Hanseatic aims for growth with ‘seaworthy’ cover

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Hanseatic Underwriters has revamped its team as it aims for further growth at the forthcoming protection-and-indemnity (P&I) renewals.

The Hamburg-based fixed-premium operation is set on becoming the fourth-biggest player in the commercial P&I market and suggests it may already have gained this position.

Hanseatic has kept its focus on providing ‘seaworthy’ fixed-premium cover for smaller and medium-size vessels. So it has stood aside from moving up to $1bn of cover or schemes to attract shipowners from the club market by providing release call security.

The financial troubles of German shipowners in general, and the KG (limited partnerships) schemes in particular, has made some operators previously focused on club cover more open to the fixed premium alternative, as they pare costs in a battle for survival.

“There are new managements where the finance directors are less committed to the established way of doing things and keen instead to seek out budget certainties, provided there is an ‘A-rated alternative market’, said Hanseatic’s newly appointed claims director, Ian Cameron.

Although Hanseatic has been internationalising for several years, Cameron says the German domestic market remains very important, with Briese Schiffahrt and Leonhardt & Blumberg among the most prominent clients in Germany.

Clients in Turkey include Bayraktar and Canbaz Denizcilik, while CPT Empresas Maritimas is a leading insurer from Chile.

Quite a few fixed-premium operations can now offer $1bn of cover, but Hanseatic has not joined this trend, as it believes few buyers need such a high limit, while paying the minimum and deposit premium necessary to secure the capacity adds to the costs of those who have taken this route.

“We have been asked once, twice or three times over the past year if we can offer more than $500m of cover but the cost is greater than the premium income it brings in. I am not saying $1bn is a mistake but the fixed premium world has not moved to this limit, at least not yet, and it has done us no harm,” said Cameron.

He also sees release call schemes as unnecessary and not a deciding factor in moving buyers from the club to a fixed-premium market.

“People are looking at every unique selling proposition they can find but we don’t think it is practically necessary,” he said.

Hanseatic, established in 2005, is also one of the fixed-premium underwriters with sound ‘A’-rated security, an issue that has come to the fore as a result of the rapid collapse of DGS Marine and its British European & Overseas P&I scheme.

British Marine, followed by Raets and Lodestar, are the biggest players in the fixed-premium market, with Osprey, Hanseatic and Navigators vying for the next few places.

The Hanseatic fixed-premium operation covers about 1,900 vessels of 3.1 million gross tons (gt), bringing in some $21m of premium.

Hanseatic’s primary cover up to $50m is written by seven Lloyd’s syndicates: Allied World’s 2232, Antares 1274, ANV’s 1861, Hiscox 33, Navigators 1221, Novae 2007 and StarStone 1301.

German insurance giant Allianz gives a further $50m layer of cover, while underwriters headed by the Hiscox syndicate 33 at Lloyd’s provide a top excess layer stretching up to $500m.

Cover renews at the start of April, with a Hanseatic team due in London next week to open negotiations.

Hanseatic’s personnel revamp sees Helge Volger, who has been with Hanseatic from almost the beginning, promoted to technical underwriting director, with responsibility for all underwriting initiatives and strategy.

UK-based Cameron becomes claims director, as successor to Peter Wolk, who moved at the New Year to become chief executive of Brand Marine Consultants. This has been set up by Captain Dennis Brand, a former head of the German insurance market’s claims handling association, Verein Hanseatischer Transportversicherer, who is also a well-known salvage master.

Cameron has been with Hanseatic since 2012, after earlier spells at Navigators, the American Club and Ocean Marine Mutual.

Cameron will stay UK based but spend perhaps one-third of his time in Hamburg, where Captain Burghard Kamp moves up to head the locally based claims team as senior claims executive. Kerstin Maack-Persicke will have a wider business acquisition and marketing role, after developing business interruption cover for cruise operations, mostly those involved in the river and coastal market.

Hanseatic continues to be headed by founder and fixed-premium pioneer Dr Harold Zeller, who turned 66 in November but remains very actively involved.

“He may go fishing once in a while but I don’t think he will retire. He loves the business and makes a day to day contribution,” added Cameron.