

Hellenic Hull in revival

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Hellenic Hull Mutual is looking strong again after some tough underwriting years.

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Rapidly rising insurance rates have allowed the Hellenic Hull Mutual to escape from the doldrums.

The club is celebrating its 10th year in business with a relaunch to alert Greek and Cypriot shipowners to the fact that they do not have to look to London, Norway or other foreign underwriting markets to insure their ships.

The club, which operates out of Limassol and Piraeus, allowed its book of business to shrivel as low insurance premiums virtually guaranteed red ink on the books.

But it is now full speed ahead with the club's annual meeting to be told next month that premiums doubled last year to \$12m and are expected to reach \$15m through 2003.

The Hellenic Hull Mutual is still a relatively modest venture taking an up to \$5m line on some 600 vessels but it has a growing band of well-known owners such as Oceanbulk, Pacific & Atlantic, Barclay Shipping, Good Faith, Transmed and Hellas Flying Dolphins on its books.

The revival of the club's fortunes will be marked with a reception in Piraeus next Wednesday, when Jonathan Jones, a former star of the Lloyd's insurance market is also in town, but Hellenic Hull Club manager Bob Wiggins tells TradeWinds it is just a coincidence.

There have been rumours that Jones is to link up with the club but these appear unfounded as the ex-underwriter, who now lives in Ireland, is in Piraeus to promote the attractions of the Irish maritime sector.

Wiggins says the Hellenic Hull Club is doing very nicely, back in surplus after losses through 1998 and 1999 and that it has a strong reinsurance programme to protect claims above \$500,000 placed by brokers Willis and Newman Martin & Buchan with top professional reinsurers such as Swiss Re, Munich Re and the General Electric offshoot ERC Frankona.

The 2000 underwriting year is coming out around break-even while the 2001 year should be profitable and the 2002 year even more so.

"We have had a very low profile but we are opening the door to new business again," said Wiggins, who adds that the club is prepared to be either a lead or a following underwriter. The target market is Greek or Cypriot controlled tonnage although the owner may be based in London or New York.

Despite the club's Greek focus, its rules specify that disputes are subject to English law and London's High Court.

The underwriting focus of the club means it has not only escaped high-profile claims such as the *Diamond Princess*, *Tricolor* and *Hual Europe* that have hit the international market but also the *Prestige* tanker loss and others involving Greek owners.

Wiggins admits he has occasionally been tempted to dip a toe in the protection-and-indemnity (P&I) market especially when he has had approaches from credible partners but says such a move is at the very least premature.

A move into P&I would be unrealistically expensive as he would have to secure high levels of reinsurance, recruit a legally qualified claims team and have to contend with long tail claims.