ENERGY REVIEW

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AUGUST 2018

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It is a fact of history that there is a war going on somewhere on our planet all the time. Some wars are started out of pure aggression, such as the German invasion of Belgium in 1914 triggering the Treaty of London signed in 1839 that Britain would help defend Belgium. Other wars develop out of excessive emotion as was the case between Iran and Iraq in the 80s. There are also economic considerations, an example of which was Winston Churchill saying Britain would go to war to protect its access to oil.

Such an example is currently looming on the horizon as Iran prepares to respond to the phased re-imposition of sanctions. Iran is threatening to close the Strait of Hormuz. Through this 30-mile stretch of water passes more than one billion dollars' worth of oil a day, more than a fifth of the world's oil supply. In the event of the Straits being blocked, the price of oil would sky-rocket and all of the countries in the Middle East who export oil through the Straits would miss out on sales. Even for any world leader this would be too much and, hopefully, a stand-off can be avoided. Military action between Iran and the US plus the Arabian countries would not be pretty and there would be only one winner – however costly that would be.

The price of a barrel of oil has been rising slowly, admittedly partly as talk of sanctions continues but also because of pure market considerations. Natural gas prices are going up as well, albeit only slightly.

There have been some interesting developments with Total revealing that it has started production at Kaombo, which it describes as *"currently the biggest deep offshore development in Angola"*. BP has announced it will invest up to US$8 billion in Trinidad and Tobago over the next ten years. Quadrant has made *"an incredible find"* at its Dorado-1 well offshore Australia. Woodside has discovered even more gas offshore Myanmar.

Closer to home, the picture is not quite so rosy, with little progress currently being made with Brexit negotiations. As March 2019 approaches and the country remains divided over what negotiations should be aiming for, the tone in the press and other media is becoming more and more opinionated and frustrated. One compromise has been suggested and that is to restrict one of the Four Freedoms – Movement of People – to the Eurozone only and the other three (Capital, Goods and Services) would be available to Britain. This would mean that the departure of Britain would not hurt the other EU members all that much. As thinkers in the UK see it, intransigence of the EU to consider this is looking like they would cut off their nose to spite their face.

Many of the UK insurance companies who have done little more than screw a brass name-plate to the front of an office building in the EU are only now realising that the EU is playing a different game altogether. There is more to establishing an insurance company in, say, Luxembourg, than getting an application accepted; it can, in some cases, take years.

There have been promotions and defections in the industry but what will be really interesting will be moves of senior professionals to the EU-based headquarters of those firms like Chubb, whose plans to move to Paris seem well underway.

We trust our news will be interesting to our readers and we wish you all a comfortable summer wherever you are.

ENERGY CASUALTIES

Worker dies from injuries in West Texas pipeline blaze

One worker has died after a fire and series of pipeline explosions in Midland County, Texas.

He succumbed to his injuries on the 3rd August.

The explosions occurred late morning on the 1st August, when workers from two pipeline companies were investigating an underground gas leak. Two firefighters on the scene were also injured during the explosion.

Kinder Morgan, Inc. and Navitas Midstream Partners both said at least one employee was injured.

The accident occurred in the Permian Basin, where oil and gas activity has surged in recent years.

EOS Risk Group report on the return of petro-piracy in the Gulf of Guinea

EOS Risk Group, a global professional security services company, has released a half-year report on Nigerian Piracy in the Gulf of Guinea.

A notable feature of this report is the return of 'petro-piracy', a phrase used to describe tanker hijackings for product theft.

Petro-piracy peaked between 2011-2013 but had remained dormant for the past two years.

However, petro-piracy now appears to have re-emerged in the Gulf of Guinea, with the hijacking of the MT Barrett in Cotonou Anchorage, Benin, on the 10th January 2018. As a result of this incident, around 2,000 MT of gasoline was siphoned off via a ship-to-ship transfer over a seven-day period.

Although the hijacking of MT Barrett has been the only successful reported incident of hijacking for oil theft in 2018, there have been three reported incidents of pirates attacking tankers in Cotonou Anchorage in February 2018.

It is reported that these pirate group(s) are mostly Nigerian with others hailing from other West African nations.

EOS Risk Group have reported that so far in 2018, pirates have kidnapped 35 seafarers from vessels in the Gulf of Guinea and held them for ransom, with seafarers spending on average 36 days in captivity.

95% of the attacks reported on merchant vessels occurred between Brass and Port Harcourt, within 60NM of the shore.

However, unlike 2017 where all reported marine kidnap for ransom attacks were conducted within the Nigerian Exclusive Economic Zone (EEZ), in 2018 there has been one reported case in Cameroonian waters and two in Ghanaian waters, where five seafarers were kidnapped from two vessels.

To mitigate this risk, EOS Risk Group recommends that all vessels, especially tankers, implement Global Counter Piracy Guidance measures and report to MDAT-GoG while operating throughout the broader Gulf of Guinea region.

Storm damage leads to fluid release from Cliff Head Alpha platform

On the 27th July it was reported that NOPSEMA (Australia's National Offshore Petroleum Safety and Environmental Management Authority) had sent a team of inspectors to investigate an incident which occurred at the Triangle Energy-operated Cliff Head Alpha platform, 25 kilometres (15.5 miles) offshore Dongara, Western Australia.

Severe weather conditions reportedly led to damage of production-related equipment resulting in a release of produced fluid (95% water 5% crude oil) to the marine environment.

The exact volume is unclear although early reports suggested the release was low level.

Production on the platform was suspended and there is said to be no risk of the damaged equipment releasing any further fluid.

The NOPSEMA team will relay the regulator's expectations regarding actions to prevent any further loss of fluid and they will also monitor Triangle Energy's response.

In addition, the authority has issued a direction requiring the company not to re-start production until it can demonstrate that it has isolated the damaged equipment; confirmed the integrity of similar equipment and interconnecting pipework; restored secondary containment equipment; and developed and implemented effective controls to detect a loss of containment and any subsequent loss of hydrocarbons to the marine environment.

Asian piracy drops to 10-year low

Standard Club reports:

The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia Information Shipping Centre (ReCAAP ISC) has issued its Half-Yearly Report for 2018, highlighting a 15% decrease in incidents compared with last year.

From January to June 2018, a total of 40 incidents were reported of which 29 were actual incidents and 11 were attempted cases. This marks a 15% decrease compared to the same period in 2017, as well as the lowest number during the first half of the year over the last ten years.

This reduction in reported incidents reflects the fact that there were no actual incidents of abduction of crew, or theft of oil cargo over the last six months. Furthermore, there was a decrease in the number of incidents at ports and anchorages in the Philippines.

Although a reduction has been noted, ReCAAP ISC still lists several areas of concern.

Incidents in the Singapore Strait increased from two to four year-on-year, while incidents increased from none to two year-on-year at ports and anchorages in Vietnam. Although there were no successful cases of crew abduction in the Sulu-Celebes seas, there was one reported attempted incident of abduction of crew.

While ReCAAP ISC welcomes the decline in incidents in Asia, Executive Director Masafumi Kuroki states that *"continued vigilance by all stakeholders is an effective deterrence to maritime crime, and we urge heightened measures to be taken in the areas of concern"*.

INSURANCE NEWS

Giving insurance a voice: Brexit 'nightmare' for industry unless government breaks political deadlock

Article by Kennedys Law LLP

We are delighted to introduce our latest report – ***Brexit and the insurance sector: Towards 2020 and beyond*** – as part of Kennedys' ongoing commitment to providing key business insights on Brexit and how it is likely to impact on the UK's insurance sector.

Having moved beyond the first phase of the exit process, our report comes at a critical stage in the UK's path towards leaving the European Union (EU). With the focus now on the future trading relationship between the UK and EU, the outcome of the debate is vital for the long-term health of an extremely valuable sector to the UK economy.

This report builds on the findings of our previous report - *The Insurers Speak* - which we published in the weeks before the Brexit referendum on the 23rd June 2016. Once again, in answering what Brexit will mean for the UK's insurance sector, we have undertaken in-depth interviews with senior insurance executives and policymakers.

As we predicted in 2016, the UK is now devoting huge energy and resource to reframing its trading relationships with the EU. A sustainable Brexit needs to be highly sensitive to the global competitiveness of the UK's insurance sector. As the world's leading financial centre, the City of London has built a global reputation for its skills and expertise in insurance and ancillary financial and professional services.

Our report in 2016 revealed a range of legitimate concerns if the UK did indeed vote to leave the EU. Two years on, with the UK now well down the road to exiting the EU, many of those concerns remain on the corporate risk agenda.

Part 2 of our report identifies the key strategic issues, including the potential 'red lines' for the insurance industry, arising from the 2016 referendum vote to leave the European Union.

The various options for a new trading relationship between the UK and EU are outlined in Part 3 of this report.

Given the ongoing political uncertainty around the exit negotiations, we look in Part 4 at the contingency planning issues firms are putting in place.

The potential threats to future innovation are highlighted in Part 5 of this report.

In response to our findings, we provide recommendations on what UK politicians should do to protect the sector and offer a six-point plan to secure the future of the insurance industry post-Brexit.

Our six key recommendations will safeguard future investment, talent and innovation in the insurance sector:

1. Resolve the uncertainty surrounding the terms of the UK's exit
2. The UK should aim for flexibility around the exit
3. Defining 'best third country' status – the new trading relationship
4. The UK should not become a rule-taker
5. Protecting workers' rights
6. Protecting investment in research and development

In particular, we explore how long-term innovation in the insurance industry is core to maintaining the UK market's leading position in established classes, as well as growth areas such as FinTech, InsurTech and RegTech. Our report outlines some key considerations including R&D, regional funding, data protection and the free movement of people, which must be given greater focus.

Ultimately, breaking the current political deadlock in the UK Parliament is key to moving forward.

If the industry is to retain its significant market shares in key industries – 60% in global aviation insurance, 52% in energy and 33% in marine insurance, to name but a few – it is imperative for the UK Government to listen to the industry and protect its interests.

The proposed implementation period to December 2020 offers an opportunity for common sense to prevail while the UK and EU forge a new trading relationship. We offer our report in the hope it will support the realisation of such opportunities.

Nephila gets in-principle approval from Lloyd's to form managing agency

Bermuda-based Nephila Capital has announced that the Lloyd's Board (previously called the Franchise Board) has given in principle approval to Nephila's plan to form its own managing agency, subject to regulatory authorisation.

Nephila is the largest institutional asset manager of vehicles dedicated to investing in natural catastrophe and weather risk. Nephila's Syndicate 2357, which is backed by funds managed by Nephila, has been managed by Asta, the leading third party syndicate manager at Lloyd's, since its inception in 2013.

Adam Beatty, currently the active underwriter of Syndicate 2357, will assume the role of Chief Executive Officer of Nephila Syndicate Management (NSM).

Post-Brexit European subsidiaries: CNA Hardy and Chubb

CNA Hardy's EU subsidiary granted insurer licence in Luxembourg

CNA Hardy, the specialist commercial insurer writing business within the Lloyd's and company markets, announced that its new European subsidiary has successfully been granted an insurance company license by Luxembourg's regulator, the Commissariat Aux Assurances (CAA).

CNA Hardy chose Luxembourg as the optimum jurisdiction for its European Union base due to its geographic location between three of its Continental European offices, its stable economic and political environment and the professional approach of the Luxembourg regulator, the company said.

"Our preparations for Brexit are firmly on track. The granting of our insurance company licence by the Luxembourg regulator is an important milestone for us," said Dave Brosnan, CEO, CNA Hardy. *"It ensures continuity and certainty for our brokers, customers and our staff. We are committed to developing our European operations and our new European subsidiary, with a head office in Luxembourg, will enhance our ability to do just that."*

Chubb European Group converts to Societas Europaea (SE) ahead of re-domicile to France

Chubb European Group has announced the achievement of an important regulatory step in its Brexit preparations to re-domicile its businesses to France. This will provide customers with continuous, uninterrupted service regardless of the outcome of Brexit negotiations between the UK and the European Union.

On the 19th July, both Chubb European Group and ACE Europe Life converted to Societas Europaea (SE), which enables these companies to re-domicile to another EU jurisdiction and continue to undertake business both across the EU and into the UK via a branch.

Previously, on the 11th July 2018, Chubb received authorisation from the Board of the French supervisor Autorité de Contrôle Prudentiel et de Résolution (ACPR) to re-domicile the businesses to France on the 1st January 2019, subject to the fulfilment of certain administrative requirements by year-end 2018.

Until the 31st December 2018, Chubb European Group SE and ACE Europe Life SE will still be domiciled and have their registered office at the same address in England and will remain authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

CNA CEO refocuses Lloyd's syndicate for international turnaround

CNA Financial Corporation's CEO Dino Robusto wants to turn around the international business unit by refocusing the Lloyd's Hardy syndicate.

The underwriting profitability of CNA's international business deteriorated further in the second quarter of 2018 after the underlying combined ratio of the unit had been around 100% for the last six quarters.

The international business unit provides insurance solutions tailored to the needs of international businesses.

The combined ratio in the international business unit deteriorated to 104.7% in the second quarter of 2018 from 100.1% in the same period of 2017, impacted by large property losses in Canada. The underwriting loss was US$11 million after an underwriting profit of US$1 million over the period.

But the Canada business is not the main focus for Mr Robusto's plan to turnaround the unit. As he pointed out in the second quarter earnings call, over the last ten years the Canada business had a combined ratio under 90%. *"We had some property losses which were higher than expectations in the quarter,"* Mr Robusto admitted, but over the six first months of 2018, the combined ratio was *"in-line,"* he noted.

It's in the Lloyd's operations which Mr Robusto wants to make the bigger changes as loss ratios and the combined ratio there has been disappointing for some time.

Hardy syndicate 382 reported a loss of £34.2 million for 2017 after a loss of £6.8 million in 2016. The combined ratio in 2017 deteriorated to 116.3% from 111.2% in the previous year.

CNA Hardy specialises in commercial insurance for clients within the Lloyd's and company markets, writing business across Europe. Via the Lloyd's platform CNA writes business in more than 200 countries worldwide.

CNA is in the process of shifting products at Hardy from the standard Lloyd's type products, the marine, the shared-in-layered property to focus on target markets where CNA has the expertise such as healthcare, technology, life sciences and certain aspects of the construction business, Mr Robusto said. *"That's a process that takes time,"* he noted. The refocussing measures also include a shift away from aviation and political risk, he added.

"We had a very unprofitable accident & health (A&H), we had some of our classic cap property which we're moving away from," Mr Robusto noted. *"That's the way we see Lloyd's playing up for us in the future and so we clearly expect more profitability from that,"* he added.

"There are efforts clearly in particularly on the Lloyd's syndicate to make that more profitable and we remain very optimistic about our international operation," he said.

The Insurance Market expresses its concerns for the future with Brexit

UK faces 'abject future' after Brexit, warns former Lloyd's chairman

The UK is facing a grim future after Brexit because of the failure of its politicians to govern responsibly, the former chairman of insurance market Lloyd's of London has written in a letter to the Financial Times.

"Never in over 50 years of working life have I seen the UK facing such an abject future," said John Nelson, who said the situation was *"caused by the complete failure of our political establishment to govern, to communicate clearly with the public and most importantly to be honest with the electorate."*

He said that leaving the EU, even on the basis of the position recently agreed by the UK government, would lead to it *"becoming a much poorer country than anybody was led to believe during the appallingly conducted referendum campaign."*

The impact on the economy, employment and the provision of public services such as agriculture, healthcare and air transport have been underestimated, he argued, lost amid a lack of cooperation between MPs.

Without naming anyone, he criticised the *"ambition and vanity"* of senior politicians, who he said are not acting in the best interests of their country. He also criticised a *"silent majority"* of others in the major parties who seem terrified of raising their views and called on British businesses to speak up to give their account of the true consequences of Brexit.

"Personal experience tells me that negotiating overseas rights is a long and painful process," he said. *"As a small economy, the leverage we have is limited and far less than operating as a trade bloc, which is the EU."*

LIIBA warns members over no-deal Brexit

The London Insurance and International Brokers Association (LIIBA) is calling for its members to prepare for the possibility that the UK will leave the EU without a trade deal.

LIIBA noted that as of the end of July, there is now a higher risk that the UK will exit the EU with no deal in March of 2019. The report urges members to consider how they will continue to service EU clients' needs in that eventuality.

As part of the preparations, member brokers may need to create subsidiary entities within the European Union.

"The concept of mutual market access looks to be dead in the water," said LIIBA CEO Christopher Croft. *"So, at this advanced stage of the game, it would be foolish to ignore the very real possibility of no-deal for the UK. That's why we're encouraging our members to address this scenario now,"* he noted.

"We have been liaising closely with the Belgian government and regulators to assist any member who might consider Brussels as a location for such a subsidiary. These discussions have been very positive.

"We've also had an introductory meeting with officials from the Greek Embassy. This was also positive, and LIIBA will be pursuing a more in-depth exploration of whether Athens or Piraeus could prove a viable alternative location," Mr Croft added.

IUA Chairman : Brexit is greatest structural challenge facing London company market

Brexit is the greatest structural challenge facing the London company market, said the Chairman of the International Underwriting Association (IUA), Malcolm Newman.

The UK's break from the EU is affecting insurers, brokers and clients in varying ways, but none felt as informed as they might expect to be, Mr Newman said at the IUA's annual general meeting on the 25th July.

"The IUA and the wider market has urged regulators not to create unnecessary new barriers to business and was pleased to welcome the Prudential Regulation Authority's planned approach to the authorisation of EU branches operating in London," he said.

"This promises to help preserve London's unique depth of insurance expertise and resource and suggests a high degree of future supervisory cooperation between the UK and EU," he added.

"We were disappointed that our desire for a comprehensive free trade agreement based on mutual market access for our customers seems now to be impossible," Mr Newman commented. *"Businesses need to continue to access our market's specialist risk capacity and we continue to work closely with the market to influence positive outcomes from the Brexit negotiations."*

Mr Newman said it is frustrating the negotiations are not as well advanced they need to be. *"We sincerely hope that the next few months will lead to successful conclusions to satisfy our market's needs and preserve our unique trading advantages of talent, capital and innovation."*

During his speech, Mr Newman also reviewed how the need to make transacting business with London an easier and more efficient process is driving take up of electronic trading. This fundamental change to the way insurance contracts are placed is steadily growing as the number of business classes available on the London Market's Placing Platform system increases, he said.

IUA members are working to introduce electronic placement along with other modernisation facilities and next year will see these utilities funded on a user-pays basis.

The IUA represents international and wholesale insurance and reinsurance companies operating in or through London.

Lloyd's platform affected by Iran sanctions

New US sanctions are likely to prevent the use of a Lloyd's IT platform for any Iran insurance, adding to difficulties for European insurers providing cover for the country, according to a Reuters report citing Chairman Bruce Carnegie-Brown on the 13th July.

Mr Carnegie-Brown told Reuters the re-imposition of sanctions meant insurers *"probably"* would not be able to process Iran-related business through the Lloyd's platform, partly owned since 2017 by US firm DXC.

Lloyd's and other European insurers provided marine, energy and trade credit cover for Iran after the US lifted secondary sanctions in January 2016 following a nuclear deal between world powers and Iran reached in 2015.

The EU also lifted sanctions in January 2016. In June 2018, the US Treasury's Office of Foreign Assets Control (OFAC) revoked licences which had allowed foreign subsidiaries of US firms to trade with Iran.

"You can do it through Lloyd's through other settlement mechanisms outside DXC, it's just more complicated and more expensive to do it that way," Mr Carnegie-Brown told Reuters. *"There is a bit of an evaluation going on about what business opportunities there are, in any event."*

DXC provides data processing and other back office services to Lloyd's and other London insurers through two firms, XIS and XCS, who are jointly owned by DXC's British subsidiary Xchanging, Lloyd's and the International Underwriters' Association, Reuters noted.

Lloyd's insurers and brokers with Iran business included Chaucer, Ed Broking, RFIB and UIB, according to Reuters.

Iran's economy is heavily reliant on its oil industry and needs marine insurance to ensure the smooth flow of maritime trade for both its exports and imports.

AIG completes US$5.5 billion acquisition of Validus

On the 18th July, American International Group, Inc. said it had completed its acquisition of Bermuda reinsurer and specialist insurer Validus Holdings.

The US$5.56 billion all-cash transaction was first announced in January, about eight months after Brian Duperreault took over at AIG as President and Chief Executive Officer.

FCA prepares for hard Brexit

Britain's banks and insurers must plan for a *"hard"* Brexit in case a transition period is not in place next March, a senior British regulator said on the 19th July in a warning echoed by Brussels.

"With eight months until we exit the European Union in March 2019, it is important we all – regulators and industry – continue to plan for a range of scenarios," said Nausicaa Delfas, Head of International Strategy at the Financial Conduct Authority.

"Across the FCA, together with colleagues from the Bank of England and the government, we have been working to develop a number of safeguards and contingencies, in the event of a hard Brexit, to ensure that 'day 1' works smoothly," Ms Delfas told an event held by TheCityUK.

Britain and the EU have agreed on a transition deal bridging Brexit in March next year and the end of 2020, but it has yet to be ratified, meaning financial firms based in Britain could face an abrupt end to EU market access.

EU banking, insurance and markets watchdogs have already warned their respective sectors to be ready for a hard Brexit. The bloc's executive European Commission told EU states on the 19th July to *"intensify preparedness"* for a potentially disruptive Brexit.

Britain has said it and the EU should act to ensure that cross-border financial contracts like derivatives and insurance policies can still be serviced after March, but the EU reiterated on the 19th July that it would not legislate for now.

"In relation to contracts, at this juncture, there does not appear to be an issue of a general nature linked to contract continuity as in principle, even after withdrawal, the performance of existing obligations can continue," the European Commission said on the 19th July.

It is unclear what sort of EU market access financial firms in Britain will have after the transition period ends, prompting many banks and insurers to have new hubs up and running in the bloc by next March to avoid potential disruption.

A group of eight EU states also called for a redoubling of efforts to build a capital markets union in the bloc to provide *"stable and cost-effective"* funding for EU companies, given that Britain, Europe's biggest financial centre, is leaving.

Do your own thing

Britain's government wants future financial services trade with the EU based on an *"enhanced"* version of the bloc's basic *"equivalence"* regime used by Japan, Switzerland and the United States.

Brussels alone grants access to foreign firms if it deems that their home country rules are equivalent or aligned enough with those in the bloc.

Britain says this is one-sided and wants changes to make it more predictable and transparent. The EU is amending the regime, but its alterations would make it tougher on big foreign trading and clearing firms like those found in the UK's financial sector.

Hugh Savill, Director of Regulation at the Association of British Insurers said that even with enhanced equivalence, the EU's *"imperialist"* approach to rule-making would have a chilling effect on how UK regulators can supervise markets and consumers.

"Nobody wants to be in the position of a rule taker," Ms Delfas said.

Antony Manchester, Head of Brexit at asset manager BlackRock said enhanced equivalence can be made to work, but Britain and the EU have different ideas on what it means.

"In these debates on equivalence... the UK and EU are quite evenly matched in terms of financial services. That means we will see something more like the negotiations between the EU and US, where we give and take on both sides," Mr Manchester said.

But the EU and United States took four years to agree equivalence on a rule just for clearing derivatives, raising concerns in Britain over what the City financial district could face after Brexit.

Manchester, a former UK Treasury official, said if Brussels does not deem a UK firm to be equivalent, British regulators could choose to *"do our own thing,"* raising concerns about predictability for international financial firms.

Ardonagh-owned Price Forbes taps JLT, Marsh, Miller execs

Specialist insurance broker Price Forbes, part of the Ardonagh Group of companies, has expanded its power, utility and construction team with four new appointments from JLT, Marsh and Miller.

Simon Howell joins from Marsh UK where he was a managing director and placement leader for power and utilities and was a member of the energy and power practice executive committee.

Mr Howell is joined on the team by **James Williams**, **David Cramphorn** and **Charlotte Higgins**.

Mr Williams arrives from JLT Specialty's energy division, and prior to that he worked at Aon and Marsh.

Both Mr Cramphorn and Ms Higgins were most recently at Miller Insurance Services.

Mr Cramphorn has previously worked at Cooper Gay in their non-marine division and was responsible for broking worldwide construction risks before moving to Marsh, where he served as an account handler for the global downstream energy team. In 2015, he joined Miller to work within their onshore energy team as an account handler and broker.

IGI taps Novae underwriter for energy expansion

Specialist commercial re/insurer International General Insurance Holdings (IGI) has strengthened its energy offering with the appointment of **James Green** as Senior Underwriter for downstream energy.

Mr Green joins from Novae, where he was class underwriter for renewable energy, including power. In his previous role, he specialised in onshore and offshore construction and operational business, across the full range of technology sectors, and on a global basis.

At IGI, Mr Green will focus on growing and developing a focused renewable energy and conventional power portfolio with large corporate clients or independent power providers as part of IGI's wider downstream energy offering.

Mr Green will be based in the London office and will report into **Hassane Rhazouani**, Head of Downstream Energy and **Graham Hensman**, Head of Energy.

AIG appoints Aspen Re's Lillelund as CEO of AIG Europe in Luxembourg

American International Group, Inc. has announced that **Thomas Lillelund** will join as Chief Executive Officer of AIG Europe SA.

Headquartered in Luxembourg, AIG Europe SA is a new legal entity for AIG's business in the European Economic Area and Switzerland. The new entity has been established to provide business continuity for AIG's European operations after the United Kingdom leaves the European Union.

In this new role, Mr Lillelund will report to **Chris Townsend**, Chief Executive Officer, International General Insurance. His appointment is subject to the required regulatory approval.

Mr Lillelund joins from Aspen Re where he has been chief executive officer. He will be responsible for Continental Europe and Ireland. Previously, he served as regional managing director of the Asia Pacific region for Aspen Re.

Anthony Baldwin, currently CEO of AIG Europe Ltd., will become Chief Executive Officer of AIG's new UK entity, American International Group UK Ltd., and will continue to report to Mr Townsend.

NSM announces key senior appointments

Nephila Syndicate Management Ltd. (NSM) has announced that **Gina Butterworth** has joined the company as Director of Underwriting.

She was previously director of Underwriting at ERS and spent many years in senior roles at Chaucer. She will succeed **Adam Beatty** (who is appointed CEO) as Active Underwriter of the syndicate, effective the 1st January 2019.

Liberty eyes Nordics expansion with newly-created role

Liberty Specialty Markets (LSM) is looking to expand its reach in the Nordic region, allowing it to underwrite and service more business through its office in the Netherlands.

As part of the strategic change, **Rob Groenen**, formerly general manager for the Netherlands, is promoted to the newly-created role of Head of Benelux and Nordics.

Mr Groenen joined LSM from Zurich Financial Services in 2009 as professional indemnity underwriting manager for continental Europe.

"The Benelux and Nordic regions offer us many opportunities to write key lines which can be serviced by our growing team in the Netherlands," said Kadidja Sinz, Liberty Specialty Market's Head of Europe. *"This expansion will contribute significantly to our growth plans and our overall European portfolio."*

Ascot poaches Navigators marine team to launch new unit

Bermuda-domiciled specialty insurance underwriter Ascot Group has named **Chris Piazza** as head of a new US marine insurance team, which will include current Ascot marine underwriters **Lou Gehrig**, Senior Vice President and **Devin Lefebvre**, Vice President. **Tom Nasso**, **Dana Piazza** and **Jim Gehrke** are also moving across from Navigators, becoming senior vice presidents.

The team will provide regional coverage; underwriters will work out of New York, Baltimore and Houston, using Ascot's admitted US paper. Its New York-based MGA, Ethos Specialty Insurance Services, is also owned by the Canada Pension Plan Investment Board.

Mr Piazza has been at The Navigators Group for 15 years, most recently as national product line director for Marine Hull and Liability

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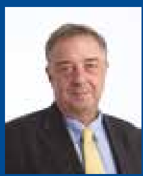

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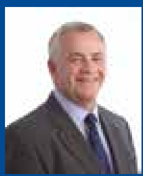

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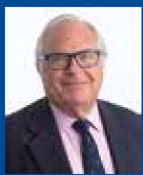

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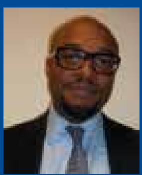

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