

Best practice

2010 was a year of stronger than expected financial recovery in the Club.

The efforts of diversifying the insurance portfolio paid off better than expected. Part of the explanation can be found in a loss development, within almost all product lines, that saw lower frequency and severity of claims than we anticipated.

The other side of the equation is basically explained by a level of premium that is sustainable when looking at historical observations.

The historical observations on the claims side might however, be less indicative when we look ahead for the next couple of years.

There are several indicators that seem to point in the direction of a more favorable claims environment almost across the board.

We know well from experience that this environment will not last forever.

The Club's challenge is not only to offer sustainable prices and products that reflect the need for traditional risk transfer, but also to offer a service platform that is world class.


The added value of handling almost 1500 hull claims a year and hence an insight into the drivers of risk and how to mitigate risk, has to be transformed into lessons learned for our members and clients. These services are turned into value for our members as a superior and dedicated claims handling. Our aim, going forward, is to offer an even higher level of services simply because we expect the best practice in ship management to require this.

It is expected that the "Deepwater Horizon" will be a turning point in the risk management practices within the oil and gas industry.

Furthermore, we also expect that the results of improved risk management concepts within this sector will partly cascade down to the main shipping industry. We are particularly thinking of the transportation of oil, gas and chemicals.

The Club has developed a sizable war account and along with this we have been under some pressure to deliver a service platform that can help our members become better in handling piracy risks. We believe that the information that we are able to supply our members with, when transiting the Gulf of Aden/Indian Ocean, is of value in managing such risks.

More than ever the Club is now systematically optimizing both its product and the service platform as the dynamics of our industry dictates.



John Wiik