

# Principles for Sustainable Insurance Progress Report



[www.ahhic.com](http://www.ahhic.com)





# Highlights

American Hellenic Hull is a private marine insurance company, which covers hull and machinery and war risks. The company is 100% owned and financially backed by the American P&I Club and exclusively managed by Hellenic Hull Management. Registered in Limassol, Cyprus offers localized services through affiliated offices in Piraeus, New York, Houston, London, Shanghai and Hong Kong. Its operations commenced on 1st July 2016 and it is the first marine insurance company licensed in Cyprus under the requirements of the Solvency II regime. The vision is to establish a leading global player in the international blue-water marine hull insurance market.

## Reporting on sustainability

The 2019 Sustainability Report of American Hellenic Hull Insurance Company Ltd aspires to describe the actions undertaken to meet the Sustainable Development Goals, launched by the Member States during the United Nations Conference on Sustainable Development in RIO in 2012. As the Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all, we, at AHHIC, are prioritizing the SDGs at all levels of our company activity.



## AHHIC's global impact assessment on Sustainable Development Goals

### SUSTAINABLE DEVELOPMENT GOALS

**At American Hellenic Hull Insurance Company we commit ourselves to serve the following SDGs:**



As a marine insurer, American Hellenic Hull Insurance Company provides hull and machinery services to the international shipping industry that is currently called upon to adapt to a wide range of challenges. Not least among these are new requirements deriving from the International Maritime Organization's regulations aimed at reducing industry's impact on the environment and new risks related to sustainability.

At American Hellenic Hull, we support the UNEP FI Principles for Sustainable Insurance initiative and we adopt all four of the Principles for Sustainable Insurance.

Since inception, our company has sought to be a leader within our sector in offering greater transparency, responsiveness to clients, greater reliability and more awareness of risk to the shipping market. Safety, security and sustainability are at the heart of our underwriting and claims processes.

We believe in being proactive to achieve a more sustainable future. This is particularly important in our sector, given the essential role of insurance and the pivotal role that maritime transport plays in global sustainability.

**Please see the 2019 Sustainability Report  
of the American Hellenic Hull Insurance Company Ltd  
for an overview on key facts and figures.**

# Principle 1

## We will embed in our decision – making environmental, social and governance issues relevant to our insurance business



### Company strategy

Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations.

#### **| The Board of Directors & the Managers**

The Managers are responsible for implementing the sustainability strategies at all levels of the Company's activity. In particular the managers of AHHIC's departments who report to the CEO have been given responsibility for defining and implementing the Company's Social Responsibility strategy, following the CEO's guidelines.

AHHIC's departments (Underwriting, Claims, Finance, Marketing) are responsible for discussing all Environmental, Social and Governance Issues horizontally, embracing the Sustainable Development Goals.

We aspire to identify the megatrends in marine insurance, while being in a position to either organize or participate in seminars, debates, panel discussions and press conferences, sharing our knowledge and aiming to raise awareness among all stakeholders in the maritime industries, including insurers, reinsurers, brokers, shipowners and others.

#### *Dialogue with company owners on the relevance of ESG issues to company strategy*

In order to better embed Environmental, Social and Governance issues in the Company's culture and decision-making, the Managers have established a dialogue with the Board of Directors to relate overall strategy to ESG issues.

We also stand ready to promote sustainability issues through our relationships with investors and analysts.

#### *Integrate ESG issues into recruitment, training and employee engagement programs*

At AHHIC we choose partners who share the same philosophy and vision. In recruiting executives and other staff we look for engagement with our ESG vision in addition to quality, loyalty, consistency and formal and experiential qualifications. Quality is our guiding light and our ethos is that we can only be as good as our clients and the services we provide to them. We ensure that these beliefs are central to our culture, and that they are discussed continually with employees.



## Risk Management and Underwriting

*Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions*

At AHHIC we have strict underwriting criteria in order to maintain the quality we wish to share with our client shipowners and ship managers. We aim to incorporate ESG criteria into our underwriting process.

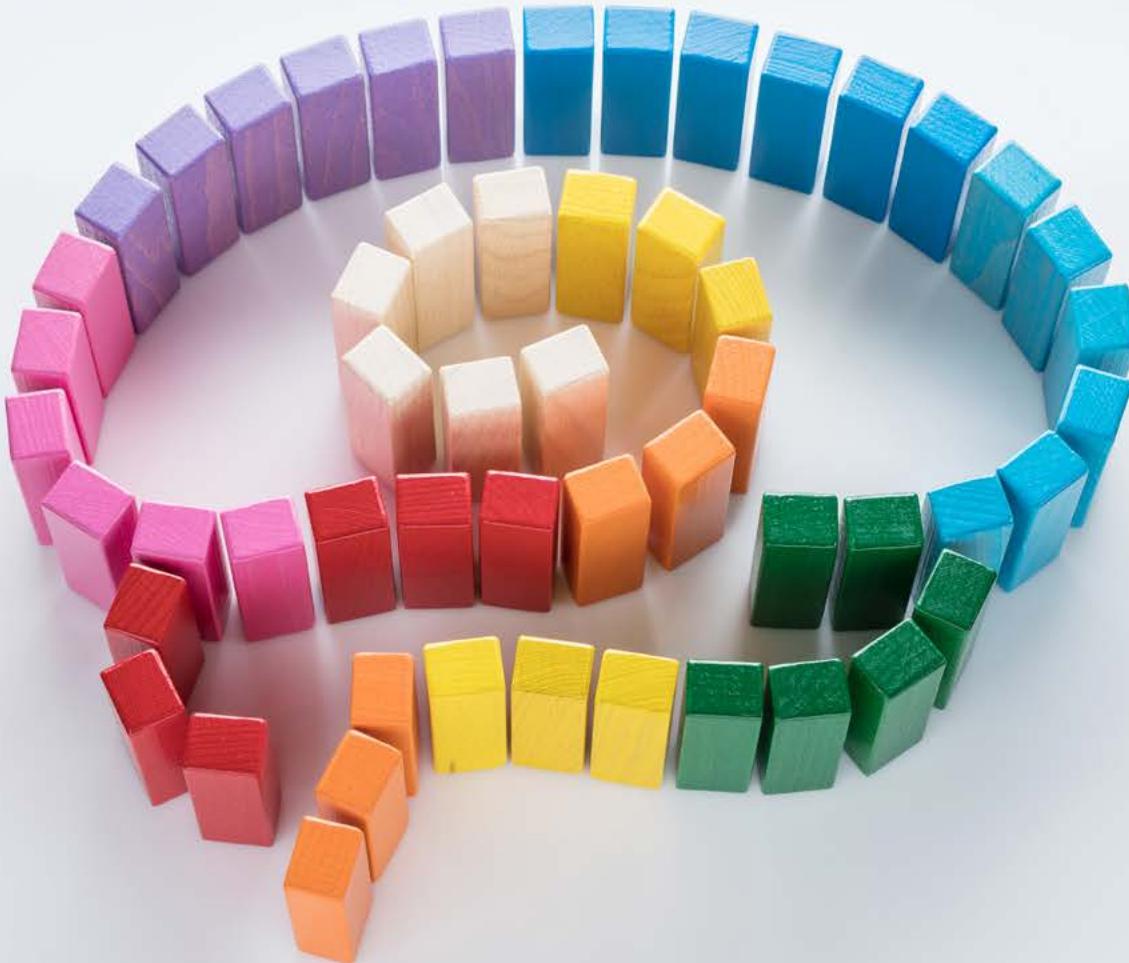
Since 2016, American Hellenic Hull, is an international underwriter that has been offering hull and machinery insurance on a fixed premium basis. AHHIC is unique in being the only global hull and machinery underwriter in its region.

Our strategic network of seven international offices provides us with the local insight and service capability to respond to the needs of shipowners in major maritime centers around the world.

We have built up an exceptional reputation in the international market and participate in many major accounts. AHHIC has an international portfolio currently consisting of more than 2,000 vessels, with an excellent 66% loss ratio and an extremely high renewal ratio.

Our aim is to provide clients with a quotation within 24 hours and documentation within seven days. We offer business on hull conditions such as English Institute Time Clauses, ADS/DTV Clauses, Nordic Marine Insurance Plan and the American Institute Hull Clauses.

Our underwriting team is comprised of highly skilled professionals, with over 40 years of experience in underwriting and claims handling. We are dedicated to providing our clients and brokers with first-class service and maintaining relationships built on trust for a sustainable and mutually beneficial future.



**Integrate ESG issues into risk management, underwriting and capital adequacy decision – making processes, models analytics, tools and Imetrics**

AHHIC aims to integrate the Environment, Social and Governance issues into risk management, underwriting and capital adequacy decision – making processes.

With regards to the action against climate change, AHHIC aims to protect the environment and promote environmental awareness. As a member of the Hellenic Marine Environment Protection Association (HELMEPA) and the North American Marine Environment Protection Association (NAMEPA), AHHIC co-operates with the scientific community and the key stakeholders in order to enable the implementation of the International Maritime Organization's guidelines and regulations. The company also informs the marine insurance industry of the environmental footprint of the industry and remedies to reduce this.

The new regulations from the International Maritime Organization (IMO) aim to reduce the environmental risks and Green House Gas (GHG) Emissions. Since over 90% of the world's trade

is carried by sea, the IMO's guidelines play a pivotal role in managing the footprint of freight transportation.

We, as marine underwriters, depend on the classification societies in cases where a vessel fails to comply with the IMO's regulations, potentially causing a breach of its warranty. As a result, it may be exposed to unexpected risks. AHHIC aims to reduce such risks by raising awareness of emerging issues and sharing its knowledge with its clients and other stakeholders.

In addition, AHHIC places great importance on continued vigilance of marine insurance market developments arising from competition among marine insurers and external market factors. For this reason, AHHIC cooperates closely with the Company's auditors to maintain an up-to-date Risk Register.

The updated Risk Register is published as part of AHHIC's Own Risk and Solvency Assessment (ORSA). The ORSA includes the company's own assessment of risks, the Risk Register and stress testing.

Our aim is to include sustainability in our risk analysis report.





## Product and service development

*Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management.*

AHHIC has been strengthening its commitment to serve the UN Sustainable Development Goals and encouraging its clients to adopt the SDGs.

The company already serves the following SDGs:

- **SDG 1: No poverty.** At AHHIC we serve the SDG 1 aiming to end poverty in all its forms everywhere. For this reason, we are paying living wage for all our employees. Moreover, as we are against forced labour we are committed to cooperate with clients and suppliers that share the same vision.
- **SDG 4: Quality Education.** At AHHIC we serve the SDG 4, aiming to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. For this reason, we have launched an institutional co-operation with the World Maritime University, founded by the International Maritime Organization striving for enhancing education in marine insurance & constant training of AHHIC's executives. Among the areas of the agreement of the Memorandum of Understanding between the two parties are a Post Graduate Diploma in marine insurance, Professional Development Courses and joined events.
- **SDG 6: Clean Water and Sanitation.** At AHHIC we serve the SDG 6 aiming to ensure availability and sustainable management of water and sanitation for all. We declare the respect of the rights to water and sanitation, we do monitor and manage water use in our premises and we commit ourselves to provide clean water and sanitation to all our employees.
- **SDG 7: Affordable and Clean Energy.** At AHHIC we serve the SDG 7 aiming to ensure access to affordable, reliable, sustainable and modern energy for all. We commit ourselves to manage renewable energy usage to our worldwide offices.
- **SDG 8: Decent work and economic growth.** At AHHIC we serve the SDG 8 aiming to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Furthermore, we provide training opportunities to employees for professional development, we have a written Human Rights policy, we are committed to responsible innovation practices. Finally we provide policy advocacy to contribute to decent economic growth.
- **SDG 9: Industry Innovation and Infrastructure.** At AHHIC we serve the SDG 9 aiming to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We are striving to promote and enhance innovation in all aspects of our company's activity, committed to advance our research and development programs.
- **SDG 10: Reduced Inequalities.** At AHHIC we serve the SDG 10 aiming to reduce inequalities within and among countries. As we are a multinational company with offices around the globe, we fully respect the diversity, we have adopted a nondiscrimination policy and through our initiatives we contribute to reduce inequalities.
- **SDG 11: Responsible consumption and production.** At AHHIC we serve the SDG 11 aiming to make cities and human settlements inclusive, safe, resilient and sustainable, as we adopt a business model designed to contribute to responsible consumption and production.





• **SDG 13: Climate Action.** At AHHIC we serve the SDG 13 aiming to take urgent action to combat climate change and its impact. We are a proud member of HELMEPA, members of our Board of Directors play a pivotal role in NAMEPA, we adopt the anti-plastic strategy and the strategy against illegal fishing. Furthermore, we strongly support recycling, we operate in a paperless way and we monitor energy usage.

• **SDG 14: Life below water.** At AHHIC we serve the SDG 14 aiming to conserve and sustainably use the oceans, seas and marine resources for sustainable development. We support the actions to support marine protected areas, we have adopted the anti-plastic strategy and we do monitor the reduction waste.

• **SDG 15: Life on land.** At AHHIC we serve the SDG 15 aiming to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. Furthermore, we work with stakeholders to improve behaviour performance on SDG 15

• **SDG 16: Peace Justice and Strong Institutions.** At AHHIC we serve the SDG 16 aiming to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. In addition, we provide more transparency by sharing publicly information, such as our financial performance and our social and environmental performance, while we support the stakeholders' engagement.

Our scope is to serve more SDGs in the future as we share the same vision with the United Nations and the UNEP FI Principles for Sustainable Insurance.

*Develop or support literacy programmes on risk, insurance and ESG issues.*

Since our inception we have developed several information channels. We stand ready to share our knowledge and experience through newsletters, articles, interviews and participation in conferences as a speaker. In addition, we introduced in 2019 a proactive information channel, the Marinographics.

Through our cooperation with Universities and Institutes, such as the World Maritime University and the University of Piraeus, we organize seminars and lectures to enhance education in marine insurance.

Furthermore, we are committed to bring together children from remote areas of Greece, by enhancing their education experience. We have already established the first lending library at Arkoi island in the smallest EU primary school in the EU. This year we are providing technical equipment to the primary school at the southernmost point of the EU, at Gavdos island. Furthermore, we are establishing the first lending library at the easternmost point of Greece, at Kastelorizo island, in cooperation with the Municipality of Kastelorizo.



## Claims management

*Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood*

We are fulfilling the promise that to settle a covered loss is the essence of insurance. Thereafter, speedy and diligent handling of valid claims is essential so that any loss, disruption or inconvenience is minimized for our clients.

This is the heart and soul of what AHHIC does. Integrity and transparency are the cornerstones of our operation as a leading marine insurer.

AHHIC's Claims Department maintains a continuous dialogue with the client, always seeking solutions rather than exclusions. Our pragmatic approach leads to swift and prompt settlement of all valid claims, and we are proud of having one of the speediest claim processing records in the market.

Our team combines technical knowledge, seagoing experience, adjusting experience and law-oriented personnel with a collective deep understanding of marine insurance.

AHHIC believes in being hands-on and in addition we can draw on an extensive network of competent surveyors, salvors, solicitors and other resources that may be required in order to provide

fast and efficient management of claims, even in the most complex cases.

**We are focused on improving speed, efficiency, understanding, reassurance to our clients wherever we can.**

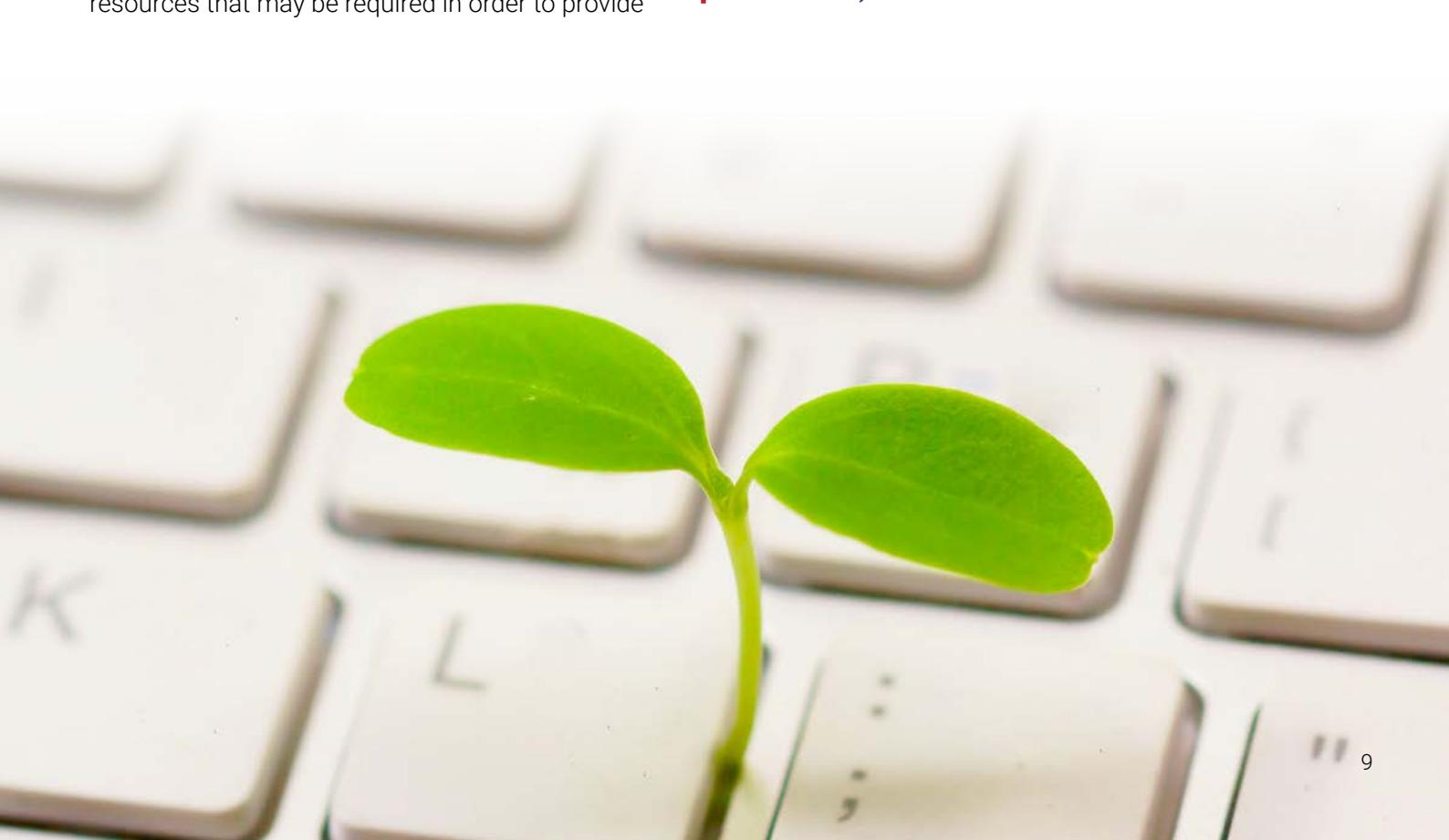
*Integrate ESG issues into repairs, replacements and other claims services.*

Our scope is to implement efficient services and monitoring processes of high quality. Therefore, we have co-operated with Microsoft launching a cutting-edge technological application, the Navision. Navision enables us to provide more transparency and efficiency to our clients.

In order to achieve one of the shortest claim lifecycles in the market, we invest in constant training of our Claims Handlers and Managers. Our executives, inspired by the lifelong learning experience, provide high quality services to the shipping industry

## Investment management

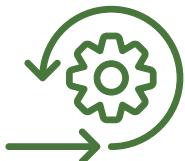
*Integrate ESG issues into invest decision making and ownership practices (e.g. by implementing the Principles for Responsible Investment)*





## Principle 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions



### Clients and suppliers

*Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues*

Relations with our clients are long-term relationships based on mutual trust. We are the fastest growing hull and machinery company in the marine insurance industry, but one that is backed by decades of experience in shipping and underwriting. Our special understanding

of shipowners, derived from many years of successfully managing a shipowners' mutual association, has been given an additional layer with the local expertise provided by our global network of offices. Our track record in providing hull and machinery insurance cover to shipowners is second to none. During our 25 years in this business, we have insured more than 12,500 vessels for more than 450 shipowners, and we have worked with 110 different broking houses. But those numbers are only half the story.

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### **| Provide clients and suppliers with information and tools that may help them manage ESG issues**

We aim to provide our clients with information and tools that may help them manage ESG issues as well as providing regular presentations of the company's own performance and initiatives.

In addition, through articles, presentations, events and social media campaigns we encourage our clients to undertake initiatives towards sustainability. Marine insurance, as part of the maritime cluster should follow the IMO's regulations and guidelines that consider 2020-2030 as a key decade in progress towards sustainability. As such, we actively encourage our clients to subscribe to the anti-plastic policies and the strategy against illegal fishing. In addition, we firmly believe that paperless operation is a sine qua non for sustainable business.

### **Insurers, reinsurers and intermediaries**

#### **| Promote the adoption of the Principles**

At AHHIC, initial actions as Ambassadors of the UNEP FI Principles for Sustainable Insurance Initiative include:

- During the Maritime Cyprus 2019 Conference and Exhibition organized by the Republic of Cyprus in October 2019, we were the official ambassadors of the Principles for Sustainable Insurance (PSI). As such, we introduced the PSI to the Cypriot Deputy Shipping Minister, Ms. Pilides, to the President of the Cyprus Shipping Chamber Mr. Philis and to the Director General of the Insurance Association of Cyprus, Mr. Athanasiades.
- During the annual Market Presentations in UK and Greece in December 2019, we have introduced the PSI to all our clients.
- During the Posidonia Conference and Exhibition which will be held in June 2020, we will

co-organize with the PSI a conference to be held on 2 June 2020, devoted to Sustainability in the Maritime Industry, culminating in the announcement of a guide under the title: "Sustainability in the Marine Insurance Industry".

### **Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry**

We aim to support the inclusion of ESG issues in professional education. During the Maritime Cyprus 2019 Conference and Exhibition we signed the first of its kind Memorandum of Understanding in marine insurance with the World Maritime University – founded by the International Maritime Organization.

We decided, among other initiatives, to launch Professional Development Courses and a Postgraduate Diploma in marine insurance. We are committed to include ESG issues in the Professional Development Courses and the Postgraduate Diploma. The WMU, founded by the IMO, embraces and promotes the Sustainable Development Goals.

Thus, together with the WMU, we will work to advance the SDGs in the marine insurance industry.



# Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues



## Governments, regulators and other policymakers

*Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues*

At AHHIC, we aim to support prudential policy, regulatory and legal frameworks. In order to achieve this, we actively participated in the European Regional Roundtable held in November 2019 in Luxembourg aiming to introduce AHHIC to all key stakeholders and actively participate in the PSI workshops and functions.

During Maritime Cyprus 2017 we offered the first gold sponsorship of the event. At Maritime Cyprus 2019, under the theme "Sea Change", AHHIC continued as a gold sponsor of the conference.

AHHIC is in close cooperation with the Cypriot Government and especially with the Cyprus Deputy Shipping Ministry, as a company of exceptional importance within the Cypriot Maritime Cluster.

However, we play a pivotal role in Greece as well. In cooperation with the Greek authorities

we launched in 2019 the first lending library in Arkoi, enhancing the education in the smallest primary school in the European Union. In 2020 we are about to launch the first lending library in Kastelorizo, the easternmost part of Greece, and enhance the educational experience in the primary school of Gavdos, the southernmost part of Greece.

## *Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions*

We are in close co-operation with the Insurance Association of Cyprus, actively participating in its committees aiming to enhance the dialogue with the institutional organization of the insurance industry in Cyprus. We co-operate closely with the Cyprus Shipping Chamber (CSC) and our CEO, Mr. Ilias Tsakiris is a member of the (CSC) marine insurance committee. Finally, we are in close co-operation with the Greek Shipping Chamber and the Greek Maritime Cluster, so as to develop integrated ESG risk management approaches in the Greek shipping community.

## Other key stakeholders

*Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise & Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies*

At AHHIC, we intend to enhance the dialogue with the intergovernmental and non-governmental organisations. Thus, we promote the dialogue with the UNEP FI PSI, in order to serve the Sustainable Development Goals. Furthermore, we are a proud member of the Hellenic Marine Environment Protection Association (HELMEPA) and the North American Marine Environment Protection Association (NAMEPA) supporting the action against climate change.

Moreover, as members of the Greek Shipping Hall of Fame Academy, subscribers of the UK Average Adjusters, members of the American Hellenic Chamber of Commerce and the British Hellenic Chamber of Commerce we aim to introduce more stakeholders into the dialogue towards sustainable development.

*Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business*

Our scope is to enhance the dialogue with Academia and Scientific Community to foster research and educational programmes on ESGs.

This goal may be achieved through:

- Our official co-operation with the World Maritime University (WMU) as launched with the signing ceremony between AHHIC's CEO, Mr. Ilias Tsakiris and the President of the WMU, Dr. Cleopatra Doumbia Henry in October 2019.
- Our official co-operation with the University of Piraeus (UNIPI), where we participate in the official internship program of the Department of Statistics and Insurance of the UNIPI and through the lectures we provide to the students.
- Furthermore, we intend to co-operate with the Frederick University in Cyprus and other Universities and scientific entities.

*Dialogue with media to promote public awareness of ESG issues and good risk management*

In terms of risk management, we have a close relationship with the national press (both in Greece and Cyprus). In addition, we have a direct relationship with editors of foreign publications (e.g. Lloyd's list), hence better management of the information being presented in the media and the public image of the Company is safeguarded.

Along with the good risk management, we stand ready to promote the public awareness of ESG issues and the Sustainable Development Goals. For this reason, we share articles, interviews and panel discussions.

Furthermore, we launch social media campaigns and share marinographics to raising awareness for the ESGs and the SDGs.



## Principle 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.



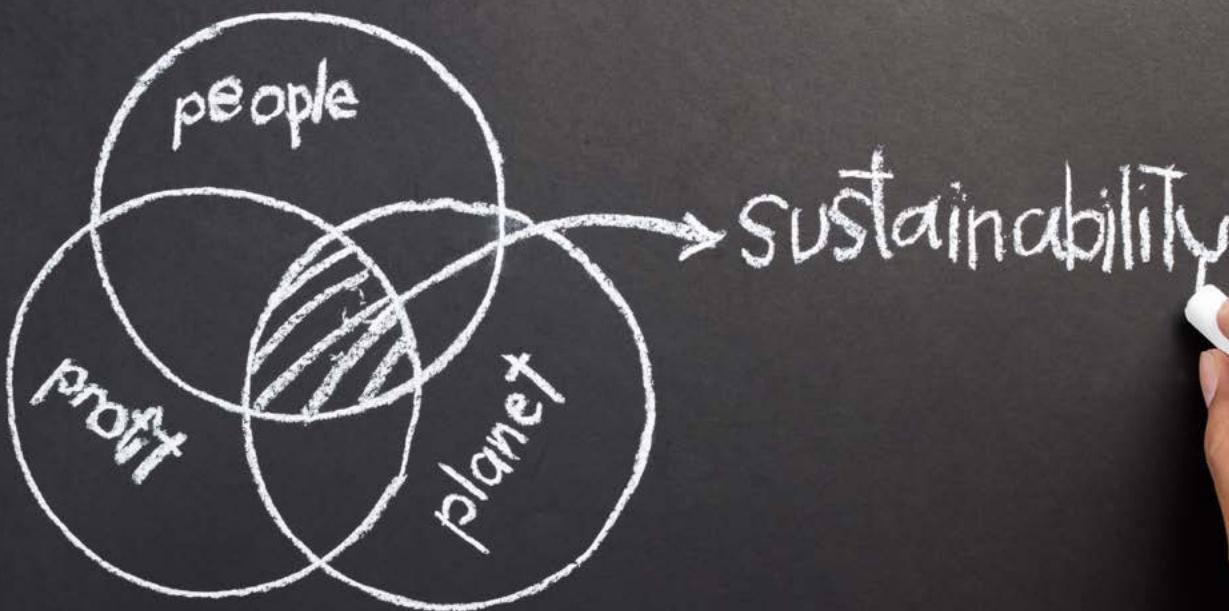
*Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly*

*Participate in relevant disclosure or reporting frameworks*

*Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles*

At AHHIC, we are committed to transparency and accountability through regular public disclosures. For this reason:

- We publish an annual Solvency and Financial Condition Report.
- We are committed to publish the Principles for Sustainable Insurance Disclosure
- We intend to publish every year AHHIC's Sustainability Report
- We intent to publish GRI Context Index Report.





# SUSTAINABLE DEVELOPMENT GOALS

