

NEWS

IN BRIEF

Reject McCarran

MEMBERS of leading insurance trade bodies, including the American Insurance Association (AIA), have opposed US legislation that would repeal the McCarran-Ferguson Act, a long-standing federal law that fosters competition in the market place. In a letter to members of the House and Senate, the lobbyists warned of "serious repercussions" for the market as well as consumers if the Act, which creates a limited exemption from federal anti-trust laws is repealed.

Hang Seng affirmed

AM Best has affirmed the financial strength rating of A+ (superior) of Hong Kong-based Hang Seng Insurance Company with stable outlook. The rating reflects Hang Seng's "strong risk-adjusted capitalisation, consistent operating performance and secure distribution network. The ratings also reflect the company's liquid and conservative investment portfolio".

PCI support

THE Property Casualty Insurers Association of America (PCI) has commended Louisiana insurance commissioner Jim Donelon for his efforts to increase the availability and affordability of insurance in the state. "The proposal commissioner Donelon announced may be helpful for small, start-up insurance companies that are interested in entering the market," said Greg LaCost, assistant vice-president and regional manager for PCI.

Elwood upgrade

RATING agent AM Best has upgraded the financial strength rating to B++ (good) from B+ (good) of Elwood Insurance based in Hamilton Bermuda. The rating outlook is stable. AM Best said that the rating reflects Elwood's "excellent capitalisation level, history of positive operating performance, conservative reserve practices and effective management of exposures".

GeoVera IPO

GEOVERA Insurance has filed a registration statement with the US Securities and Exchange Commission relating to the pro-

Europe's green market with 100% increase in

Nicholas Pratt

THE European environmental insurance market enjoyed a fertile 2006 with a 100% increase from the year before in the number of policies placed and a premium spend that reached £60m (\$118m) in the UK and €250m (\$333m) in the German general liability market.

The figures are an indication of the maturing market for what was previously seen as a niche product, says broker Willis, which has released the findings of its 2006 market review for environmental insurance.

The rise in policies held and premium has, however, to be tem-

pered by a softening market due to the increased competition among insurers, says the review. Willis identifies four main players in the UK and Europe market – Ace, AIG, Chubb and XL.

The departure of Bermuda-based Quanta was mitigated by the arrival of Ace into the London market in late 2005 and Willis maintains that the market is "now more competitive than at any other time providing the opportunity for broader coverage for reduced premium levels".

Insurers are on average able to offer a capacity of £25m for individual policies, a total that is more than adequate according to Willis, based on the average limit applied for rarely exceeding £10m. But less satisfactory has

been the lack of brokers' knowledge of the environmental insurance market, say underwriters canvassed by Willis, and this has limited the take-up of policies.

Equally unhelpful is the lack of uniformity in the market with Willis conceding that there is no "one size fits all" approach to the majority of policies, creating a need for specialist legal and broker assistance for policy wordings and amendments. Negotiations have centred on policy exclusions, changes to use restrictions and claims notification conditions.

Nevertheless, market uptake has increased, with Willis citing acquisition activity as a key factor as well as a focus on operational risk issues and the weaknesses of general liability policies as high-

lighted by a recent (Bartonline Ltd SunAlliance a Lambert) where found itself liable for to the Environment has led to a higher short-term policies one-off, long-term

In general, environmental insurance in Europe is a factor in the take-up. Companies are often where their liability it comes to environmental and the fast pace change and policies have been designed any such changes.

However, regional in environmental insurance more importantly

Lloyd's burns up slopes

Justin Rahman

LLOYD'S swept the board at this year's City Ski Championships by winning both the dual parallel slalom relay and the City ski championships fastest team competition over two runs of a gruelling giant slalom (GS) held in Courmayeur in Italy.

Nearly 50 teams from insurance companies, banks, stockbrokers, management consultants and financial institutions competed in the event at Courmayeur, situated on the Italian side of Mont Blanc, on March 16 and 17.

Antony Barrow, president of the Lloyd's Ski Club, attributed Lloyd's success to experience which helped the market's skiers keep a cool head as the competition succumbed to "stress".

"Experience appears to have counted this year," he said. The winning team consisted of Filippo Guerrini Maraldi (RK Harrison), Antony Barrow (Cogent Resources), Alessandro Guerrini Maraldi (Willis) and Chris Oliveira (Marsh).

"We are experienced Lloyd's hands, with an average age of 42



Racer: Oliveira in the GS

Sunday's Matt Chilton.

In addition, the Lloyd's team won several individual awards including the fastest trap radar winner (Chris Oliveira), fastest senior (Filippo Guerrini Maraldi) and fastest master (Antony Barrow). Other Lloyd's teams fared well although not without mishap. The 6 ft 10 in Magnus Eriksson, of Willis, gallantly crossed the finish line when he crashed, dislocating his shoulder.

"With these wins, the Lloyd's Ski Club has suitably celebrated the 50th anniversary of the long and storied history of the club. The club sent three teams this year and will continue to support this well organised annual event of City Slickers, run by Momentum Travel and sponsored by Swiss International Airlines, Links of London, Snow & Rock and others," Barrow said.

Great Britain's ski team is looking for around £10,000 (\$19,700) for sponsorship and individuals at Lloyd's offered their support by contributing a total of £1,000 towards the sum.

*For more on the event visit <http://www.citychampionships.com/ski.htm>. For Lloyd's Ski Club visit <http://lloydsclub.com.htm>

Grin late

Scott Vir

US BROKER Brown continued its acquisition by signing a deal to buy-based broker Gr Brown & Brown made a series of acquisitions last year, following a 14% increase in its revenue to \$172m during 2006.

The acquisition which generates an annual revenue of around \$8 million, adds to Brown & Brown's foothold in the broking market. The company specialises in employee benefits, public employees' pension plans, Grinspec president Lance, and his executive force are set to move to the company and combine current offices.

The Grinspec team will be under the remit of Brown regional Thomas Riley, who said the acquisition would strengthen the company's "scope of coverage".