

# MARSH



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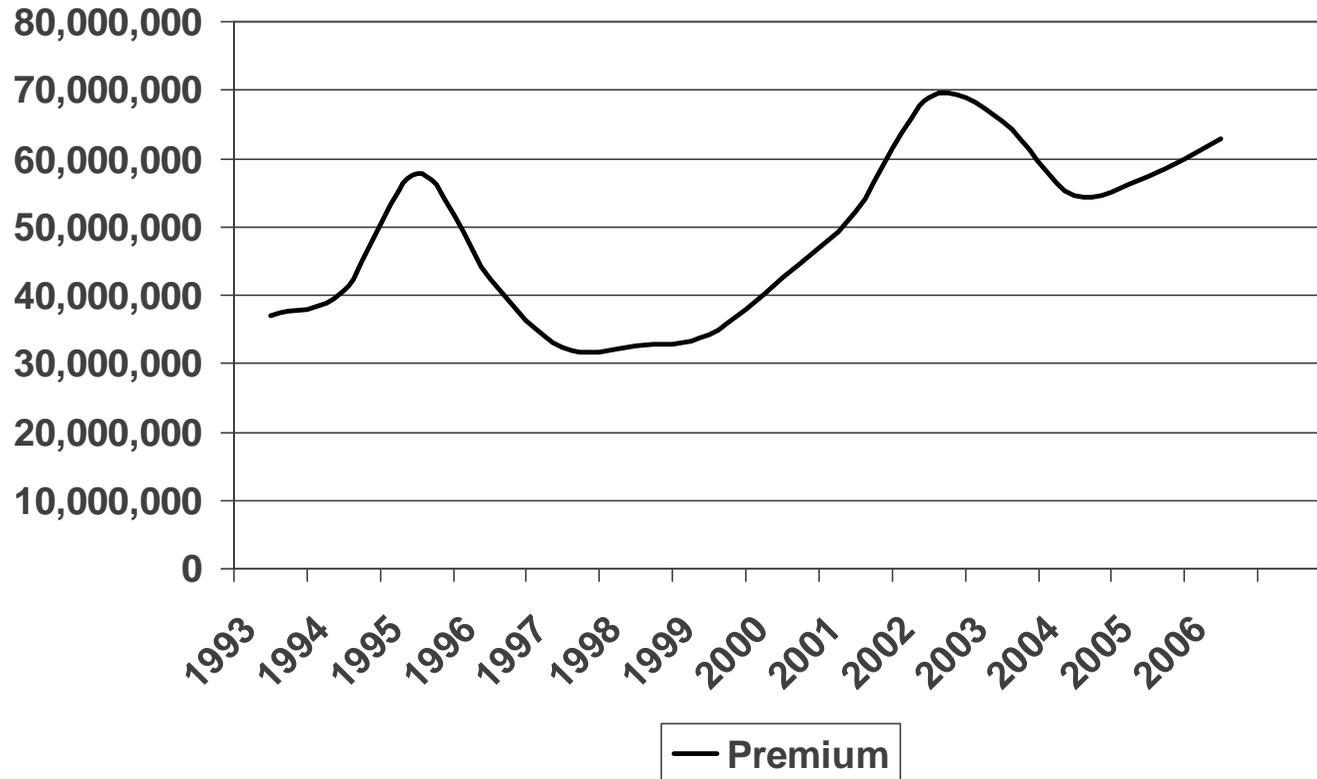
## Insurance Update ESTA Conference 2008

Philip Turner ACII  
Managing Director  
Marsh Specie Practice

## Insurance Update

- Loss Statistics
- Market Trends
- Coverage
- Dynamics of buying by you the customer
- CIT Insurance market survey

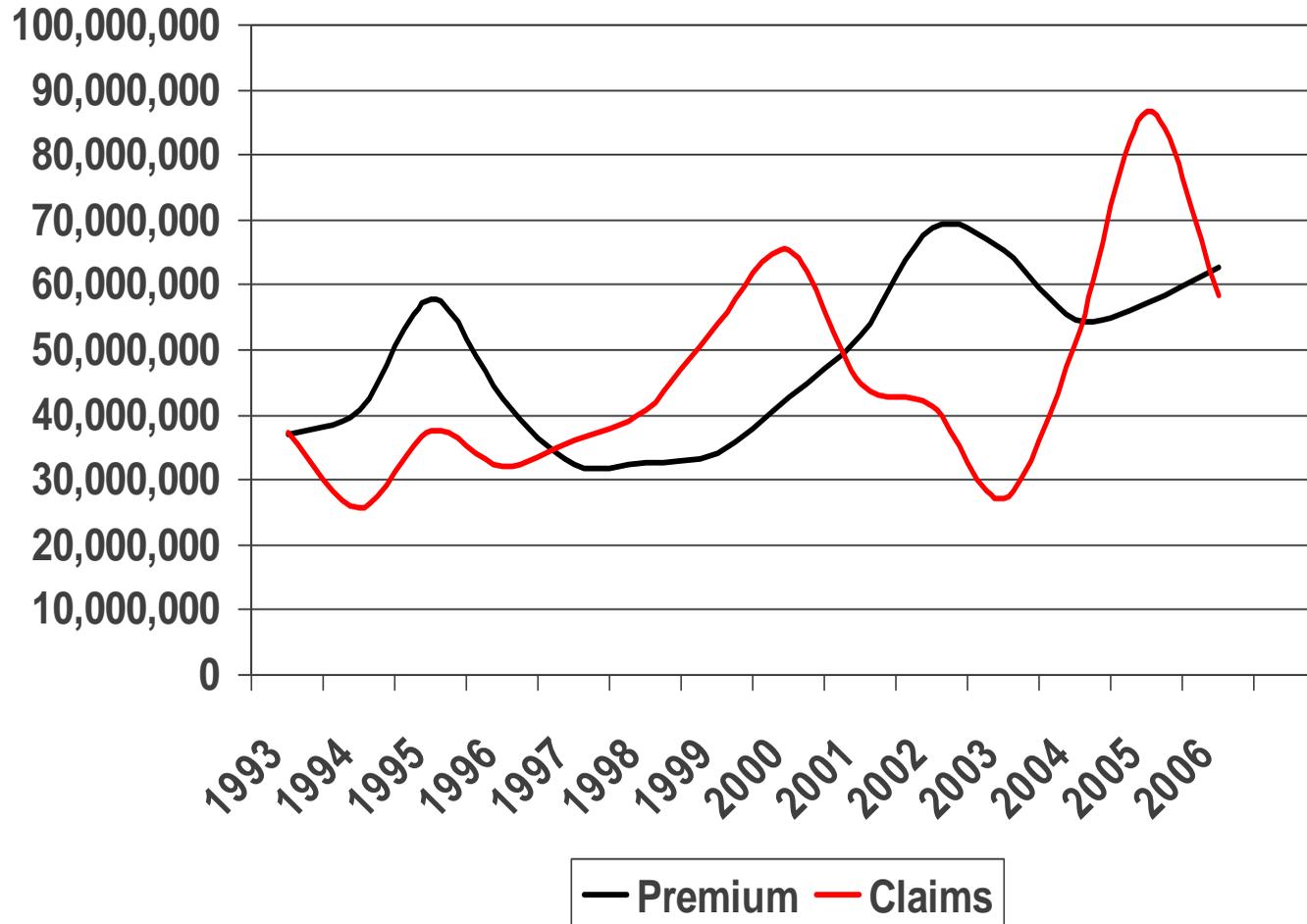
## Lloyd's CIT Insurance Market Statistics Premiums (EUR)



**Total Premium remains relatively stable**

# Lloyd's CIT Insurance Market Statistics

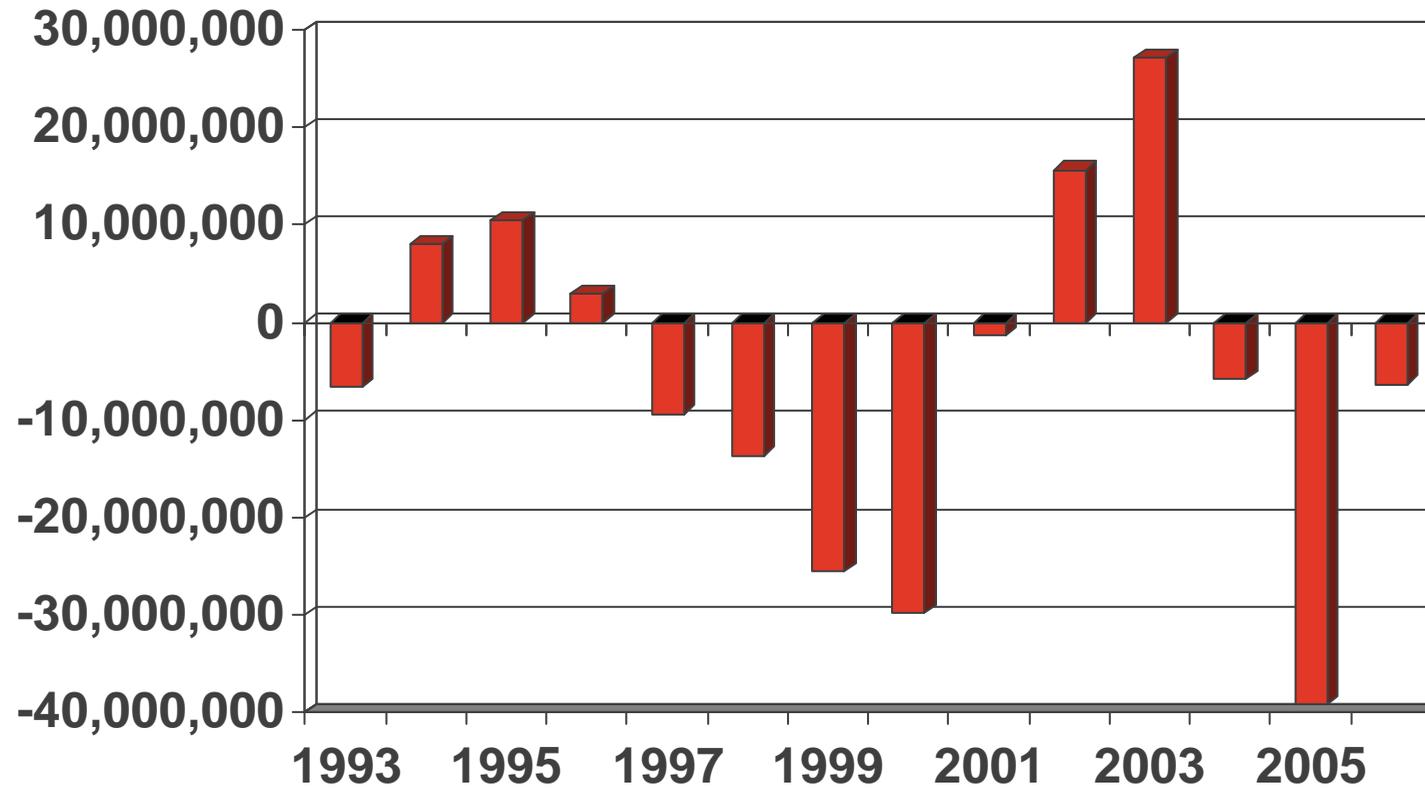
## Premiums and Claims (EUR)



**But claim results are more volatile**

# Lloyd's CIT Insurance Market Statistics

## Estimated Net Profit and Loss (EUR)



# Market Situation

## General market trends

- Rates softening
- No major catastrophes
- Good results
- Glut of capacity

## CIT Market

- Rates flat with small reductions for good accounts
- Suffering Increased severity of losses
- Loss making sector
- Lloyd's still dominant
  - Ascot reducing capacity
- New entrants into Lloyd's – increasing competition
- Growing competition from outside Lloyd's
  - Locally
  - London

# Coverage

## Available

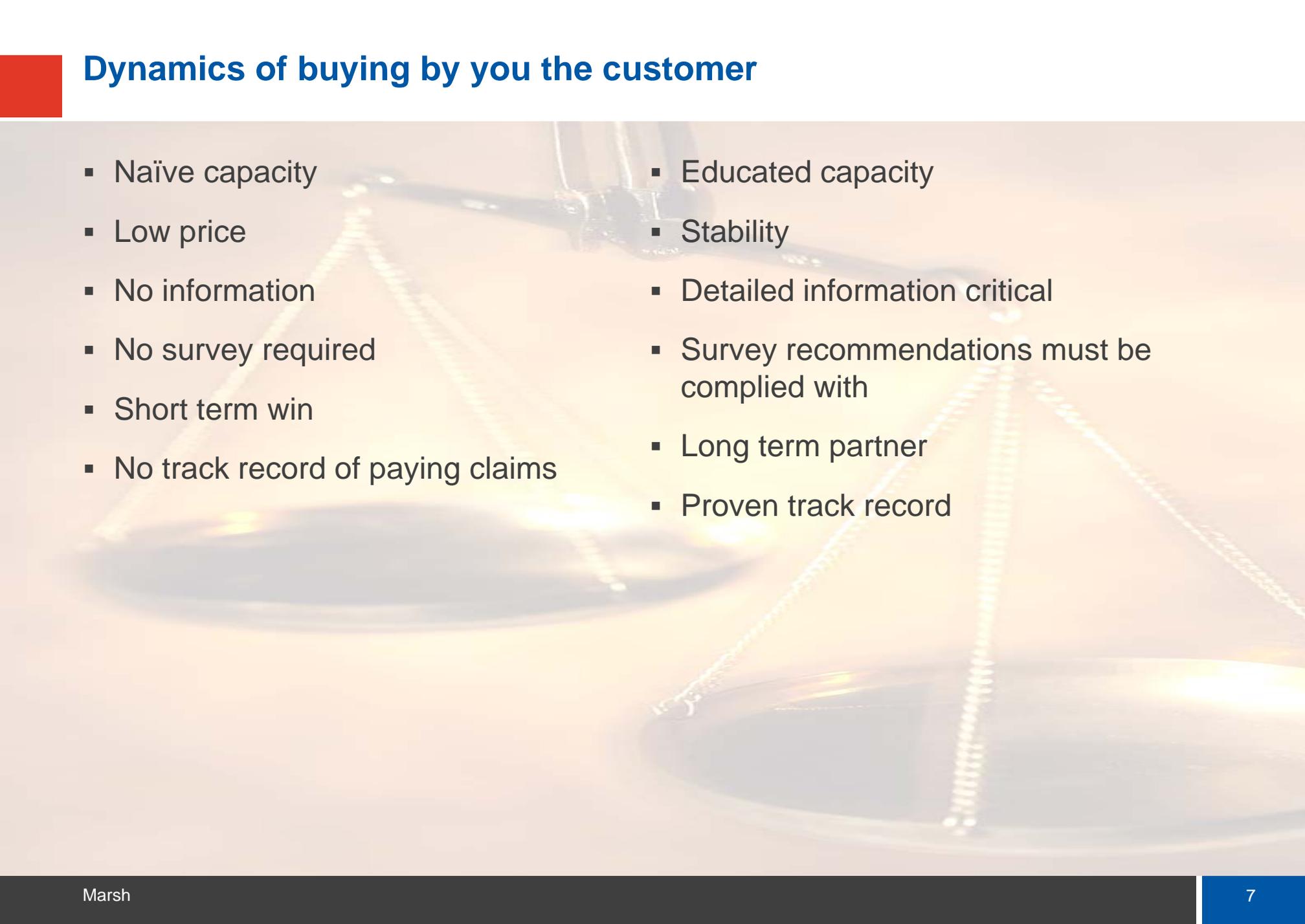
- Broad “all risks” coverage
- Electronic funds transfer coverage (on primary layer)
- Market capacity EUR1.25b
- 3 year deals – with review clause
- Automatic acquisitions cover
- Proposal Forms not mandatory
- Innocent non disclosure coverage

## Not available

- Fraud by Directors or Owners
- Reduced/nil retention
- True long term deals

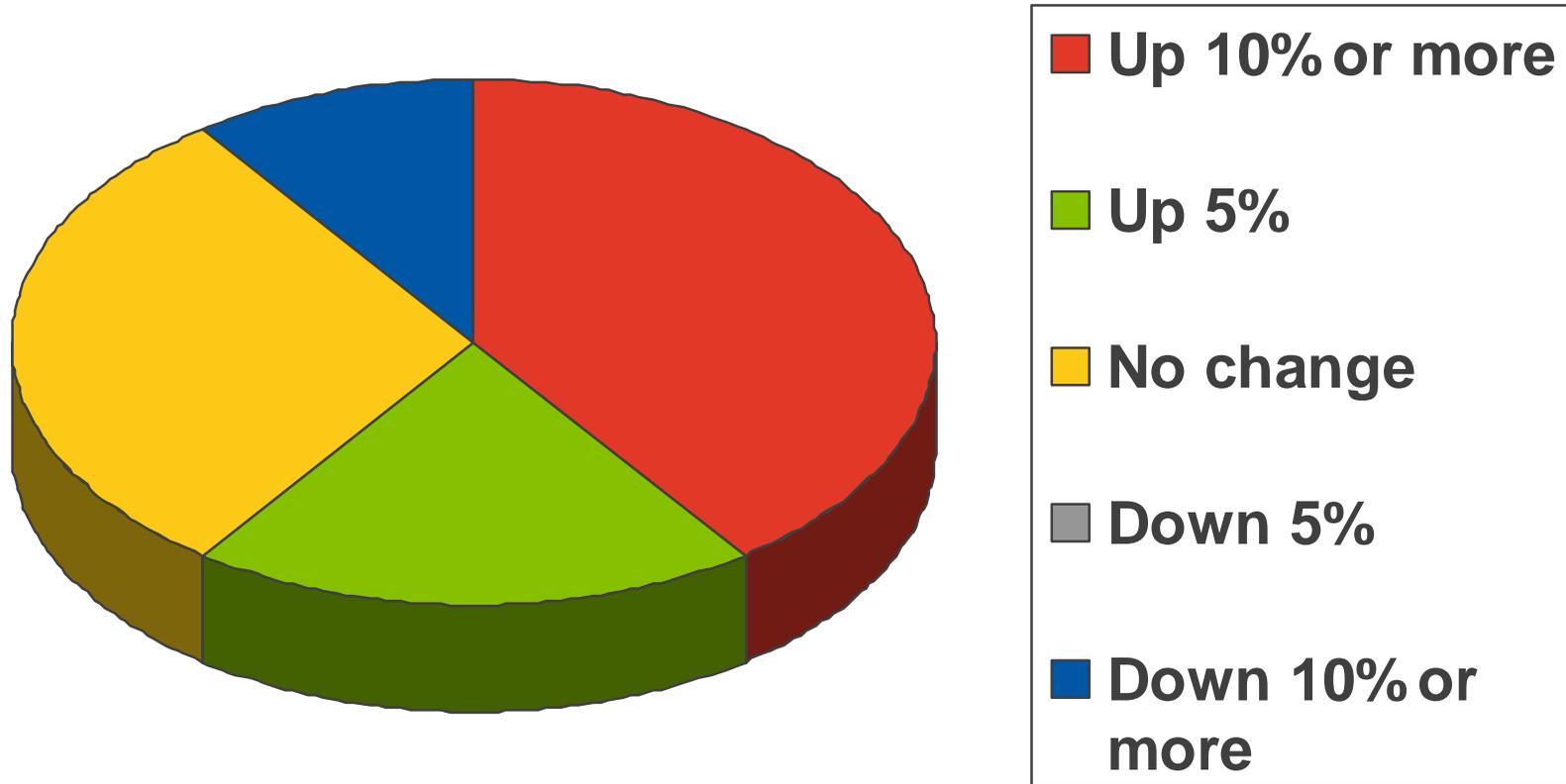
Flexible and relationship driven

## Dynamics of buying by you the customer

- 
- Naïve capacity
  - Low price
  - No information
  - No survey required
  - Short term win
  - No track record of paying claims
  - Educated capacity
  - Stability
  - Detailed information critical
  - Survey recommendations must be complied with
  - Long term partner
  - Proven track record

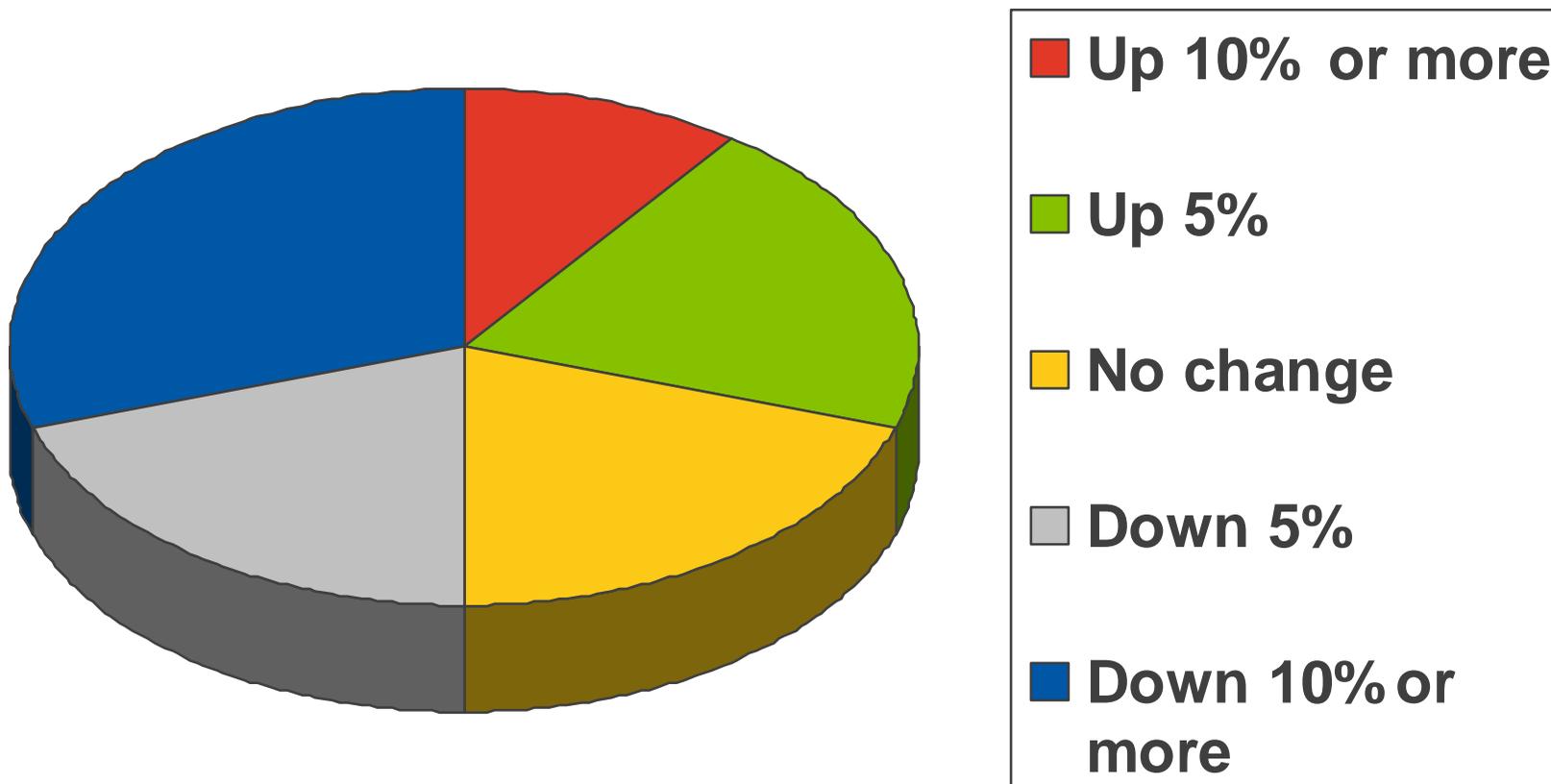
## CIT Underwriter Survey (1)

### Predicted cost of Primary CIT Insurance over the next 12 months



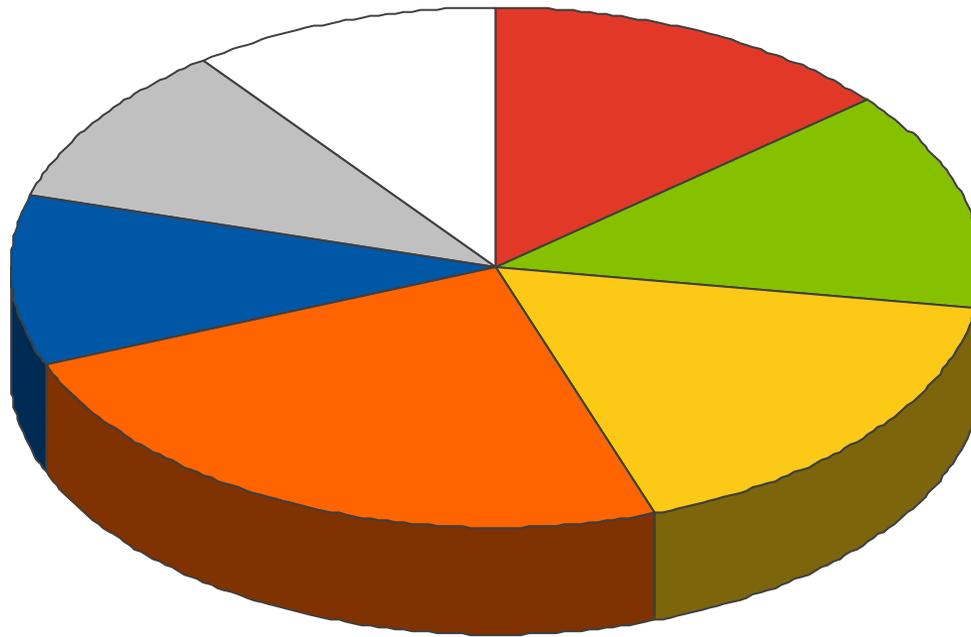
## CIT Underwriter Survey (2)

### Appetite for CIT insurance business for the next 12 months



## Market Survey (3)

### Most important factor when considering a CIT risk



- Investment
- Training
- Risk Management
- Information Provided
- Retention
- Reputation
- Loss Record

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