



**IUMI Conference
Marine Hull Underwriting**

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15th September, 2003

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Marine Insurance - Outline of Presentation

Let's start by **NOT** talking about
Marine Insurance!


Question - What is the purpose of any business?

Answer - twofold;

1. To provide products/services which customers want and are prepared to pay for
2. To provide an adequate return on the capital provided by the capital providers

Consider some business examples

A former Eastern-Bloc car manufacturer?



Question 1 - do we have a product that customers want and are willing to pay for?

What would you say?



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Question 2 - does the capital provider get an adequate return on his capital?

Return on capital comrade? I think not!



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Consider another business example


My wife's shop?

Question 1 - do we have a product(s) that customers want and are willing to pay for?

We think so!



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Question 2 - does the capital provider
get an adequate return on his capital?

I remain patiently optimistic!

Consider a third business example

General Electric?

Question 1 - do we have product(s)/services that customers want and are willing to pay for?

Apparently - Yes!

Home Products

- Appliances
- Lighting
- Consumer electronics
- Adhesives & Sealants
- Home Comfort/Safety
- Television

Financial Services

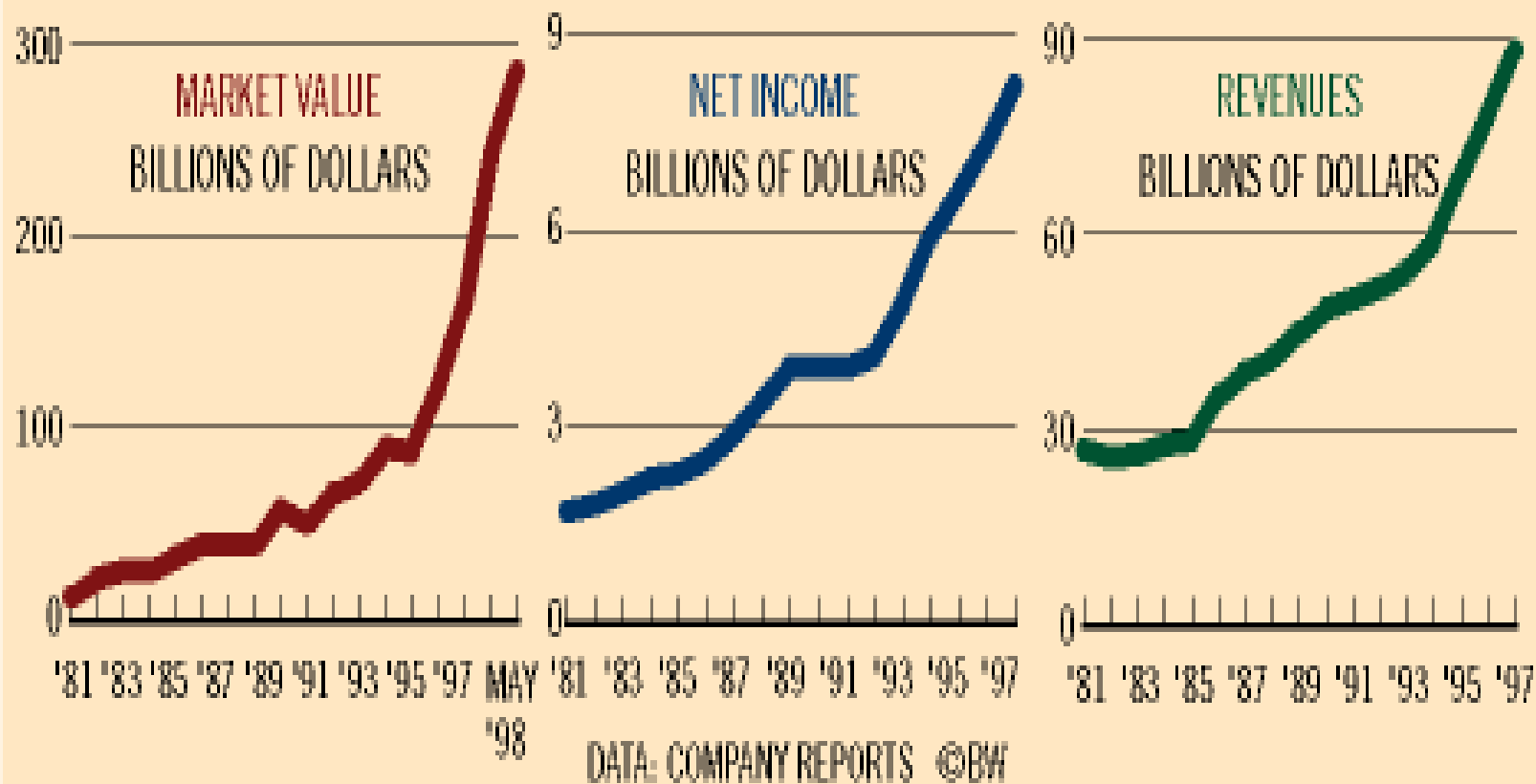
- Business Finance
- Capital Resources
- Insurance
- Investments
- Personal Finance
- Protection Plans
- Small Business

Industries

- Automotive
- Aviation
- Energy
- Healthcare
- Retail
- Transportation

Question 2 - does the capital provider get an adequate return on his capital?

GE Under Jack Welch



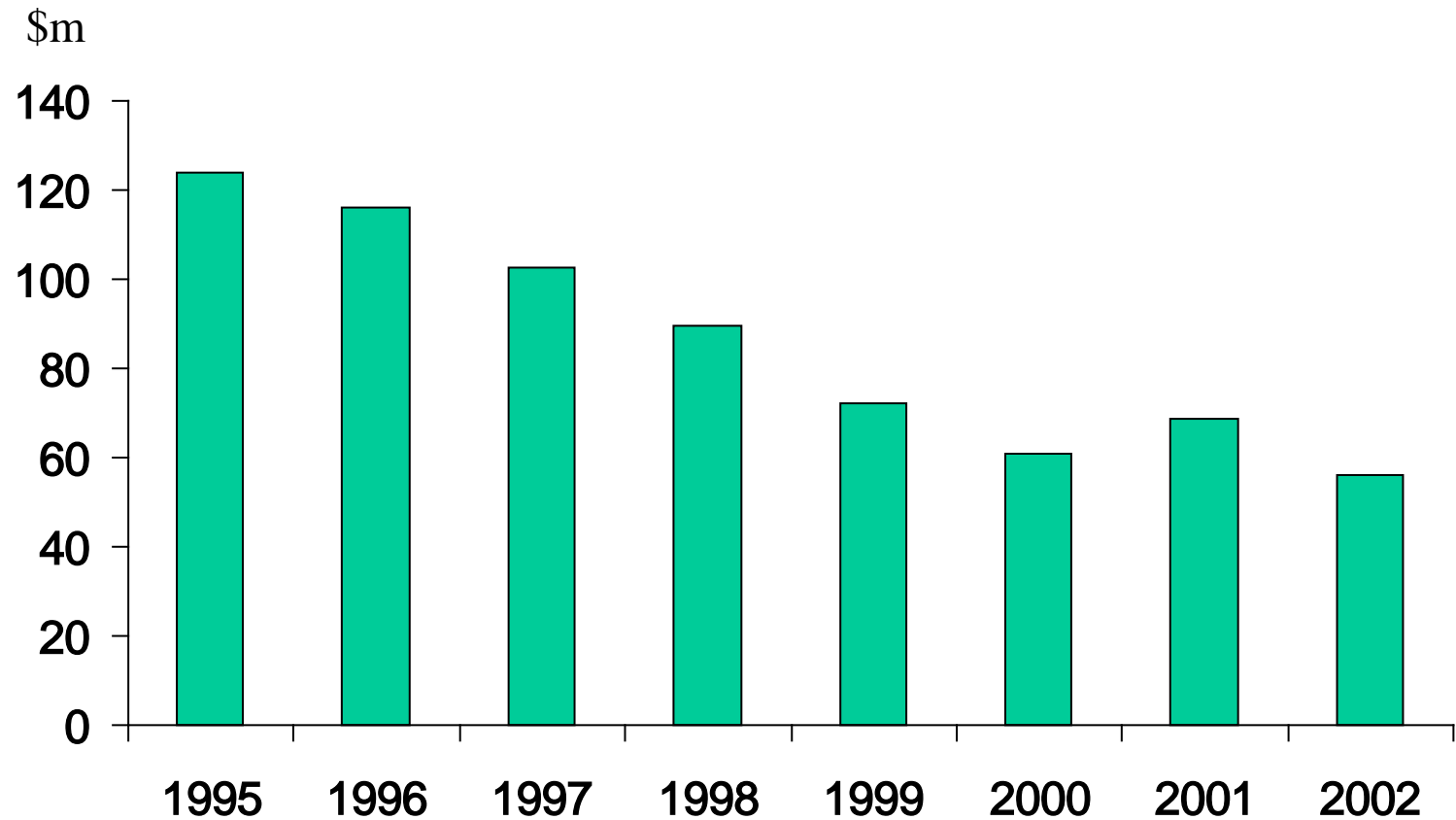


Three different business examples
Three different outcomes

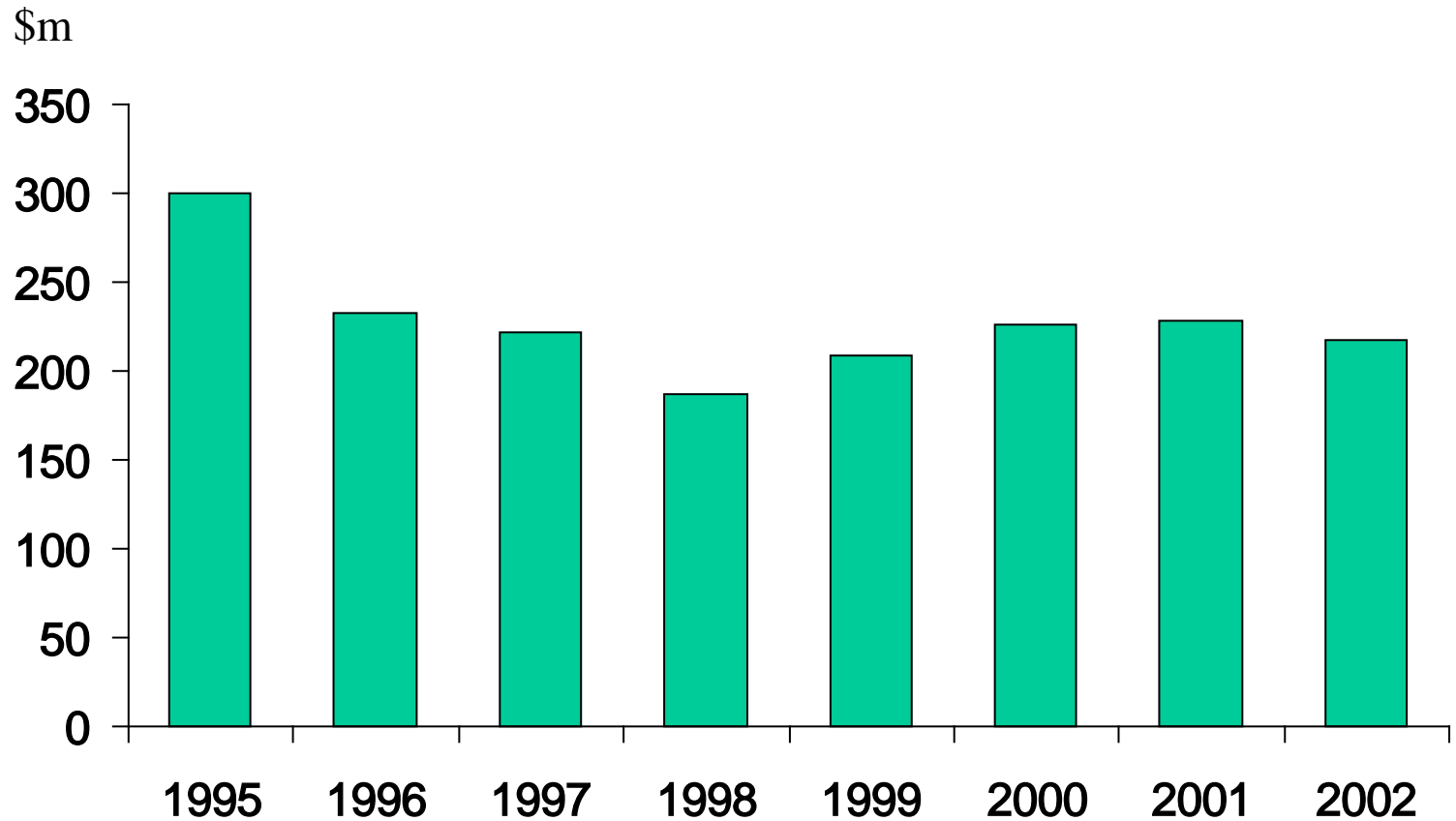
Now let's turn to the Marine Insurance market

Question 1 - do we have a product(s) that customers want and are willing to pay for?

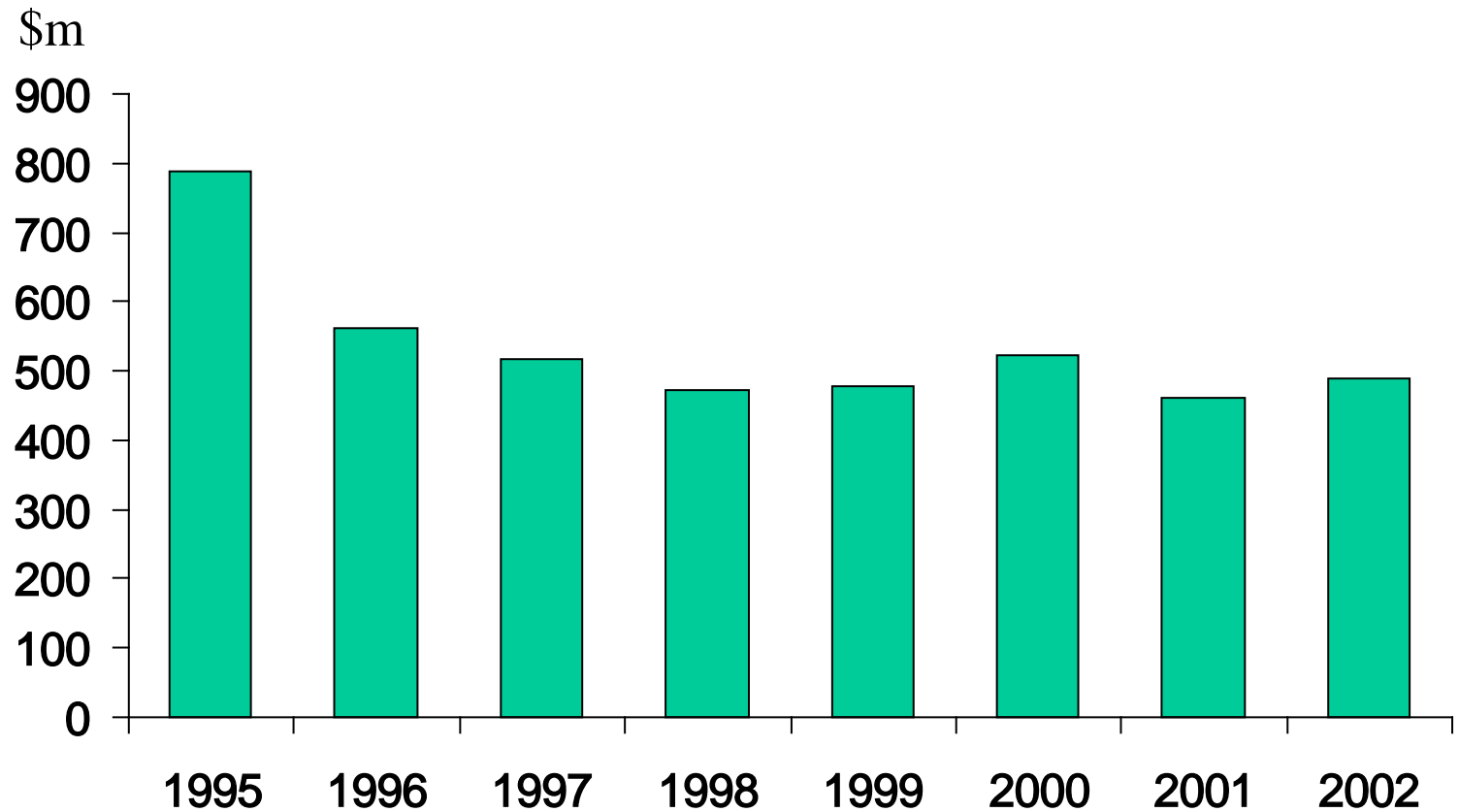
Norwegian Hull Gross Premiums



French Marine Hull Premiums

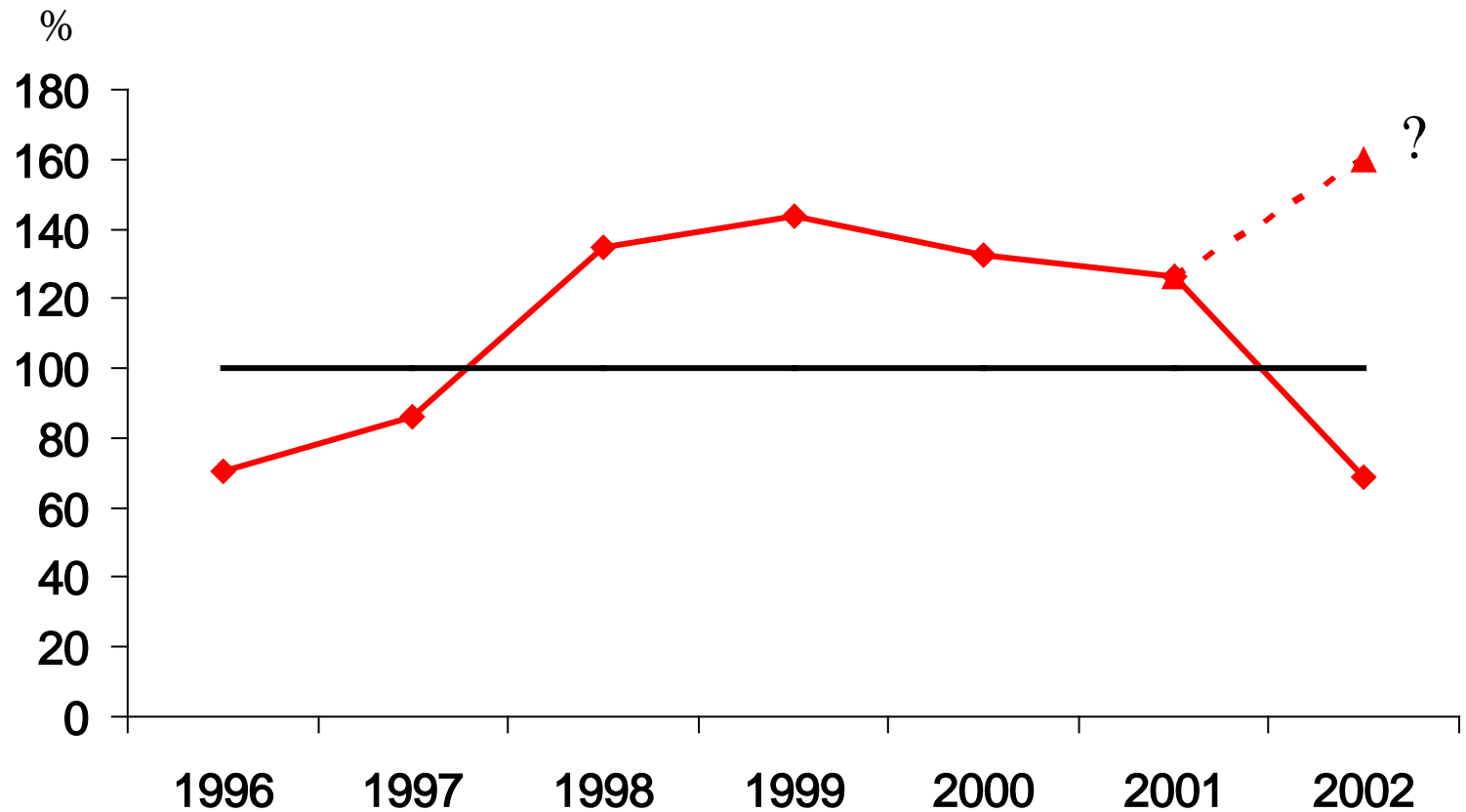


Lloyd's Marine Hull Gross Premium

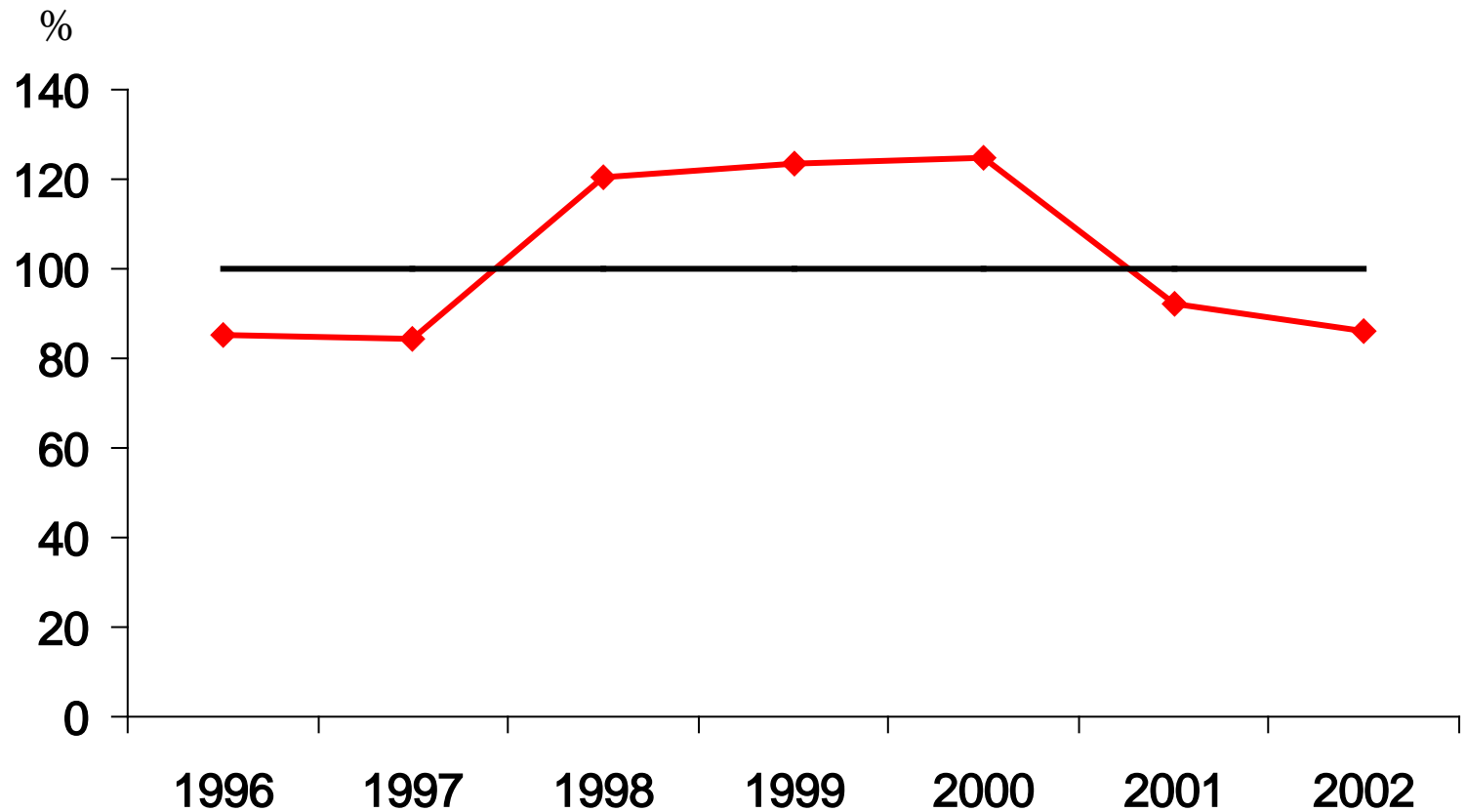


Question 2 - does the capital provider get an adequate return on his capital?

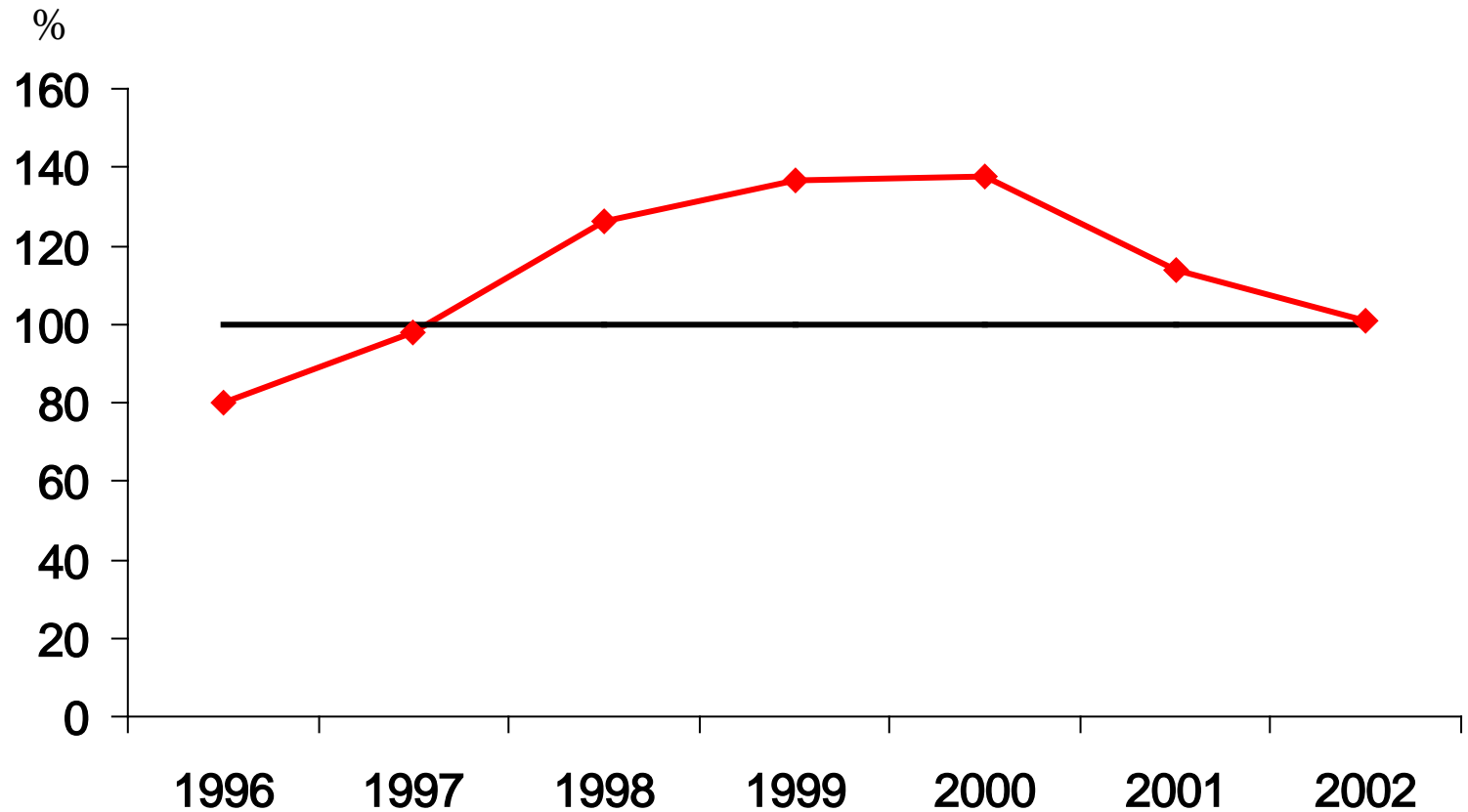
Norwegian Hull Gross Incurred Loss Ratios



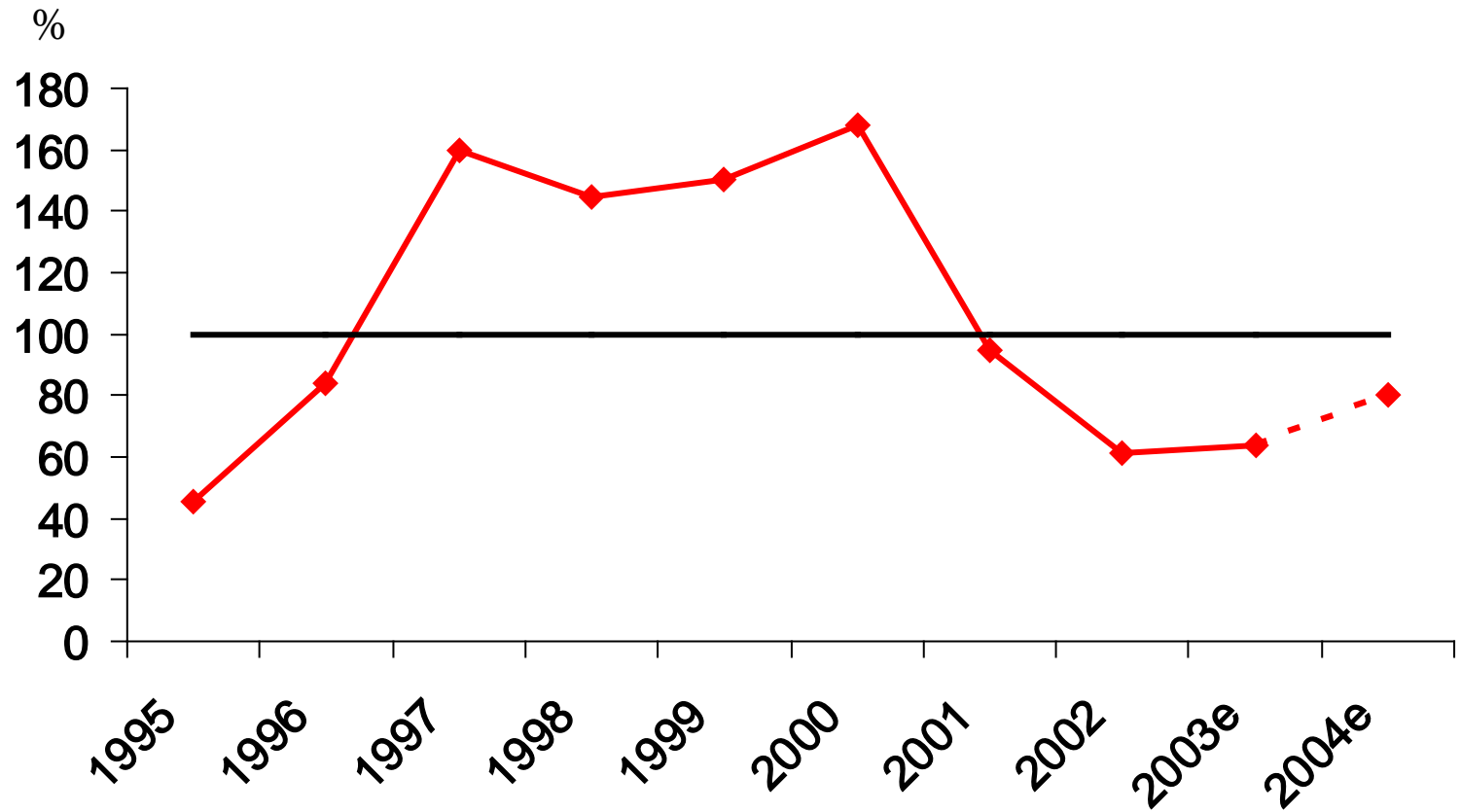
French Hull Gross Incurred Loss Ratios



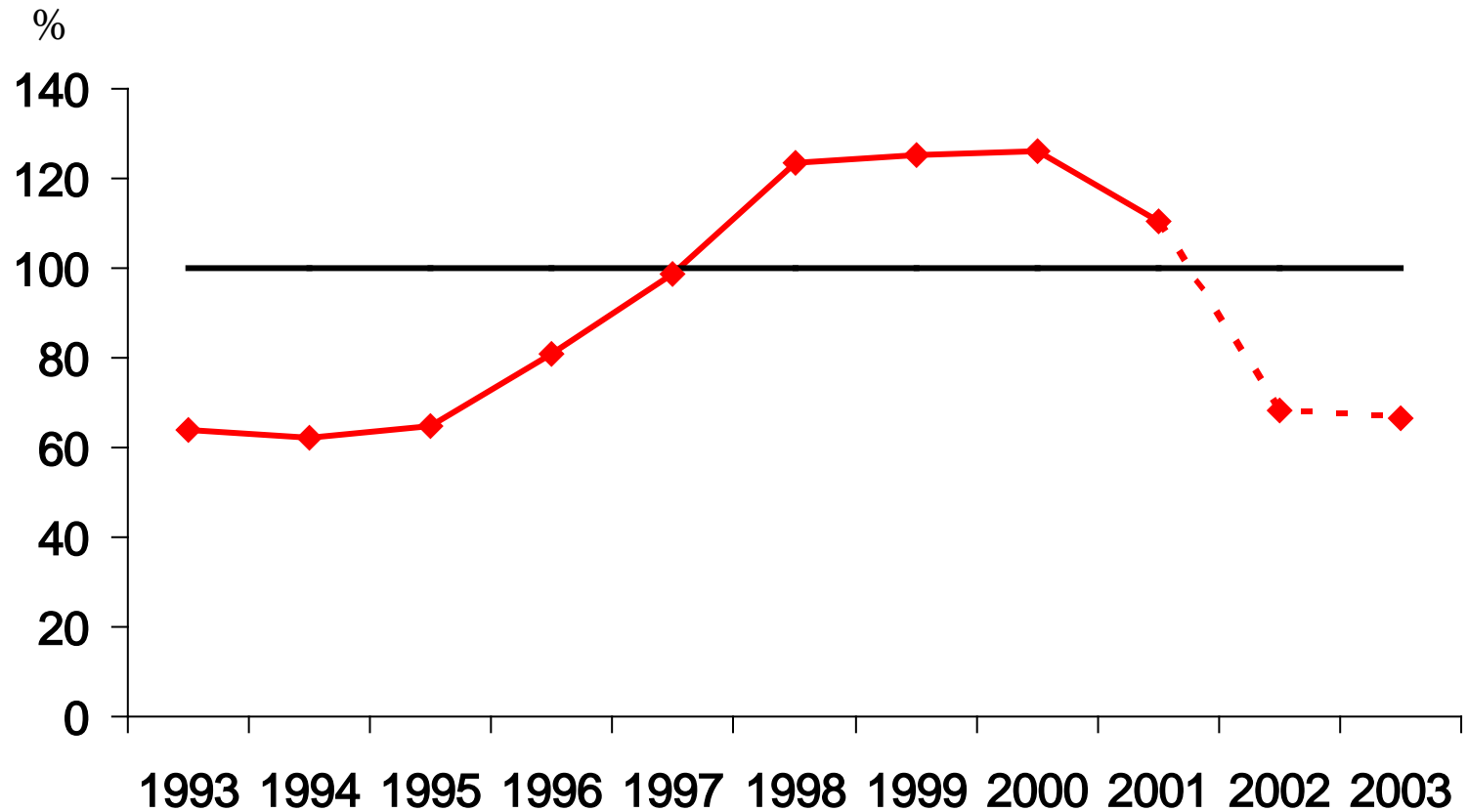
Lloyd's Hull Net Ultimate Loss Ratios



Lloyd's Off-Shore Energy Net Ultimate Loss Ratios



Lloyd's Net Ultimate Loss Ratios



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Marine Hull Insurance – worth the effort?

- Question 1 - do you have product(s)/services that customers want and are willing to pay for?

Marine Hull Insurance – worth the effort?

- Question 2 - does your capital provider get an adequate return on his capital?



As a business, which category best describes you?

1. a Lada?
2. a Monkee? or
3. a General Electric?



And Finally.....

Jack Welch reminds us...

“Control your destiny, or someone else will!”

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