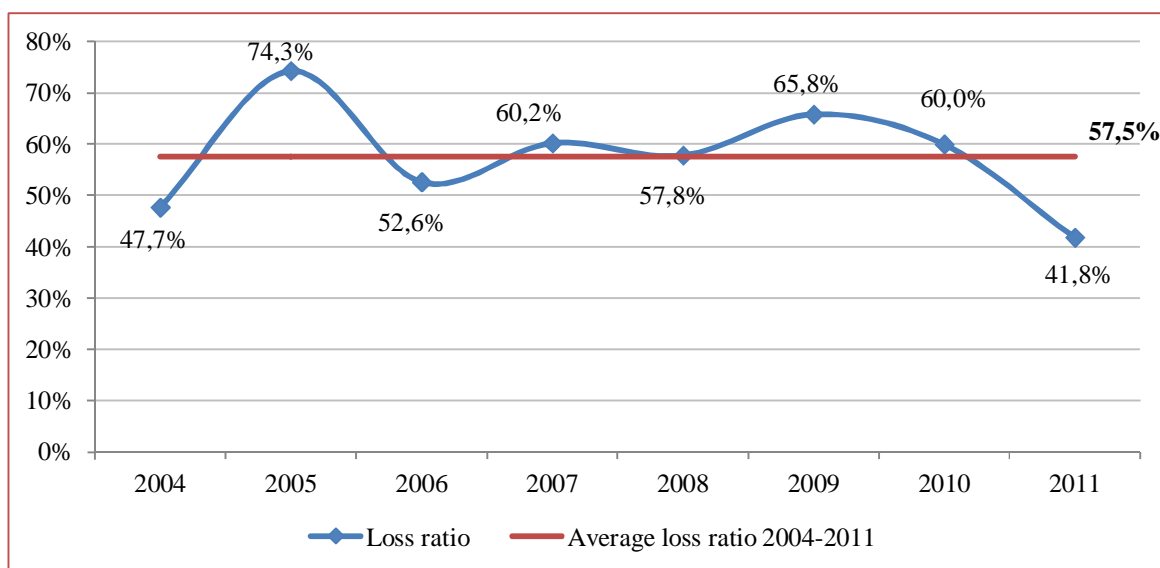


Executive Summary

After HAIC's research in the yacht insurance branch, in which 18 insurance enterprises participated, written premium (including policy fee) amounted at 15.5 million €, 4.7 million € of which covered the yachts' third party liability. Unearned premium reserve decreased to 4.9 million € from 5.7 million € while outstanding claims (end of the year) increased to 10.4 million € from 9.7 million €.

The estimated loss ratio, on a calendar year basis, was 41.8% (60.0% in 2010) and the acquisition cost was 17.7% (from 18.0% in 2010). The percentage of the policy fee upon written premium averaged at 12.2%, from 11.6% in 2010.



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

The main causes of claim payments are those of theft, machinery breakdown and collision. Average claim was decreased from 9.3 thousand € to 8.0 thousand €. Highest average claim payments were identified in the cases of fire/explosion, machine breakdown and third party 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 54,7% for the last three years (2009-2011).