



Global Marine Insurance Report 2009

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Global Marine Insurance Report 2009



- Global **Marine Insurance** – Overview
- Global **Hull** market
- Global **Cargo** market
- Global **Offshore Energy** Market
- Addendum (in download only):
Tables with underlying reported figures

Report on marine insurance premiums 2006 and 2007



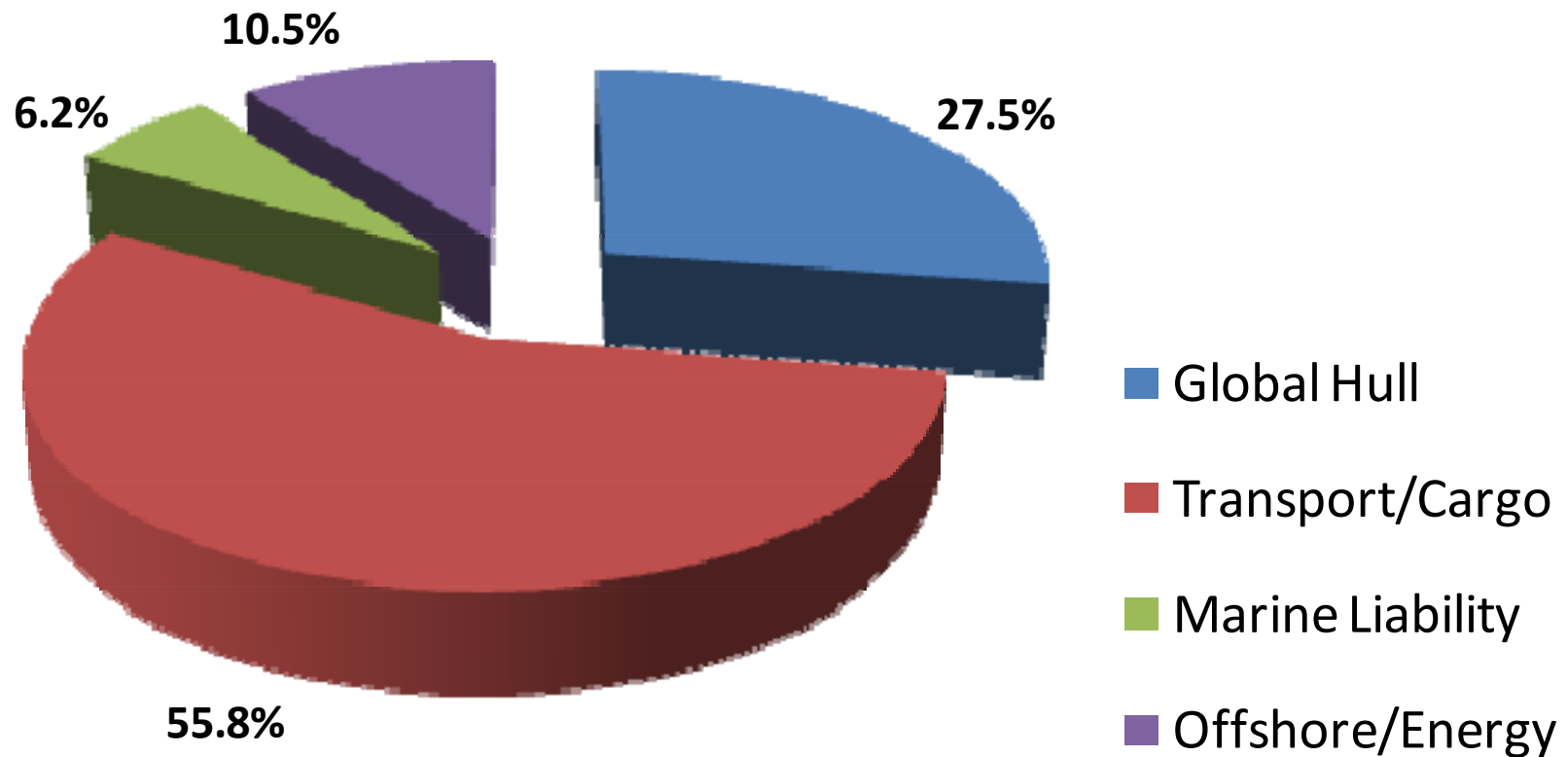
- By end of August 2009, 49 of 55 members reported their country's marine premium figures for accounting years 2007 and 2008.
- The reporting countries represent approximately 97% of the total marine premium written by all IUMI members.
- Total premium for 2008 is therefore estimated to reach approx. USD 22.9 billion*, a decrease of 3.6% from 2007 (excl. premium from mutual P&I Clubs).

Global Marine Premium 2008 by line of business



Total reported: 22.23 USD billion

2008



Total estimated including not reported: 22.9 USD billion

Global Marine premiums

2006-2008

(USD billions, as reported per end of August 2009)



	<u>Global Hull</u>	<u>Transport/Cargo</u>	<u>Marine Liability</u>	<u>Offshore/Energy</u>	<u>Total</u>
2008	6.112	12.410	1.367	2.334	22.223
2007	5.966	12.691	1.485	2.892	23.034
2006	5.282	10.724	1.381	2.736	20.124
Index 2006-2007*	12.2%	17.0%	6.7%	2.1%	13.0%
Index 2007-2008*	2.4%	-2.3%	-8.0%	-19.4%	-3.6%

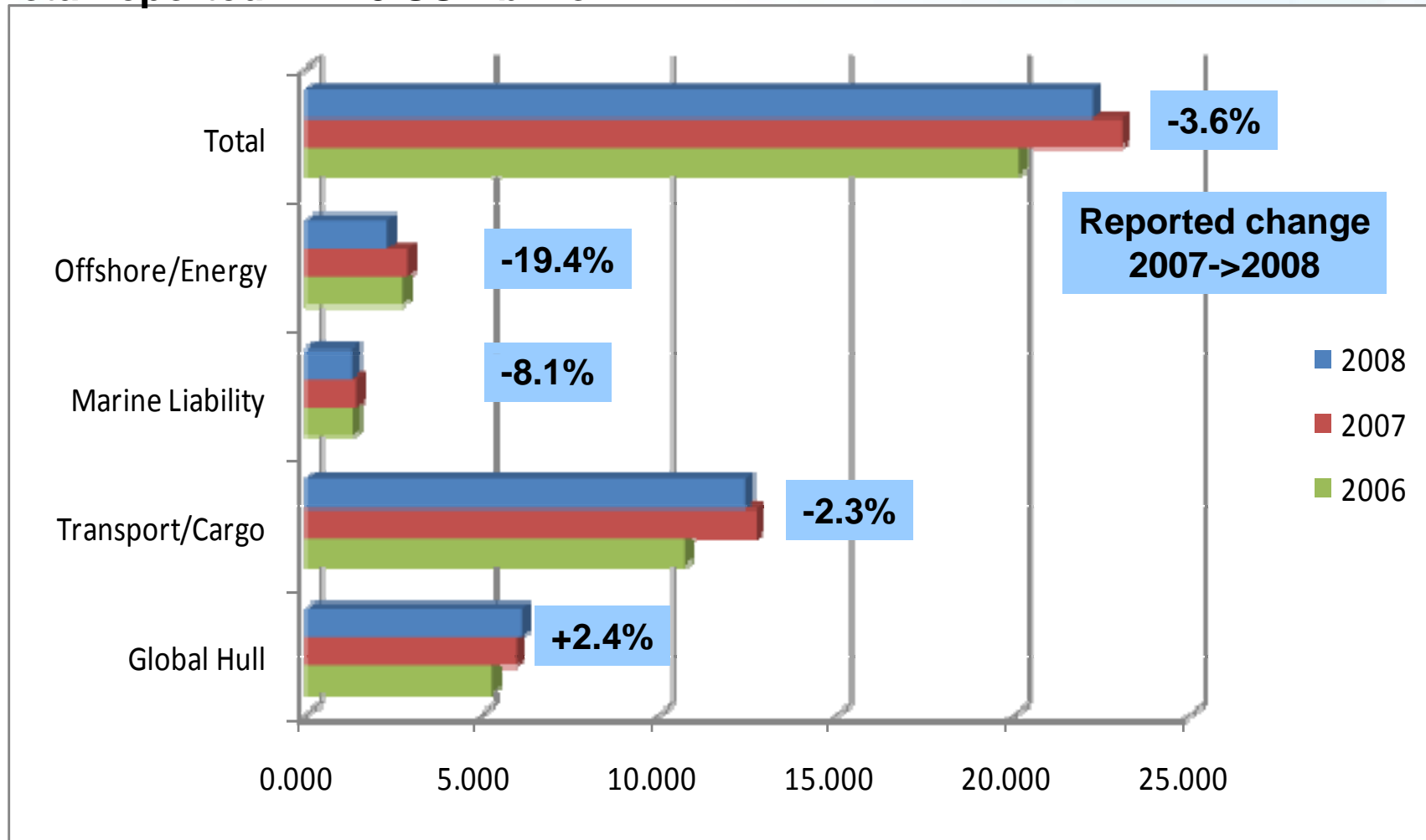
*Index based on figures from Associations who have reported in both years.
The index reflects changes in country activity, exchange rates in addition to premium increases and is thus not a renewal index!

As some countries only report total marine premium without splitting into classes, the sum of these classes might in some cases be slightly less than the "total" sum.

Global Marine premiums 2006 to 2008, as reported per accounting year



Total reported: 22.23 USD billion

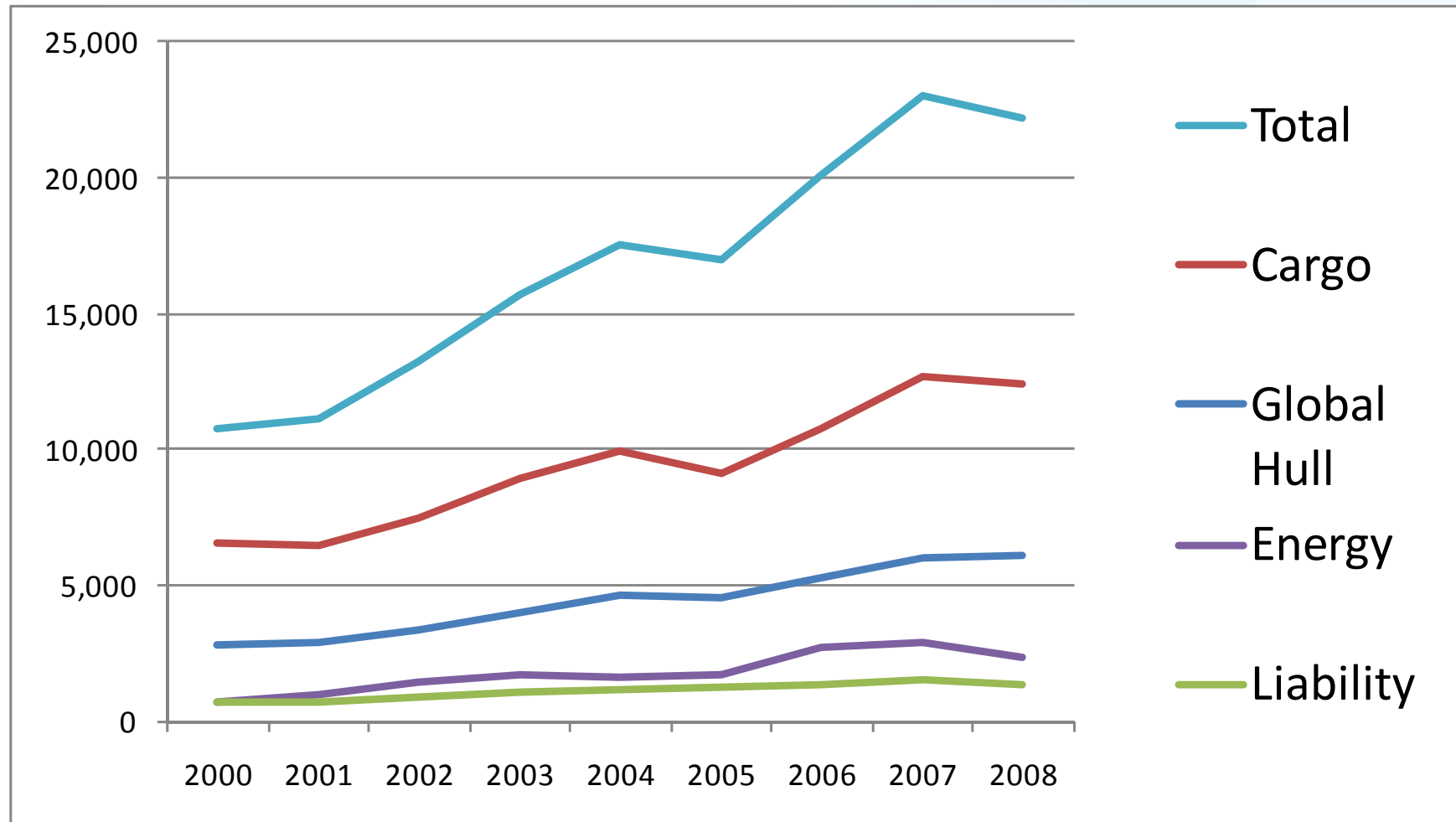


Increase 06-07 partly due to weakening of USD against European and Asian currencies.
Decrease 07-08 may be due to strengthening of USD against some major currencies.

Global Marine Premiums

by line of business, 2000 - 2008

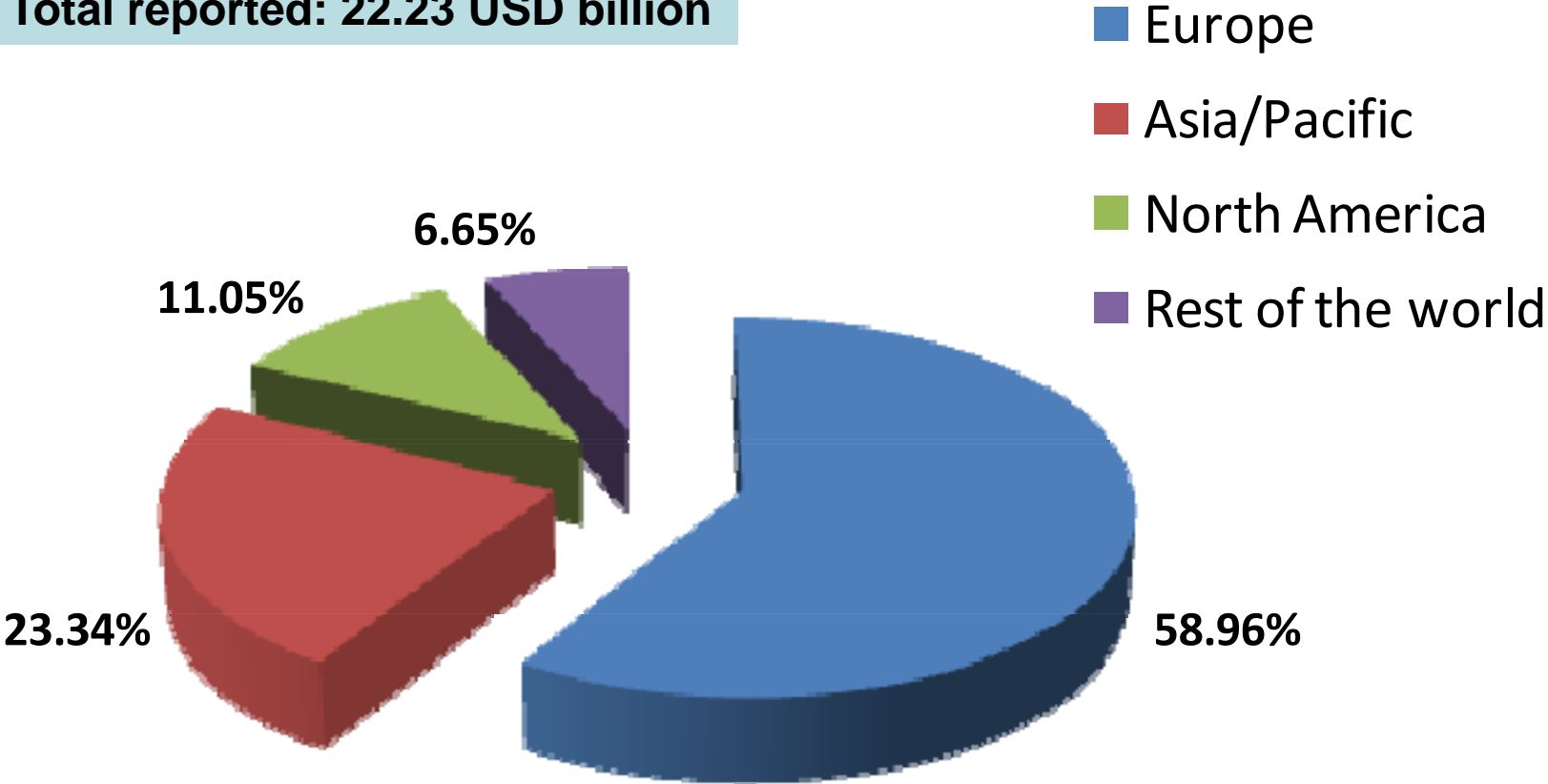
(USD Million), as reported



Market Shares 2008



Total reported: 22.23 USD billion



Europe : Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Nordic (Cefor), Poland, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom (IUA + Lloyds)
Asia/Pacific : Australia, Chinese Taipei, Hong Kong, India, Japan, Korea DPR, South Korea , Malaysia, New Zealand, Singapore
North America : *Bermuda*, Canada, USA
Rest of the World : *Bahrain (new 09)*, *Brasil*, *Congo*, Egypt, Israel, Kazakhstan (new 09), Kenya, Lebanon, Mexico, Morocco, *Nigeria*, South Africa, *Tunisia*, *United Arab Emirates*

Countries in italics did not report in 2009

Global Marine Premiums

by economic areas

(USD 1,000)



Region	Premiums 2008	Premiums 2007	Premiums 2006	Variation 2007-2008	Variation 2006-2007	Market share 2008	Market share 2007	Market share 2006
Europe	13,108,789	14,111,941	12,431,427	-7.11%	13.52%	58.96%	61.27%	61.77%
Asia/Pacific	5,190,520	4,940,954	4,447,837	5.05%	11.09%	23.34%	21.45%	22.10%
North America	2,457,860	2,489,597	2,303,427	-1.27%	8.08%	11.05%	10.81%	11.45%
Rest of the world	1,477,967	1,491,352	941,347	-0.90%	58.43%	6.65%	6.47%	4.68%

Europe :

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

Asia/Pacific :

Australia, China, Hong Kong, India, Japan, Korea DPR, South Korea, Malaysia, New Zealand, Singapore

North America:

Bermuda, Canada, USA

Rest of the World :

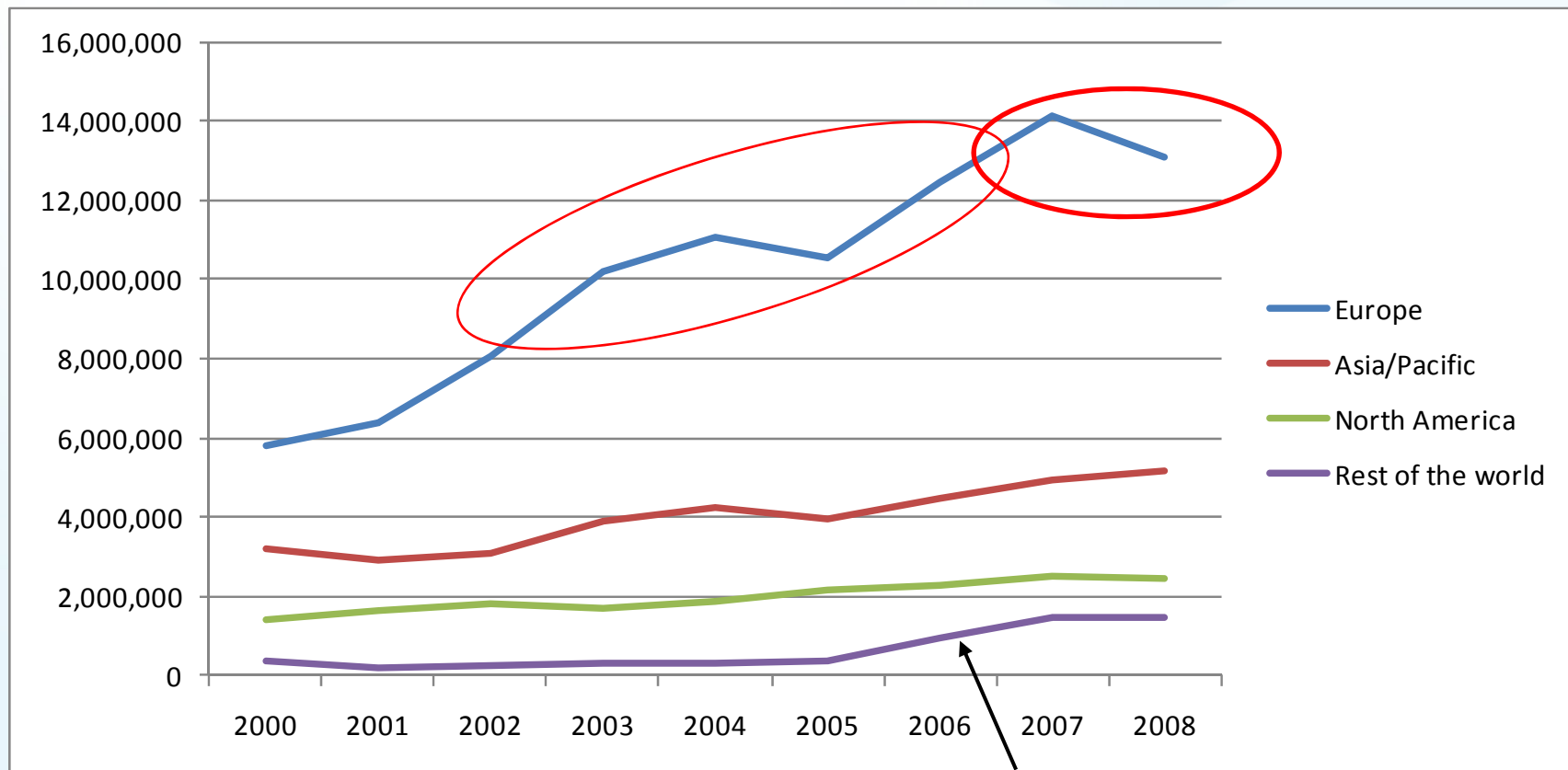
Bahrain (new 09), Brasil, Congo, Egypt, Israel, Kazakhstan (new 09), Kenya, Lebanon, Mexico, Morocco, Nigeria, South Africa, *Tunisia*, *United Arab Emirates*

Countries in italics did not report in 2009.

Global Marine Premium by economic areas (USD Millions)



Exchange rate effects due to weakening/strengthening of USD

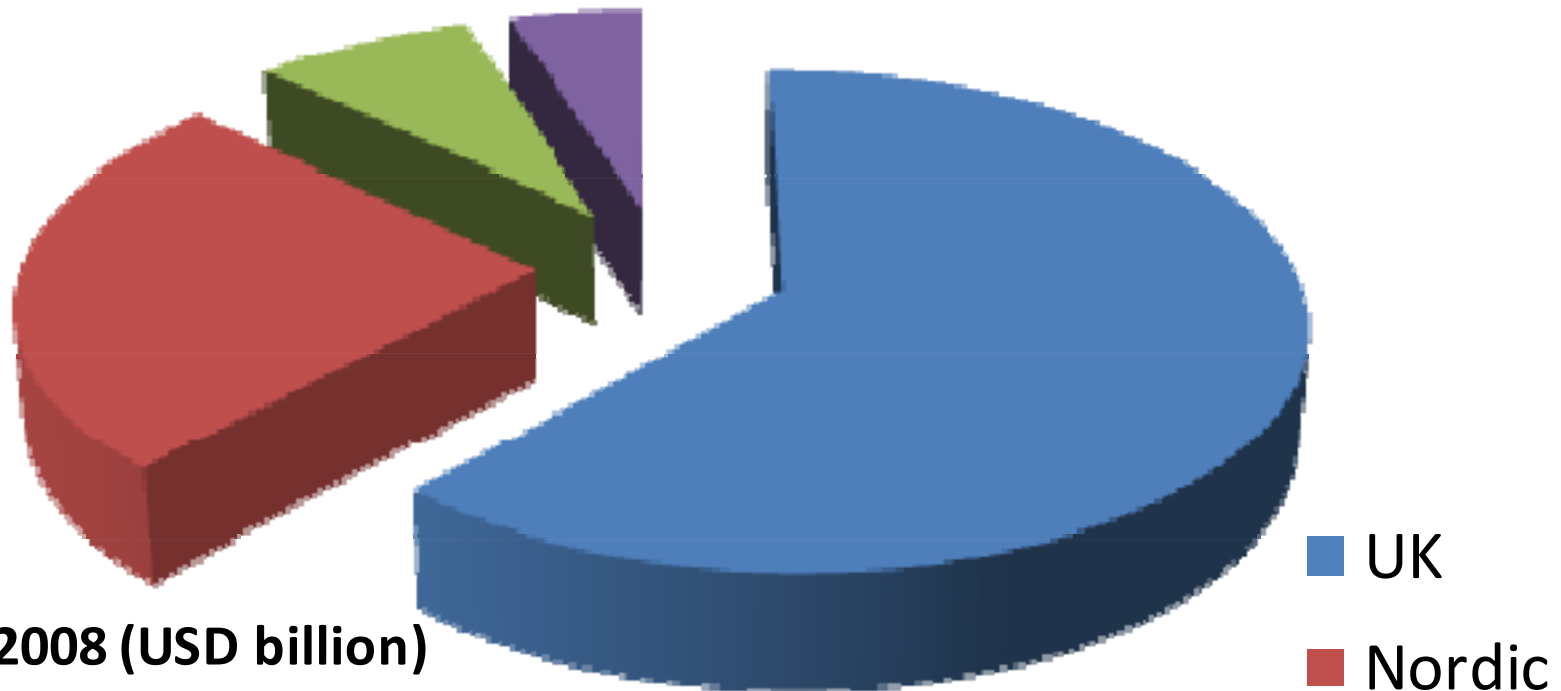


Rest of World: Brasil figures included from 2006,
Kazakhstan from 2007

MARINE MUTUAL MARKET

P&I Clubs in International Group

Gross Calls 2008 (Premium) – Operational location



Calls 2008 (USD billion)

UK: 1.79

Nordic: 0.74

Japan: 0.23

US: 0.14

Total: 2.91

Source: Standard & Poors Marine Mutual Report 2009

MARINE MUTUAL MARKET

Gross Calls (Premium) – Operational location



Per accounting year - USD 1000

							US\$000's	
Operational	2008	2007	2006	2005	2004	Difference 08-04	Average Annual variation over period 04-08	Ranking 2008
UK	1,793,071	1,771,700	1,614,769	1,562,123	1,448,285	344,786	4.76%	1
Nordic	741,123	523,652	561,935	542,986	473,283	267,840	11.32%	2
Japan	231,015	165,019	135,362	136,432	126,585	104,430	16.50%	3
US	144,239	163,793	162,257	139,602	118,959	25,280	4.25%	4
Total	2,909,448	2,624,164	2,474,323	2,381,143	2,167,112	742,336	6.85%	

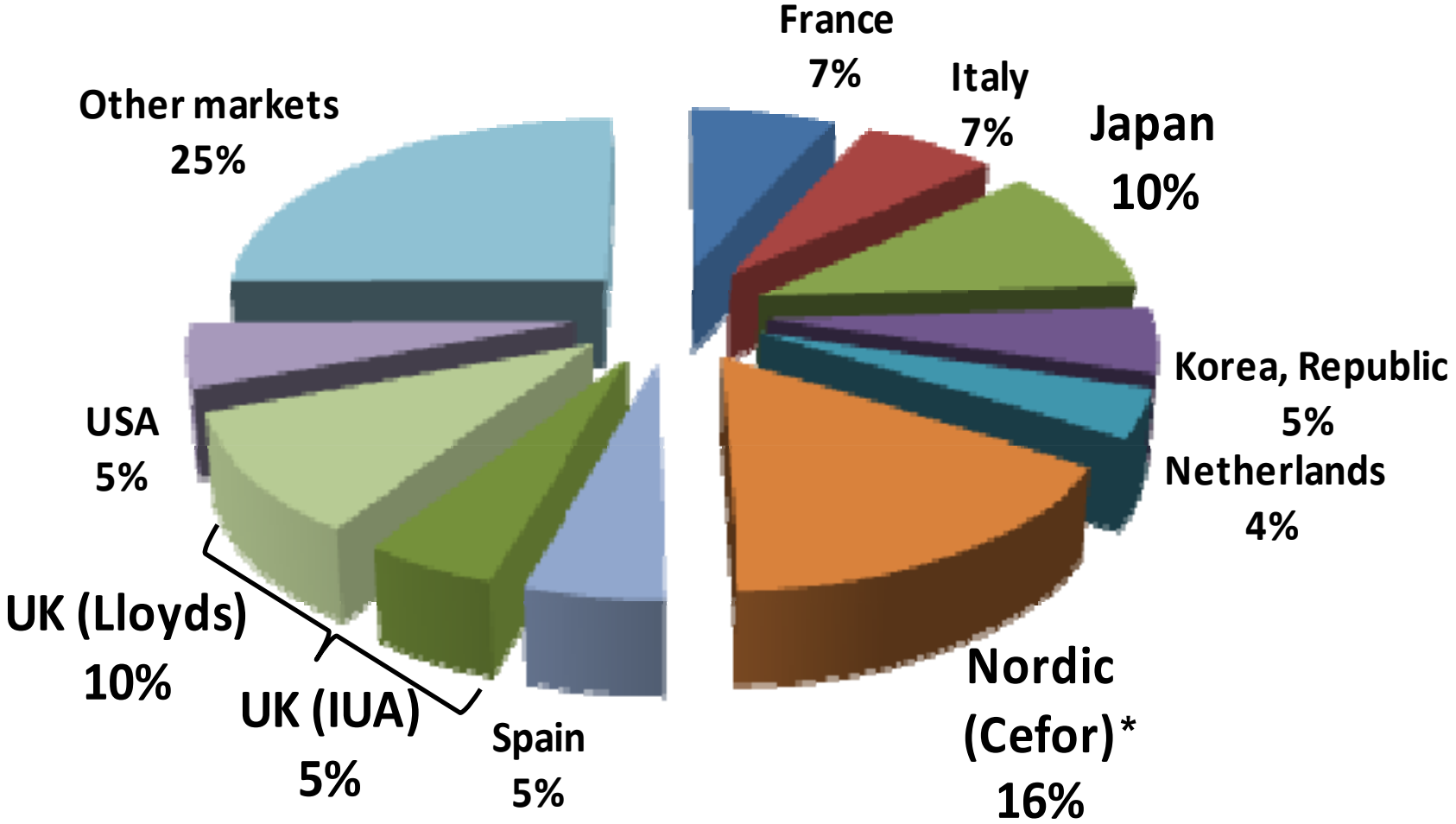
Source: Standard & Poors Marine Mutual Report 2008

Global Hull Premium by markets



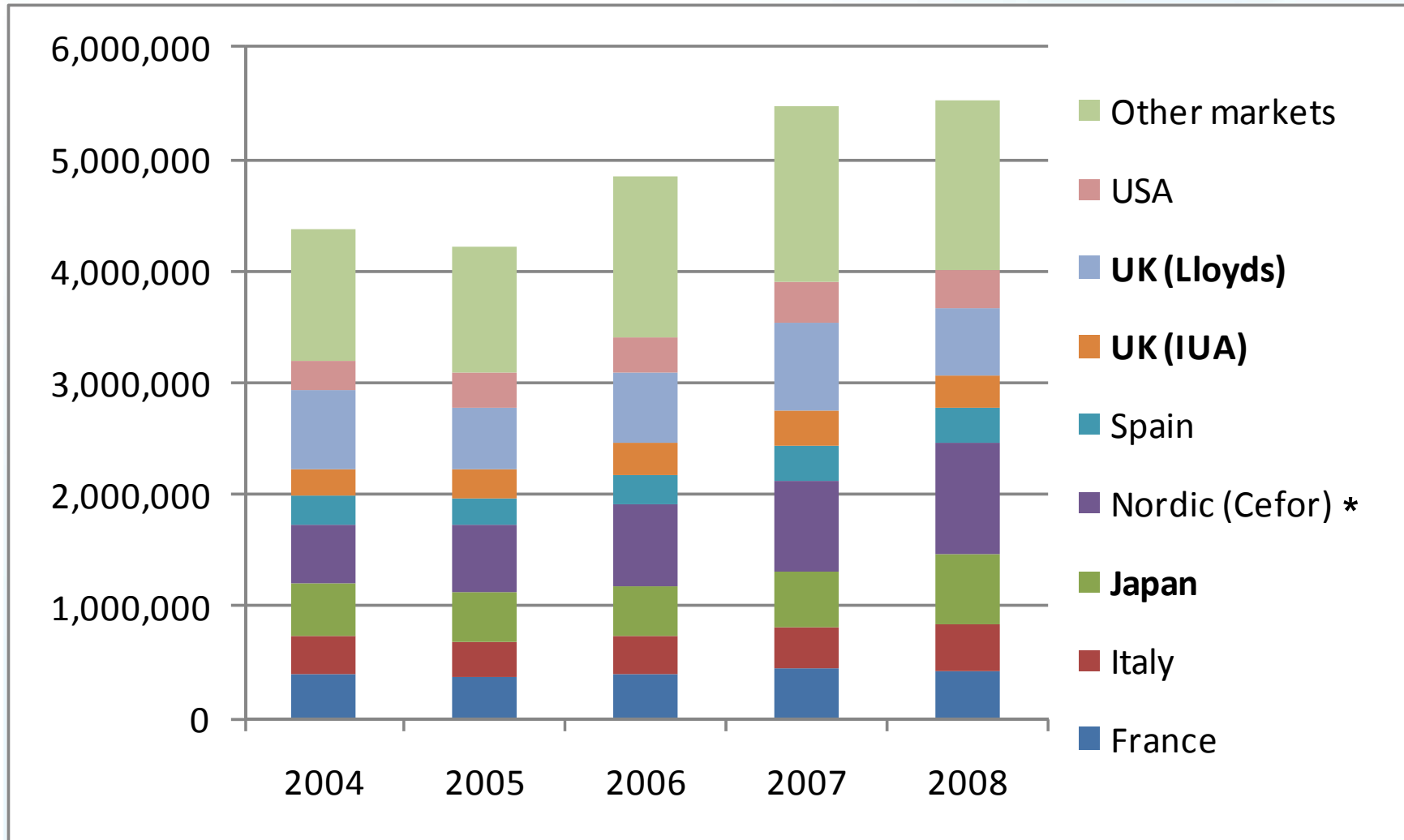
Total: 6.1 USD billion

2008



* including Non-Norwegian members

Global Hull Premium by major markets, 2004 – 2008 (USD)



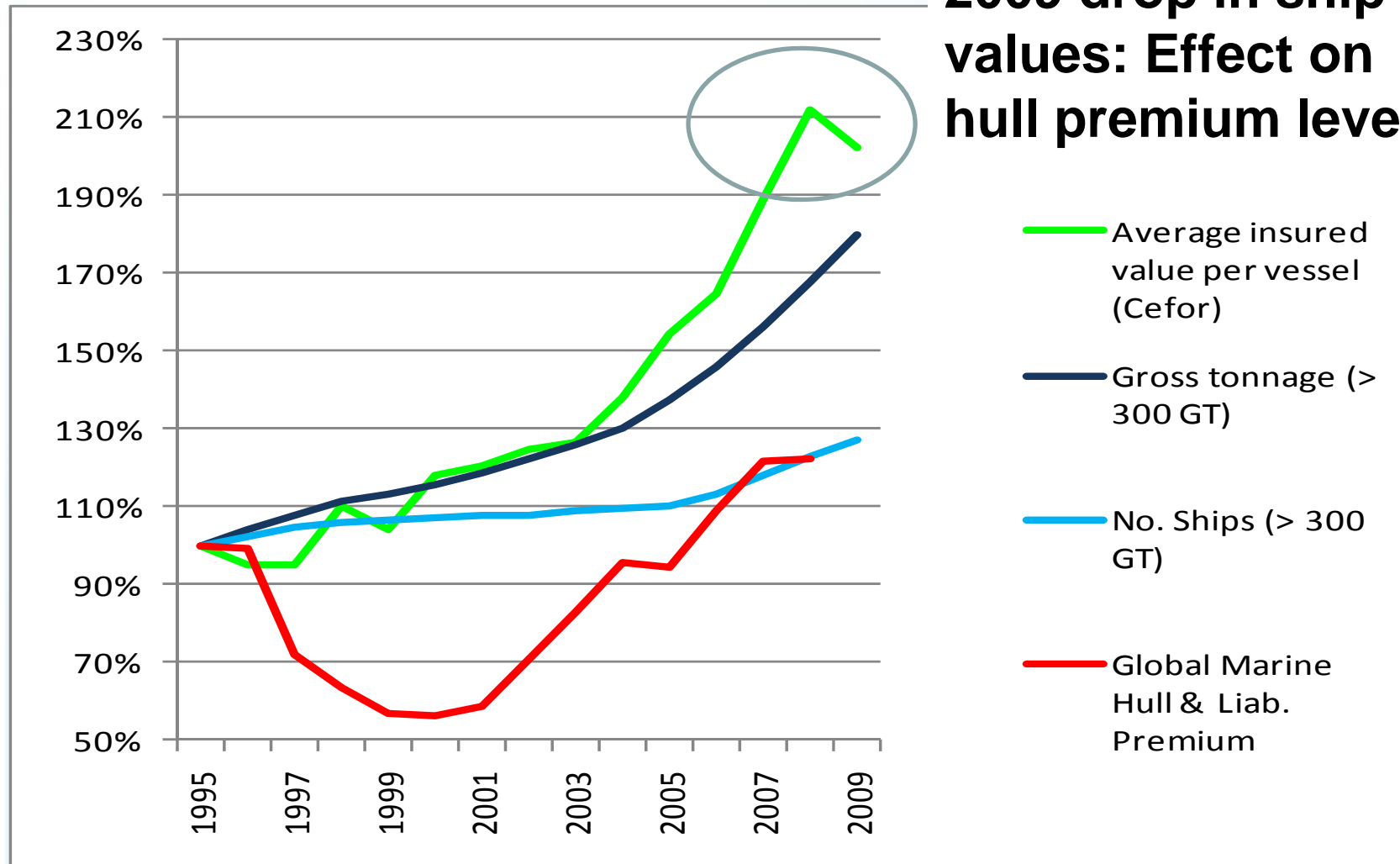
* including Non-Norwegian members from 2008 accounting year

World Merchant Fleet and Global Marine Hull & Liability Premium

Index of evolution, 1995 = 100%

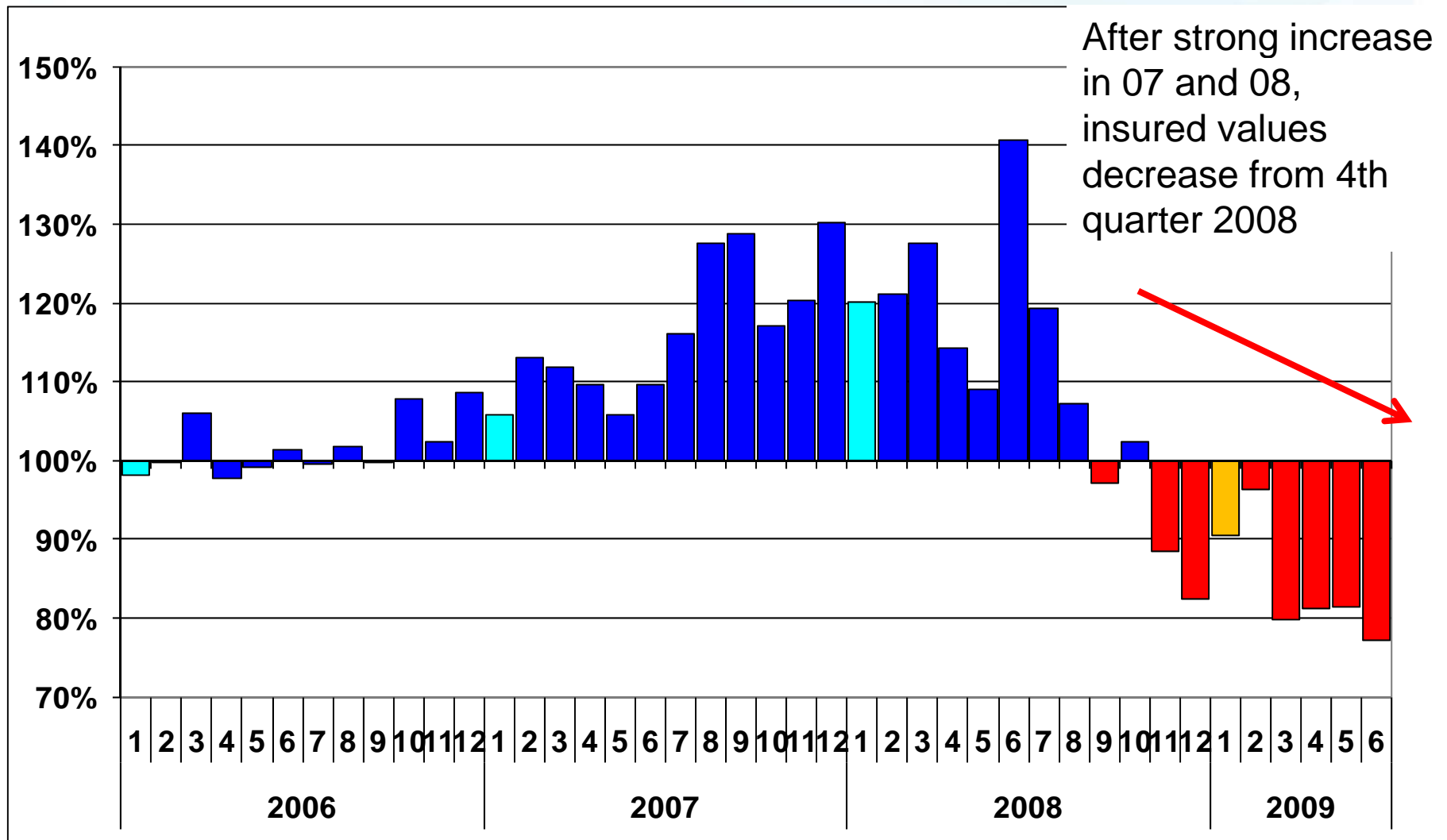


2009 drop in ship values: Effect on hull premium level?



Sources: Indicators for World Fleet from ISL Bremen, Vessel value index: CEFOR, as of 30.06.09

Renewed Hull vessel values – Change in insured values, renewals by month (= insured value on renewal / insured value previous year)

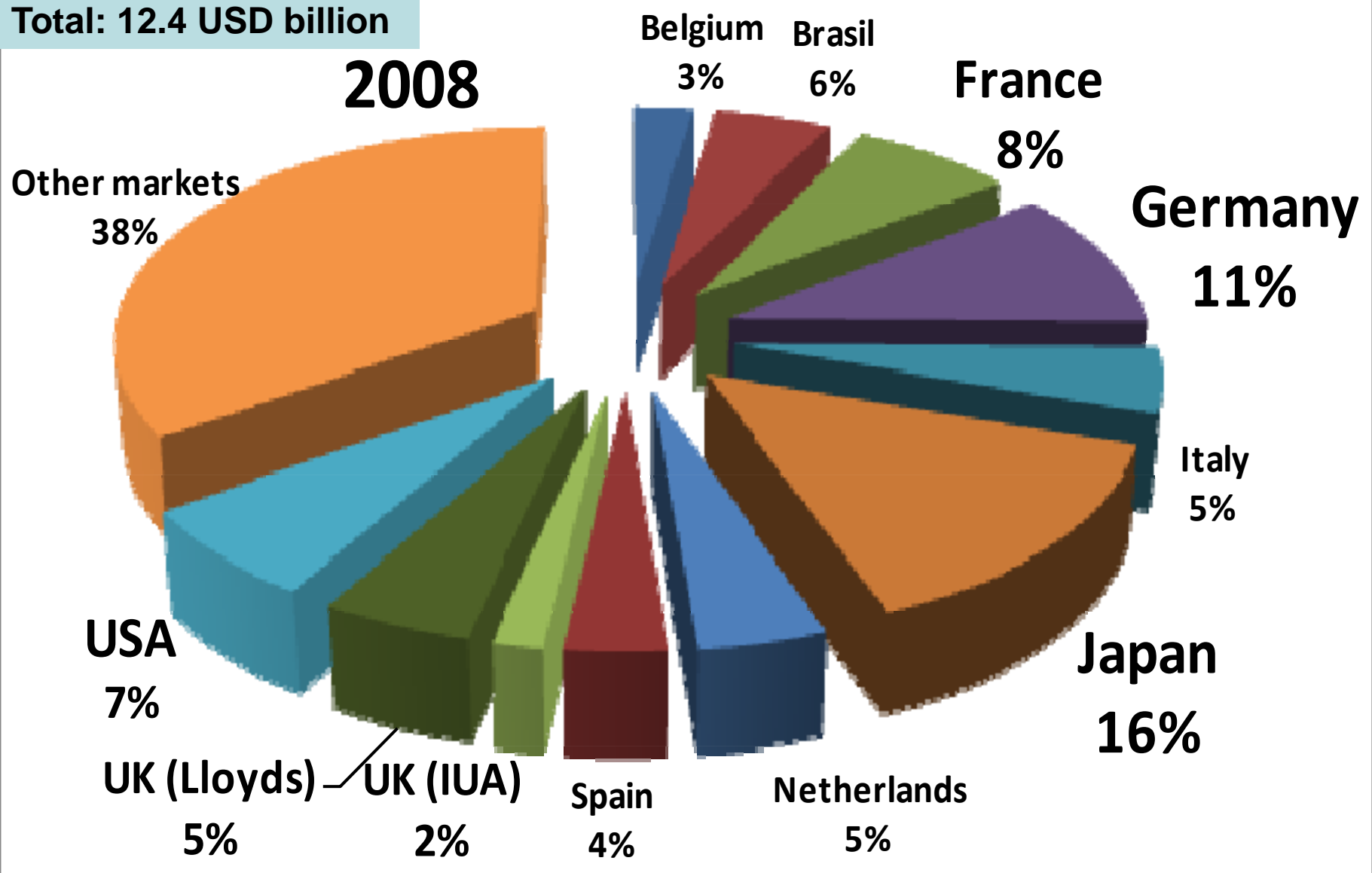


Global Cargo Premium by markets



Total: 12.4 USD billion

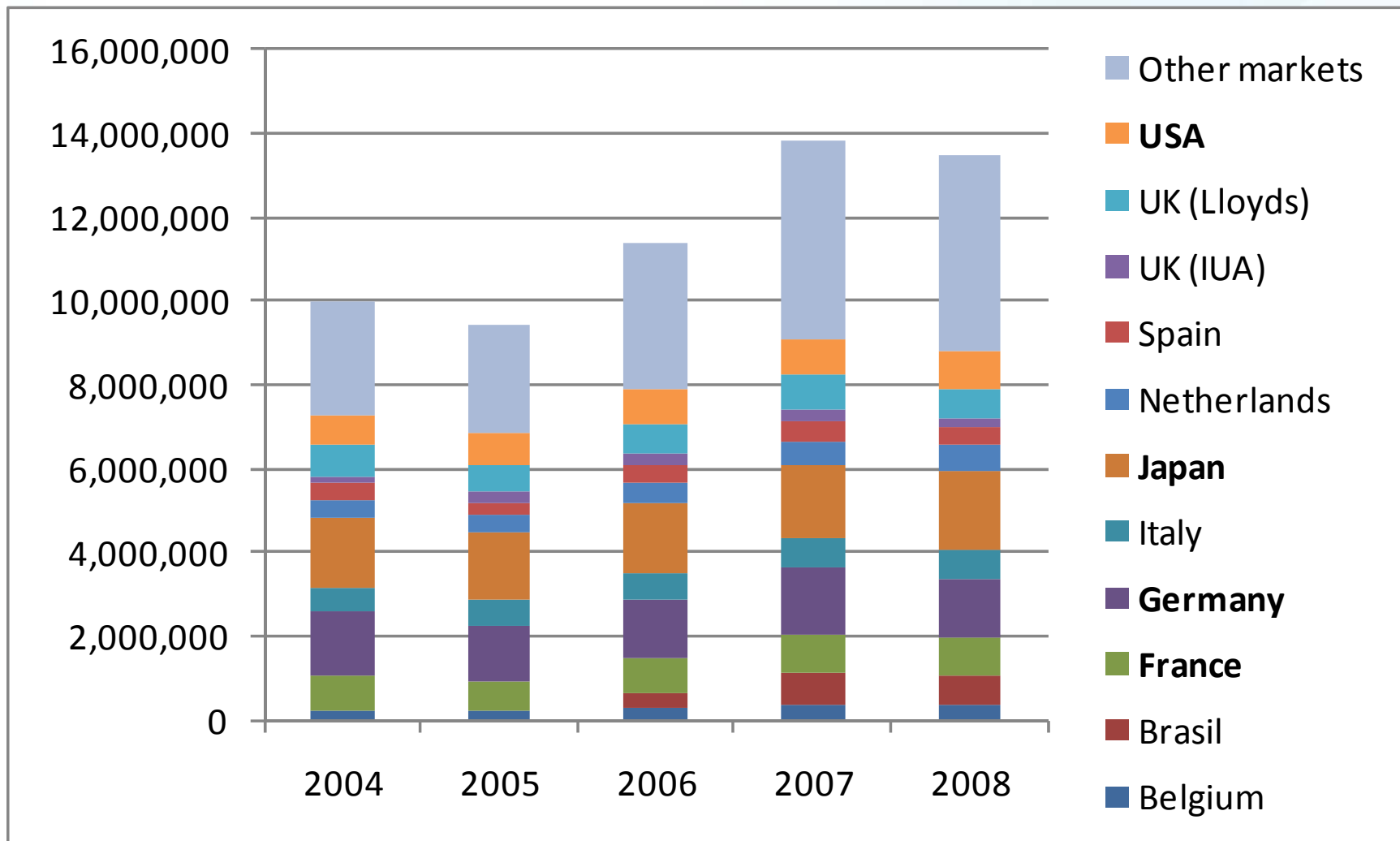
2008



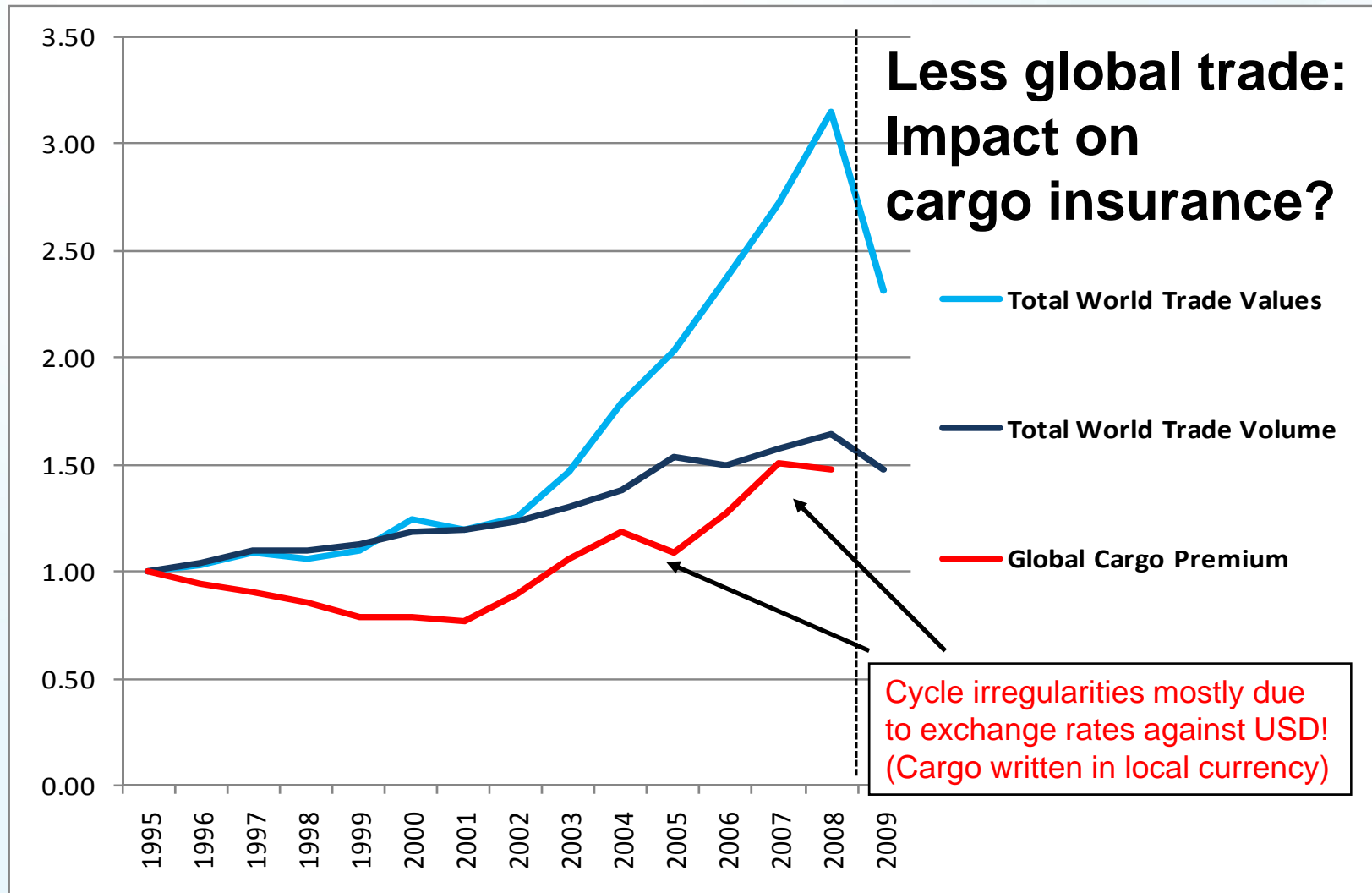
Global Cargo Premium

by major markets, 2004 – 2008

(USD)



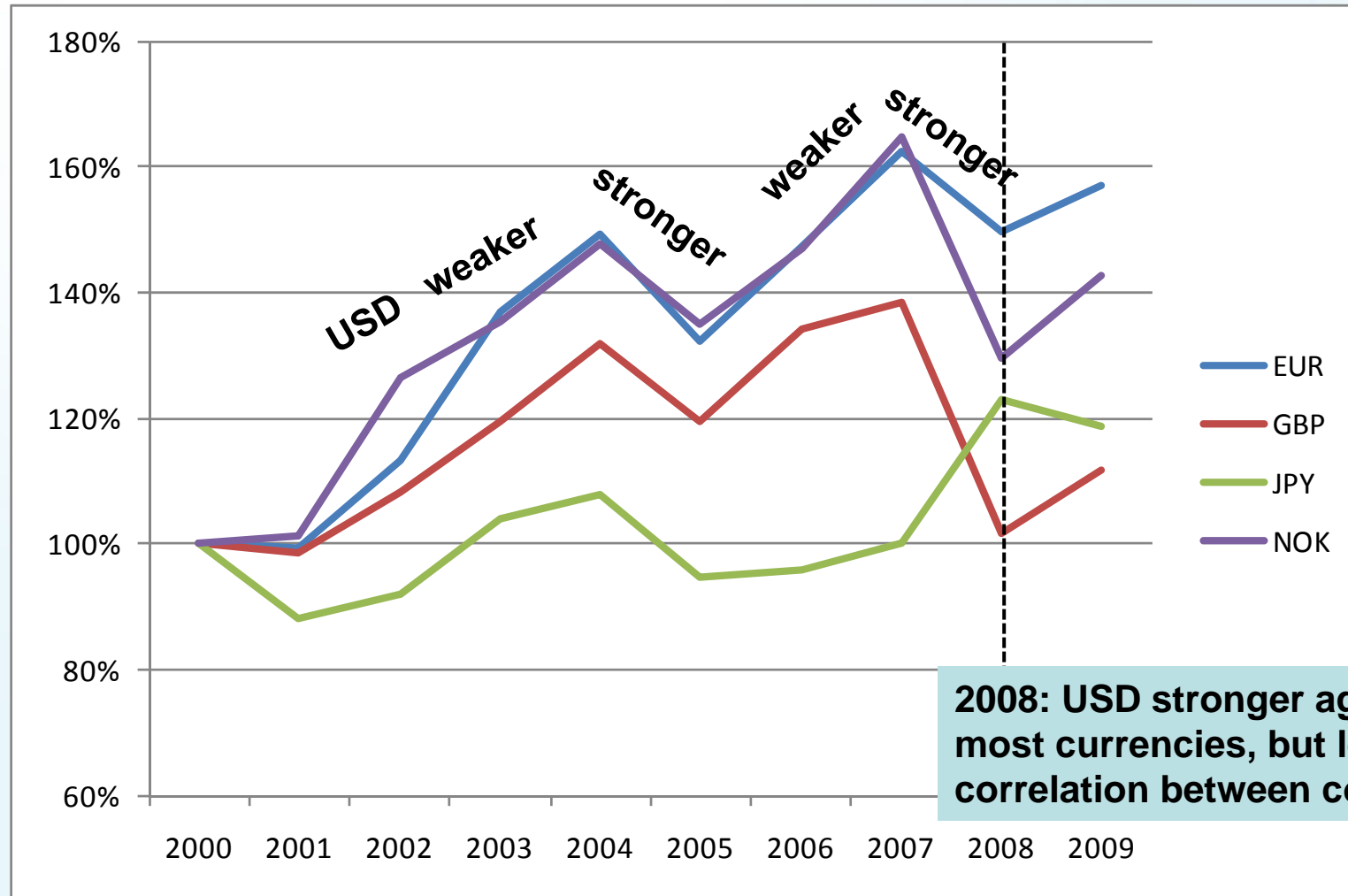
World Seaborne Trade Volume and Trade Values, Global Cargo Premium Index of evolution, 1995 = 100%



Source: Indicators for World Trade Volume from ISL Bremen, 2009 figures based on IMF estimates

Evolution of USD Exchange rate against selected currencies, Index

(exchange rates as of December each year, 2009 as of July 09)



Source: Norges Bank Exchange Rates Statistics

Exchange rates against US\$



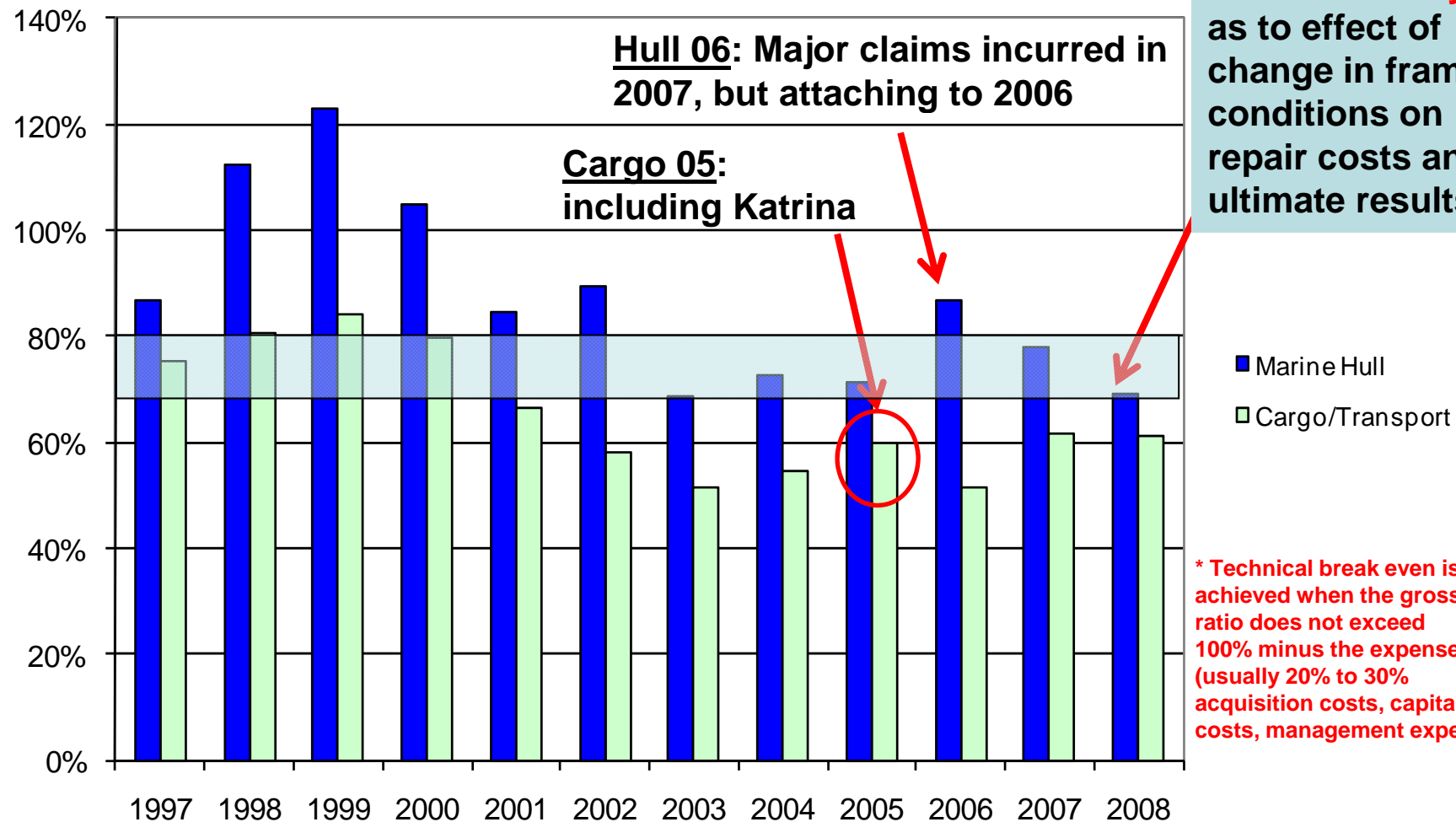
(as of December each year for selected currencies)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
										as of Juli 09
USD	1	1	1	1	1	1	1	1	1	1
EUR	1.1147	1.1205	0.9826	0.814	0.7462	0.8435	0.7569	0.686	0.745	0.7099
GBP	0.6837	0.6945	0.6309	0.5716	0.5184	0.5729	0.5092	0.4941	0.6726	0.6112
JPY	112.0751	127.2118	122.0127	107.8086	103.7914	118.5521	117.1756	112.1509	91.1675	94.4477
NOK	9.0662	8.9552	7.168	6.7085	6.1321	6.7257	6.1741	5.4966	7.0057	6.3534

Source: Norges Bank Exchange Rates Statistics

Marine Hull and Cargo/Transport Gross* Ultimate Loss Ratio

U/W Years 1997 to 2008



Hull 08: fewer major claims, but **uncertainty** as to effect of change in frame conditions on repair costs and ultimate results

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

Summing up Hull – until 2008...



- **Frame conditions**
 - World trade and world fleet increasing
 - Steel prices up (-> hull repairs!)
 - Repair yard capacity not sufficient (-> repair cost!)
 - Exchange rate effects on repair cost

- **Major claims**
 - Strong impact in 2006! and 2007
 - Some relief in 2008

- **Repair cost / Attritional losses**
 - Increase in average repair cost 2004 to 2008

- **Claim frequency**
 - Increasing from 2006, after long period of stability

And Hull into 2009...



- **Frame conditions: change dramatically 4Q 2008**
 - Reduction in world trade/values/freight rates
 - Steel price down / oil price down
 - Many vessels in lay-up
 - But world fleet still increasing, due to previous orders

- **Effects on Hull Insurance**
 - Reduction in insured vessel values

- **But positive effect on hull repairs (?)**
 - Steel prices down
 - Better capacity at repair yards
 - More time for maintenance ?
 - Better availability of qualified seafarers ?

And the future for Hull...



- **Future Global Hull Market will depend on**
 - Adjustment of rates to match expected claim cost in combination with reduction in vessel values
 - No. of vessels in lay-ups, scrapped, new builds
 - Market discipline / capacity
(in 2009 signs towards more prudent underwriting)
 - Effect of changes in frame conditions on repair cost
 - and as always: the impact of major claims

Summing up Cargo



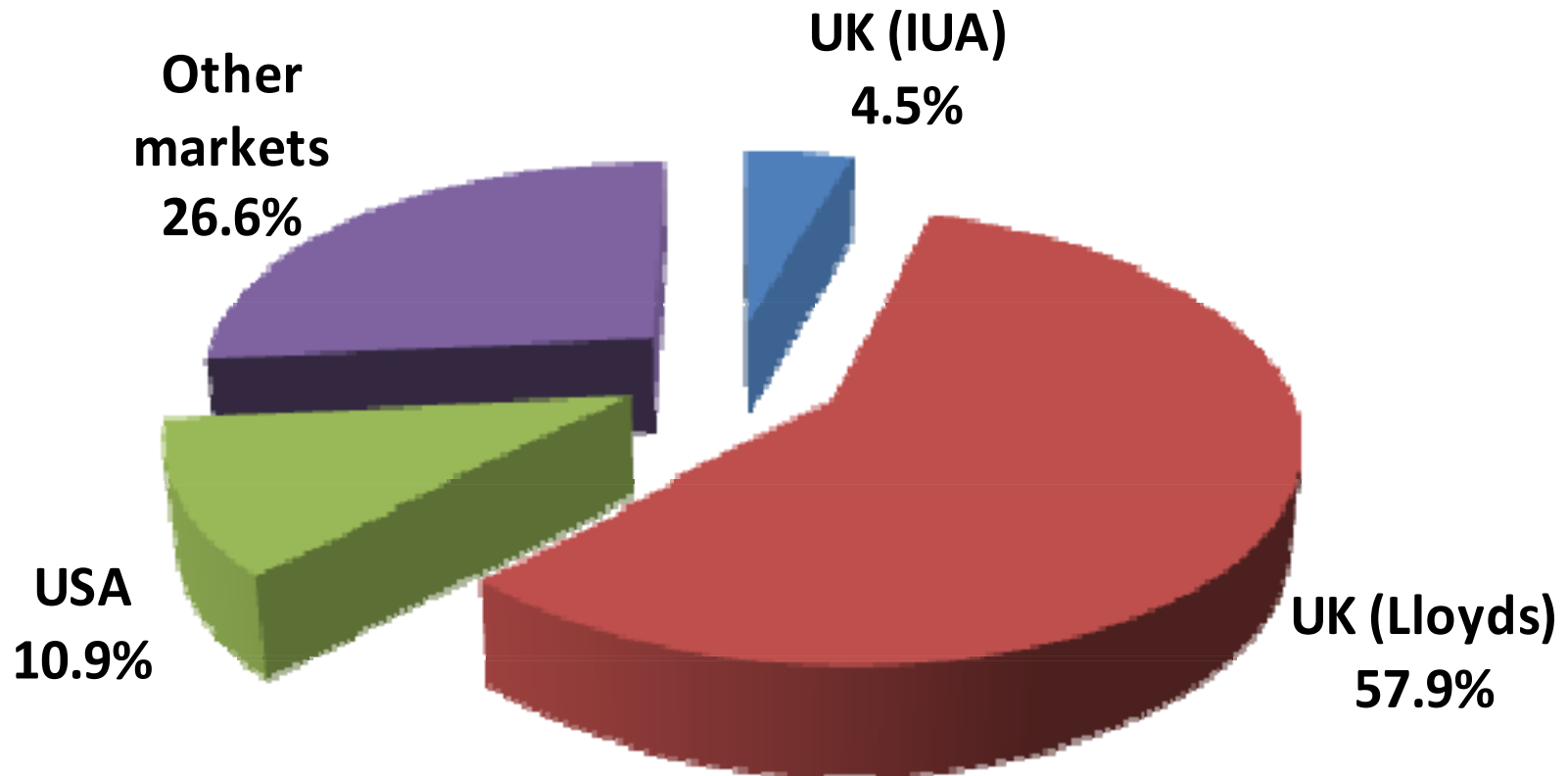
- Dramatical reduction in **insured values**, with respective effect on cargo income.
- Will **claim amounts** be proportionally reduced?
Not too sure because of increasing
 - Accumulation
 - Moral hazard
 - Theft frequency
- Knowing 2008 is close to breakeven, uncertainties on the profitability of 2009.

Global Offshore Energy Premium by markets



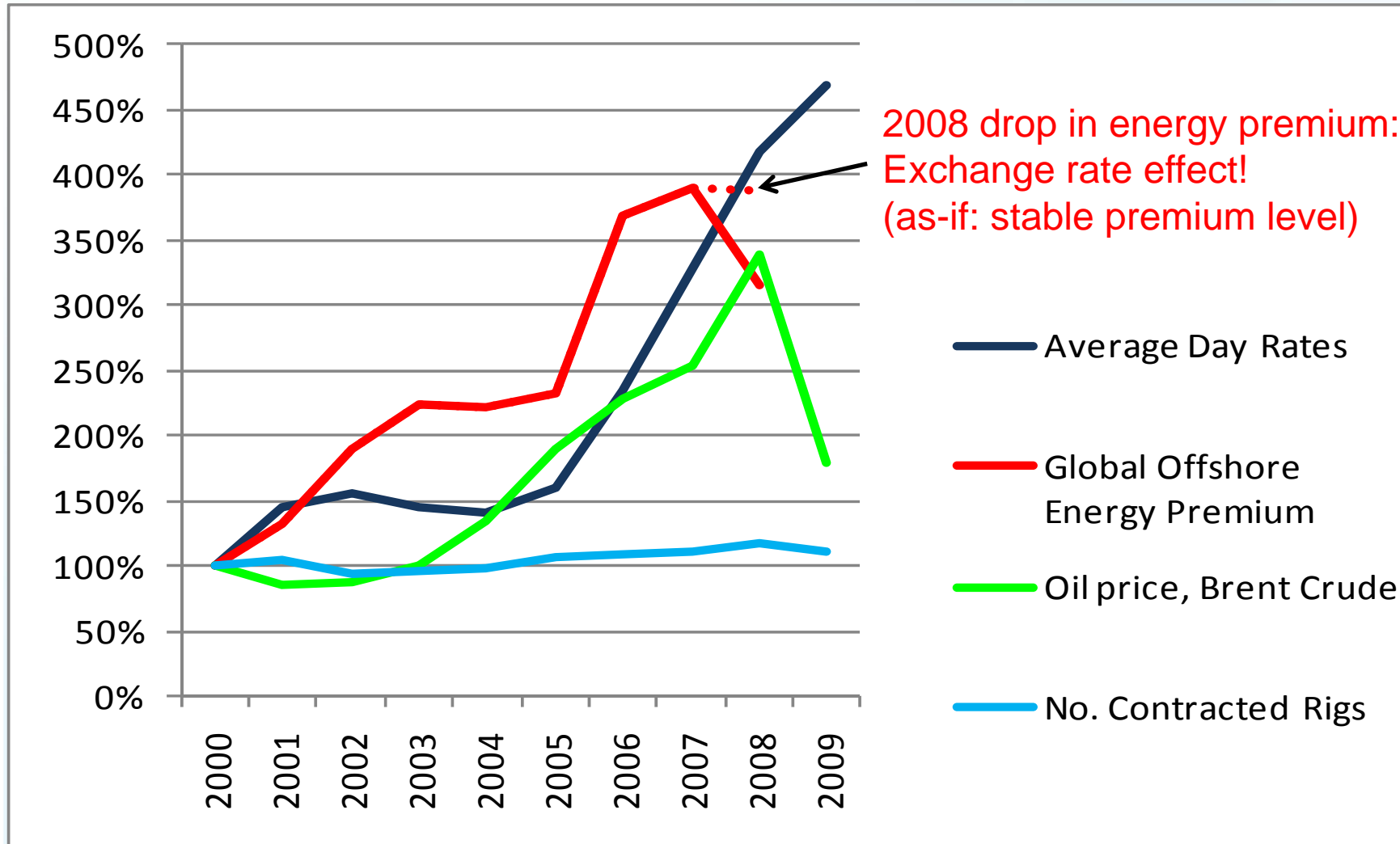
Total: 2.3 USD billion

2008



Energy Mobiles, Day rates, Oil Price Global Offshore Energy Premium

Index of evolution, 2000 = 100%

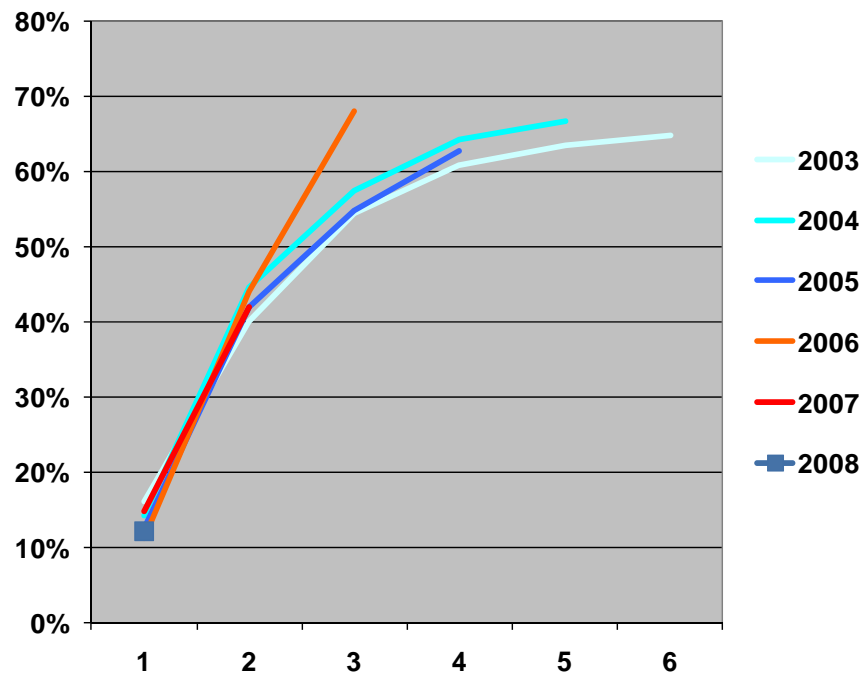


Sources: No. Contracted rigs, day rates: RigZone, Oil price: Energy Information Administration (US), 2009 figures as of 31.07.09

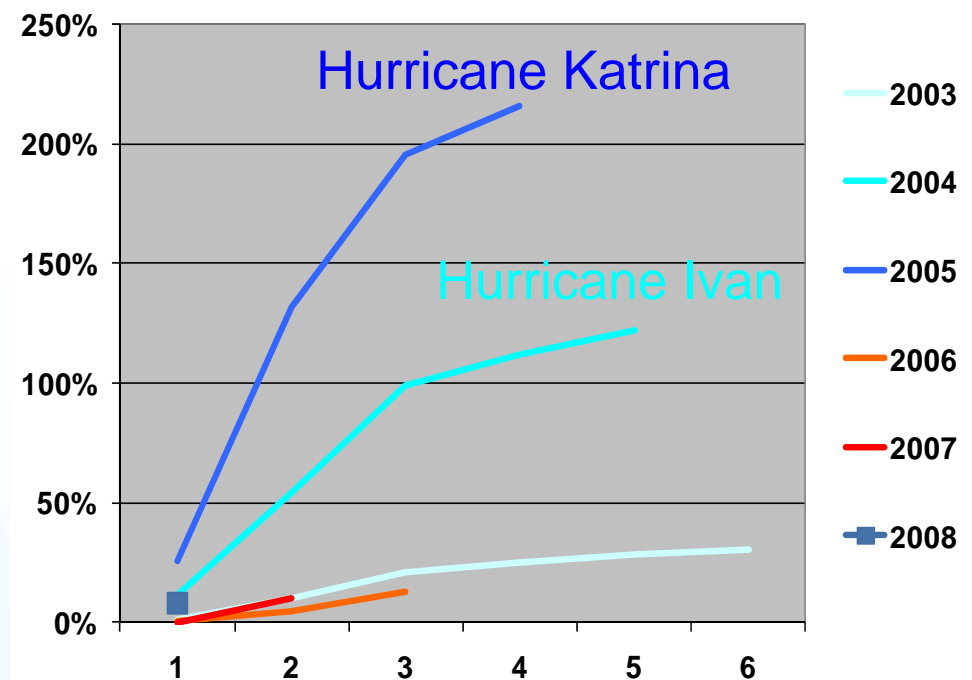
Hull versus Offshore Energy

Development of Gross "Paid" Loss Ratios

per UW year, as reported at 1, 2, 3, 4, 5 and 6 years



Hull



Energy

**A "typical" loss development pattern for Energy?
-> need to analyse Hurricanes separately...**

Summing up Offshore Energy



- Extremely volatile business, results/profitability depend strongly on hurricane impact
- Long time lag between accident and claims payment, due to the technical complexity of the insured objects
- No regular claims patterns. Claims reserves are set depending on knowledge about individual claims.
- Rates and Terms & Conditions have significantly improved since 2001 and following recent hurricane activity in the Gulf of Mexico

Reported Marine Premium

- **by market**
- **by marine line of business**
- **Accounting years 2007 and 2008**

Marine insurance premiums – Accounting year 2007 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
Albania (Albanian Ass. of Marine Insurers)	129	268	187	0	584	
Australia (Insurance Council of Australia Ltd.)	200,000	205,000	28,000	3,000	436,000	
Austria (Verband der Versicherungsunternehmen Oesterreichs)	0	160,075	0	0	160,075	
Bahrain (Bahrain Insurance Association) - new 09						not rep.
Belgium (ABAM_/BVT Belgian Association of Marine Insurers)	24,329	366,623	0	0	390,953	
Bermuda (Bermuda Institute of Marine Underwriters)						not rep.
Brasil (Federacão Nacional de Seguros Gerais)	34,186	786,977	0	5,032	826,195	
Bulgaria (BULSTRAD Insurance and Reinsurance PLC)	12,751	14,125	1,596	0	28,472	
Canada (The Canadian Board of Marine Underwriters)	157,950	140,070	0	0	298,020	
Chinese Taipei (The Non-Life Ins. Ass. of the Republic of Chinese)	51,127	177,902	0	0	229,029	
Congo (Société Nationale d'Assurances SONAS)						not rep.
Croatia (Croatian Insurance Bureau)	17,500	8,000	1,800	5,300	32,600	
Cyprus (Insurance Association of Cyprus)	324	8,555	6	0	8,885	
Czech Republic (Ceska Pojistovna AS)	170	38,630	710	0	39,510	
Denmark (Danish Insurance Association)	not available	78,100	0	0	78,100	Total excl. Hull
Egypt (Insurance Federation of Egypt)	15,710	45,543	53	57,250	118,556	
Finland (Finnish Marine Underwriters' Association)	not available	not available	not available	not available	80,733	
France (FFSA-Féd.Francaise des Sociétés d'Ass.Transports)	439,275	907,108	0	0	1,346,383	
Germany (Gesamtverband der Deutschen Versicherungswirtschaft)	187,951	1,590,004	0	0	1,777,955	
Greece (Hellenic Association of Insurance Companies)	33,983	61,347	9,133	0	104,463	
Hong Kong (The Hong Kong Federation of Insurers)	114,607	128,079	5,148	0	247,833	
Hungary (Association of Hungarian Insurance Companies)	not available	not available	not available	not available	22,140	

not rep. = country did not report

Marine insurance premiums – Accounting year 2007 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
India (Tariff Advisory Committee)	42,728	175,708	1,330	118,897	338,663	
Ireland (The Irish Institute of Marine Underwriters)	8,536	26,294	1,325	0	36,155	
Israel (Israel Insurance Association)	11,000	49,000	0	0	60,000	
Italy (ANIA-Associazione Nazionale fra le Imprese Assicuratrici)	381,253	665,578	19,485	111,188	1,177,504	
Japan (The Marine and Fire Insurance Association of Japan, Inc.)	501,250	1,769,465	32,357	96,665	2,399,737	
Kazakhstan (Eurasia Insurance Company JSC) - new 09	2,376	55,315	1,267	56,677	115,636	
Kenya (The Association of Kenya Insurers)	0	20,458	0	0	20,458	
Korea, D.P.R. of (Korea National Ins. Corporation)	7,035	10,692	369	18,097	36,194	
Korea, Republic of (Korea Non-life Ins. Assocn.)	298,939	253,201	18,660	50,128	620,928	
Lebanon (Association des Compagnies d'Assurances au Liban - ACAL)	not available	not available	not available	not available	14,500	
Malaysia (General Ins. Association of Malaysia)	56,683	122,913	0	139,114	318,711	
Morocco (F.M.S.A.R. & Comité des Assureurs Maritime du Maroc CA)	26,170	62,521	0	0	88,691	
Netherlands (Association of Insurers)	203,000	544,000			747,000	
New Zealand (Insurance Council of New Zealand)	23,729	35,307	1,424	0	60,459	
Nigeria (Nigerian Insurers Association)	23,160	54,040	4,632	17,935	99,767	
Nordic (Cefor, The Nordic Association of Marine Insurers)	793,465	72,100	0	not available	865,565	Norwegian only
Poland (WARTA Insurance & Reinsurance Co. SA)	51,572	78,924	4,856	1,398	136,749	

not rep. = country did not report

Marine insurance premiums – Accounting year 2007 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
Portugal (Mutua dos Pescadores)	25,751	60,362	3,006	0	89,120	
Romania (National Union - Insurance and Reinsurance Comp)	7,946	9,624	2,502	0	20,073	
Russia (Russia Ingosstrakh Insurance Company Ltd.)	54,900	136,200	31,700	0	222,800	
Singapore (General Insurance Association of Singapore)	134,100	119,300	0	0	253,400	
Slovenia (Slovenian Insurance Association)	2,325	20,029	1,441	0	23,795	
South Africa (Association of Marine Underwriters in South Afri)	10,000	90,000	0	0	100,000	
Spain (Comité de Transportes de UNESPA)	315,120	471,393	0	0	786,513	
Sweden (Forsäkringsförbundet)	139,029	198,511	1	0	337,542	
Switzerland (Swiss Association of Marine Underwriters)	not available	not available	not available	not available	285,200	
Tunisia (Fédération Tunisienne des Sociétés)						not rep.
Turkey (Ass. of the Ins. and Reins. Companies of Türkiye)	63,266	250,307	0	0	313,573	
Ukraine (Marine Insurance Bureau of Ukraine)	2,470	280,000	600	0	283,070	
United Arab Emirates (Emirates Insurance Association)						not rep.
United Kingdom (Int'l Underwriting Association of London - IL)	317,496	275,930	49,544	113,727	756,697	
United Kingdom (Lloyd's Underwriters' Association.)	801,084	842,475	499,426	1,816,750	3,959,735	
U S A (American Institute of Marine Underwriters)	349,205	832,511	734,206	275,655	2,191,577	
Total sum	5,951,916	12,328,289	1,459,283	2,891,783	23,033,844	

UK Lloyd's: Projected ultimate underwriting year premium, after deduction of acquisition costs, but including proportional and facultative reinsurance. Acquisition cost ratio is estimated to be ca. 20-25% for most years. Marine Liability includes P&I premium via International Group's reinsurance programme, which is estimated to be about 65% of the reported liability premium. All historical figures revised in 2008.

not rep. = country did not report

Marine insurance premiums – Accounting year 2008 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
Albania (Albanian Ass. of Marine Insurers)	129	369	218	0	716	
Australia (Insurance Council of Australia Ltd.)	171,000	162,000	25,000	3,000	361,000	
Austria (Verband der Versicherungsunternehmen Oesterreichs)	0	166,207	0	0	166,207	
Bahrain (Bahrain Insurance Association) - new 09						not rep.
Belgium (ABAM_/BVT Belgian Association of Marine Insurers)	37,044	348,947	0	0	385,992	
Bermuda (Bermuda Institute of Marine Underwriters)						not rep.
Brasil (Federação Nacional de Seguros Gerais)	35,208	699,824	0	6,063	741,095	
Bulgaria (BULSTRAD Insurance and Reinsurance PLC)	15,826	13,130	1,390	0	30,345	
Canada (The Canadian Board of Marine Underwriters)	127,014	117,243	0	0	244,258	
Chinese Taipei (The Non-Life Ins. Ass. of the Republic of Chinese)	55,673	188,142	0	0	243,815	
Congo (Société Nationale d'Assurances SONAS)						not rep.
Croatia (Croatian Insurance Bureau)	19,700	9,600	2,200	6,200	37,700	
Cyprus (Insurance Association of Cyprus)	1,079	9,411	3	0	10,492	
Czech Republic (Ceska Pojistovna AS)	70	34,050	90	0	34,210	
Denmark (Danish Insurance Association)	not available	78,100	0	0	78,100	Hull partly incl. in "Nordic"
Egypt (Insurance Federation of Egypt)	23,340	66,489	0	96,168	185,998	
Finland (Finnish Marine Underwriters' Association)	not available	not available	not available	not available	85,038	
France (FFSA-Féd.Francaise des Sociétés d'Ass.Transports)	431,705	945,243	0	0	1,376,948	
Germany (Gesamtverband der Deutschen Versicherungswirtschaft)	157,070	1,401,804	0	0	1,558,874	
Greece (Hellenic Association of Insurance Companies)	32,219	61,386	9,062	0	102,667	
Hong Kong (The Hong Kong Federation of Insurers)	152,761	134,293	5,196	0	292,250	
Hungary (Association of Hungarian Insurance Companies)	not available	not available	not available	not available	17,750	

Comments: NA = split not available, not rep. = country did not report

Marine insurance premiums – Accounting year 2008 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
India (Tariff Advisory Committee)	36,701	194,123	1,556	84,377	316,757	
Ireland (The Irish Institute of Marine Underwriters)	8,109	24,191	1,259	0	33,559	
Israel (Israel Insurance Association)	8,300	41,000	0	0	49,300	
Italy (ANIA-Associazione Nazionale fra le Imprese Assicuratrici)	399,189	642,480	19,573	105,148	1,166,391	
Japan (The Marine and Fire Insurance Association of Japan, Inc.)	636,531	1,931,707	44,236	105,737	2,718,211	
Kazakhstan (Eurasia Insurance Company JSC) - new 09	5,953	48,588	1,522	46,565	102,627	
Kenya (The Association of Kenya Insurers)	0	22,542	0	0	22,542	
Korea, D.P.R. of (Korea National Ins. Corporation)	6,930	10,676	362	0	17,969	not rep.
Korea, Republic of (Korea Non-life Ins. Assocn.)	330,923	225,517	20,031	35,361	611,833	
Lebanon (Association des Compagnie d'Assurances au Liban - ACAL)	not available	not available	not available	not available	18,000	
Malaysia (General Ins. Association of Malaysia)	58,640	130,387	0	109,387	298,414	
Morocco (F.M.S.A.R. & Comité des Assureurs Maritime du Maroc CA)	25,679	65,460	0	0	91,140	
Netherlands (Association of Insurers)	246,000	577,000			823,000	
New Zealand (Insurance Council of New Zealand)	26,795	39,869	1,608	0	68,272	
Nigeria (Nigerian Insurers Association)	23,160	54,040	4,632	17,935	99,767	not rep., Est. from 07
Nordic (Cefor, The Nordic Association of Marine Insurers)	993,200	74,000	0	not available	1,067,200	Hull: all Nordic; Cargo: Norwegian only
Poland (WARTA Insurance & Reinsurance Co. SA)	31,018	63,873	2,630	1,150	98,671	

not rep. = country did not report

Marine insurance premiums – Accounting year 2008 (in USD 1000)



Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total
Portugal (Mutua dos Pescadores)	24,243	59,342	2,324	0	85,910
Romania (National Union - Insurance and Reinsurance Company)	8,273	11,705	1,674	0	21,652
Russia (Russia Ingosstrakh Insurance Company Ltd.)	71,230	139,900	32,200	0	243,330
Singapore (General Insurance Association of Singapore)	130,800	131,200	0	0	262,000
Slovenia (Slovenian Insurance Association)	2,393	19,504	1,484		23,382
South Africa (Association of Marine Underwriters in South Africa)	11,650	108,300	0	0	119,950
Spain (Comité de Transportes de UNESPA)	309,145	447,464	0	0	756,609
Sweden (Forsäkringsförbundet)	130,276	158,328	767	0	289,371
Switzerland (Swiss Association of Marine Underwriters)	not available	not available	not available	not available	284,100
Tunisia (Fédération Tunisienne des Sociétés)					not rep.
Turkey (Ass. of the Ins. and Reins. Companies of Türkiye)	65,740	200,462	0	0	266,202
Ukraine (Marine Insurance Bureau of Ukraine)	2,300	349,000	500	0	351,800
United Arab Emirates (Emirates Insurance Association)					not rep.
United Kingdom (Int'l Underwriting Association of London - ILU)	293,687	230,564	31,557	105,424	661,232
United Kingdom (Lloyd's Underwriters' Association.)	613,701	663,037	410,779	1,351,825	3,039,342
U S A (American Institute of Marine Underwriters)	328,011	915,263	715,299	255,029	2,213,602
Total sum	6,096,751	12,045,482	1,341,674	2,334,340	22,223,135

UK Lloyd's: Projected ultimate underwriting year premium, after deduction of acquisition costs, but including proportional and facultative reinsurance. Acquisition cost ratio is estimated to be ca. 20-25% for most years. Marine Liability includes P&I premium via International Group's reinsurance programme, which is estimated to be about 65% of the reported liability premium. All historical figures revised in 2008.

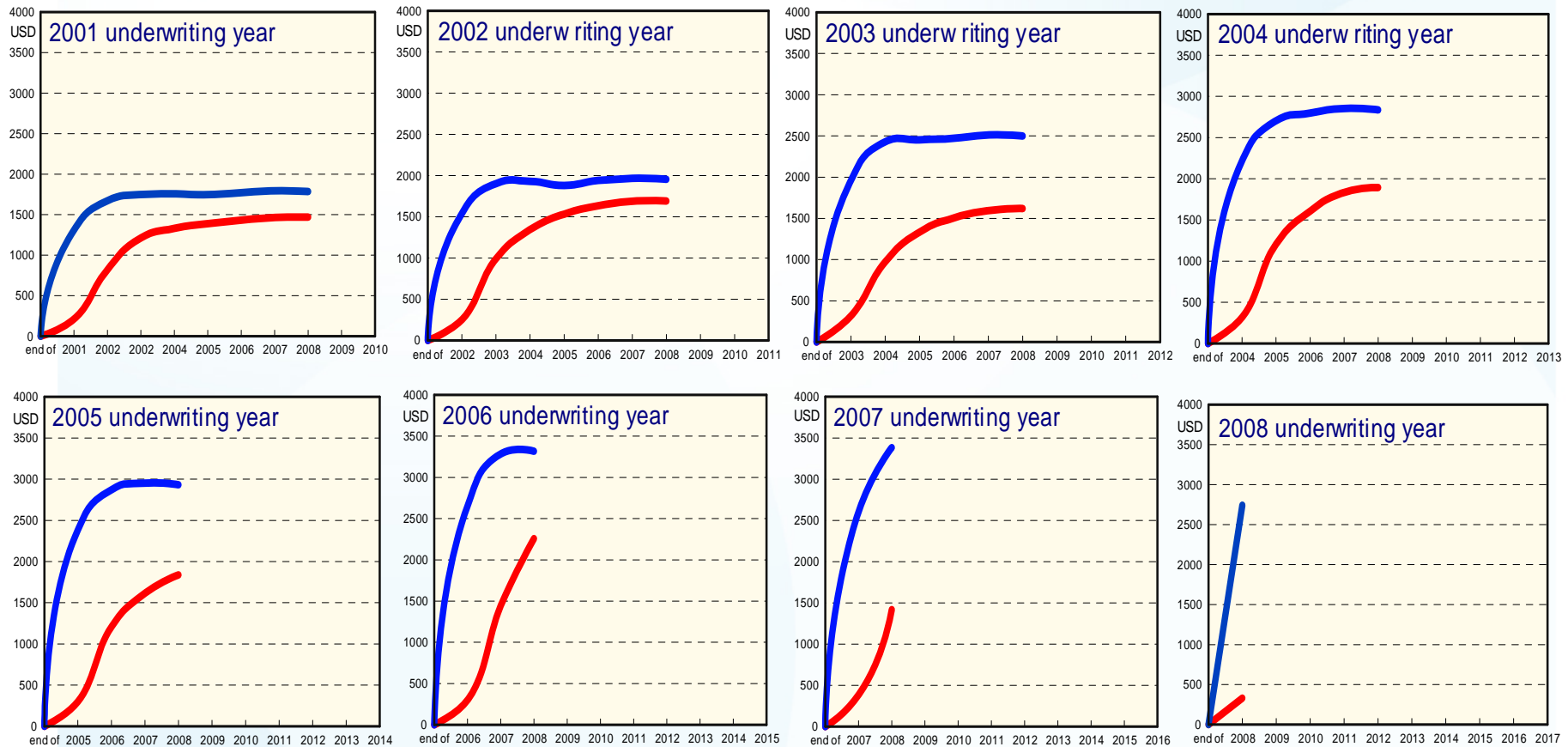
not rep. = country did not report

Reported Gross Loss Ratios

Ladder tables

- for Hull, Cargo, Energy
- by Underwriting year

Marine Hull – Evolution of Paid Claims, Gross Premiums as reported, U/W Year 2001 to 2008 (USD)

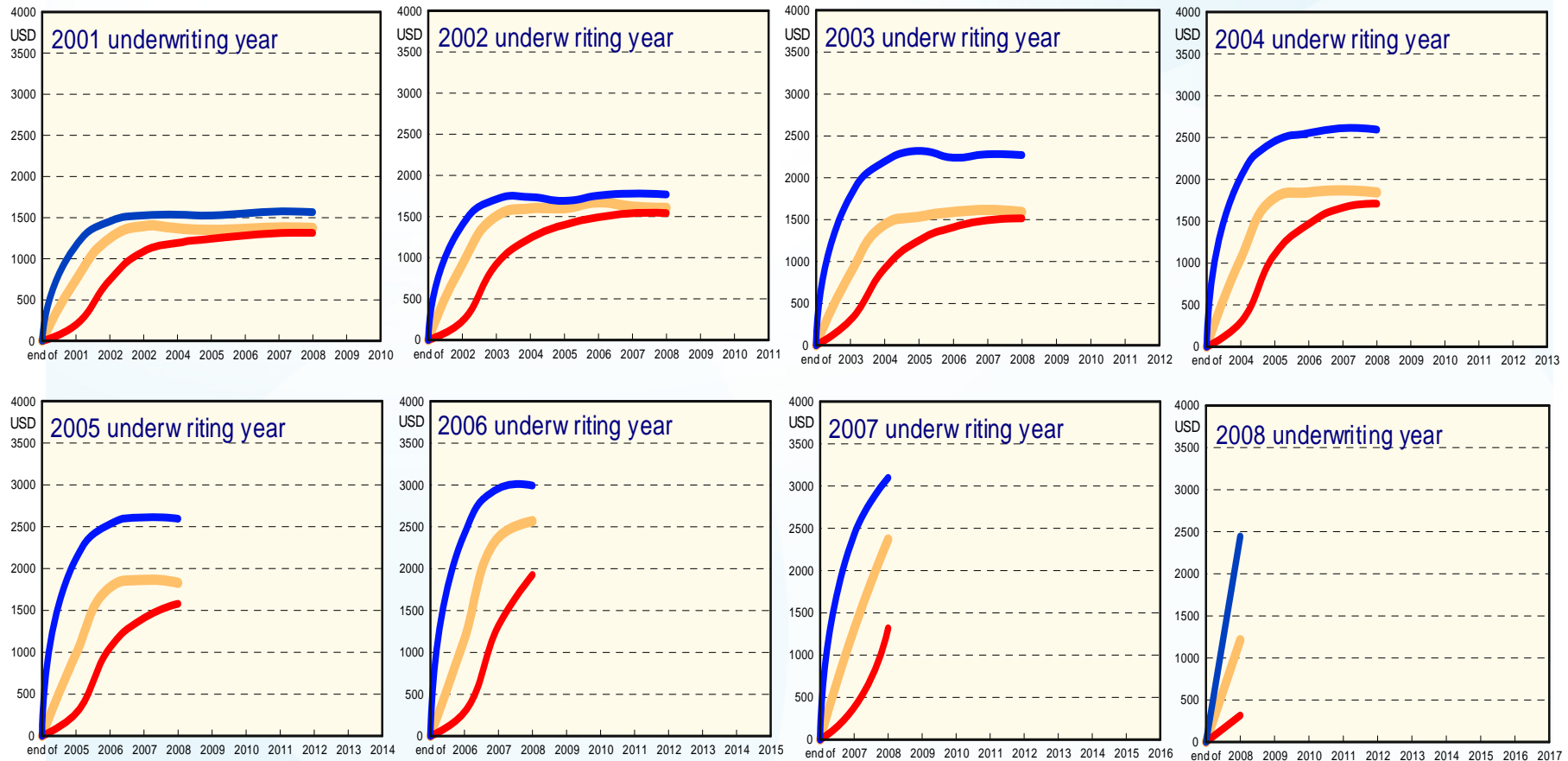


Blue line = Gross Premium; Red line = Paid Claims

Totals of 10 IUMI members – Belgium, France, Germany, Italy, Netherlands, Nordic Cefor, Spain, UK Lloyds & IUA, USA

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

as reported, U/W Year 2001 to 2008 (USD)



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

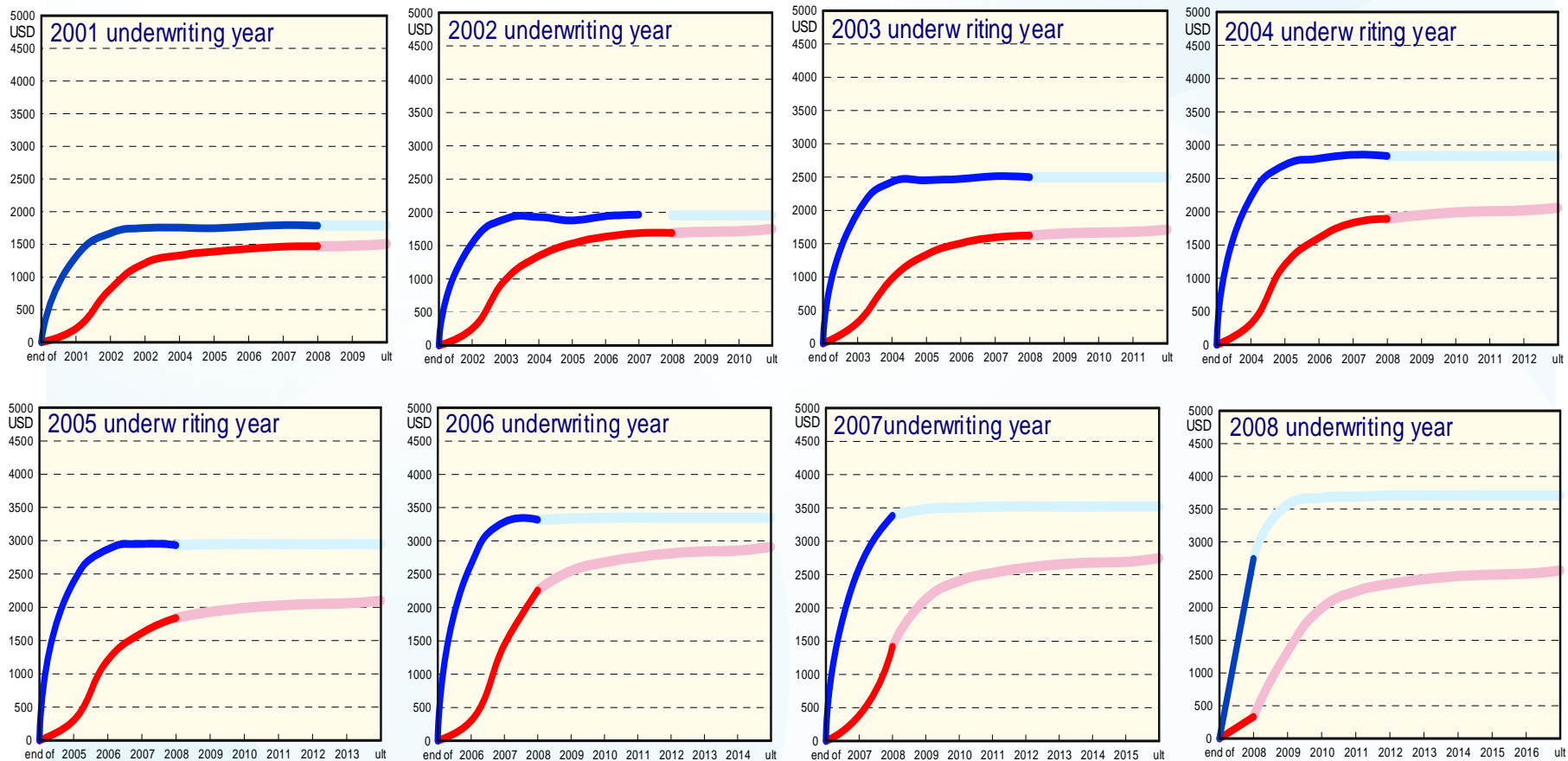
Totals of 9 IUMI members –

Belgium, France, Germany, Italy, Netherlands, Nordic Cefor, Spain, UK Lloyds, USA

Marine Hull – Evolution of Paid Claims, Gross Premiums



with estimation towards ultimate, U/W Year 2001 to 2008 (USD)



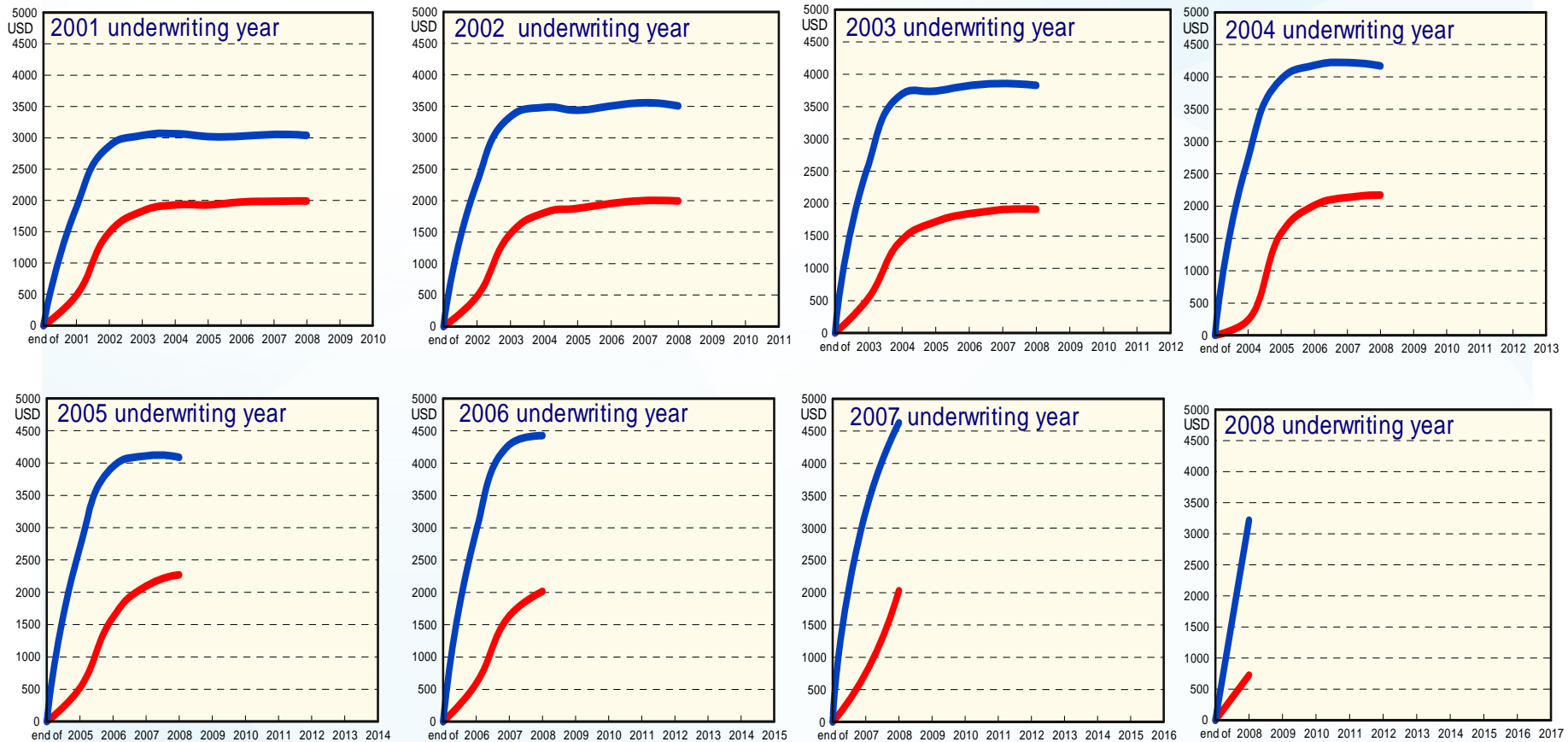
Blue line = Gross Premium; Red line = Paid Claims

Totals of 10 IUMI members – Belgium, France, Germany, Italy, Netherlands, Nordic Cefor, Spain, UK Lloyds & IUA, USA

Transport/Cargo – Evolution of Paid Claims, Gross Premiums



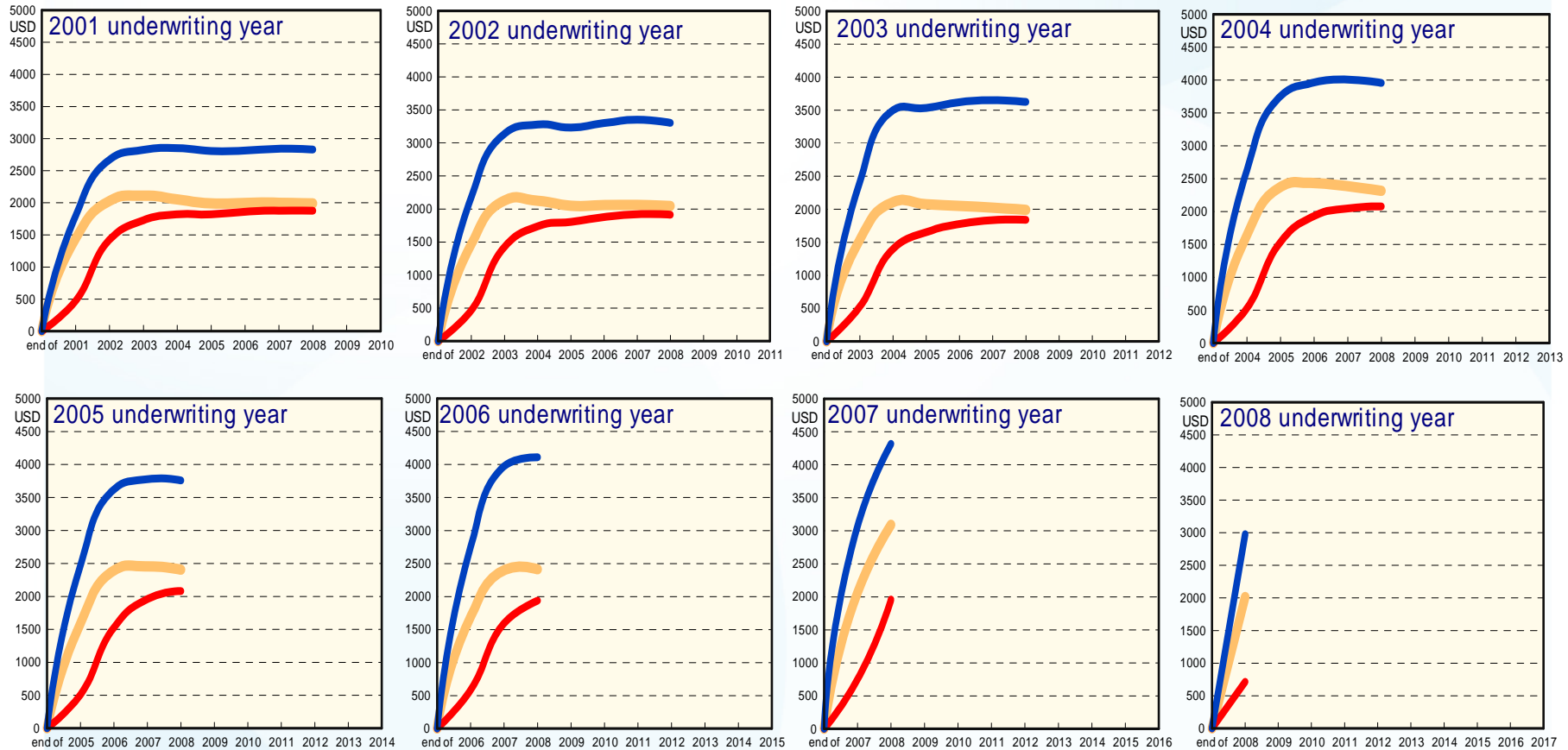
as reported, U/W Year 2001 to 2008 (USD)



Blue line = Gross Premium; Red line = Paid Claims

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

Transport/Cargo – Paid and Total Claims, Gross Premiums as reported, U/W Year 2001 to 2008 (USD)

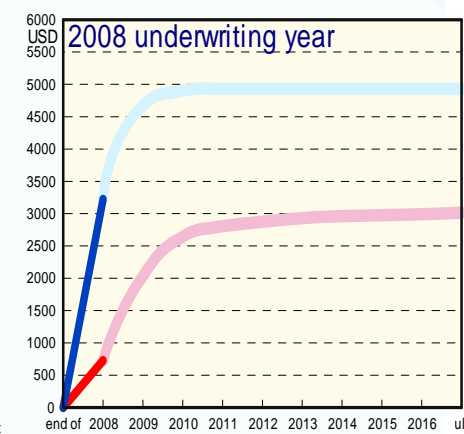
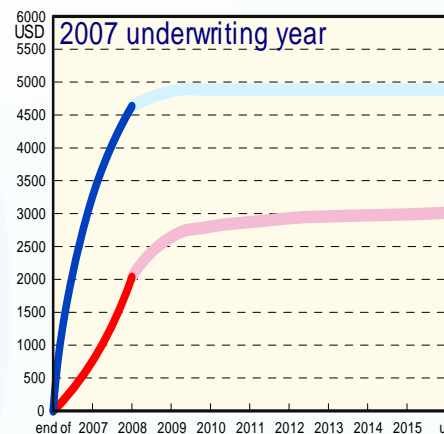
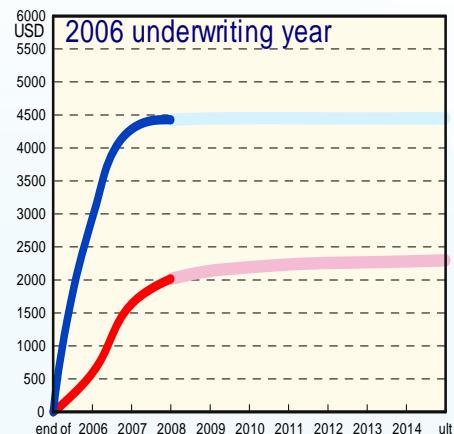
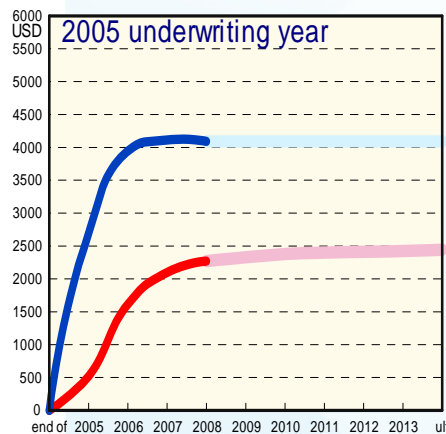
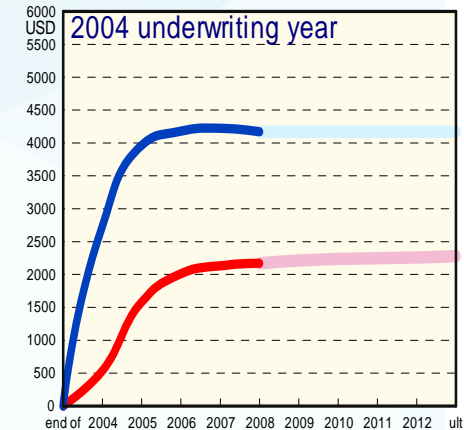
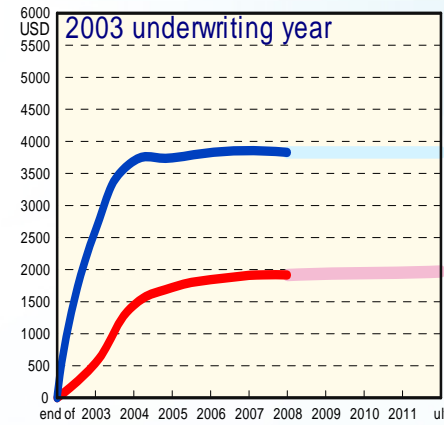
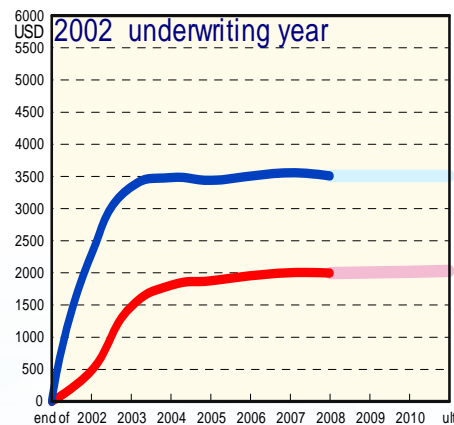
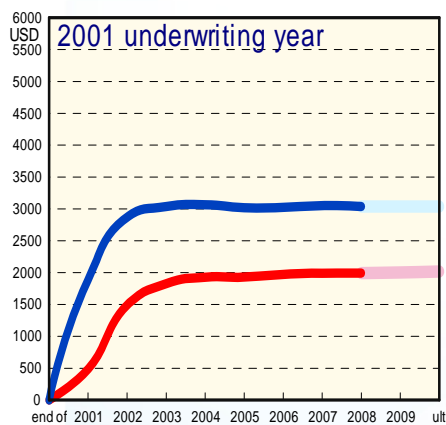


Blue line = Gross Premium; Red line = Paid Claims, Yellow line = Paid+Outstanding claims

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



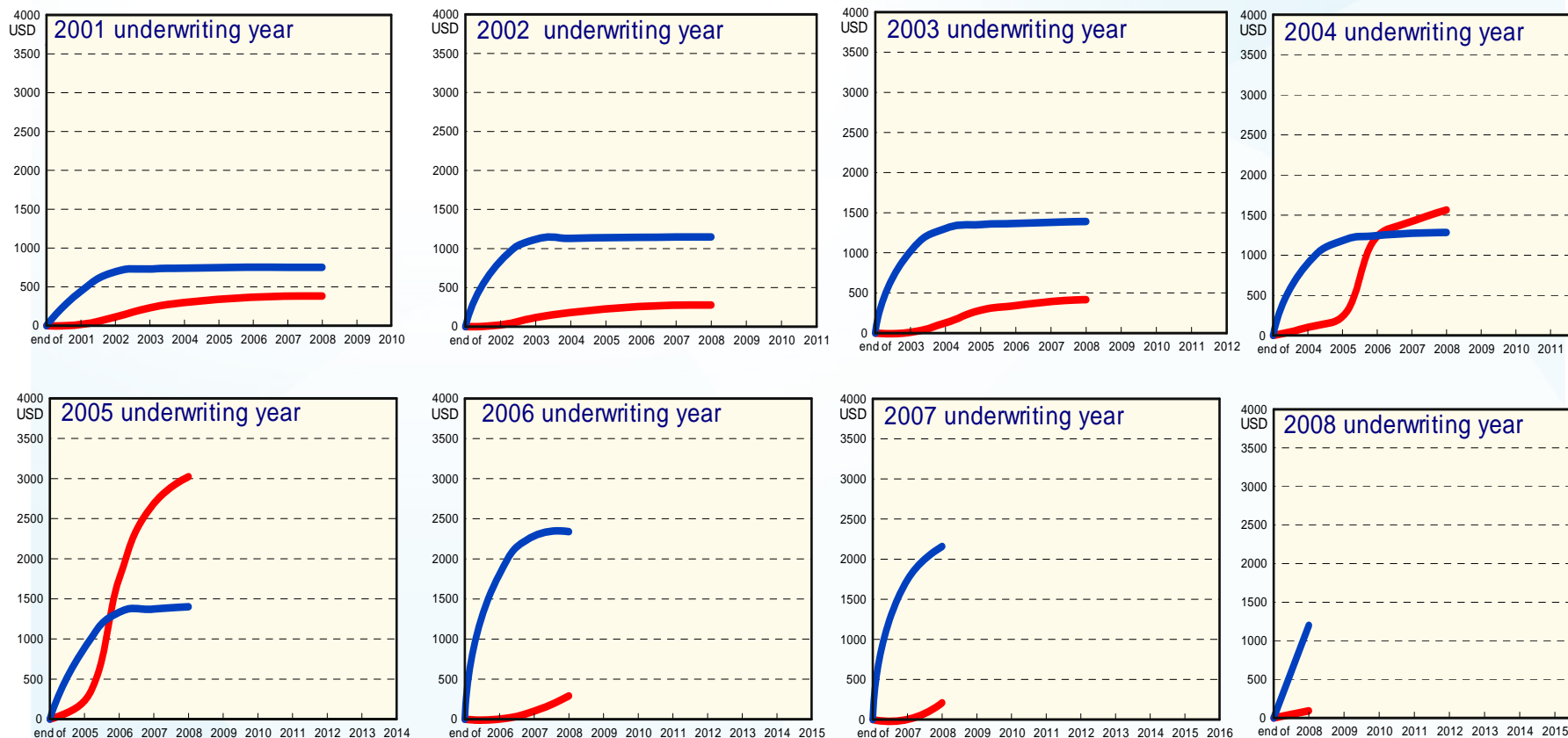
Transport/Cargo – Evolution of Paid Claims, Gross Premiums with estimation towards ultimate, U/W Year 2001 to 2008 (USD)



Blue line = Gross Premium; Red line = Paid Claims

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

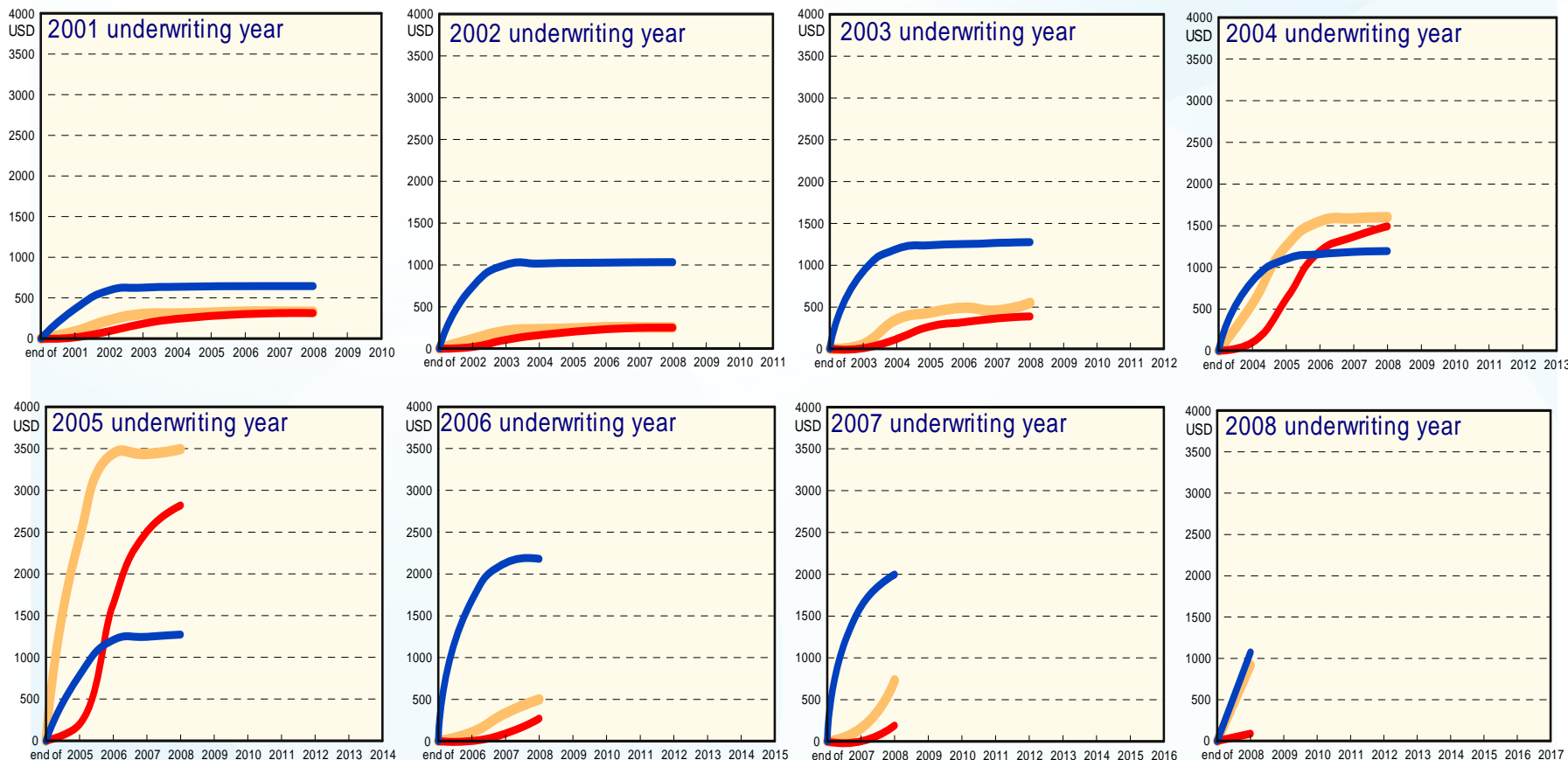
Offshore Energy – Evolution of **Paid Claims**, Gross Premiums as reported, U/W Year 2001 to 2008 (USD)



Blue line = Gross Premium; Red line = Paid Claims

Totals of 3 IUMI members – UK Lloyds & IUA, USA

Offshore Energy – Paid and Total Claims, Gross Premiums as reported, U/W Year 2001 to 2008 (USD)



Blue line = Gross Premium; Red line = Paid Claims , Yellow line = Paid+Outstanding claims
Totals of 3 IUMI members – UK Lloyds & IUA, USA

Explanation of terms used in this presentation (1)



Gross premium = Premium for insurance including the provision for anticipated losses (the pure premium) and for the anticipated expenses (loading), including also commission and brokerage but excluding taxes and other contributions on insurance premiums.

Written premium = Complete premium due for insurance policies which start, i.e. “are written”, in a specific year (= the underwriting year of the policy). Does not give any information on actual premium payments/instalments, i.e. the cash flow.

Paid claims = Amounts the insurer has paid for known and registered claims less recoveries.

Outstanding claims reserve = Claims reserve for specific reported, but not yet (fully) paid claims, of which the insurer has an estimation of the total amount to be paid. Includes loss adjustment expenses.

= Sum of total claims estimates minus any amounts already paid for these claims.

Total claim = Paid amounts + outstanding claims reserve for specific reported claims.

IBNR = “Incurred but not reported” = additional claims reserve on top of the outstanding claims reserve, and which for claims incurred, but not yet known or registered in the insurer’s system. The necessary IBNR reserve is derived by statistical methods based on historical claims ladder statistics.

Loss ratio = Claims divided by premiums. Indicator of whether premiums are calculated correctly to match claims and other expenses.

Gross loss ratio (in this presentation) = Sum of total claims and IBNR reserves, divided by gross written premiums

Underwriting year basis = Insurance figures are registered with the calendar year in which the insurance policy starts, and to which the covered risks accordingly attach to. Example: a policy with cover period 01.07.06-30.06.07 has underwriting year 2006. Both claims occurring in 2006 and 2007 for risks attaching to this policy are thus attributed to underwriting year 2006. The underwriting year is not closed, so underwriting year figures change as long as there are payments related to policies with this underwriting year.

Accident year = Claims are registered with the calendar year in which an accident happens. Claims attaching to the same policy may thus be attributed to different accident years. Example: for the policy with cover period 01.07.06-30.06.07 a claim occurring in 2007 has accident year 2007, but underwriting year 2006. The accident year is not closed, so figures will change as long as there are claims payments related to claims occurred in that accident year, e.g. a claim payment made in 2009 for an accident which happened in 2007 will be attributed to accident year 2007.

Accounting year (also booking year) = Insurance figures, regardless of their original source date, are booked into that year of account which is open at the time of actually entering the figures in the books. Contrary to the underwriting and accident year, the accounting year is closed at some point in time, usually at the end of one calendar year, such that figures do not change any more once the accounting year is closed. These give the insurance results usually published in companies’ annual reports.

Explanation of terms used in this presentation (2)



Premium volumes shown in this report are (as defined in the Report Form):

Gross written premiums

- for direct marine insurance in the national market
- for the accounting years 2005 and 2006
- excluding:
 - all types of reinsurance (facultative and treaty, proportional as well as non-proportional),
with the exception of facultative reinsurance from a captive, which would not be reported
by another member association.
 - War risk premium.
- including:
 - all marine premium from the national market, if possible also premium written by insurers who are not members of the national association.

Above are the specifications of what IUMI members ideally should report. The actually reported figures may though possibly deviate from that. If such deviations and their impact on the figures is known to IUMI it is commented.

Explanation of terms used in this presentation (3)



Classes of business premium is reported for (as defined in the Report Form):

Global Hull =

-Ocean (blue-water) Hull Insurance

- Commercial vessels engaged in international trade under domestic or foreign flag.
- Interests included are: hull and machinery (H&M), disbursements, increased value, freight or other ancillary interests, loss of hire (LOH), construction risks.

-Coastal/Inland Marine Hull Insurance

- Vessels not included in the above category, trading in domestic waters or inland waterways, e.g. coasters, fishing vessels, tugs, lighters, barges, etc. Only premium relating to commercial vessels, pleasure craft is excluded (where possible).
- Interests included are: same as for ocean hull. Marine liabilities for this type of vessel are excluded (where possible), as these fall under "Marine Liability".

Transport/Cargo = all types of insurance relating to cargo, including freight forwarders, CMR and carriers liability, in transit whether on land, sea or air, domestic as well as international trade.

Marine Liability = insurance covering marine liabilities in respect of vessels classified as coastal/inland marine and also marine liabilities covering charterers, shiprepairers, stevedores, wharfingers, terminal operators and similar legal liability insurances. **P&I insurance placed with members of the International Group of P&I Clubs is excluded here** (where possible).

Offshore/Energy = insurance of all interests relating to offshore exploration and production activities, including both mobile and fixed units, construction risks. Figures relating to onshore (downstream) operations are excluded (where possible).