

Global Marine Insurance Report 2007

Copenhagen

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Thanks also to Pamela Frood and Cédric Charpentier



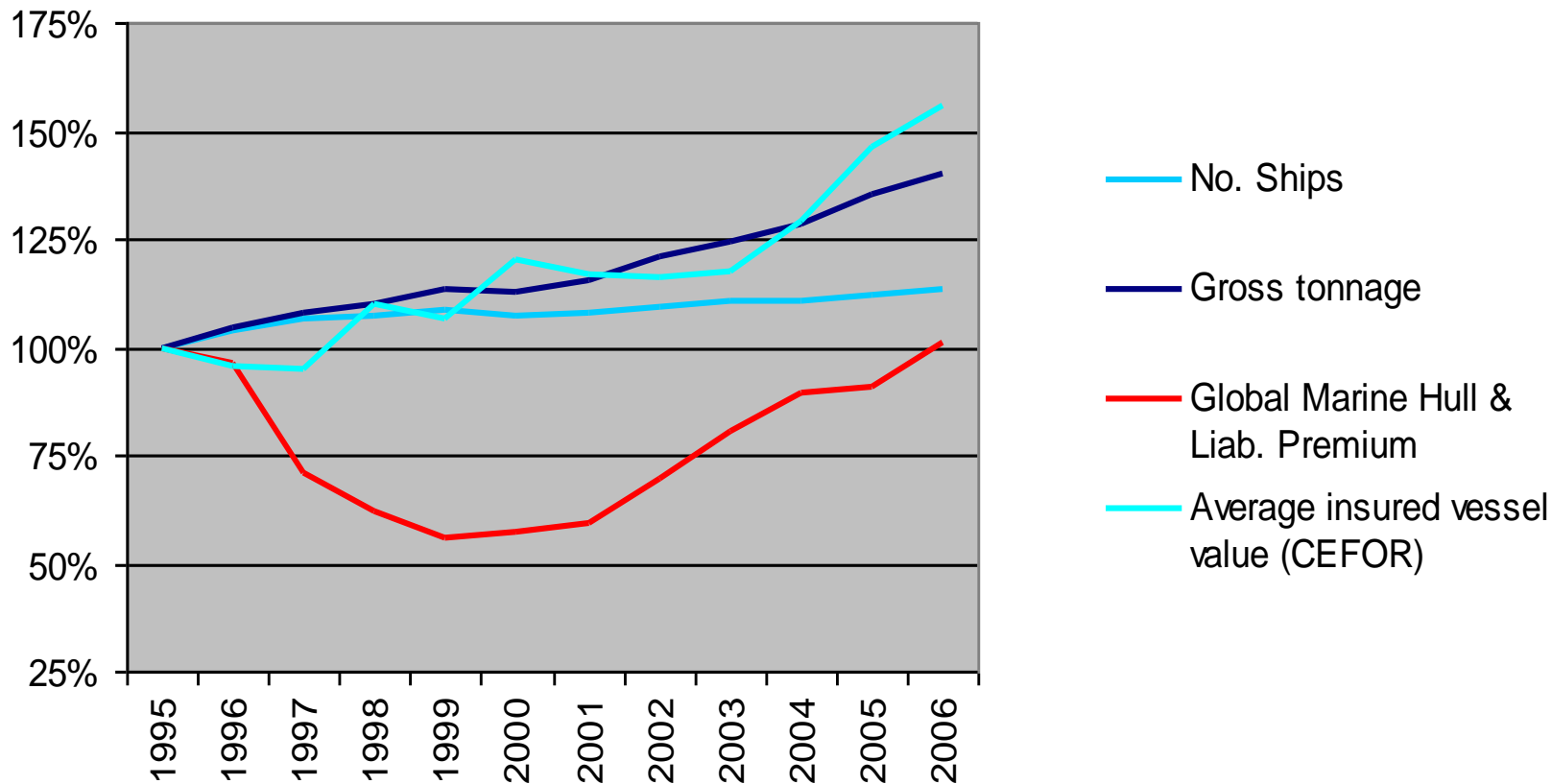
Report on marine insurance premiums 2005 and 2006

- By end of August 2007, 45 of 53 (ex 47 of 54) members reported their country's marine premium figures for accounting years 2005 and 2006.
- Reported figures represent approx. 97% of the total marine premium written by all IUMI members in 2005 and 2006.
- Total premium for 2006 is therefore estimated to reach approx. USD 20.3 billion*.
(excluding P&I from mutual P&I Clubs).

* Strong exchange rate effects on premium volume, see explanations in presentation.

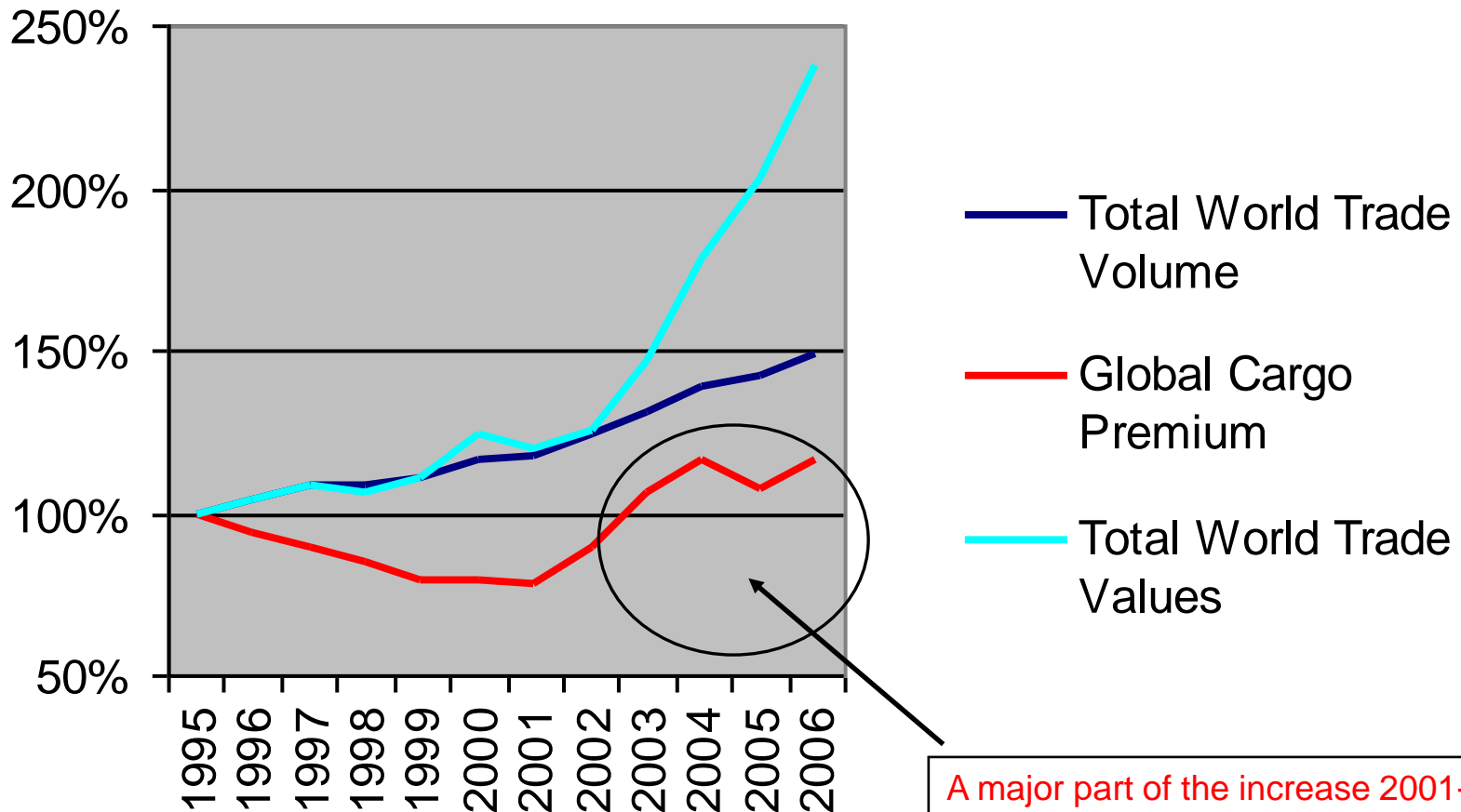
World Merchant Fleet and Global Marine Hull & Liability Premium

Index of evolution, vessels > 100 GT, 1995 = 100%



World Seaborne Trade Volume and Trade Values, Global Cargo Premium

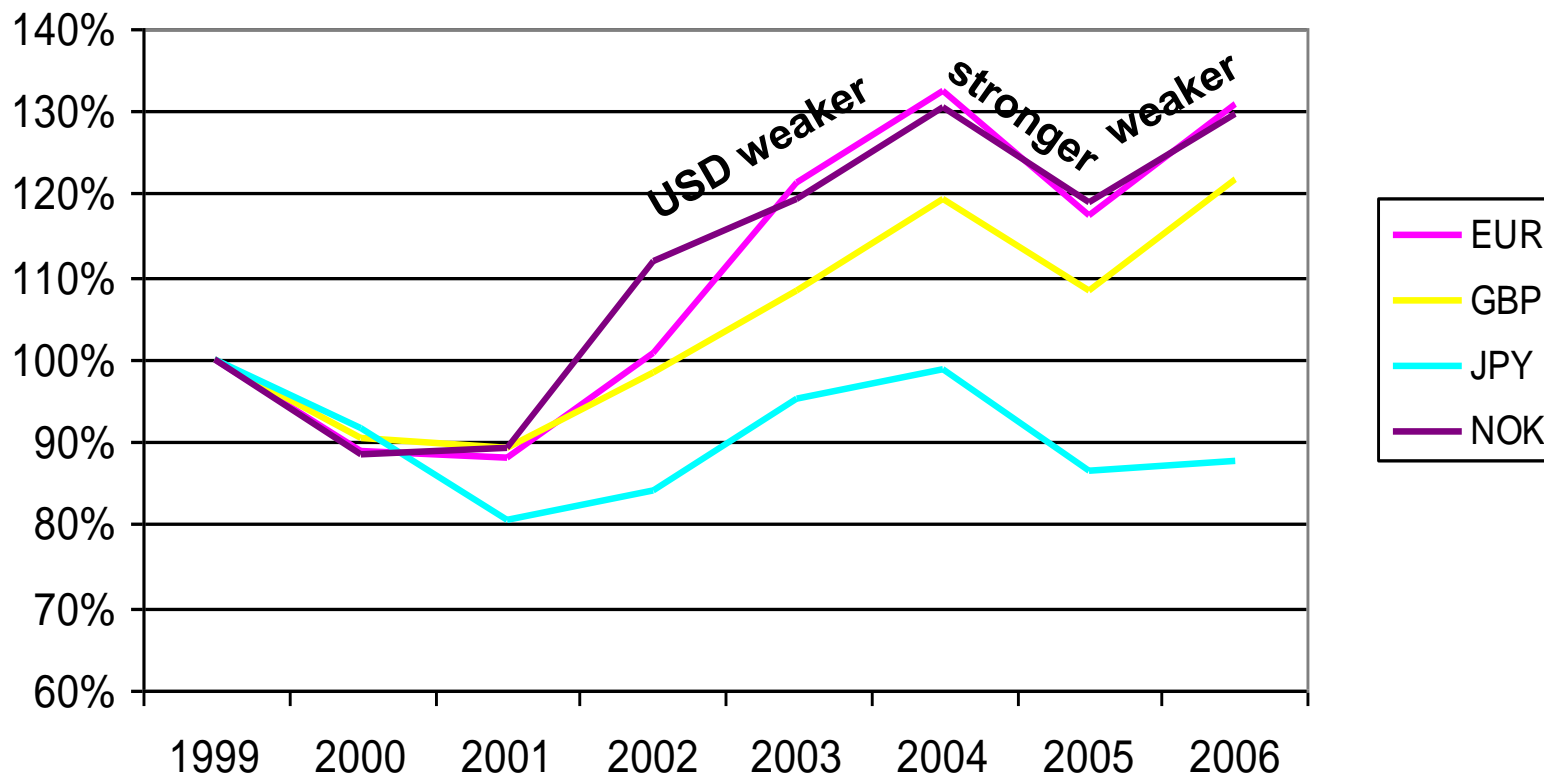
Index of evolution, 1995 = 100%



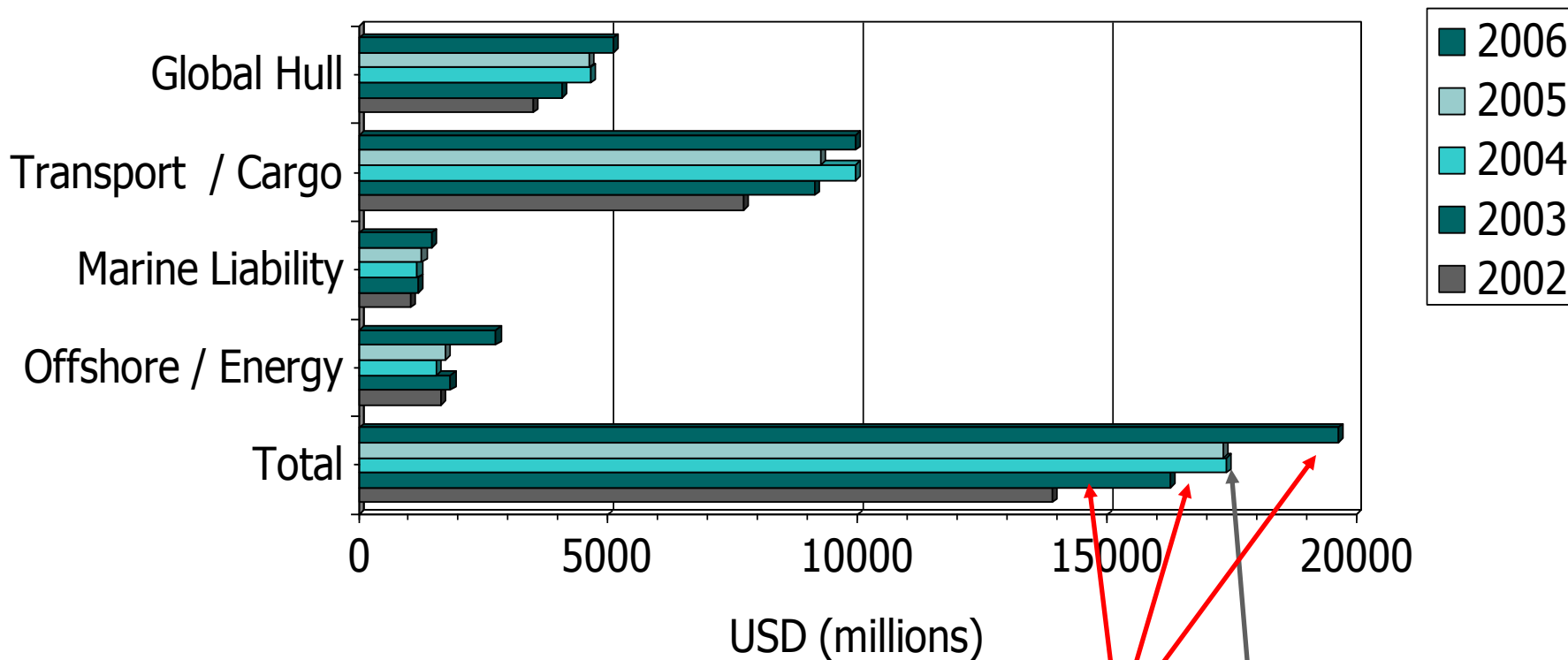
A major part of the increase 2001-04 and decrease 2004-2005 is due to change in exchange rate against USD!
(Cargo mostly written in local currency)

Index of evolution of Exchange rates between US\$ and selected currencies

(as of December each year)



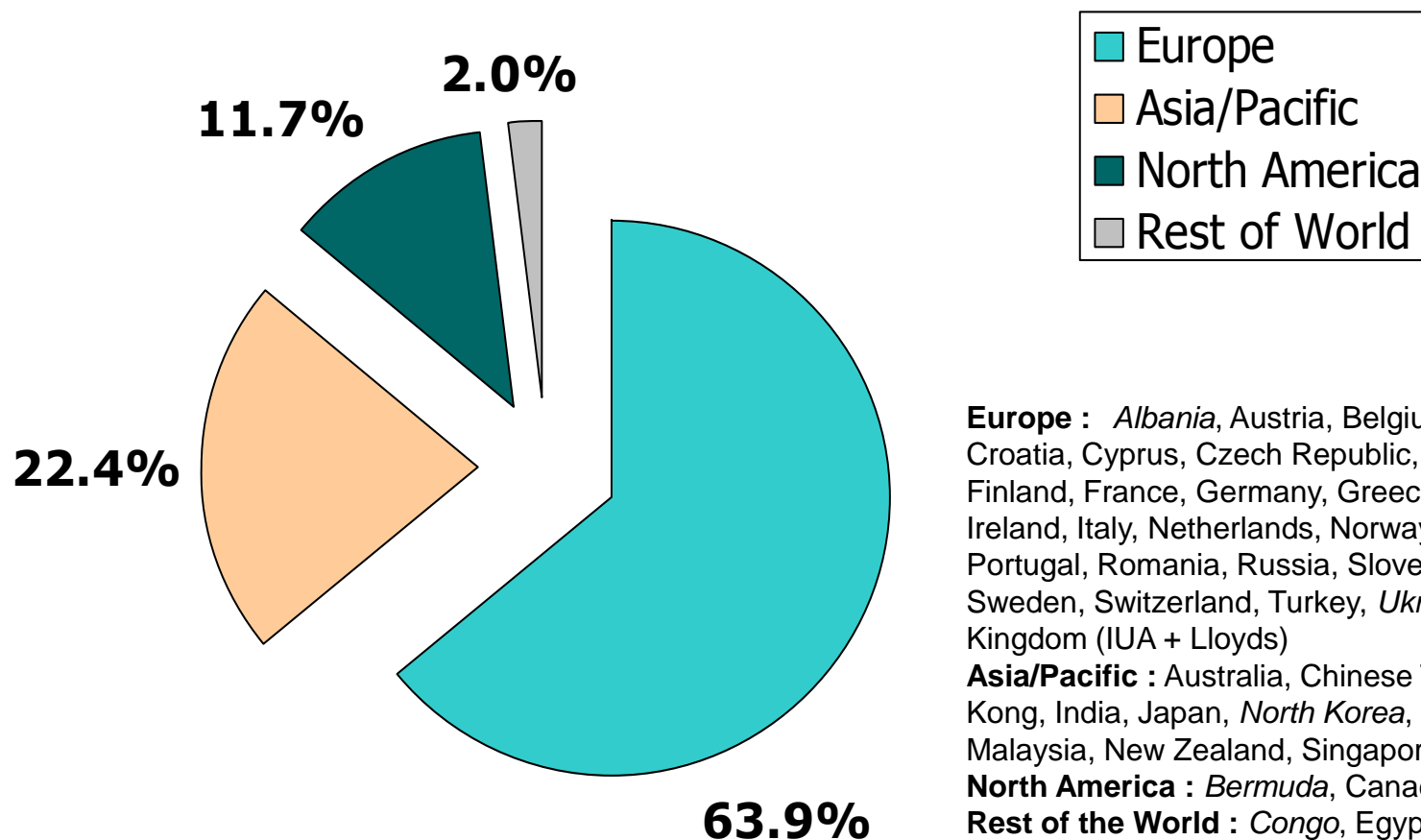
Global premiums reported 2002 to 2006 (accounting years)



Increase 01-04 and 05-06 partly due to weakening of USD against major European and Asian currencies.

Stagnation 05 due to strengthening of USD against major European and Asian currencies.

Market Shares 2006



Europe : *Albania*, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, *Ukraine*, United Kingdom (IUA + Lloyds)

Asia/Pacific : Australia, Chinese Taipei, Hong Kong, India, Japan, *North Korea*, South Korea, Malaysia, New Zealand, Singapore

North America : *Bermuda*, Canada, USA

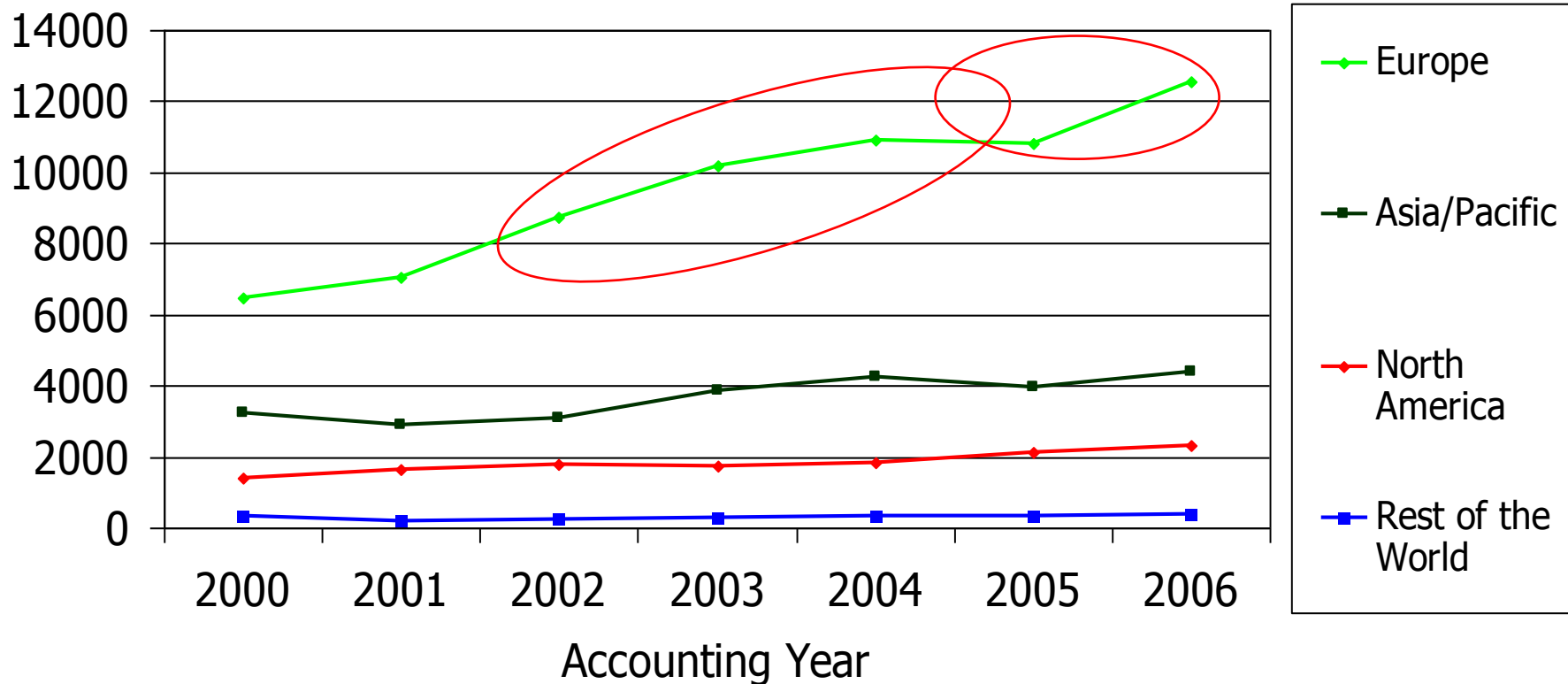
Rest of the World : *Congo*, Egypt, Israel, *Kenya*, Lebanon, Mexico, Morocco, Nigeria, South Africa, *Tunisia*, *United Arab Emirates*

Countries in italics did not report in 2007

Report on marine insurance premiums by economic areas

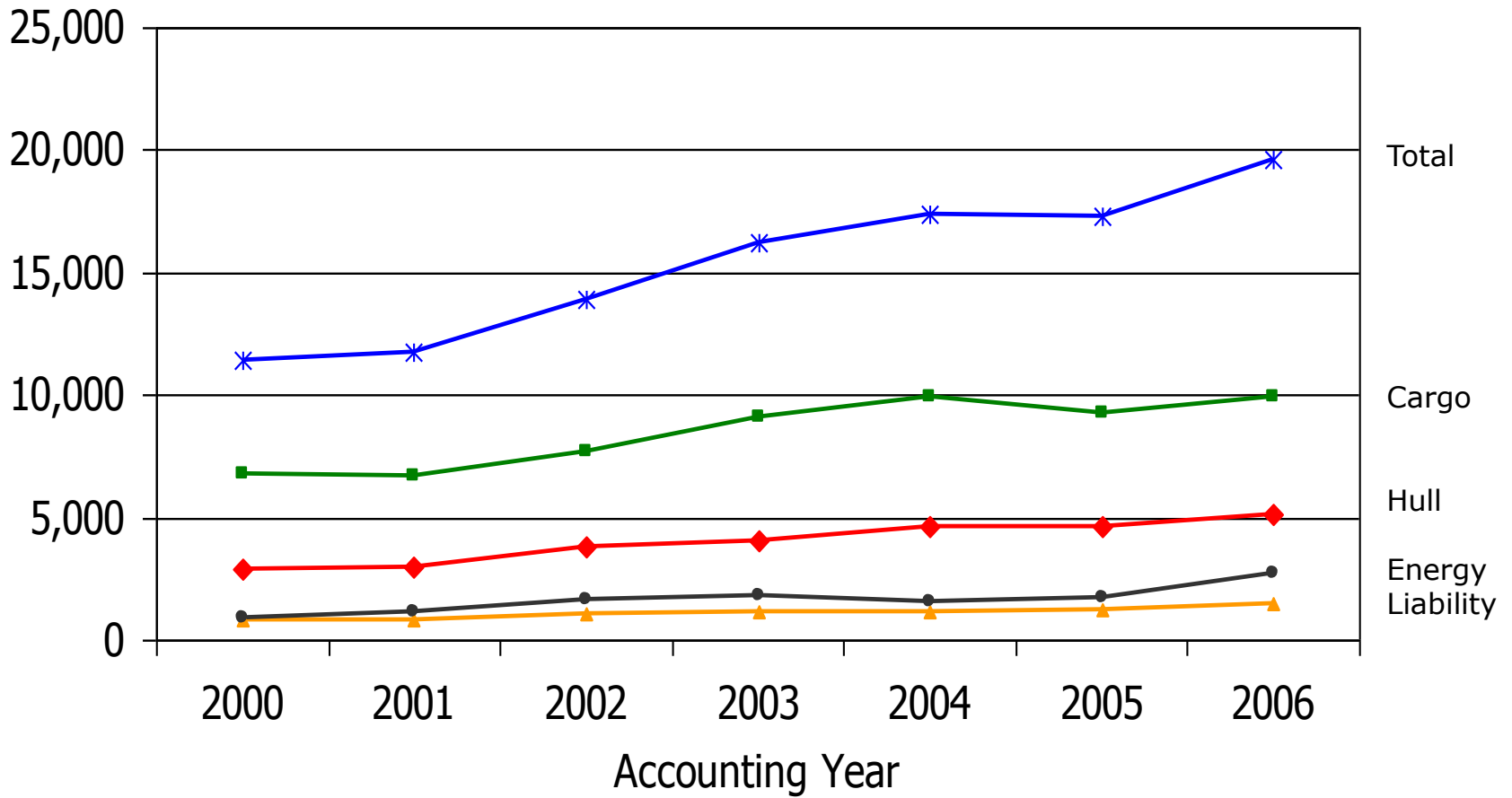
(USD Millions)

Europe, Asia: Exchange rate effects due to weakening/strengthening of USD



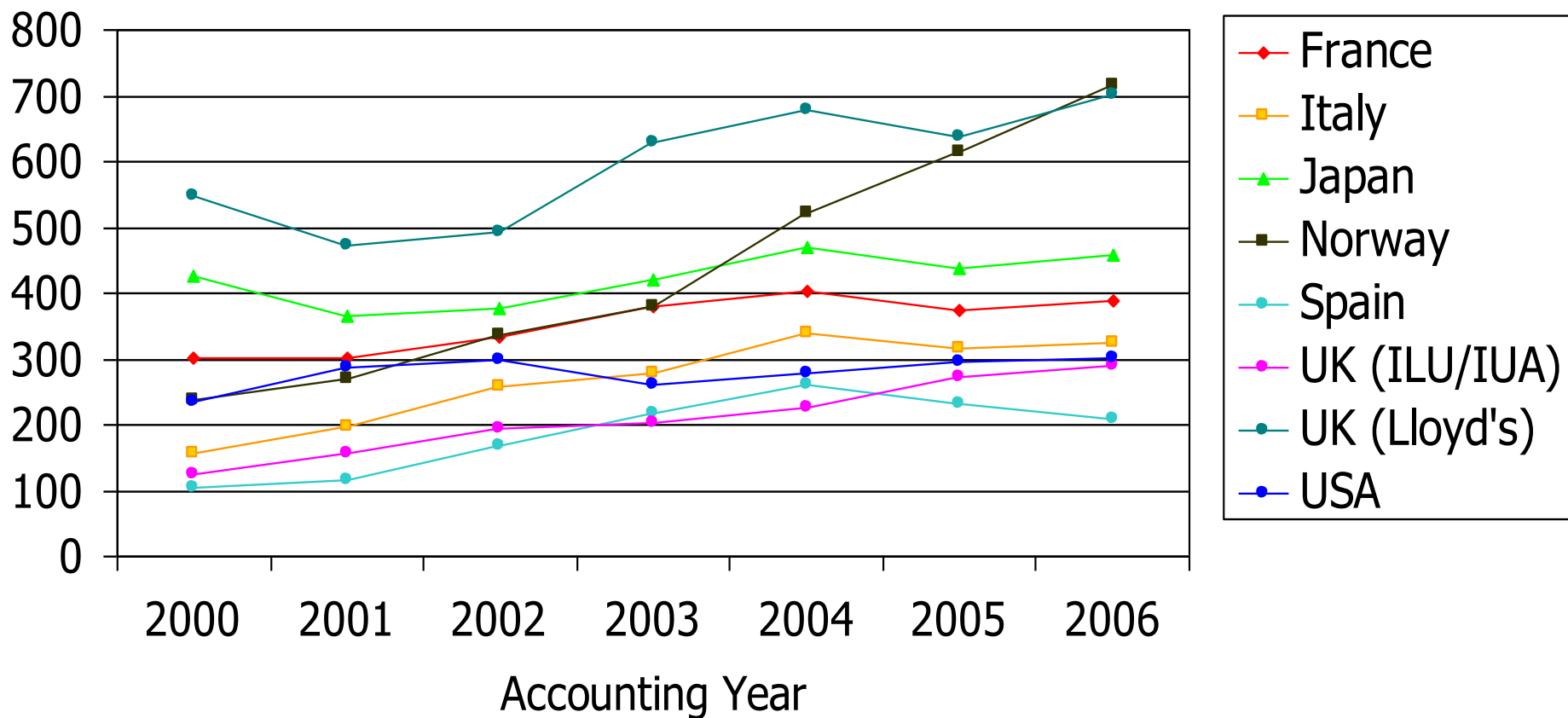
Global Marine Premium 2000 - 2006

(USD Million), as reported



Global Hull Premium

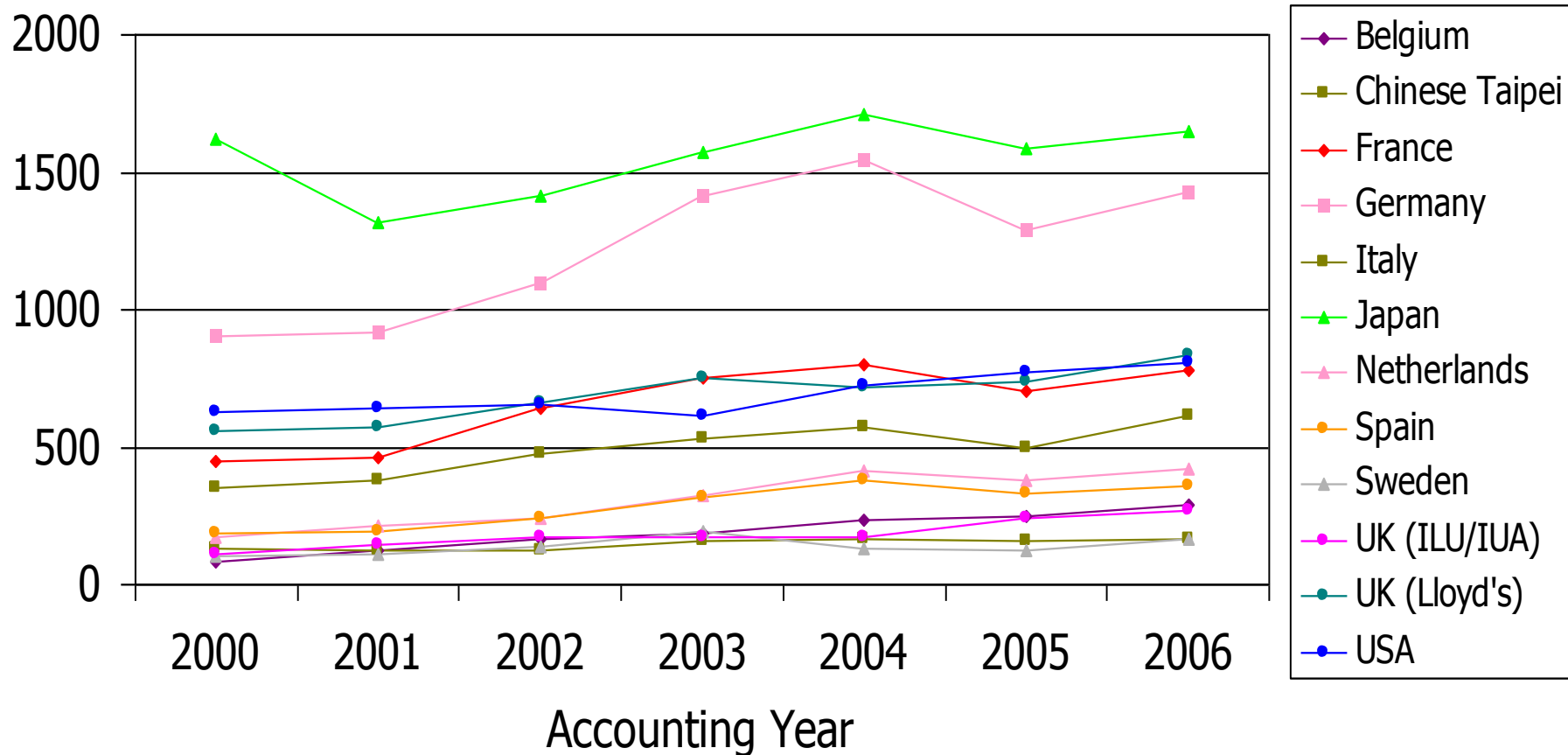
Major Markets, 2000 - 2006 (USD Million)



From 2004 building risk is officially included in figures.

Global Cargo Premium

Major Markets, 2000 - 2006 (USD Million)

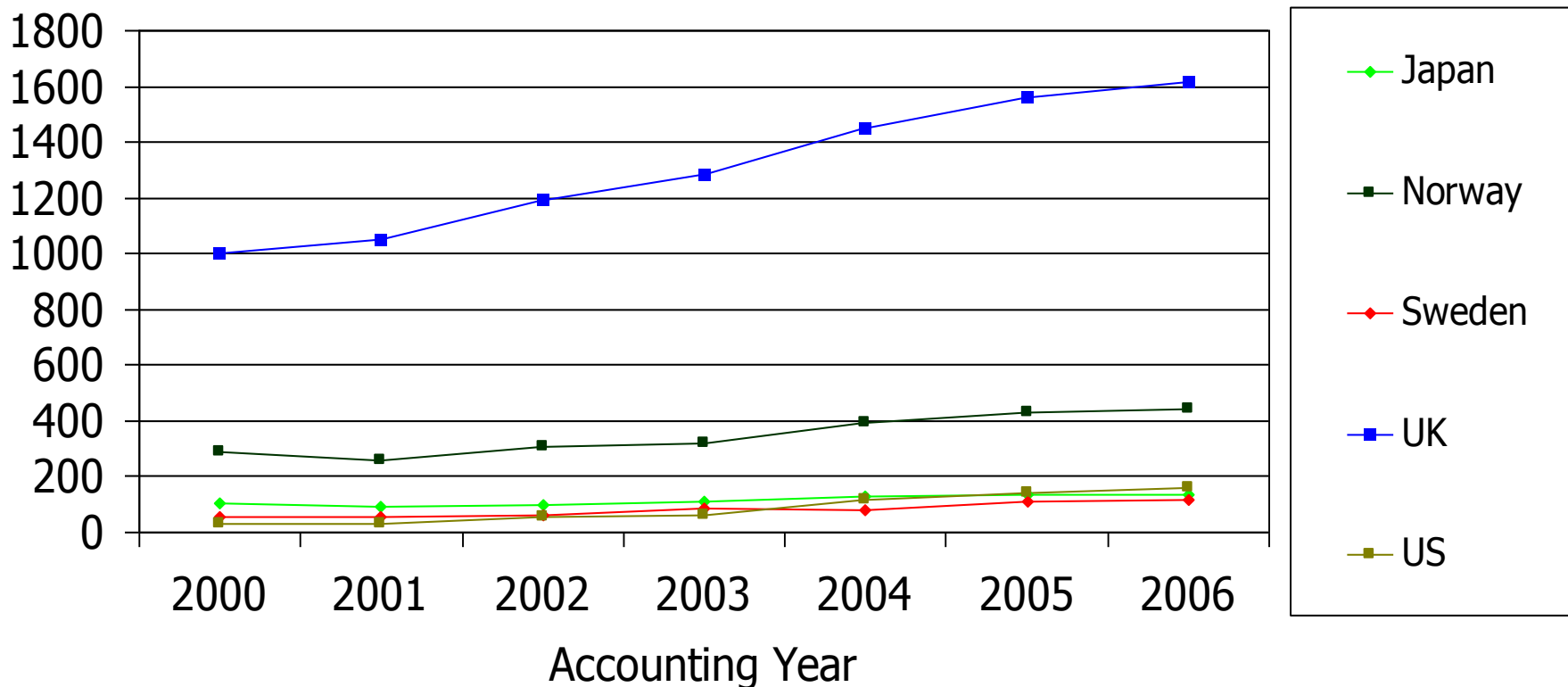


Europe/Asia: exchange rate effects.

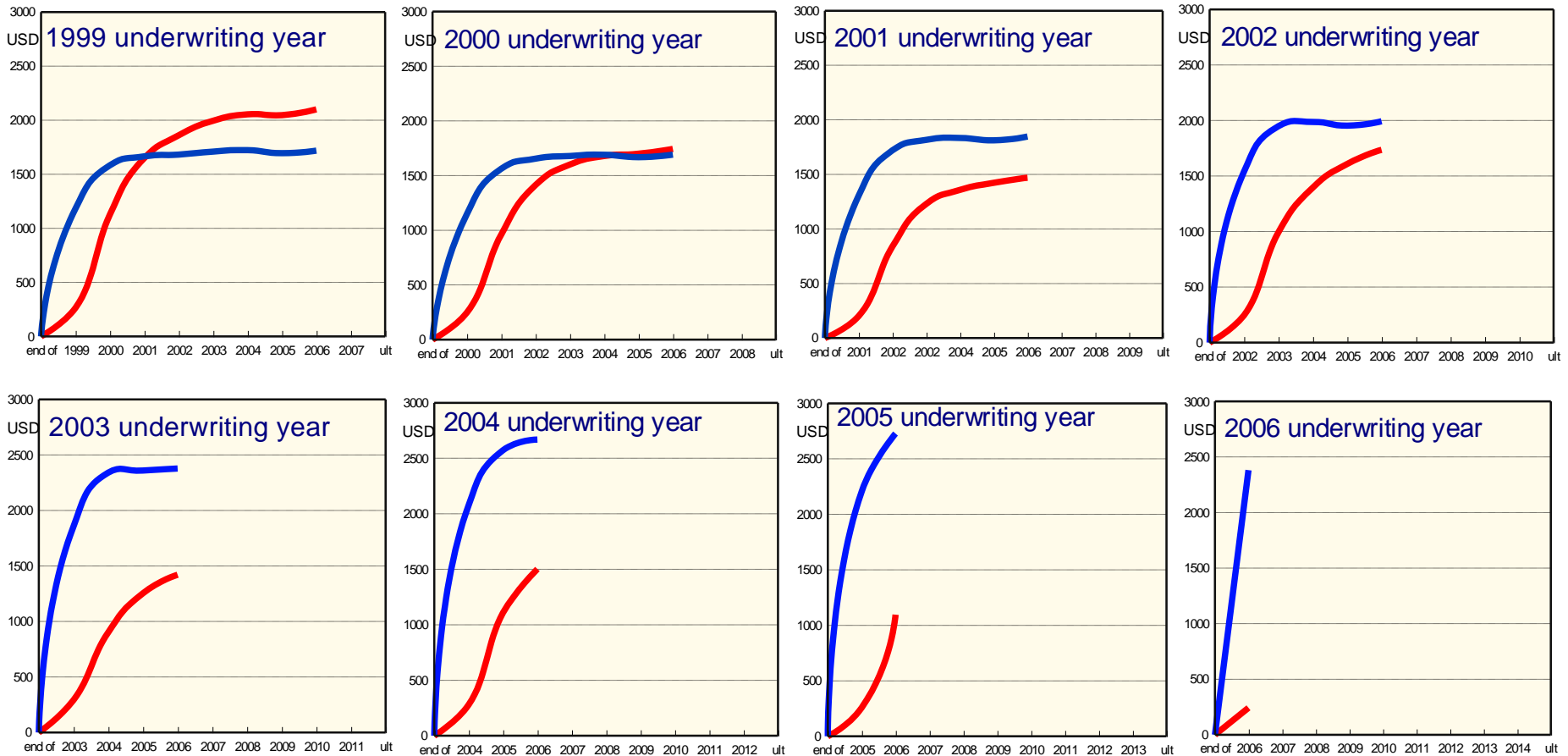
MARINE MUTUAL MARKET SECTOR

Gross Calls (Premium) – Operational location

Per accounting year – USD Million



Marine Hull – Evolution of Paid Claims, Gross Premiums as reported, U/W Year 1999 to 2006 (USD)

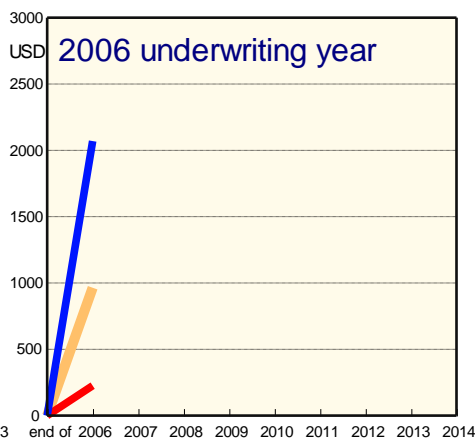
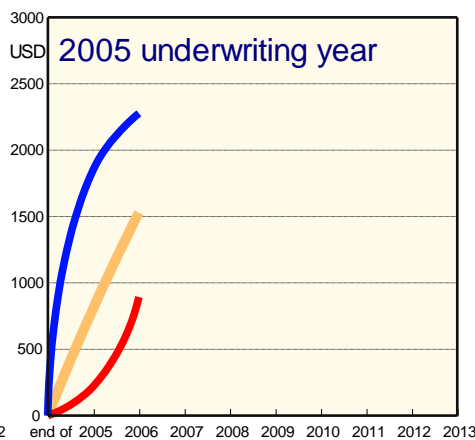
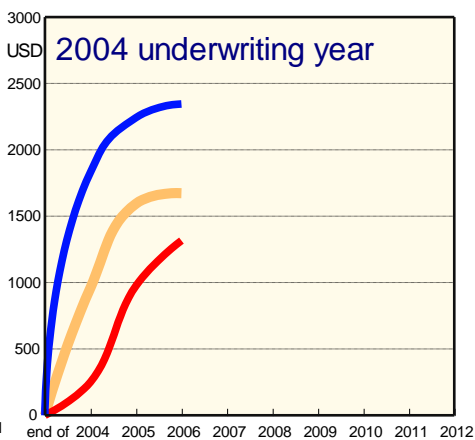
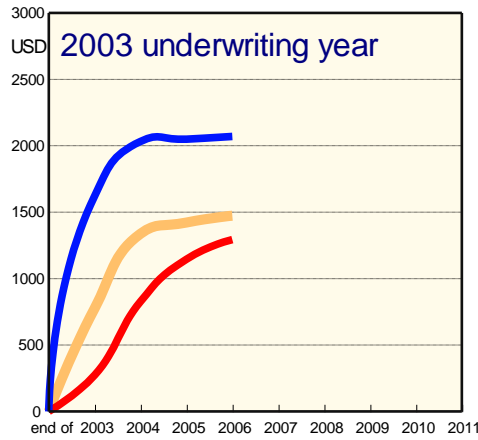
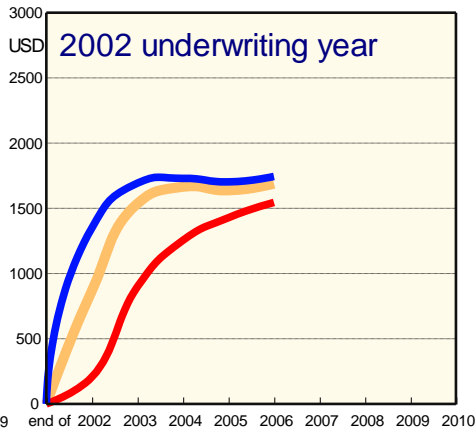
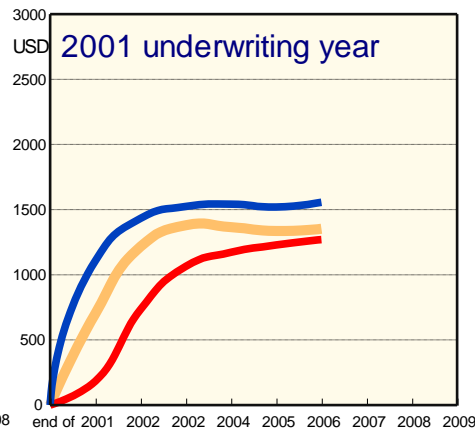
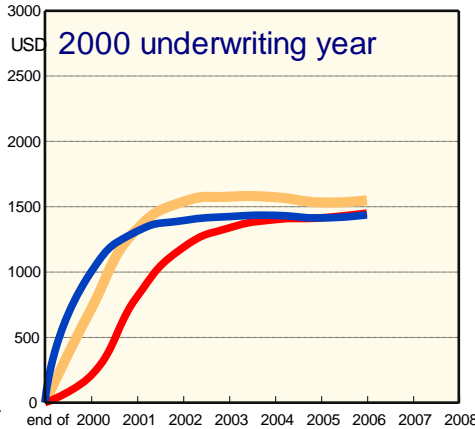
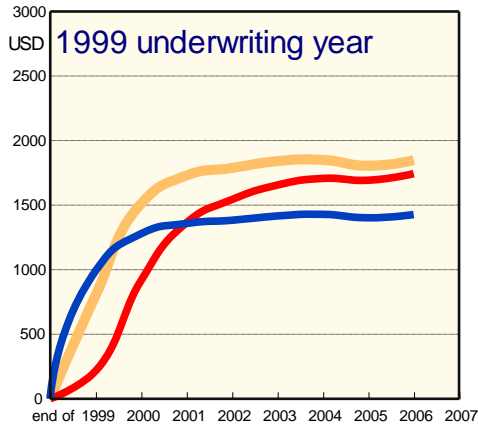


Blue line = Gross Premium; Red line = Paid Claims

Totals of 9 IUMI members – Belgium, France, Germany, Italy, Netherlands, Norway, Spain, UK Lloyds, UK IUA

Marine Hull – Evolution of Paid and Total Claims, Gross Premiums

as reported, U/W Year 1999 to 2006 (USD)

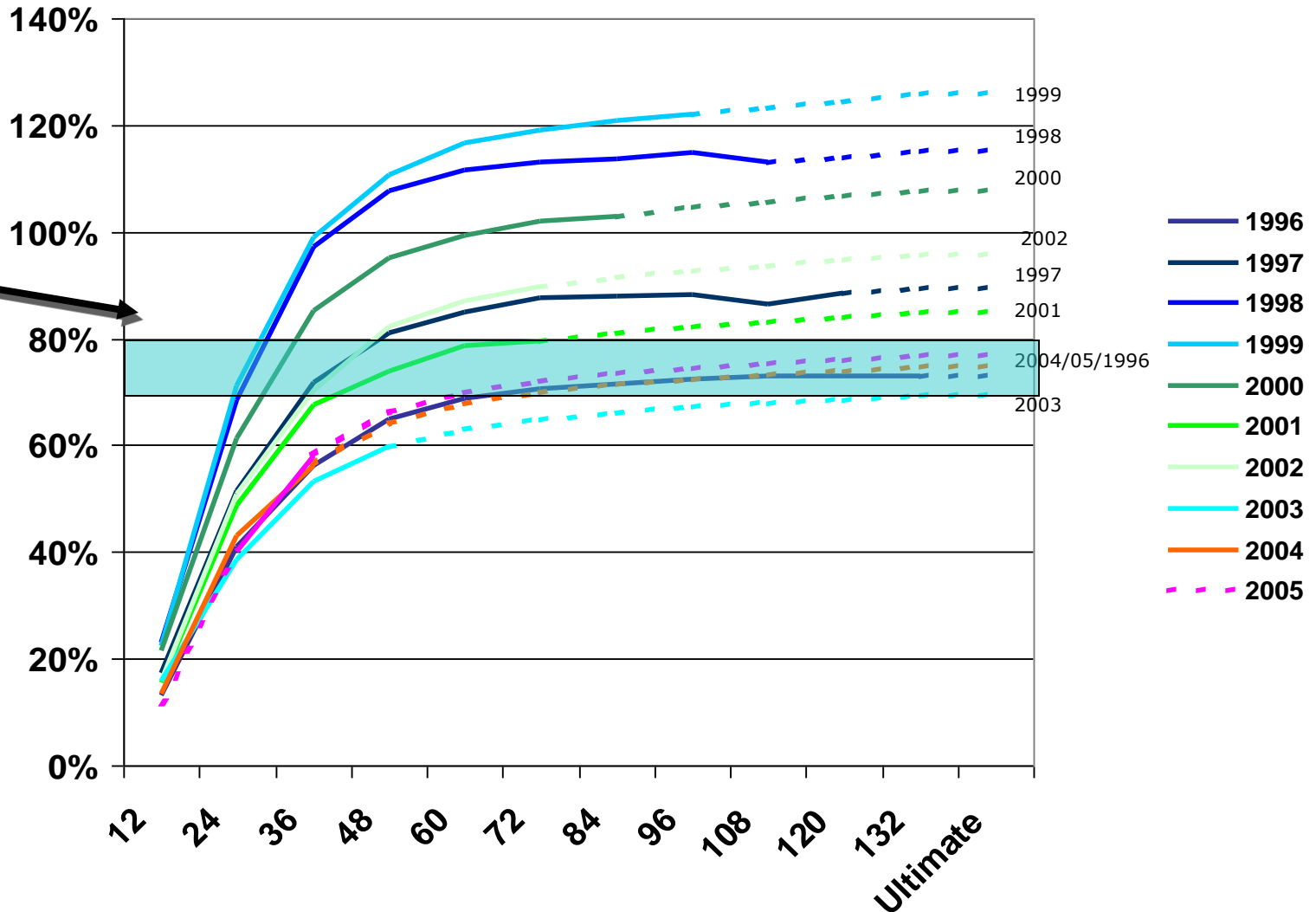


Blue line = Gross Premium; Red line = Paid Claims, Yellow line = Paid+Outstanding claims

Totals of 8 IUMI members – Belgium, France, Germany, Italy, Netherlands, Norway, Spain, UK Lloyds

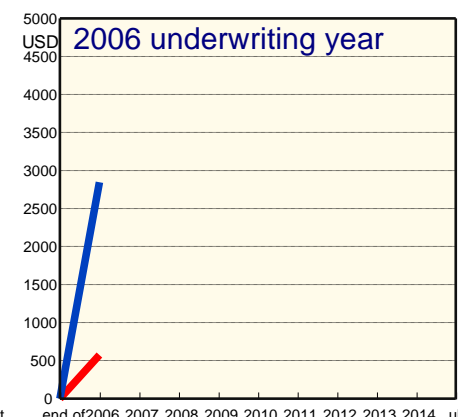
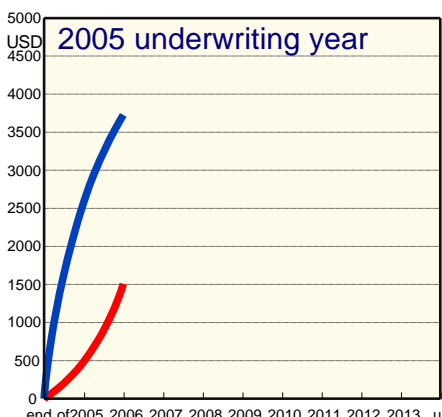
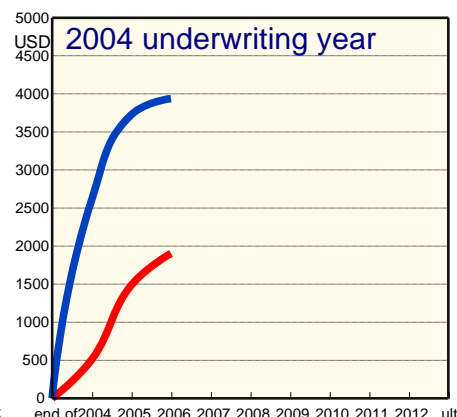
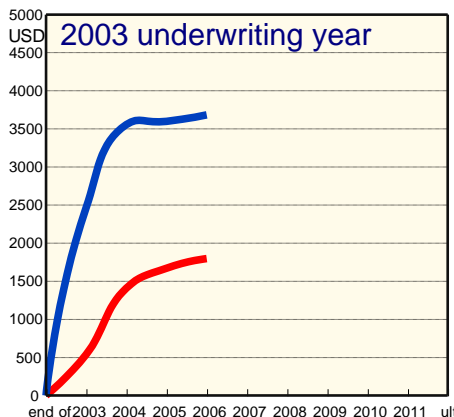
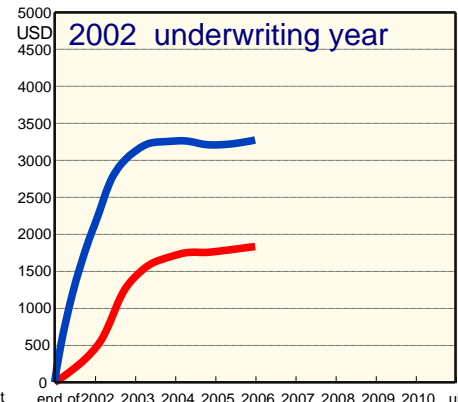
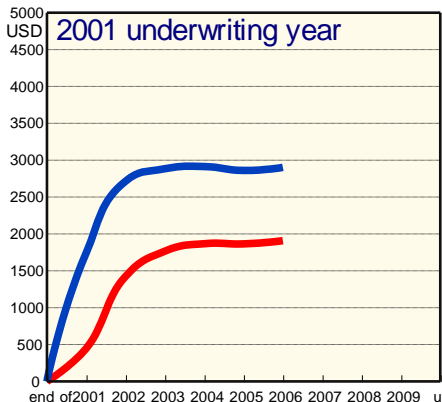
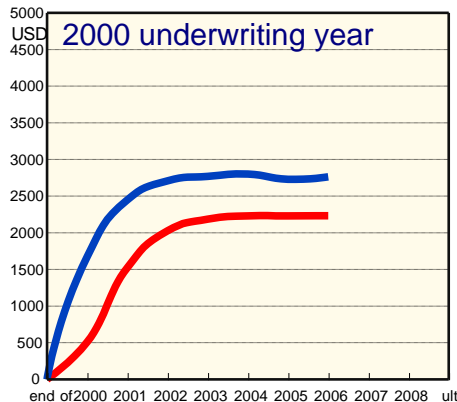
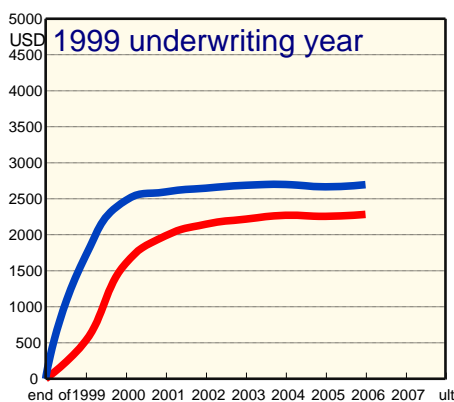
Marine Hull **Gross Loss Ratio paid claims,** Actual and estimated towards ultimate

U/W Year 1996 to 2005



Ultimate calculation based on figures of 9 IUMI members:
Belgium, France, Germany, Italy, Netherlands, Norway, Spain, UK Lloyds, UK IUA

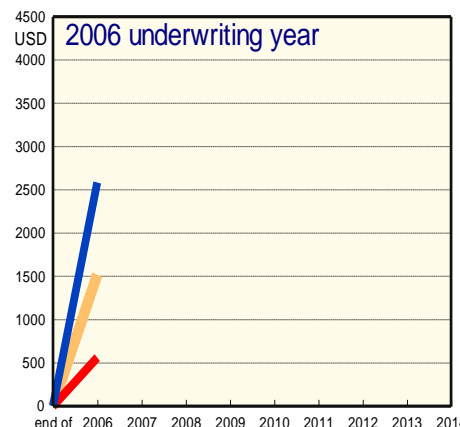
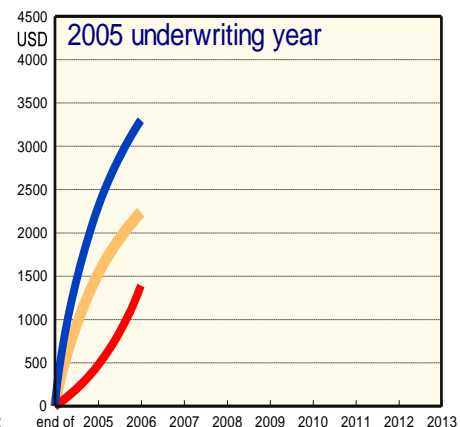
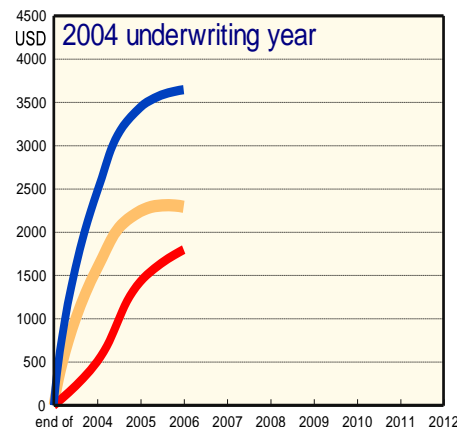
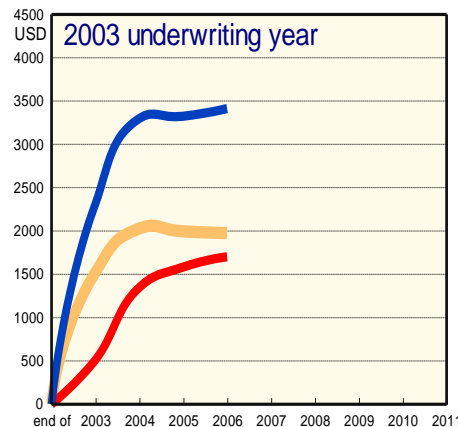
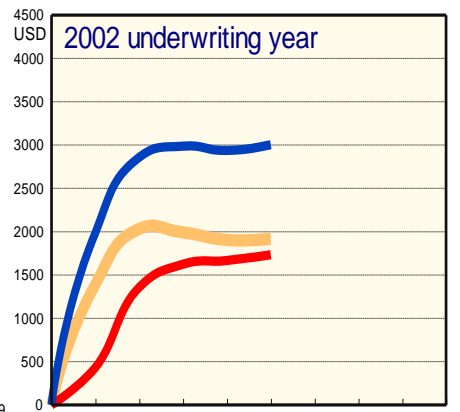
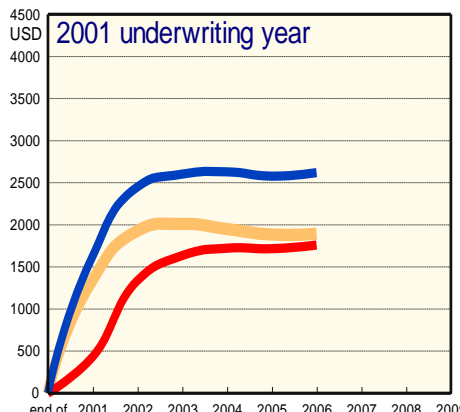
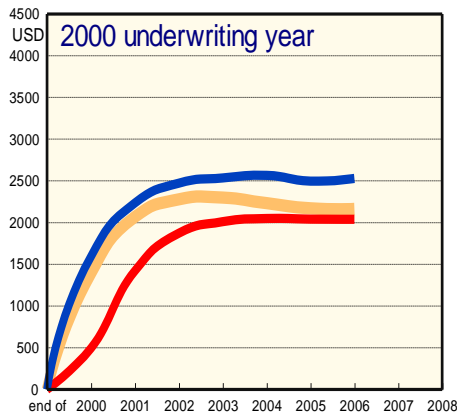
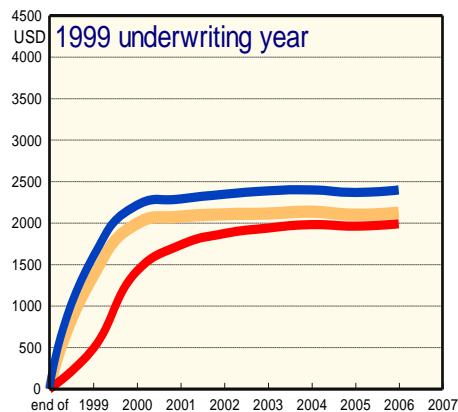
Transport/Cargo – Evolution of Paid Claims, Gross Premiums as reported, U/W Year 1999 to 2006 (USD)



Blue line = Gross Premium; Red line = Paid Claims

Totals of 8 IUMI members –
Belgium, France, Germany, Italy, Netherlands, Spain, UK Lloyds, UK IUA

Transport/Cargo – Paid and Total Claims, Gross Premiums as reported, U/W Year 1999 to 2006 (USD)

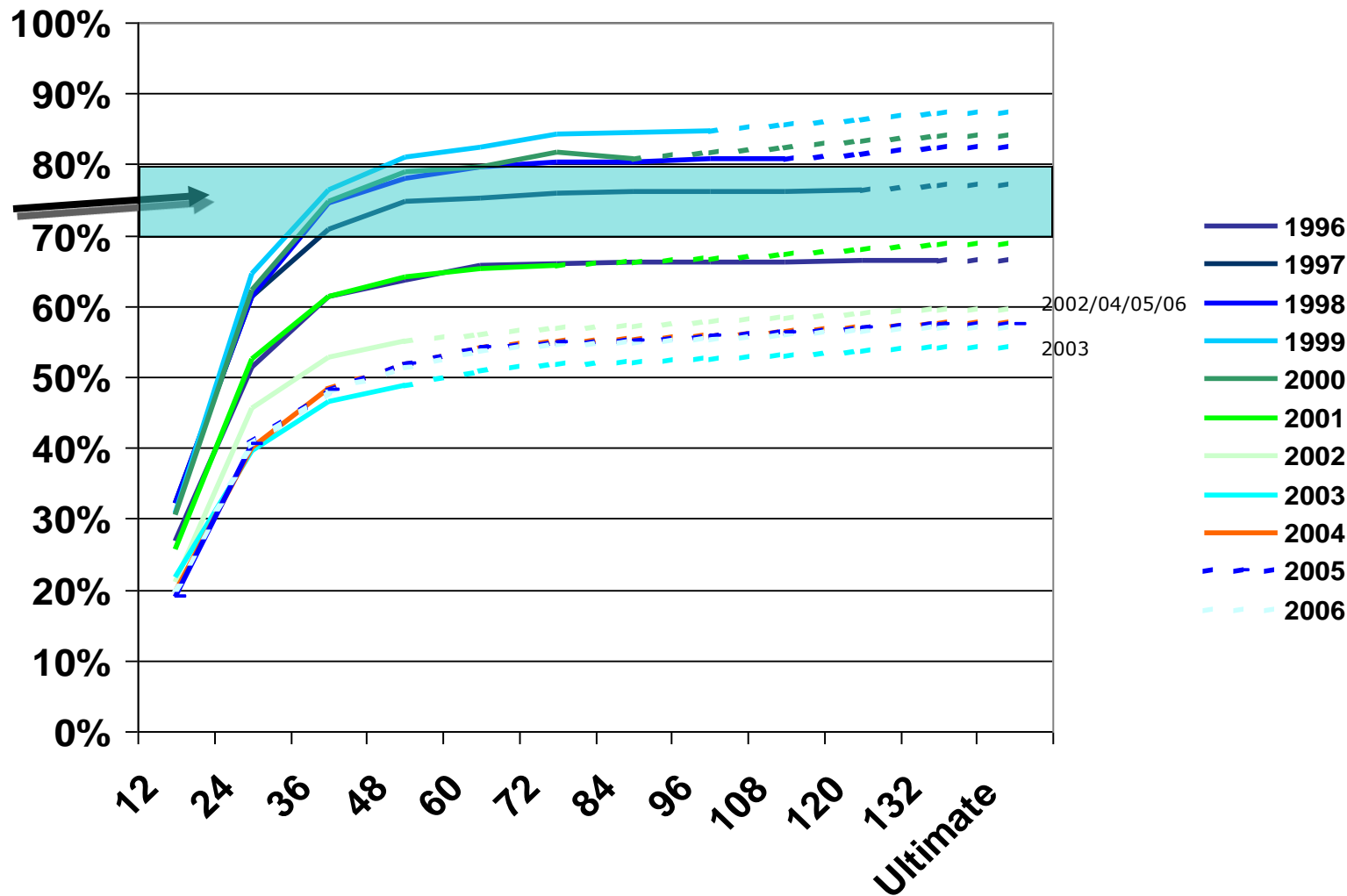


Blue line = Gross Premium; Red line = Paid Claims, Yellow line = Paid+Outstanding claims

Totals of 7 IUMI members – Belgium, France, Germany, Italy, Netherlands, Spain, UK Lloyds

Transport/Cargo, Gross Loss Ratio **paid** claims, Actual and estimated towards ultimate

U/W Year 1996 to 2006



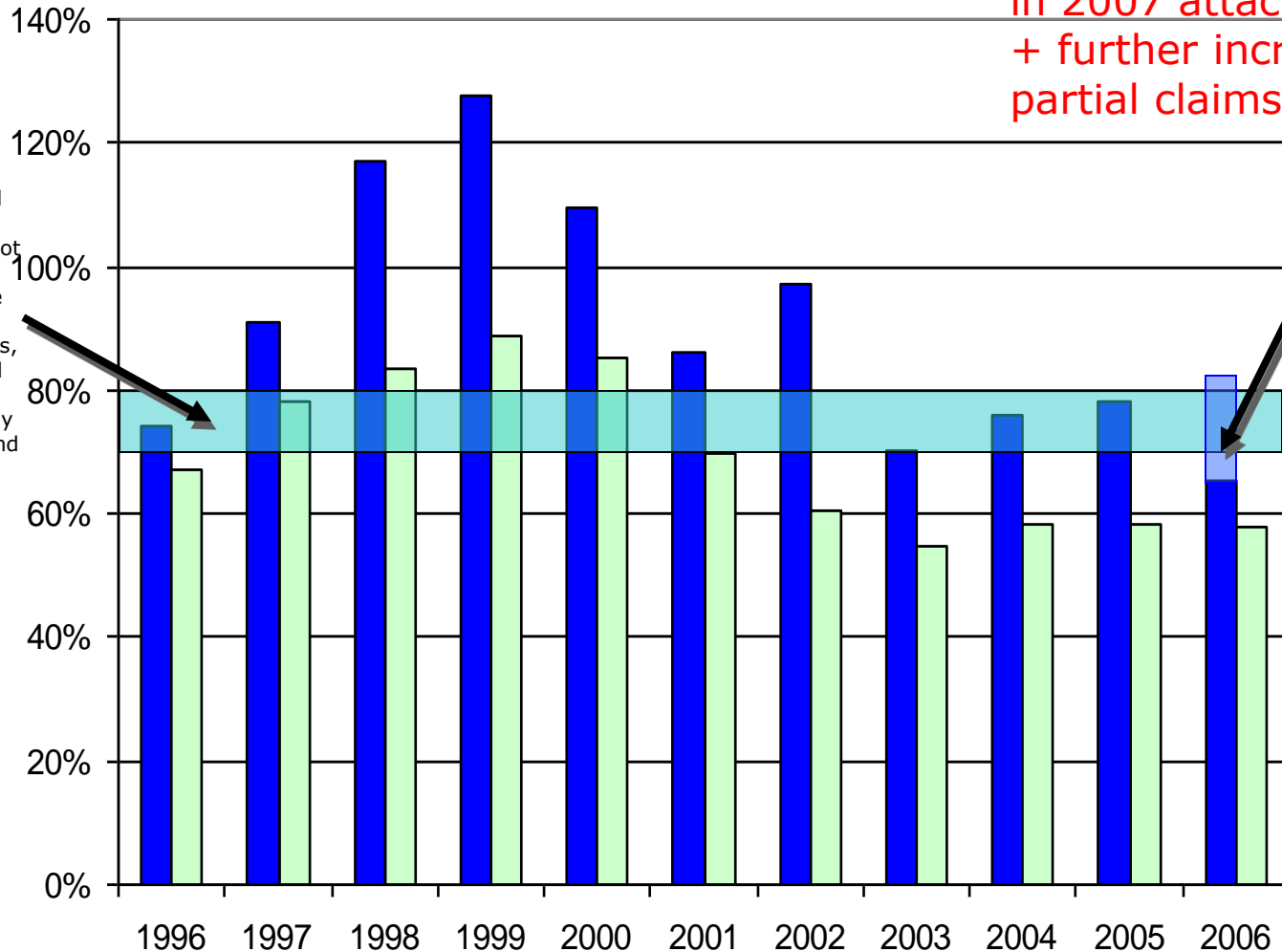
Ultimate calculation based on totals of 8 IUMI members –
Belgium, France, Germany, Italy, Netherlands, Spain, UK Lloyds, UK IUA

Marine Hull and Cargo/Transport

Gross Ultimate Loss Ratio

U/W Year 1996 to 2006

Impact of major claims in 2007 attaching to 2006 + further increase in partial claims costs in 2007



■ Marine Hull
■ Cargo/Transport

Technical break even is achieved when the gross loss ratio does not exceed 100% minus the expense ratio (acquisition costs, capital costs and management expenses, usually between 20% and 30%).

Examples of Major Hull claims in 2007, attaching to Underwriting year 2006

Date	Vessel Name	Casualty
18.01.07	MSC Napoli	Grounding
08.03.07	MSC Joanna	Collision
08.03.07	W.D. Fairway	Collision
08.03.07	Repubblica de Genova	other
05.04.07	Sea Diamond	Grounding
12.04.07	Bourbon Dolphin	Capsize

Claims xs 20 MUSD occurred in 2007, but attaching to 2006, are estimated to sum up to about 600 USD million, adding roughly additional 18% to the 2006 hull gross loss ratio.

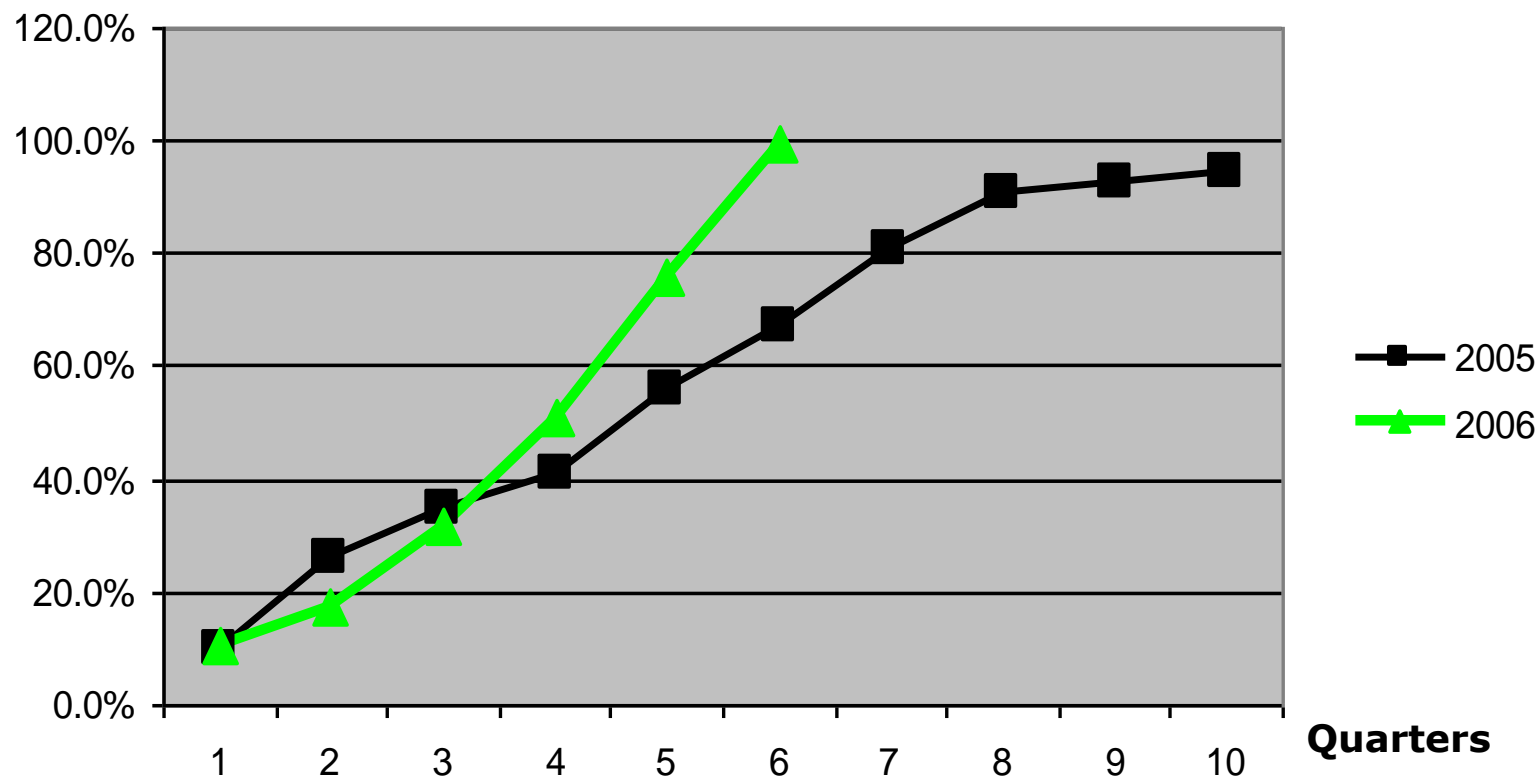
Marine Hull - Quarterly evolution

Net loss ratio paid+outstanding claims

Hull & Machinery insurance

(excluding LOH, freight and hull interest, building risk)

Net loss ratio* (net of acquisition costs)



* = (Paid+Outstanding claims) / Net premium



Summing up

- Marine Hull
 - Underwriting years 2004, 2005:
 - Few major claims
 - But increase in average attritional claims amount
 - Underwriting year 2006:
 - Increase in the number and severity of major claims
 - Continuing trend towards higher attritional claims amounts
 - **Quo vadis?**
- Transport/Cargo
 - Exposures in values increases significantly, but not reflected in premium development
 - Even so, stability in results since 2002