

CAP-LETTER

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Marine Insurance & Reinsurance Brokers

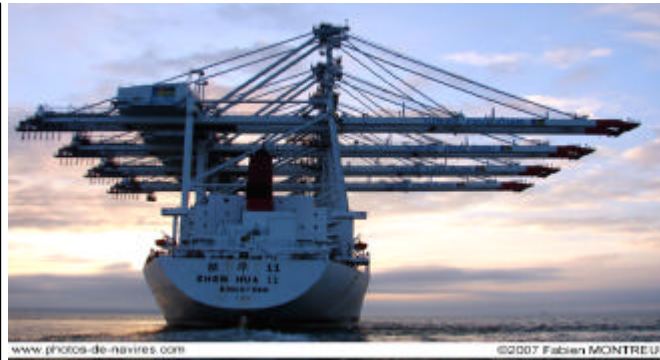
4/12, Boulevard des Belges
BP N° 10
76001 ROUEN CEDEX
France
Tel : +33 (0) 2 35 98 26 46

11, Bd Jean Mermoz
92522 NEUILLY-SUR-SEINE
CEDEX
France
Tel : +33 (0) 1 41 92 54 00

« Le Beaumanoir »
15 rue Lamoricière
Entrée A—B.P. 78704
44187 NANTES CEDEX 4
France
Tel : +33 (0) 2 40 69 31 96

Service Etudes, P&I et Risques Spéciaux

Jean-Jacques GIRARD (Paris)
Gaspard MOTTE (Rouen)



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L'ACCORD SUR LE TRANSPORT MARITIME SIGNE ENTRE L'UE & LA CHINE ENTRE EN VIGUEUR

L'accord sur le transport maritime signé en 2002 entre la Chine et la Communauté Européenne et ses Etats membres est entré en vigueur le 1er mars 2008.

L'accord en question vise à améliorer les conditions des opérations de transport maritime de marchandises. Il est fondé sur les principes de libre prestation des services de transport maritime, de libre accès aux cargaisons et aux trafics tiers, de l'accès aux services portuaires et auxiliaires sans restriction et d'un traitement non discriminatoire tant pour l'utilisation de ces services qu'en ce qui concerne la présence commerciale. Il couvre toutes les composantes de transport porte-à-porte.

90% du commerce mondial se fait par la mer, et aussi bien l'UE que la Chine sont des acteurs majeurs de l'activité maritime. Les compagnies maritimes de l'UE contrôlent plus de 40% de la flotte mondiale et la Chine est le deuxième partenaire commercial de l'UE par ordre d'importance.

Cet accord constitue désormais l'élément essentiel des relations solides entre la Chine et l'UE dans le secteur maritime.

Source : Ministère de l'Ecologie, de l'Energie, du Développement durable et de l'Aménagement du territoire.

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TOKIO MARINE EXTENDS LEAD WITH KILN TAKEOVER

TOKIO Marine & Nichido Fire Insurance is prominent in many more business lines than the "marine" in its title would suggest. But it is marine that will be one of the great beneficiaries of its £442.2m (\$884.1m) takeover of Lloyd's insurer Kiln, completed earlier in March.

Tokio Marine is already the world's largest marine cargo insurer, and now the Kiln acquisition will help expand its service around the world.

The Kiln identity and brand will be maintained alongside the Tokio Marine umbrella.

Tokio Marine most recently reported total assets were £85.2bn and gross written premiums were £9.8bn. Millea Holdings is quoted on the Tokyo stock exchange with a market capitalisation of more than \$30bn.

The choice of platform for future ventures, for example in the US and Europe, will vary, but Kiln chief executive Edward Creasy has said: "We still not be removing business from Lloyd's platform."

Source : Lloyd's List - March 2008.

SINISTRES / CLAIMS

DRAMATIC CLAIMS HIKE



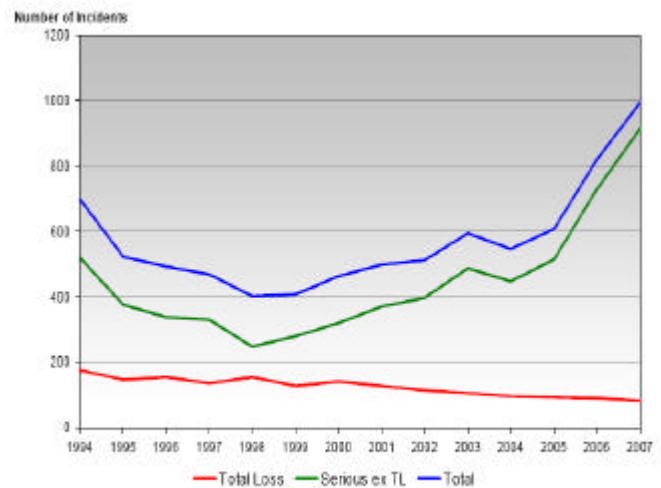
IUMI, the trade body for marine underwriters, has revealed that total losses for vessels over 500 gt in 2006 reached 92 — well in excess of the earlier estimate of just 67. The best available reports for 2007 point to 82 total losses, compared to 67 for 2006 around this time last year. IUMI projects a finally tally of 112. Historically, losses peaked in the early 1980s at around 225 before starting to decline, apart from a blip between 1991-93.

A jump in major serious or partial losses has also been recorded. According to IUMI: "727 serious incidents have been reported for 2006 — a 6% increase since our last report 12 months ago, and a staggering 914 so far for 2007." That represents a 270% increase over the decade to 2008.

Weather remains the major cause of total losses, although collisions have overtaken groundings as the next most common proximate cause. Machinery damage continues as the major cause of serious partial losses, with a frequency of 35% in the past five years. Figures from IUMI also show that the increase in tonnage lost since March 2007 is 40% up to 715,032 GT. The increase in total losses is also noticeable as a percentage of the world fleet, where the percentage has almost doubled from 0.06% in 2005 to 0.11% in 2006 "Regrettably, this dangerous spiking of the casualty graph is happening when the worldwide premium base for marine insurers is flat and competition is rife," she added.

Source : IUMI

Serious and Total Losses 1994 - 2007 By Number vessels > 500 GT



Source LMIU

Cette augmentation de la sinistralité en corps de navire doit être analysée en corrélation avec la croissance sans précédent des marchés et du shipping en 2007, principalement le marché des assurances facultés.

De 2002 à 2007, le volume des marchandises transportées par voie maritime a augmenté de 50% et, en valeur, de plus de 110%, notamment en raison d'une forte demande des pays émergents en matière de services maritimes.

Le prix des matières premières telles que les barres de fer et la ferraille a plus que triplé au cours de la dernière décennie, le pétrole brut en hausse de 137%, le charbon de 130% et les produits agricoles de 55%, selon les chiffres publiés par IUMI.

La conjonction de l'augmentation des volumes transportés et de la valeur des matières premières profite néanmoins aux assurés qui bénéficient d'un marché d'assurance transport en surcapacité. En effet grâce à une sinistralité stable, la concurrence entre assureurs transport reste vive et, malgré la baisse des taux, ces derniers parviennent à maintenir le volume de leurs profits.

L'activité du transport mondial ne montre à présent aucun signe de récession. Les assureurs doivent faire face à la croissance de la flotte mondiale de navire, notamment des vraquiers en hausse de 312 navires en 2007, des porte-conteneurs et des pétroliers en augmentation nette respectivement de 350 et 411.

Offshore vessels rates have soared since the « Bourbon Dolphin » disaster

OWNERS of offshore vessels operating in northwest Europe have been charging premium rates ever since the Bourbon Dolphin disaster.

"Ever since the incident happened, huge money has been paid for the biggest anchor handlers, and charterers are booking them well in advance to guarantee that they are available," said an Aberdeen-based shipbroker. The peak paid for these anchor handlers this year was around £140,000 (\$279,000) per day when the market was exceptionally tight due to poor offshore weather.

Generally, four anchor handlers are required to tow a semi-submersible rig around west of Shetlands, one to hold it and three to run the anchors. This means oil companies could be paying more than £500,000 a day for a fleet of these vessels — more than the day rate for the rig.

Brokers said rates during less tight periods in the spot market for these ships are around £35,000 per day, as paid by BP last week to tow the Trans-ocean Rather rig. This is when smaller anchor handlers were getting £20,000.

Source : Lloyd's List - March 2008



Salvors mark centenary of LOF contract with call for green update

The International Salvage Union (ISU) has kicked off a series of celebrations to be held this year in major shipping hubs around the world - including Singapore and China - to mark the 100th anniversary of the Lloyd's Open Form (LOF), the most commonly used form of salvage agreement.

Coinciding with the LOF centenary, the ISU has also launched a new website solution for shipowners and managers to use for in-house training and education of emergency response teams - and in the event of an accident to provide those teams with guidance, checklist and emergency contacts. www.lof-at-isu.com

Owners "not convinced" on green salvage

The shipowners' representative organisation International Chamber of Shipping has voiced its opposition, at least at present, to the International Salvage Union's proposals for environmental salvage awards.

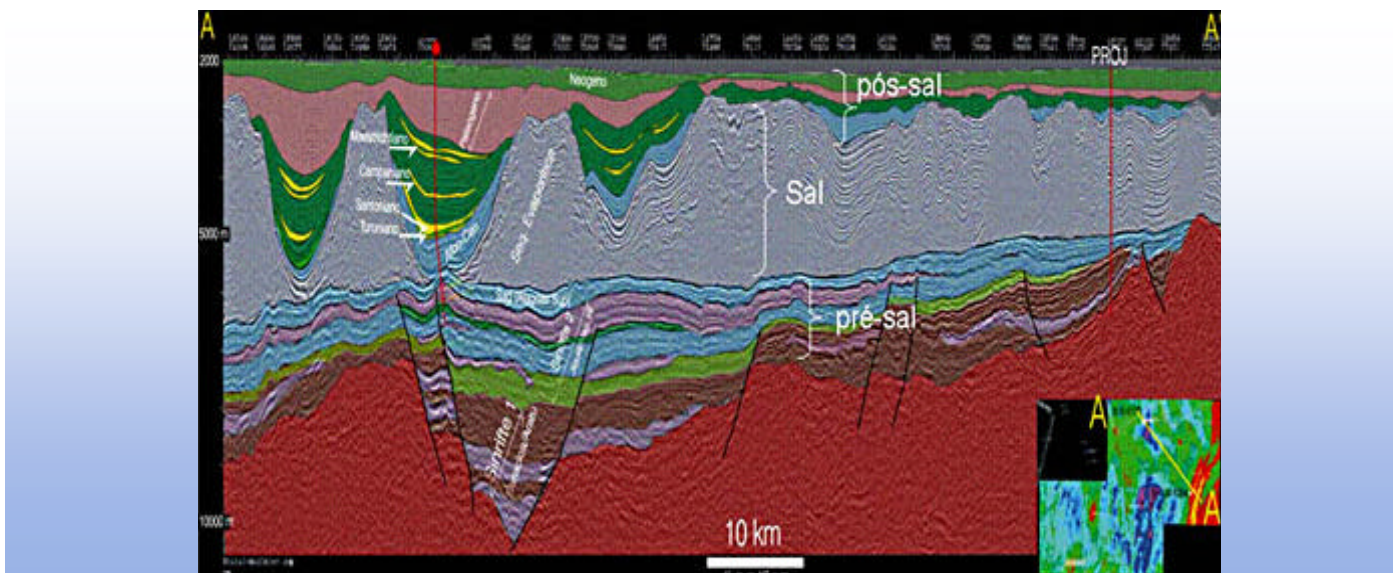
The ISU is proposing amendments to the Lloyd's Open Form (LOF) standard salvage agreement, so that monies might be received for preventing pollution in addition to payments for recovering ships and cargo in distress. The ISU will be developing its ideas at a meeting in April, at which ICS will participate.

"However," a statement says, "ICS is not currently convinced by the arguments put forward by ISU, which may introduce a new level of complication that could impede rapid response to maritime incidents. The concept of payments for environmental salvage has been rejected previously by the international maritime community, and the present system provides safeguards for salvors who assist ships that may be in danger of causing pollution."

Petrobras discovers Brazil's biggest oil-bearing area—A new challenge for insurers

The discovery is equivalent to the world's most important ones. The new frontier ranges through the Espírito Santo, Campos, and Santos Basins and was explored seven thousand meters below water surface, in the so-called pre-salt rock layer.

To reach the pre-salt layers, at depths ranging from 5,000 to 7,000 meters, the company developed new drilling projects: more than 2,000 meters of salt were crossed. To date, we are the only operator company, with or without partners, to drill, test and evaluate pre-salt rocks.



"The hunt for new reserves is going into more deep or inhospitable sites, with greater equipment costs and risks. The issue remains that the costs of the implementation of technology for E&P (Exploration & Production) is ever increasing and the failure of that technology would result in huge delays to operators and with it significant liabilities for insurers."

Source : Zurich Global Energy president and chief executive Peter Connors

SCOR is admitted to the Brazilian reinsurance market

SCOR has been admitted as a property and casualty reinsurer in Brazil. Becoming licensed in Brazil is part of SCOR's strategic plans for the expansion of its underwriting in Latin America.

Up to now, SCOR has provided reinsurance capacity to the Brazilian market in traditional property treaty business and in the fields of facultative, agriculture and engineering reinsurance. In the future, SCOR will also offer casualty, surety, aviation and marine reinsurance.

CHRONIQUES / FEATURES

2008 P & I renewal season

The 2008 P&I renewal season has closed and will remain as one of the most extended and inflexible renewals in memory. Most protection and indemnity clubs asked members for double digit rise in premiums, with 15% the average across the 13 members of the International Group.

The renewal was notable for the number of clubs that had left it to February, as well as for a large number of shipowners moving clubs. Significant general increases have been announced for February 2008, varying from 7.5% to 23.8%. Although these will mitigate to some extent the harm caused by the large sub-pool and pool claims for the 2006 and 2007 policy years, in Standard & Poor's view, they will not be sufficient to restore the average combined ratio to an acceptable level at February 2009.

AXA multiplie les acquisitions ciblées en Grande Bretagne

Début mars 2008, le groupe français a indiqué avoir formulé une offre pour acquérir 100% du capital de SBJ actuellement contrôlé par un fond d'investissement américain, Capital Z Financial Services. La compagnie britannique, à la fois courtier d'assurances et consultant en gestion des risques pour des sociétés de taille moyenne, prévoit de réaliser un chiffre d'affaires de plus de 85 millions de Livres (environs 110m d'Euros) pour l'exercice en cours. Après l'acquisition, les opérations de SBJ group continueront d'être gérées indépendamment de celles d'AXA, a précisé le groupe.

Source : Boursier.com

Marine marchande : Le rendez-vous raté du RIF

Entré en vigueur le 11 mars 2006, le Registre International Français, qui visait à relancer l'attractivité du pavillon tricolore, peut-il être considéré comme un échec ? Alors que la marine marchande stagnait, depuis 20 ans, autour de 200 navires de plus de 100 tonnes, la flotte immatriculée sous RIF devrait péniblement dépasser, cette année, les 250 unités. Certes, c'est environ 25% de mieux en deux ans mais c'est très loin de l'embellie escomptée et, surtout, très faible au regard des nombreuses entrées en service enregistrées dans les compagnies françaises.

Chez Armateurs de France, on convient que le RIF a « raté son départ ». Le RIF est arrivé dans une période où il y avait beaucoup de commandes mais nous n'étions pas en mesure d'avoir les financements nécessaires pour avoir ces entrées en flotte sous pavillon français. « Il y a trois ans, tous les mécanismes qui devaient maintenir ce projet n'étaient pas là », commente Eudes Riblier, président de l'organisation. De 1998 à 2004, les armateurs français bénéficiaient, en effet, du GIE Fiscal, qui permettait aux entreprises d'obtenir un prix d'achat particulièrement intéressant, par rétrocession fiscale.

Bien que non exclusif au secteur maritime, car s'adressant à d'autres domaines, comme l'aviation, ce dispositif a permis, en six ans

seulement, de faire construire 168 navires pour un investissement de 5.9 milliards d'Euros. Il en a résulté un rajeunissement considérable de la flotte marchande française, dont la moyenne d'âge est tombée à 8 ans en 2006.

Les dispositifs fiscaux sont arrivés trop tard

Seulement voilà, en décembre 2004, au moment même où la loi sur le RIF allait pouvoir être lancée, Bruxelles ouvrait une enquête sur le GIE fiscal, soupçonné de constituer une aide sectorielle. Gelé, le mécanisme disparaîtra et ne sera remplacé par un nouveau système, « eurocompatible », qu'en 2007. Entre temps, les armateurs ont massivement commandé, pour répondre à l'explosion du commerce maritime. Mais, faute d'avantage fiscal, les navires ont été immatriculés pour la plupart à l'étranger.

Après un départ raté, Armateurs de France reste néanmoins optimiste sur l'avenir du nouveau registre. En matière d'emploi, notamment, le RIF se veut aujourd'hui très attractif pour les jeunes, permettant notamment aux navigants de voir leurs revenus défiscalisés.

First Joint Rules for LNG

Class Societies ABS and RS Jointly Develop Rules for Arctic Gas Carriers - Houston, TX - St. Petersburg.

ABS and the Russian Maritime Register of Shipping (RS) are to jointly develop classification Rules for Arctic Liquefied Natural Gas Carriers under a wide ranging cooperative agreement between the two IACS members.

The announcement was made during the 4th Annual Arctic Shipping 2008 International Conference & Seminar in St. Petersburg, Russia. This is the first pairing of societies to create Rules for the liquefied natural gas (LNG) market sector.