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ENERGY REVIEW

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ENERGY REVIEW
MAY 2018

Say what you like about Donald Trump (and everyone enjoys doing that) but no matter how unpredictable the President of the United States is, he IS the President of the United States. He acts fairly independently from the advice of presidents, prime ministers or chancellors, or sometimes even his own advisers. No-one is one hundred percent right about the intended consequences of Mr Trump's actions, mainly because there are many.

US producers of liquefied natural gas are poised to gain from the Iran deal break-up. With the move to curb Iran's oil output encouraging more shale drilling, prices for natural gas produced alongside crude in West Texas will drop significantly, even falling to zero on some days. Already, the gas sold at West Texas' Waha hub is down 51% for the year. As the market for LNG grows in Asia, being able to source gas at its cheapest should give US exporters a real boon. Only a day or so after Mr Trump's announcement, Iran and Israel stepped up their confrontations and escalation into a regional conflict looks more likely than it has done for years: that is not good news for anyone and if Russia gets involved, the US would probably get dragged in. Even if Mr Trump were to broker a peace treaty with North Korea, how can anyone be sure that such a deal would last because the deal between the USA and Iran did not last long – and who pulled out?

It is fair to say that with China, at last, cutting back on oil deliveries to North Korea, that the country is running out of energy. Access to energy, be that based on oil, gas, wind or nuclear, we can't do without it and wars have been and, alas, will be waged for control. If his focus on Iran and North Korea is not enough, one could guess that Mr Trump might look at the military build-up in the South China Sea. One of the reasons why China is so aggressive in the region is the potential to access the vast oil and gas reserves under the water.

It would seem that the promise made in Scotland not to permit fracking has gone "American" with leading politicians saying they never meant that. We read that Russia's oil exports to Europe are declining as the quality worsens but the flow of gas, especially to Germany, looks to increase as Mrs Merkel applauds the promised arrival of Russian gas via the Nord Stream 2 pipeline. According to the recently released International Energy Agency's Offshore Energy Outlook, which forecasts what is ahead for the offshore energy industry for the next 20 years, offshore energy-related activity is expected to grow and will require trillions of dollars of investments through 2040. The future looks good for the industry.

The return of sanctions is likely to have *"significant ramifications"* for the maritime trade with Iran, the International Group of P&I Clubs, an umbrella organisation whose members cover 90% of the global tanker fleet against risks including oil spills, has said. Oil tanker owners are facing a nervous wait to find out whether they can carry on doing business with Iran. Uncertainties continue in the Brexit sphere where little progress on the insurance question is reported. AIG, Sompo and Lloyd's have been in the news as they continue to prepare for the 29th March 2019. One question still to be tabled is: would Britain and, for example, the Netherlands still be able/willing to conduct business on an *"admitted/non-admitted"* basis like they used to before the EU concept of Freedom of Services superseded it?

As readers will see below, there have been some serious incidents in the oil and gas industry and one firm has been hit with a US$12.5 million fine.

Hiscox, CNA, Beazley, Talbot and the Standard Syndicate all get a mention as they seek to strengthen their position in the market.

We trust you, our readers and clients, will find our news informative and we look forward to working with you on current and future issues.

ENERGY CASUALTIES

Explosion rocks Wisconsin refinery, at least 11 hurt

A tank containing crude oil or asphalt exploded at a large refinery in Wisconsin on the 26th April, injuring several people and prompting fire officials to urge people living near the still-burning plant to evacuate their homes.

No fatalities were reported, but at least 11 people were being treated at hospitals in Superior, where the blast happened, and nearby Duluth, Minnesota.

The explosion at the Husky Energy oil refinery happened at about 10:00 a.m., Superior Fire Chief Steve Panger told The Associated Press.

Calgary, Alberta-based Husky Energy bought the refinery from Indianapolis-based Calumet Specialty Products Partners last year for over US$490 million. It's Wisconsin's only refinery, and it produces gasoline, asphalt and other products.

The refinery, which dates back to the early 1950s, has a processing capacity of around 50,000 barrels per day and a storage capacity of 3.6 million barrels of crude and products.

It processes both heavy crude from the Canadian tar sands in Alberta and lighter North Dakota Bakken crude.

Blast rocks south-east Texas refinery, no injuries

An explosion and fire struck a refinery in south-east Texas, home to the biggest concentration of petrochemical plants in the country.

The blast shook the Valero refinery in Texas City, Texas, just before 5:00 p.m. on the 25th April. Flames flared about 100 feet into the air and a column of black smoke towered over Galveston Bay.

Valero officials reported that all its personnel were accounted for with no injuries among them.

City officials said there were no effects to the general public outside the plant, beyond advising motorists to avoid the area. No cause has been reported for the fire, but it was unclear if it would affect the plant's output.

Indonesian oil well fire kills 18 people, injures dozens

A newly drilled unregulated oil well in western Indonesia exploded into flames early on the 25th April, burning 18 people to death and injuring dozens of others.

National Disaster Mitigation Agency spokesman Sutopo Purwo Nugroho said that the well in Pasir Putih village, in eastern Aceh province, ignited at about 1:30 a.m. and firefighters were still struggling to extinguish the flames late in the afternoon. Five nearby houses were engulfed by the inferno.

Sutopo said the 250-metre (820-foot) -deep well was gushing when it ignited and many people were nearby trying to collect the oil. He said 41 people had been admitted to three hospitals.

The disaster agency described the well as *"traditional"*, likely meaning it had unclear ownership and was used by the local community.

Aceh, at the northern tip of the island of Sumatra, has significant commercially untapped natural gas reserves and is dotted with illegal wells.

LPG and fuel oil tankers collide off Singapore coast

Singapore's Maritime and Port Authority (MPA) said it is investigating a collision between two tankers in Singapore waters on the 17th April which led to a leak of liquefied petroleum gas (LPG) from one of the ships.

An estimated 1,796 tonnes of butane gas leaked from the LPG tanker involved but this posed no danger to shipping and measures had been taken by the ship's crew to stop the leak, MPA said in a statement.

"As liquefied butane has a high evaporation rate, MPA has assessed that any leaked butane would have been carried southward away from mainland Singapore, where most of it would have rapidly dissipated to below flammable levels within an hour and pose no risk to shipping," it said.

The collision was between Singapore-registered LPG tanker *Crystal Sunrise*, chartered by Japanese firm Gyxis, and a westbound Greece-registered tanker, *Astro Saturn*, chartered by European trading house Trafigura, market and shipping sources said.

"We can confirm that the Astro Saturn is on TC (time charter) to Trafigura and is carrying fuel oil," a Trafigura spokesperson said.

According to data from Thomson Reuters Eikon, Crystal Sunrise is a Very Large Gas Carrier (VLGC) with a deadweight tonnage (DWT) of 54,070 tonnes carrying Middle Eastern origin LPG.

Astro Saturn is an Aframax with a DWT of 105,167 tonnes and is anchored at Tanjung Pelepas in Johor, Malaysia, but close to Singapore.

According to MPA, the *Crystal Sunrise* was picking up her pilot near the designated western pilot boarding ground when the collision took place about one nautical mile south of Tuas Extension.

The vessel sustained damage to her ballast tank in the collision while *Astro Saturn* sustained damage to her port anchor and bow.

Both ships have been stabilised and no injuries were reported.

But eight staff from PSA Marine, a marine services provider, who were in the vicinity of the collision were given medical check-ups as a precaution.

All of the crew have since been discharged, MPA said.

Fire breaks out on Eni's Goliat FPSO

A fire broke out on board Eni-operated Goliat FPSO early on the 13th April, forcing the Italian oil company to halt production from the Barents Sea field off Norway.

At 6:30 a.m. on the 13th April a fire developed in the sauna in the living quarters on the Goliat FPSO.

The Italian company said that the situation quickly came under control, but some smoke development did occur. No-one was injured in connection with the incident.

According to the company, the production was shut down and the crew mustered to the lifeboats. All relevant authorities were notified.

The situation was normalised and the crew was demobilised in accordance with normal procedure.

INSURANCE NEWS

Oil shippers face insurance uncertainty with return of US sanctions on Iran

Oil tanker owners are facing a nervous wait to find out whether they can carry on doing business with Iran after President Trump said on the 8th May he was reinstating a raft of sanctions against the Persian Gulf country.

The return of sanctions is likely to have *"significant ramifications"* for maritime trade with Iran, the International Group of P&I Clubs (IG), an umbrella organisation whose members cover 90% of the global tanker fleet against risks including oil spills, said on the 9th May.

Those impacts will only become apparent once America's partners give their own response to Mr Trump's decision, and when details of how the US measures are implemented are clear, the IG said.

Ship insurance was a critical hurdle when sanctions were previously imposed on Iran because tanker operators could not obtain the level of cover which is considered standard across the oil industry. It meant most owners were not able to haul Iranian oil and forced some Asian buyers of the Middle East country's crude to find awkward workarounds such as state-backed cover.

"It's going to take some time before we can ascertain what the impact will be, because we're going to have to wait and see what the response will be from Europe and how aggressive the US will be," Brian Gallagher, Head of Investor Relations at Euronav NV, one of the world's largest tanker owners, said. As of now, there is yet to be a step change in owners' approach to Iranian business, he said.

When the US imposed sanctions on Iran in 2012, accompanying European measures also restricted the International Group – which is based in London – from providing cover for Iranian shipments. That effectively shut the country's own fleet out of the main ship-insurance market as well as international owners if they wanted to lift the Islamic Republic's crude. It is not yet clear what path Europe will take this time.

Three of the main providers of cover to Iran's main tanker fleet – Skuld, the Swedish Club and West of England Club – said they did not want to give any further guidance beyond what they published on their websites, saying the situation remains fluid.

"The snap-back of US sanctions will have a major effect on shipowners and their insurers and Skuld and the IG are closely monitoring developments," Skuld said on its website.

The West of England Club said any activity would have to stop the moment any entity which is dubbed a Specially Designated National by the US Treasury's Office of Foreign Assets Control is re-added to a secondary sanctions list.

"Should the US reinstate its extra-territorial sanctions, that may have significant adverse impact on the ability for non-US persons to trade with Iran and Iranian interests," the Swedish Club said.

Hannover Re merges specialty business with HDI Global

Talanx Group units Hannover Re and HDI Global are merging their specialty activities in a new joint venture in order to capture global growth and high-margin specialty business.

The new company, HDI Global Specialty, will write agency and specialty insurance business in lines such as errors & omissions liability, directors' and officers' liability, legal expenses, sports and entertainment, aviation, offshore energy and animal insurance.

As part of the plan, commercial insurer HDI Global is acquiring the majority of the shares in International Insurance Company of Hannover (Inter Hannover), a subsidiary company of Hannover Re, for around €100 million.

After the transaction, Inter Hannover will be renamed HDI Global Specialty. HDI Global will contribute its specialty portfolio to the new company and hold 50.2% of the new company, while Hannover Re will keep 49.8% of the shares.

Following regulatory approval, the joint venture is set to start operational activities on the 1st January 2019.

XL Catlin warns on ocean risks

A report commissioned by XL Catlin examines the changes happening in the oceans and how the global insurance sector should prepare for the potential consequences.

The report called *'Ocean connections: An introduction to rising risks from a warming, changing ocean'*, produced by the IUCN (International Union for Conservation of Nature), examined the impacts of rising ocean temperatures and other stressors such as ocean acidification – the decrease in pH of the ocean – and deoxygenation – a reduction in the amount of oxygen dissolved in the ocean – on the marine environment and human life, and their potential consequences for society.

"The changing chemistry and physics of the ocean as a result of climate change can have devastating consequences for human life, health and livelihoods, the scale of which we are only beginning to realise," said Carl Lundin, Director of the IUCN's Global Marine and Polar Programme.

"The insurance industry can play a significant role in helping businesses, governments and communities mitigate damages and better adapt to these changes. Insurance against the loss of ecosystems can provide the much needed protection for people dependent on them for their livelihoods, while encouraging their sustainable management."

The report assesses how the global insurance sector can equip itself for far-reaching impacts caused by the changing ocean, including new modelling systems to account for multiple and inter-connected risks. The report also proposes ways in which the insurance industry can help incentivise greater mitigation strategies to help prevent worst-case scenarios.

According to the IUCN report, ocean warming will affect global food security as a result of changes in fishery yields and the distribution of fish stocks.

Damages to property and the displacement of people are expected to rise as a result of sea-level rise and frequent extreme weather events such as storms and floods.

The health of marine species and humans will be affected by increasing bacteria and virus outbreaks as pathogens spread more easily due to the warming waters, while travel and tourism will be impacted by frequent coral bleaching events.

The IUCN report notes that although there is no comprehensive analysis of the costs to society from ocean warming and other ocean stressors, growing evidence suggests that these costs will be significant.

For instance, the 2016 algal blooms and aquaculture fish kills in Chile due to a strong El Niño pattern resulted in potential losses of up to US$800 million. Recently, the World Meteorological Organisation (WMO) confirmed that 2017 was the most expensive year in history in terms of losses from weather and climate-related events, costing the global economy an estimated US$320 billion.

Swiss Re expands African operations with new P&C licence

Swiss Re has strengthened its African business through its newly approved licence for property & casualty (P&C) business in South Africa.

The South African Prudential Authority has approved Swiss Re's application to expand the licence of its existing subsidiary, Swiss Re Life and Health Africa, to become a composite entity which can service both life & health as well as P&C business. Operations under the new licence took effect from the 1st May.

Swiss Re Life and Health Africa will be renamed Swiss Re Africa, a subsidiary of Swiss Reinsurance Company, Zurich.

Based in Cape Town, Swiss Re Africa will be led by Thys Nieuwoudt and will service the insurance hub in Johannesburg as well as Southern African markets.

The move will allow Swiss Re Africa to extend its service offering to P&C reinsurance capacity and provide product solutions and tailored capital management services in the region.

Further, it completes Swiss Re's ambition to re-domicile its Southern African P&C business onto the continent.

Oil company with chequered history hit with US$12.5 million fine

A California oil company with a long history of safety violations and regulatory lapses was hit with a record US$12.5 million fine by state regulators on the 11th April for nearly 1,500 violations in the past year at an oil field in Orange County.

Greka Oil & Gas falsified results in more than 350 reports, failed to conduct regular pressure testing at dozens of wells and did not maintain operating pressure gauges, according to the state's Department of Conservation.

"The magnitude of this penalty reflects the company's violations and poor practices, and the potential harm it could cause to surrounding communities, the environment, and groundwater," said Ken Harris, supervisor of the Division of Oil, Gas and Geothermal Resources.

State oil and gas regulators have long been criticised for taking a lax approach towards holding petroleum producers accountable. In recent years, the division's leaders have acknowledged failings and vowed to get tougher.

Lawmakers equipped the division with increased enforcement powers and stiffer financial penalties, which led to the largest fine ever issued by the division, spokesman Don Drysdale said. The fine surpassed the previous record of US$257,000 against Bennett Petroleum in 2015 by nearly 50 times.

"The fine against Greka is a step in the right direction, but their business model seems to be just make money no matter the damage," said Keith Nakatani of the environmental group Clean Water Action. *"The punchline is they shouldn't be in business."*

The state also ordered the company to stop injecting water into its Richfield oil operation north-east of Anaheim until it complies with state orders. It is also required to get a US$39 million bond which would be used to cover clean-up costs if the company goes bankrupt.

Bonding is of particular concern for the state because a former Greka subsidiary, Rincon Island Limited Partnership, filed for bankruptcy in 2016 and California is now on the hook for a clean-up which is expected to exceed US$50 million.

Tiny Rincon Island, built to drill for oil off the Ventura County coast, had been cited by the state for dozens of violations and being in a *"severe state of disrepair"* when the subsidiary folded.

The state will have to plug wells and decommission the operation. Expected costs do not include removing the man-made island.

Greka, based in Santa Maria, has a long history of violations from the state and Santa Barbara County, which also regulates oil operations.

In letters sent in November to state Assembly members who had asked the division to permit Greka to resume operations at one of its wells in Santa Barbara County, Mr Harris spelled out a litany of run-ins the company had with regulators.

Since 2007, more than two dozen spills have occurred at Greka facilities in Santa Barbara County, Mr Harris wrote in a letter released through a California Public Records Act request to Clean Water Action.

Equipment failed, pipelines ruptured, storage tanks leaked and pump jacks and well heads were found to be faulty, Mr Harris wrote.

"Greka frequently addresses the immediate spill in order to maintain the minimum compliance level required by state law and avoid civil penalties, but does little to improve the overall safety of its facilities," Mr Harris wrote, noting the company had two spills in the six months since he received the letter from lawmakers.

Between 2015 and 2017, Santa Barbara County's petroleum regulators issued 161 violations in the county and 145 of those were sent to Greka. The company received 35 of the 36 fines issued in the county. During the same period, the county fire department inspected 125 facilities and issued 676 violations – with more than half going to Greka.

Errin Briggs, an energy specialist with Santa Barbara County, said most of the violations were not serious.

"They don't pay bills on time. They don't cooperate with enforcement staff. They're very careful about tripping the requirements that would get them in trouble," Ms Briggs said. *"Most of the incidents they have are minor in nature. They just happen to have a lot of them."*

Asian captive insurance industry nascent but unknown to many

While the captive insurance concept is young and showing signs of future potential in Asia, it is still unknown to many in the region.

This is according to Farah Jaafar-Crossby, CEO of Labuan IBFC, speaking ahead of the Asian Captive Conference.

The conference this year is jointly organised by Labuan IBFC and Labuan International Insurance Association (LIIA) and will be held on the 1st and 2nd August in Kuala Lumpur.

Both parties are hoping to encourage more participation from the risk-related and risk management industries across the Asian region.

"We are excited to organise the Asian Captive Conference 2018 (ACC 2018) again and we hope to see more delegates from the Asian region especially when the conference is a platform dedicated to the development of the self-insurance industry in the region," Ms Jaafar-Crossby said.

"The self-insurance sector is a niche market and we believe that there is a huge potential for structures such as captives and protected cell companies as a self-insurance tool, to grow in this region, especially with the ever-evolving risk landscape in the region."

She added that self-insurance is not just for big corporations but is a suitable solution for medium-sized businesses, along with groups with shared interests, for example lawyers and medical practitioners, where there are advantages and cost-efficiency to be had in the pooling of risk.

"Captive insurance is a unique concept and it can be structured according to the needs of the business or indeed the idiosyncratic demands of the risk being mitigated. Indeed, Labuan IBFC offers a wide range of self-insurance solutions include group or association captives, which much like the protected cell companies, is unique to Labuan IBFC," she added.

"For instance, tech start-ups which often have unique business models and risk profiles – with very much of their competitive edge stemming from concepts and technologies which are new to the market – their unique risks can be tailored underwritten by setting up a group or association captive and this could be used alongside with the traditional insurance approach," Ms Jaafar-Crossby explained.

The Labuan International Insurance Association Chairman Raymond Wong Shu Yoon said, *"We are pleased and honoured to have Labuan IBFC as a partner for this event again and we are definitely excited to see the turn out for this year and we hope to receive a positive response from the industry players in the Asian region."*

"We are optimistic and passionate about the growth of the captive insurance market in Asia and we hope that through initiatives such as hosting the ACC 2018, risk managers and practitioners alike will have a better understanding of the benefits of using captive insurance as an alternative risk management and mitigation tool," Mr Wong added.

Buffett warns on cyber risks

The world's third-wealthiest person, Warren Buffett, has warned that cybersecurity risk is *"unchartered territory"* and says nobody really knows what they are doing when it comes to underwriting cyber insurance.

The Chairman and CEO of multinational conglomerate Berkshire Hathaway made the comments at the company's annual meeting in Omaha, Nebraska. The event, known as 'Woodstock for Capitalists,' allows shareholders, journalists and analysts to grill the man dubbed the *"Oracle of Omaha"* on a wide range of topics.

"Cyber is uncharted territory. It's going to get worse, not better," Mr Buffett said, adding that he does not want Berkshire Hathaway to be among the top three in the industry. *"We don't want to be a pioneer on this."*

He noted that the company has a *"pretty good idea"* on how to make accurate assessments with regards to natural disasters, but this is not the case with computer hacking threats.

"Frankly, I don't think we or anybody else really knows what they're doing when writing cyber insurance policies," he said, adding that the industry as a whole does not know what the implications of the policies will be.

"I think anybody who tells you now they think they know in some actuarial way either what the general experience is like in the future, or what the worst case can be, is kidding themselves," he cautioned. *"There's a very material risk which didn't exist ten or 15 years ago and will be much more intense as the years go along,"* the 87-year-old billionaire investor said.

Hiscox launches cyber training centre

Bermuda-based specialist insurer Hiscox has launched a cyber training centre to help its cyber insurance customers worldwide mitigate and manage their cyber risks.

The Hiscox CyberClear Academy is an online interactive suite of cyber training content. The platform features diagnostic assessments to test existing knowledge and ensure that training is tailored to specific knowledge gaps.

Regulatory change is a key consideration when it comes to understanding the cyber risk, Hiscox noted. Under New York Cybersecurity, and the new General Data Protection Regulation (GDPR) which came into force across Europe on the 25th May 2018, organisations now have a greater obligation to protect the data they hold and process.

For many businesses, this will include customer information such as addresses, contact numbers, bank account or credit card details. The Hiscox CyberClear Academy is another way in which businesses can help to manage their regulatory obligations, the company noted.

"Like many other risks, cyber is indiscriminate – it affects businesses of all shapes and sizes," said Hiscox cyber CEO Gareth Wharton. *"If a business experiences a cyber-attack or breach, there will be many implications – lost revenue as a result of business interruption, the cost of remedial action, as well as the reputational impact – and a big business will have the firepower to recover far quicker than a small business.*

"Awareness of the cyber threat is therefore one of the most important parts of cyber risk management. This is where cyber security training can really help. Educating your employees and building your human firewall should not be overlooked – a significant proportion of the cyber insurance claims we see are people related; somebody who inadvertently clicks on a suspicious link, or loses a device containing sensitive business information. Our recent Cyber Readiness Report highlighted that there are still too many cyber 'novices', so we want to do our bit to create more cyber 'experts'."

Hiscox began writing cyber insurance in the late 1990's and now sells cyber-specific products direct to consumers through its retail businesses in the UK, and via brokers and carriers through its UK, European, US, London Market and reinsurance operations to organisations of all sizes – from entrepreneurs to multi-nationals.

Hiscox's move follows a similar undertaking by AXIS Capital Holdings which recently launched a cyber centre of excellence to provide products and solutions for mitigating cyber threats associated with companies' tangible and intangible assets.

European office development for Tokio Marine, AIG and Sompo International

Tokio Marine gets green light for Europe unit

The new European subsidiary of specialist insurance group Tokio Marine is expected to begin operation from the second half of 2018 as it received regulatory approvals and appointed a new chief executive officer.

The group has received regulatory approval from the Commissariat aux Assurances (CAA) and the Japanese Financial Services Authority (JFSA) to set up Tokio Marine Europe in Luxembourg for writing European business after Brexit.

Thibaud Hervy, Chief Underwriting Officer for specialty lines at Tokio Marine HCC, has been appointed CEO of the new company.

AIG splits Europe business between UK and Luxembourg ahead of Brexit

American International Group (AIG) is creating two new insurance companies, one in the UK and one in Luxembourg, and is splitting the European business among them ahead of the UK leaving the EU.

Sompo secures Luxembourg approval

Bermuda re/insurer Sompo International has secured regulatory approvals from the Ministry of Finance of Luxembourg to establish a new subsidiary in the country – a move it made to deal with the UK leaving the European Union.

SI Insurance Europe, which will become operational later in 2018, provides the company with an underwriting platform to service its clients across the European Economic Area (EEA) after Brexit and a foundation for strategic expansion across Continental Europe.

Sompo International said it plans to extend SI Insurance Europe this year beyond its headquarters in Luxembourg to include operations in Italy, France, Spain, Germany and Belgium as the company integrates Sompo Japan Nipponkoa Insurance Company of Europe and further expands its European operations.

SI will maintain its presence in the Lloyd's market and its current offices in London and continental Europe.

EY and insurtech Concirrus add AI to marine underwriting

A new partnership between insurtech firm Concirrus and consultancy EY is aiming to transform the way risks are written in the marine insurance market.

The two firms are seeking to use artificial intelligence-powered software to help marine insurers move from *"demographic-based underwriting models to live, behavioural-based underwriting"*.

Until now, marine insurers have managed their risk portfolio based on data such as the age, size and flag of a vessel. The Concirrus software provides behavioural analysis which considers a ship's location, speed and other factors to offer more accurate underwriting models.

INSURANCE PEOPLE

Standard Syndicate taps London Market for head of claims

Charles Taylor-managed Standard Syndicate 1884 has appointed London Market expert **Paul Crockford** to the role of Head of Claims.

Standard Syndicate focuses on providing a broad range of marine and non-marine insurance covers to the marine and marine energy industry sectors.

Mr Crockford joins from Atrium Underwriters where he was Claims Manager, responsible for handling a range of complex and high value claims. Prior to that, he worked at AEGIS London, Maritime/CNA Insurance and Commercial Union Assurance Company in senior claims adjuster roles.

He has over 25 years of London Market claims experience. He is currently chair of the LMA Marine Claims Group and also sits on the Joint Marine Claims Committee, the LMA head of Sector Group and the LMA Strategic Claims Group.

Talbot makes Singapore, London appointments for political risk, credit expansion

Validus Holdings unit Talbot Underwriting has hired from Zurich Insurance and Ironshore as it expands the global political risk and credit operations.

Jonathan Goh has joined as Political Risk & Credit Underwriter and will be based in Talbot's Singapore offices. Previously, he was with Zurich Insurance as a senior political risk and credit underwriter.

Russell Fisher has been appointed Senior Credit Analyst based in London, supporting the London, Singapore and Validus Specialty New York offices. He was previously a political risk and credit underwriter at Ironshore Europe.

Sompo International appoints new P&C chief underwriting officer

Sompo International Holdings, the specialty provider of property and casualty insurance and reinsurance, has appointed **John Kuhn** to the new role of Chief Underwriting Officer (CUO) for Sompo International's property & casualty (P&C) business.

Mr Kuhn joined Endurance Specialty Holdings, the predecessor company to Sompo International Holdings, in November 2012 from AXIS Capital, where his most recent role was Chief Underwriting Officer, AXIS Insurance.

Mr Kuhn will take on this responsibility in addition to his current role as CEO global insurance.

In the new CUO role, he will provide leadership across the company's insurance and reinsurance underwriting operations as Sompo International continues to build the overseas platform of its parent company, Sompo Holdings. **Stephen Young**, CEO global reinsurance, will report to Mr Kuhn and will continue as a member of Sompo International's P&C executive team.

Lloyd's starts hiring for Brussels Brexit subsidiary

Lloyd's has started hiring staff for its Brussels subsidiary which will involve positions in finance, operations, compliance, HR, and underwriting.

Lloyd's has decided to create an insurance company in Brussels to ensure it can continue to serve the European Economic Area (EEA) after the UK leaves the European Union.

Lloyd's Brussels will be able to write all non-life risks from the EEA to ensure our partners can continue to have seamless access to the specialist policies of the Lloyd's market.

"I am pleased with this next step in the setting up of our operations in Brussels," said **Vincent Vandendael**, Lloyd's Chief Commercial Officer. *"Since the outcome of the UK Brexit referendum, Lloyd's has been working hard to ensure that whatever the outcome of the Brexit negotiations, our partners across the EEA will continue to have access to our specialist, innovative policies, and benefit from the security of the Lloyd's market. Being at the heart of Europe will deliver many different advantages for our customers and provide an opportunity for us to continue to grow our business in the continent."*

Lloyd's Brussels will have 19 branches throughout Europe, including the UK, and it will be authorised and regulated by the National Bank of Belgium, and capitalised according to Solvency II rules.

CNA names AIG's James as Senior VP for Global Reinsurance

CNA reports that **Mark James** will join the company as Senior Vice President for Global Reinsurance. He will be responsible for CNA's reinsurance strategies and purchasing around the globe.

Mr James joins CNA from American International Group (AIG), where he has served as the Deputy Chief Officer for ceded reinsurance since September 2016.

At CNA he will report to **Doug Worman**, Executive Vice President and Chief Underwriting Officer.

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