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## We set our vision for Piraeus to become an insurance hub.

Where does the marine insurance market currently stand? It is true that the question is too complex to be analysed in a few words. Having completed 20 years in the market, I can only recall cycles in its movement, mostly in rough and definitely few times in calm seas. This is indeed a very volatile environment we are living in. Economies around the world go through difficult times which inevitably affect all aspects of life and activities. Marine insurance in particular is a capital intensive sector and undoubtedly the world banking crisis is affecting the industry. We should distinguish the multi-line insurers from those operating in single lines of business only. The first can benefit from the profits made by other sectors to subsidise the losses in their marine activities or rely on a break even position in the best case. The interest of certain underwriters to write war and ancillary covers, which are more profitable, on top of their marine hull book, is another example. The latter remain unaffected by the volatility in other sectors such as the natural disasters but of course are more prone to the volatility of the marine cycles. We have over the last few years seen the P&I Clubs trying to expand their activities outside their traditional products. We have seen the clubs turning their attention to other lines of business to maximise the use of their client base. North of England will soon be offering preferential premium to its members who will decide to move a part of their hull cover to the Club. Skuld opened a hull operation at Lloyds. These are moves following similar approaches taken by Gard a few years ago, with quite successful results, whilst the Swedish Club has been into the multiple product offering for years. Is this the future? Yes it might be, yet time will only tell. Injection of capital has undoubtedly driven the premiums downwards and thus we are currently going through a buyers market. Having said this though, the ever evolving global developments lead to changes. Natural disasters such as the recent earthquake in Japan and its consequences appear at this point in time to have brought balance, somewhat limiting the declining premium trends. What is the end result? Return to the basics is essential with a strong capital base and sensible underwriting. Claims? Casualties happen and will continue to do so. The reduction of the trading activity has over the

last two years seen more trivial claims being presented. Whilst major losses are still happening, they are fewer in numbers but with costs involved still high. The ever changing political situation around the globe presents ever changing challenges to shipowners. These days not only issues of safety to people, cargoes and environment arising out of the perils of the seas are considered, but other factors such as piracy have been major issues of concern. Natural disasters are usually measured risks, yet side effects such as exposure to radiation, currently a non insurable risk as a consequence of the earthquake in Japan, sets new challenges. The Greek insurance market. Commitment is the key word in the writers' view. The players in the marine insurance sector are in fact limited, but perhaps too many in this local market to maintain a healthy equilibrium. The first attempts to establish a local insurance market date back in the 80's but with the crisis of shipping at the time such efforts did not live for long, yet it was a start. A key issue is the base necessary to set up a business in insurance. The fundamentals are of course capital, reinsurance protection, the analysis of probabilities of risks involved based on the peculiarities of the market, technical knowledge of the product of insurance and finally analytical tools. We have seen efforts that show commitment and have been in existence for long enough periods to suggest long-life. Such efforts deserve the support of the industry. The healthiest sector of the Greek economy is shipping and as such should provide the capital base that is necessary. Shipowners need to be persuaded that such efforts are worthwhile and should be supported. The Greek market is mainly a brokers market. The role of the broker is to provide an objective overview and approach of the insurance requirements of the client. The broker's task is to achieve the widest terms of cover at the most competitive price and to provide the most efficient after-sales and - most important - claims service. Whilst no broker will deny this, the methods of achieving these aims are by no means universally shared. If everyone was conducting business the same way and by the same standards, no shipowner would ever wish his business to change hands.

The Greek broking community consists of local

companies or branches of international houses. The size varies from one-man to fully fledged operations performing the same tasks as an international broking house. Young and well educated people do enter the business or continue the family companies and this is encouraging. Are local brokers in a position to provide an added value to their shipowner clients? Undoubtedly they are. Having no or very limited local market to support, makes the Greek broker at least in theory, neutral in the sense that they do not feel obliged to favour one market against another. Some may say that a local broker is confined to operate in the limited geographical limits of his country. Whilst the Greek local market is indeed the largest single shipping market in the world today, the nature of the business is such that it allows opportunities to be looked for in other parts of the world. In my view it needs people's mind set in a different dimension, vision and ambition to achieve this. The values of conducting business in a most professional and ethical way are indeed international and cannot be limited within a country's boundaries. This is recognised by the shipowner clients, no matter what the nationality of the broker might be. We at NIB, encouraged by our colleagues and associates, have tested the waters of this extravert approach for a period of over a decade and the result is most rewarding. Open minded and dynamic people committed to high standards of conducting business have nothing to fear going forward. After all this is a people's business! Admittedly though, not all operate with the same standards and it is now most important that our local market is regulated. How soon and how efficiently can this be done? This remains to be seen, yet some may say now is an opportunity to set standards from scratch in these turbulent times our country is going through. Consolidation amongst the players is an issue, as the large number of players and their inequalities do sometimes disorientate the shipowners who may lose confidence. Good and bad times will continue to come and go. We do not and shall not try to re-invent the wheel. Only to keep the positive, productive and healthy ingredients the advanced markets have developed. We pay tribute to these markets and set our vision for Piraeus to become an insurance hub, in line with all its other shipping activities. A big step forward. ■