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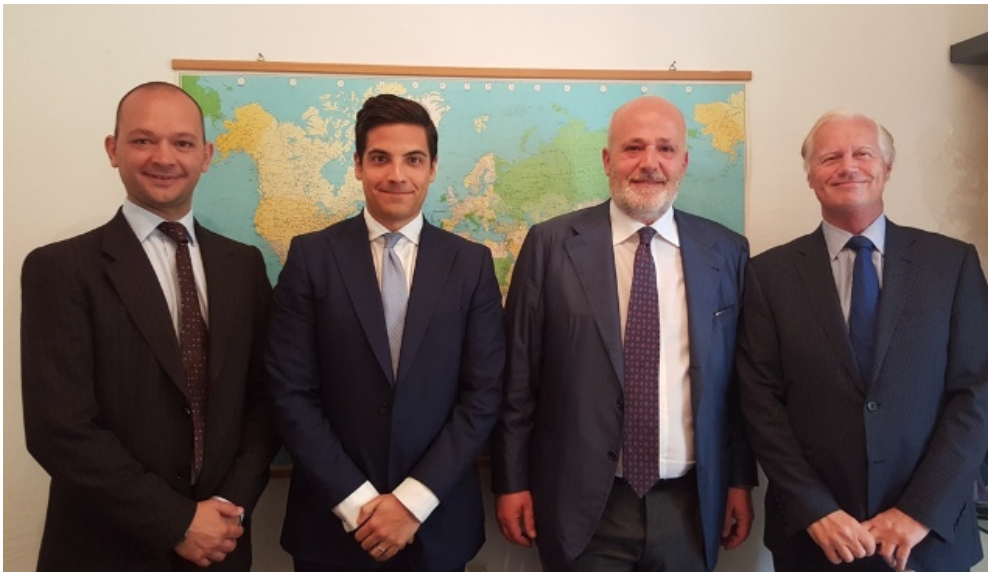
You are in Home » Shipping » Cincotti makes their entrance in the Italian P&I market

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Shipping

Cincotti makes their entrance in the Italian P&I market

Naples-based insurance broker house cemented a strategic partnership with A.J. Gallagher, offering an alternative solution to the Italian Shipowners



The Italian P&I market is about to be shaken by Cincotti & Partners, or at least this is the challenging goal set by the Naples-based insurance brokers house helmed by Ugo Cincotti.

The company recently announced having cemented a strategic alliance with US A.J. Gallagher – a renowned global insurance broker listed at NYSE – so as to provide broking expertise in respect of International Group's Clubs P&I covers (mutual as well as fixed-premium) to Italian shipowners.

Their primary target is aimed a credible and transparent solution in a market where the studies of Cincotti showed possibility of establishing greater competition between the clubs in favour of the Italian Owners.

“The new initiative - illustrates Tommaso Alessio Saleme, Managing Director at Cincotti & Partners who had joined the Genoese P&I brokering house for 6 years – was stealthily launched almost a year ago after Cincotti, supported by Gallagher,

had carried out an attentive in house analyses”.

The report perused 150 Italian shipowning companies as well as 1,200 ships (18.6 million gross tons) and subsequently compared final outcome with major peculiarities and dynamics actually featuring the global P&I market.

“The results were surprising” says Salemmé. “From the survey it emerged as the role of the broker and the P&I Club in Italy is interpreted differently when compared to what happens in the world. If we look at the figure of the P&I broker note for example that while in Denmark, the figure of the intermediary for a long time was almost absent and ship owners often turn directly to the Clubs, in Greece, on the contrary the offer is high, with over 30 brokerage companies P&I active. Italy is ‘underbrokered’, given the presence of only one significant player that we value and respect, PL Ferrari, who few months ago passed under Lockton. Globally, in our opinion the role of the intermediary is paramount, especially today, where we are also seeing even mergers between Clubs (see Britain and UK).

Therefore it is crucial to have the support of large intermediaries with global experience in order to compare the in house fleets with world standards. The opportunity of choice in a competent and highly competitive global market, would help local shipping operators to compare and challenge the offer of brokers. This would increase the quality of services offered, where the current exceptionality ‘would turn into ordinariness, as for the handling of claims, or help to trigger a genuine competition between the clubs for the renewals, all for the benefit of the Owners as happened in other sectors”.

Cincotti's analyses also perused the status of insurance coverages brokered in Italy: “We noticed the 13 P&I Clubs listed in the International Group somehow equally control the market, while in Italy 70% covers are split among three Clubs only”, illustrates Salemmé.

The lion's share goes to Standard, controlling 30.24% of the whole fleet, followed by Gard (27.59%) and Steamship (13.19%). The UK is ranked 4th, holding 11.88%, while the left 9 Clubs (North of England, Skuld, Britannia, London, West of England, American and Ship Owners) don't exceed 10%. Standard boasts an undisputed leadership in all typology of ships, reaching overall 76.33% in the towage and offshore segments.

“A situation that has gradually consolidated over the years, and that could be seen as not surprising considering that Standard Club's BOD is 25% participated by Italian companies' representatives (d'Amico Società di Navigazione, Fratelli D'Amato, Saipem, Coeclerici, Premuda); however, seating in the Board of a Club can't essentially ensure the best service ever”.

“We feel now is the right time to offer the Italian market an alternative P&I broker solution with the recent change of Lockton purchasing the local Italian P&I leader PL Ferrari, a broker whom we highly respect; now we feel there is a level playing field in the market, which Italian shipowners may also like to hear something new and different” stated Malcolm Godfrey and Alex Vullo, respectively Executive Director and Divisional Director of Marine at AJ Gallagher.

Working together with Cincotti & Partners, AJG is offering a global reference point with local understanding, which both companies feel presents a credible alternative thinking.

As the leader of Greek P&I business, AJG feel that the Italian and Greek mentality are similar therefore the invaluable experience gained from the Greek shipping market in the last thirty years may well benefit any new Italian clients.

After having acquired their first – obviously undisclosed – customer, Cincotti determined formally launching their services on the market. “We particularly turn to Italian shipowners, with no specific restriction on ships typology, providing fixed or mutual P&I premiums. Furthermore, we'll particularly focus on the utmost transparency always keeping a direct contact between shipowners and Clubs”, expounds Salemme, adding that the Italian market was overestimated and shipowners may be granted better conditions. In relation to short and medium-term goals, C&P would rather not unveil their projects, Cincotti, who has the support of Arthur J. Gallagher has a team of dedicated person for P&I in Naples.

Meanwhile, over 50 experienced A.J. Gallagher's marine brokers (of which 15 dedicated P&I experts) will support business development from the group's London-based headquarters. “This team may grow larger while the business will further develop. Ours, however, is a long-term project. We understand, however, that in a first phase we will probably be perceived as outsiders in an already established market and therefore we will need time to build our local reputation and a few chances, in order to show that 'we are serious about the Italian market' and we will ultimately show the competitive advantage” added Vullo, Divisional Director Marine of the US company.

Cincotti & Partners boasts 20 years experience in marine insurance and not only

Operating on the Italian insurance brokering market across 3 generations, the Cincotti family established Cincotti & Partners in 2009, providing a wide range of insurance policies – encompassing RC for professionals or specific businesses as jewellery stores and private health care facilities- particularly focusing on the marine sector. Helmed by President and CEO Ugo Cincotti, experienced professional operating in the marine field since 1995, particularly at H&M (Hull & Machinery) yacht division, C&P is headquartered in Naples and has a branch office in Cesena.

Tommaso Alessio Salemme, who joined the shipping business in 1995, was appointed Managing Director of the young P&I division. He gained an extensive experience as P&I operator joining different London-based Clubs but also on the domestic market, primarily working for some Neapolitan shipowners, also spending 6 years at PL Ferrari Naples-based branch.

Arthur J. Gallagher, a 'family affair' worth 4 billion dollars

Among the leading insurance broker houses operating globally, US Arthur J. Gallagher is a prominent P&I broker providing insurance assistance to over 5,000 different typology of ships (tankers, bulk carrier, offshore units, tugboats, barges), namely 100 million gross tons and 210 million dollars average premiums. Their coverage and solutions across the marine segment also include FD&D (Freight, Demurrage & Defence), Charteres & Traders Liability and Maritime Lien Insurance, managing overall 1 billion dollars brokering services.

The company has intensively developed on the Greek shipping market as well as on the American and Asian ones. As a whole, AJG – established in 1927, listed at NYSE since 1984, but still controlled by its founder's family – currently counts 680 branches in 31 different countries with 4 billion dollars turnover.

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