Marine Insurance Seminar 26th April 2012
“Collision & Liability”
Report from the marine hull market

Jan Limnell
Short facts 31.3.2012

- Number of insured vessels: 2,537
- Insured value (H&M+ interests): euro 7,7 billion
- Average share of risk: 21.9%
- % of risks with claims lead: 57.6%
- Total insured GT: 25.3 million tonnes
- Premium income 2011: euro 30.9 million
- Organisation: 23 dedicated marine insurance specialists
Gross written premium
and no of insured vessels 2004 – 2010
Premium income
Distribution per market – million euro

<table>
<thead>
<tr>
<th>Date</th>
<th>FIN</th>
<th>SWE</th>
<th>BALT</th>
<th>NOR</th>
<th>DEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.3.2012</td>
<td>29%</td>
<td>30%</td>
<td>6%</td>
<td>35%</td>
<td>8%</td>
</tr>
<tr>
<td>31.12.2011</td>
<td>30%</td>
<td>37%</td>
<td>7%</td>
<td>37%</td>
<td>8%</td>
</tr>
<tr>
<td>31.12.2010</td>
<td>34%</td>
<td>42%</td>
<td>8%</td>
<td>42%</td>
<td>13%</td>
</tr>
<tr>
<td>31.12.2009</td>
<td>36%</td>
<td>41%</td>
<td>8%</td>
<td>41%</td>
<td>12%</td>
</tr>
<tr>
<td>31.12.2008</td>
<td>39%</td>
<td>39%</td>
<td>16%</td>
<td>39%</td>
<td>4%</td>
</tr>
<tr>
<td>31.12.2007</td>
<td>40%</td>
<td>40%</td>
<td>15%</td>
<td>40%</td>
<td>2%</td>
</tr>
</tbody>
</table>
No of insured vessels
Distribution per market

- 2537
  - 10% FIN
  - 30% SWE
  - 4% BALT
  - 3% NOR
  - 17% DEN

- 2257
  - 11% FIN
  - 24% SWE
  - 5% BALT
  - 19% NOR
  - 17% DEN

- 1836
  - 3% FIN
  - 51% SWE
  - 5% BALT
  - 12% NOR
  - 22% DEN

- 1662
  - 3% FIN
  - 56% SWE
  - 7% BALT
  - 12% NOR
  - 22% DEN

- 1375
  - 2% FIN
  - 57% SWE
  - 8% BALT
  - 8% NOR
  - 25% DEN

- 1288
  - 7% FIN
  - 58% SWE
  - 6% BALT
  - 8% NOR
  - 26% DEN

excluding international portfolio
Our core markets

Alandia Marine "crew"
THE TIMES
THEY ARE
A-CHANGIN'
BOB
DYLANT
Current issues in marine insurance

- Increased exposures
- Sanctions
- New technology
- “Supersizing”
- Piracy
- New transportation routes
Arctic shipping
Risks from a marine insurers point of view

- Ice, firm and ice belts, one-year / multi-year
- Incomplete hydrographical surveys
- Inexperienced crews
- Navigational & communicational equipment & reliability
- Limited & expensive possibilities for repairs
- Availability of and affordability of salvage resources
- Availability of ice breaker capacity
- Availability of charts and publications in English
"Supersize me"

<table>
<thead>
<tr>
<th>Ship Name</th>
<th>TEU (tdw)</th>
<th>LOA (m)</th>
<th>Breath (m)</th>
<th>Draft (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Triple E' Class 2013</td>
<td>18,000</td>
<td>400</td>
<td>59.0</td>
<td>16.5</td>
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<tr>
<td>EMMA MAERSK 2006</td>
<td>15,550</td>
<td>397</td>
<td>56.4</td>
<td>16.0</td>
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<tr>
<td>GUDRUN MAERSK 2005</td>
<td>9,500</td>
<td>367</td>
<td>42.8</td>
<td>15.0</td>
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<tr>
<td>SOVEREIGN MAERSK 1997</td>
<td>8,200</td>
<td>347</td>
<td>42.8</td>
<td>14.5</td>
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<tr>
<td>REGINA MAERSK 1996</td>
<td>7,403</td>
<td>318</td>
<td>42.8</td>
<td>14.5</td>
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<tr>
<td>NYK ALTAIR 1994</td>
<td>4,953</td>
<td>300</td>
<td>37.1</td>
<td>13.0</td>
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<tr>
<td>PRESIDENT TRUMAN 1988</td>
<td>4,538</td>
<td>275</td>
<td>39.4</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Length Overall (LOA) in meters
APL Panama
Ensenada, Mexico, Christmas Day 2005
APL Panama
Ensenada, Mexico, Christmas Day 2005
Comparisons

"APL Panama"
- DWT 52250
- TEU 13 wide
- TEU 4038
  (TEU aboard 1805)
- 1445 different cargo interests
- 1600 man hours to adjust
- Not finished after 5 years

USD 68 millions in GA

"Emma Maersk"
- DWT 157000
- TEU 22 wide
- TEU 15000
  (75% full – 11250 TEU aboard)
- 9006 different cargo interests!!!
- 9972 man hours to adjust !!!
  (5 man years to adjust)
- How long ???

USD ??? millions in GA
"Supersize me"

- **Allure of the Seas**
  - Length: 360m
  - Dwt: 225,282
  - Pax: 6,296
  - Crew: 2,394

- **Costa Concordia**
  - Length: 290m
  - Dwt: 114,147
  - Pax: 3,780
  - Crew: 1,100

- **RMS Titanic**
  - Length: 269m
  - Dwt: 46,328
  - Pax: 2,435
  - Crew: 892

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Titanic
On voyage Southampton – New York 12 April 1912

USD 12 miljoner
Costa Concordia
Giglio Island 13 January 2012

USD 1.5 – 2 billion?
Size and & complexity

- Risk for human life
- Environmental damage
- The financial risk as such
- Loss of Hire / Business interruption
- Complexity of salvage
- Limited dry-docking capacity
- Can class cope?

Costa Concordia will affect the marine insurance market:
- Focus on cruise/passenger vessels & ”high value” risks
- Diminished risk appetite and more risk selection
- Premium increase
Challenges gives opportunities

- Long-term commitment
- Specialists
- Flexibility & pro-active
- Loss prevention

Razor sharp competition

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