Anti-Trust Statement

At the opening of the meeting the IMIA Chairman Neil Clutterbuck referred to the IMIA anti-trust rules to be adhered to. Details of the statement are part of the IMIA Constitution.

Participation

90 delegates from 25 countries (Insurance Associations, Insurers, Reinsurers and Associate Members) attended this conference. This year we enjoyed a new record of attendance (compared with 74 last year). The number of new IMIA Members has again increased. There were now delegates also from Norway and Azerbaijan. On the Tuesday an additional 35 guests from the German market were invited to attend the presentations of that day.

This year’s President of the conference was Dr. Markus Hofmann, Chairman of the host, GDV Engineering Insurance Commission, Member of the Board of AXA Insurance Germany.

Chairman’s Address and Current Business

Neil Clutterbuck welcomed all delegates and guests and expressed IMIA’s thanks to the President and the hosting German Insurance Association for the excellent preparation of the conference and associated programme. He also thanked all who had contributed to the work of IMIA during the course of the year. The efforts were much appreciated. He welcomed also the 28 newcomers to this year’s conference.

He reported specifically on
- The work that IMIA has undertaken.
- The Engineering Insurance sector and the economic situation.
- How IMIA can help support the demands of the Engineering Insurance market.

A vital aspect was given to the current level of publicity IMIA maintains and is planning on increasing by the publication of additional IMIA papers and articles. In order to keep the information in the IMIA News sheet interesting, it requires good contributions from IMIA Members. Ten interesting articles of past News sheets were enlarged and displayed for delegates to vote for their favourite and to honour the producer of the article with the highest votes.

Later on Wednesday, Richard Radevsky introduced a poster that Delegates can use to invite colleagues to seek examples of interesting claims cases and also proposed a photography competition for contribution of good pictures of interesting risks or machinery of losses.
Neil Clutterbuck then gave a brief summary of conclusions taken from the National Reports of the member countries. Neil also referred to the IMIA statistics and the need for proper analysis of premiums and losses of the members’ business. In conclusion Neil highlighted the role of IMIA in the Engineering Insurance community.

Changes in the Executive Committee

Richard Radevsky, Charles Taylor Adjusters, was elected new EC Member, and the period of service extended for Hans Pöttker and Volkan Babür whose service would have expired in 2010. With these elections the EC comprises: Neil Clutterbuck (Chairman), Hans Pöttker, Oscar Treceno, Emanuel Baltis, Volkan Babür, Christoph Hoch, Mike Petruzzello, Richard Radevsky and Utz Groetschel (Secretary).

Financial Report for 2009

The financial report was presented by Oscar Treceno. The position compared with 2008 is further improved, despite the reduction of fees in 2009, due to the greater number of members and delegates paying fees. Expenditures however have also increased due to cost trends, especially for conferences, the Secretariat, and for additional features introduced in the conference and IMIA Website.

IMIA Statistics 2009 (Premiums and Claims)

Hans Poettker of Allianz - AGCS presented the Engineering Premiums and Claims statistics and explained the figures. He also appealed to the Country Delegates to try and improve the data in future in respect of completeness, details and proper split into the lines of business of Engineering insurance.

National Reports and Highlights of National Reports from Three Countries

The National Reports prepared for mutual information of the IMIA Members before the conference had been analysed and were referred to by Neil Clutterbuck in his address on current business.

The “Highlights of National Reports” presented in Berlin were from following three countries:
- India by Amitava Sarkar of New India
- Taiwan by John Wu, Engineering Insurance Association and
- Brazil by Silvio Steinberg, Allianz Brazil.

Whereas most countries have seen the influence of the recession on the performance of their business, India and also Taiwan had experienced a much better development. Most countries had comparatively low costs of claims mainly because of moderate Cat losses compared to 2007/2008 levels, however India had a number of very high EAR losses and Taiwan suffered heavily from the Typhoon Morakot last year.

For next year three other member countries agreed to present their highlight presentations. They are Denmark, Italy and Japan.
Presentation “How the local Market works – Germany”

Dr. Markus Hofmann showed the German market features in his presentation. The German insurance market recovered from the effects of the financial crisis fairly quickly which would be due to a great extent to the booming wind energy sector. An interesting note was the excellent position of the German insurance industry in international comparison. The Loss ratio stays at an unsatisfactory high level of 75%.

Working Group Papers - Presentations 2010

Construction of Petrochemical, Oil & Gas Processing Plants
IMIA-WGP 65 (10)

This paper was presented by Tim Cook, Allianz UK. This paper attempts to provide the reader with a better appreciation of the technology and the risks involved and the importance of a professional risk analysis of these exposures. For details see the WG paper and copy of the presentation on the IMIA website (Members’ Area – Information on past conferences).

Engineering Insurance: Inland Transit Coverage
IMIA-WGP 66 (10)

This paper was presented by Max Benz, XL Group, Zürich. The paper provides an overview of some specific differences between marine cargo and inland transit coverage. For details see the WG paper and copy of the presentation on the IMIA website (Members’ Area – Information on past conferences).

Fast Developing Technology - Underwriting and Claims Issues
IMIA-WGP 67 (10)

This paper was presented by Richard Radevsky, Charles Taylor Adjusting. Successful underwriting requires a high level of understanding of the technology to be insured and special measures are needed for fast developing technologies where up to date information is particularly important. For details see the WG paper and copy of the presentation on the IMIA website (Members’ Area – Information on past conferences).

Project Insurance Involving Second Hand Plant and Machinery
IMIA-WGP 68 (10)

This paper was presented by Mike Robertson, Liberty International, UK. The paper seeks to provide guidance on the key issues involved, includes loss examples and an overview of ‘lessons learned’. For details see the WG paper and copy of the presentation on the IMIA website (Members’ Area – Information on past conferences).
Construction of Transmission and Distribution Lines
IMIA-WGP 69 (10)

This paper was presented by Eric Brault, AXA Corporate Solutions. In this document the different Insurance aspects concerning design and construction of T&D lines are laid out. For details see the WG paper and copy of the presentation on the IMIA website (Members’ Area – Information on past conferences).

Special additional presentations

Engineering Insurance – the Enabler of Innovative Solutions for the Management of Climate Change

On Monday evening a speech was given by Prof. Dr. Peter Hoepppe, Head of Geo Risks Research/Corporate Climate Centre of Munich Re. This was made possible by Munich Re sponsoring this evening event. The presentation gave a detailed insight into climate change, how human actions have a substantial influence on this development and measures that should be taken to counteract CO₂ emission. He also referred to the Desertec solar energy project in which Munich Re has become involved.

Cologne’s Tunnel Tube Disaster (03.03.2009)

This interesting loss was presented by Karl-Christian Hertenberger and Jens Manderfeld, both HDI-Gerling. The presentation explained the technical issues of how this accident happened. For details see the presentation on the IMIA website (Library – Guest Presentations).

Renewable Energies and German Engineering Insurance

Manfred Schäfer, HSB insurance, presented a very topical summary on Renewable Energies. He concluded with the reference to the quite comprehensive book of Renewable Energies published by the members of the German insurance association GDV. An English translation was handed out to all participants.

The Challenges of Managing Engineering Risk in a Power Generation Company and the Role of Insurance

Kevin Nix, Managing Director of Asset Operations and Technology of RWEnpower presented this paper which detailed the risks power generation companies face, how they evaluate their importance and what techniques they employ to mitigate those risks. For details see the presentation on the IMIA website (Library – Guest Presentations).
London Engineering Group LEG

Darren Smart of Liberty Mutual gave a brief overview of what LEG does and the present topics on which they are working. LEG is a consultative body for Insurers and Reinsurers in the London Engineering Market, discussing issues of interest or concern and provides a forum for presentations by members and third parties. For details see the presentation on the IMIA website (Library – Guest Presentations).

Panel Discussion: Sustaining the Lifeblood of the Engineering Insurance - An Impossible Task?

This Panel Discussion was the first at an IMIA meeting. This was facilitated by Neil Clutterbuck, and the participants were John Forder, (Willis), Oscar Treceno (Nationale Suisse), Kevin Nix (RWEnpower) and Hans Pöttker, (Allianz). The topic the panel highlighted was the challenges Engineering Insurers face in the technology driven market, the expertise required, the ongoing loss of business to Property covers and what Engineering Insurers can do to counteract. The panel discussion continued with involvement of Delegates’ questions, comments and suggestions.

New Working Group Topics – 2011

From the suggestions of topics collected from Delegates last year, five were selected by the EC as the most interesting, although, when they were setting up the working groups, one topic (Effects and risks resulting from solar storms) did not get the support expected and only four topics were followed up. The topics for 2011 and the names of the group members who agreed to chair the groups are:

- Construction and Operational Covers for Photovoltaic Parks
  IMIA-WGP 70(11)
  Chairman: Stephan Lämmle (Munich Re)

- Jurisdiction of Engineering Insurance Policies - The Underestimated Risk
  IMIA-WGP 71 (11)
  Chairman: Detmar Heidenhain (Consultant, ex Munich Re)

- CECR - Specifics of Cover and Experience Made
  IMIA-WGP 72(11)
  Chairman: Thomas Gebert (Infrassure)

- Reserving (IBNR etc.) - How to Correctly Reserve an Engineering Insurance Portfolio with Specific Characteristics (MB, CAR, EAR, durations, type of cover, loss ratio etc.)
  IMIA-WGP 73(11)
  Chairman: Jürg Buff (Partner Re)
Breakout Sessions at Berlin conference

As in previous years informal 'break out' groups were set up to discuss five selected topics at the conference and share their experiences with their fellow delegates.

These informal discussions were very active and productive. Detail below:

1. How to Consider Requests for Long Maintenance Periods, 2 to 5 years for CAR/EAR business.

2. Sue and Labour: If accepted under which conditions? Risks involved, suitable wordings (importance of imminent), limits, Cat Nat vs technical risks considerations.


4. Large Dams: a lot of attention is given to this project segment; could IMIA contribute to increase transparency and governance by supporting the Ecuador principles for example; or any other valid standards?

5. Why All Risk Covers for MB driven risks like Power Generation, Steel or Cement industries should be underwritten in Engineering.

The results of these discussions were recorded on laptops and presented to all, and the summaries distributed to the Delegates.

IMIA Website

Utz Groetschel briefly reported on the development on the IMIA website and what new documents and papers were added to the Library. Again, over the past year the EC noted a further enjoyable increase in the number of visitors of our website. This was demonstrated by a graph showing the continuously increasing number of visits and documents downloaded.

Chairmen’s Closing Speech

Neil Clutterbuck thanked all for the successful performance of the conference. He reminded Members to promote the messages emanating from the conference within their companies and the market place and expressed the hope that IMIA becomes an even more active association.

General Comment on the Conference

The evaluation sheets collected from attendees and comments expressed by Delegates confirm that this conference was again an excellent one. The individual comments and suggestions will be evaluated and conclusions drawn at the next EC meeting in December.

The conference next year will be held in Amsterdam, the Netherlands from 17th to 21st Sep. 2011.

Enclosure: List of Participants
CONFERENCE PARTICIPANTS - 2010
Berlin, Germany

Participant
Markus HOFMANN President

EXECUTIVE COMMITTEE
Neil CLUTTERBUCK Chairman
Volkan BABÜR EC Member
Emanuel BALTIS EC Member
Christoph HOCH EC Member
Mike PETRUZZELLO EC Member
Hans PÖTTKER EC Member
Richard RADEVSKY EC Member
Oscar TRECENO EC Member
Utz GROETSCHEL Secretariat

ASSOCIATIONS
Brad DALTON AUSTRALIA
Peter KÖNIGSBERGER AUSTRIA
Silvio STEINBERG BRAZIL
John MULVIHILL CANADA
Brian STOREY CANADA
Hans SCHOLS CANADA
Niels KRAGELUND DENMARK
Thomas ÅSTROM FINLAND
Jukka FORSSÉN FINLAND
Eric BRAULT FRANCE
Thierry PORTEVIN FRANCE
Frank THYROLF GERMANY
Karl-Christian HERTENBERGER GERMANY
Friedrich SCHOLZ GERMANY
Stephanie WATKINS GREAT BRITAIN
Thomas HOWE GREAT BRITAIN
Mike SPENCER GREAT BRITAIN
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Hari RADHAKRISHNAN INDIA
K.P. ALEXANDER INDIA
Yogesh MESHRAM INDIA
Maurizio COLAUTTI ITALY
Silvano BONELLI ITALY
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<td>JAPAN</td>
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<td>Masashi NAKAGAWA</td>
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<td>Gunthard NIEDERBÄUMER</td>
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<td>John WU</td>
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<td>Mehmet KALKAVAN</td>
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**INSURERS**

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<td>Kurt EICHENBERGER</td>
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<td>Alessandro STOLFA</td>
<td>Generali Global</td>
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**REINSURERS**

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<td>Tony BUCKLE</td>
<td>Swiss Re</td>
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Gero STENZEL
Hans GUILLOT
Federico PEREIRA
Peter TAILBY
Andy HOTTINGER
Alain FAVRE

Gen Re
Scor
Partner Re
Partner Re
Hannover Re
Hannover Re
ACR Retakaful
AXIS Re
AXIS Re

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