



CBMU

Semi-Annual Meeting

May 23th, 2013

Roger F. Ablett

Chairman

American Institute of Marine Underwriters

AIMU

- Super Storm Sandy
- Economic & Trade Outlook
- U.S. Property/Casualty Market
- U.S. Ocean Marine Market
- AIMU Activities & Updates

Before



After







Super Storm Sandy

- 100,000 Homes Destroyed
- Evacuations, fatalities, shortage of fuel & food
- Power Outages and Mass Transportation lasted for weeks
- Displacement of thousands of workers
- Major Business Interruption Loss (insured and uninsured)
- Sandy \$2.5 to \$3.0 billion marine insurance loss (exceeding 2012 US Marine Premium Volume)
- Exceptional Path: “left turn”
- Exceptional Size: 1,100 miles
- Coincided with Moon Phase & High Tide
- Lowest barometric pressure ever recorded in New Jersey
- Powerful Nor’easter turbo charged the storm
- Flood Maps will change for entire Mid-Atlantic and Northeast
- Losses estimated at \$50 billion

Contributors to Insurance Market Conditions

- Economic Recovery??
- Sluggish World Trade Continues
- Low Interest Rates
- Abundance of Market Capacity
- De-risking the portfolio – Sandy Impact

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Operating Ratios

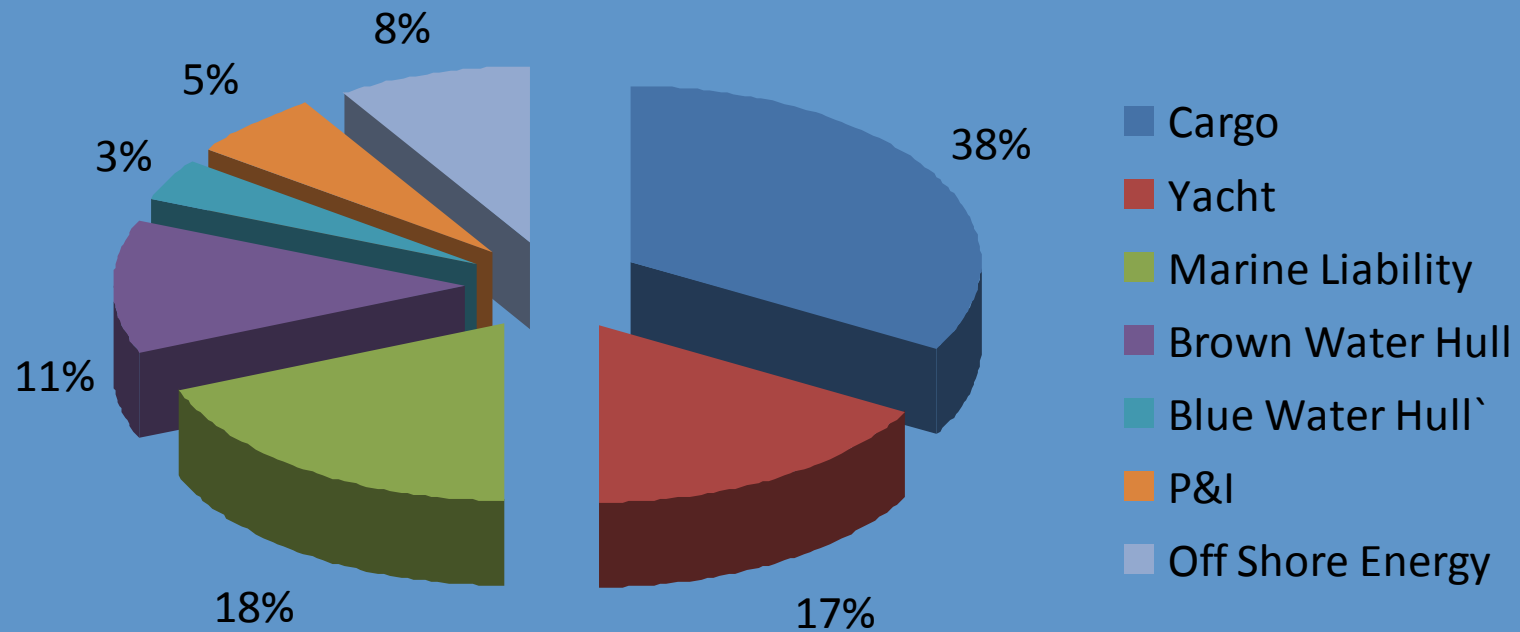
Ocean Marine

| Calendar Year | Direct Premiums Gross Written (U.S. \$) | Combined Ratio |
|---------------|---|-------------------|
| 2012 | 2.2 Billion | 114.40% |
| 2011 | 2.3 Billion | 90.13% |
| 2010 | 2.3 Billion | 82.92% |

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U.S. Ocean Marine Premium

2012



Sanctions

- Economic Tool to achieve Political Objective
- Insurance is a Financial Transaction
- Compliance is Mandatory
- Significant Fines/Penalties for Violations
- Expectation of Wider Use by more Countries
- AIMU – Two Sanction Clauses

AIMU Activities

- Educational Programs
- Informational Webinars
- Seminars
- Research
- Forms and Clauses
- Scholarship/Award Programs

AIMU Website



The American Institute of Marine Underwriters (AIMU) has over 100 years of service as the trade association representing the United States ocean marine insurance industry as an advocate, educator and information center.

AIMU provides an active program of support services to assist the U.S. marine insurance industry in providing its global customers with a level of performance unsurpassed in the world. Its worldwide network of surveyors (Correspondents) aids its members in handling claims with speed and efficiency. AIMU publishes a Weekly Bulletin, which provide its members with current information on maritime matters, media reports, legislation and court decisions. Through its educational programs, AIMU fosters the highest standards of professionalism, stimulates creativity and innovation and enhances the industry's traditional commitment to service.

AIMU ensures that U.S. marine insurers are heard by lawmakers, regulators and international bodies. It testifies before congressional committees and works closely with organizations and participates in coalitions focused on improving safety and preventing cargo-related crime. AIMU is the forum for action on the significant issues that affect U.S. marine insurers, reinsurers and the international trade community.

Annual Conference 2013
London, UK 15 - 18 September 2013



Marine Insurance: Building resilience and defining a sustainable future

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Thank you!