



HEADLINES

- ◆ Interview: Christian Garin **1**
- ◆ Agreement on Nordic Plan 2013
- ◆ Les conséquences du séisme japonais sur le secteur de l'assurance **2**
- ◆ Japan Hull Loss Estimate of up to \$300Mn
- ◆ Japan Losses
- ◆ Danger money could cost industry \$120m **3**
- ◆ P&I Clubs: protection force
- ◆ Shipping companies: the impact of rising fuel prices
- ◆ World's Largest Insurers **4**
- ◆ Maersk passe aux porte conteneurs 18.000 EVP

Marine Insurance & Reinsurance Brokers

Espace Leader
Rue Gustave Eiffel - BP 861
76235 BOIS-GUILLAUME 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 (Neuilly)
Gaspard MOTTE (Rouen)

Interview : Christian Garin, président d'Armateurs de France



La surcapacité : L'économie mondiale continue de croître mais on entre dans la problématique du rythme de croissance. Je rappelle qu'un point de croissance de l'économie équivaut à quatre ou cinq points en matière de croissance de flotte, c'est-à-dire qu'en volumes, c'est tout à fait exponentiel. La question est donc de savoir si la croissance de l'économie mondiale, telle qu'elle est envisagée, permettra d'absorber l'afflux de navires prévu dans les deux ans à venir. Si ce n'est pas le cas, nous aurons trop de navires disponibles sur le marché. Cela se traduirait par une baisse de la valeur des navires, ce qui peut poser problème vis-à-vis des banques, mais aussi, et surtout, par une baisse des taux de fret, ce qui impacterait directement les comptes d'exploitation des entreprises

Le RIF : Depuis sa mise en place, il a souffert d'une classification en tant que registre de complaisance incompréhensible et inacceptable contre laquelle Armateurs de France s'oppose vigoureusement. Très clairement, au moins de ce point de vue là, il faut faire évoluer le RIF.

Le deuxième point, sur lequel le ministre s'est ému, est qu'il y a un certain nombre de navires qui ont quitté le RIF, non pas pour aller sous des pavillons dits de complaisance, c'est-à-dire avec des règles d'exploitation très différentes, mais qui ont tout simplement été ré-immatriculés sous d'autres pavillons européens. Cela signifie que les conditions objectives d'exploitation des navires sous RIF ne sont pas comparables avec des pavillons européens identiques

Protection de l'écosystème : Il y a un autre sujet d'inquiétude pour un certain nombre d'armateurs, et notamment ceux exploitant des ferries. C'est l'annexe 6 de la convention MARPOL, qui doit entrer en vigueur le 1er janvier 2015. Cette nouvelle réglementation imposera aux navires exploités en Manche, mer du Nord et Baltique d'utiliser un carburant dont la teneur en soufre ne sera que de 0.1%, contre 1% depuis juillet dernier. Or, il n'existe pas de fuel lourd répondant à ces critères, ce qui imposerait aux armateurs de passer au gasoil, avec en définitive une explosion des coûts d'exploitation...

Propos recueillis par Vincent Groizeleau. « Mer et Marine », Avril 2011.

Agreement on Nordic Plan 2013

An agreement was formally reached between Cefor and the Norwegian-, Danish-, Swedish- and Finnish shipowners' associations to draft a Nordic Marine Insurance Plan based on the Norwegian Marine Insurance Plan of 1996, Version 2010.

The Nordic Plan will come into force 1 January 2013.

A permanent Standing Revision Committee is given the task of drafting the Plan with later revisions every three years. The Committee is chaired by Trine-Lise Wilhelmsen, Professor, LL.D. at the Scandinavian Institute of Maritime Law at the University of Oslo, and comprises of members from the five signatory parties and a Nordic Average Adjuster representative.

Les conséquences du séisme japonais sur le secteur de l'assurance

A.M. Best a commencé à estimer les conséquences financières du séisme et du tsunami qui ont frappé le Japon le 11 mars dernier.

Les pertes assurées se situeraient entre 15 et 35 milliards de dollars pour le seul tremblement de terre, c'est-à-dire sans prendre en compte les dommages causés par le tsunami.

Le séisme et ses répliques, ainsi que le tsunami, devraient générer un grand nombre de réclamations. Les sinistres maritimes concerneront le Japon, mais aussi la Californie et Hawaï, où des navires de pêche et de commerce ont été frappés par le tsunami.

Les Assureurs japonais devraient être capables de supporter les pertes causées par le tremblement de terre et le tsunami, et l'influence de l'événement sur leur solidité financière devrait également être limitée. Cependant, les capitaux de réserve des Assureurs vont souffrir d'une forte sinistralité et de la perte de vitesse de l'économie suite au tremblement de terre.

Pour leur part, tous les réassureurs internationaux devraient avoir la capacité d'absorber les pertes à venir. Cependant, ces pertes surviennent immédiatement après plusieurs catastrophes naturelles de grande ampleur, comme les tremblements de terre en Nouvelle-Zélande et les inondations en Australie. Les pertes cumulées pourraient donc d'ores et déjà empêcher de nombreux réassureurs de réaliser des bénéfices cette année.

Les pertes subies au Japon pourraient amorcer une augmentation, ou au moins une stabilisation des taux sur le marché de l'assurance. L'événement pourrait donc marquer une nouvelle orientation du marché pour les réassureurs internationaux, notamment si les réassureurs majeurs et le Lloyd's sont sévèrement touchés.

Source : A.M. Best (traduction libre), 15 mars 2011



La Grande Vague de Kanagawa (1831), Hokusai

Early Japan hull loss estimate of up to \$300mn

Early estimates from international marine insurers have identified total hull losses of up to \$300mn from the earthquake and tsunami in Japan on 11 March, although underwriters are reporting it is too early to assess the substantial scale of cargo losses.

London underwriters are aware of around 10 ocean-going vessel total losses following the devastation of north-east Japan, with the global market still trying to assess severe damage to ports and cargo.

Announced Japan Losses				
Source: the Insurance Insider				
Company	Japan loss estimates USD mn	japan loss as % of shareholder equity	Total announced Q1 losses USD mn	Q1 as a % of shareholder equity
Swiss Re	1 200,00	4,70	2 430,00	10,40
Scor	262,20	4,30	262,20	4,30
AIG Chartis	700,00	1,50	90,00	2,00
QBE	125,00	1,20	500,00	5,30
Ace	250,00	1,10	460,00	2,00

Chartis percentage calculated using total equity

Eqecat, however, has estimated marine losses of \$1bn-\$3bn (out of its total insured range of \$12bn-\$25bn), including ships, terminals and portside infrastructure. The modelling firm also counted around 90 ocean-going ships and thousands of smaller vessels that were pushed far inland by the tsunami.

Shipbrokers are also raising fears of logistical snarl-ups, with ships likely to meet difficulty entering affected port approaches and quaysides, while inland transport infrastructure damage is preventing cargo distribution. Shipping intelligence sources claimed that the initial total closure of Japan's ports on the day of the quake alone would cost the economy some \$3.4bn in lost seaborne trade. Ports damaged in the catastrophe handled around 7 percent of the country's industrial output, prompting speculation over the extent of disruption to supply chains.

Previously, the Kobe earthquake in 1995 disrupted the world's sixth-largest container terminal, forcing closure and repairs that took more than two years to complete at a cost of \$5bn.

Source: The Insurance Insider; March 2011

Danger money could cost industry \$120m

Employers considering union proposals to extend double pay zone further into Indian Ocean

The shipping industry could face an additional annual \$120m wage bill if a proposal put forward by the International Transport Workers' Federation to extend the double pay zone for seafarers facing piracy risk from the Gulf of Aden to the Indian Ocean as a whole is accepted later this month.

A formal proposal has been put forward to the International Maritime Employers' Committee by the ITF to dramatically extend the geographical scope of the existing agreement on double pay, first struck in October 2008.

Under the original terms agreed by the International Bargaining Forum, the bi-partite body that sets pay and conditions for around 160,000 seafarers worldwide, a significant section of the Gulf of Aden was declared a high-risk area. The deal stated that seafarers were entitled to receive a 100% bonus of their basic wage while their vessel was transiting the danger zone.

The ITF is pushing for the scope of that agreement to be extended in recognition of the fact that the threat now extends beyond the Gulf of Aden into the Indian Ocean.

Full details of the ITF demands have not been confirmed, however it is understood that waters covered are bounded to north by the Suez Canal, to 10° south and 78° east, which constitutes vessel movements analysis conducted by Lloyd's List Intelligence have concluded that this could potentially affect 60,000 vessel transits in the region every year.

If the danger zone requires triple the vessel transit time that implies a collective increased cost in terms of wage bills to the industry of around \$120m every year.

Source : David Osler & Richard Meade—Mars 2011

P&I Club : protection force

Insurers in the City of London are finalising plans to set up a private fleet of armed patrol boats in the Gulf of Aden, in a new drive to stamp out Somali piracy.

The naval protection force was conceived by leading figures in the Lloyd's of London market. They have been working with ship owners, freight operators and governments for months, marshalling support for their plan.

The goal of the Convoy Escort Programme is to provide protection for tankers trying to navigate the seas off war-torn Somalia while also reducing the soaring costs of insuring vessels, cargo and crews against increasingly vicious attacks by pirates.

Key representatives of the shipping industry, including the Baltic and International Maritime Council (Bimco) have agreed to explore the idea further. Giles Noakes, the chief maritime security officer of Bimco, said that he would be briefing American politicians in Washington on the plan next week.

It is understood that the industry-led project is being monitored by the Royal Navy and its counterparts. Mr Woollerson said that the association would draw its members from shipping associations, charterers, oil companies, insurance underwriters, lawyers, governments and navies.

Source : The Times—February 2011



Recent shipping company reports warn about the impact of rising fuel prices

In theory, fuel costs are passed on to shippers and passengers and increases can be recouped in various ways. But intense competition and depressed markets are making it difficult for shipowners to pass these costs on. Containership operators invoke bunker surcharges or bunker adjustment factors, but they are increasingly challenged by shippers.

Cruise lines can impose fuel surcharges on ticket prices, but add-ons to advertised prices are not good marketing, neither do they encourage repeat bookings. The scale of recent rises in fuel costs has left many operators with little choice. Market leader Carnival spent \$1.6bn on fuel in 2010. It said that at current fuel prices that would rise to more than \$2bn this year, so the impact is obvious.

In the dry bulk and tanker markets, fuel costs should be paid by charterers either in the spot freight rate or directly under time charters. Competition and low rates means that it is often hard to cover those costs fully.

Instead owners and operators try to find other ways to reduce exposure to higher fuel prices. This can be done by operational or technical measures to cut fuel consumption, or the use of hedging against future price spikes, but both approaches carry some financial and commercial risks due to the uncertainty of future fuel price trends and competitive dynamics.

Japan Post Insurance Co. and Axa lead as the world's largest insurers

U.S. insurers barely crack the top five, according to the latest issue of BestWeek U.S./Canada.

French insurer Axa is the world's largest insurer ranked by net premiums, and Japan Post Insurance is largest in assets with USD1.1 trillion. AXA is ranked second on the assets list.

European companies lead the assets list with 13 companies. We can find Axa, Allianz, Assicurazion and Aviva in the top 10. Japan is the country with the most companies present with 6 insurers. American companies are second most present with 5 companies.

In the written premiums list American companies have 9 listed, Japan 5 and the UK 4 companies.

China Life Insurance and Life Insurance Corporation of India are companies from emerging markets present only in the written premiums list.

Source : *AMBEST and PostOnline*

World's Largest Insurers Ranked by Net Premiums Written	World's Largest Insurers Ranked by Assets
1. Axa SA	1. Japan Post Insurance Co.Ltd
2. Assicurazioni Generali SpA	2. Axa SA
3. Allianz SE	3. American International Group Inc
4. Japan Post Insurance Co Ltd	4. Allianz SE
5. United Health Group	5. Assicurazioni Generali SpA
6. American International Group Inc	6. Aviva plc
7. National Mutual Insurance Federation of Agricultural Cooperatives	7. MetLife Inc
8. Munich Reinsurance Co	8. Prudential Financial Inc
9. WellPoint Inc	9. Legal & General Group plc
10. State Farm Group	10. Nippon Life Insurance Co

Maersk Line passe aux porte-conteneurs de 18.000 EVP

Un nouveau pas vient d'être franchi dans le gigantisme maritime. Maersk Line a annoncé la commande de 10 porte-conteneurs d'une capacité de 18.000 EVP.

Longs de 400 mètres pour une largeur de 59 mètres et un tirant d'air de 73 mètres, les mastodontes de la classe « Triple-E », sont livrables entre 2013 et 2015. D'un coût unitaire de 190 millions de dollars, ils ont été commandés aux chantiers sud-coréens DSME, qui décroche une commande globale de 5.7 milliards de dollars.

Par rapport aux unités de la classe E, comme l'Emma Maersk (14.770 EVP), la longueur est à peine plus importante (3 mètres de plus). En revanche, les Triple-E atteignent 59 mètres de largeur, contre 56 pour les E-Class, ce qui permet d'ajouter une rangée de conteneurs sur chaque bord.

La vitesse des porte-conteneurs géants de Maersk devrait, quant à elle, atteindre 23 noeuds, contre 25 pour les unités de la classe E.

Source : *Mer et Marine 21/02/2011*



Vue du futur Triple-E (© : MAERSK LINE)

Container Carriers Earned Record Profits in 2010

Ocean container carriers earned an estimated \$14 billion in 2010, the most profitable year in the industry's history, almost cancelling the aggregate operating loss of \$15 billion in 2009. The total operating profits of 19 of the top 25 carriers surveyed by container market analyst Alphaliner reached \$11.4 billion last year compared to a \$13.2 billion loss in 2009. Container carriers' margins recovered strongly in 2010 to a positive 7 percent from a negative 16 percent in 2009.

Alphaliner said the financial turnaround is likely to be short-lived as operating margins have "crashed" in the first quarter of 2011 -- especially on the Asia-Europe trade. Earnings in 2011 are likely to remain "significantly" below the 2010 performance, according to Alphaliner.

Source: *Journal of Commerce, 20 April 2011*