

# **THE POSEIDON PRINCIPLES FOR MARINE INSURANCE**

## **Summary of requirements and implications for Signatory insurers**

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

## 1. Assessment of climate alignment

Signatories will, on an annual basis, measure the carbon intensity and assess climate alignment (carbon intensity relative to established decarbonization pathways) of their hull and machinery portfolio using the methodology established by the Poseidon Principles for Marine Insurance, in line with the Technical Guidance.

## 2. Accountability

For each step of the assessment, Signatories will exclusively rely on data types, data sources, and service providers identified in the Technical Guidance.

## 3. Enforcement

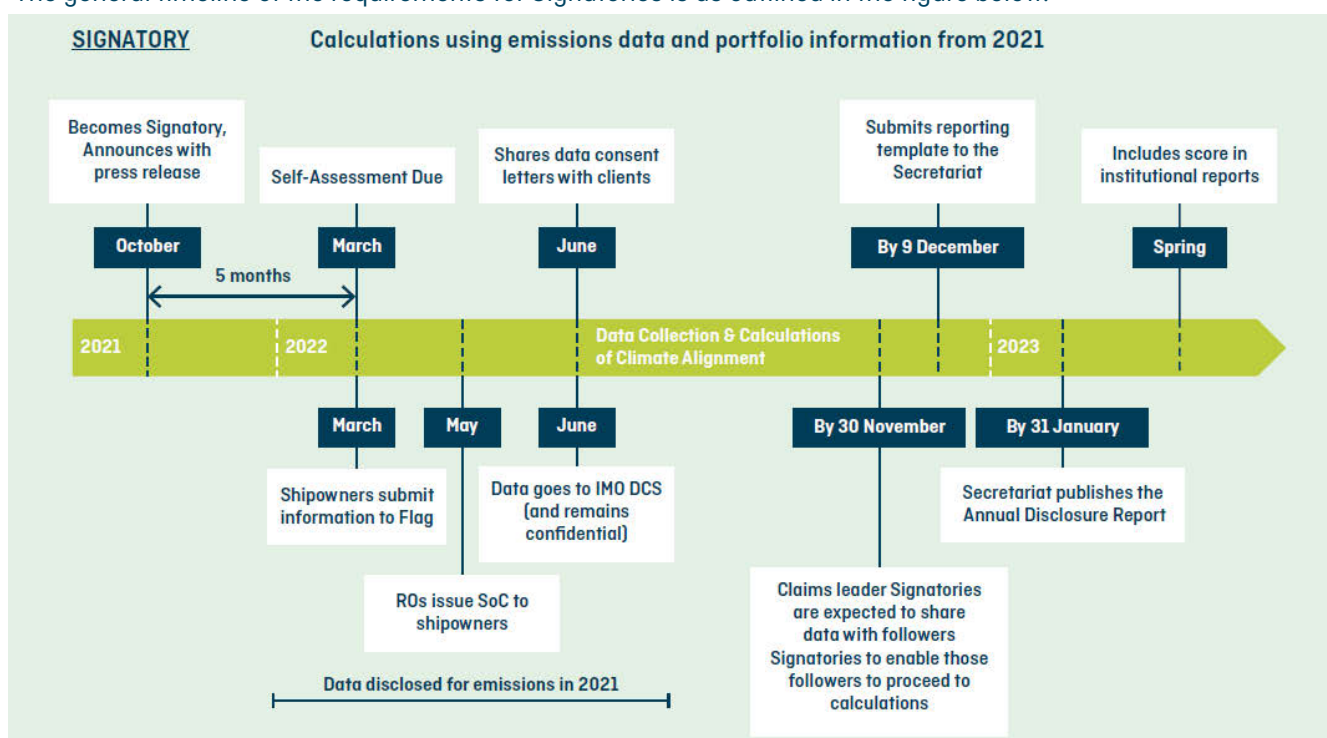
Signatories will agree to work with shipowners, clients, brokers, and business partners to collect and process the information necessary to calculate carbon intensity and to assess climate alignment.

## 4. Transparency

Climate alignment scores will be published on an annual basis.

## Timeline for Signatories

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



## Becoming a Signatory

Companies wishing to become a Signatory 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](mailto:info@poseidonprinciples.org).

## Fees for Signatories

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

The Annual Fee for 2023 is €8,500 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 Sign-up Fee.