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The Navigator

August 2012

Dedicated Marine Claims Team

The Vero Marine Claims Team, based in Auckland, is always on hand to assist you should your client need to claim on their marine insurance policy. At times, this might mean an overseas surveyor needs to be appointed. You are able to use the Vero Marine website to locate and contact a surveyor using our extensive worldwide network. This is particularly useful in the event you receive a new claim notification outside of office hours:

www.veromarine.co.nz - [Claims Agents](#)

The Claims section of our website also includes a step-by-step guide of the procedures to follow in the event of a claim, including specific marine claim forms that you may download.

www.veromarine.co.nz - [Claim forms](#)

If your client generates their own certificate of insurance, they might wish to use the Claims Agents information so their certificates are showing the most up-to-date information. Please feel free to contact the [Claims team](#) in the event you have any further questions.

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Discount Premiums! Cheap Marine Rates!



We thought that headline would grab your attention!

No one can argue that when you buy a new television or computer, the price you pay is a major influencing factor in your decision making. The same can be said for insurance, especially in the present economic climate, where the premium for a risk so often becomes the major (sometimes only) deciding factor on a placement.

Marine insurance is a specialist area that requires careful understanding of all aspects relating to a client's risk profile. For that reason, it is important to consider many factors, other than the price you pay, in determining whether the premium represents good value for money when balanced against the fact that the underwriter offering the cheap premium is not able to provide a specialist marine claims service, for example. The value would be focused only in the up-front cost with no value at all when it comes around to claim time.

At Vero Marine, we like to think that our premiums represent good overall value for money. Our value is placed in a diverse and experienced underwriting team that is able to understand all aspects of your clients' marine insurance requirements. We are always on hand – via phone, email or face-to-face – to assist you in any way you feel may be of benefit. We provide value by having a dedicated marine claims team, based in Auckland, to provide expert assistance on all marine claim matters. If your client was insured with us and had cargo on board the "Rena", they will know just how valuable this is.

Most importantly though, Vero Marine has been providing marine insurance to New Zealand importers and exporters for over 20 years. We therefore also offer longevity, and the knowledge that we will continue to be around to help you and your clients, come what may.

So, next time you find yourself looking only at the marine insurance premiums from the market, ask yourself what the real value of the premium actually is. After all, no one really wants to admit to buying a rubbish television or computer!

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Market Conditions

The marine insurance market in New Zealand is always subject to both global and local influences. In 2011 / 2012 these influences have been particularly stark. Overseas there have been massive marine claims: the Costa Concordia, due to be refloated, towed and scrapped by spring 2013, is one of the more visual. (In fact it is set to become [very visual](#): a time-lapse movie is to be made of its removal).

All insurance lines in New Zealand are under the shadow of massively increased reinsurance costs and overseas scrutiny following the Canterbury earthquakes. In October 2011, New Zealand suffered its worst marine environmental disaster and most expensive marine insurance claim when the "Rena" went aground. Since then, marine insurers have been buffeted by losses as far afield as the "Josephine Maersk", a containership carrying New Zealand exports, including frozen and chilled cargo, which was involved in a collision with a Chinese cargo vessel near Singapore. For reinsurers in the northern hemisphere, the Australasian market is seen as one entity, with perhaps lesser political risk, but with currently far more than its share of large insurance claims. The Canterbury earthquakes cost in excess of NZD 3.4 billion, and the "Rena" cost marine cargo insurers well over NZD 25 million.

Whilst the risk proposition for throughput risks for temperature-sensitive exports remains sound (having one insurer insuring export cargo's temperature envelope from New Zealand coolstore through to overseas sale), New Zealand marine insurers have been adversely affected by both the cost of static risk reinsurance prior to sailing, and the cost of export claims in overseas markets due to the USD-NZD exchange rate.

How is Vero Marine responding to these challenges? Suncorp, our parent, remains supportive, as do our reinsurers. Whilst others are beating a retreat from New Zealand and New Zealand risks, we're here and we're staying. Our costs have risen sharply, principally reinsurance, but also the expenses associated with APRA solvency compliance and inflationary pressures. These are common to all local insurers, and insurance brokers are now aware that general rate increases are necessary to sustain the provision of viable marine insurance in New Zealand. A few exporting and importing clients, however, profess to be unaware that further price increases are coming, particularly if they are on the North Island and did not have cargo on the "Rena"! With your assistance, we can help structure their marine insurance covers to maximise their premium spend in these difficult market conditions. [\[Top\]](#)



Rena Photograph: Maritime New Zealand

Josephine Maersk Collision

As mentioned in Market Conditions, the container ship "Josephine Maersk" was involved in a collision with bulk carrier "Spring Glory" off the Singapore Straits on the 5th of June this year. Neither vessel suffered serious hull damage and they were both able to continue on their destinations. The "Josephine Maersk" arrived at Tanjung Pelepas (a port in Malaysia, just to the west of Singapore) on the 6th. All the cargo was discharged.

We knew this vessel was carrying New Zealand export cargo so, through some swift enquiries, Vero Marine was able to determine that a number of our clients' containers had suffered damage during the collision. Many were refrigerated containers. Our local agent in Malaysia, under the guidance/instruction of Maersk, arranged surveys. Where necessary, cargo was quickly repacked into replacement containers and on-shipped with as little delay as possible.

One container full of timber, deck cargo on the "Josephine Maersk", was destined for Europe. When the vessels collided, it was thought this container had been lost overboard, as it could not be located. We later discovered the container had been shanghai'd - literally. At the time of the collision the impact was such that the container transferred from the "Josephine Maersk" to the "Spring Glory" ... and was now not in Europe but Shanghai!

Whilst not as expensive for insurers as the "Rena", these types of casualty serve to remind everyone that shipping cargo remains a hazardous business. [\[Top\]](#)

Language of the British Merchant Seaman

Another sea-faring expression from the book 'All Hands and the Cook' by Captain Barry Thompson:

Galley wireless

The mythical source of all rumours and gossip. They often related to the expected loading ports or routing of the vessel later in the voyage after discharge of the outward cargo, or to personnel joining or leaving - particularly the next master or mate.

'All Hands and the Cook - The Customs and Language of the British Merchant Seaman 1875-1975' by Captain Barry Thompson is available for purchase by contacting shipmaster@ihug.co.nz.

Staff Development and a Fond Farewell

Vero Marine is pleased to announce the promotion of two key members of staff to senior positions within the company. Lillian Kuan has been promoted to the position of Team Leader – Sales Support. Lillian’s main responsibility is to ensure the underwriting support mechanisms continue to deliver outstanding service. We often receive feedback that Vero Marine is easy to do business with, so Lillian and the Sales Support team will continue to make this their primary focus.

Kerry Walker has been promoted to Claims Manager at Vero Marine. Many of you will have dealt with Kerry already on marine claims matters. More specifically if your client had cargo on board the “Rena” casualty late in 2011. Kerry and the Claims team will continue the Vero Marine tradition of providing expertise and prompt assistance should your client need to call on their marine policy in the event of a claim.

Finally, we need to acknowledge the departure of Alison Priest from Vero Marine. Ali and her family have moved to Australia for a very well earned lifestyle change. Ali has been with International Marine/Vero Marine from the very early days of the company. Her contributions over the years have been invaluable and she is a very respected and popular member of the team. Ali’s last day with Vero Marine was in May and she has now settled in with her family and their new lifestyle together in Brisbane. We wish Ali all the very best for the future!

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