

Hellenic Hull Mutual Association Plc.

Providers of True Partnership

The concept behind our founders' vision was the creation of a Mutual Insurance Association dedicated to the needs of Greek and Cypriot Shipowners. The vision materialized. The Hellenic Hull Mutual Association Plc., over its 13 years of operation, has led to achieving the goals its founders set. Our leading edge over our competitors is the close contact among our Members as well as our capacity to swiftly tend to their needs and offer prompt and effective insurance services.

A clear understanding of the market is an essential prerequisite in surviving in a competing environment. Without a clear sense of the market, we cannot possibly have any indication of our ability to compete. The Hull and Machinery market, as a whole, is widely contrasted between worldwide Underwriters. Some managed to escape this year's major losses, whilst others have picked up every major loss. Consequently, some Underwriters are making a profit whilst others are looking to scale back their capacity in an effort to improve their loss ratio performance.

At Hellenic, we believe that 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 the 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 is confident that this particular Underwriter can meet his demands in case of a claim.

On the other hand, we need to emphasize 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. In addition, the Association is not a typical commercial Underwriter. It grows when its Members grow, therefore, we tend to charge a fair premium irrespective of the Market pressures. The Hellenic assesses the risks objectively as the managers of the Association always have to

maintain a rating policy that satisfies the requirements of the individual Member whilst protecting the interest of the membership.

In real terms, the total number of Greek and Cypriot ship management companies in year 2006 was 693 from which 116 were insured with the Hellenic. The trend indicates in a very clear manner, the momentum that Hellenic has gained in attracting more management companies every year. The signs that we witness for 2007 indicate that the number of ship management companies will increase as more funds are made available in shipping and a number of non-shipping entities are trying to enter shipping in anticipation of the record profits being made. In addition, the forecast for 2007 is that the number of vessels will also increase as we expect to see the delivery of new buildings which were ordered 2 years ago. A considerable number of Hellenic's Members are very active in the new building market, and this in itself generates extreme optimism for the years to come for the Association.

At the same time, we have managed to develop a mechanism which generates a core of executives with a twofold level of expertise. One is the actual management of an insurance company and whatever this entails such as, legal and financial matters, with a special focus on EU Directives and regulations whilst overlooking compliance matters with the Financial Service Authority in the UK and the American Stock Exchange (due to the fact that a number of our clients are listed companies within). The other facet of expertise is that our executives have excelled certain communication skills needed to promote and establish, to the Insurance Brokers and the Greek and Cypriot Ship owning community, the Greek Marine Insurance Market.

We shall not cease to support Greek and Cypriot shipowners as the success of our Association is based on the belief and the conviction that Greek and Cypriot shipowners are the safest marine insurance risks. Needless as it may be we need to remind our selves that the Greek shipping community according to the latest statistics (as published by the IUMI) is one of the fastest growing shipping nations worldwide. The provision of quality H&M insurance services needs to be equal to the standards of excellency of the Greek and Cypriot shipowners. This can only be achieved with hard work, professionalism and integrity which are the only ingredients of a successful insurer.
