

# Chairman's Report & Introduction

**Lars Rhodin**

Chairman, Ocean Hull Committee,  
The Swedish Club, Gothenburg



# Ocean Hull Committee



# Come back kids!



# Agenda

- Committee members
- Hull statistics
- Trends
- Major events
- Introduction to the Hull Workshop



# 2013 Ocean Hull Committee

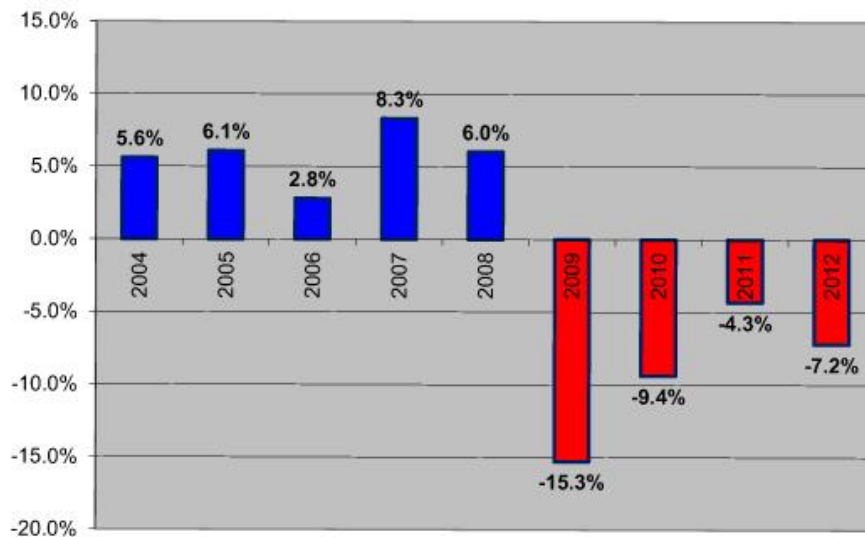
- Lars Rhodin (Chairman), The Swedish Club, Sweden
- Neil Smith (Secretary), Lloyd's Market Association, United Kingdom
- Angelo Ansaldo, SIAT – Società Italiana Assecurazionie, Italy
- François Azou, Generali Conseil, France
- Gennady Baskov, Allianz Insurance Joint Stock Company, Russian Federation
- David Bellamy, Norwegian Hull Club, Norway
- Andrea Cupido, Swiss Re Corporate Solutions, Italy
- Mark Edmondson, Chubb Managing Agent, United Kingdom
- Jenny Groeneveld, HDI – Gerling, The Netherlands
- Mitsuhiro Kayanuma, Tokyo Marine & Nichido Fire Insurance Co. Ltd, Japan
- Timothy Lee, Catlin Hong Kong SAR
- Jan Limnell, Alandia, Finland
- Michael J. McKenna, Navigators Management Company Inc, USA
- Peter Townsend, Swiss Re, United Kingdom
- Mike Davies, (EU Liaison) Zurich Insurance Company



## 2012 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2012

Average annual change in insured values  
on renewed vessels



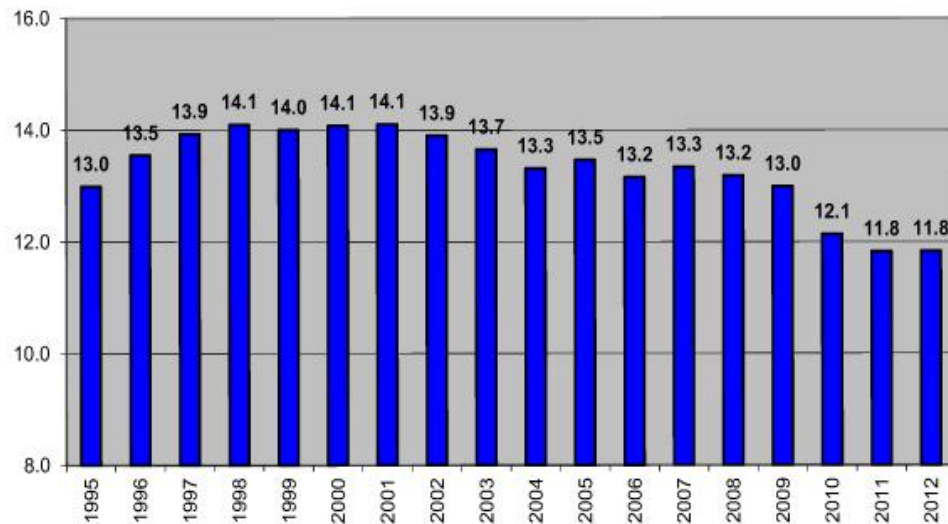
Based on renewals in respective year – excluding new business.



## 2012 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2012

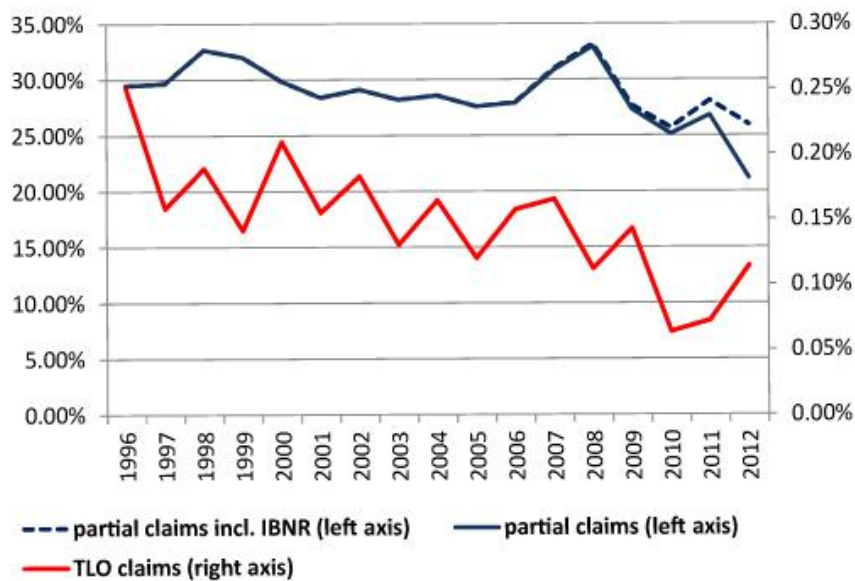
Average Age per underwriting year



## 2012 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2012 – incl. IBNR reserve for claim frequency partial claims

### Claim frequency, by date of loss





“Actuaries do it with frequency”



## 2012 Nordic Marine Insurance Statistics – Part 3

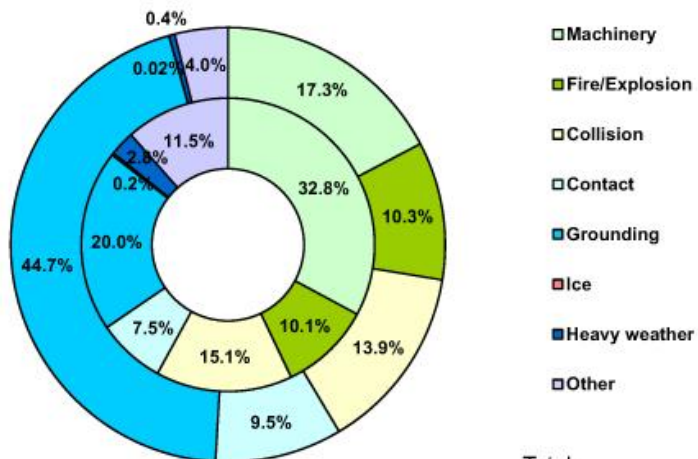
As of 31 December 2012 – paid+outstanding as reported, no IBNR reserve added

### Claims by Claims type

#### Cost of claims

Inner ring: 2007-2011

Outer ring: 2012



Totals  
 2007-11: 4,689.1 MUSD  
 2012: 1,045.2 MUSD

Volatility



Pricing



Risk





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# Marine insurance – building resilience and defining a sustainable future

## Ocean Hull Workshop

Market performance

Developing technology / Human contribution  
to marine casualties





# Basics

- Understand exposures that may cause losses
- Evaluate the probability of any exposure causing a loss and the probable cost of it
- Set a premium that will generate a surplus after prospective loss costs and operating expenses
- Walk away if "market premium" is inadequate



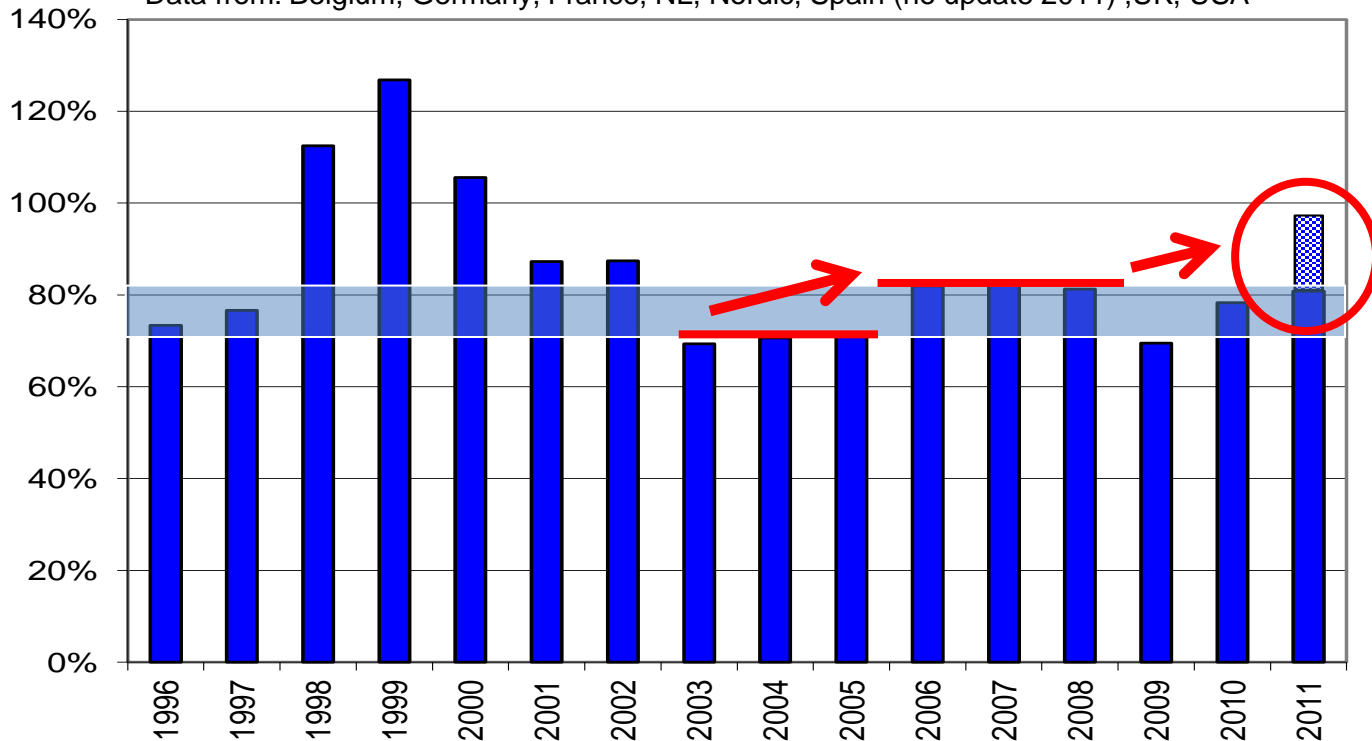
September 15-18

# Hull – gross ultimate loss ratio

Underwriting years 1996 to 2011

... and real life: with total losses 1 Q 2012 – the true picture?

Data from: Belgium, Germany, France, NL, Nordic, Spain (no update 2011), UK, USA



## 2012:

strong total loss impact  
(on UW years 2011 &  
2012).

## Costa Concordia:

Carnival Corporation &  
PLC website: **508+17**  
from H&M

insurance.  
(2Q financial report,  
issued 02.07.2012).

## ...and more total

**losses** in excess of 30  
MUSD did incur 1st half  
2012  
(partly attaching to uw  
year 2011).

*“The difference between stupidity and genius is that genius has its limits”*

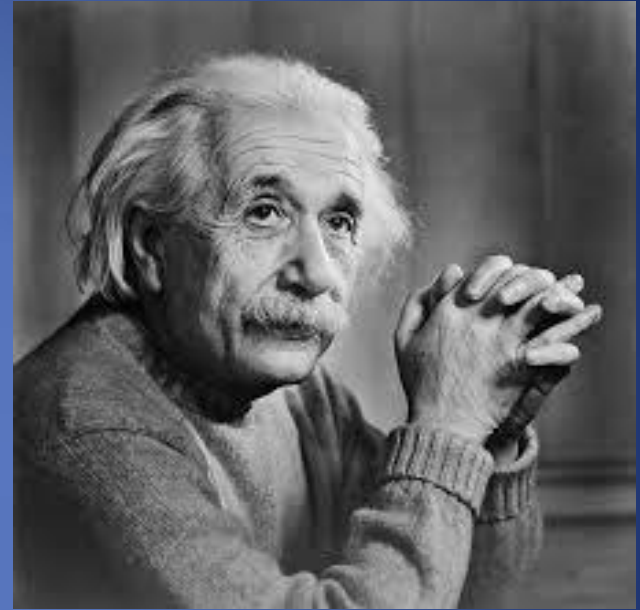
Albert Einstein

*“Common sense is not so common”*

Voltaire

*“I know that I am intelligent, because I know that I know nothing”*

Socrates



# Underwriter



# Summing up hull (2) 2012

- Hull **technically at loss** for **16 consecutive years!**
- **Future global Hull market:**
  - Understand **dependencies** between macroeconomic parameters and repair cost
  - **Models** to estimate expected claim cost (=risk premium)
  - Trade / Fleet development
  - Market discipline / capacity
  - The impact of **major claims**

➡ **Understand the actually covered exposure**





# Models -25%





# Developing technology and risk



# Human contribution to casualties



08.45 – 11.10	OCEAN HULL WORKSHOP AND PRESENTATION		250 pax	165'
08.45 - 09.00	Chairman's Report & Introduction to the Workshop	Lars Rhodin, The Swedish Club, Chairman Ocean Hull Committee	15'	
09.00 – 09.10	IPP Flash Presentation Machinery claims - lessons learnt?	Ralf Bussing, Managing Director, Verein Hanseatischer Transportversicherer VHT, Hamburg	10'	
09.10 – 09.35	Market Performance from an Economist's point of view	Just-Arne Storvik, Founder & Senior Partner of ReCap Solutions Ltd., London	25'	
9.35 – 9.50	Panel Discussion on Market Performance	Peter Townsend, Swiss Re, Tord Nilsson, The Swedish Club, Andrea Cupido, Swiss Re	15'	
9.50 – 10.05	Update on Marine Salvage Issues and the YAR review	Nick Gooding, Chairman of IUMI Salvage Forum	15'	
10.05 – 10.30	Trends in Developing Technology and Associated Risk –The Next Two Decades	Tom Boardley, Marine Director, Lloyd's Register, London	25'	
10.30 – 11.00	The Human Contribution to Marine Casualties – Trends, Observations and Solutions	Karl Lumbers, Loss Prevention Manager, Thomas Miller, London	30'	
11.00 – 11.10	Q&A and Take Aways	Mark Edmondson, Chubb Managing Agent Ltd., London, Member of Ocean Hull Committee	10'	



# Thank you





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Chairman, Ocean Hull Committee,  
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# IUMI London 2013

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