

Tradewinds Athens Forum "Marine Insurance sector must improve its performance"

Tradewinds Athens Marine Risk Forum explored strategies and trends of Marine Insurance Sector in these uncertain shipping times.

Mr. Panos Laskaridis managing director of Laskaridis Shipping welcomed the guests of the forum and presented the speakers and the events topics.

Mr. John Wiik managing director of Norwegian Hull Club referred to pricing insurance products and services. He told that pricing depends mainly on the amount exposed the club, quality of added value services offered to the members and the quality of clubs' staff. He said that the perfect storm hit the insurance sector on the investment side. The issue is all about managing capital, keeping your discipline and principles to face the cyclicity of the market.

Mr. Richard Turner marine director of RSA presented the issue of Differentiation of Risk. Mr. Turner referred to the benefits which include: economic efficiency, limits adverse se-



Mr. Panos C. Laskaridis Managing Director of Laskaridis Shipping, **Mr. John Wiik** Managing Director of Norwegian Hull Club, **Richard Turner** Marine Director of Royal & Sun Alliance and **John Harbor** Finance Director of Strike Club Management

lection, reduces moral hazard and encourages innovation & competition. It has been proved through the process of risk differentiation that larger fleets have a better rate of detection compared with smaller fleets.

RSA has a technical pricing system to assist underwriters to calculate the risk factor of each fleet. Concluding Mr. Turner said that as there is a considerable variation in risk factors, economic down turn can bring both dangers and opportunities.

Mr. John Harbor of Strike Club examined the issue of rating agencies, the audit & rating process, risk areas and users expectations. Mr. Harbor told that 1 year ago you could rely on a rating agent but now the situation is much more complicated.

Commenting on the pricing methods **Mr. Ilias Tsakiris** director of Hellenic Hull Mutual Association told that "more sophisticated tools means more expenses. Premiums go up



Mr. Ilias Tsakiris Managing Director of Hellenic Hull Management, **Mr. William Kinnear** Executive Director of Marine in Willis, **Mr. Lars Rhodin** Managing Director of The Swedish Club

because investments are wrong. If we do more underwriting job shipowners will not suffer on the insurance side. Greek shipowners invested most of their available capital to new ships improving the condition of their fleets.

On the other hand underwriters did not invest to improve their performance that's why they seek higher premiums. It is time to do better our job in order to improve the marine insurance sector image in the shipping industry".

Mr. Nick Lockyer analysed the broker's perspective and Simon Stonehouse from Brit Insurance presented the underwriters view.

According to the speakers the significant fall of the underwriting capacity is attributed to the sharp decrease in ships values and the increase of lay ups. During this difficult economic environment the shipowner has to select his insurance very carefully.

Mr. Henschien in his presentation commented on the elements of historical and present perception of Greek shipowners. He gave examples of doing business with Greek shipowners focusing on the way of communicating and dealing with. He referred to his relationships with many important and established groups like, Martinos, Livanos, Manios with whom he had and still has an excellent cooperation.

As he said the key is to understand their men-



Mr. Lars Rhodin Managing Director of The Swedish Club, **Mr. Manos Lorentzos** Manager of Groupe Eyssautier Greece, **George A. Tsavlis** Principal Tsavlis Salvage Group and **Julian Bray** Executive editor of Tradewinds

tality and to be able to cover the special needs of their fleets.

Manos Lorentzos of Groupe Eyssautier discussed the issue of the role of local brokers. He said that today's local and foreign brokers are in an equal level to offer value added services to their clients.

George Tsavlis told that although in the past Greek shipowners were not the most desirable customers especially in the London market now things have changed. Shipping world has changed dramatically as the new ships are more complex than the old ones and therefore can be full of technical problems in the future.

In this context marine insurance has to face a lot of challenges in order to weather the difficulties of the market.

Shipowner **George Gourdomichalis** told that there is a optimum price for insurance. If you want to be covered you have to pay the right



Mr. George Gourdomichalis President & Managing Director of G. Bros Maritime S.A., **Mr. Hans Petter Henschien** Managing Director of Henschien Insurance & **Mr. Jerry Westmore** Director of Price Forbes

amount of money. We have to change the way we do business and Members have to be more active.

Increasing Value of the P&I System

The contribution of the shipping industry to global pollution through liquid hydro-carbons escaping into the sea is only a small fraction of that sourced from onshore facilities. As for climate change, the US Environmental Protection Agency's figures show a contribution to greenhouse gas emissions for shipping to be only about 1.5% of the national total.

This was the comment of **Joe Hughes**, chairman and chief executive of the American Club's managers, when he gave an overview of industry problems and the P&I scene at the forum.

Nevertheless, he said, shipping had become an easy target for regulators and opportunistic politicians.