus on proactive risk assessment, real-time monitoring, and flexible contingency planning. Technology – including real-time tracking, AI tools, and data analytics to anticipate and address risks more effectively – has a critical role to play, too, enabling data-driven decision-making. Collaboration with local partners ensures adaptability in dynamic environments.

Regions experiencing political upheaval, natural disasters, or embargoes often pose the greatest challenges. For instance, during the tragic wildfires in Maui, Hawaii, our operations faced significant logistical and emotional challenges, which required immediate community support, clear communication with partners, and leveraging local knowledge to navigate inaccessible areas. The experience underscored the importance of aligning with organisations like FIDI, whose network and resources enhance response capabilities in high-risk situations.

Insurance is a cornerstone of our risk strategy, providing financial protection against unforeseen events. We go beyond basic coverage by partnering with specialised insurers to develop policies tailored to the unique risks of global mobility. Educating clients on the importance of comprehensive coverage also ensures they are better prepared for potential disruptions.

**Anthony Shipp, President and CEO, M Dyer Global**



# A best-practice guide

This guide outlines key best practices to help moving companies reduce risks, prevent claims and ensure they have the right insurance coverage in place. The following are some simple steps you can take to strengthen your business, protect customers and stay secure in this increasingly high-risk environment

## 1. Be risk aware

Accidents, damage and disputes often happen because risks weren't identified in advance – which can lead to expensive claims. Proactively addressing risks through training, proper procedures and regular safety checks can help prevent incidents, as well as protect your staff and customers.

### Action points:

- Conduct regular training sessions for staff, focusing on risk prevention
- Perform routine risk assessments in warehouses and offices, and during moves
- Implement a system to identify and address potential risks before they lead to incidents, and review these regularly.

## 2. Understand your insurance cover

Insurance is your business's safety net – but only if it covers the right risks. Many moving companies assume they are fully protected, only to discover they have gaps when making a claim. There are numerous areas to consider, whether covering for cyber incidents or protecting customer goods. Make sure you understand policy exclusions, coverage limits and conditions, to avoid unexpected financial losses.

### Action points:

- Review your current insurance policies and understand their limits and exclusions
- Ensure your coverage aligns with your business needs, providing peace of mind for both customers and employees
- Discuss any uncertainties with your insurance broker to clarify coverage and prevent surprises.



**“Insurance is your business’s safety net – but only if it covers the right risks”**

## 3. Stay up to date with industry changes

The moving industry is evolving, with new regulations and shifting customer expectations directly impacting your business. Making sure you are informed ensures compliance, improves customer service and helps you avoid financial penalties.

### Action points:

- Subscribe to industry publications and follow updates from professional associations
- Attend industry conferences, networking events and training sessions to stay informed
- Regularly review new insurance products and policy updates to ensure adequate protection.

## 4. Review regularly

Your business isn't static – and your exposure to risk isn't either. As you expand, add services or operate in new regions, your insurance needs will change. An outdated policy could leave you underinsured or paying for unnecessary coverage.

### Action points:

- Schedule an annual insurance review with your broker to adjust coverage based on business changes

- Ensure asset valuations are up to date to prevent underinsurance
- Keep records of any new vehicles, storage facilities or services added throughout the year.

## 5. Vet third-party providers

Many moving companies rely on subcontractors, temporary staff, or third-party logistics providers. If they make a mistake or cause damage, your company could still be held responsible. Verifying their insurance coverage is essential to protecting your business from unexpected liabilities.

### Action points:

- Always request proof of insurance from subcontractors before working with them
- Ensure contracts clearly define liability and responsibility for damages
- Maintain copies of all agreements and insurance documents in case of disputes.

## 6. Make a disaster-recovery plan

Unexpected disasters – whether technological, operational or natural – can bring your business to a standstill. A well-prepared response plan

ensures minimal downtime, protects your reputation, and helps you recover quickly. Without a clear strategy, even a minor incident can escalate into a major crisis.

### Action points:

- Develop a step-by-step disaster-recovery plan covering fire, theft, cyberattacks and other potential risks
- Regularly back up important business records, including contracts, insurance policies and customer data
- Train key employees on emergency procedures and their roles in a crisis.

### Final thoughts

Proactively managing risk and ensuring comprehensive insurance coverage are critical to the long-term success of any moving business. By implementing best practices, you can reduce costly claims, protect your assets and maintain a strong reputation in the industry.

For expert guidance tailored to your business, consult with a specialist insurance broker who understands the unique challenges of the moving and storage industry.

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**Your Reason Global contacts are:**

**Malcolm Pearson**, Managing Director

**Jacob Dolan**, Business Development Executive

**Phone:** +44 [0]1273 739961

**Runway East, York and Elder Works, 50 New England Street,  
Brighton, BN1 4AW, United Kingdom**

[www.reason-global.com](http://www.reason-global.com)