

Welcome to the latest edition of TIDE-INGS!

By: Michael Csorba

I hope you enjoy it. Please let your underwriter know what you like and share any suggestions you think will make it better.

The last few months have certainly held many challenges for the insurance industry and in particular marine insurers. As Lloyd's tries to rebound from their 2017 \$4 billion + loss, they identified their worst performing classes and Ocean Cargo, Hull and Yacht made the list. This has resulted in many syndicates withdrawing and reducing their stamp capacity.

In September, 24 Lloyd's and European insurers shared the largest hull loss ever at 700 million Euros when an almost completed mega yacht burned in Germany. Larger than the Costa Concordia hull value, this received a lot of attention while at the International Union of Maritime Insurance (IUMI) conference. Europe was also hit with a storm in Genoa with 30 foot waves on the Mediterranean that damaged 400 yachts and totaled 100 Maseratis. Japan was struck by three typhoons that caused widespread cargo losses.

The United States was hit hard by wildfires and two hurricanes, but fortunately these were not significant marine events. These events often make me think about the human suffering and business impact. As brokers and underwriters we provide a valuable service to industry and global trade. At Great American, we feel confident that we will fulfill our promises to your clients.

Happy Holidays!



The American Institute of Marine Underwriters (AIMU) 120th Annual Dinner was held on November 15, 2018 at Gotham Hall in New York.

Some of the Great American attendees included Tom Clune, Chris O'Connell, Jeff Hatzel, Michael Brod, John Gambino, Howard Fenichel, Carl Hees (pictures above).

Happy Holidays!

Luxury Yacht & The Global Yacht Insurance Marketplace

Luxury Yacht delivers presentation to Peoples Insurance Company of China (PICC) Executives.

By: Rick Salway

On June 16, Rick Salway, a member of our Luxury Yacht underwriting team, presented an overview of the global yacht insurance marketplace to the Marine leadership from the PICC. The delegation was visiting the United States as guests of the St. John's University Tobin School of Business. The Tobin School offers undergraduate and graduate programs focused on the study of Risk Management, Insurance and Actuarial Science.

During their week in New York City, PICC representatives participated in a program specifically designed to introduce leaders from the US Ocean Marine community through a series of lectures covering underwriting, claims and forms. Rick's

presentation focused first on the financial impact of the yacht industry on the global economy, before a general coverage review and discussion of the underwriting process including an opinion on the future challenges the industry may face.

Rick has made presentations to many organizations throughout his career. This includes American Institute of Marine Underwriters (AIMU) coursework, United States Power Squadron and Canadian Power Squadron annual meetings, the Monaco Boat Show, Tampa Bay Mariners Club, and Mid-Atlantic Mariners Club. He has also delivered lectures to students at the Florida State University School of Risk Management.

GREAT SUCCESS STORY

GAIG Teamwork Delivers for Agent and Insured

By: John Gambino

The August doldrums had set in. The Florida office was temporarily shorthanded and an outstanding opportunity arose to provide an alternative lead quote for a high quality hull risk for one of our premier agents. Michael Csorba, President of Ocean Marine, initially played point man while the New York office jumped in on a full court press in order to meet the short time frame given to us. Howard Fenichel, Jeff Hatzel and Tom Clune of our New York office combined their multiple talents to provide an extremely competitive Hull/ P&I and Pollution quote for this tug and barge transportation company, which specializes in the movement of dry and liquid cargoes along the Atlantic and Gulf Coasts. From the receipt of the full submission to quoting (with a weekend included), the turnaround time was measured in hours, not days. This exceptional service, combined with competitive pricing, gave ample reason to the broker and the insured to include Great American on the line slip. We look forward to many years of participation on this account.

When you place your business with Great American you not only receive the undivided attention of your underwriter and their office, you have the entire Great American team working to solve the daily insurance issues faced by our agents and policyholders. Our team is committed to everyone's mutual success.





2018 Ft. Lauderdale International Boat Show

By: Sue Cacoilo

The 59th Fort Lauderdale International Boat Show was held October 31 through November 4, 2018 in Ft. Lauderdale, FL the “Yachting Capital of the World.” Great American Ocean Marine team was once again in attendance, partaking in the many events leading up to the boat show. Among the sought after events were O’Brien’s Response Overview, Meet the Speakers, and the 29th Ft. Lauderdale Mariners Club seminar itself. The seminar had roughly 20 guest speakers and the topics focused on the many issues the insurance and reinsurance industry faces today; especially those “After the Storms/Recovery.”

With such a relevant topic, it was an opportune time to catch up with agents, maritime attorneys, claims adjusters, and surveyors to discuss these very same issues our industry is facing.

The Great American Southeast office hosted a dinner party held at Lago Mar on Tuesday, October 30. There were 51 attendees in total; with 19 agents showing their support not only for Southeast region but for the luxury yacht division.

Kudos to Myrna Cruz of our Southeast / Lake Mary office on organizing such a lovely event; year after year.

Ocean Marine Highlights

- In October, Travis Collins, of our Seattle Office, held two continuing education classes for brokers in Spokane, Washington with 20 brokers in attendance at each session. This should bring in new marine business opportunities in a part of the territory that they are newly developing.
- Patty Mulshine, leader of the P&C department in our Cincinnati office and Cathy Hammer Divisional Vice President in our San Francisco office were able to connect the Ocean Marine New York office to a new broker opportunity within the freight forwarding segment of business, which hopefully will result in new marine business for the New York office.
- Luxury Yacht recently partnered with the Fidelity & Crime division at Great American to offer a total account solution for a large yacht. Tory Mucci of our Fidelity & Crime Division (Windsor, CT) provided a Kidnap Ransom Policy with \$5 million limits to compliment the yacht underwriting team’s offering. The Luxury Yacht team also included an independent pollution policy required by the owner due to the vessel tonnage. Paul Anselmo of Smith-Merritt Insurance in Pompano Beach, FL, the customer’s producer commented as follows: “It worked out great as we were able to place three out of the four required coverages with Great American. The pollution portion was easily accessible and the client really liked having the majority of his coverages underwritten by such a fine company.”



Preventing Maritime Vessel Explosions – THE ROLE OF THE MARINE CHEMIST

By: Captain Ed Wilmot

With advances in technology, increased regulatory requirements for training, and an industry that has been committed to improving working conditions, especially those associated with confined space entry and fire prevention, why are we still seeing maritime related fires and explosions that often include serious injury or loss of life?

History

Following the First World War, as cargo vessels, particularly tank ships, were being converted to carry larger cargos, the incident rate of fires and explosions during shipbuilding, repair, and conversion began to rise. Vessel owners, shipyard owners, and their insurance underwriters became increasingly concerned over the fire and explosion hazards associated with shipyard employment, and National Fire Protection Association (NFPA) shared their concern. In 1922, NFPA's Marine Committee adopted a series of standards known as the Regulations Governing Marine Fire Hazards. Appendix A of those regulations addressed the control of gas hazards on vessels during repair activities and would eventually become NFPA 306 (Control of Gas Hazards on Vessels). With the adoption of these requirements, the maritime industry needed people with specific technical knowledge and skills who could ensure that these fire prevention requirements were followed. The American Bureau of Shipping (ABS), which establishes and maintains minimum standards for construction and operation of ship and offshore structures, already had a cooperative relationship between ship owners and shipyards, and it agreed to initiate procedures for certifying specialists then called gas chemists who would use and essentially enforce the standard on a daily basis. The first 25 gas chemists were certified by ABS in 1922. This arrangement worked for a while, but it was an activity that was outside the ABS mission. By the early 1960s, ABS was seeking a successor to manage the program. That's when NFPA stepped in. To this day NFPA continues to oversee the Marine Chemist Program through the Marine Field Service and Marine Field Service Advisory Committee.

NFPA's Marine Field Service reflects the partnership that NFPA has forged with the marine industry and the government, one with a shared goal of eliminating confined space accidents, fires and explosions on vessels during shipbuilding and repair without any expense to a governmental agency. In fact, neither the Marine Field Service nor the Marine Chemist Program would exist without the support of the marine industry. When NFPA's Marine Field Service was created in 1963, marine industry stakeholders agreed that those who use the services of marine chemists should contribute to the costs of NFPA's certification program in proportion to their use. A surcharge for every survey completed by a marine chemist is paid into a fund administered by the Marine Gas Hazards Control Program (MGHCP), which is comprised of representatives from the American Bureau of Shipping, the American Petroleum Institute, the American Waterways Operators, the Chamber of Shipping of America, and the Shipbuilders Council of America. The MGHCP fund supports marine chemist training programs and other efforts to continuously improve the program.

The job of NFPA-certificated marine chemists is make sure the work can be done safely. They safeguard maritime and shipyard workers against a vast array of potentially harmful chemicals and their interactions. Only when a marine chemist has certified an area as safe can entry and hot work proceed. Both the U.S. Coast Guard and the Occupational Safety and Health Administration (OSHA) require a marine chemist certificate before a range of repair tasks can begin. Despite the importance of marine chemists to some of the industry's most dangerous locations and tasks, the group is virtually unknown to those outside the maritime transportation, shipbuilding, and vessel repair industries. In part, that's because there are only 97 certificated marine chemists in the country. This tiny group of safety professionals is responsible for overseeing work on thousands of vessels and maritime facilities. Marine chemists can be employees of a shipyard or vessel repair facility, work independently, or belong to a group operating under one business name. Chemists are not restricted



to a single port; they can cover a large geographic area and can even fly offshore for work on oil and gas drilling and production platforms. Regardless of how and where they're employed, marine chemists essentially work on behalf of shipyard employees, the Coast Guard marine inspector, the marine surveyor, and the vessel crewmembers by ensuring that confined spaces meet the requirements of NFPA 306, Control of Gas Hazards on Vessels before entry or hot work proceeds.

This unique collaboration of marine industry representatives started the program, audit the program, maintain the program and pay for the program. It works so well that governmental agencies (OSHA and Coast Guard) wrote it into their regulations. So why are explosions with loss of life continuing to occur on marine vessels? In nearly all the incidents it is because industry is not following the program they created and the regulations that were written as a result of their creation. Only they can prevent the loss of life from these catastrophic incidents, such as the explosion that occurred on a towboat on January 19, 2018 which took three lives and injured 5 others. OSHA regulations were not followed. A Shipyard Competent Person did not test or inspect the area for hot work which should have resulted in a marine chemist being called in as a Competent Person does not have the authority to permit hot work in spaces that contain or have contained flammable or combustible materials. As a result of this lack of initial testing and inspection by trained individuals, fatalities occurred.

Industry must adhere to the processes and requirements that they themselves initiated, or they risk the loss of life.

<https://www.osha.gov/laws-regs/regulations/standardnumber/1915>
(OSHA Regulations)

https://ecfr.io/Title-46/cfr35_main (USCG Regulations)

<http://www.marinechemistassociation.com/Links.asp> (Links to helpful explanatory information)

Ocean Marine Industry Events

Passenger Vessel Association Convention

Maritrends in New Orleans

January 7, 2019

New York Boat Show

January 23 – 27, 2019

Marine Insurance Association of Seattle (MIAS)

Seattle Agents Cocktail Party – January 23, 2019

Annual Dinner – January 24, 2019

Miami International Boat Show

February 14 – 18, 2019

Maine Boatbuilders Show

March 22 – 24, 2019

Palm Beach International Boat Show

March 28 – 31, 2019

Greater New Orleans Barge Fleeting Association

37th River & Marine Industry Seminar

April 2 – 5, 2019

Marine Insurance Associate of Seattle

Day of Education

May 9, 2019

Canadian Board of Marine Underwriters

Spring Conference 2019 - Vancouver

May 22 - 23, 2019



Other Happenings



Great American Ball Park – August 2018. The Chicago Office hosted two of our agents for an Agent Baseball game at Great American Ballpark, where the agents actually played a game on the field. Two of our Ocean Marine agents played – one from Global Marine and one from Assured Partners in Cincinnati. Michael Csorba, President of Ocean Marine, had the pleasure of umpiring the game.



November 11, 2018 - The Tower of London was in the process of lighting 10,000 torches to celebrate the centennial of the end of the Great War.



During reinsurance meetings, Chip Downing (Ocean Marine's Chief Underwriting Officer) located his very own street; Downing Street in Cambridge, England.



The Ocean Marine division held a manager meeting in Schaumburg, IL at Weber Grill. Pictured is Chip Downing, CUO, cooking his salmon on a cedar plank.



September 2018 - IUMI was held in Cape Town, South Africa. Pictured is Michael Csorba (President of Ocean Marine) on top of Table Mountain overlooking the city.



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