

## **Executive Summary**

After HAIC's research in the yacht insurance branch, in which 19 insurance enterprises participated, written premium amounted at 15 million € and policy fees at 1,7 million €. A part of 4,1 million € of the aforementioned premium covered the yachts' third party liability.

The estimated loss ratio, on a calendar year, was 60,0% (65,8% in 2009) and the acquisition cost was 18,0% (from 16,8% in 2009). The percentage of the policy fee upon written premium averaged at 11,6%, from 11,3% in 2009.

Although most yachts are privately used, the ones that are professionally used are overrepresented in claims payments. Similar conclusions are drawn when the yachts are divided according to the propulsion (sail or motor). The vast majority of them is motor propelled but the sailing ones are those that are insured at a higher average and maximum value.

The main causes of claim payments are those of machinery failure and the damage to the propulsion system. High average claim payment per incident are identified in the cases of fire/explosion, damage during the transport of the ship and third party body injury liability.

When the data of the claims payments are studied, it is deduced that the yacht insurance branch enjoys sufficient reserves. The loss ratio is estimated at an average of 45,8% for the last two years (2009-2010).