Marine Insurance Market

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ABSTRACT

The primary purpose of this thesis is to examine the way fishing vessels are treated by the marine insurance market. The insurance of fishing vessels is a very specialized sector and there have not been any similar attempts in the past. We used data from a fleet of Greek owned / managed fishing vessels to examine the claims occurred during the last 29 years of the 20th century (1970 – 1998). We also considered the deductible analysis for these vessels and made various suggestions as to the level of the optimum deductible. We then built models that explain the way the number and amount of claims is affected by various parameters.

A simulation analysis is performed assuming the number of claims follows the Poisson distribution and the amount of claims the Gamma distribution (based on our findings). The conclusions of our models are confirmed by the simulation data.

The results raise questions on the level of premium as well as whether or not reinsurance is necessary for such a portfolio. Both imply the extension of this work allowing for further steps in the future.