

Rise from ashes

Iceland's landscape and nature is both dramatic and amazingly beautiful, and in itself a reason why we have chosen to adorn our annual report of 2010 with pictures from our Nordic neighbour. However, Iceland is also a good illustration of the volatile and harsh environment that the financial market in general and marine insurers and Norwegian Hull Club, among them, are exposed to.

2010 is a historically good year in the almost 175 years' story of Norwegian Hull Club. We are proud and satisfied that our strategy seems to have succeeded, but at the same time we are also humble. It is not more than two years since we experienced a very challenging year and we are well aware that fortunes can reverse quickly.

Iceland has been, and is exposed to a harsh environment, a cyclical (fishing) industry and volatility in financial markets. Relative to the size of it's economy, Iceland's banking collapse in 2008 was the largest suffered by any country in economic history. After seven quarter's of downswing in the economy, the country experienced economic growth in the third quarter of 2010, only two years after the collapse that sent interest rates in what had been amongst the wealthiest and most technically developed countries in the world up to 18%. By the end of 2010 the interstrate is down to 3.5% and optimism had gained a foothold on the Saga Island again.

The drama of Iceland's economy is compatible with the drama of it's nature. Geysers, active volcanoes, glaciers and steep escarpments. Wild sea that meets rocky coastline. It is fascinating, beautiful and dangerous. As is life at sea - the foundation of our industry. We have learnt how to show respect and be prepared. We can't control nature and we usually fail when we try to fight it.

The Icelandic nature alone was able to influence life and the economy all over Europe in 2010. But this time the cause was not fishing, the industry that has played a tremendous role in the building of the Icelandic economy, but Eyafjallajökull. A volcano, that had been inactive for 200 years, demonstrated it's power. Europe was paralyzed. Ash was in the air. Iceland showed the world we could not count them out.

Iceland is back, or at least constantly working it's

way. The Norse and Gaelic settlers that inhabited the island from AD 874 have clinged to it ever since, through heavy weather and colonial times, plagues, volcanic eruptions, earthquakes, their own ice age and famine. The population of Iceland has clearly shown that they know how to rise again after a fall.

Norwegian Hull Club has also managed to rise after a challenging 2008. We are looking forward to build the Club further, but will do this while maintaining respect for an industry that is as unpredictable as nature itself.

We hope you enjoy the photos that our photographer Helge Skodvin took on his visit to Iceland earlier this year.

