

## **COMMUNICATION IN INSURANCE FIELD**

It is often very complex for people in our business to initiate and favorably conclude negotiations either during insurance renewal periods or discussing over payment of premium installments due, especially when freight market is not favorable to owners, or considering the implications of the terms and conditions of an insurance contract in case of claims or arguing about important issues concerning insurance field. Many in the insurance business conceive the aspects of communication as not easy with either owners or insurers or colleagues abroad and often principals and standards such as professionalism, efficiency, capacity, ability and others, are used for a non desirable result.

We may all have heard or read lately various articles published regarding changes in big insurance companies and well known people in the various markets have decided to begin new careers, some for better enforcement of the markets based on their skills and experience and others for, possibly, better clients' service. One aspect is important, to my view, to preserve the relationships, to keep the interest alive and serve this business which stands for many many years as one of the most essential parts of this country's economy. Difficult conversations take place all the time but indentifying the benefits of joint action from all of us leaving and working in this country may generate creative possibilities and establish interests which move towards best service.

We again run through another renewal P&I period and all Clubs have announced their general increases based on their reserves, performance of members, Pool claims etc. This period starts with exhausting preparation by marine insurance brokers to re-establish the appropriate trust between the owners and insurers based on discussions, understanding of records, negotiating the estimates and loss ratio and exploring the abilities to the lowest increase for clients for next cover period. One aspect though which has to remain unbroken following all these steps is to safeguard the market in Greece and protect the interests. One of the strongest and healthier sectors in Greece should maintain the position it has earned globally and we have a serious task to shield this based on our own efforts and work. We have seen general interest in shipping moving to Far East countries and this should alert us in Greek broking business to communicate, cooperate and combine forces in marine insurance in Greece to continue the tradition of shipping in Piraeus and communication is our major task.

The difficult conversations, as referred above, include hull prices and P&I rates, as well as War and LOH, however in view of low hull prices and increased P&I rates, what is really most important for Greek ship owners? How can the latter look after his best interest with best price? And more important will he be able to overcome his difficulties when the year is ending with a loss in his record? Clubs announce their GI based on their financial performance through the year, including exposures, Pool Claims and rising costs, calculation of assets over liabilities for closed years and projected claims resulting in release calls. Premium requirements therefore were always a headache to the owner as well as the insurance broker and the discussions around reinsurance cost and deductibles are really

impressive in the sense that both owners and Clubs talk over charges which are separately than GI calculated however finally imposed to owner. All these are not very welcomed to any shipowner especially when market continues to straggle and one wonders "what else do the Clubs need to satisfy their financials? What exactly can the brokers protect in this business? And if all Clubs' years are improving by comparison to previous year what is the purpose for announcing another GI percentage?"

It is true that difficult conversations and negotiations are uncontrollable but this time of each year I wonder if any outcome keeps parties happy.