



**SIGCo**  
GROUP

# LETTER TO MEMBERS

OCTOBER 2020

I am pleased to provide an update on activities at SIGCo in what has been a year of unprecedented turbulence.

First, and most importantly, I am delighted to announce the appointment of two new directors to the Board of SIGCo Ltd:

**Edouard Louis-Dreyfus** is a graduate of the University of Paris X Nanterre (English and Law diplomas) and French Business School of Rouen (ESC). He started his career in 1999 at Texaco and ChevronTexaco in London as a trader of liquid gas and refined products. He joined the LOUIS DREYFUS Group at the end of 2002 as a trader of sugar/coffee in London and started in 2004 his maritime career at the Paris-based headquarters. At the beginning of 2006, he took the helm of the capesize desk of LD BULK, the bulk transportation subsidiary of the Group. He was appointed member of the Executive Committee and Vice-President of LOUIS DREYFUS ARMATEURS Group in 2009 and then CEO Business in 2010.

On July 1st 2015, Edouard became President of LOUIS DREYFUS ARMATEURS and President of the Executive Board of PACEMAR, a position he still occupies today.

Edouard Louis-Dreyfus is a member of the UK P&I Club's Board of directors.

**Sabrina Chao** is the Managing Director and Chairman of WAH KWONG SHIPPING HOLDINGS LIMITED. In 2002, Sabrina joined the family business as the Director of Wah Kwong Shipping Holdings Limited and she became the Managing Director in 2013. She is also a leader in the global maritime industry and is particularly influential in Hong Kong, Asia and the international shipping arena.

She is the President designate of the Baltic and International Maritime Council (BIMCO). In recognition of her contribution to the maritime industry, she was named as the Honorary President by the Women's International Shipping & Trading Association since 2009 and the Connecticut Maritime Association Commodore in 2018.

We welcome both Edouard and Sabrina and look forward to working with them to continue SIGCo's mission of providing shipowners with affordable insurance related products and services that they find hard to obtain in traditional insurance markets. They will also augment the existing shipowners on the SIGCo Board that provide oversight of the wider SIGCo Group and ensure that the long term interests of members are addressed. At the same time as Edouard and Sabrina join the Board, John Liu, who has represented Orient Overseas Container Lines on the SIGCo Ltd Board, has retired as a director and I would like to take this opportunity to thank John for his valuable contribution over his 16 year tenure with the SIGCo Board. In a further change to the Board composition, Francis Vallat, our Chairman since 2001, has resumed his role as Director and Dino Caroussis has been appointed Chairman in his place. I welcome Dino into his new role, and look forward to working closely with him in the near future to build on SIGCo's track record of success.

## COFR programme – Continuity Credit developments

On the operational front, our COFR programme continues to go from strength to strength and our market share stands at an all time high at over 70%. This is testament to the great work undertaken by the Board and the quality of service provided by our employees, whose dedication to the Company and its members remains immutable.





**SIGCo**  
GROUP

# LETTER TO MEMBERS

OCTOBER 2020

Most of you will be aware of, and have benefited from, our Continuity Credit programme in which we reward long term membership of SIGCo with increasing levels of premium discount. This programme has a clear track record of effectiveness as a way of returning profits to members, with the average discount given under the programme rising from 5% in 2007 to its current level of 43%. However, this leaves us at a level at which further increases become difficult. Hence the Board of SIGCo have decided that the time is right for a recalibration downward of the Continuity Credit level in order to provide more headroom for future increases. We will therefore be making an appropriate adjustment in continuity credit and premium levels in the 2021 underwriting year such that members' net premium remains consistent with our overall rating posture. The intention thereafter would be to resume increases of the continuity credit level to the extent that future profitability will allow.

## **International Carrier Bond (ICB) Programme**

Our ICB programme also continues to gain momentum and we currently facilitate nearly 1,000 ICBs through our partners in the US surety field – the highest level since our ICB programme inception in 2004. The programme was designed with the SIGCo philosophy of low cost and administrative simplicity at its core and this has clearly resonated with members who have benefitted from the design and service levels of the ICB programme.

## **Cyber Insurance initiatives**

We have been active in offering Cyber Hull coverage since November 2018 and I am encouraged by the interest shown in the programme. Shipowners are increasingly realizing that traditional Hull and Machinery insurance policies no longer provide the certainty they require of protection for loss from damage to the vessel stemming from a Cyber related cause.

SIGCo's Cyber Hull Insurance policy gives the certainty they require by way of a defined policy wording that effectively fills a gap in cover due to a Cyber Exclusion. This low cost, administratively straight forward solution has attracted interest from all sectors involved with shipping and we are experiencing further momentum as knowledge of Cyber risks becomes more widespread. In addition to the Cyber Hull policy, we are aiming to launch a Cyber Loss of Hire coverage in the very near future. Akin to that of traditional Loss of Hire this bespoke product will compliment the Cyber Hull policy and provide cover for loss of income following a Cyber attack resulting in physical damage to the vessel. Most importantly indemnification will be on a fixed and agreed daily indemnity basis. We continue to look at other areas where Shipowners are not served adequately by existing insurance markets and hope to have more developments in the near future. Please contact us for more information on these developments.

As we continue to be impacted by the pandemic and consequent political and economic turbulence, I am gratified to report that SIGCo's service provision and innovative activities have continued unabated. Serving shipowner needs remains front and centre of our philosophy and I thank all of you for your continuing support in carrying out our mandate.

**Neil Clemens**  
President  
SIGCo

