

Bharat Maritime Insurance Pool (BMIP)

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Why in News?

The Union Cabinet has approved the creation of the Bharat Maritime Insurance Pool (BMIP) to provide continuous insurance coverage.

- It is a government-backed insurance system designed to provide risk coverage for **Indian-flagged and Indian-controlled maritime vessels** operating domestically and internationally.
- Part of India's push for strategic self-reliance in maritime trade under Maritime India Vision 2030.

Objectives of BMIP

- **Ensuring Operational Continuity** - Maintains uninterrupted maritime trade and insurance access during periods of global geopolitical instability.
- **Strategic Risk Autonomy** - Establishes sovereign control over maritime risk management through a domestic risk-sharing mechanism.
- **Reducing External Vulnerability** - Curtails heavy dependence on International Group of Protection and Indemnity Clubs (IGP&I) and foreign insurers for critical coverage.
- **Enhancing Maritime Sovereignty** - Builds domestic capacity to safeguard Indian-flagged vessels and critical maritime trade routes.
- **Sanctions and Strategic Resilience** - Strengthens resilience against global sanctions while promoting *Atmanirbharta* in maritime financial services.

• Coverage

- **Hull & Machinery Insurance** - Protects ships against physical damage or loss.
- **Cargo Insurance** - Covers goods transported between India and international ports.
- **Protection & Indemnity (P&I)** - Covers third-party liabilities.
- **War Risk Insurance** - Ensures vessels can operate in conflict-prone

areas without disruption.

- **Third-party liabilities** – Oil pollution, wreck removal, cargo damage, crew injury, collision liabilities.

UNCLOS (United Nations Convention on the Law of the Sea) – The UNCLOS is the international "constitution of the oceans" that establishes the legal framework for maritime zones, navigation rights, resource management, and peaceful dispute resolution.

- **Strategic Timing of India's Launch**

- Global insurers raised premiums or withdrew coverage, leaving exporters exposed.
- Recent disruptions in the Red Sea, Strait of Hormuz, Gulf of Oman exposed vulnerability to foreign insurers.
- India's maritime sector handles 70% of trade by volume and 95% by value.
- BMIP acts as a buffer, ensuring affordable insurance even during geopolitical crises.

- **Impact on Global Supply Chains**

- Conflicts increase risks of cargo loss, vessel damage, and crew safety.
- Insurance costs spike, disrupting logistics and raising export costs.
- Withdrawal of coverage can halt shipping operations.

References

1. [India Today | BMIP](#)
2. [Indian Express | BMIP](#)