

President, ladies and gentlemen, dear colleagues

On behalf of UNESPA – THE SPANISH INSURERS ASSOCIATION -/ and as Chairman of its TRANSPORT COMMITTEE – I feel honoured to wish you a very hearty welcome, in particular to those of you that travelled a long way to be in Sevilla.

Our choice of this city for this year's venue is significant, because even if it is 52 miles away from the sea, it has a long tradition with marine and inland navigation and also because it is a well known melting pot, where most probably already the Phoenician merchants had a settlement, for their traffic, half way between the Bay of Cádiz and Cordoba . Later it was invaded, or rather visited, by the Greeks, the Romans (Hispalis), the Goths and the Moors that named it Ishbiliah,(whence Sibilía and Sevilla). And although some of these references are remote, so are its first archaeological remains (the Carambolo treasure)

Of its pre-Roman history little is known, but Julius Caesar patronised Sevilla, 40 years BC, and, whilst you wander through its streets, you can appreciate how all its invading visitors contributed to build up the city. The Goths made it their capital until the sixth century, when Leovigild removed the court to Toledo and, in their times, Archbishop Saint Isidoro contributed, from Sevilla, to unify the peninsula .

The Mahomedans, that in 711, conquered the Peninsula, stayed in Sevilla that, from 756 until 1031, depended from the Kalifate of Córdoba (then a leading centre of power and a cultural hub).When its splendour was overturned, a successive set of kings and sheiks, did not stand the strength of the Castillian siege and the city surrendered in 1248 to Saint Ferdinand, that made it the capital.

At the time the “ATARAZANAS” were involved, a few blocks from this Room, in shipbuilding whilst, most probably, local seamen and merchants shared between themselves their hull and cargo risks, because of the restrictions in force that affected financial business transactions.

Also, the coat of arms granted to the city, still shows NO8DO as a motto, abbreviating “NO-M’HA DEXA-Do” (it has not deserted me). Curiously it reproduces the old phoenician merchant mark, the Nodus Herculis, used to guarantee the genuineness of the contents of every bale.

A similar importance could be given to our QUALITY standards. Because these are closely connected with the adequacy of exposures to assets, only feasible if premiums are based on statistics. And, also to our determination to improve SAFETY standards, a task in which we should be proactive by means of really strict risk assessment. In this manner PROFITABILITY will be achieved for investors and reinsurers. Provided, of course, we have a real determination for

our VOYAGE and avoid the usual deviations from our good intentions in these fora.

But Sevilla's splendour came when, soon after 1492, it was given the control of the majority of the traffic to the newly discovered territories, through the "CASA DE CONTRATACION", and became the residence of local and foreign merchants (some already involved in insurance).

This control was mostly exerted for cargo coming from the New World, and not so much for shipments to these territories. For instance from 1504 to 1650:

- 10.635 vessels sailed from Sevilla and Sanlúcar to the West Indies with some 2.166.700 tonnes of wheat, olive oil, earthenware, fabrics, ironmongerie, spirits, etc.;

- and 7.332 returned with 1.613.400 of: precious metals (75 to 95% of the total – the so called "ORO DE LAS INDIAS"- gold from the Indies- that often ended with local and foreign lenders financing military expeditions), sugar, leather, cochineal, indigo, cocoa, tallow, sarsaparilla ,etc.

Marine insurance was in those days transacted orally, rather than by means of written documents, the commitments being kept by underwriters in their books. Rates for passages to and from the West Indies were up to 30% of the sum insured, and of course were considered speculative (previously rates had fluctuated in the XIVth Century between 5% and 10%).

But the Ordinance of the Consulado – a sort of maritime and commercial court – of Sevilla, was promulgated in 1556 to regulate insurance and to refer disputes to "the friendly and quick out of court settlement by the "Consules"- . It provided for separated hull and cargo policies, maximum insurance value of the vessels (at two thirds of their value or only at their hull value), notice of claim (within two years from the signature of the policy) and policy forms to be used with differentiated wordings for passages to and from West Indies.

The nucleus moved to Sanlúcar de Barrameda – at the mouth of the Guadalquivir - and to Cádiz, in the XVIIth and the XVIIIth centuries, when the traffic with América was materially effected at the Bay of Cádiz. A new "Casa de Contratación", the Consulate of Merchants or the House of the Major Five Guilds still testify those days. Another example, in the XVIIth century Cádiz alone had some fifty four insurance companies, whose number was substantially reduced at the end of the century, may be due to a recession in the area (that some attribute to court and war expenses and others relate to poor harvesting and climatic deterioration).

Nevertheless, Sevilla resisted its decline and the impact of political and social changes in the XVIIIth and XIXth centuries, thanks to a charm and beauty that exceed description and that has always attracted visitors whose fascination, resulted in works as those of Bizet, Byron, Irving, Mozart or Rossini.

At the end of the XVIIIth century, although bottomry-bonds were still in practice, some 100 insurance companies were issuing marine policies in Barcelona, Bilbao, Coruña, Málaga, Madrid and Santander , with corporate structures, capital and rates adjusted to the exposures and risks. Later in 1885 our Code of Commerce was promulgated– and is still in force –, regulating marine insurance for hull, cargo and liability.

Sevilla in the XXth century was remodelled and replanned, keeping quite intact its charm apparent in its monuments and in the streets of the old central areas of the town, gradually becoming over the last decade what it is today.

Our domestic Market's "Comité de Transportes" already in 1927, gathered regularly and under its auspices, the Spanish General Conditions for "Buques" (vessels) and "Mercancías" (cargoes) were prepared in 1934, following closely our Code of Commerce and the then prevailing London Hull and Cargo Clauses, in a wording that was approved by our Insurance Control Authorities.

In 1939, just after the Spanish Civil War, on the eve of World War II, our Spanish Market had five IUMI member-companies, of which "Banco Vitalicio" still has a relevant position in UNESPA, the other four having amalgamated with other companies through mergers and acquisitions. After W.W.II, when IUMI was reorganized to be based on National Underwriters' Associations, our Market's membership passed to the "Comité de Transportes", and in St. Moritz, in 1952, and in San Sebastian, in 1953, the real work of IUMI was reassumed, once the main restructuring problems had been solved.

Sevilla, in our global era, has communications that link its region by motorways with all the peninsula and the European network. The Guadalquivir has been consolidated for the access of larger vessels. Some of these works continue in progress , with a further new lock (of 250 metres length and 35 metres width being built), and the channel depth is being increased (from 6,5 metres to 8 metres), by means of investments that in 2001-2002 exceeded 120 million euros to attract new industries and increase the present activities.

Against this background and as hosts, we trust that you will be able to develop successfully our AGM Agenda and, at the same time, enjoy the charm and the mixture of light, shadow, aroma and colour offered by Sevilla .

8.IX.2003