

Lloyd's List

British Marine set for \$25m rights offering

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BRITISH Marine, a leading provider of protection and indemnity and hull cover for small ships, is to raise \$25m to take advantage of the market upturn, writes James Brewer.

The company, which has 3m gt on its books in both classes, said the rights offering was fully underwritten by New York-based Capital Z, a private equity fund that is its largest shareholder.

Robert Johnston, managing director of British Marine, said: "Having advised the market in September that Capital Z would be making a capital injection, we are delighted that the amount of their investment exceeds our initial expectation, and, as such, is a clear testament to their confidence in the future for British Marine."

Formerly a mutual, the company made a loss in the year to February 2001 of \$12m, which sliced its net assets (free reserve) to \$38m. It blamed the then soft hull insurance market and the liability book of larger tonnage brought in during the brief alliance with underwriter Jonathan Jones.

Rates have since hardened considerably, and the company has decided to concentrate on its core business of vessels up to 10,000 gt.

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