

Global Marine Insurance Report 2010

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Facts and Figures Committee, Vice Chairman

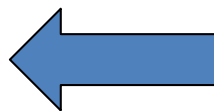
Analyst/Actuary @ Cefor, The Nordic Association of Marine Insurers



12 TO 15 SEPTEMBER

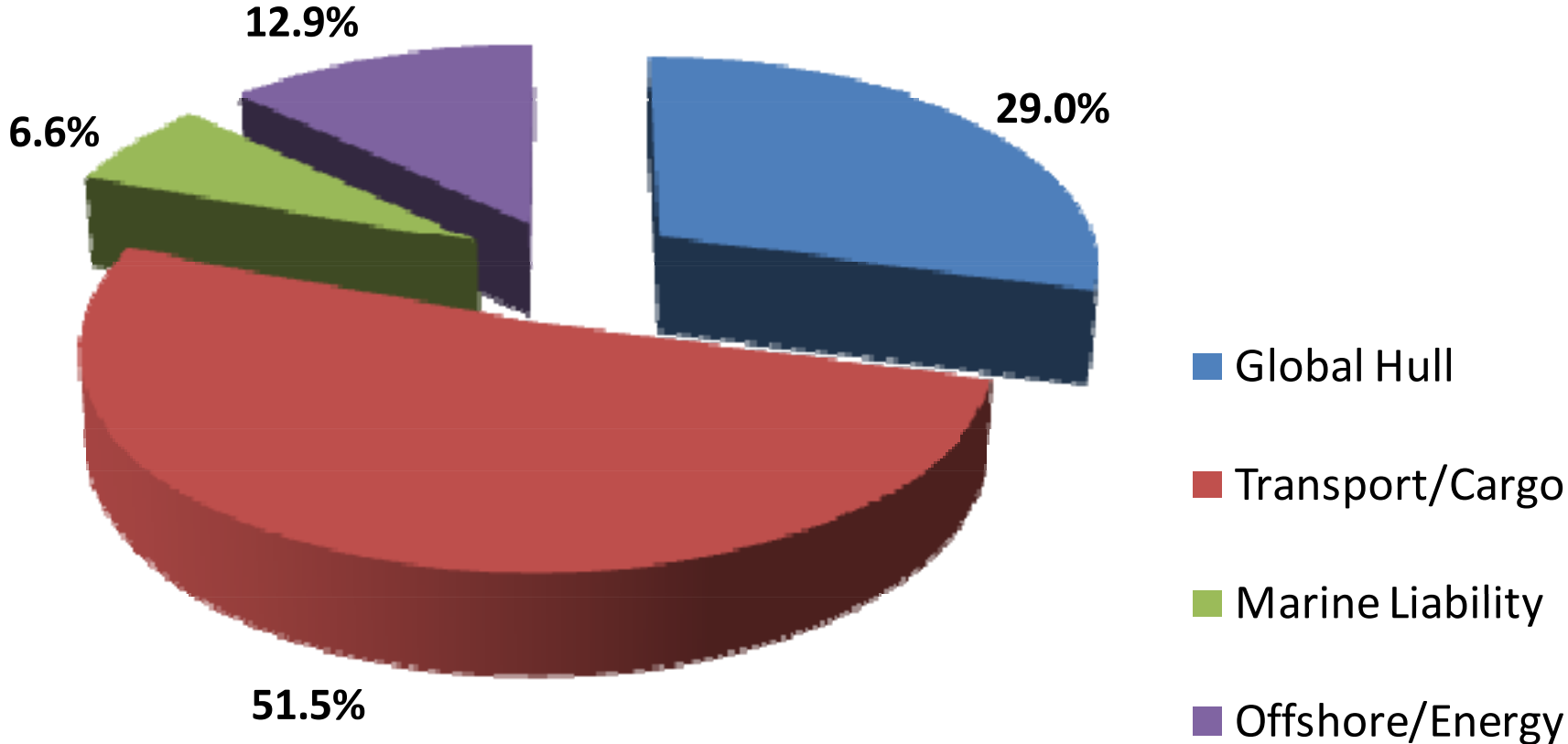
Global Marine Insurance Report 2010

- Global **Marine Insurance** - Overview
- Global **Cargo** market
- Global **Hull** market
- Global **Offshore Energy** Market
- Addendum (in download only):
Tables with underlying reported figures



Global Marine Premium 2009, by line of business

Total reported: 22.9 USD billion



Total estimated including not reported: 23.6 USD billion

Global Marine premiums 2007-2009

(USD billions, as reported per end of August 2010)

	<u>Global Hull</u>	<u>Transport/Cargo</u>	<u>Marine Liability</u>	<u>Offshore/Energy</u>	<u>Total</u>
2009	6.638	11.804	1.522	2.946	22.910
2008	6.345	12.792	1.487	2.758	23.383
2007	6.047	12.647	1.490	2.927	23.112
Index 2007-2008*	5.0%	0.6%	0.0%	-10.0%	0.4%
Index 2008-2009*	4.6%	-7.7%	2.3%	6.8%	-2.0%

***Index based on figures from Associations who have reported in both years.
The index reflects changes in country activity, exchange rates in addition to premium increases and is thus not a renewal index!**

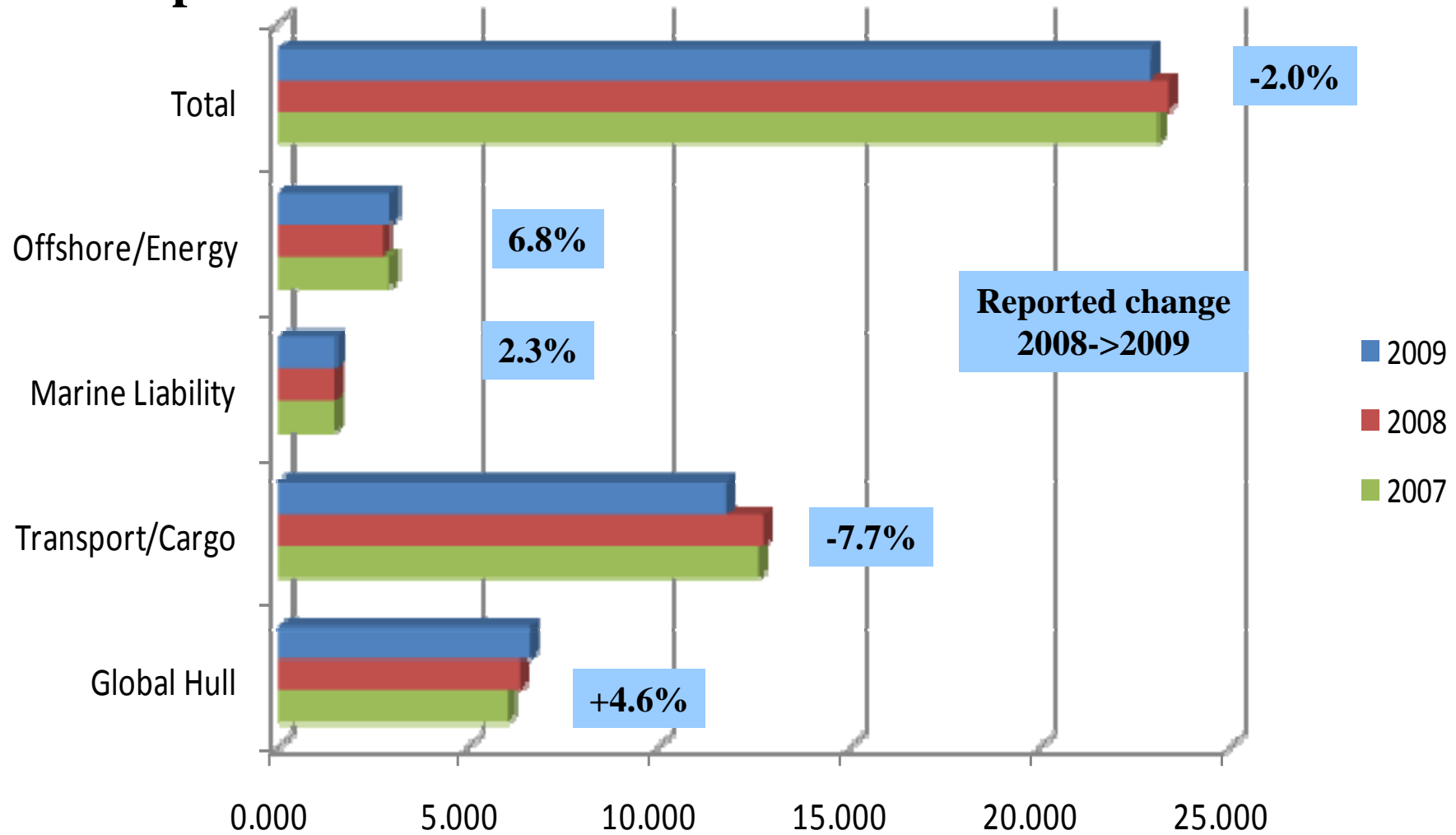
As some countries only report total marine premium without splitting into classes, the sum of these classes might in some cases be slightly less than the "total" sum.



Global Marine premiums 2007 to 2009

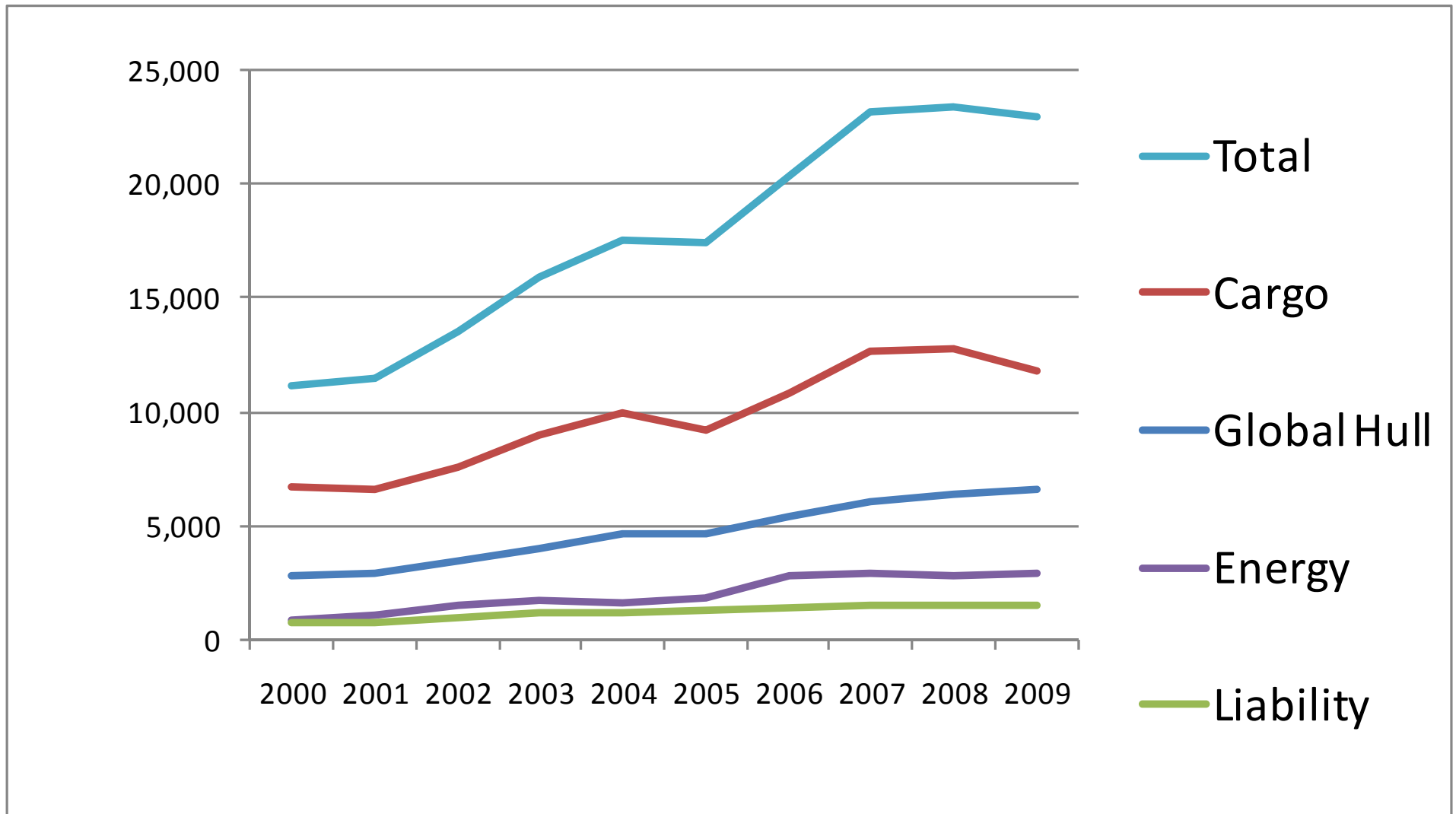
as reported per accounting year

Total reported: 22.6 USD billion



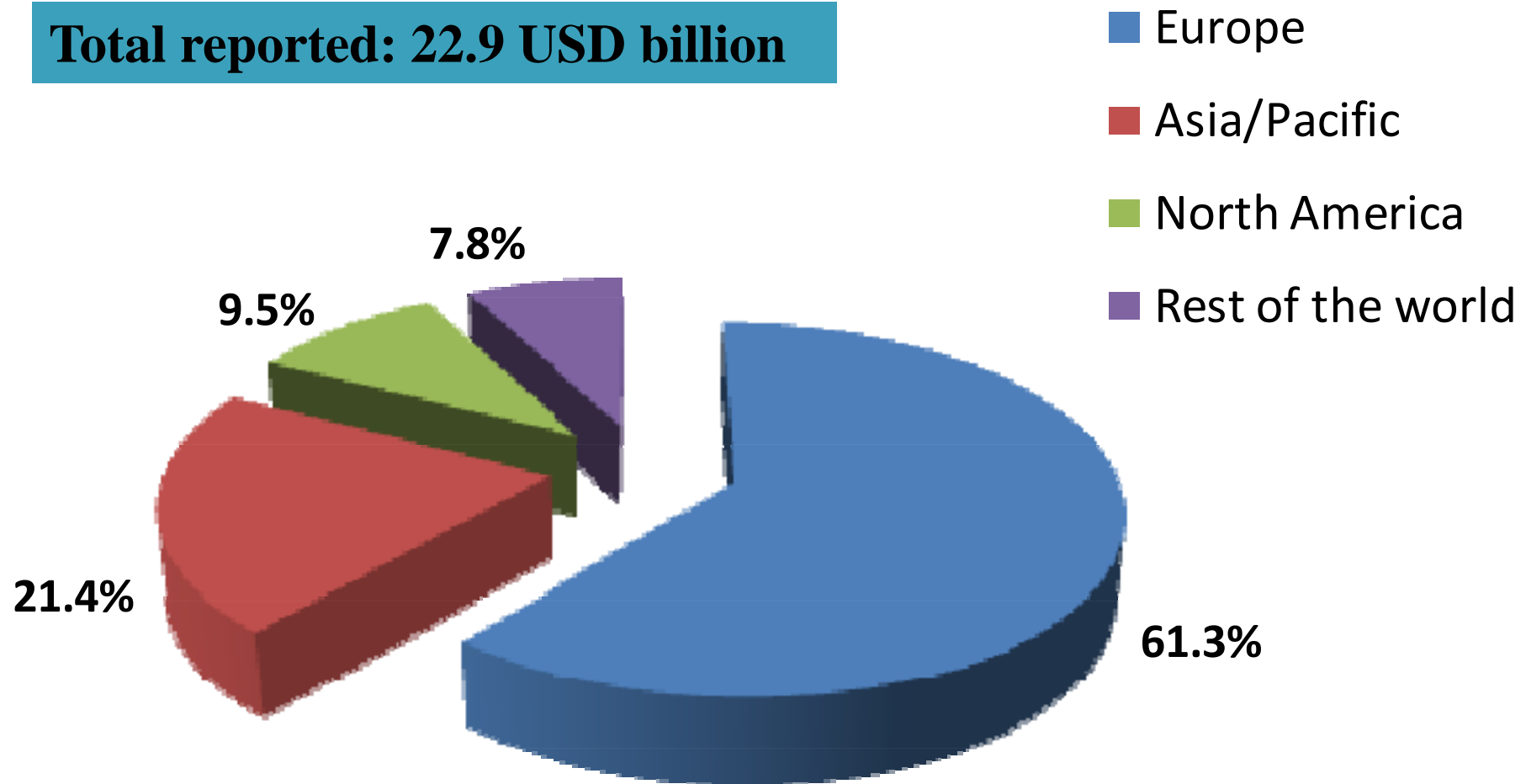
Global Marine Premiums

by line of business, 2000 - 2009
(USD Million), as reported



Market Shares 2009

Total reported: 22.9 USD billion



Europe : Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Nordic (Cefor), Poland, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom (IUA + Lloyds)

Asia/Pacific : Australia, Chinese Taipei, Hong Kong, India, Japan, Korea DPR, South Korea , Malaysia, New Zealand, Singapore

North America : Bermuda, Canada, USA

Rest of the World : *Bahrain, Brasil, Congo, Egypt, Israel, Kazakhstan , Kenya, Lebanon, Mexico, Morocco, Nigeria, South Africa, Tunisia, United Arab Emirates*

Countries in italics did not report in 2010

Global Marine Premiums by economic areas

(USD 1,000)

Region	Premiums 2009	Premiums 2008	Premiums 2007	Variation 2008-2009	Variation 2007-2008	Market share 2009	Market share 2008	Market share 2007
Europe	14,036,739	14,193,708	14,189,881	-1.11%	0.03%	61.27%	60.70%	61.40%
Asia/Pacific	4,899,620	5,268,289	4,940,954	-7.00%	6.62%	21.39%	22.53%	21.38%
North America	2,183,274	2,399,237	2,489,597	-9.00%	-3.63%	9.53%	10.26%	10.77%
Rest of the world	1,790,832	1,521,547	1,491,352	17.70%	2.02%	7.82%	6.51%	6.45%

Europe : Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Nordic (Cefor), Poland, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom (IUA + Lloyds)

Asia/Pacific :

Australia, China, Hong Kong, India, Japan, Korea DPR, South Korea, Malaysia, New Zealand, Singapore

North America:

Bermuda, Canada, USA

Rest of the World :

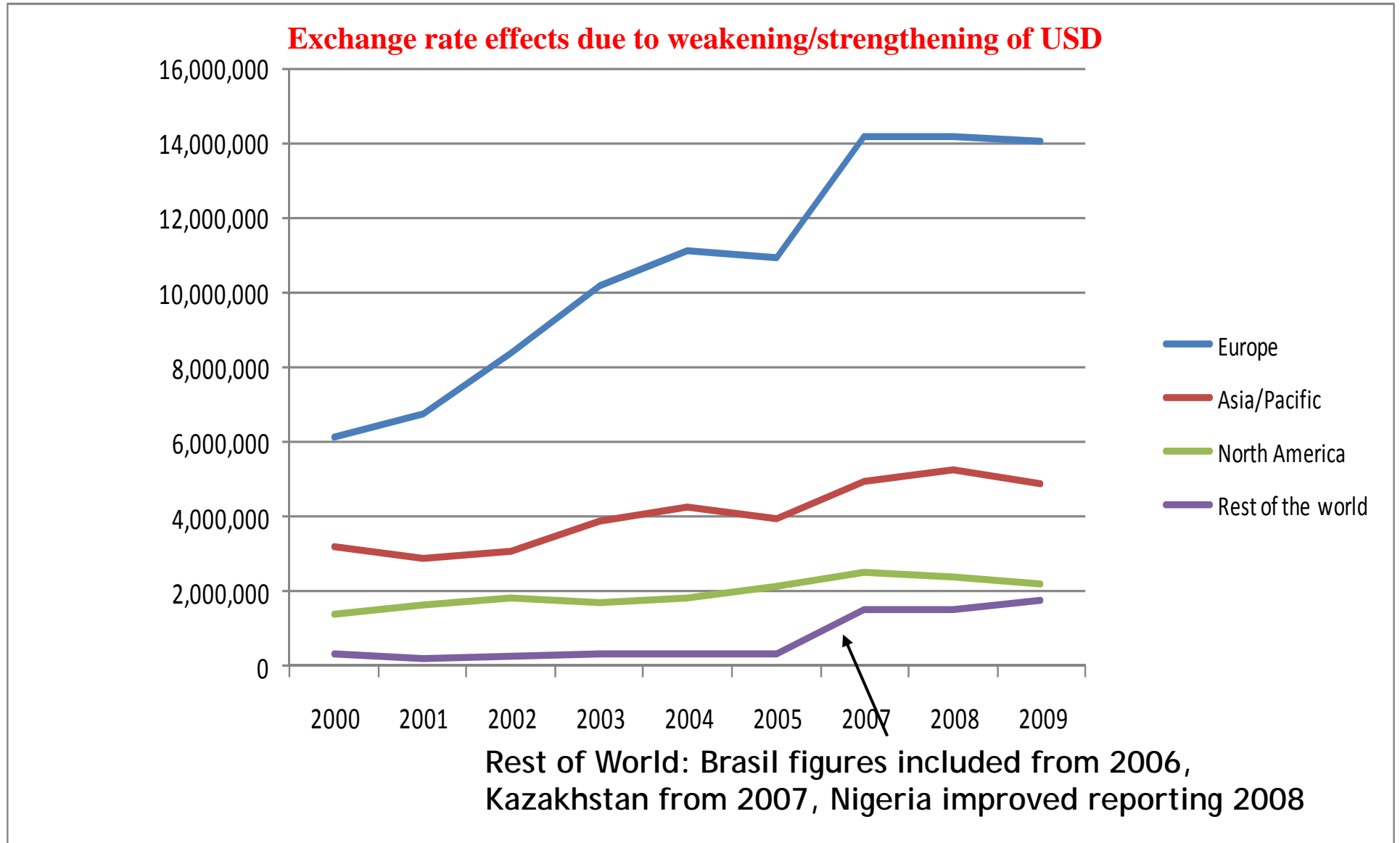
Bahrain, Brasil, Congo, Egypt, Israel, Kazakhstan, Kenya, Lebanon, Mexico, Morocco, Nigeria, South Africa, Tunisia, United Arab Emirates

Countries in italics did not report in 2010.



Global Marine Premium by economic areas

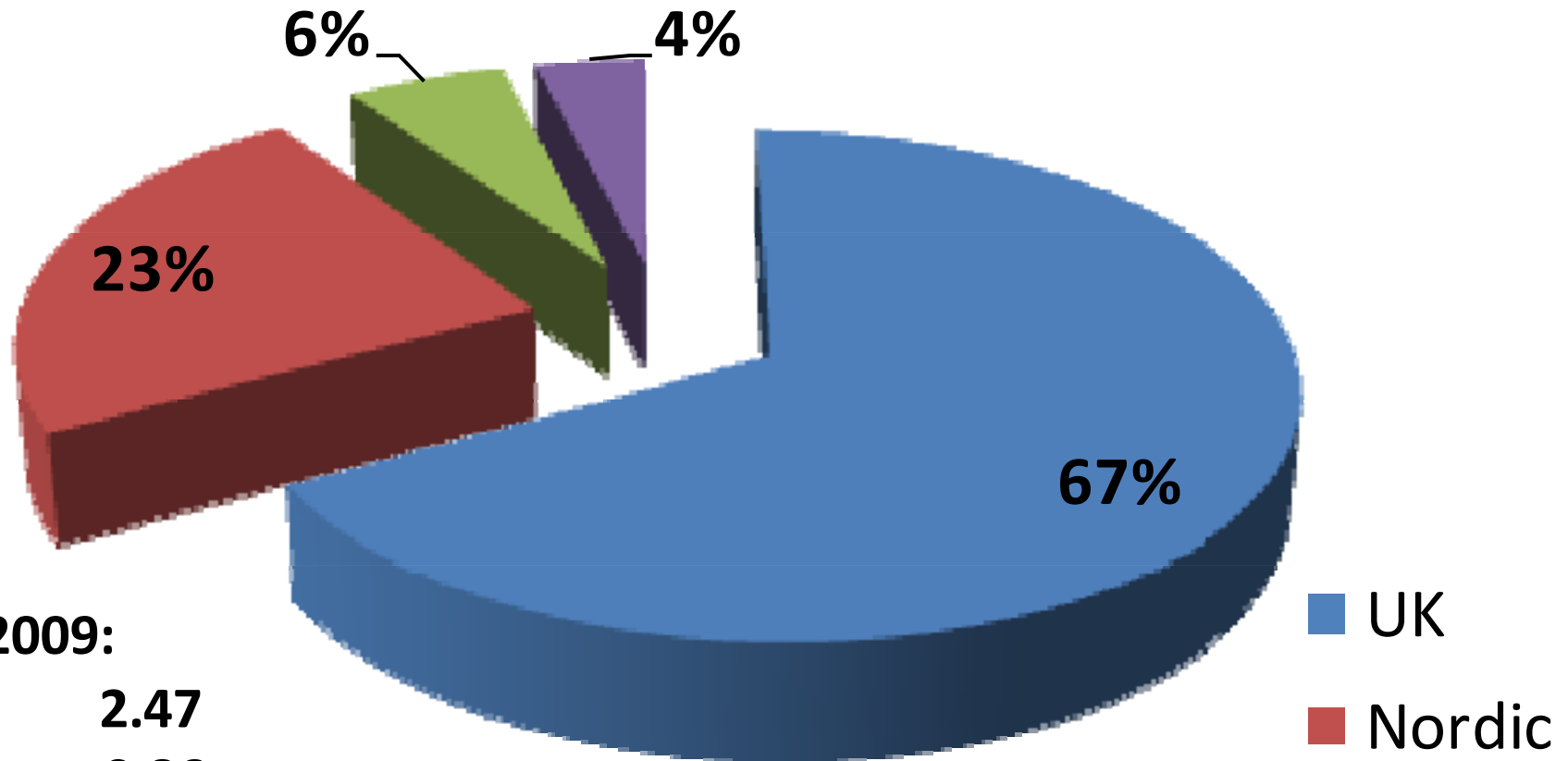
(USD Millions)



MARINE MUTUAL MARKET

P&I Clubs International Group

Gross Calls 2009 (Premium) - Operational location



Calls 2009:

UK: 2.47

Nordic: 0.86

Japan: 0.21

US: 0.14

Total: 3.68 (USD billion) / +27%

Source: Standard & Poors P&I Highlights 2010

MARINE MUTUAL MARKET

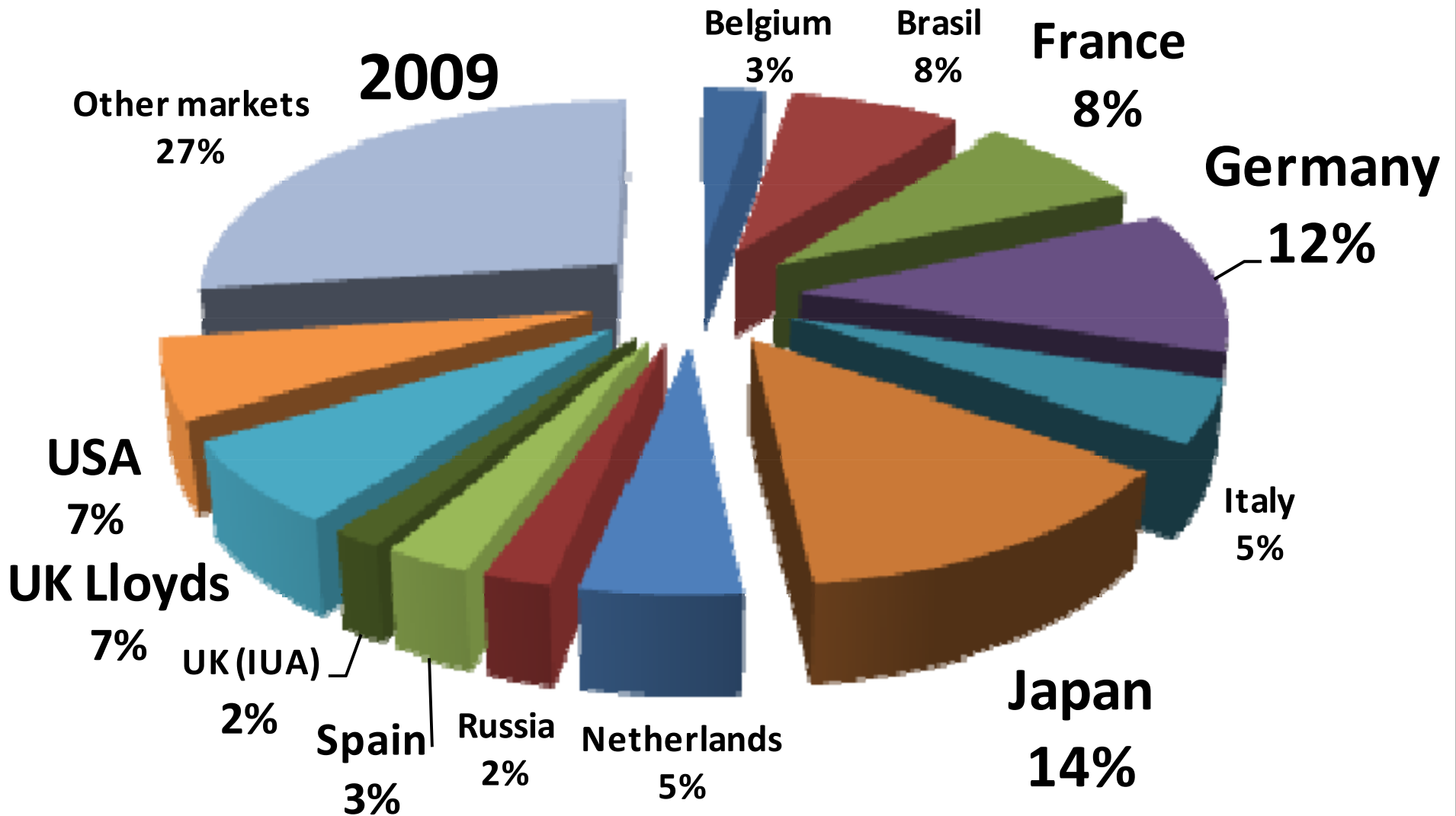
Gross Calls (Premium) - Operational location

Per accounting year - USD 1000

							US\$000's	
Operational	2009	2008	2007	2006	2005	Difference 09-05	Average Annual variation over period 05-09	Ranking 2009
UK	2,467,608	1,793,071	1,771,700	1,614,769	1,562,123	905,485	11.59%	1
Nordic	862,665	741,123	523,652	561,935	542,986	319,679	11.77%	2
Japan	206,810	231,015	165,019	135,362	136,432	70,378	10.32%	3
US	144,726	144,239	163,793	162,257	139,602	5,124	0.73%	4
Total	3,681,809	2,909,448	2,624,164	2,474,323	2,381,143	1,300,666	10.92%	

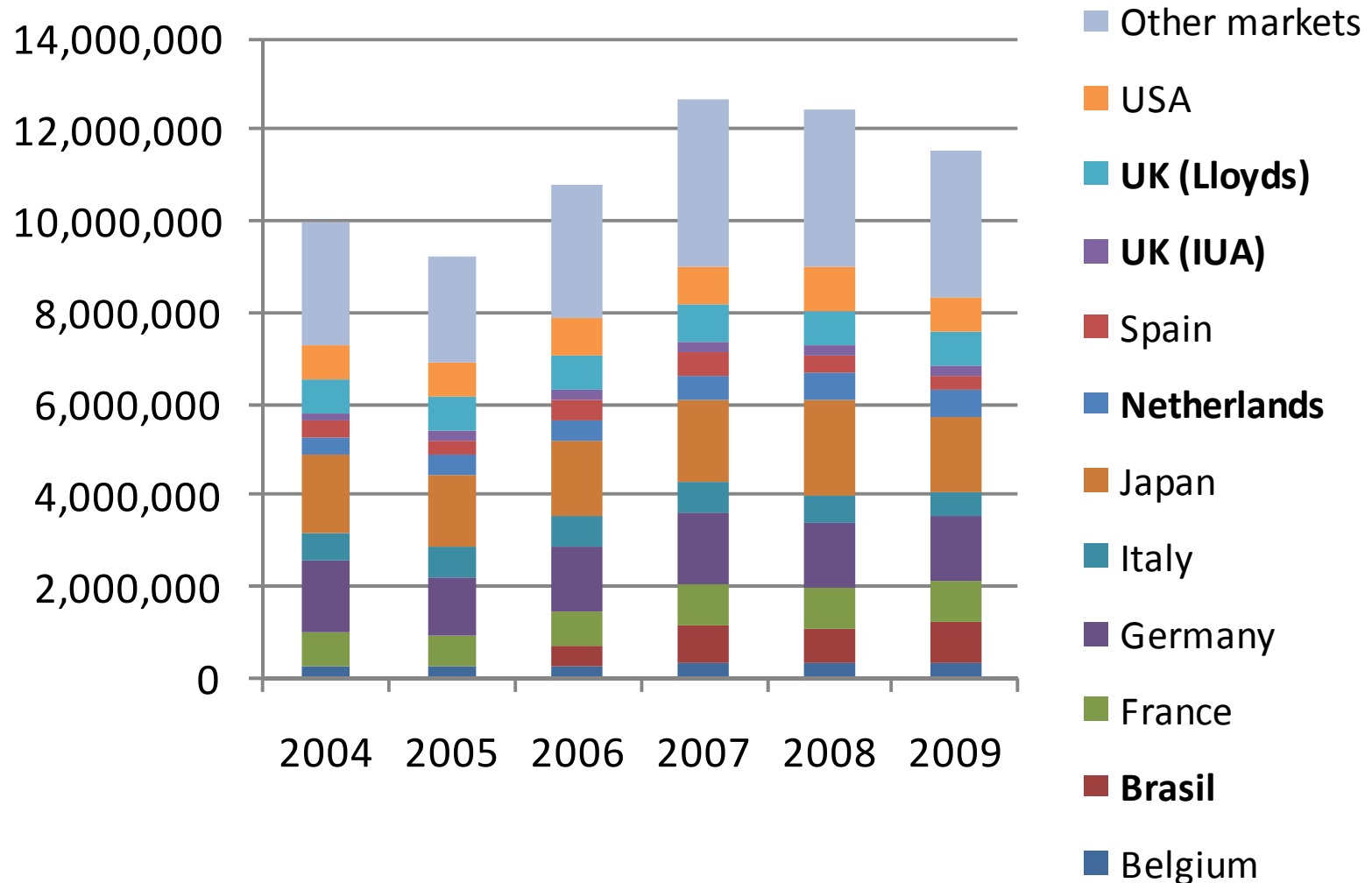
Global **Cargo** Premium by markets

Total: 11.8 USD billion



Global **Cargo** Premium by markets, 2004-09

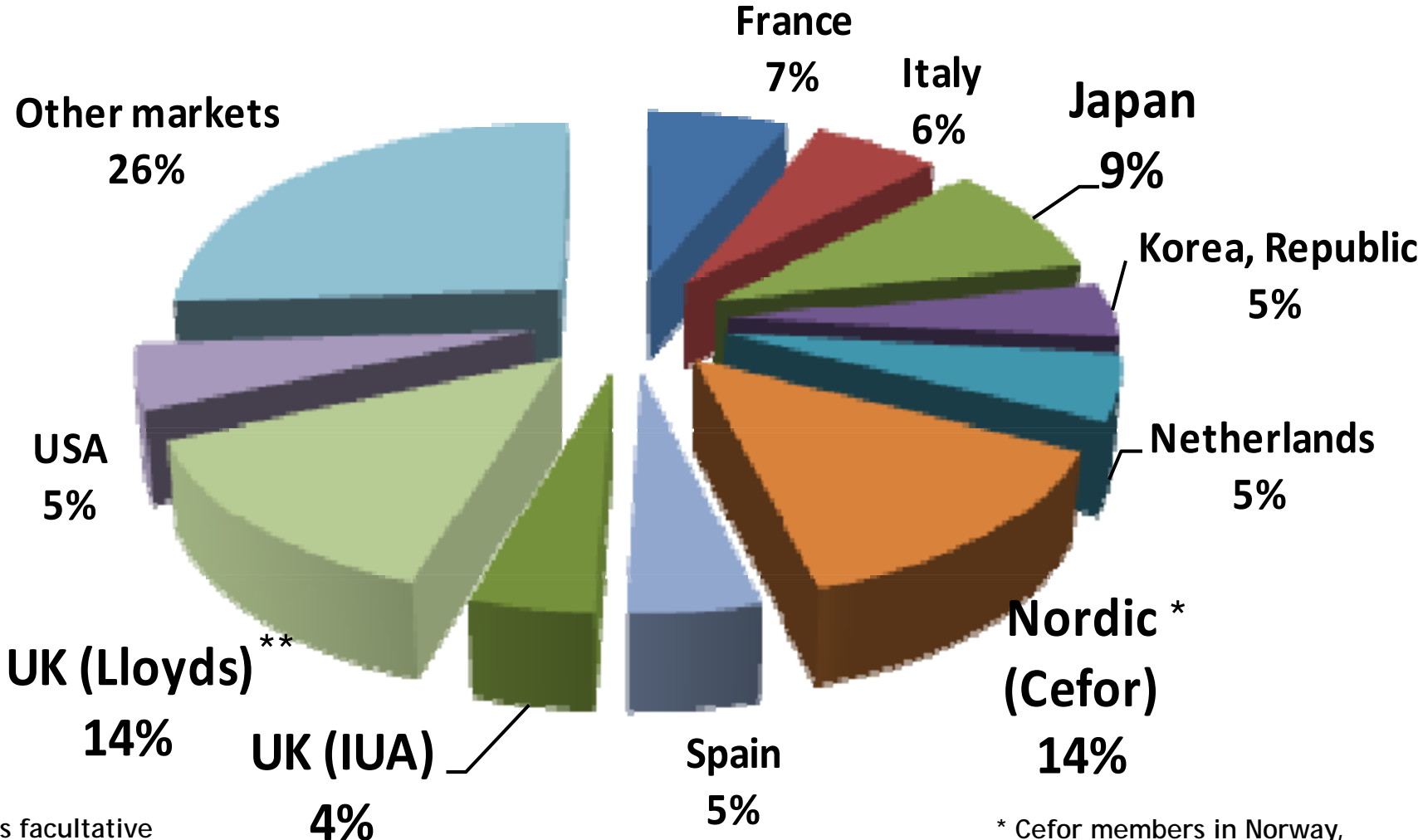
(USD)



Global Hull Premium by markets

Total: 6.6 USD billion

2009

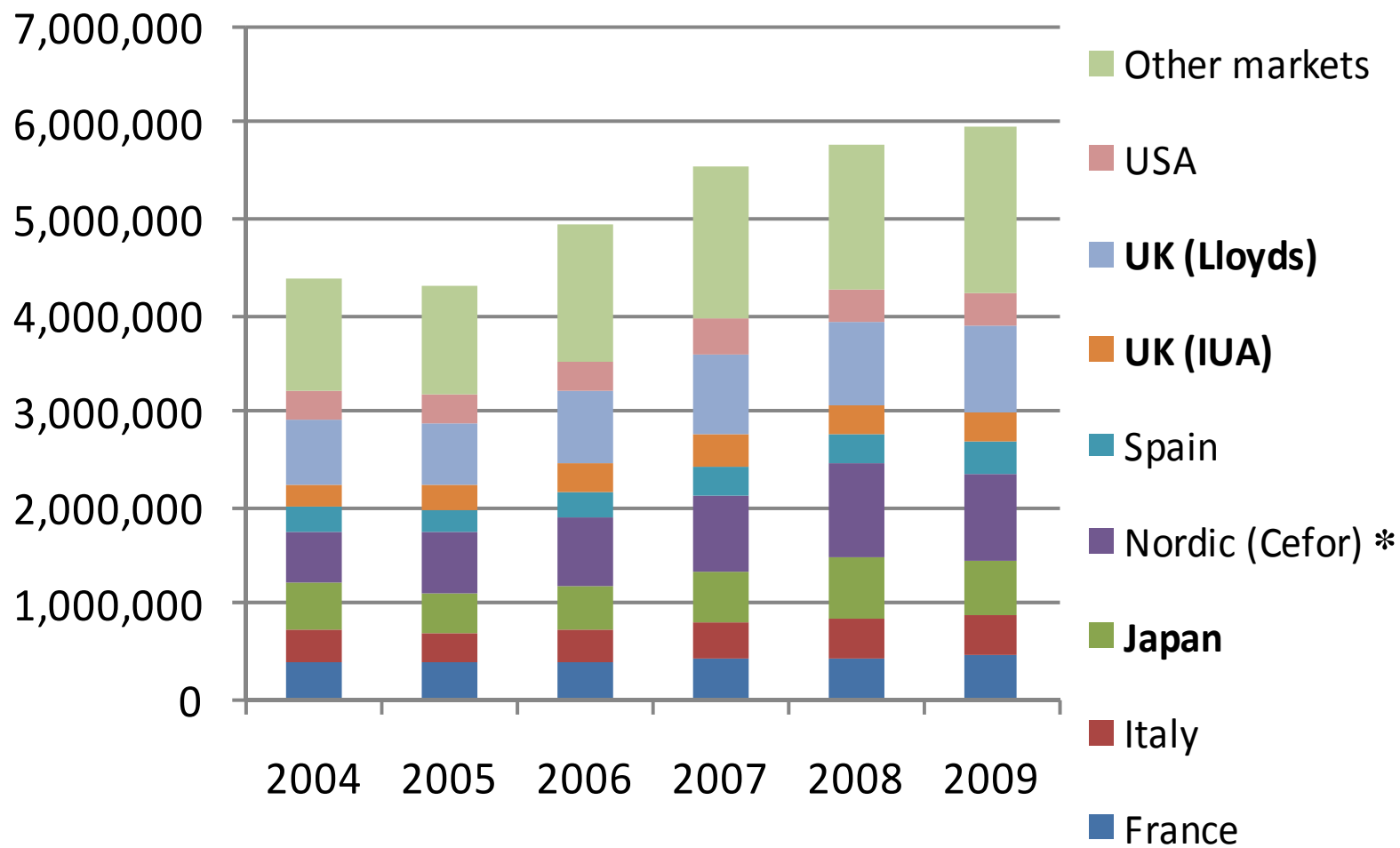


** includes facultative and prop. reinsurance

* Cefor members in Norway, Denmark, Sweden, Finland

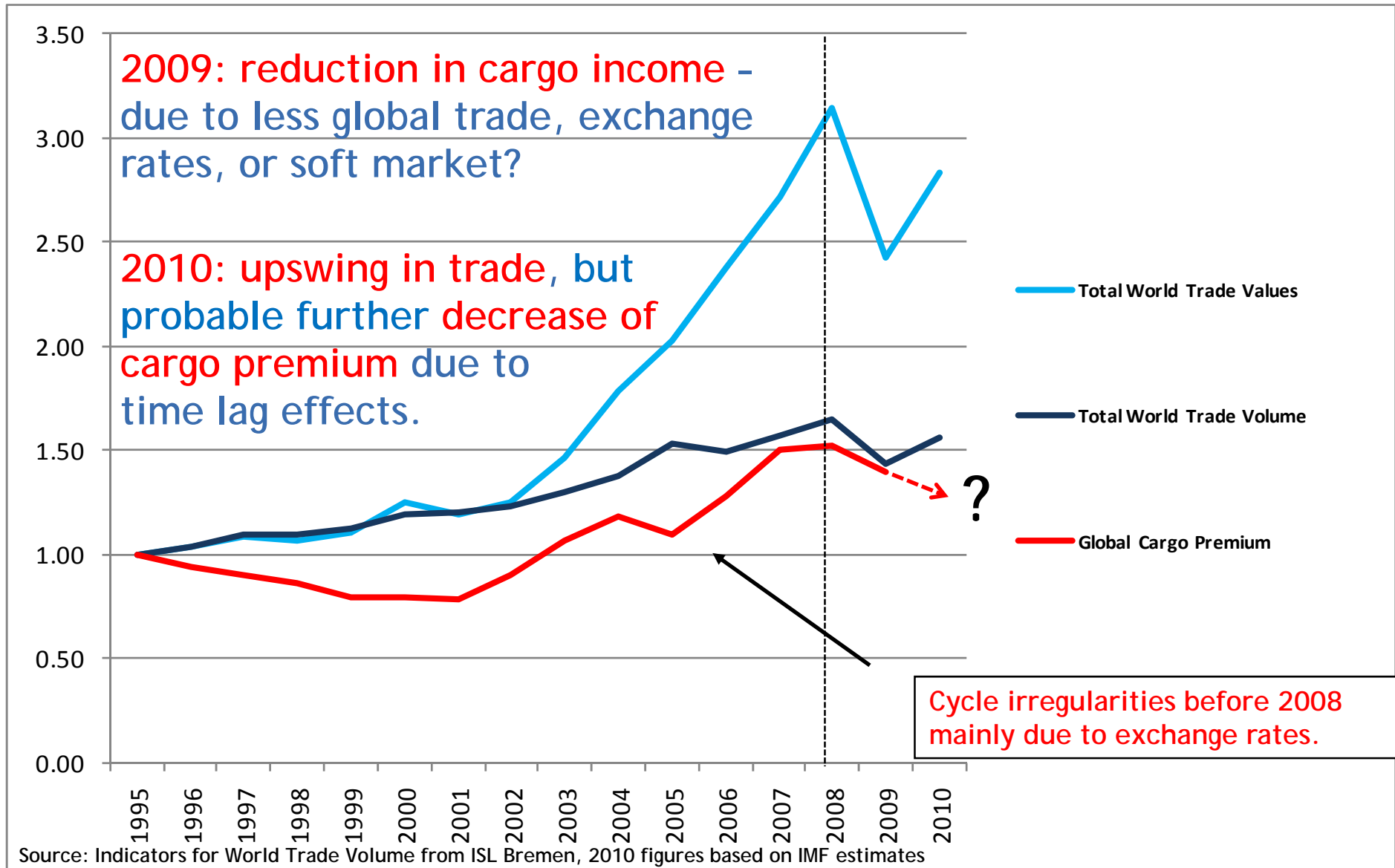
Global Hull Premium by markets, 2004-09

(USD)



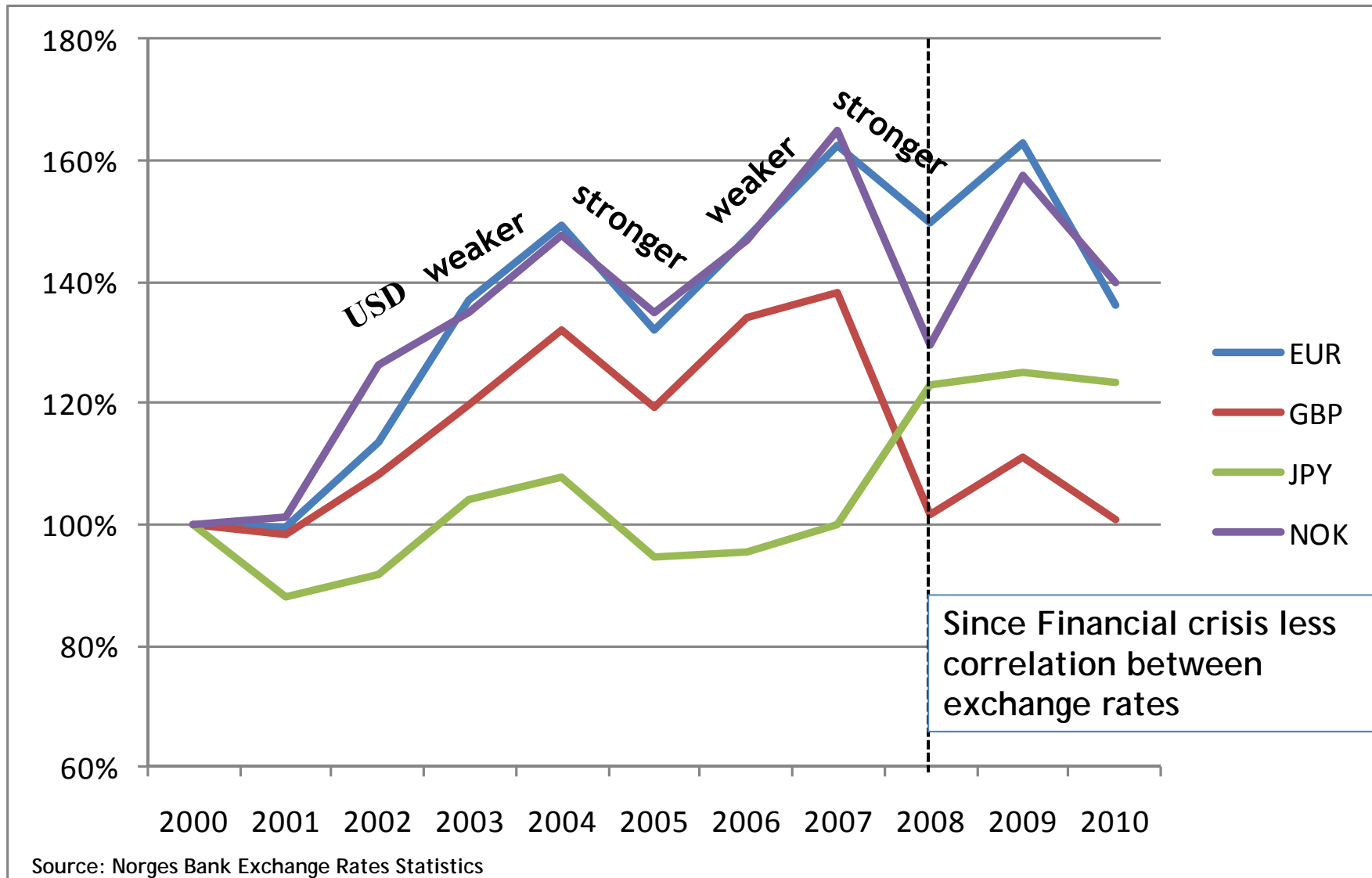
* including Non-Norwegian members from 2008 accounting year

World Seaborne **Trade** Volume and Trade Values, Global **Cargo** Premium, Index of evolution, 1995 = 100%

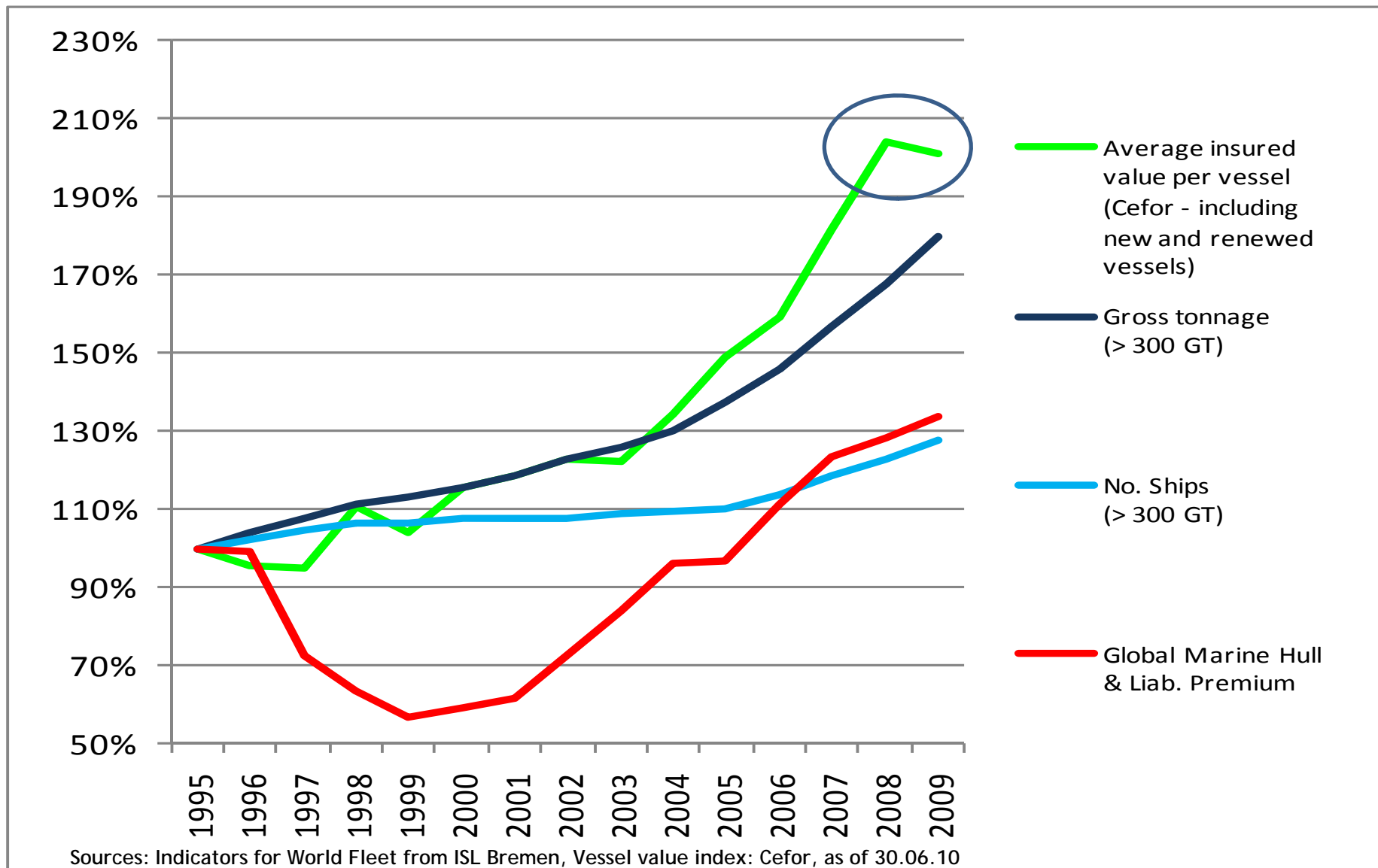


Index of Evolution of USD Exchange rate against selected currencies

(exchange rates as of December each year, 2010 as of June 10)

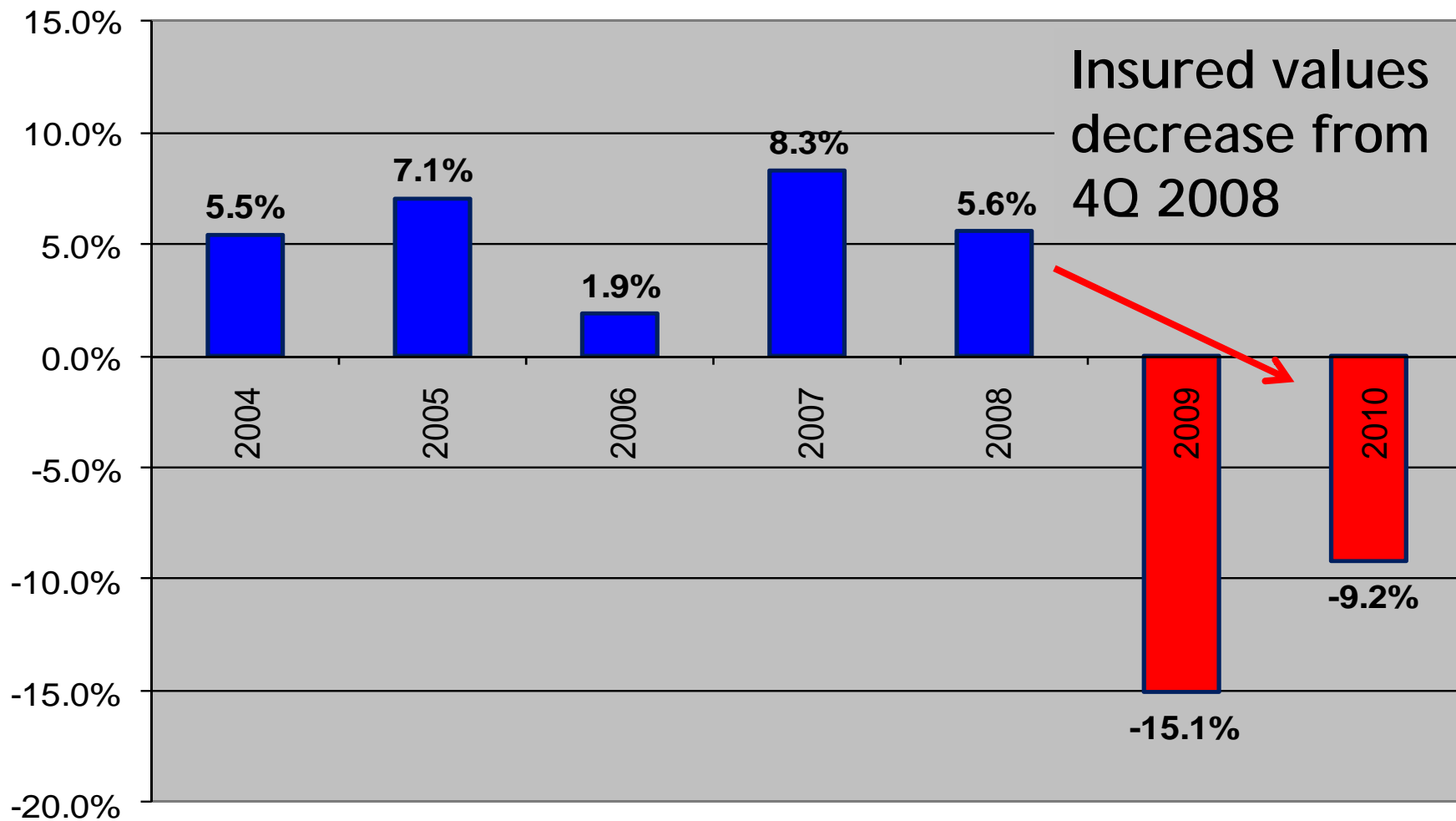


World Merchant **Fleet** and Global Marine **Hull** & Liability Premium, Index of evolution, 1995 = 100%



Change in insured values on renewed vessels, by year of renewal

(= insured value on renewal / insured value previous year)



Exchange rates against US\$

(as of December each year for selected currencies)

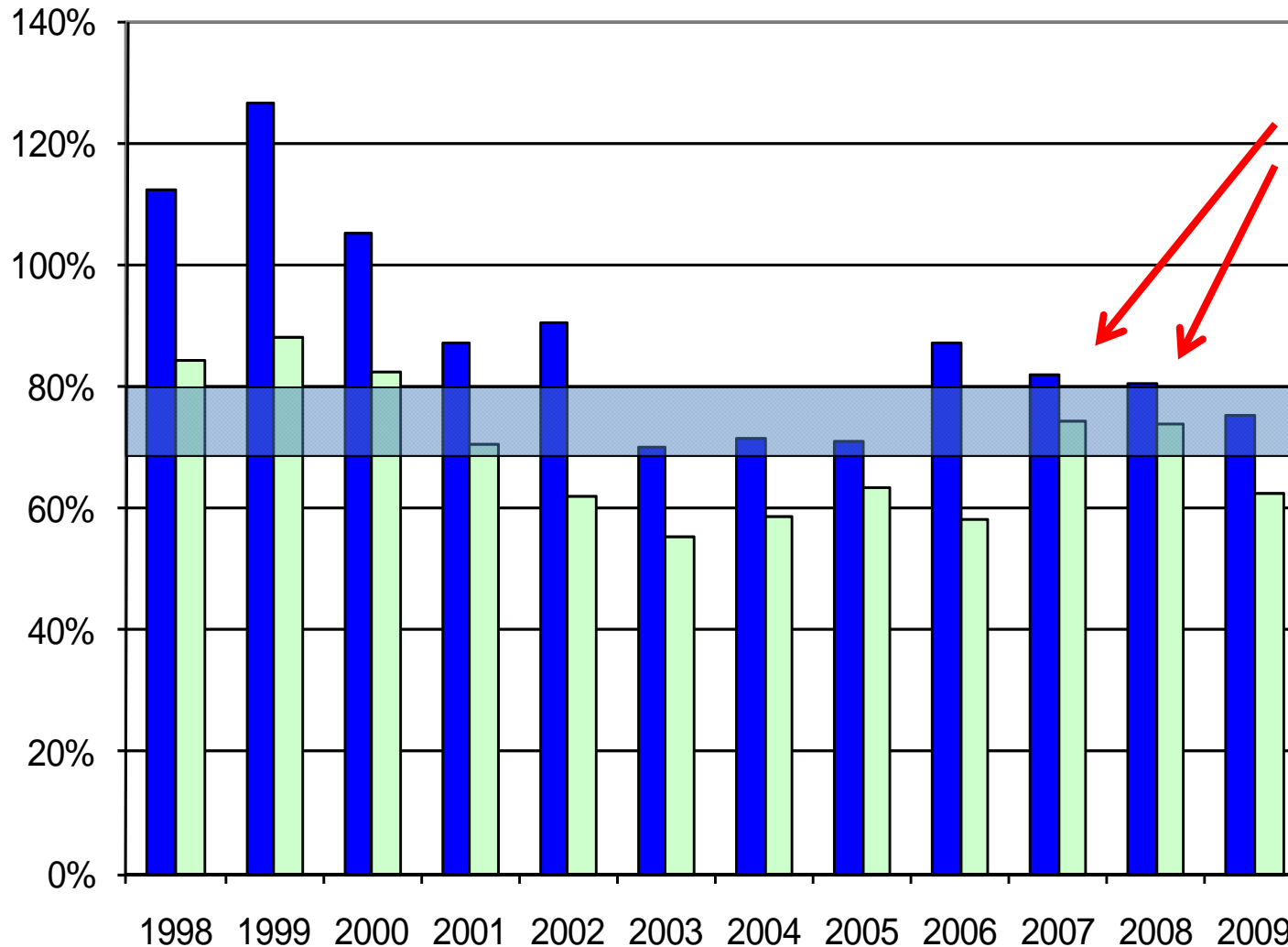
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
										as of Dec. 09s of June 10	
USD	1	1	1	1	1	1	1	1	1	1	1
EUR	1.1147	1.1205	0.9826	0.8140	0.7462	0.8435	0.7569	0.6860	0.7450	0.6840	0.8192
GBP	0.6837	0.6945	0.6309	0.5716	0.5184	0.5729	0.5092	0.4941	0.6726	0.6155	0.6780
JPY	112.0751	127.2118	122.0127	107.8086	103.7914	118.5521	117.1756	112.1509	91.1675	89.7156	90.9063
NOK	9.0662	8.9552	7.1680	6.7085	6.1321	6.7257	6.1741	5.4966	7.0057	5.7531	6.4768
SEK	9.6552	10.5641	8.9377	7.3445	6.7003	7.9556	6.8404	6.4674	7.9972	7.1184	7.8412
DKK	8.3130	8.3397	7.2964	6.0579	5.5469	6.2875	5.6426	5.1171	5.5504	5.0903	6.0958

Source: Norges Bank Exchange Rates Statistics



Marine Hull ■ and Cargo/Transport □

Gross* Ultimate Loss Ratio, U/W Years 1998 to 2009



2007 / 2008:

Changing frame and market conditions provoke **increase in claims reserves** for both cargo and hull.

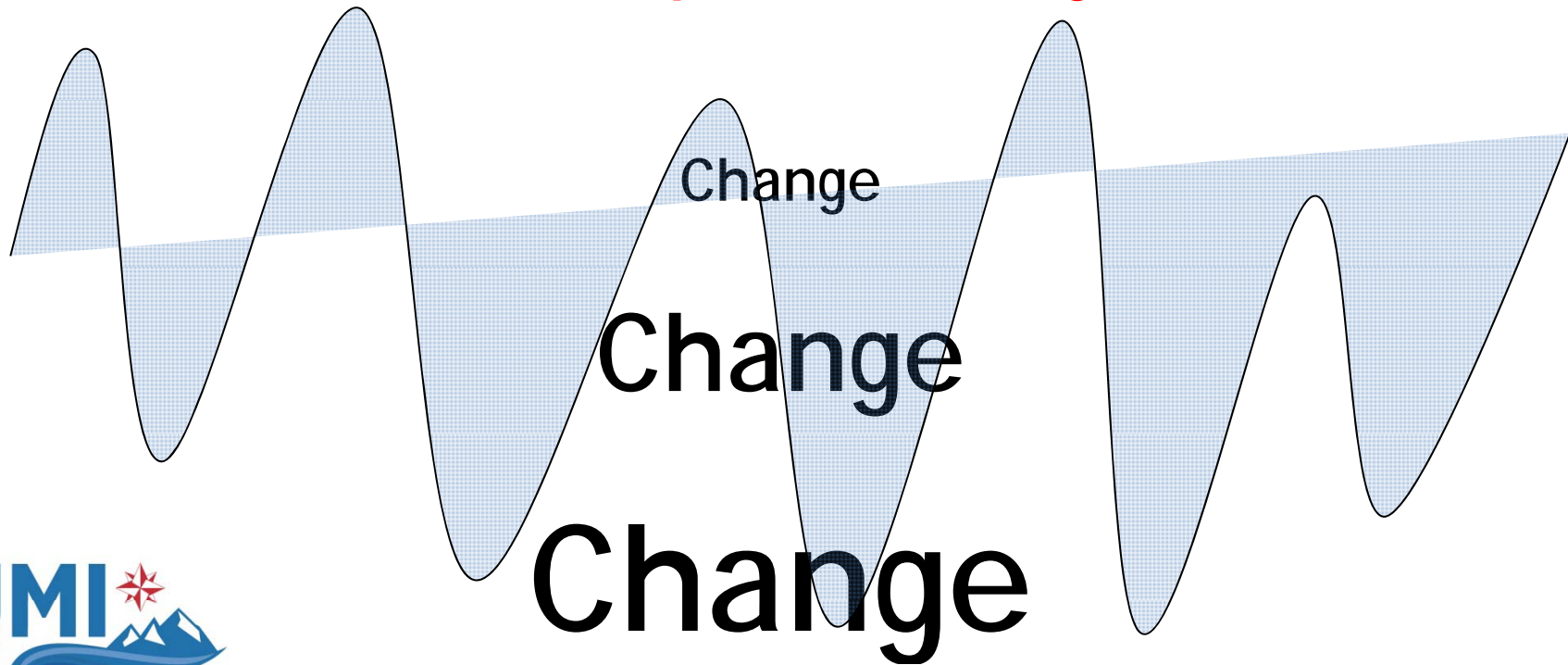
2009: signs of improvement, but **uncertainty** as to effect of unstable environment on ultimate results.

* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (usually 20%-30% acquisition cost, capital cost, management expenses)

Macroeconomic parameters/
Market conditions \longrightarrow Claims cost

Income \longrightarrow Insurance results

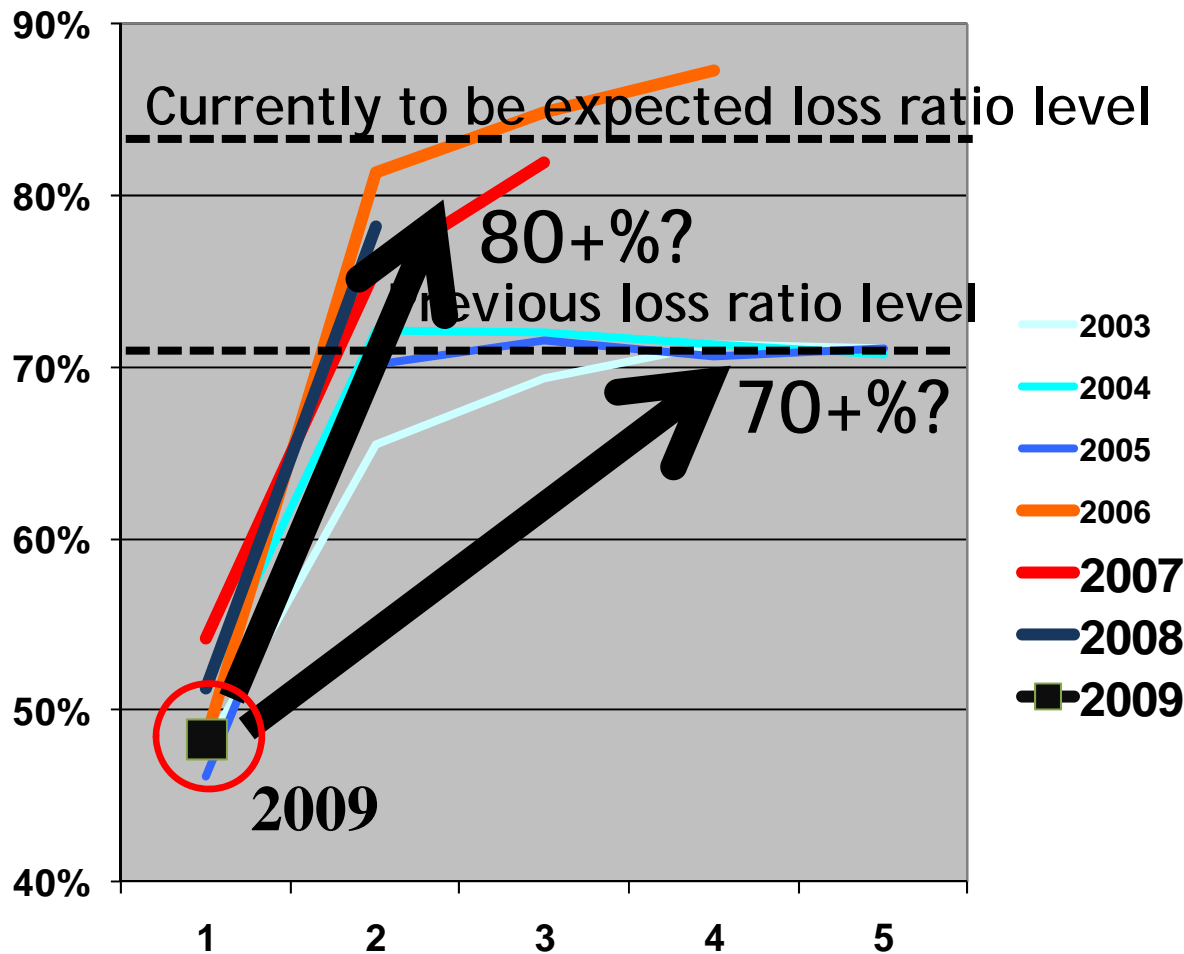
Market predictability?



Marine Hull - Gross* Loss Ratio

Underwriting years 2003 to 2009

as reported after 1, 2, 3, 4 and 5 years



From 2007:

Repair cost driven up by **changing frame conditions**. Extraordinary upwards adjustment of claims reserves.

=> Change in typical claims pattern!

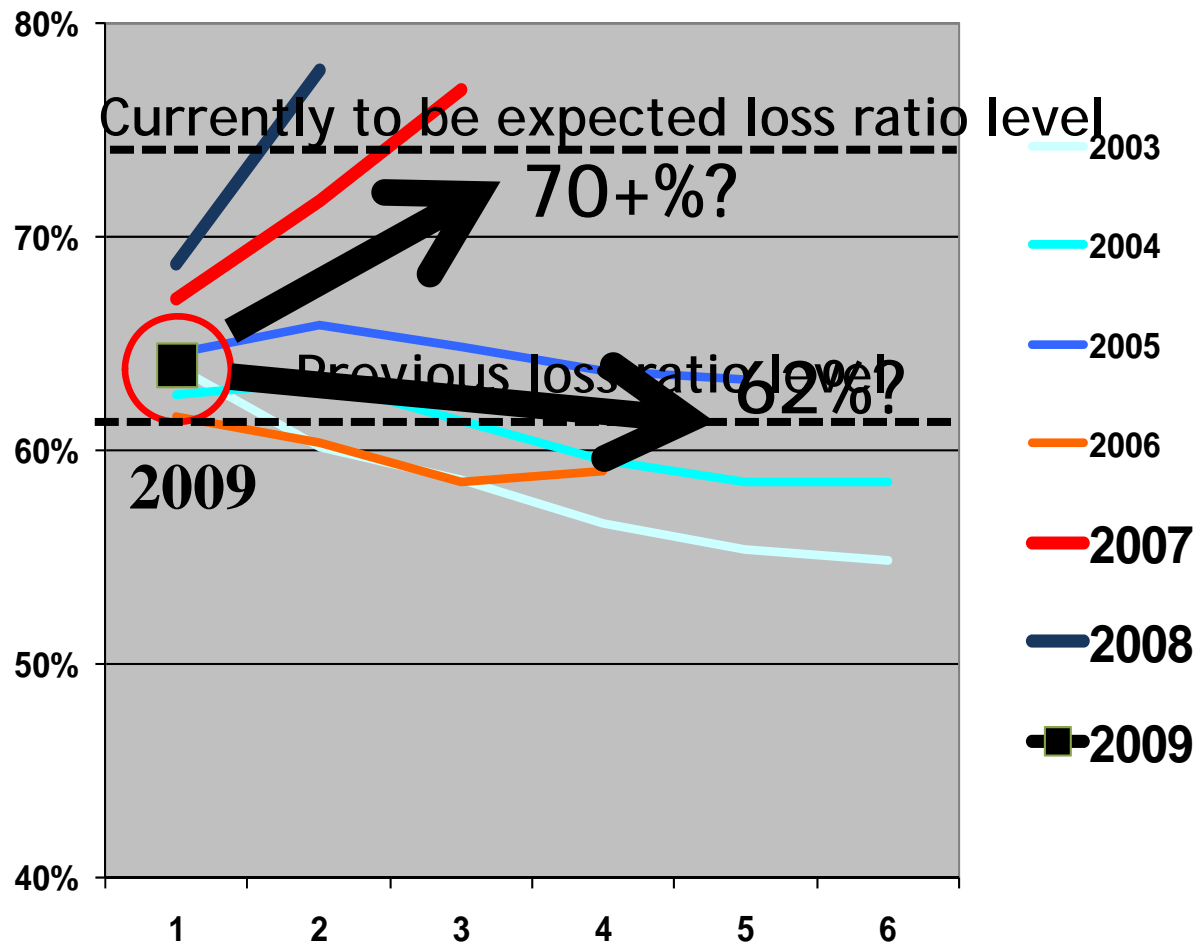
2009:

Price-driving factors turn back to more "normal" level, but no stable frame conditions
=> uncertain effect on claim level.

Marine Cargo - Gross* Loss Ratio

Underwriting years 2003 to 2009

as reported after 1, 2, 3, 4 and 5 years



2007 / 2008:
Changing frame conditions demand extraordinary upwards adjustment of claims reserves.

=> Change in typical claims pattern!

2009: uncertain effect of unstable market conditions on final outcome.

Summing up Hull in a changing world...

- Frame conditions - **swing in various directions**:
steel prices / repair yard capacity / exchange rates /
world trade / commodity prices / vessels in lay-up / ...
- Changes influence both **income** (vessel values) and **cost**
(claim frequency and repair cost).
- Repair cost and claims frequency increased until 2008.
In 2009 signs of returning to more "normal" levels.
But too early to tell, strongly depending on further
development of frame conditions / price-driving factors
in an unstable economical and trade environment.
- Strong major claims impact in 2006/07, improvement
in 2008/09, but **major claims may occur at any time!**

Summing up Hull in a changing world...

- Hull **technically at loss** for **14 consecutive years!**

So not everything is changing after all...

- **Future Global Hull Market depends on**
 - Better understanding of dependencies between macroeconomic parameters and repair cost
 - Improved models to estimate expected claim cost (= risk premium)
 - Trade / Fleet development
 - Market discipline / capacity
 - and as always: the impact of major claims

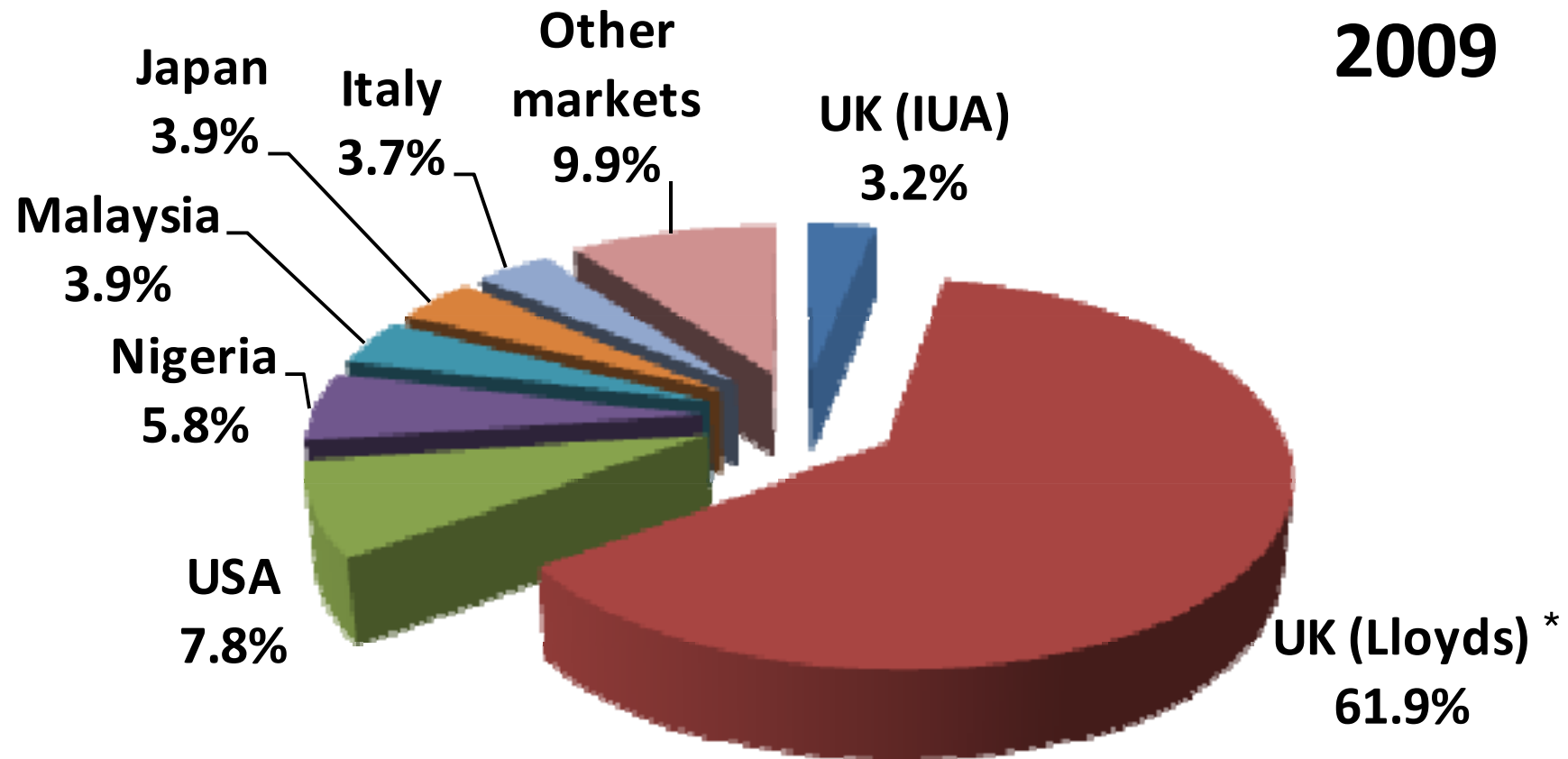
Summing up Cargo in a changing world...

- From 2008 **reduction in insured values**, with respective effect on cargo income.
- Strong **upwards adjustment of 2007/2008 claims reserves**. If claims reserves prove to be correct, this produces a **technical loss for the first time since 2000**.
- Uncertainties as to the profitability of 2009.
- The future: **Claim amounts unlikely to decrease** because of increased risk of accumulation, moral hazard, theft frequency.

Global Offshore Energy Premium by markets

Total reported: 2.95 USD billion

2009



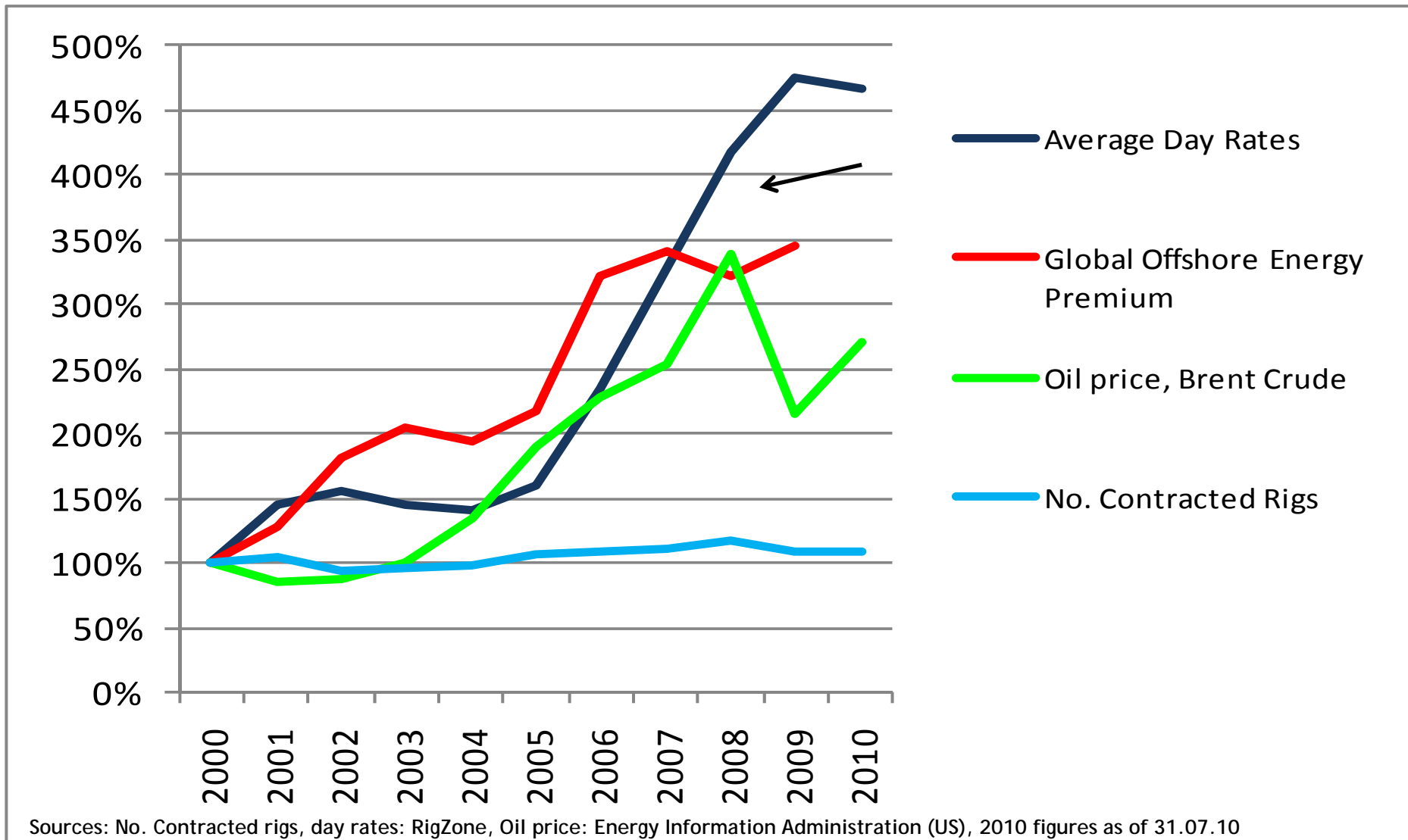
No data: Nordic region, Russia, Kazakhstan.

* includes facultative and prop. reinsurance

Energy Mobiles, Day rates, Oil Price

Global Offshore Energy Premium,

Index of evolution, 2000 = 100%



Summing up Offshore Energy

- **Volatile** business, results depend strongly on hurricane impact, but trend towards self-insurance in Gulf of Mexico. But no hurricanes does not mean no losses!
- Rates and Terms & Conditions improved after 2000, following hurricane activity in Gulf of Mexico.
- **Long time lag** between accident and claims payment, due to technical complexity of the insured objects.
- **No regular claims patterns**. Claims reserves are set depending on knowledge about individual claims.
- **Deepwater Horizon** estimate > 2 USD bill., impact on 2009 & 2010 uw year.
- 2009: **more physical damage losses not related to wind!**

Reported Marine Premium

- by market
- by marine line of business
- Accounting years 2008 and 2009

Marine insurance premiums - Accounting year 2008 (in USD 1000)

Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
Albania (Albanian Ass. of Marine Insurers)	129	369	218	0	716	
Australia (Insurance Council of Australia Ltd.)	171,000	162,000	25,000	3,000	361,000	
Austria (Verband der Versicherungsunternehmen Oesterreichs)	0	166,207	0	0	166,207	
Bahrain (Bahrain Insurance Association) - new 09						not rep.
Belgium (ABAM_/BVT Belgian Association of Marine Insurers)	37,044	348,947	0	0	385,992	
Bermuda (Bermuda Institute of Marine Underwriters)	0	0	0	0	0	Reins. and P&I market
Brasil (Federação Nacional de Seguros Gerais)	35,208	699,824	0	6,063	741,095	
Bulgaria (BULSTRAD Insurance and Reinsurance PLC)	15,826	13,130	1,390	0	30,345	
Canada (The Canadian Board of Marine Underwriters)	68,392	117,243	0	not available	185,635	
Chinese Taipei (The Non-Life Ins. Ass. of the Republic of Chinese)	55,673	188,142	0	0	243,815	
Congo (Société Nationale d'Assurances SONAS)						not rep.
Croatia (Croatian Insurance Bureau)	33,551	18,521	10,475	7,255	69,802	
Cyprus (Insurance Association of Cyprus)	892	6,084	3	1	6,980	
Czech Republic (Ceska Pojistovna AS)	1,100	20,709	400	0	22,209	
Denmark (Danish Insurance Association)	partly in 'Nordic'	87,100	0	0	87,100	
Egypt (Insurance Federation of Egypt)	23,340	66,489	0	96,168	185,998	
Finland (Finnish Marine Underwriters' Association)	not available	not available	not available	not available	89,189	
France (FFSA-Féd.Francaise des Sociétés d'Ass.Transports)	431,705	945,243	0	0	1,376,948	
Germany (Gesamtverband der Deutschen Versicherungswirtschaft)	157,070	1,401,804	0	0	1,558,874	
Greece (Hellenic Association of Insurance Companies)	34,525	70,067	10,276	0	114,868	
Hong Kong (The Hong Kong Federation of Insurers)	152,761	134,293	5,196	0	292,250	
Hungary (Association of Hungarian Insurance Companies)	not available	not available	not available	not available	17,220	



Marine insurance premiums – Accounting year 2008 (in USD 1000)

Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
India (Tariff Advisory Committee)	36,701	194,123	1,556	84,377	316,757	
Ireland (The Irish Institute of Marine Underwriters)	8,109	24,191	1,259	0	33,559	
Israel (Israel Insurance Association)	8,300	41,000	0	0	49,300	
Italy (ANIA-Associazione Nazionale fra le Imprese Assicuratrici)	406,329	620,051	21,376	105,148	1,152,903	
Japan (The Marine and Fire Insurance Association of Japan, Inc.)	636,531	2,043,833	44,236	105,737	2,830,337	
Kazakhstan (Eurasia Insurance Company JSC) - new 09	5,929	48,399	1,516	not available	55,844	
Kenya (The Association of Kenya Insurers)	0	23,143	0	0	23,143	
Korea, D.P.R. of (Korea National Ins. Corporation)	8,396	25,524	722	0	34,641	
Korea, Republic of (Korea Non-life Ins. Assocr.)	296,988	204,618	17,977	35,361	554,944	
Lebanon (Association des Compagnies d'Assurances au Liban - ACAL)	0	24,500	0	0	24,500	
Malaysia (General Ins. Association of Malaysia)	58,640	130,387	0	109,387	298,414	
Morocco (F.M.S.A.R. & Comité des Assureurs Maritime du Maroc CA)	26,757	62,354	547	0	89,657	
Netherlands (Association of Insurers)	259,000	605,000	0	0	864,000	
New Zealand (Insurance Council of New Zealand)	26,795	39,869	1,608	0	68,272	
Nigeria (Nigerian Insurers Association)	4,183	99,337	1,046	127,495	232,060	
Nordic (Cefor, The Nordic Association of Marine Insurers)	993,200	74,000	0	not available	1,067,200	Hull: all Nordic members Cargo: Norwegian only
Poland (WARTA Insurance & Reinsurance Co. SA)	31,018	63,875	2,630	1,150	98,674	

Marine insurance premiums – Accounting year 2008 (in USD 1000)

Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
Portugal (via Mutua dos Pescadores)	24,243	59,342	2,324	0	85,910	
Romania (National Union - Insurance and Reinsurance Comp)	8,273	11,705	1,674	0	21,652	
Russia (Russia Ingosstrakh Insurance Company Ltd.)	88,894	336,769	36,680	not available	462,343	
Singapore (General Insurance Association of Singapore)	142,170	125,690	0	0	267,860	
Slovenia (Slovenian Insurance Association)	2,393	19,504	1,484		23,382	
South Africa (Association of Marine Underwriters in South Africa)	11,650	108,300	0	0	119,950	
Spain (Comité de Transportes de UNESPA)	310,185	398,396	0	0	708,581	
Sweden (Forsäkringsförbundet)	130,276	158,328	767	0	289,371	
Switzerland (Swiss Association of Marine Underwriters)	not available	not available	not available	not available	284,000	
Tunisia (Fédération Tunisienne des Sociétés)						not rep.
Turkey (Ass. of the Ins. and Reins. Companies of Türkiye)	65,740	200,462	not separate	0	266,202	
Ukraine (Marine Insurance Bureau of Ukraine)	2,300	349,000	500	0	351,800	
United Kingdom (Int'l Underwriting Association of London - IUA)	293,687	230,564	31,557	105,424	661,232	
United Kingdom (Lloyd's Underwriters' Association.)	871,924	758,095	549,779	1,716,652	3,896,450	
U S A (American Institute of Marine Underwriters)	328,011	915,263	715,299	255,029	2,213,602	
Total sum	6,304,837	12,441,793	1,487,495	2,758,247	23,382,781	



UK Lloyd's: Projected ultimate underwriting year premium, after deduction of acquisition costs, but including proportional and facultative reinsurance. Acquisition cost ratio is estimated to be ca. 20-25% for most years. Marine Liability includes P&I premium via International Group's reinsurance programme, which is estimated to be about 65% of the reported liability premium. All figures revised in 2010.

Marine insurance premiums – Accounting year 2009 (in USD 1000)

Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
59.00						
Albania (Albanian Ass. of Marine Insurers)	3	445	180	0	628	
Australia (Insurance Council of Australia Ltd.)	210,000	200,000	40,000	4,000	454,000	
Austria (Verband der Versicherungsunternehmen Oesterreichs)	0	159,575	0	0	159,575	
Bahrain (Bahrain Insurance Association) - new 09						not rep.
Belgium (ABAM_/BVT Belgian Association of Marine Insurers)	36,347	327,991			364,337	
Bermuda (Bermuda Institute of Marine Underwriters)	0	0	0	0	0	Reins. and P&I market
Brasil (Federação Nacional de Seguros Gerais)	68,325	899,892	0	17,393	985,610	
Bulgaria (BULSTRAD Insurance and Reinsurance PLC)	7,497	9,377	1,947	0	18,821	
Canada (The Canadian Board of Marine Underwriters)	79,408	133,292	0	not available	212,700	
Chinese Taipei (The Non-Life Ins. Ass. of the Republic of Chinese)	43,985	148,868	0	0	192,853	
Congo (Société Nationale d'Assurances SONAS)						not rep.
Croatia (Croatian Insurance Bureau)	30,529	12,892	10,253	7,390	61,064	
Cyprus (Insurance Association of Cyprus)	903	4,685	4	1	5,592	
Czech Republic (Ceska Pojistovna AS)	771	16,884	530	0	18,185	
Denmark (Danish Insurance Association)	partly in 'Nordic'	71,700	0	0	71,700	
Egypt (Insurance Federation of Egypt)	25,091	53,091	0	102,191	180,373	
Finland (Finnish Marine Underwriters' Association)	in 'Nordic'	60,415	0	0	60,415	
France (FFSA-Féd.Française des Sociétés d'Ass.Transports)	454,941	913,196	0	0	1,368,138	
Germany (Gesamtverband der Deutschen Versicherungswirtschaft)	224,929	1,378,417	0	0	1,603,346	
Greece (Hellenic Association of Insurance Companies)	34,683	57,044	11,684	0	103,411	
Hong Kong (The Hong Kong Federation of Insurers)	118,298	108,858	5,177	0	232,333	
Hungary (Association of Hungarian Insurance Companies)	not available	not available	not available	not available	16,050	



Marine insurance premiums – Accounting year 2009 (in USD 1000)

Name of association	Global Hull	Transp./ Cargo	Marine Liability	Offshore/ Energy	Total	
India (Tariff Advisory Committee)	48,465	232,322	5,334	110,968	397,089	
Ireland (The Irish Institute of Marine Underwriters)	9,895	21,771	1,815	0	33,482	
Israel (Israel Insurance Association)	11,500	42,000	0	0	53,500	
Italy (ANIA-Associazione Nazionale fra le Imprese Assicuratrici)	407,423	562,772	20,700	108,745	1,099,640	
Japan (The Marine and Fire Insurance Association of Japan, Inc.)	600,053	1,603,673	40,569	113,813	2,358,108	
Kazakhstan (Eurasia Insurance Company JSC) - new 09	7,185	32,016	2,191	not available	41,392	
Kenya (The Association of Kenya Insurers)	0	21,848	0	0	21,848	
Korea, D.P.R. of (Korea National Ins. Corporation)	9,057	24,778	744	0	34,579	
Korea, Republic of (Korea Non-life Ins. Asscn.)	312,231	216,704	25,718	46,898	601,551	
Lebanon (Association des Compagnies d'Assurances au Liban - ACAL)	0	25,000	0	0	25,000	estimated
Malaysia (General Ins. Association of Malaysia)	80,277	116,196	0	115,595	312,068	
Morocco (F.M.S.A.R. & Comité des Assureurs Maritime du Maroc CA)	29,212	42,256	5,470	0	76,939	
Netherlands (Association of Insurers)	352,000	606,000	0	0	958,000	
New Zealand (Insurance Council of New Zealand)	15,542	37,240	2,967	0	55,749	
Nigeria (Nigerian Insurers Association)	5,933	111,544	1,187	170,206	288,870	
Nordic (Cefor, The Nordic Association of Marine Insurers)	900,700	57,000	0	not available	957,700	Hull incl. all Nordic members; Cargo: Norwegian only
Poland (WARTA Insurance & Reinsurance Co. SA)	32,221	56,607	1,354	1,866	92,047	

Marine insurance premiums - Accounting year 2009 (in USD 1000)

Name of association	Global Hull	Transp/ Cargo	Marine Liability	Offshore/ Energy	Total	
Portugal (via Mutua dos Pescadores)	23,513	64,755	2,583	0	90,851	
Romania (National Union - Insurance and Reinsurance Comp)	8,908	11,187	621	0	20,716	
Russia (Russia Ingosstrakh Insurance Company Ltd.)	119,031	262,305	47,943	not available	429,279	
Singapore (General Insurance Association of Singapore)	170,870	90,420	0	0	261,290	
Slovenia (Slovenian Insurance Association)	2,823	21,157	1,658	0	25,638	
South Africa (Association of Marine Underwriters in South Africa)	9,000	108,300	0	0	117,300	
Spain (Comité de Transportes de UNESPA)	313,382	329,331	0	0	642,713	
Sweden (Forsäkringsförbundet)	159,324	166,150	0	0	325,474	
Switzerland (Swiss Association of Marine Underwriters)	not available	not available	not available	not available	258,000	
Tunisia (Fédération Tunisienne des Sociétés)						not rep.
Turkey (Ass. of the Ins. and Reins. Companies of Türkiye)	75,662	173,759	not separate	0	249,420	
Ukraine (Marine Insurance Bureau of Ukraine)	1,490	254,000	340	0	255,830	
United Kingdom (Int'l Underwriting Association of London - IUA)	294,520	181,898	48,558	94,204	619,180,813	
United Kingdom (Lloyd's Underwriters' Association.)	926,352	790,536	586,148	1,824,469	4,127,505	
U S A (American Institute of Marine Underwriters)	349,887	735,620	656,459	228,607	1,970,574	
Total sum	6,612,168	11,555,767	1,522,133	2,946,346	22,910,464	



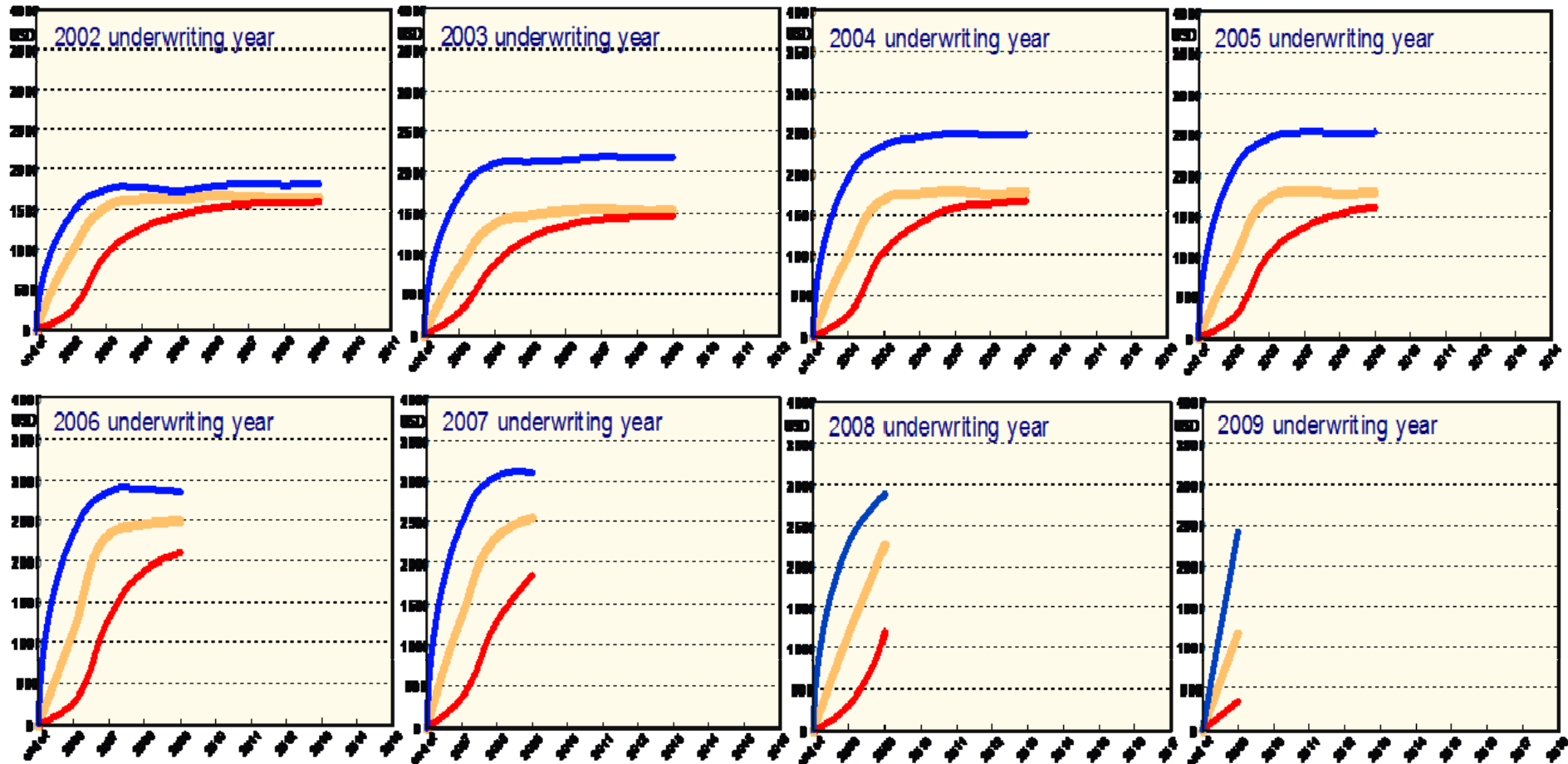
UK Lloyd's: Projected ultimate underwriting year premium, after deduction of acquisition costs, but including proportional and facultative reinsurance. Acquisition cost ratio is estimated to be ca. 20-25% for most years. Marine Liability includes P&I premium via International Group's reinsurance programme, which is estimated to be about 65% of the reported liability premium. All historical figures revised in 2010.

Reported Gross Loss Ratios

Ladder tables

- for Hull, Cargo, Energy
- by Underwriting year

Marine Hull - Evolution of Paid and Total Claims, Gross Premiums as reported, U/W Year 2002 to 2009 (USD)



Blue line = Gross Premium; Red line = Paid Claims, Yellow line = Paid+Outstanding claims

Totals of IUMI members from (not necessarily 100% of market income): Belgium, France, Germany, Italy, Netherlands, Nordic countries (Cefor), Spain, UK, USA

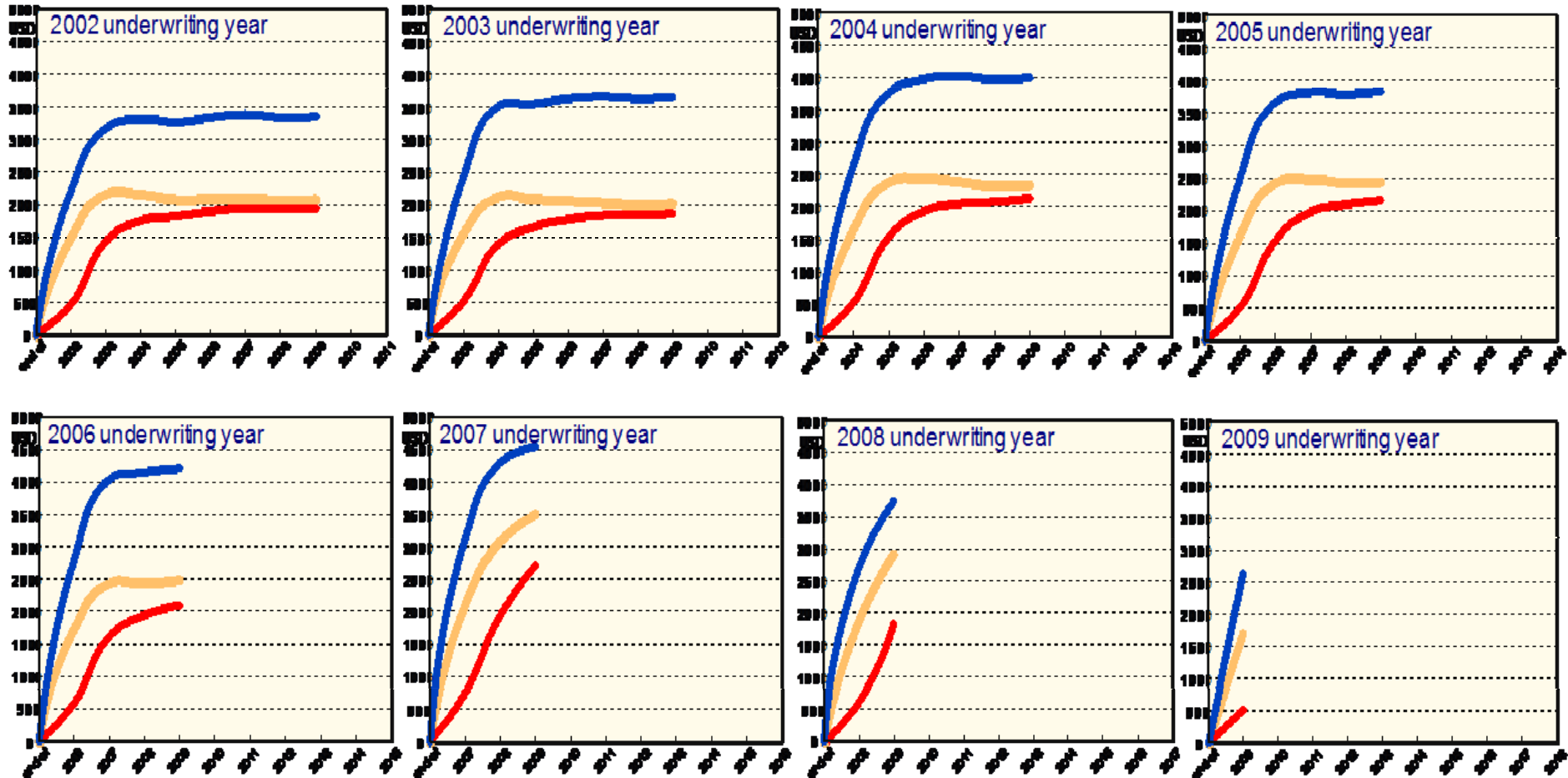
Marine Hull - "Paid+Outstanding" Ladder Table (figures in USD)

Totals of IUMI members from (not necessarily 100% of market income):

Belgium, France, Germany, Italy, Netherlands, Nordic countries (Cefor), Spain, UK, USA

2000	Gross premiums	1,073,685,221	1,361,022,023	1,442,556,756	1,465,287,995	1,470,408,614	1,458,571,931	1,476,786,266	1,493,202,593	1,485,240,845	1,489,716,742
	Paid claims	234,433,670	842,743,565	1,225,466,473	1,371,497,262	1,429,975,115	1,451,550,449	1,480,915,616	1,503,712,690	1,503,394,893	1,511,530,577
	Total claims incl. outstanding	778,836,701	1,377,364,257	1,589,806,443	1,620,787,174	1,601,830,324	1,568,453,331	1,579,979,634	1,582,961,300	1,569,591,771	1,572,289,648
	Loss ratio paid	21.83	61.92	84.95	93.60	97.25	99.52	100.28	100.70	101.22	101.46
	Total loss ratio	72.54	101.20	110.21	110.61	108.94	107.53	106.99	106.01	105.68	105.54
2001	Gross premiums	1,173,369,046	1,467,891,185	1,540,054,954	1,546,576,355	1,539,050,214	1,565,277,346	1,587,316,014	1,579,157,197	1,585,845,739	
	Paid claims	201,048,509	752,955,236	1,099,419,403	1,206,963,021	1,256,315,109	1,296,449,775	1,324,511,316	1,324,405,249	1,332,821,501	
	Total claims incl. outstanding	761,987,348	1,263,671,319	1,410,431,840	1,380,015,833	1,362,983,524	1,373,142,424	1,389,038,780	1,381,723,637	1,384,088,205	
	Loss ratio paid	17.13	51.30	71.39	78.04	81.63	82.83	83.44	83.87	84.04	
	Total loss ratio	64.94	86.09	91.58	89.23	88.56	87.73	87.51	87.50	87.28	
2002	Gross premiums	1,441,197,854	1,754,171,051	1,780,317,528	1,734,212,736	1,797,527,992	1,822,997,236	1,812,403,159	1,819,508,197		
	Paid claims	237,868,432	944,170,603	1,265,666,259	1,428,902,431	1,522,547,149	1,571,944,290	1,578,207,441	1,594,283,427		
	Total claims incl. outstanding	953,855,449	1,536,641,833	1,631,155,764	1,633,954,051	1,671,450,501	1,655,829,078	1,641,878,456	1,645,342,797		
	Loss ratio paid	16.50	53.82	71.09	82.39	84.70	86.23	87.08	87.62		
	Total loss ratio	66.18	87.60	91.62	94.22	92.99	90.83	90.59	90.43		
2003	Gross premiums	1,713,039,838	2,092,406,035	2,118,685,024	2,140,056,029	2,174,705,949	2,163,286,470	2,170,152,694			
	Paid claims	285,230,971	865,752,482	1,195,368,002	1,347,693,985	1,427,780,509	1,450,190,505	1,463,384,261			
	Total claims incl. outstanding	818,227,887	1,369,326,780	1,470,104,206	1,524,934,788	1,545,213,191	1,521,038,508	1,525,940,876			
	Loss ratio paid	16.65	41.38	56.42	62.97	65.65	67.04	67.43			
	Total loss ratio	47.76	65.44	69.39	71.26	71.05	70.31	70.31			
2004	Gross premiums	1,940,261,632	2,338,710,326	2,439,477,323	2,494,283,743	2,476,538,702	2,484,898,942				
	Paid claims	270,015,418	1,038,229,989	1,393,361,190	1,583,713,983	1,629,994,293	1,667,793,089				
	Total claims incl. outstanding	996,818,980	1,687,437,053	1,756,000,056	1,780,085,379	1,752,364,962	1,776,982,179				
	Loss ratio paid	13.92	44.39	57.12	63.49	65.82	67.12				
	Total loss ratio	51.38	72.15	71.98	71.37	70.76	71.51				
2005	Gross premiums	2,050,253,502	2,444,018,387	2,521,957,873	2,505,318,848	2,518,846,848					
	Paid claims	259,345,380	1,018,584,290	1,356,579,281	1,525,625,915	1,608,230,654					
	Total claims incl. outstanding	945,066,438	1,715,138,696	1,805,631,506	1,769,780,581	1,789,007,502					
	Loss ratio paid	12.65	41.68	53.79	60.90	63.85					
	Total loss ratio	46.10	70.18	71.60	70.64	71.02					
2006	Gross premiums	2,334,497,842	2,852,572,870	2,887,982,844	2,850,323,246						
	Paid claims	270,160,890	1,281,613,993	1,879,904,547	2,093,972,609						
	Total claims incl. outstanding	1,127,849,093	2,319,027,970	2,449,258,144	2,486,781,640						
	Loss ratio paid	11.57	44.93	65.09	73.46						
	Total loss ratio	48.31	81.30	84.81	87.25						
2007	Gross premiums	2,482,266,171	3,057,623,007	3,098,118,165							
	Paid claims	373,953,342	1,288,466,416	1,853,885,307							
	Total claims incl. outstanding	1,345,662,596	2,316,047,479	2,544,423,188							
	Loss ratio paid	15.06	42.14	59.84							
	Total loss ratio	54.21	75.75	82.13							
2008	Gross premiums	2,283,752,374	2,875,328,773								
	Paid claims	311,229,778	1,190,320,819								
	Total claims incl. outstanding	1,170,368,304	2,247,981,637								
	Loss ratio paid	13.63	41.40								
	Total loss ratio	51.25	78.18								
2009	Gross premiums	2,411,606,226									
	Paid claims	349,360,552									
	Total claims incl. outstanding	1,165,723,781									
	Loss ratio paid	14.49									
	Total loss ratio	48.34									

Transport/Cargo - Paid and Total Claims, Gross Premiums, as reported, U/W Year 2002 to 2009 (USD)



Blue line = Gross Premium; Red line = Paid Claims, Yellow line = Paid+Outstanding claims

Totals of IUMI members from (not necessarily 100% of market income):
Belgium, France, Germany, Italy, Netherlands, Spain, UK, USA

12 TO 15 SEPTEMBER

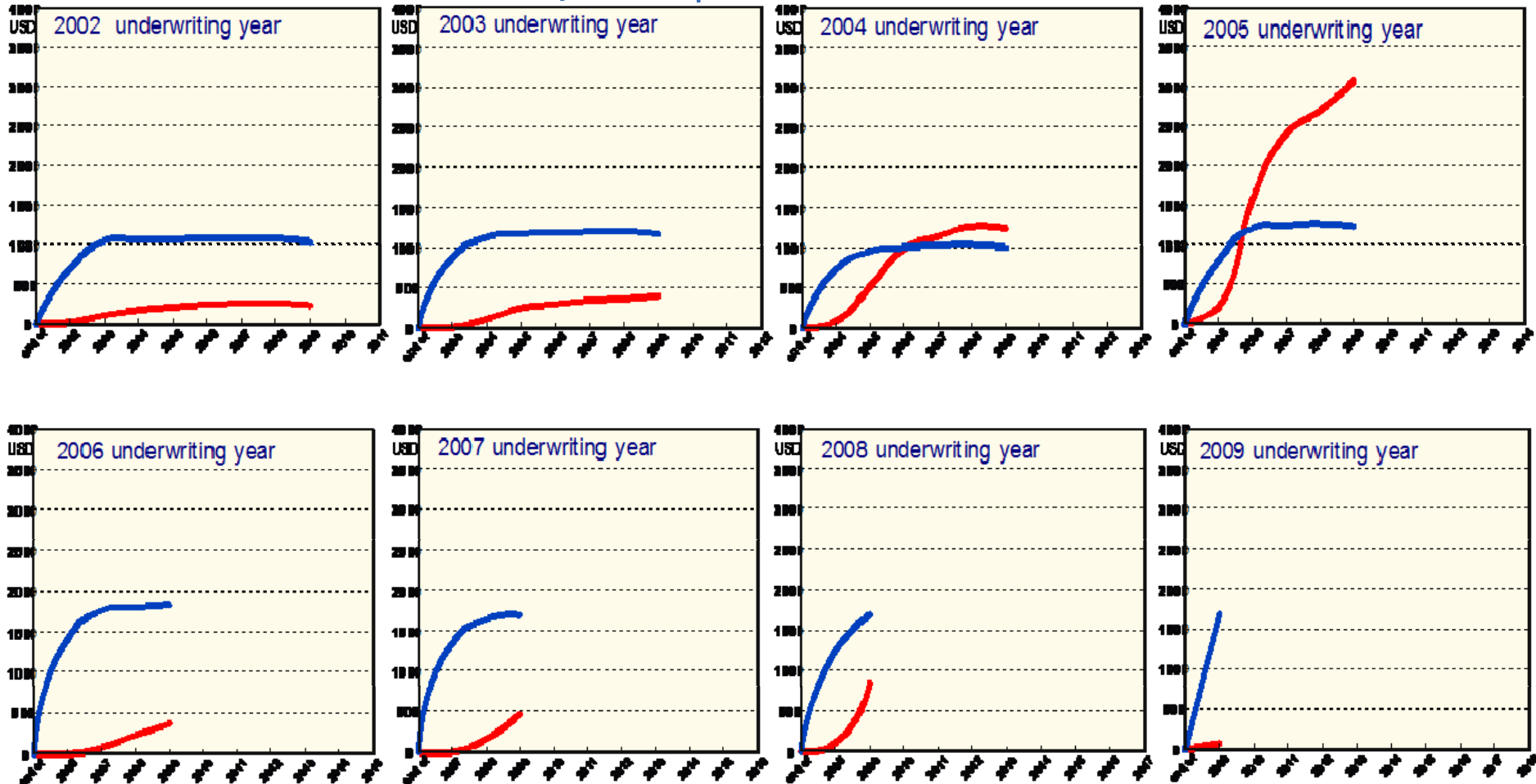
Transp./Cargo - "Paid+Outstanding" Ladder Table (figures in USD)

Totals of IUMI members from (not necessarily 100% of market income):

Belgium, France, Germany, Italy, Netherlands, Spain, UK, USA

2000	Gross premiums	1,854,649,281	2,547,065,746	2,782,479,767	2,845,889,168	2,871,550,256	2,809,754,454	2,807,627,003	2,841,259,576	2,825,481,835	2,835,335,698	
	Paid claims	543,586,152	1,572,061,206	2,050,102,232	2,190,808,237	2,228,021,738	2,228,510,060	2,222,461,169	2,228,852,090	2,224,613,945	2,233,205,896	
	Total claims incl. outstanding	1,551,836,838	2,271,406,042	2,476,502,874	2,490,389,639	2,417,782,498	2,362,371,304	2,349,044,378	2,349,340,073	2,334,204,759	2,339,409,897	
	Loss ratio paid	29.31	61.72	73.68	76.98	77.59	79.31	79.16	79.16	78.45	78.73	78.76
	Total loss ratio	83.67	89.18	89.00	87.51	84.20	84.08	83.67	82.69	82.61	82.51	
2001	Gross premiums	1,813,849,552	2,689,914,818	2,842,878,500	2,871,353,996	2,827,371,851	2,830,938,535	2,860,918,627	2,846,639,011	2,856,039,506		
	Paid claims	474,895,716	1,434,105,847	1,739,523,792	1,832,823,636	1,831,925,886	1,876,367,330	1,889,358,973	1,890,670,819	1,903,035,272		
	Total claims incl. outstanding	1,454,649,660	2,043,397,551	2,123,901,437	2,066,579,370	2,003,638,654	2,012,780,244	2,013,343,510	2,004,677,392	2,010,231,189		
	Loss ratio paid	26.18	53.31	61.19	63.83	64.79	66.28	66.04	66.42	66.63		
	Total loss ratio	80.20	75.97	74.71	71.97	70.87	71.10	70.37	70.42	70.39		
2002	Gross premiums	2,213,284,646	3,175,543,371	3,315,103,540	3,271,277,654	3,337,608,856	3,389,344,592	3,340,413,413	3,350,072,233			
	Paid claims	468,692,586	1,438,223,437	1,754,921,073	1,821,629,976	1,894,960,162	1,940,025,394	1,933,586,369	1,942,235,447			
	Total claims incl. outstanding	1,489,349,548	2,152,222,725	2,146,234,038	2,071,840,771	2,080,182,039	2,082,891,977	2,066,677,977	2,074,030,797			
	Loss ratio paid	21.18	45.29	52.94	55.69	56.78	57.24	57.88	57.98			
	Total loss ratio	67.29	67.77	64.74	63.33	62.33	61.45	61.87	61.91			
2003	Gross premiums	2,431,817,772	3,514,694,709	3,550,691,801	3,636,286,520	3,666,096,382	3,639,461,478	3,657,223,420				
	Paid claims	524,559,026	1,401,281,710	1,660,094,339	1,777,904,759	1,840,502,529	1,845,849,299	1,866,492,738				
	Total claims incl. outstanding	1,553,762,870	2,114,954,055	2,082,733,124	2,057,349,378	2,029,830,831	1,997,634,977	2,013,734,585				
	Loss ratio paid	21.57	39.87	46.75	48.89	50.20	50.72	51.04				
	Total loss ratio	63.89	60.17	58.66	56.58	55.37	54.89	55.06				
2004	Gross premiums	2,638,576,530	3,764,780,951	3,971,628,149	4,016,637,782	3,965,208,913	3,991,415,641					
	Paid claims	529,305,728	1,539,416,009	1,937,218,355	2,052,419,423	2,082,334,568	2,136,807,619					
	Total claims incl. outstanding	1,652,003,614	2,381,663,483	2,437,485,701	2,389,478,417	2,321,660,994	2,335,801,231					
	Loss ratio paid	20.06	40.89	48.78	51.10	52.52	53.54					
	Total loss ratio	62.61	63.26	61.37	59.49	58.55	58.52					
2005	Gross premiums	2,497,579,318	3,662,567,942	3,821,520,589	3,794,112,121	3,838,750,116						
	Paid claims	509,932,746	1,535,913,352	1,972,080,815	2,090,216,293	2,155,675,945						
	Total claims incl. outstanding	1,610,943,185	2,413,483,004	2,476,947,655	2,419,334,316	2,429,459,967						
	Loss ratio paid	20.42	41.94	51.60	55.09	56.16						
	Total loss ratio	64.50	65.90	64.82	63.77	63.29						
2006	Gross premiums	2,789,355,987	4,031,247,821	4,144,604,943	4,198,214,829							
	Paid claims	588,404,707	1,611,595,096	1,943,299,039	2,089,968,978							
	Total claims incl. outstanding	1,718,378,801	2,431,507,311	2,425,879,867	2,479,800,512							
	Loss ratio paid	21.09	39.98	46.89	49.78							
	Total loss ratio	61.60	60.32	58.53	59.07							
2007	Gross premiums	3,109,406,910	4,294,982,375	4,541,512,827								
	Paid claims	751,226,966	1,939,975,750	2,715,878,618								
	Total claims incl. outstanding	2,087,273,675	3,078,766,728	3,493,492,025								
	Loss ratio paid	24.16	45.17	59.80								
	Total loss ratio	67.13	71.68	76.92								
2008	Gross premiums	2,694,672,777	3,735,685,706									
	Paid claims	611,194,279	1,828,399,088									
	Total claims incl. outstanding	1,852,807,687	2,908,908,480									
	Loss ratio paid	22.68	48.94									
	Total loss ratio	68.76	77.87									
2009	Gross premiums	2,628,017,755										
	Paid claims	514,722,919										
	Total claims incl. outstanding	1,681,508,548										
	Loss ratio paid	19.59										
	Total loss ratio	63.98										

Offshore Energy - Evolution of Paid Claims, Gross Premiums, as reported, U/W Year 2002 to 2009 (USD)



Blue line = Gross Premium; Red line = Paid Claims

Totals of 3 IUMI members - UK Lloyds & IUA, USA

Offshore Energy - "Paid" Ladder Table (figures in USD)

Totals of 3 IUMI members (not necessarily 100% market income): UK Lloyds, UK IUA, USA

2000	Gross premiums	387,975,963	611,389,296	654,159,665	666,947,748	676,501,207	685,812,663	688,853,567	688,898,964	689,503,032	677,014,561
	Paid claims	21,144,390	566,156,716	810,758,788	939,407,226	999,536,895	1,030,005,802	1,032,505,184	1,029,001,252	1,040,204,696	1,027,003,386
	Loss ratio paid	5.45	92.60	123.94	140.85	147.75	150.19	149.89	149.37	150.86	151.70
2001	Gross premiums	462,635,589	720,879,331	756,644,939	770,350,212	775,813,379	779,095,793	778,885,539	779,036,652	756,220,268	
	Paid claims	17,059,845	117,897,904	239,540,176	311,193,249	349,429,408	381,442,701	395,555,591	394,984,542	385,666,236	
	Loss ratio paid	3.69	16.35	31.66	40.40	45.04	48.96	50.78	50.70	51.00	
2002	Gross premiums	698,874,867	1,046,423,831	1,058,889,941	1,066,721,626	1,070,119,863	1,073,739,159	1,074,816,873	1,034,039,536		
	Paid claims	20,705,896	107,955,035	170,088,066	211,401,805	242,969,922	259,138,710	261,062,459	232,419,334		
	Loss ratio paid	2.96	10.32	16.06	19.82	22.70	24.13	24.29	22.48		
2003	Gross premiums	878,187,137	1,123,458,633	1,165,741,163	1,175,671,316	1,189,543,436	1,196,601,542	1,159,755,161			
	Paid claims	8,052,871	108,171,773	243,486,221	292,002,899	336,667,292	357,277,985	395,810,334			
	Loss ratio paid	0.92	9.63	20.89	24.84	28.30	29.86	34.13			
2004	Gross premiums	727,163,822	956,143,498	1,004,626,021	1,027,740,524	1,036,931,222	1,002,758,268				
	Paid claims	79,041,960	508,385,854	981,995,335	1,131,898,132	1,249,844,065	1,226,282,219				
	Loss ratio paid	10.87	53.17	97.75	110.13	120.53	122.29				
2005	Gross premiums	795,753,181	1,194,269,912	1,228,629,134	1,252,977,072	1,216,391,396					
	Paid claims	204,339,495	1,555,400,921	2,389,611,698	2,688,805,257	3,061,440,740					
	Loss ratio paid	25.68	130.24	194.49	214.59	251.68					
2006	Gross premiums	1,398,657,790	1,756,123,730	1,794,943,780	1,828,093,870						
	Paid claims	2,753,780	79,539,120	226,640,932	366,526,109						
	Loss ratio paid	0.20	4.53	12.63	20.05						
2007	Gross premiums	1,333,739,398	1,639,065,151	1,687,545,600							
	Paid claims	1,160,512	156,157,171	462,507,895							
	Loss ratio paid	0.09	9.53	27.41							
2008	Gross premiums	1,224,575,502	1,686,861,075								
	Paid claims	93,987,933	849,201,392								
	Loss ratio paid	7.68	50.34								
2009	Gross premiums	1,675,716,501									
	Paid claims	68,183,731									
	Loss ratio paid	4.07									

Explanation of terms used in this presentation (1)

Gross premium = Premium for insurance including the provision for anticipated losses (the pure premium) and for the anticipated expenses (loading), including also commission and brokerage but excluding taxes and other contributions on insurance premiums.

Written premium = Complete premium due for insurance policies which start, i.e. “are written”, in a specific year (= the underwriting year of the policy). Does not give any information on actual premium payments/instalments, i.e. the cash flow.

Paid claims = Amounts the insurer has paid for known and registered claims less recoveries.

Outstanding claims reserve = Claims reserve for specific reported, but not yet (fully) paid claims, of which the insurer has an estimation of the total amount to be paid. Includes loss adjustment expenses.

= Sum of total claims estimates minus any amounts already paid for these claims.

Total claim = Paid amounts + outstanding claims reserve for specific reported claims.

IBNR = “Incurred but not reported” = additional claims reserve on top of the outstanding claims reserve, and which for claims incurred, but not yet known or registered in the insurer’s system. The necessary IBNR reserve is derived by statistical methods based on historical claims ladder statistics.

Loss ratio = Claims divided by premiums. Indicator of whether premiums are calculated correctly to match claims and other expenses.

Gross loss ratio (in this presentation) = Sum of total claims and IBNR reserves, divided by gross written premiums

Underwriting year basis = Insurance figures are registered with the calendar year in which the insurance policy starts, and to which the covered risks accordingly attach to. Example: a policy with cover period 01.07.06-30.06.07 has underwriting year 2006. Both claims occurring in 2006 and 2007 for risks attaching to this policy are thus attributed to underwriting year 2006. The underwriting year is not closed, so underwriting year figures change as long as there are payments related to policies with this underwriting year.

Accident year = Claims are registered with the calendar year in which an accident happens. Claims attaching to the same policy may thus be attributed to different accident years. Example: for the policy with cover period 01.07.06-30.06.07 a claim occurring in 2007 has accident year 2007, but underwriting year 2006. The accident year is not closed, so figures will change as long as there are claims payments related to claims occurred in that accident year, e.g. a claim payment made in 2009 for an accident which happened in 2007 will be attributed to accident year 2007.

Accounting year (also booking year) = Insurance figures, regardless of their original source date, are booked into that year of account which is open at the time of actually entering the figures in the books. Contrary to the underwriting and accident year, the accounting year is closed at some point in time, usually at the end of one calendar year, such that figures do not change any more once the accounting year is closed. These give the insurance results usually published in companies’ annual reports.

Explanation of terms used in this presentation (2)

Premium volumes shown in this report are (as defined in the Report Form):

Gross written premiums

- for direct marine insurance in the national market
- for the accounting years 2008 and 2009
- excluding:
 - all types of reinsurance (facultative and treaty, proportional as well as non-proportional), with the exception of
 - facultative reinsurance from a captive, which would not be reported by another member association
 - Lloyds figures, which do include facultative and proportional reinsurance
 - War risk premium.
- including:
 - all marine premium from the national market, if possible also premium written by insurers who are not members of the national association.

Above are the specifications of what IUMI members ideally should report.

The actually reported figures may though possibly deviate from that. If such deviations and their impact on the figures is known to IUMI it is commented.

Explanation of terms used in this presentation (3)

Classes of business premium is reported for (as defined in the Report Form):

Global Hull =

-Ocean (blue-water) Hull Insurance

-Commercial vessels engaged in international trade under domestic or foreign flag.

-Interests included are: hull and machinery (H&M), disbursements, increased value, freight or other ancillary interests, loss of hire (LOH), construction risks.

-Coastal/Inland Marine Hull Insurance

-Vessels not included in the above category, trading in domestic waters or inland waterways, e.g. coasters, fishing vessels, tugs, lighters, barges, etc. Only premium relating to commercial vessels, pleasure craft is excluded (where possible).

-Interests included are: same as for ocean hull. Marine liabilities for this type of vessel are excluded (where possible), as these fall under “Marine Liability”.

Transport/Cargo = all types of insurance relating to cargo, including freight forwarders, CMR and carriers liability, in transit whether on land, sea or air, domestic as well as international trade.

Marine Liability = insurance covering marine liabilities in respect of vessels classified as coastal/inland marine and also marine liabilities covering charterers, shiprepairers, stevedores, wharfingers, terminal operators and similar legal liability insurances. P&I insurance placed with members of the International Group of P&I Clubs is excluded here (where possible).

Offshore/Energy = insurance of all interests relating to offshore exploration and production activities, including both mobile and fixed units, construction risks. Figures relating to onshore (downstream) operations are excluded (where possible).