

Annex 4

The President's Closing Remarks

Wednesday, 15th September 2010

Ladies and Gentlemen,

At our meeting in Bruges, just one year ago, I was pleased to observe that although global trade continued its steep decline, there were hopeful signs of a recovery. Early this year, that recovery appeared to be taking hold. By spring, the sovereign debt crisis among some European nations had changed the economic mood for the worse.

By early summer that crisis appeared to pass and financial markets recovered. By late summer, growth slowed, optimism soured and talk of a double-dip recession emerged or, at the very least, a much slower and prolonged recovery than forecast.

The "unusual uncertainty" that defines the current state of the global economy and international trade has been expertly outlined, explored and discussed over the course of the last three days enabling all of us to get a clearer vision of the challenges we face as we enter this new decade.

Unlike underwriters who operate in a defined geographic area or provide insurance for risks that are stationary, marine professionals operate on a worldwide basis and every blip in the global economy, every uncertainty in international trade and every flash point on the geopolitical landscape has the potential to dramatically impact our business today and in the future.

So, where do we actually stand as this conference concludes? The honest answer -- no one knows! And I have concluded that it shouldn't matter. I don't want to diminish the impact the global economy has on world trade and, of course, on marine insurers. The financial crisis has affected different nations in different ways and, as a result, trade patterns and, consequently the shipping industry have been affected significantly. Just try following the bouncing ball known as the Baltic Dry Index.

But my concern is that we should not allow ourselves to believe we are totally captive to forces beyond our control -- be they the gyrations of the global economy, earthquakes in Chile and Haiti, a volcanic eruption in Iceland, an oil rig disaster in the Gulf of Mexico or wildfires in Russia.

Our business would not exist without a world that is "unusually uncertain." But as marine underwriters, we not only confront uncertainty we assess it, we manage it and if done skillfully we profit from it. We must understand what is now called "the new normal" of slower economic growth, new patterns of global trade and the state of the world's merchant fleet.

We must continually address concerns about ship safety and piracy and stay abreast of new concerns -- deepwater drilling, slow steaming, offshore wind farms and the impact of inflation on repair costs.

And each of us must underwrite and price our products with care, prudence and professionalism in a global insurance marketplace that today, at least, has more than ample capacity.

What this organization does on a global and industry wide scale is what your national associations and individual companies do every day: provide the essential informational and educational tools that marine insurance professionals require to excel in a world of unusual uncertainty.

As the history of our organization clearly highlights the individuals who founded our Union over 136 years ago understood this and while largely based in central Europe at the time recognized the need to design cross-frontier activities and knowledge. In fact our organization's name was unanimously agreed upon at the organization's inaugural meeting in order to clearly manifest IUMI's character as an association of members from different countries to represent, to defend and to promote the interests of marine insurance.

Our organization has continued to grow and change over the last 136 years to keep pace with changes in the global economy, advances in international shipping and changes in insurance. When I was elected to the role of President of IUMI four years ago in Tokyo we agreed that the pace of organizational change required needed to accelerate to stay abreast with a 24/7 global business environment. With your support and the tireless efforts of the Technical and Executive Committees I am pleased to report that we have made great strides in the achievement of our organizational goals.

In order to broaden our knowledge base we have expanded our membership ranks and now have marine professionals from 55 countries around the world and continue to actively work with markets in Asia, the Middle East and Latin American to develop additional members. For as we have seen, these are the market powerhouses of the future and IUMI needs members on the ground around the world in order to be most effective. In addition we have successfully reached out to the next generation of marine professionals and now routinely attract 100 plus first-time attendees (roughly 20% of those attending our conference) to our annual meeting every year.

IUMI has also opened its doors to a new category of members – our IPP's (IUMI Professional Partners). This new category includes law firms, surveying/adjusting firms and business intelligence and software providers. All of our new members increase our knowledge and skill base and enhance our organization's value and influence in the international maritime community.

IUMI also recognized that there was power in numbers and now has over a dozen important affiliated members who regularly attend our annual meetings and with whom we work to jointly identify issues of common interest and concern. In just the past several months we have worked with Intertanko to support an important drive against criminalization of seafarers, with IACS on the Quality Management System Certification Scheme, we have provided input on the new Lloyds Open Form and the Incoterms 2011 and supported the drive led by member associations to mitigate the adverse effects of the new Sulphur Directive as well as a directive which would make co-insurance virtually impossible.

We have also co-sponsored ITF's drive against Piracy – this resulted in a petition with more than 200,000 supporters' signatures calling upon governments to put a halt to the threat of piracy, not only in Somalia and the Gulf of Aden, but everywhere it occurs.

The International Maritime Organization, the United Nations agency, is the international platform for maritime issues and IUMI now has individuals who represents our interest at the IMO and who spent over 50 days last year attending important IMO meetings.

IUMI also recognized that we needed a globally accessible platform to showcase our specialized knowledge and provide metrics on the shipping industry and marine insurance. The IUMI website we introduced in 2007 has given us that ability and is now routinely visited by underwriters, brokers -- as you saw in Mr. DeMotta's presentation -- clients and the media to research topics of interest and access IUMI's important statistical information prepared and updated by the Facts and Figures Committee. Today IUMI information is available on our website, through the global media and via presentations at industry events all over the world throughout the year.

Our success on the international stage in the areas of lobbying, education and membership has not been by accident rather, given our limited resources, our organizational initiatives were strategically developed and implemented over the course of the last few years to increase the importance and value of IUMI to you, our members.

And while we can be proud of all that has been accomplished over the last four years, the secret of our Union's success over the last 136 years has been its ability to grow and continually reinvent itself in order to meet the needs and challenges of each new decade and each new generation of marine underwriter.

Somewhat surprisingly the current structure of IUMI has existed, virtually unchanged, since just after World War II -- almost 65 years. Despite its unchanged structure and largely volunteer army IUMI has somehow managed to successfully identify and expand its core competencies and global influence. However I believe IUMI is now at a crossroad as the current structure places boundaries on the quantum of future products and services that IUMI will be able to provide to its members and to the global maritime community. It can continue on its current path and struggle to provide members with a similar level of products and services in the future or it can once again reexamine its position and structure in a rapidly changing world and begin to design the "IUMI of the future," a leading international trade association that will support the marine insurance community and its partners in the global supply chain for the next 136 years.

Ladies and gentlemen, with your continued strong support and the market knowledge and exceptional leadership skill of our incoming president and members of the Executive Committee I am confident that IUMI will be able to skillfully reinvent itself in order to continually grow in size, scope and influence and successfully handle the challenge of each new decade -- thank you!

As we draw near the end of our program it is always a pleasure for me to thank all of those who have served IUMI with great distinction.

I would like to begin by thanking our Secretary General, Mr. Fritz Stabinger. Since taking on the role of Secretary General in 2002, I have had the opportunity to work closely with Fritz and I can honestly say I know of no one who can match the level of dedication and love of marine insurance that Fritz displays in everything that he does for IUMI. Fritz's in-depth knowledge of our market and global network of supporters enables him to successfully navigate the cultural, political and technical intricacies that are so crucial to the seamless operation of our international association. Fritz's expertise and management skills enable him to: efficiently organize all of our meetings throughout the year, provide guidance and support to new

members of the Technical and Executive Committees and skillfully represent IUMI on the global stage. Please join me in a round of applause to recognize and thank Fritz for all that he does on our behalf.