



Special Issue

Global Reinsurance Outlook 2001: Negative Outlook Remains Despite Firming Rates and Fewer Catastrophes

Report by: - Standard and Poor

The global reinsurance industry had a disappointing year in 2000, with underwriting losses and reduced investment income marring results. Standard & Poor believes the reinsurance industry paid losses in 2000 could exceed the catastrophe-laden losses of 1992, producing a combined ratio above 1999 112%.

Although many observers expected the industry weak performance in 2000, Standard & Poor continues to be surprised at the inability of the largest reinsurers-Munich Reinsurance Group/American Reinsurance Co., Employers Reinsurance Group, Berkshire-Hathaway Reinsurance Group/General Reinsurance Corp., and Swiss Reinsurance Group-to rebound more rapidly. Within the competitive U.S. market, these top four reinsurers reported a combined ratio of nearly 114% for the nine months ending Sept. 30, 2000, which is above the industry average of 112.6%. Although size clearly matters in the market, size does not appear to provide an advantage in producing earnings.

Fewer Catastrophes, Modest Benefits to Bottom Line

The ability of the traditional industry leaders to outperform others in the industry was not demonstrated in 1999. A number of AAA rated reinsurers reported 1999 combined ratios well above those expected (see Table 1).

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Business Interruption

Report by: Swiss Re

Protecting the value of an enterprise

Fundamentals: -

Business protection is particularly important if the consequences of potential disruptions threaten to exceed supportable limits. It contains four essential elements:

Property

Property such as buildings, machinery, raw materials, work-in-progress and finished products that could be damaged, destroyed or become unusable in any other way.

Income

Revenue generated by the business, which is often reduced or cut off completely in the event of a loss, thereby affecting the company income.

Employees

May be affected by sickness or accident, resulting in a financial burden for the company.

Third party (liability) Claims

Business activities can also cause damage to third parties. If indemnity has to be paid; the company assets are at risk, e.g. in the case of product liability claims.

Property & Income

Determining the insurable value for income is a more difficult and intricate process. The manufacturing of the finished product in a series of stages from raw materials and semi-finished goods. The production flow becomes thicker after each stage of production i.e. the value of the product increases with each manufacturing stage.

The value of the production flow comprises both variable costs - which depend on the volume of goods manufactured - and fixed costs, such as capital costs, maintenance costs, rent, etc. This value also includes the profit the company stands to earn from the sale of its finished products.

Susceptibility to disruptions

Although the *type* of potential disruptions to small businesses is not hugely different from those threatening larger companies, the *frequency* of potential disruptions increases in proportion to the size of the enterprise. This is because the larger number of internal and external business

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Table 1 1999 Operating Performance of Several AAA Rated Reinsurers

Company	1999 Combined ratio (%)
Employers Re	114.5
Munich Re*	121.5
American Re	115.3
Swiss Re	117.4
Berkshire Hathaway Reinsurance Group**	116.3
General Re	119.9
Global reinsurance industry	113.0
*Includes performance of American Re. **Includes performance of General Re.	

Globally, losses were attributed to natural catastrophes. However, a soft market, inadequate pricing, and contract extensions drove the market decline. Late 1999 catastrophe losses from Hurricanes Lothar and Martin hit European and Bermudan reinsurers hard in 1999 and 2000, though U.S. reinsurers were less affected. Despite the relief from the decline in natural catastrophe losses and some rate improvement in 2000, the reinsurance industry is struggling to return to the basics of underwriting for a profit.

Top Reinsurers Not Top Performers

Many pundits have claimed there would be a market shift with the turn of the millennium. However, operating performance, at best, improved only modestly through the Sept. 30, 2000, reporting period. Each of the top four reinsurers is expected to sustain a combined ratio above 110% for the full year 2000. Because these behemoths represent nearly half of worldwide premium volume (49% in 1999 and 45% in 1998), sustained improvement in the industry without dramatic improvement from the major multi-lines is unlikely. Just as these industry leaders have completed a series of acquisitions to attain scale advantages in multiple markets, the value of scale appears to have waned, leading to an increased need for specialist skills and expense efficiencies. Standard & Poor believes this is partly a consequence of the increased retention capacity of larger insurance company clients. However, these groups are likely to benefit from a new flight to quality at the January 2001 renewal as multi-year agreements end and impaired capacity is replaced. These groups are also still digesting recent acquisitions, with some signs of stress emerging five years after closing.

Rate Improvements Patchy But Promising

Throughout the industry, management teams are addressing the systemic under pricing of the last three years by strengthening reserves. Price increases and some increased retention will result in the first real growth in net written premiums in a few years. Standard & Poor estimates U.S. premiums will increase by 17% in 2000 to about \$24 billion; European reinsurers are expected to post an increase in premium writings of 12%-13% for the year.

The double-digit growth in 2000 suggests that reinsurers increased writings on pro rata accounts compared with excess-of-loss covers, as general prices have not increased by that level. In addition, increases in incurred losses will trigger higher levels of paid losses and forebode depressed levels of investment income because of lower absolute levels of invested assets. Of course, not all companies are reporting difficulties. For example, Transatlantic Re, Everest Re, and Renaissance Re are producing results that are substantially better than those of its peers.

Although proportional reinsurers can have some direct influence over their results via ceding and profit commission reductions, they will have to wait until the direct markets turn around before their results improve significantly. This is happening in Europe, though very slowly. Most proportional reinsurers will find their results depressed for some time to come, certainly at least through 2001. This will also accelerate the trend-already firmly in place-toward non proportional business. On the other hand, emerging market growth will continue to support proportional business but not at a rate sufficient to make up the difference.

Non proportional rates are now moving consistently upward, but the rate of improvement is patchy. Almost all treaty non proportional rates are growing, with the strongest growth at the retro end. In many cases, rates in this area are doubling, tripling, or quadrupling. There is no great evidence yet that capital markets involvement will cap this rate growth in the short term, but Standard & Poor does foresee ongoing capital markets activity.

Improving Financial Flexibility, Stagnant Surplus Levels

Although equity market analysts are pointing to improved share prices and premium growth (U.S. reinsurance net written premium is up 14% through September 2000 compared with the same period in 1999) as signs of a cyclical upturn, the ability of the industry to translate the evident improvements into increased profitability, return on capital, and financial strength remains to be seen.

U.S. reinsurers continue to suffer disappointing operating results that have hardly advanced their statutory surplus levels from where they were five years ago. Statutory surplus as of Sept. 30, 2000, was \$23.1 billion, compared with \$22.7 billion at year-end 1996. More alarming is that this result is after more than \$6.5 billion in harvested realized capital gains. Although over this time period reinsurers have continued to diversify their product lines, expand into new geographic areas, and consolidate back-office operations, all positive measures to enhance growth, profit potentials, and underlying rates, terms, and conditions have been too low and broad for too long. Standard & Poor believes excess capacity remains a feature of the reinsurance market, which might dampen rate improvement, but cautions that conventional solvency measures are particularly misleading at this point in the cycle. Reserves are understated, and, therefore, capital is overstated. In addition, premium is under-priced and therefore not a fair measure of exposure. Standard & Poor capital adequacy modeling provides a fairer assessment of overcapitalization and indicates significant declines. However, despite poor results, withdrawals, and retrenchments over the last year, capital adequacy has not declined to anything like the post-Hurricane Andrew levels in 1992 and 1993. Rate improvement might be muted accordingly.

The level of catastrophes over the past two years has precipitated an increase in attention to the security of reinsurance recoverables-as defined by credit quality. Standard & Poor and other analysts tend to focus on the ability of reinsurers to repay. Lingering workers compensation claims from Unico and pressure to improve reported results in support of share prices is contributing to a declining willingness to pay by some reinsurers. This problem is particularly evident with program writers and can emerge whether or not there are alleged disputes.

The speed with which the industry underwriting loss is approaching the level of industry investment income is also a cause for concern. U.S. data from the Reinsurance Association of America for the first nine months of 2000 shows that the absolute value of the aggregate underwriting losses represents 91% of investment income earned over the same period, up from 84% for calendar-year 1999. This erosion of operating profitability occurred in a year with few major catastrophes, which belies the view of high industry over-capitalization. The perception of some industry participants of an overcapitalized industry tends to reinforce the weak pricing discipline of the past few years and supports a sustained negative outlook on the industry. Capacity remains largely available for most risks, though declines have been noted in the retrocession, property facultative, and accident and health sectors. Insurers financial flexibility, though improved from 1999, remains strained as earnings fail to materialize for many companies. Short-term financing is expected to be more difficult, more expensive, or both given an expected credit crunch and equity investors flight to quality.

units involved results in a bigger network and therefore greater interdependence.

Internal causes **In Serial Production**

The method and conditions under which a production company manufactures its goods determine how susceptible it is to business disruption. In serial production each of the machines is essential for manufacturing the finished product. Breakdown of just one machine leads to a total production stoppage. In serial production, the effects of a disruption are therefore usually severe: any loss - no matter how slight - can bring the entire production to a standstill.

In Parallel Production

Parallel production reduces vulnerability to malfunctions: The same operations (work stages) are spread between several machines.⁴ The sum of the individual machine capacities per work cycle amounts to 100%. If, for example, machine K40 were to fail, production would drop by about 40%, but 60% of the total output would still be maintained. If, as often happens nowadays, a bigger and more powerful machine replaces several smaller ones, companies inevitably become more prone to disruptions.

In parallel production, capacity utilization also plays an important role:

Should certain systems not be working at full capacity, the performance of the others can be stepped up if one of these systems breaks down, for example. A production plant with parallel facilities not operating at full capacity is therefore less susceptible to disruptions.

Apart from the physical arrangement and capacity utilization of the production plant, the following factors are also important in determining how prone a business is to disruptions:

The fire hazard in general

- Repair times for damaged buildings and machines
- procurement times for replacement machines or parts
- the degree of dependency on:
 - Computers for process control
 - Certain interrelated operational premises
 - Special work conditions such as (dust-free or temperature-controlled climates (in the manufacture of semiconductors, for example)

External causes

- A breakdown in the public electricity, gas or water supply causes a production stoppage.
- A hold-up in the supply of raw materials impairs production or even causes a complete standstill.

Here it is worth pointing out (just-in-time) production, which aims at reducing stock. Although this method means less

capital is tied up. It makes the business much more susceptible to risk: businesses adopting just-in-time methods do not have any stock in reserve to cushion potential disruptions. Manufacturing companies frequently attempt to pass on costs incurred through late deliveries onto suppliers, by imposing severe contract penalties.

How time affects the consequences of a disruption

The extent of the business interruption depends on the time taken to restore the company commercial operational readiness, i.e. so that it can achieve normal financial results. This includes

- The restoration of any buildings affected by the loss event (delays are possible here, such as the time the authorities take to issue building permits, or the effects of strikes)
- The repair or replacement of machines and installations (Are spare parts available, plus the skilled engineers to fit them? How long will it take to (deliver any spare parts?)
- The replacement of damaged raw materials, work-in-progress of finished products.

Once the damage to property is repaired, further delays are possible, because the output of intricate production systems can only be stepped up gradually to target capacity. In addition, it may take some time to win back customers who has gone over to the competition - If they return at all.

As soon as the damage to property is repaired and production starts up again, this is known as technical operational readiness. Commercial operational readiness, on the other hand, is when the company is once again able to achieve its normal financial results.

Loss minimization

There are a number of ways to cushion the consequence of Stoppage and the ensuing business interruption:

- Utilizing spare capacity In a different part of the Same company;
- Utilizing spare capacity In different company: competitors are often willing to help out, as long as company has generally acted In a (friendly) way to competitors In the past.
- Example: Damage In sugar factory A brings production to a standstill. The sugar beet to be processed Is switched to sugar factory B. Additional costs - Incurred for transportation and overtime (extra shifts), but factory A averts a reduction in turnover.
- Temporary facilities such as prefabricated or Inflated structures, or tents.
- Procuring replacement machines immediately available.
- These measures may prevent or attenuate a decline in sales. Whether they help to reduce an Interruption loss depends on the level of Increased costs.

The success of such measures depends to a large extent on whether contingency and business continuation plans have been made, managers are trained in disaster scenarios and employees can be persuaded to put in an extra effort. Another factor, which should not be underestimated, is the way in which management communicates with staff, clients and the public when an incident occurs.

The Income at stake

There are two types of costs

- Variable costs, which are cost, related proportionately to production activities.
- Fixed Costs, which are costs, unaffected with the productions activities.

The fall in production volume results from the extent of the decline in production and the duration of the stoppage. The amount of fixed costs accrued during the stoppage also (depends to some extent on how long the stoppage lasts; for example, it may not be necessary to pay some (or all) salaries once the period of notice expires.

As a rule enterprises try to reduce the impact of a potential disruption through special measures. This is particularly the case if there are fears of a permanent loss of market share or if the company has a commercial obligation to meet (e.g. in electricity supply or public transport). This means a company incurs additional costs besides the fixed costs. Depending on the circumstances, these expenses may improve or further impair the operating result.

Business interruption may therefore at best result in a lower net profit or a break-even result. If the stoppage leads to an operating loss, however, this has to be covered from shareholders equity In the worst case, a loss can extended to the entire net profit and all the fixed costs.

Given the above, we can see that the income at stake comprises the fixed business costs plus the lost operating profit (net profit), or put another way the company turnover less the variable costs, i.e. the contribution margin. In BI Insurance the common term is (gross profit).

Insurance Solutions

Types of cover

In property insurance there are two ways of covering damage to property and associated consequential losses: named perils and all risks covers. The difference between these two types of cover is that with named perils the insured property is only insured against explicitly named and listed events. With all risks cover, all losses are covered that arise from direct, unforeseeable and sudden causes, as long as they have not been explicitly excluded from the policy.

In the international insurance industry the basic cover is often known as (FLEXA): Fire, Lightning, Explosion, Aircraft. The generic term (extended coverage) is frequently used for additional risks.

Covered risks

The following insurable risks are generally covered by a commercial insurance policy:

Basic coverage (FL EXA)

- Fire
- Lightning
- Explosion
- Aircraft or space vehicles (or parts thereof) crashing or being forced to make an emergency landing

Extended coverage

- Smoke
- Sprinkler leakage
- Damage from liquid/melted materials
- Vehicle impact
- Building collapse

Political perils

- Malicious damage/vandalism
- Strike/lock-out
- Riot/civil commotion
- Looting
- Terrorism
- Sabotage

Natural catastrophes

- Storm
- Flood/high water
- Earthquake

Exclusions

General exclusions are political risks such as war, civil war, violations of neutrality, revolution, revolt and measures against these situations. Confiscation and nationalization are also excluded, as are losses arising from nuclear fission and fusion.

Criteria for cover

For business interruption to be covered by insurance:

- It must be caused by damage to property following an insured event;
- the property damaged must be vital to the running of the business;
- the damage to property must have been caused at the place of insurance.

Object of the cover

Most covers nowadays provide compensation for loss of operating profit and for any fixed costs Insured that cannot be reduced if a stoppage occurs. The operating profit and the fixed costs insured together make up the gross profit, which is the basis for the sum insured.

The policy also covers additional costs for measures to reduce the consequential losses of business interruption, such as expenditure for temporary buildings and plant, additional work shifts. Overtime and extra costs for air freight. These costs only fall under the basic cover, however, if they relate to the insured BI loss and are therefore considered to be loss reduction costs. Expenses for measures that do not directly re (IUC the insured BI Loss are only reimbursed if a corresponding agreement has been reached (Additional increase in cost of working, (Extra expense) etc).

Sum insured

BI following fire is a full-value insurance the value of the insured interest in the event of a loss is calculated on the basis of the operating profit and the insured costs that the policyholder would have earned without any interruption of business during the indemnity period. The sum insured is always at least one-year's gross profit, even if the indemnity period is less than 12 months. If cover extends for more than a year, the sum insured will be a multiple of the annual gross profit. Since business performance is susceptible to fluctuations and BI following fire cover extends a long way into the future, setting the right sum insured can be quite a complex task. Operating profit and insured costs need to be estimated with the help of data on the current and projected business performance. The sum insured must also take into account the performance in the business year following the current insurance year, as a loss might occur on the expiry date. In order to prevent insureds from paying premiums for the overestimation of business performance, insurers usually offer repayment of premiums to policyholders.

Deductibles

Frequently occurring or minor losses are rare in BI following fire insurance. With most categories of risk, therefore, no minimum deductible is necessary to avoid them. One exception is the oil and petrochemical industry, where stoppages of only a few days are quite common. The resulting consequences must be regarded as normal operating costs. With these risks, deductibles equal to the sort of duration prevent the transfer of operating costs that are not worth insuring.

When calculating the premium reduction for deductibles, it is important to check whether the basic premium still covers frequently occurring or minor losses, or whether these have already been deducted.

There are a number of possible variations:

- A fixed amount of money;
- A percentage of the loss;
- a time-based deductible: either the policyholder bears his own losses during this period, or the deductible is fixed in proportion to the overall interruption time, and the policyholder bears the resulting share in the loss;
- A waiting period expressed in days: if the stoppage exceeds the agreed waiting period, the deductible no longer applies;
- a combined deductible for property and business interruption loss.

Premiums

The BI following fire premium is basically determined by:

- the scope of BI following fire coverage (insured perils, indemnity period, policyholder deductible),
- the fire risk associated with the business,
- Susceptibility to business interruption and
- Potential loss reduction measures.

Extensions of coverage**Extra expense**

Usually insurance against extra expense is an addition to the standard BI following fire policy. It covers costs incurred in addition to the loss-reduction expenses. If a company suffers damage to property and suffers no (or only an insignificant) loss of earnings, but expects to incur additional costs for keeping the business going, it may only purchase cover for these extra expenses. The policy therefore covers the extra expense incurred to maintain business operations. This type of insurance is suitable for service companies, especially for organizations such as hospitals, post offices or electricity companies, which have to provide a service under any circumstances. Extra expense coverage alone may also be suitable for companies with a number of separate plants not operating at full capacity who are in a position to cushion any loss of earnings by swapping production sites within the company (e.g. oil companies, wholesale companies).

Other extensions to cover

There are a number of other important extensions to BI following fire insurance

- Business interruption as a result of denial of access - for example, when a shopkeeper cannot reach his premises because of a fire in an adjacent building bars access.
- Delays caused by orders from public authorities (conditions on rebuilding or business activities). After a loss occurrence the authorities may impose environmental protection regulations, which exacerbate the financial impact of the loss.
- Failure of public utilities supplying electricity, water and gas.
- External dependencies on suppliers, customers or other third parties (suppliers or customers extension risks).

The amounts insured under extended covers should be restricted by applying submits and taken into account when calculating Premiums.

Suppliers or customers extension losses resulting from internal dependencies are insured as long as the Supplying/purchasing Company is covered by the same policy.

Global Aviation Market Review Report By Willis

December, Suggests harder 2001

December, the busiest airline renewal month of the year, produced average rate increases for hull and liability of 32.1% and 19.6% respectively, gross premium increased 29.90%. These figures are similar to those of November and clear evidence that the market continued to harden.

Airlines

The experience of the final quarter of 2000 was in vivid contrast to that of the first three months of the year. In retrospect underwriter action, or lack of it, during the first quarter was the result of two factors. Firstly the premium income during the period was small, which gave underwriters little incentive to act, and secondly, the market lacked confidence.

In the second quarter underwriters applied increased rates across the board and, spurred on by a number of major losses, they continued the process, gradually pushing increases higher, through to September. The market was gaining confidence as the final quarter approached.

As the final quarter got underway underwriters faced a number of issues. Many were obtaining prices, for their reinsurance programmes, which had risen dramatically, also the probability of year 2000 being yet another loss year. Underwriter managers and capital providers were demanding underwriting profits or threatening to withdraw their backing.

In addition the predicted market capacity reduction had occurred following the decision of some underwriters to reduce their airline participation whilst others were forced to cease underwriting.

Against this backdrop underwriters acted. We had predicted in previous Global Aviation Bulletins that the final quarter would see underwriters move, and so it transpired.

The level of rate increase rose significantly for all renewals, underwriters were confident, they believed the time was right. Gross airline premium during the final quarter amounted to US\$ 951,202,497 an increase 26.50% increase of on 1999 and would no doubt have been higher had it been possible to re-rate long-term programmes.

At the close of 2000 it was clear that we were in a hard market, increases were the norm and understandable given the loss experience of airline underwriters.

Airline Premiums and Claims

The final Airline loss position for 2000 will not be known for many years, it has however been dubbed (Not a bad Year) by Airclaims, it seems that it is just another average year. This is, for underwriters, a depressing scenario. Airclaims estimate that year 2000 airline losses will cost underwriters some US\$1.9 billion, we estimate the loss will be closer to US\$2 billion as loss reserves mature.

Our estimate for total gross airline premium income, at London Lead Terms, is US\$1.4 billion (Including all operators with AFV below US\$ 100m).

This produces an estimated loss to underwriters of US\$600 million for the year 2000.

Special features of the natural catastrophe risk

Whereas the principles governing the fire risk can be more or less applied to the BI risk as well, there are other factors to take into consideration when insuring natural catastrophe risks. Cover for earthquake, Storm, or flood damage may only be provided if special rules are observed, such as accumulation control, since:

- an extensive area can be affected in which the infrastructure is permanently damaged
- Demand for repair equipment and services is likely to escalate, pushing up prices significantly;
- Regional alternatives (e.g. switching production sites) may either be nonexistent or too expensive after natural catastrophes;
- Sales and supplier markets for certain products and services can (collapse completely;
- State regulations may delay the resumption of production.

Estimated maximum loss

The assessment of the estimate maximum loss is a complex process for large corporations. The thorough analysis involved not only requires business management and technical know-how but also experience in risk management. This task not only comprises estimating the business consequences of damage to property with the help of loss scenarios, but taking into account loss-reduction measures and assessing their effectiveness.

Determining the EML horn property damage and during interruption losses is not simply a question of totaling the individually assessed EML amounts together. The secret is to use the maximum combined amount (= maximum sum of estimated BI loss and estimated property loss) arising from the same loss event.

War Market

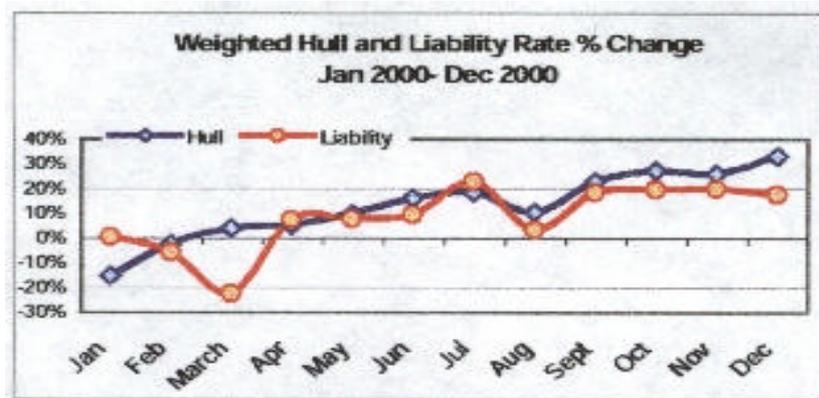
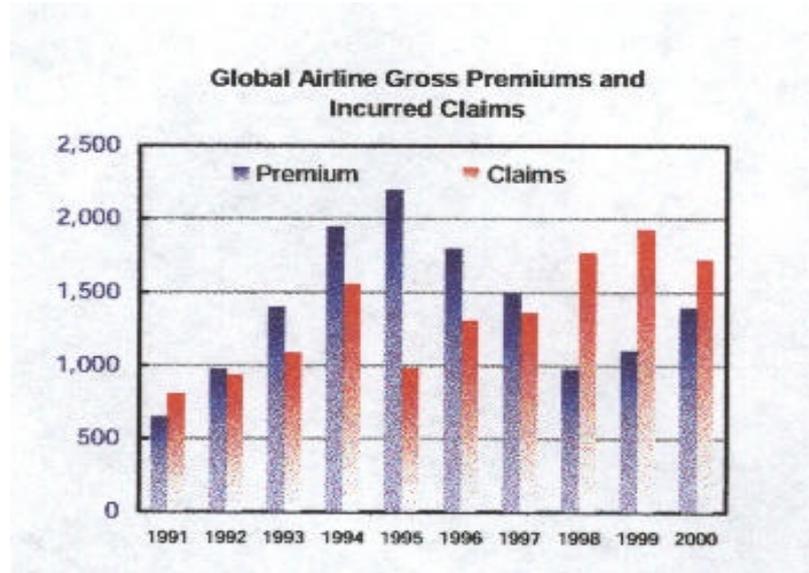
The War market has seen significant rate increases since October, for example December average rate change exceeded 40%. Additionally certain coverage has been reduced or removed and premium is now to be paid in full at inception.

Manufacturers

The majority of manufacturers products liability renewals, were, by the final quarter, receiving premium increases of between 10% and 20%. Overall premium for 2000 is up slightly on 1999, the market however continues to be affected by the long-term programmes which are now extremely difficult to place. Extensions to long term programmes were achieved at increased cost.

Airport Liability

Airport liability prices have followed a similar pattern to that of the products market.



Average Rates Increases

	1 st	31 st December	1999	2000
Average Hull Rate Change			0.5%	+20.3%
Average Liabilities Rate Change			-3.7%	+17.9%

1999 excludes Korean Airlines Renewal & Egypt Air

Summary of Airline Premium

	1 st	31 st December	1999	2000	Chg %
Total Hull Premium			558.92	680.97	+21.8
Total Liability Premium			483.88	580.69	+20.01
Total Premium US\$ Premium			1042.8	1261.6	+21

Summary of Airline Exposure

	1 st	31 st December	1999	2000	Chg %
AFV US\$ Billions			457.44	492.88	+7.7
RPK Billions			2966	3211	+8.3

The above tables compare Airline renewals having fleet values at or in excess of US\$ 100m, on a like for like basis. The premium/exposure tables include new start up operators, resigning of long term policies, and airlines with AFV exceeding US\$100 m on renewal.

General Aviation

General aviation rises have been mixed and no average rate increases are available due to the diversity of equipment utilized and the activities undertaken by operators. In general where loss records are poor significant rate increases have been obtained.

The Industrial aid sector has seen little upward pressure on rate, reflecting the markets desirability for business in this sector and abundant insurance capacity available.

Commercial operators, both fixed and rotor wings, have experienced varying levels of rate increase depending on the specific equipment used and the geographical location of operations.

The private business and pleasure sector increases have averaged around 10%.

2001 Forecast

Airline

We believe that the market is looking for a minimum gross airline premium of US\$2 billion for 2001, an extra US\$600 million gross premium, which is an increase of over 30% on year 2000. To achieve this the average rate increases will have to be greater than the level seen during the last quarter of year 2000, we believe they will. It should also be noted that a number of long-term programmes come to an end during 2001, underwriters will be bringing those airlines into line.

War

Airline war rates will continue to rise, with an estimated gross premium base of US\$35 million, US\$ 50 million is underwriters minimum target.

Manufacturers/Airport Liability

Manufacturer s products and Airport liability prices will also rise at higher rate than that of 2000, a number of losses in recent years have pushed these sectors in to loss.

Summary

The general mood amongst underwriters is that the market turned in 2000 but not nearly enough. Some underwriters want to double rates now. We do not see this view prevailing, underwriters know how difficult it is for clients to accept such massive increases, unless a major loss has occurred. They also realize they will have to apply increases intelligently over the longer term if the revival of their underwriting fortunes is to be sustained.

Given that the aviation insurance market has now turned and that underwriters have suffered yet another loss year we predict rate increases throughout the year.

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Dear Reader

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