

THINK GLOBAL

ISSUE 5 2013

BEHIND THE GOLDEN MOMENTS

Insuring the world's greatest sporting event

NICHE PRODUCTS SET SAIL

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ALTERNATIVE ENERGY

The interest in bio energy continues
to grow across the globe

FOREWORD PAUL DONALDSON



Welcome to Issue 5 of Think Global and thank you for your feedback on previous issues: it helps shape the content and keep the newsletter focused and relevant.

We recently announced our 2012 Group results, with premiums up 5% to £8.4bn and an operating result of £684m despite Italian earthquakes, adverse UK weather conditions and falling bond yields. We are making good progress in challenging market conditions by delivering global growth while maintaining underwriting quality.

Global Specialty Lines (GSL) is a critical part of our growth strategy and you will see from the features in this issue that our continued expansion is helping our customers achieve their goals in areas including Marine, Construction & Engineering, Renewable Energy and Risk Managed business.

Our Emerging Markets business delivered particularly strong premium growth of 17% in 2012 and we are on track to meet our target of £2.2bn of premiums in 2015. The business already makes up 18% of the overall Group and we have ambitions to go further as our Global Network establishes a strong presence in many fast-growing markets to complement our leading positions in Scandinavia, Canada, Latin America, Ireland and the UK.

By working collaboratively with our partners and customers we will build on our achievements to date and our commitment to the GSL proposition.

This issue takes a look at some recent RSA success stories, none more exciting and innovative than our involvement with the 2012 London Olympics. It was a project with numerous challenges but we are immensely proud of the role we played – and continue to play during the legacy phase – and hope to use this as a platform for the 2016 Rio Games.

If you would like to find out more about our Olympics journey after reading the feature, watch the accompanying video by clicking the link on page nine. Please do share any comments on the video or indeed, any of the articles at thinkglobal@ukrsagroup.com.

Finally, after 37 years with RSA I have announced I will retire in early 2014. I will continue to develop broker relationships across the world until then and Neil Lightbown will take up the role of GSL Director as of 1 May this year, reporting to Simon Lee. Neil is currently the Underwriting Director, UK & Western Europe and Chief Underwriting Officer for GSL.

There will be plenty of time for goodbyes later but as this will be the last issue with me leading the GSL business, I would like to take the opportunity to thank all of our customers and brokers who have helped us along our journey of establishing GSL and wish you every success for the future.

Paul Donaldson

Group Broker Relationship and Sales Director

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BEHIND THE GOLDEN MOMENTS

A look behind the scenes at insuring the world's biggest sporting event.

Everyone has their favourite Olympic moment: Jessica Ennis holding the Union Jack Flag aloft after winning her gold medal in the heptathlon; Mo Farah becoming the first Briton to win 10,000m gold; Usain Bolt being the first man to retain both the 100m and 200m titles; or David Rudisha setting the first world record on the London Olympic Stadium track as he became the first man in history to run 800m in under one minute 41 seconds.

The Olympics were a far more popular and successful event than anyone could have anticipated but the television viewers saw only a fraction of the hard work, effort and expertise which went into making it a global phenomenon. Behind the scenes, RSA is the lead insurer for the Property Damage and Liability insurance programmes covering the construction period, the Games themselves and the post-Games legacy phase. Our involvement began five years before the actual games when we put together a team of specialists to tender for the contract being awarded by broker JLT in 2007.

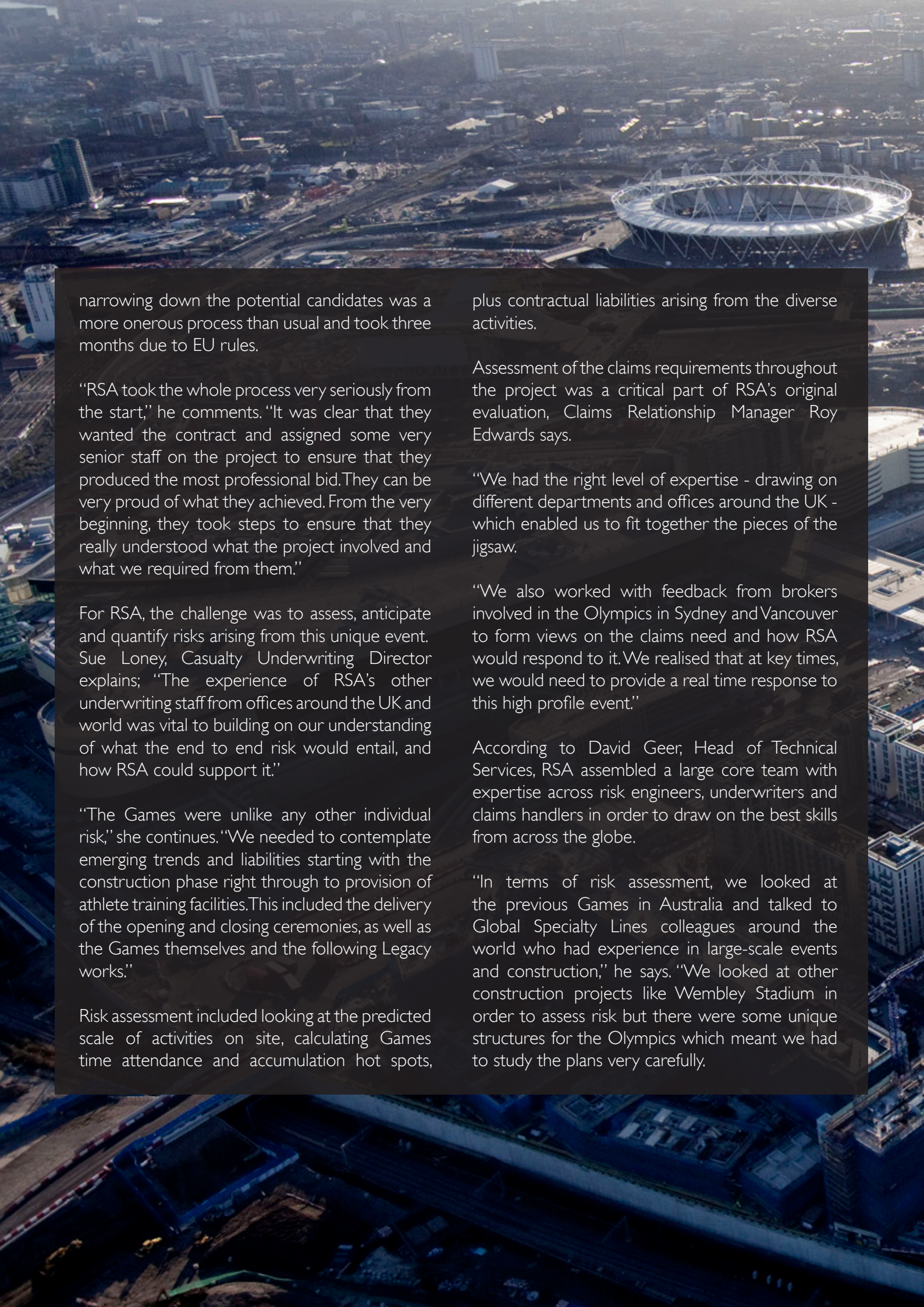
It was a huge undertaking with a large number of unusual risks for an underwriter. Nick Newlove, Construction Director at RSA Group, explains: "We knew from the outset that there would

be a number of new challenges and situations. There were some unique circumstances to work through for this vast project such as the Aquatic Centre, where Balfour Beatty was working on seven levels of the structure at the same time. That this was achieved safely and successfully is testament to the efforts that the Olympic Delivery Authority and its contractor partners put into delivering the Olympic Park and other venues. A positive view of this organisation certainly influenced our decision to take on the risks of construction phase and those of the Games themselves."

RSA underwrote the construction side of the facilities, stadiums and operations during the Games, in addition to covering both the property and liability risks. It is now involved in the post-Games legacy which covers the conversion work, enabling the park to exist beyond 2012. For example, the athletes' village is being converted into flats and apartments which will be sold on and changes are being made to the Olympic park and Aquatics Centre. The process began with JLT winning the contract to place the insurance from the Olympic Delivery Authority (ODA). Andrew Birt, partner and head of the UK project team at JLT, says the process of inviting insurance companies to tender and then



“The Games were unlike any other individual risk. We needed to contemplate emerging trends and liabilities starting with the construction phase right through to provision of athlete training facilities. This included the delivery of the opening and closing ceremonies, as well as the Games themselves and the following Legacy works.”

An aerial photograph of London, showing the city skyline and the Olympic Stadium under construction. The stadium is a large, circular structure with a distinctive, lattice-like roof. The surrounding area is a mix of urban development and construction sites.

narrowing down the potential candidates was a more onerous process than usual and took three months due to EU rules.

“RSA took the whole process very seriously from the start,” he comments. “It was clear that they wanted the contract and assigned some very senior staff on the project to ensure that they produced the most professional bid. They can be very proud of what they achieved. From the very beginning, they took steps to ensure that they really understood what the project involved and what we required from them.”

For RSA, the challenge was to assess, anticipate and quantify risks arising from this unique event. Sue Loney, Casualty Underwriting Director explains; “The experience of RSA’s other underwriting staff from offices around the UK and world was vital to building on our understanding of what the end to end risk would entail, and how RSA could support it.”

“The Games were unlike any other individual risk,” she continues. “We needed to contemplate emerging trends and liabilities starting with the construction phase right through to provision of athlete training facilities. This included the delivery of the opening and closing ceremonies, as well as the Games themselves and the following Legacy works.”

Risk assessment included looking at the predicted scale of activities on site, calculating Games time attendance and accumulation hot spots,

plus contractual liabilities arising from the diverse activities.

Assessment of the claims requirements throughout the project was a critical part of RSA’s original evaluation, Claims Relationship Manager Roy Edwards says.

“We had the right level of expertise - drawing on different departments and offices around the UK - which enabled us to fit together the pieces of the jigsaw.

“We also worked with feedback from brokers involved in the Olympics in Sydney and Vancouver to form views on the claims need and how RSA would respond to it. We realised that at key times, we would need to provide a real time response to this high profile event.”

According to David Geer, Head of Technical Services, RSA assembled a large core team with expertise across risk engineers, underwriters and claims handlers in order to draw on the best skills from across the globe.

“In terms of risk assessment, we looked at the previous Games in Australia and talked to Global Specialty Lines colleagues around the world who had experience in large-scale events and construction,” he says. “We looked at other construction projects like Wembley Stadium in order to assess risk but there were some unique structures for the Olympics which meant we had to study the plans very carefully.



“Again, the Aquatics Centre had a very unusual roof structure and we had to consider the technical implications of that. It was a specialist job and it therefore required a very particular underwriting expertise. “Also, the plans did change as the project progressed,” he continues. “So we had to be flexible enough to adapt to changing circumstances. We were helped by the fact that we are used to dealing with unusual projects and have a wealth of experience in construction projects dating back many years.”

Andrew Birt of JLT is clear on what set RSA apart from other insurers: “It was the total commitment from the start to making the project a success. RSA had very senior people involved straight away and were on site from the beginning of the construction process looking at issues like flood risk and the challenges involved in the building phase.”

RSA’s ongoing involvement means it is now insuring legacy work which includes converting the athletes’ village, dismantling temporary structures such as the basketball arena and building a visitors’ centre so the Olympic site can be used as a leisure park.

“The project stretched the boundaries of our underwriting appetite,” says Nick. “And I am proud to say that when confronted with the challenge we rose to it. What we have learnt from this definitely influences our decisions going forward.”

Now that the London Olympics are in the legacy phase, all eyes are turning to the next host city - Rio de Janeiro. There are significant opportunities for the country’s economy in terms of construction projects and the ‘Olympic effect’ of millions of extra visitors but Brazil has a huge task to get the venues ready.

Fabian Ospina, Latin America’s Regional Portfolio Manager for Construction & Engineering, says he has been able to use the Olympic expertise of the RSA London office in preparation for talking to potential customers in Rio.

“For the forthcoming Olympic Games in Brazil there are opportunities to work with specific contractors as unlike the London Games, insurance contracts tend to be awarded on an individual basis, rather than through an overall body equivalent to the ODA.”

As the building of sites and refurbishment of existing facilities gathers momentum, RSA’s success in London provides a platform to advise and help new customers in Rio.

Fabian adds: “There is a great opportunity for the RSA London 2012 team to go to Brazil to meet stakeholders and get closer to the local situation, as they have the ability to pass on what they have learnt. This means RSA involvement in the Olympics will hopefully continue in Rio and beyond.”

To find out more about our Olympics journey, click here to watch the video.

For more information, please contact Nick Newlove at nicholas.newlove@uk.rsagroup.com

“And I am proud to say that when confronted with the challenge we rose to it. What we have learnt from this definitely influences our decisions going forward.”



NICHE PRODUCTS SET SAIL

Marine looks to Liability classes for further growth.

Whilst RSA has written marine insurance from its earliest days 300 years ago, the business continues to look for new ventures to diversify and extend its footprint into the 21st Century.

Strategic research had been in progress for more than three years to understand the best route into specialist and niche areas, and Managing General Agent (MGA) opportunities were considered as part of this work.

“As a leading global marine insurer looking for expansion opportunities, MGA agreements can play an important role,” comments David Oldham, International Manager in the Marine business. “Focusing on our strengths and what we can provide within these relationships, we were able to identify some opportunities where the MGA model would help to accelerate our growth and establish our position as a key player in niche markets over a relatively short time period.”

A number of opportunities were identified which would make the most of RSA's Global Network, underwriting expertise and flexibility, and two major initiatives were launched through the MGA model in the second half of 2012.

Protection & Indemnity (P&I) insurance was one of the remaining major marine classes where RSA was not involved, with the industry dominated by a small

number of large mutual insurers. Over the course of the last 20 years, an alternative ‘fixed premium’ market has developed targeting smaller ship owners, who value certainty in their insurance pricing over the higher levels of cover available elsewhere.

In summer 2011, RSA was approached to be part of a new venture, Lodestar, backed by the investment company TAWA. Lodestar was aiming to establish a new P&I fixed premium facility, concentrating on providing a first-class underwriting and claims service to owners of smaller and specialised ships.

“Lodestar was the best-equipped P&I start-up to enter the market for a long time,” says David. “We had to be sure that the venture would offer real benefit to customers but the quality of the team – who all had extensive experience and contacts in the sector – and the backing of TAWA meant that it was a quality operation from the start”.

He continues: “A great deal of thought went into setting up the business, including installing a team of claims handlers. This meant there was a clear emphasis on providing brilliant service and establishing an excellent reputation. The focus on quality and service was crucial for us and the proposition gives RSA the opportunity to become involved in the fixed-premium market ‘Premier League’ in a relatively short space of time.



“The industry needed to be challenged and by bringing together over 200 years’ worth of collective P&I experience along with our partnerships, we’re offering something impressive to our customers.”



“These two latest partnerships show the determination and interest in increasing and diversifying RSA’s marine portfolio”

Taking all things into account the venture became operational in a short period of time, with Lodestar first quoting business in September 2012."

Lodestar is now able to offer its clients a capacity up to USD 500 million. Coupled with a global correspondent network across some 150 territories and Lodestar's in-house technical capability, there is optimism for the future and the venture has exceeded its targets for the launch period.

"It was time to shake up the P&I market for smaller vessels but it needed to be done with the right support," says Charles Dymoke, co-founder of Lodestar. "The industry needed to be challenged and by bringing together more than 200 years' worth of collective P&I experience along with our partnerships, we're offering something impressive to our customers. Service and security should always be at the forefront of any offering to ship owners and our proposition is very attractive on a number of levels."

As part of the wider marine liability initiative, RSA has also moved into another specialist area - Charterers' Liability.

The Rotterdam-based Charterama MGA has been writing Charterers' Liability successfully since 2009 on behalf of the Dutch insurer REAAL.

However, following REAAL's S&P rating downgrade to BBB+ in 2012, the business was looking for a new partner to access improved security. As part of RSA's diversification strategy, the opportunity to partner with specialists in the Charterers' Liability area was very appealing.

"As part of the research we had conducted, we were keen to look at opportunities to move into Charterers' Liability as another niche area," says David. "There are only two specialist providers focusing exclusively on this product. It happened that Charterama were looking for new backing and we were able to provide it.

The deal was finalised in autumn 2012 and Charterama immediately saw the benefit of RSA's involvement with a significant upturn in new business after the announcement of our support."

As part of the re-launch of Charterama 'Powered by RSA,' there has been an extensive programme of business development visits across the world, using the breadth and depth of RSA's global network to reach new customers with international exposures.

"At the moment for example, only 6% of Charterama's business is from clients from the Far East - it's very euro-centric," adds David. "But this area will see considerable growth over the next few years so we are combining our resources and ensuring that we're extending reach through our mutual strengths. Charterama has underwriting capabilities that didn't exist within RSA and they have a highly respected team of underwriters and claim handlers, so coupled with our network and financial security we are a formidable team."

Evert Margry, Principal at Charterama, adds: "The benefits of partnering with RSA have shown themselves clearly since we joined forces at the end of 2012 and our business synergies mean we are out-performing our mutual expectations. Bringing our specialist knowledge together with the brand and security of RSA creates a fantastic proposition for customers and presents a unique business opportunity for both parties."

"These two latest partnerships show the determination and interest in increasing and diversifying RSA's marine portfolio," concludes David. "We are a flexible business and while both these ventures are innovative, the initial outlook is very positive in terms of both the working cultures blending together and the results we are achieving. These new relationships complement existing Marine offerings and will lead us into new areas to explore."

For more information, please contact David Oldham at david.oldham@uk.rsagroup.com

ALTERNATIVE ENERGY

Interest in bio energy continues to grow across the globe.

Renewable energy continues to be a hot topic across many industries – including insurance - and is a constant source of debate in terms of investment and efficacy. RSA has been at the forefront of renewable energy underwriting since the 1970s and is well-placed to understand and interpret the challenges around the different forms of renewable power being used across the world.

One of the key areas is bio energy as it becomes a viable and less expensive option to landfill sites and the importance of renewable energy grows across every sector. Not only is bio energy seeing increased finance and interest in developed countries where it is an increasingly integral part of energy provision, it is becoming a focus in developing markets too with a large number of projects being established across Africa, Asia, the Middle East and South America.

“Bio energy is not only one of the more controllable renewable sources - because it isn't dependent on the weather - it also has outputs that can be used in a number of beneficial ways,” says Steve Kelly, Head of Bio Energy at RSA. “When utilised properly, using bio energy makes good business sense not least because there are a number of tangible side products that can be put to use and save money. For example, electricity and heat are common by-products which can be sold off profitably, ensuring investment is working as hard as it can for the customer. In short, it's a robust fuel supply.”

Bio energy is seeing particular growth in countries without the land mass to support the waste needs, such as The Netherlands. This investment has led to more modern installations which are designed to create useful by-products as part of the process. The industry has witnessed significant innovation, resulting in plants producing making materials such as fertiliser and decorative paving as well as their main products.

These modernised plants are less likely to suffer from the reliability issues which face a number of the older installations. Some of these have been converted from other power sources to bio after many years of operation, which takes its toll on the machinery and the efficiency of the plant. And as with any industry, there is also a range of expertise across the sector. Added to this is the possibility of fire due to the usage and storage of flammable goods such as wood chips or pellets which can spontaneously combust.

RSA has been active in the bio energy arena for more than 20 years and during that time has seen significant change and improvement in the industry, with the appetite for bio energy increasing and the need for tailored solutions becoming more urgent.

“The sector is the most varied in terms of renewable energy technology and certainly one of the more diverse in terms of customer base,” continues Steve. “This can

mean the underwriting process is difficult because each particular case and each individual plant can have its own plans and design, requiring a bespoke solution each time. With our experience, we approach each installation separately and help customers understand their needs and requirements for that particular site."

In terms of the industry's future, Steve is clear as to where the improvements need to be made to secure further support and funding.

"Bio energy should not be seen in isolation from other energy sources – there can be a huge overlap which should be used to the customer's advantage," he says. "We can offer solutions to support a full suite of technologies of which bio energy is one part. At the moment the bio energy segment is quite fragmented with many installations having unique characteristics and so there isn't the uniformity of other renewable sources."

"The other key factor to consider is that, along with continued innovation in bio energy, best practice needs to be enforced across the industry," continues Steve. "In order for insurers like RSA to underwrite these projects, there needs to be an improved position on a number of points: bio plants need to have superior fire protection design to protect from events such as spontaneous combustion plus appropriate levels of expertise need to be demonstrated across the board by customers, but

specifically by key operational personnel. This all needs to be supported by robust financial commitment to maintenance and risk control as new materials are used and technology continues to improve the bio-waste offering."

To this end, RSA is introducing amended best practice wording to reflect the current requirements for bio-energy plants which will be a requirement of any customer policies written, with particular focus on Fire Protection and Fuel Quality.

"We are one of the market leaders when it comes to bio energy and so it's essential that we are providing guidance when it comes to best practice in our underwriting," says Steve. "The technology driving the industry means that change happens constantly but standards need to be consistent and we are doing our best to drive that quality through our solutions."

He concludes: "Bio energy will continue to make a significant contribution to the world's energy supply and RSA will support both new installations and those which utilise multiple renewable energy technologies. Whether bio mass, bio gas or bio fuel, there is a great potential to improve the efficacy and increase the usage of this energy source – and great advantages in doing so for the wider population."



BRINGING OUT THE BEST

RSA's partnership with The Survey Association shows great promise.

The definition of collaboration is 'To work together, especially in a joint intellectual effort.' However, collaboration is an over-used word in business circles – a number of clearly defined roles and rules have to be adhered to in order to make the deal work and often relationships fall short of being a true partnership. But when collaborations do work, they can reap rewards for both parties.

The launch of Global Specialty Lines (GSL) in 2011 ensured that RSA expertise - wherever it exists in the world - can be used for customers' benefit. But a key part of that strategy was also to develop external relationships and create partnerships where the need arose or where it was felt there would be mutual benefit. One such collaboration is with The Survey Association (SAC).

Although there are connections to SAC through Codan – RSA's operation in Denmark – dating back to 1914, GSL provides a wealth of opportunity to work more closely together and make the most of both businesses' expertise.

SAC has been prominent in Denmark for nearly 100 years and is known for being a centre of excellence in, among others, Hull & Machinery surveying, Cargo and Offshore competencies as well as Risk Assessment and Risk Management. In recent years the company has

moved into renewable energy through its work with offshore wind turbine transport and installation. Their cumulative experience is vast and their reputation in their market unsurpassed.

"We are an established and trusted company, known for being 'hands on'," says Henrik Uth, CEO of SAC. "We work incredibly hard to mitigate losses for customers in times of crisis and this means we work with most of the maritime industry in Denmark, as they know we set ourselves very high standards."

He continues: "However, we wanted to look at taking our reputation and experience to a wider market and found that our objectives for the future aligned with those of GSL, in particular to our aspirational engineering capabilities and building a comprehensive global network.

"Therefore, developing the partnership with RSA – who we have long-term dealings with through Codan – was the logical next step. There are a number of synergies that will ensure our relationship benefits from the best of each other's knowledge and ambition. At the heart of both RSA and SAC is the highest level of care in what we do. So as a business proposition, combining our skills and efforts makes a big difference to our offering."



There are also SAC developed systems which will bring intelligence to the partnership: Poseidon enables the sharing of information across any fleet and is proven to be an invaluable tool for underwriters with its database of independent information, whilst Galleon is a quality control programme which is currently being rolled out globally. It enables any survey to be accessed from anywhere in the world to ensure the benchmark is maintained on any investigation, wherever it is.

Providing bespoke solutions for customers diverse needs was a key feature of establishing GSL two years ago, so collaborating with a specialist in marine risk management makes business sense for RSA, particularly as SAC is looking to expand into new territories. The support RSA can provide during this growth is invaluable – particularly because of the Global Network.

“SAC is keen to further cement its presence in major marine hubs around the world including Singapore, Norway, Rotterdam and the Americas so it’s about working together to find the right operating model and how we can best help across these territories,” says Scott Ørmen, Nordic Director, Global Specialty Lines. “The company has a wealth of experience and

working together gives us a competitive advantage in a range of areas, plus our infrastructure provides them with much-needed framework in areas like HR, finance and legislation. Our expertise will make their transition to a global company swifter and smoother.”

“Working with SAC means we offer an end-to-end product and a very strong risk management solutions proposition,” says Richard Turner, head of Global Marine. “Most importantly, it’s about ensuring our customers have access to the best expertise in the industry and we are maximising the value we bring to them through any partnerships we enter into. We believe that working with SAC delivers on both these levels and will continue to do so into the future.”

For more information, please contact Richard Turner at richard.turner@uk.rsagroup.com or Henrik Uth at hUU@surveyassociation.com

SMALL BUT POWERFUL

Mini Global paves the way for smaller
company expansion abroad.



No size fits all when it comes to insurance and that is particularly true when you're a business with expanding interests abroad. Many customers are developing more sophisticated insurance needs than if they were purely domiciled in one country, but still don't require the complexity or level of cover that a FTSE 250 company might. Businesses recognise that there are complicating factors if they open foreign offices or partner with an overseas manufacturer, so it is essential to be compliant and meet local regulatory requirements.

To help meet the needs of businesses as they expand beyond their current UK domicile, RSA has developed the Mini Global product: a simple, cost-effective and international solution providing Property, Business Interruption and Third Party Liability cover.

"Mini Global has been launched on the back of countless discussions with brokers about the need for this type of cover," says Gary Long, Director, UK Risk Managed Business and Real Estate at RSA. "RSA is the only UK insurer to offer this product and whilst it might not be a unique offering - the current market is dominated by US carriers - we believe it's important to be offering effective security to businesses which are expanding and moving into the unknown."

Customers who are eligible for the Mini Global product must be UK domiciled with no more than 25% overseas assets/revenue (under 5% in the US) in 10 territories or fewer. There is a maximum premium of £100k per line of business. As is the case in all of RSA's Global Specialty Lines (GSL) businesses, all solutions offered will be tailored to the needs of the customer using RSA's comprehensive Global Network to access local information and legislation when required. There exists a degree of flexibility to the criteria defined above as experience shows that it is unusual for a business to fit the profile completely. Each case is assessed individually as companies may have certain strengths or needs that need to be taken into account.

During the introduction of Mini Global, a key aspect of the programme has been helping and supporting the broker community to understand where it can be of use to them.

"We have trained brokers and supported them with the product and understanding where it can be used," says Gary. "There are a number of ways to construct a global programme and we have been there to provide assistance where needed. RSA has a great reputation for technical expertise – we are compliant and careful in everything we do – so brokers trust us and are grateful for the time we've taken to talk through the new product. Ultimately, the impetus came from their feedback so we want to make sure they benefit by knowing how and where to use it.

"The response we've had has been extremely positive," he adds. "So not only have we provided a product that is needed on the market, we've further improved our relationships by introducing the right people to it. It is well-reported that there are increasing numbers of cases where businesses are being found to be tax non-compliant abroad because they don't have the right cover and programme structure during their expansion into other territories. It is in everyone's interests to work together to prevent this from happening."

Policies can be written in the UK or abroad and bought locally through brokers, pulling everything together in one placement which saves time, and cost.

"Put simply, a product like Mini Global helps brokers win or retain business, particularly where their customers are expanding into new territories," concludes Gary. "As the Mini Global product evolves, RSA will look to provide additional covers in response to broker and customer feedback. The aim is to put customers' needs at the heart of the product and we are confident that a large number of international companies will benefit from its introduction."

For more information, contact Gary Long on gary.long@uk.rsagroup.com

THINK GLOBAL MEETS

Dean Geros



Dean joined Coast Underwriters in 2003 and has held the role of Vice President since that time. Prior to working with Coast he worked at Aon in both broking and account management roles.

RSA Canada acquired Coast Underwriters Ltd 15 years ago and together, are Canada's largest marine insurer. With offices located in the key Canadian shipping centres of Vancouver, Toronto, Montreal and Halifax, Coast is complemented by RSA's extensive Canadian network of offices and some 3,700 employees.

How did you get started in the Marine business and how long have you been working within this specialism?

In the late 1990s I was working as an account executive in the non-marine sector with a mid-sized broker in Vancouver when I was approached by the marine manager at Aon about joining their team. I moved from Aon to Coast in 2003 and have been specialising in marine for 14 years.

What sort of clients do you typically deal with?

In terms of client contact typically I am involved with tug and barge owners. There is a great deal of tug and barge business in British Columbia (BC) and we are a recognised lead in the local market. As such, we have an opportunity to meet with the owners of those businesses on a fairly regular basis. And on many of those accounts we have been the lead underwriter for 20

years or more. We find that having personal relationships with the owners of these companies helps both parties through the rough patches that inevitably arise out of this challenging class of business. I also have very strong relationships with the CFO and Risk Manager of a large ferry corporation in BC – I have simply carried on this long-standing tradition at Coast, as we have participated on the account since the 1960s.

What sets Coast apart from the competition in Canada?

Coast has a wide geographic spread which gives us an advantage: we are the only Canadian marine insurer with offices in the four distinct Canadian markets – Vancouver, Toronto, Montreal and Halifax. Canada is a huge country – it is over 6,000 kilometres from Vancouver to Halifax – and as such the mix of business and expertise required to successfully write business in each market varies a great deal. The fact that we have people on the ground in those markets allows us to better understand the idiosyncrasies of each. This is more of a stretch for our competitors. Similarly, being part of the RSA group allows us to leverage expertise beyond Canadian borders – the strong international network and backbone that RSA provides contributes to our success.

I think another factor that helps us is that we have great people working at Coast. We spend time identifying the right kind of individuals and training them to be effective underwriters. There are fewer young people coming through the ranks as part of a succession programme elsewhere, so we believe that our focus on our people is a real strength.

What are the issues currently facing the Marine industry in Canada?

Most of the challenges are not unique to Marine and are by no means a surprise to anyone. Our big issues are constantly increasing competition, pressure on rates combined with rising costs – the whole expense versus revenue balancing act. Additionally there can be personnel challenges, which again is not a unique issue. We find there is a lack of qualified people able to take on intermediate and senior underwriting roles, as well as a genuine lack of young people interested in the industry. We try to address this by providing training along with providing a working environment people like.

What global issues do you see as a challenge for the Marine sector going forward?

A key global challenge has to be climate change; weather patterns are changing and catastrophic events are seemingly becoming more frequent and more severe. This obviously has a potential to create large losses in our field and the ability to predict what the next change or event might be is basically impossible.

An example of how climate change affects marine insurers in Canada is the receding polar ice cap. Less ice in the Arctic means that the operating season up there is now longer than it was even five years ago – by a factor of 25 or 30%. The issue is less about operating in the Arctic for longer and more about when those vessels are returning from northern to southern Canadian waters. As the operating season extends further into our

autumn, we see vessels returning south much later. The Bering Sea and Gulf of Alaska get pretty rough as winter approaches and it is going to take us some time to figure out just what the effect of being in those waters at that time has on claims.

Other challenges come with the huge areas of growth across developing countries and continents – South and Central America in particular. This is of course a huge opportunity for insuring cargo and project cargo but the challenge is doing business in an environment that is so different from a Canadian one. We are dealing with developing countries with varying geographic, political and socio-economic issues. We want to take advantage of the opportunities that are available in those places but the challenge is to manage the downside. This is where RSA's global reach can be a big help as we can access human and other resources which will help us to manage the risks we do take and avoid the ones we should not.

What is the single most important principle within Marine?

The same principal as every other discipline of insurance – make an underwriting profit.

What is the best piece of advice you've ever been given?

Be effective. If you are effective, you will see business from brokers and you will write more than your fair share of it.

FIFTY YEARS YOUNG

Airmic celebrates a milestone anniversary in 2013

Fifty is an impressive milestone on any journey and this year it's Airmic's turn to reach its half century. Airmic has been the UK trade association for risk managers and insurance buyers since 1963. It now has more than 1,000 individual members representing around 450 companies and exercises significant influence over the insurance landscape.

RSA strengthened its partnership with Airmic in 2004 although the two organisations have worked together since its launch. We share a passion for innovation and progress, and organise – along with 16 other partner companies – a programme of activities throughout the year for members.

Airmic's activities range from research, training, networking and lobbying to the collation of market information. There are more than 50 events a year and a showpiece annual conference attended by 800 delegates. RSA contributes to educational and technical seminars, training academies, discussion papers and debates as well as exhibiting at the conference, which this year is in Brighton.

The conference will celebrate Airmic's heritage but will also focus on what lies ahead. RSA is always keen to ensure the activities offered at the conference are timely and relevant to the audience and this year our workshop will centre on the current economic climate: "Risk Management in the recession: How do you keep your CEO and your insurers happy at the same time?"

"Airmic has arrived at its 50th anniversary in better shape than at any time in our history," says John Hurrell, Chief Executive of Airmic. "We enjoy record attendance at our conference, Airmic Academy workshops and our annual dinner. On top of that we have the most extensive and technical programme ever. This is made possible by the terrific support we receive from partners such as RSA."

"Airmic is an integral part of our insurance sector and our partnership with them is built on strong foundation of mutual respect and a desire to keep the industry moving forward," comments Paul Greensmith, Director, Global Risk Managed Business. "This year's conference is set to be the best subscribed so far, providing thought-provoking content and debate for the industry and we look forward to welcoming delegates to our RSA stand."

To register for the workshop and for more information on the conference please visit www.airmic.com

For more information on RSA's partnership with Airmic, please contact Paul Greensmith at paul.greensmith@uk.rsagroup.com or Nick Donovan at nick.a.donovan@uk.rsagroup.com



