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ΕΛΝΑΒΙ

MARITIME SHIPPING NEWS



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**"It's a man's world?"
"ΟΧΙ στην ΗΜΑ"**

«It's a man's world » «Not in HMA! »

Hellenic Hull Management (HMA) Limited is the managing company of the Hellenic Hull Mutual Association Plc founded with main target to supply the best insurance services to the Association's Members.

The reputation and the high level of expertise of the Directors of Hellenic Hull Management coupled with the creativity and the attitude of the younger executives have created a homogeneous team, which in an inspiring working environment and with the use of state of the art technology, they provide marine insurance services of high quality to the Association.

Hellenic Hull Management from the beginning of its composition, trusted women in its key positions, which traditionally would be offered to men.

In the Members' service department we meet the Manager, Mrs. Maria Alexandrakis, and her deputy Mrs Victoria Los graduates of the National Kapodistrial University and the University of Piraeus, respectively.

In the Accounting/Financing depart-

ment, we meet Mrs. Nafsika Chrissikakis, graduate of Athens Economic University (A.S.O.E.E)

All three ladies have been with the HMA for more than a decade.

Mrs. Chrissikakis what is your opinion about the usefulness of the job that you are doing?

The oxymoron in the Greek and Cypriot shipping environment we live in is that the Shipowners have managed to grow and evolve whilst the service industry surrounding them in Greece and Cyprus has just begun to develop.

The Hellenic Hull Mutual Association came to fill this need, by offering creditable insurance products to Greek and Cypriot shipowners.

As you understand, being part of such an important and complex venture gives us enough motives to use our best endeavors and to face every circumstance with responsibility, determination and patience.

Mrs. Los many women today give up full time employment in order to enjoy other sides of life, what is your opinion?

The truth is that today women bear

many responsibilities and are called to prove themselves in the same way not only in the family but also and in the professional field.

The combination of family balance and successful business career, although is difficult to achieve and sometimes stressful, is not impossible.

In the recent years, only a few women give up their career in order to dedicate themselves exclusively to their family as one of the targets of a modern woman is also her professional success.

Mrs. Alexandrakis the shipping field is still dominated by men and we do not often see women to take managerial positions. Do you agree?

Frankly speaking the shipping field is predominantly a man's world that is why we have selected this concept for our photo shoot to reflect just that. Nevertheless there is a distinct differentiation to this tendency now. Women gradually take their first steps towards conquering the highest ranks of the hierarchy. An indicative example of successful women is Greek WISTA



Mrs. Maria Alexandrakis



Mrs. Mrs. Victoria Los



Mrs. Nafsika Chrissikakis

which demonstrates that in Greek Shipping women want and can play a leading role.

Do you expect increases in insurance premiums during 2007?

The forecasts during 2006 were that the premia will rise following the natural catastrophes. Indeed, the reinsurance market reacted to these catastrophes by applying rises across the board.

On the other hand, the direct Hull Underwriters during 2006, attempted to pass these reinsurance increases to their clients, but this was not possible, the reason being the vast number of Hull Underwriters worldwide. This huge capacity for Hull & Machinery has worked to the benefit of the clients.

We anticipate this trend to be maintained for at least the first half of 2007.

As far as the Hellenic Hull Mutual Association is concerned during 2006 it has been fortunate to increase its written premium and in the same time has managed to enter in the Association more managing companies.

Hellenic's Hull Mutual Association growth has been underlined by the fact that has managed to maintain 98% of our existing Members who in turn have been investing heavily in new tonnage.

The fact that Hellenic Hull Mutual Association is a Mutual insurer has allowed it to maintain its premium levels stable without any noteworthy fluctuations.

The Association does not expect 2007 to be any different than 2006, however the premium charged is always dependant to the level of amounts claimed by individual assureds and in Hellenic Hull Mutual's case Members. The claims' figures have continued to be in a steady decline and if this trend continues we see no reason as to why we need to change our pricing policy in 2007.

The Association is not a typical commercial Underwriter. It grows when its Members grow and the Association tends to charge a fair premium irrespective of the Market pressures. Hellenic Hull Mutual assesses the risks objectively as the Managers of the Association always have to maintain the reserves of the Association to such a level that no supplementary calls are needed. We at the Hellenic Hull Management take great pride by the fact that Association's Members have never

been asked to pay any supplementary calls.

Loyalty and consistency of Marine Insurer still count a lot. Do you believe that Marine Insurance can be subject of considerable competition?

When a potential assured is thinking of insuring his/her vessels, he/she tends to investigate through his/her experts, and in this particular case his/her insurance brokers the available Underwriters that are willing to accept his/her offer for insurance.

Certain fundamentals should be examined when a potential assured elects his risk carrier. One is his status either through rating or reputation in the insurance Market in general.

Secondly, how much capacity this insurer has, and thirdly what terms of insurance are usually accepted by this Underwriter.

However, apart from the fundamentals that an insurer has to have, the Insurance Market is also price driven. The amount of premium charged by any individual Underwriter is in most cases a determining factor when choosing an Underwriter instead of another.

In theory the premium charged should not affect the judgment of an assured, as long as he/she is confident that this particular Underwriter can meet his/her demands in case of a claim.

The new European Union legislation as far as Insurance companies is concerned, is a step forward in safe guarding the "clients" interests, as it provides strict financial requirements for all the insurance companies and on the other hand provides to the recipients of insurance products enough comfort that the fundamentals of an insurance company are such in order to be able to meet its future obligations.

Indeed the Marine Insurance Market is a highly competitive environment, it is long have gone the days were London was the only place for Marine Insurance companies.

Now, we see respectable Marine Insurance companies emanating from France, Italy, Belgium, Germany, and of course Greece and Cyprus.

The Association is in the privileged position to be the only Hull and Machinery Mutual Underwriter in Cyprus and proud as it has also in the past represented successfully Cyprus in International forums such as the International Union of Marine Insurance (I.U.M.I.).

Continued boom in freight rates has increased business in maritime sector.

How do you face increases in ship values?

Before going into detail in your question we need to emphasize the fact that Marine Underwriters "react" to their client business decisions, and they do not set the pace as to which direction the Insurance Industry will follow.

Needless to repeat what is already so heavily reported and documented about the growth of the shipping industry during the past 3 years.

The world economy and the global trade has been the driving force for such a "boom" in the freight rates.

The key factor though that makes Hellenic Hull Mutual Association to look with great optimism the future is the business decisions of the Greek & Cypriot Shipowners. The previous low circle of the freight market followed by the rapid increase in freight rates that we are experiencing now, did not catch the Greek & Cypriot owners' off-guard. They took full advantage of this high circle to re-establish themselves in the modern demands of the shipping world, by replacing their older vessels with more modern vessels which were ready to meet the onerous requirements of the various regulatory bodies.

Once again, Greek & Cypriot owners made a very clear statement to all their disparagers that apart of being traditional Shipowners, they also maintain a high level of professionalism and when they see an opportunity to improve their fleets they take it. The contribution of the Greek & Cypriot shipping community to the growth of the world economy is great, world economy owes a lot to the Greek & Cypriot Shipowners as they were not afraid to invest vast amounts of money to provide to the public modern and safer means of transport, whilst government and various other organizations, that they actually benefit from such a contribution from the Greek & Cypriot continue to impose more and more restrictions to the Shipowners and to officers on board the vessels.

Turning now to the positive side of things, the increased demand of vessels coupled with limited supply of vessels has driven the ship values in record levels.

The Association being close with its Members, had anticipated this trend

and in order to maintain its support to its Members uninterrupted has adjusted its reinsurance treaties in such a manner so as to accommodate these increases in the ships' value.

On the other hand, even though the ships' values increased dramatically, there are cases of 60% to 80% increases on particular type of vessels, the Underwriting criteria remained the same, the risk assessment process has not been influenced by the values of the vessels. The Association still believes that above the type of the vessels, the values and the year built it is the Manager that we have faith in. The Association believes that the good Managers will become even better Managers in such a positive business environment. It has to be borne in mind that the core of the Association's Membership has been for many years loyal to the Association and have seen them perform even when the Market was at its lowest. The Association has full faith to its Members and to this respect the increased insurance exposure (due to the rise of ships' values) is not a deterrent factor.

Do you agree that more Underwriting capacity spreads outside London to the regional Insurance Markets?

As mentioned above indeed this is a reality and the Association was aware that this would be the case when we were setting up back in 1994.

The Association believed at the time and it still maintains this view that as in every section of commerce the client or the end-user should have a choice.

London has the history, and the legal framework to be the leader in Marine Insurance, but what they do not have is exclusivity, in the expertise. It is a fact that thousands of foreign students study in the U.K. and then repatriate in order to share their knowledge with their compatriots.

England and especially London is full of Greek & Cypriot students that obtain the academic qualifications needed to service the Marine Industry.

In the Hellenic Hull Management the majority of the staff has undertaken studies in England, and some have also been employed in London in related

fields.

After 13 years of operation in the Hellenic Hull Management the officers and staff of the company have the necessary experience to service the demanding Membership to the highest level.

The Hellenic Hull Mutual Association has managed to be the first ever Cypriot Hull & Machinery Underwriter and its successful track record indicate that there was a need for insurance capacity outside London specially designed for Greek & Cypriot Shipowners.

Following, Association's inauguration



more than 5,000 vessels have insured, all of them managed, or owned by Greek or Cypriot interests.

The healthy reserves and the continued progress of the Association indicate that Greek & Cypriots are the safest insurance risks contrary to the rationale that existed 15 years ago in the Insurance Industry.

Describe the latest developments of your club/insurance company regarding your financial performance.

Despite of the strong competition in the Hull & Machinery insurance market, we can report that for the first 10 months in 2006 the Association has

maintained almost 100% of its existing Membership, and anticipates the number of entered vessels by the end of 2006 to be close to 650. This represents a growth in entered vessels of approximately 10% from last year. This in its own merit it is a considerable achievement as in the Hellenic we continued to witness a considerable number of older tonnage changing hands from Greek & Cypriot to mainly Far Eastern interests.

Additionally, the profile of risks entered in the Association for the current year continued to improve dramatically.

Almost 16% of the entered vessels are built post 2000, whilst 30% of entered vessels are built post 1989. We anticipate this trend to continue as the Association has already offers for entry even for deliveries in 2009.

It is apparent in the International Market that the Hellenic Hull Mutual Association is not anymore an insurer only for older tonnage. The Association is now participating in the majority of the major Greek & Cypriot fleets, and during 2006 has participated in almost all expanding fleets.

We are proud to say that certain Members of the Association are listed in the biggest stock exchanges in the world and we anticipate for the years to come those Members to increase.

Hellenic's Hull Mutual Association recognition to the international insurance market is reflected by the fact that the Association is considered an approved security from all the Major Marine Insurance Brokers in London.

Hellenic Hull Mutual Association being a Member of the Insurance Association of Cyprus is in full compliance with all the regulations imposed by the E.U. as same has been adopted by the Cypriot Republic. In addition, having successfully met the criteria of Solvency I (phase 1), is looking forward to progress to phase 2 of Solvency I within 2007.

Hellenic Hull Mutual Association (HMA) Limited, was recently named "PLC", and it became Hellenic Hull Mutual Association Plc.