





Energy and Offshore Committee

Dominick Hoare



Energy and Offshore Committee Membership

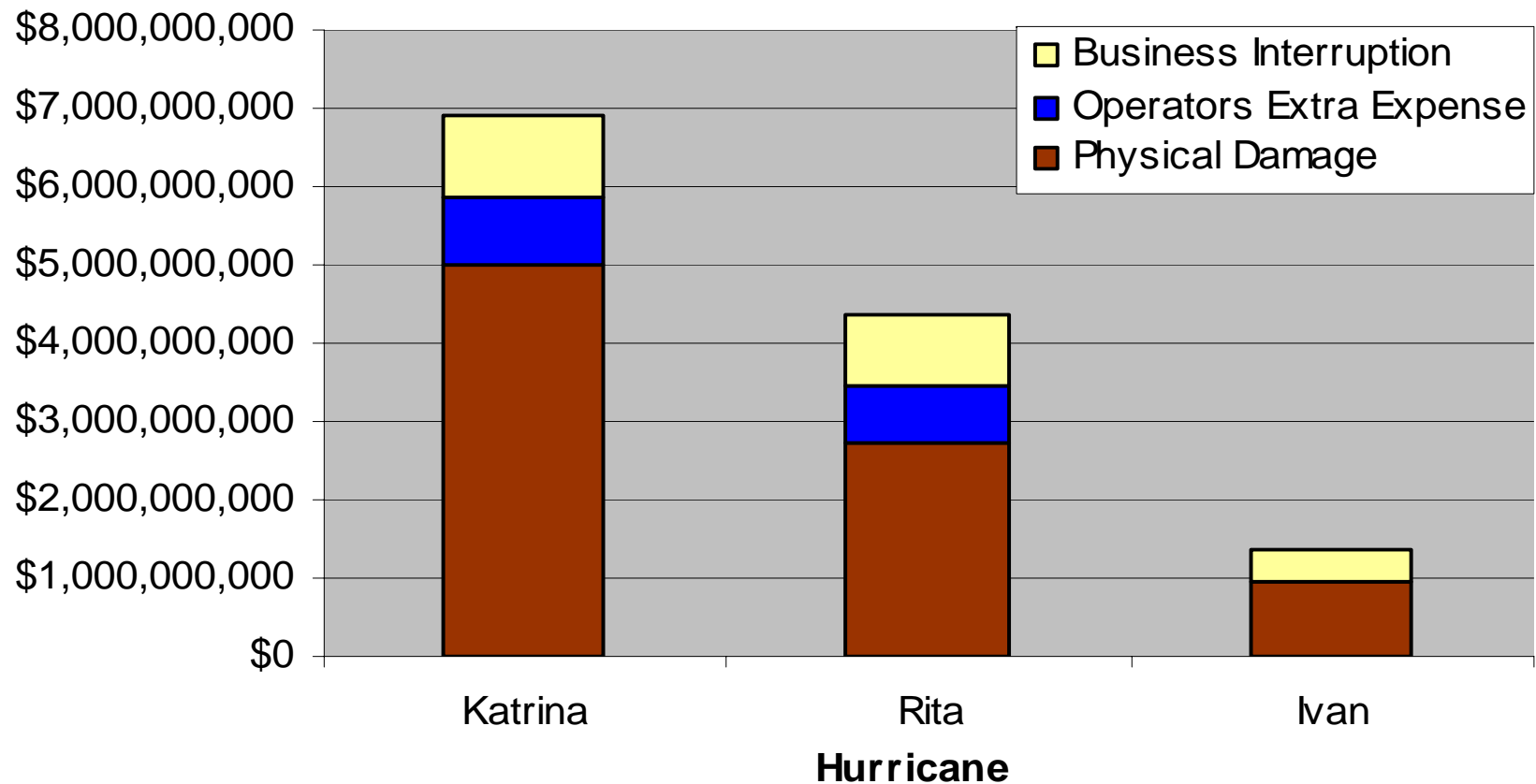
- Dominick Hoare (Chairman) Watkins, UK
- Frank Costa (Vice Chairman) AIG, USA
- David Cooper Gard, Norway
- Yoshihiro Tsuchiya MSI, Japan
- Philippe Vivares Axa, France
- Simon Williams Hiscox, UK
- Len Messenger (EC Liaison) Zurich, UK
- Neil Smith (Secretary) LMA, UK

Offshore Energy Insurance Market Overview

- 2004/2005 Hurricanes
- 2005 Account Devastation
- Restructuring of Gulf of Mexico Product
- Worldwide Market Rises
- Claims Inflation

Hurricane Loss Analysis

Hurricanes Katrina, Rita & Ivan: Estimated Offshore Industry Loss

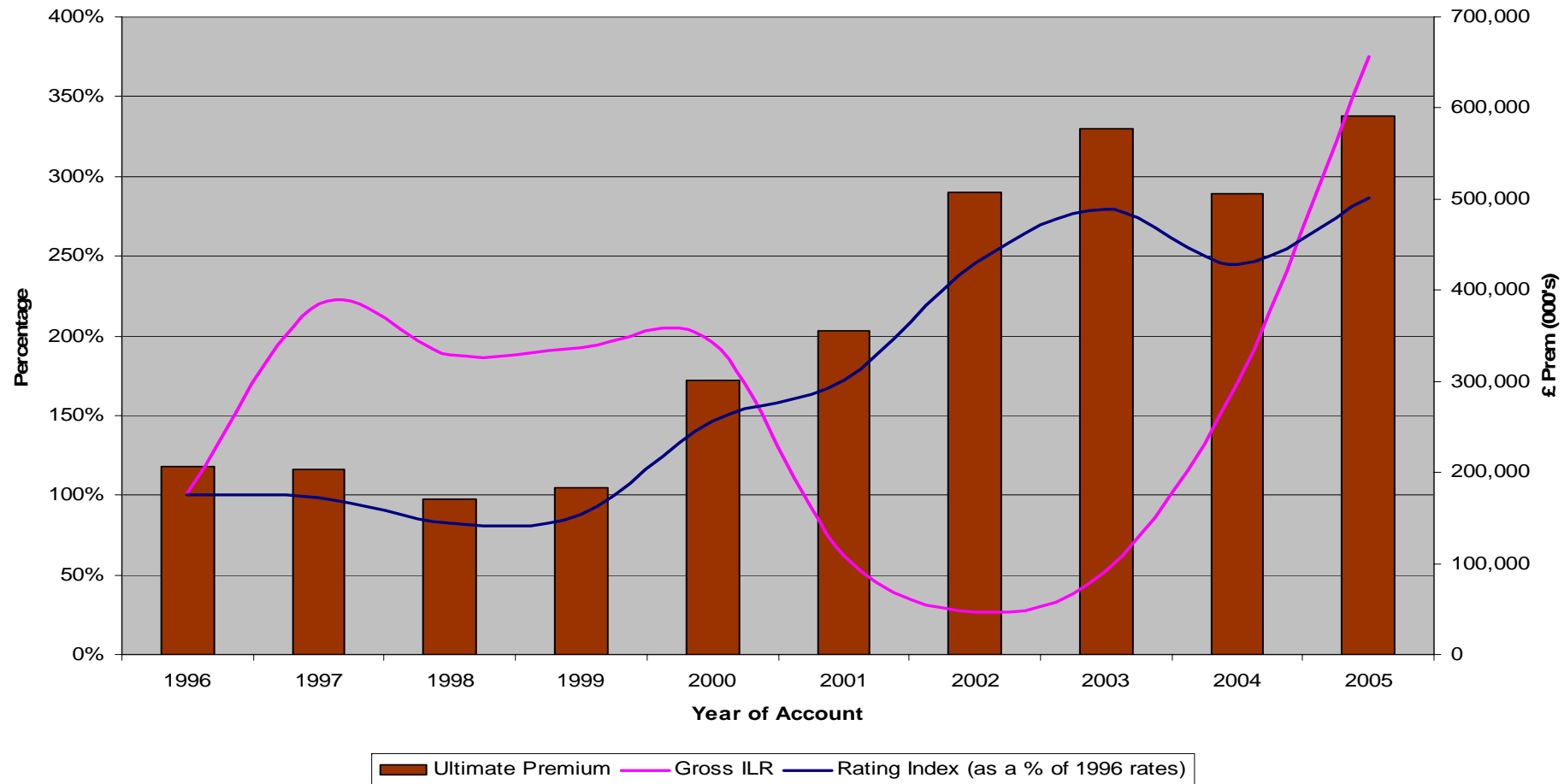


Source: Willis Loss Database, August 2006.

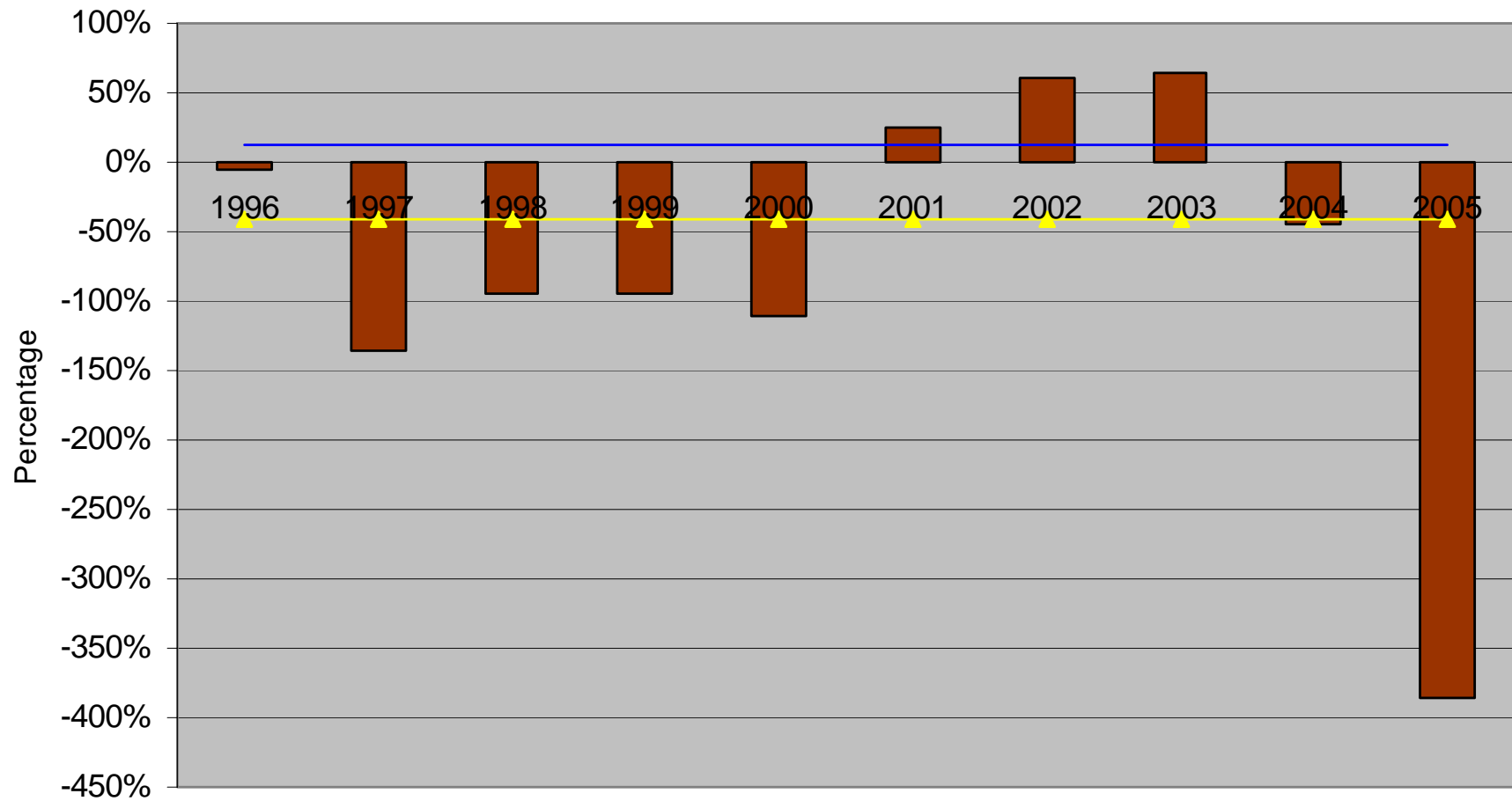
Energy Lloyd's Market Statistics 1996-2005



Lloyd's Offshore Physical Damage / Control of Well Results



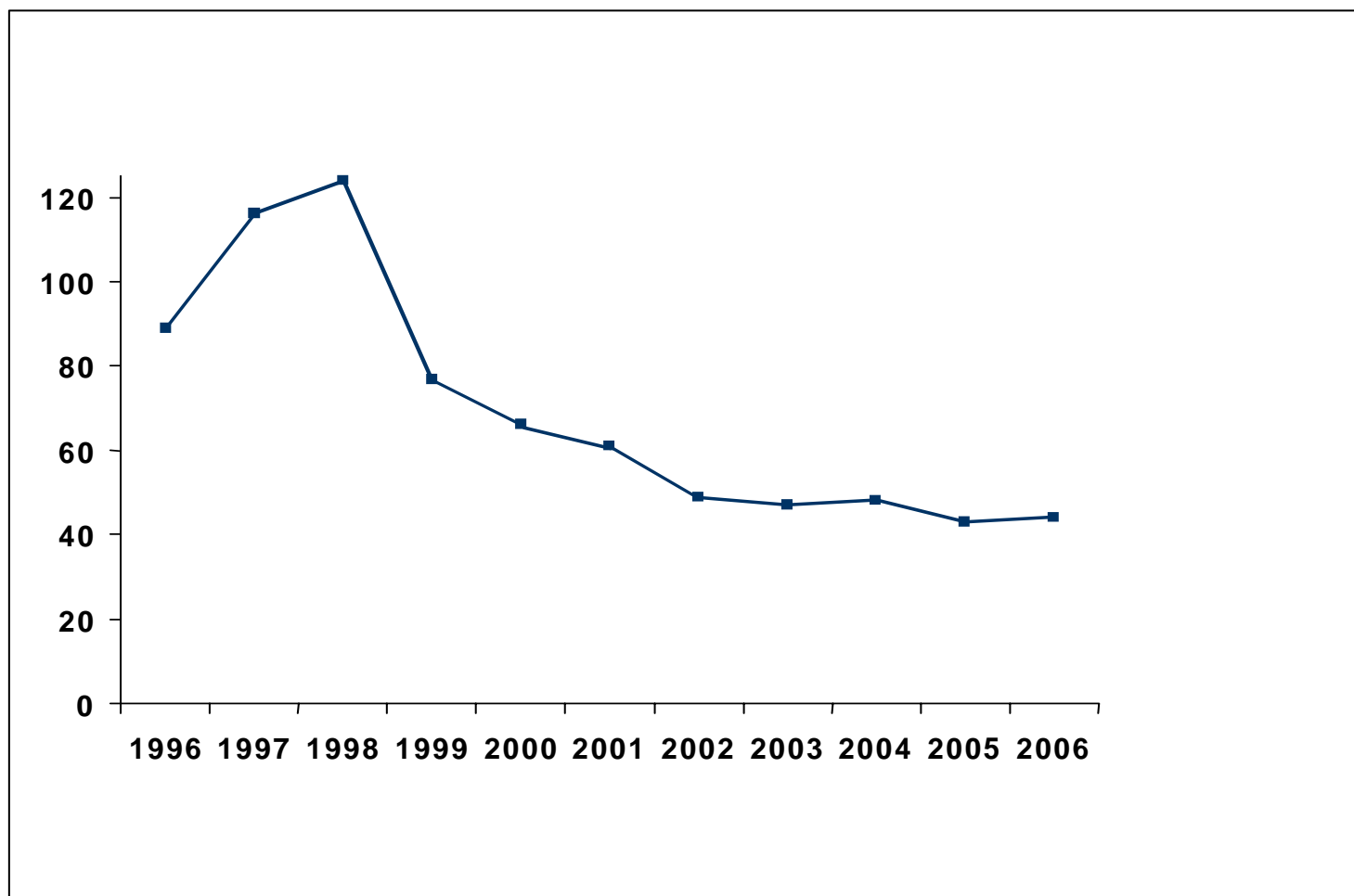
Offshore Energy Insurance Example Return on Capital



Yearly Progression 1996 - 2005

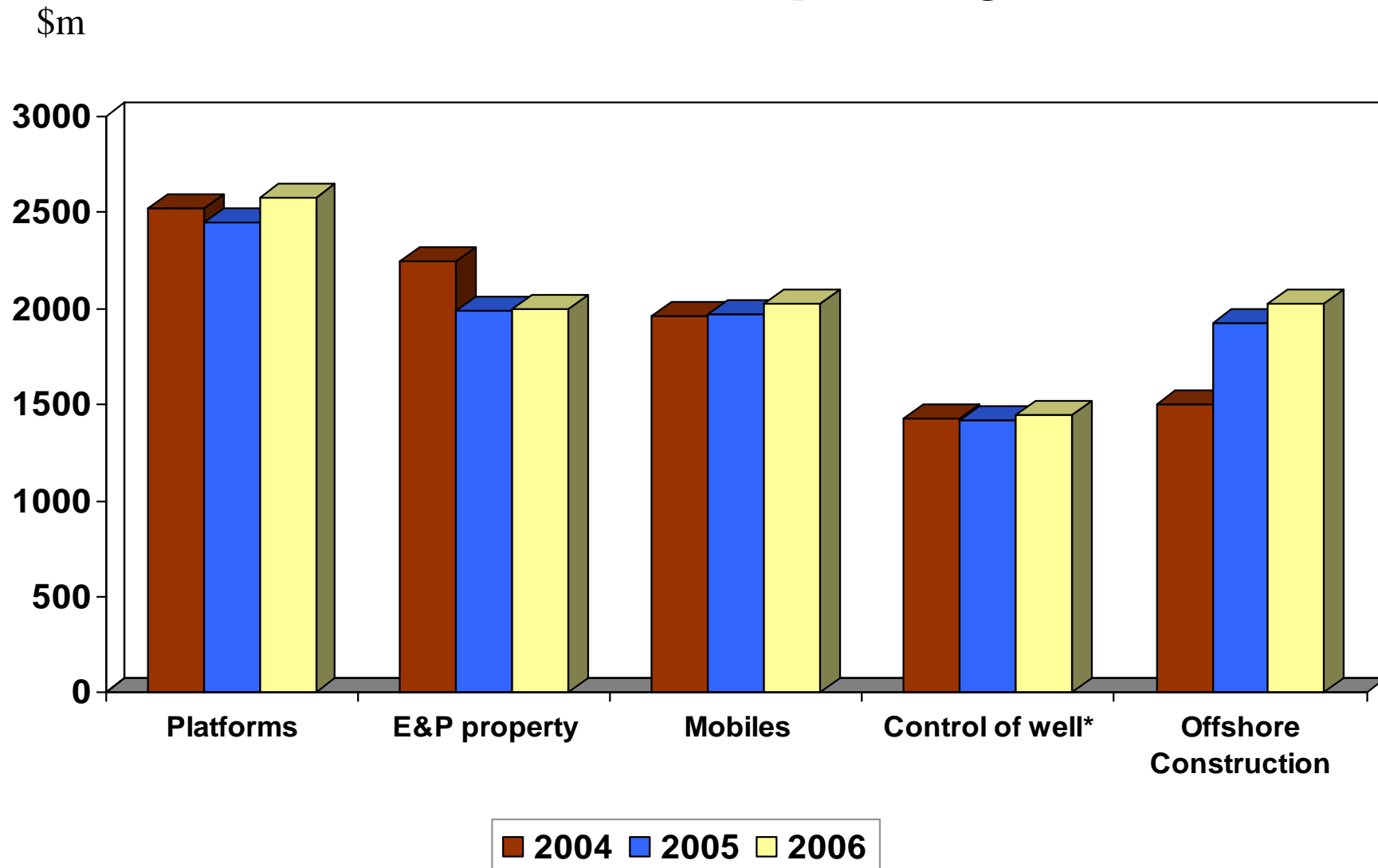
Actual Average Aim

Worldwide Offshore Energy Market Participants



Source: Aon

Worldwide Offshore Market Capacity

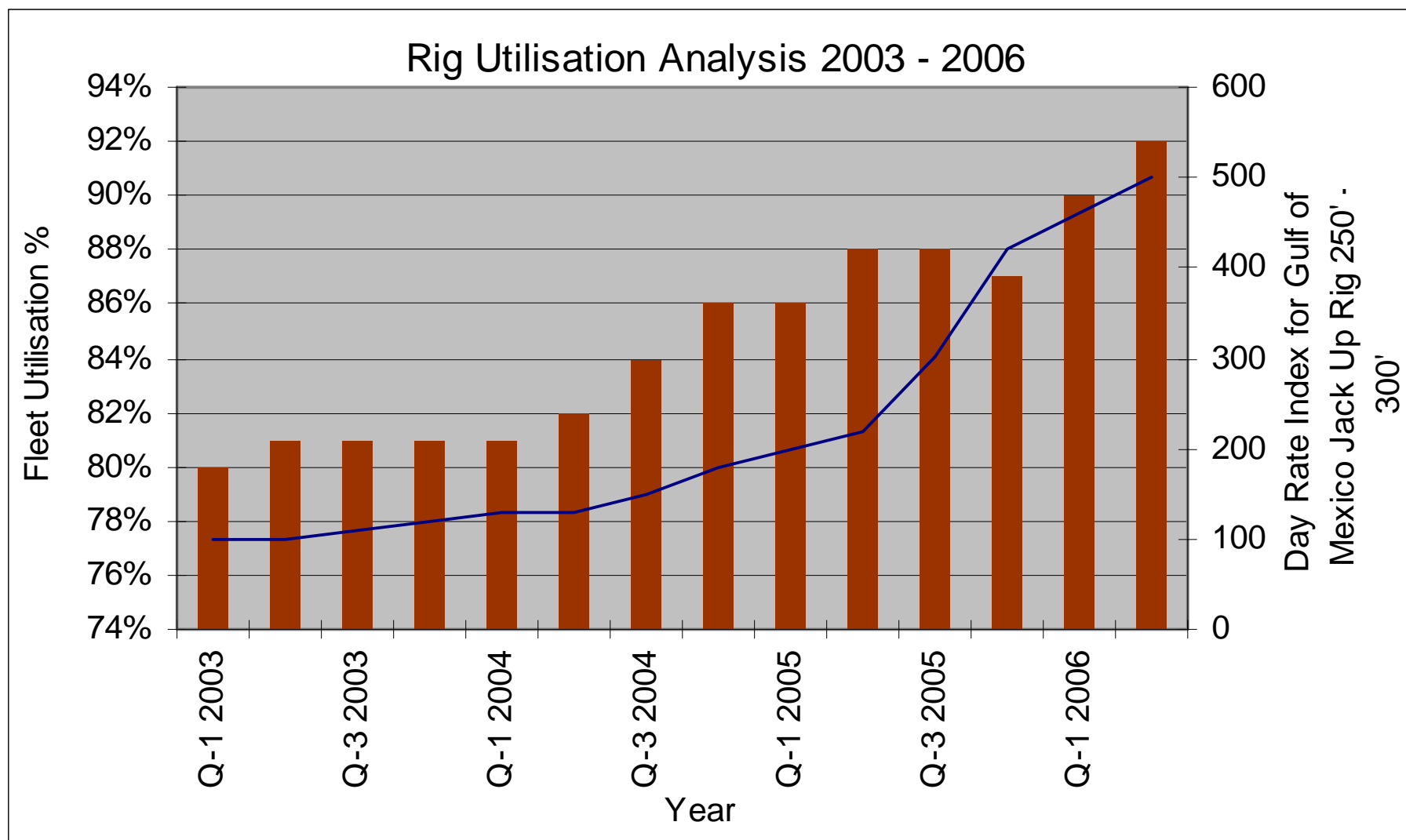


Source: Aon

Industry Market Dynamics

- Rig Utilisation at Historic Highs
- Increasing Drilling Costs
- Repair Costs Rising Significantly
- High Commodity Prices
- Frontier Exploration and Technology

Offshore Rig Utilisation Rates



As at 22nd August, 2006



Tokyo Workshop

- Operational Risk - Do We Understand It?
- Operational Risk Overview
Dudley Chapman, Bateman Chapman
- Rig Contractors - The Changing Risk
David Cooper, Gard
- Drilling Technology and Emerging Risks
Jim Embury, Safety & Risk Practice
- Natural Gas Hydrate - The New Gas Transportation System
Tatsuya Takaoki, Mitsui Engineering and Shipbuilding

Conclusion

- 2004 & 2005 Account Deficit
- Energy Insurance = Capital Destruction?
- Catastrophic Risk
- Claims Inflation
- Deterioration of the Operational Risk



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