

P&I boosts British Marine premium base

Jerry Frank - Thursday 24 April 2008

The Hull market continues to grow more uncertain.

BRITISH Marine, the smaller vessels insurer, says that additional protection and indemnity business this February has swelled its premium base by 24% and amounted to more than 100 new shipowner clients.

The Luxembourg-headquartered insurer, which operates outside the protection and indemnity grouping, also claims its fixed-premium lines are becoming an increasingly popular insurance option for its core sub-10,000 dwt market.

The P&I and hull insurer has reported a 97% retention rate during the February renewals, which was in line with last year when it also booked a 17% premium increase from 60 new clients.

British Marine managing director Robert Johnston said that the group is attracting further business from the mainstream mutuals as price volatility infiltrates the traditional P&I markets.

“We provide a secure haven in which owners can be certain that they will be asked to pay a premium reflecting their performance alone, uninfluenced by the performance of others,” Mr Johnston said.

Another highlight of the February renewal round for the P&I and hull insurer was the continued support from its existing client base, with 20 owners increasing their fleet share.

Unlike the 14 clubs in the International Group, British Marine offers premiums to smaller owners that reflect its individual performance not the overall exposure of the mutual.

Main competitors in the smaller tonnage segment include the Shipowners Club.

Aon last month specified that Transport for London and SAAM had moved all their vessels from Shipowners to British Marine, with Royal Greenland moving its tonnage from Gard.

Alongside strong growth in Denmark, Germany and France, British Marine has seen expansion in the Indian, Indonesian and Thai markets.

“As the Hull market continues to grow more uncertain, so the security of insuring Hull and Machinery 100% with British Marine grows more attractive,” Mr Johnston said.

As well as providing P&I and H&M cover, British Marine also offers legal expense (FD&D) insurance for small- and medium-sized ships, together with personal, professional and intermodal liability for clients in the transport sector.

“We also look forward to continuing to develop our intermodal and professional liability classes within our growing insurance base”, he added.

British Marine, which was bought by Australian insurance giant QBE in 2005, revealed it had booked a strong \$21m pre-tax profit, delivering a combined ratio of 91%. Gross premium income also increased last year by 10% to \$172m.

As part of QBE the P&I group no longer publishes separate accounts and has gone over to a calendar year reporting timetable in 2007 from a February date linked to the P&I renewals.

In the 10 months from February 2006 to the year end, the company returned an operating profit of \$23m, which compared with \$18m for the 12 months to February 20, 2006.

Mr Johnston added that the \$7.3bn merger advances by its parent QBE on Australasian marine insurer IAG will have no impact on British Marine, but the company will this year explore new insurance products with its Australian owner.

Acquisitive QBE has a substantial presence in Asia and brought the P&I insurer an A+ (stable) rating.

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