

대담한 도전

Bay Moon
COO, The Korea P&I Club

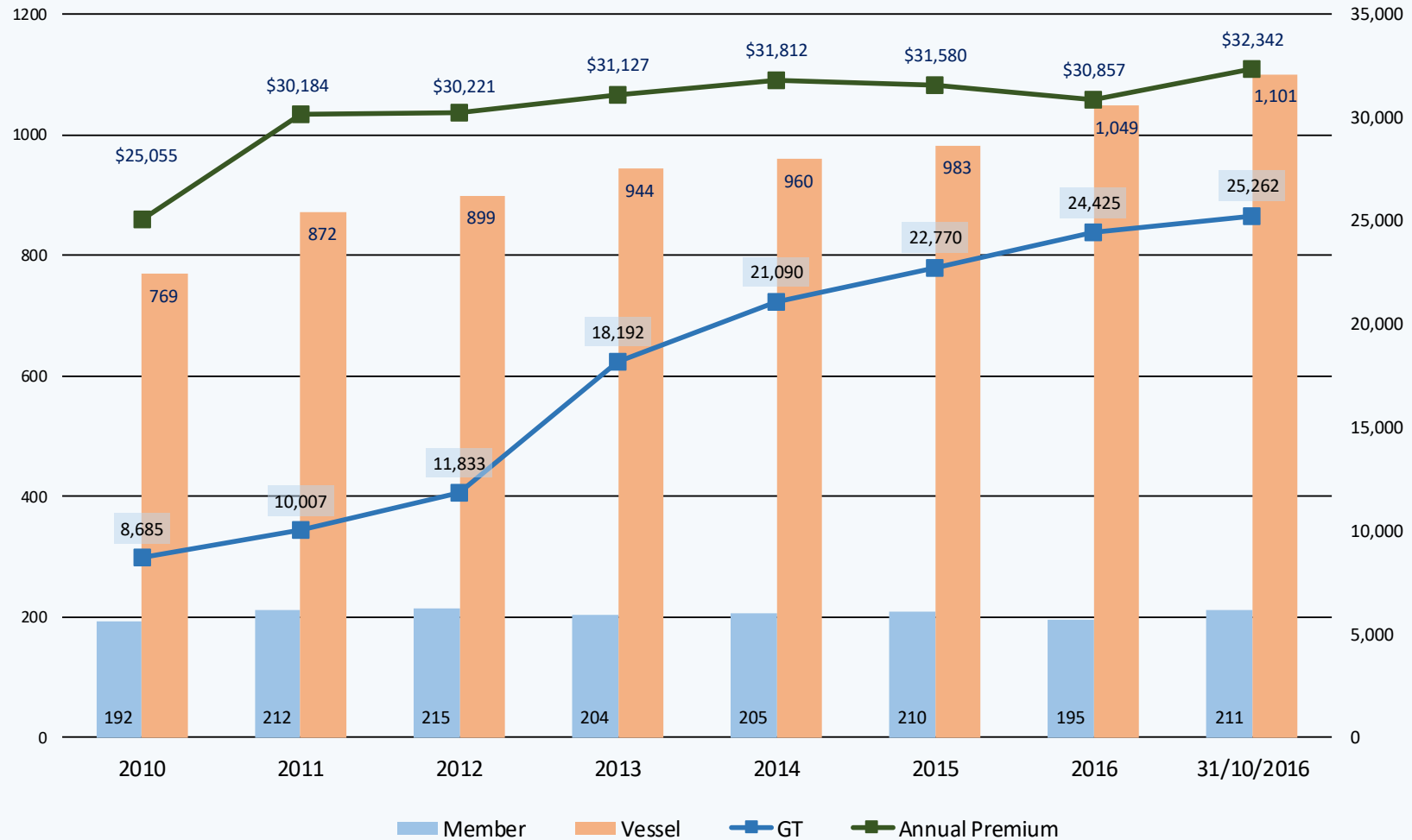
KP&I Overview

1) Brief updates

- New Chairman of Board of Directors
고려해운 회장 박정석(Since May of 2016)
- Credit Rating
"A-(Excellent) " by AM Best
- Solvency Ratio(Risk Based Capital method; as of 30th June 2016)
502% (S보험사 374%)

KP&I Overview

2) Moderate Growth



KP&I Overview

3) Portfolio by Type of Vessel

Type	Number	%
Cargo	816	74%
Fishing	110	10%
Tug, Work Boat, State-owned	175	16%
	1101	100%

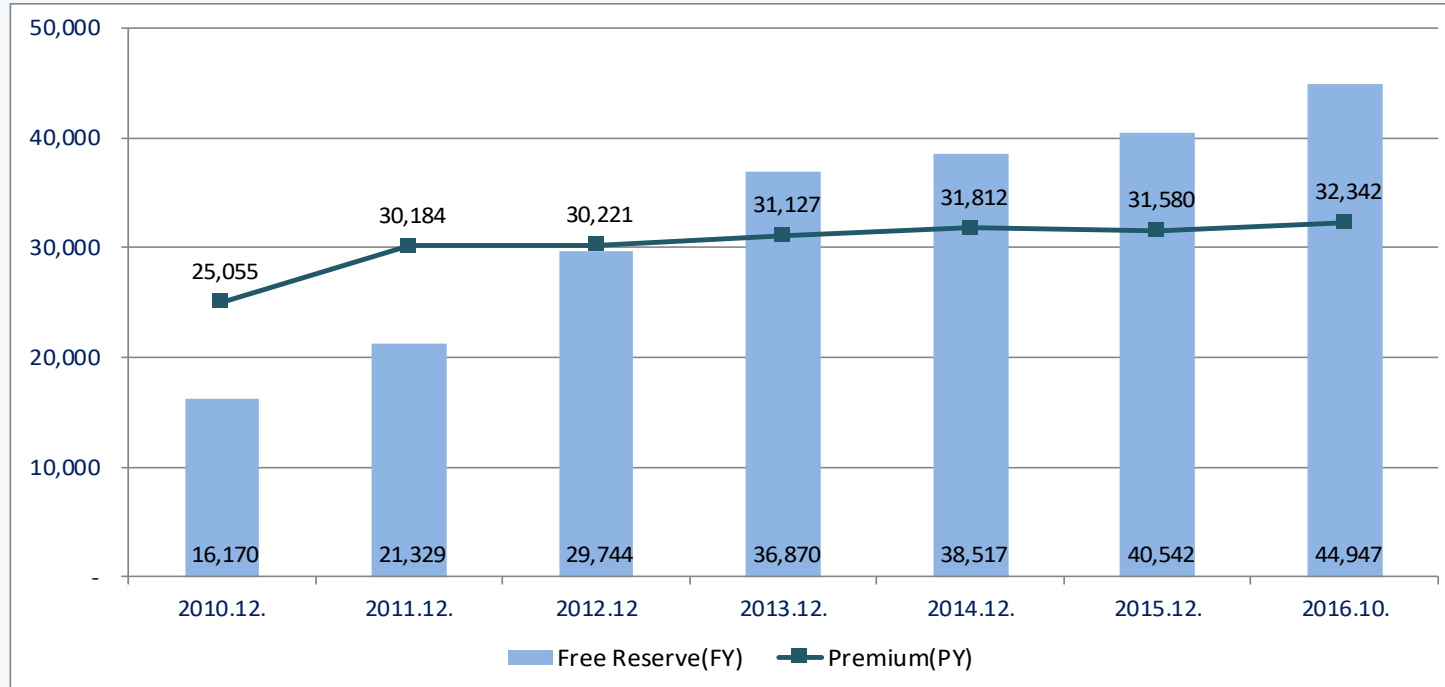
■ as of 31th Oct. 2016

KP&I Overview

4) Free Reserve and Annual Premium

■ New Trend of Free Reserve and Annual Premium

(Unit : USD1,000)

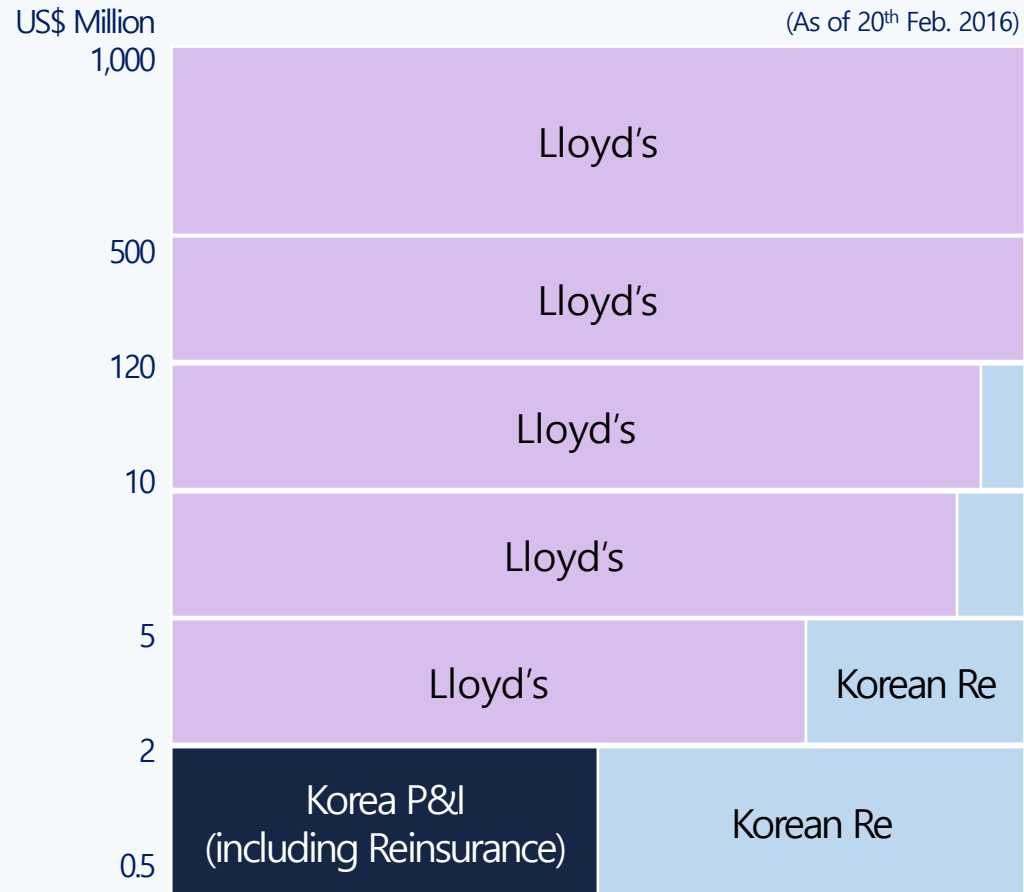


■ Free Reserve per Annual Premium Ratio

2010.12.	2011.12.	2012.12.	2013.12.	2014.12.	2015.12.	2016.9.
64.5%	70.7%	98.4%	118.5%	121.1%	128.4%	139.0%

KP&I Overview

5) Reinsurance Structure



- KP&I's maximum net exposure : \$250,000 per case

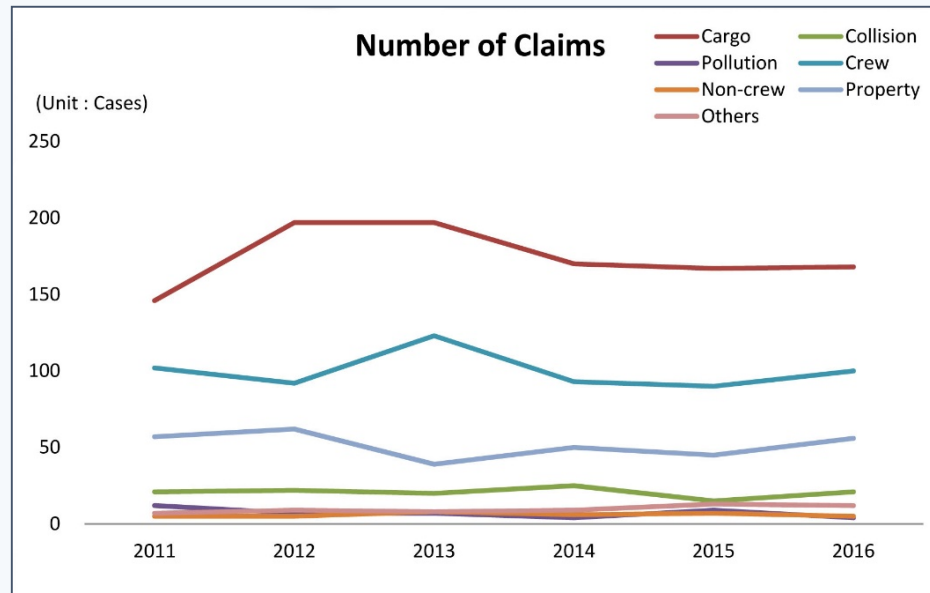
KP&I Overview

6) Trend of Claims in Number

(UNIT: Cases)

PY	Cargo	Collision	Pollution	Crew	Non-crew	Property	Others	Total
2011	146	21	12	102	5	57	7	350
2012	197	22	7	92	5	62	9	394
2013	197	20	7	123	8	39	8	402
2014	170	25	4	93	6	50	9	357
2015	167	15	9	90	7	45	13	346
2016. 10.	111	14	2	67	3	39	9	245
Est. full 2016	168	21	4	100	5	56	12	366

* Excluding Crew-Only Cover, TCL, SCL, NVOCC and FDD



KP&I Overview

7) Trend of Claims in Amount & Number

Claim Layer	2011 PY	2012 PY	2013 PY	2014 PY	2015 PY	Est. 2016 PY
~ 200,000	338	378	391	341	334	347
200,000 ~ 1M	10	13	9	13	9	16
1M ~ 2M	1	3	1	1	3	2
2M ~	1	0	1	2	0	1
Total	350	394	402	357	346	366

* Excluding Crew-Only Cover, TCL, SCL, NVOCC and FDD

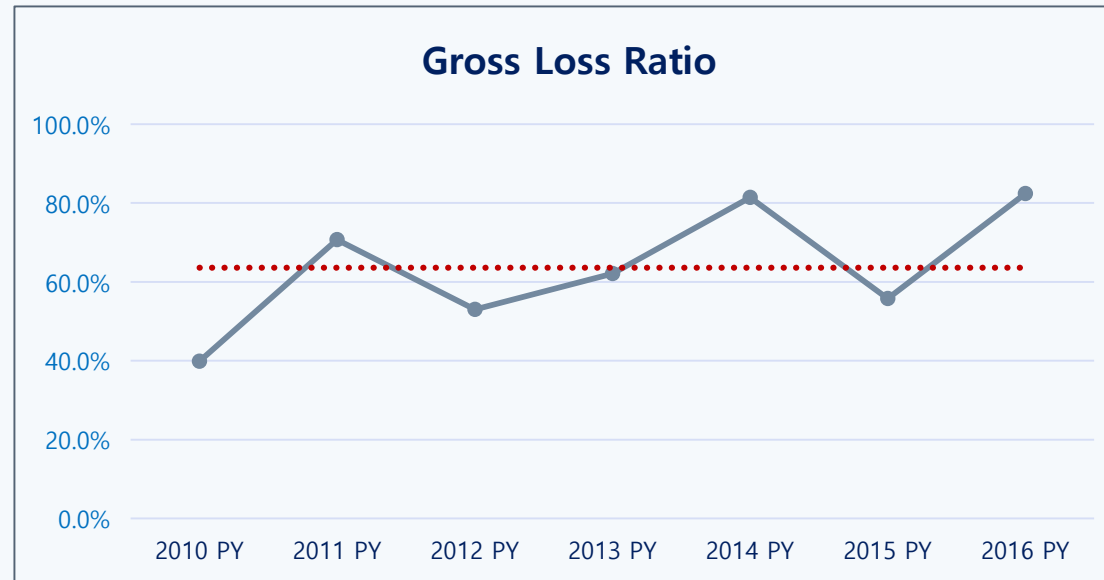
KP&I Overview

8) Trend of Gross Loss Ratio

■ Club's Gross Loss Ratio

2010 PY	2011 PY	2012 PY	2013 PY	2014 PY	2015 PY	2016 PY	Ave.
39.9%	70.7%	53.0%	62.1%	81.4%	55.8%	82.4%	63.6%

(Gross Claim / Gross Premium)



As of 31st Oct. 2016

KP&I Overview

9) Services

- P&I, TCL(+DTH), VCL, FD&D, VNOCC, SCL, SOL and etc.
- Preferred tonnage
Smaller than 10,000GT for Tankers
No limit for Non-tankers
- Designated Insurer
Under Conventions such as Bunker Convention, Nairobi Convention, CLC, ...
Singapore, UK, Hongkong, India, Japan, USA, Marshall Islands, EU Countries,
Panama and etc.
- Approved by CoFR(USA) Insurer
ARVAK/Shoreline, SIGCo Ltd. And Seassurance Ltd.
- Limited Cover up to \$1billion

KP&I Overview

10) Comparison with IG Clubs' General Increase History

(Unit: %)

Club	2011	2012	2013	2014	2015	2016	Acc.
American	2.0	5.0	10.0	10.0	4.5	2.5	138.8
WOE	5.0	5.0	7.5	7.5	2.5	0.0	130.6
UK	5.0	3.0	7.5	10.0	6.2	2.5	139.2
London	5.0	5.0	12.5	10.0	6.0	5.0	151.9
Standard	3.5	5.0	7.5	12.5	5.0	2.5	141.5
Gard	0.0	5.0	5.0	5.0	2.5	2.5	121.6
Swedish	2.5	5.0	7.5	7.5	2.5	0.0	127.5
SSM	0.0	5.0	7.5	10.0	0.0	0.0	124.2
Japan	10.0	3.0	5.0	7.5	3.0	3.0	135.7
KP&I	0.0	0.0	0.0	4.5	0.0	0.0	104.5

Why do some Clubs return premium?

KP&I Overview

11) Competitiveness

- Real Non-profitmaking Operation
 - No Corporate Tax since 2011 (Approved as a Non-profitmaking Organization from Government)
 - All the Surplus made is reserved, not taken by shareholders

- Fixed Premium basis
 - No Release Call
 - No Additional Call

- 편의성
 - Same time zone
 - Same Language
 - A stone's throw away from your office

Challenges

1) BWMC(Ballast Water Management Convention)

- Ballast Water 처리 장비 설치의무화
- '17. 9. 8. 발효
- 2022년 또 24년까지 설치('17년 회의에서 결정 예정)
- 설치비용 : US\$80만 - 120만
- 15년이상 선박 폐선 or 설치?
- 2022년까지 990척 해당(우리나라)

2) SOX(Marpol Annex VI)

- 선박연료의 황 함유량 현재 3.5%에서 0.5%로
- 2020. 1. 1. 적용
- MGO(저유황연료유) 사용 또는 LNG 추진선 개조
또는 SCRUBBER 설비(세정장치) 장착
- 설치비용 10-15억원

Challenges

3) Amendment of MLC

- 추가 보장내용
유기된 선원의 송환, 식료품, 식수, 치료 및 4개월분 미지급 임금, 퇴직금 등
- 2017. 1. 8 적용
- 척당 대략 \$37만(4개월) 10척이면 \$370만
- Fall outside the scope of P&I cover when arising from abandonment due to a shipowner's financial default
- KP&I provides MLC Cert.

Challenges

4) Fixed Premium Providers are sustainable?

- South of England
- BE&O

5) 소규모 Fixed Player와 손잡은 손보사

- Blue Cards Acceptable?
- LOU Acceptable?
- MLC?

Opportunities

1) KSC

Korea P&I Standard Club Collaboration



Opportunities

- ✓ Co-insurance with Standard P&I Asia
- ✓ Smaller vessels trading within Asia
- ✓ Vessels requiring IG certificate
- ✓ Letter of Undertaking
- ✓ Blue Card
- ✓ IG level service at fixed cost
- ✓ No Release Call, No Additional Call
- ✓ Advantage from Both Facilities of KP&I and Standard

Opportunities

2) Co-insurance with China Life P&I

- ✓ China version of KSC
- ✓ Claims Handling and Underwriting by KP&I
- ✓ Both facilities of KP&I and China Life P&C

3) Larger Vessels

- ✓ Cape bulkers
- ✓ Panamax Containers

Opportunities

4) Overseas Market

- ✓ 8% premium share
- ✓ China, Vietnam, Indonesia, Singapore, ...

5) Laid-up Vessels

- ✓ Lloyd's only Insurance
- ✓ Obstruction of Justice
- ✓ 유류오염손해배상보장법 제62조(벌칙) 변경 통보를 하지 아니하거나, 거짓으로 한 자

6) CLI

- ✓ TCL + DTH
- ✓ VCL
- ✓ FD&D

KP&I Motto

- ✓ **IG Level Service at Fixed Cost**
- ✓ **Focus on Member's Concern**
- ✓ **Proactive Claims Handling**

Q&A

감사합니다!