

THE POSEIDON PRINCIPLES FOR MARINE INSURANCE

Summary of requirements and implications for Affiliate members

The Poseidon Principles for Marine Insurance create common global baselines that are consistent with and supportive of society's goals to better enable insurers to assess and align their portfolios with responsible environmental impacts.

The Poseidon Principles for Marine Insurance is consistent with the policies and ambitions of the International Maritime Organization (IMO), including its ambition for greenhouse gas (GHG) emissions to peak as soon as possible and to reduce shipping's total annual GHG emissions by at least 50% by 2050 compared to 2008. We have also chosen to take steps toward alignment with the Paris Agreement, to achieve climate neutrality by 2050, and to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels, with the ambition to be fully aligned over time.

The Poseidon Principles for Marine Insurance is applicable to insurance providers who provide hull & machinery coverage, and is supported by our insurance brokers and our business partners. They apply globally, to all shipping activities where a vessel or vessels fall under the purview of the IMO.

Climate alignment is currently the only environmental factor considered by the Poseidon Principles for Marine Insurance. The scope will be reviewed and may be expanded by Signatories on a timeline that is at their discretion, with the support of Affiliate members. The scope of coverage, as well as additional environmental factors, can be added to this initiative over time.

Background

Inspired by the launch of the Poseidon Principles in June 2019, and the Sea Cargo Charter in October 2020, the Poseidon Principles for Marine Insurance was developed in recognition of insurance providers role in promoting responsible environmental stewardship throughout the maritime value chain. Industry-wide change is possible when all take responsibility for contributing to meeting the greater goals of the society we serve.

Virtual workshops and drafting group calls held in 2020 and 2021 explored practical approaches for integrating climate assessment into insurance portfolios and into decision-making in the maritime industry. The drafting group has subsequently constituted to develop the Poseidon Principles for Marine Insurance together with the Global Maritime Forum, Swiss Re Institute, and UMAS.

Consistent with other initiatives

The Principles for Marine Insurance are aligned with the Poseidon Principles for Financial Institutions and the Sea Cargo Charter (SCC), and are also intended to support other initiatives, such as the Carbon Disclosure Project (CDP), the Task Force on Climate-related Financial Disclosure (TCFD), the Science Based Targets Initiative (SBTi), the Net Zero Insurance Alliance (NZIA), and UNEPFI Principles for Sustainable Insurance (UNEP PSI).

The Principles and their requirements

The requirements for Affiliate members fall under the four Principles that constitute the Poseidon Principles:

1. Assessment of climate alignment

Affiliate members will support Signatories by sharing knowledge about the Assessment principle and climate alignment methodology with relevant stakeholders, in line with the Technical Guidance.

2. Accountability

Affiliate members will, for each step of the assessment and as necessary, support Signatories by sharing knowledge about the Accountability principle and data collection process with relevant stakeholders, in line with the Technical Guidance.

3. Enforcement

Affiliate members will agree to work with Signatories, ship owners, other marine insurance providers, brokers, and business partners where possible, to support Signatories by sharing knowledge about the Enforcement principle and standardized clauses with relevant stakeholders, in line with the Technical Guidance.

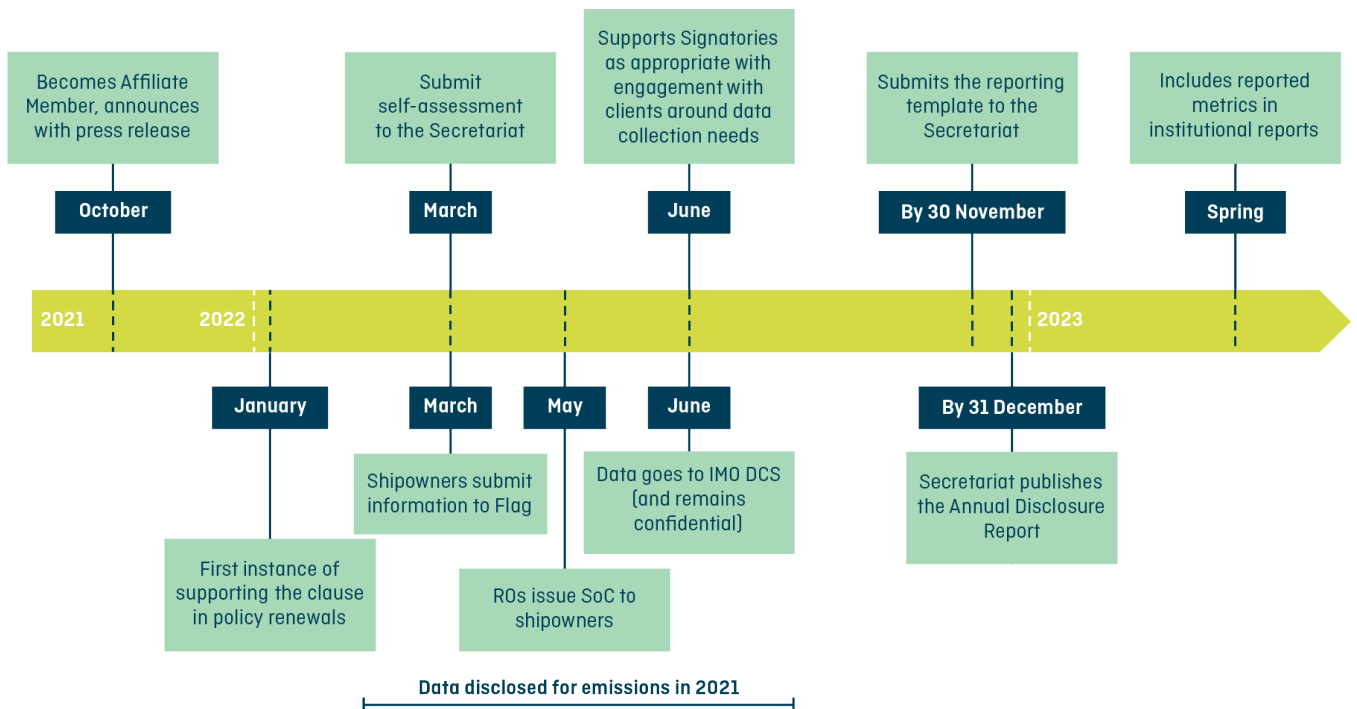
4. Transparency

On an annual basis, the Affiliate members will complete the self-assessment which includes public disclosure requirements for inclusion in the Annual Report.

Timeline for Affiliate members

The general timeline of the requirements for Affiliate members is as outlined in the figure below.

AFFILIATE MEMBERS



Becoming an Affiliate

Companies wishing to become an Affiliate of the Poseidon Principles for Marine Insurance must submit the **Standard Declaration, Membership Agreement**, and the **Signatory Application** to the Secretariat of the Poseidon Principles for Marine Insurance Association. Once accepted into the Association, the Signatory will have five months to complete and submit the Signatory Self-Assessment to the Secretariat. All relevant documents are available from the Secretariat.

Companies interested in becoming a Signatory to the Poseidon Principles for Marine Insurance are invited to reach out to the Secretariat at info@poseidonprinciples.org.

Fees for Affiliates

The Sign-up Fee is €10,000 and is paid once to the Poseidon Principles for Marine Insurance Association when becoming an Affiliate Member.

The Annual Fee for 2023 is €3,500 and is paid annually to the Poseidon Principles for Marine Insurance Association in accordance with the Governance Rules. In the first year, the Annual Fee is required in addition to the Affiliate Member Fee.