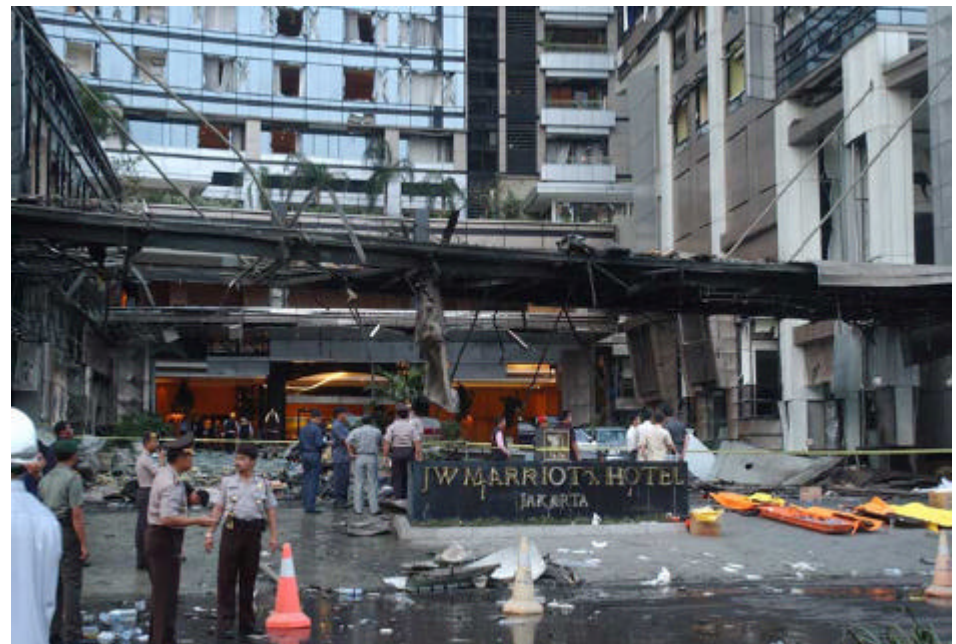




JW Marriot Bombing not Expected to Impact Indonesian Insurance Market

Gregory K.McCoy, AFF.All - Technical Advisor - Risk Services



HIGHLIGHTS

- **JW Marriot Bombing not Expected to Impact Indonesian Insurance Market**
- **International Market Softening Gathers Momentum**
- **Decisive Verdict in WTC Insurance Case**
- **Effects of the Anti-Money Laundering Act on Insurance**
- **The Bali Rendezvous - More Of The Same**
- **Borobudur Ship Expedition**
- **Motor Fleet Insurance**
- **IBS Group IT Solutions - CargoGuard, Claimslink, FleetGuard**

Despite the substantial damage to the JW Marriott Hotel following the August 5th bombing in Jakarta, the loss is not expected to impact the Indonesian property insurance market to any great degree. This is due to the fact that terrorism coverage exclusions, which have been discussed at some length in the last two IBSNEWS newsletters and which applied to property insurance policies related to the bombing, mean that insurers will not be called on to pay for reinstatement and repair works.

Whilst we understand the owners of Plaza Mutiara complex did have in effect a specific Terrorism Insurance policy to a limit of US\$ 5 million, damage to the building was not extensive and any loss under that policy will not be significant. It is not known whether the JW Marriott Group has any global Terrorism cover in effect.

As you will see from our article in this edition of IBSNEWS, the international insurance and reinsurance markets are now showing continuing signs of softening, with substantial pressure to lower premium rates becoming the norm rather than the exception. As insurers have not suffered loss from the bombing, this trend seems certain to gather strength in the near term.

The bombing does, however, highlight the need for clients to consider effecting Terrorism and Sabotage cover for their key assets. As advised in our last newsletter, cover is available within the specialist international Political Risk market, with limits as high as US\$ 400 million available.

Please contact [Greg McCoy](#) or [Jacob Kosasih](#) in Risk Services Group if you would like to investigate this coverage further.

International Market Softening Gathers Momentum

Brian J. Dallamore, ACII - Technical Advisor - Reinsurance Services

After what has been a 3-year hard market cycle, there is now every indication that leading international markets are turning south. Early signs of a softening attitude towards facultative terms in London in April/May have now been reinforced by more flexible treaty renewals effective June 30th and we can confidently say that, barring another global catastrophe on the scale of WTC or the European floods in 2001, there appears to be a softer road ahead. What this means for Indonesia remains to be seen however. With increasing downside pressure coming from overseas markets, we do expect renewals for the rest of the year to come under increasing pressure.

What has caused this to happen and will it stay in place?

Firstly, the global international markets are influenced by supply and demand. The advent of higher terms in both premium and deductible levels in recent years in just about all classes of insurance, has attracted increased capital investment by insurers and reinsurers as the major players attempt to secure market share at levels not previously seen for many years. Lloyds of London has increased capacity to US\$ 24 billion from this year following the introduction of corporate capital, and the highly innovative and increasingly influential Bermuda reinsurance market is hungry for business like never before, as reported in our previous Bulletin. When these forces come together with more bullish stock and capital markets, a ripple effect occurs and insurers and reinsurers begin to move in pursuit of premium income. Albeit that the rating agencies continue to look aggressively on the balance sheets of some insurers (Scor were downgraded to BBB by

Standard and Poors in June 2003 and the London market on average is now rated A) it is generally felt that the market as a whole is over the worst.

From a local viewpoint, the first real confirmation of a market shift is in the more flexible renewal of reinsurance treaties which has come into effect at the half-year through higher commissions, greater capacities and less restrictions on catastrophe cover (e.g. flood and earthquake). The great anomaly in the Indonesian market is at present, of course, that domestic insurers are trying to move pricing and deductibles in the opposite direction to the international market, largely through the introduction of the Indonesian Earthquake Pool (see February IBSNEWS) which is pushing up both premiums and deductibles for earthquake/volcanic eruption protection. As a result, an increasing number of Insureds are choosing not to insure this risk at all. It remains to be seen who will win out. Insurance is the most international of businesses and the ability of the Indonesian domestic insurers to go against the tide has never stood the test of time. We do not see it being any different on this occasion.

Secondly, the local market normally tracks the global marketplace by 6-12 months or so and we would expect a similar picture on this occasion. The June renewal of the Pertamina Insurance PSC programme was completed with a 25 pct premium reduction via Tugu Pratama with support from the international reinsurance market and served as a warning beacon. There is no doubt that as the easier treaty conditions begin to apply, greater local insurer flexibility will develop. As most treaties do not rollover until December 31st, there will be a delay in this effect. The unknown factor of the Earthquake Pool (and subsequent talk of a 'Flood Pool') will be a key issue. As more and more Insureds drop earthquake cover from their coverage (and this is not something that we would normally recommend), pressure on the non-earthquake rates will increase. This was not readily foreseen by those supporting the Pool concept and will result in insufficient premium becoming available to properly meet the working perils exposures.

As always, IBS Group remains fully-focused on market conditions on behalf of all our clients. This has never been more important as we move into a changing market.

*For further information, please contact **Brian Dallamore** or **Donal Mangunsong** in Risk Services Group.*

Decisive Verdict in WTC Insurance Case

Swiss Re Media Centre - 26th September 2003

IBSNEWS readers may recall our previous articles regarding the insurance dispute arising out of the World Trade Centre terrorist attack. After the attack it was revealed that the WTC owner, Larry Silverstein, had insured the twin towers under a single policy with a sum insured of US\$ 3.5 billion "any one occurrence". At the time of loss only a Cover Note and not a full policy wording had been issued, leading to dispute over which policy wording applied to the loss.

With his loss well over US\$ 3.5 billion, Mr. Silverstein pursued legal action to claim that the attack on the WTC was 2 "occurrences" and not 1, thereby hoping to claim US\$ 7 billion under the policy. We provide now extracts from a news bulletin released by the Swiss Re Media Centre on 26th September, 2003 advising the latest developments in the case:

In a unanimous decision written by the Chief Judge of the Court, John M. Walker, Jr., the U.S. Court of Appeals for the Second Circuit today dealt a devastating blow to Larry Silverstein's ongoing efforts to double his insurance recovery for the World Trade Center loss. The Court conclusively rejected variously as "frivolous" and "counterintuitive" Silverstein's entire theory of the case. Swiss Re and the majority of other insurers all contend they bound coverage for the World Trade Center under the WilProp policy form.

In a desperate effort to double his recovery, Silverstein has argued that a different policy form issued after September 11 controlled (the cover). The Court categorically rejected that argument, holding: "Despite the Silverstein Parties' arguments to the contrary . . . we conclude that the September 14 Travelers policy, issued three days after the loss at issue here, has no bearing . . ." Now the Second Circuit has ruled in no uncertain terms that under WilProp a coordinated terrorist attack is a single occurrence as a matter of law.

It has now been conclusively determined that at least five insurers (approximately a quarter of those participating on the WTC program) were bound on the WilProp form and are liable for only one policy limit. Despite Silverstein's best efforts to spin it otherwise, the Second Circuit's decision signals loudly that Silverstein's bid to double his insurance recovery is failing fast. The decision confirms what Swiss Re has said all along: the World Trade Center insurers were bound on the WilProp policy and the total destruction of the WTC by terrorists on September 11 was a single occurrence.

Swiss Re's attorney, Barry Ostrager of Simpson Thacher & Bartlett LLP, stated "Today's decision confirms our entire theory of the case. Silverstein purchased US\$ 3.5 billion worth of insurance coverage based on the WilProp policy form - the form that he and his broker wanted. His recovery is capped at US\$ 3.5 billion."

The Court specifically found:

"It was in Silverstein Properties' interest to incorporate into their insurance coverage a definition of 'occurrence' that would apply in the event of a loss or series of losses. This goal was accomplished by the WilProp form's inclusive definition of 'occurrence.' When Travelers held out for using its own form in its negotiations with Willis in August 2001, Timothy Boyd, a vice president of Willis, reported that fact to a co-broker, stating, 'Although other players have signed binders based on WilProp, Travelers is insisting we use their form and this is under review.' Apart from its potential as a party admission, the statement that 'players [other than Travelers] have signed binders based on WilProp,' made by the Silverstein Parties' agent on August 3, 2001 - after the binders were in place and before the WTC was destroyed - is consistent with our review of the binder negotiations...."

Silverstein underinsured the World Trade Center well below his estimate of its total insurable value. As the Second Circuit observed, a property insurance policyholder "can take adequate measures to protect his investment in advance of any loss." Because Silverstein failed to take those measures, he has resorted to characterizing as two separate losses what the Court has recognized could be fairly described as a "single, continuous, planned event causing a continuum of damage that resulted in the total destruction of the WTC."

Effects of the Anti-Money Laundering Act on Insurance

Dadang Sukresna, MBA - Marketing Director - Risk Services

The Government's recent initiative to implement the "Know Your Customer" principle (KYC) is a positive step in the fight against money laundering and related terrorist activity but may also have far reaching effects on the efficiency of the insurance industry in Indonesia.



What is Money Laundering?

Money laundering is an act or process with its sole purpose to hide or obscure the source of money from a criminal act and disguise it as wealth attained from a legitimate or legal activity. Total transactions in the world from money laundering are as high as US\$ 2 trillion per annum, as reported by the Executive Secretary of Financial Action Task Force (FATF) in year 2002.

In the June 2002 FATF Report Indonesia, along with several other countries including the Cook Islands, Egypt, Guatemala, Myanmar, Nauru, Nigeria, Philippines and Ukraine, were listed as Non Cooperative Countries and Territories for several reasons:

- Absence of a legal act that describes clearly the definition of money laundering as a criminal act
- Failure to establish the KYC principle
- Absence of a clear Government policy to hold a proper test for Non-Bank Financial Institutions Board of Management
- Insufficient international assistance or cooperation in the fight against money laundering.

The KYC initiative was introduced by the Central Bank of Indonesia on June 18th, 2001 in an effort to prevent banks from being targets for money laundering. Existing law at the time stipulated that the Paid-Up Capital or Establishment Funds for these institutions should not be sourced from money laundering, however, no systems were in place to implement or monitor the risk.

Insurance and the Anti-Money Laundering Act

As a response to the FATF listing and recommendations, the Ministry of Finance has recently introduced Decree No 45/KMK/2003 or Keputusan Menteri Keuangan (KMK) seeking to properly establish the KYC principle for non-banking institutions, which include insurance industry-related companies, pension funds and financing companies.

The Decree's prime imposition is a requirement that every "suspicious" transaction related to an insurance policy must be reported to the relevant Government authorities. Suspicious transactions include any business deal carried out beyond a company's ordinary business profile or its normal practice of transaction or an operation suspected to use funds from criminal acts. To conform with KMK, all companies in the insurance industry are compelled to introduce the following:

- A new policy for business acceptance, i.e., insurers must introduce a system to obtain information on new clients, such as company deeds and any changes to those deeds, company statutes, company Ministry of Justice approval, tax register number and other legal documents
- A new system and procedure for customer identification, e.g., KMK recommends insurers confirm business type, annual turnover, bank account, bank account activity, reason for taking insurance coverage etc. For non-corporate accounts KMK requires driver's license/ passport/ KIMS/ KITAS and tax register number
- A new policy and procedure for monitoring clients' transactions and related-bank accounts
- A new policy and procedure on risk management in

relation to KYC.

The Decree requires the KYC principle to be implemented immediately however a large number of incomplete or non-specific articles in the Decree and the accompanying Dirjen Resolution Letter need to be clarified prior to its effective implementation.

Current Issues

The insurance industry understands and supports the principles of KMK but faces substantial difficulties in its implementation, particularly since guidelines released by Government imply the system should be applied to every policy or customer regardless of premium transaction size. It would appear the rules and recommendations for KMK are based upon existing international standards normally applied to large financial transactions rather than individual insurance policies/customers.

One example is the requirement to collect information (corporate profile, financial reports, articles of association, and bank account number from the Insured. All related parties to the transaction, such as the direct insurance broker, insurance company, reinsurance broker and reinsurance company are currently required to collect the same information. The duplicated administration and inconvenience to the original purchaser of insurance are self-evident, not to mention confidentiality concerns.

Insurance Industry Concerns

A concern from IBS Group and the industry as a whole is that most Insured's are unaware of the KYC principle, as there has been no socialization to the general public as to what KYC is and its relation to anti-money laundering acts. Clients may understandably not wish to disclose the information required under the Act.

We are concerned the increased administration in collecting, recording and reporting this information will place a substantial administrative burden on insurance brokers and insurance companies, with an unavoidable rise in administration cost ultimately translating into higher insurance costs.

We will continue to monitor developments on the Know Your Customer initiative and keep you advised of any further implications that may arise.

*For further information, please contact **Dadang Sukresna** in Risk Services Group.*

The Bali Rendezvous - More Of The Same

Brian J. Dallamore, ACII - Technical Advisor - Reinsurance Services

At the time of going to press the Indonesian insurance market has just held the 10th Indonesia Rendezvous in Bali to which some 350 delegates attended. This is a one-day conference spread over two days in order to make the trip worthwhile, with the social side being every bit as important as the business end of things.

This year's agenda was not too different to previous years and tended to reflect what those people who influence market issues want to see. The subjects included such topics as;

- Co-operation among the Industry Players in the Changing Environment
- The importance of Actuaries in Sustaining the Growth of General Insurance.

These topics were not likely to grip the participants' attention for too long and this is pretty much what occurred. For the delegates, having been completely drenched in the organized golf event the previous day, this was a tough start!

The afternoon session was dedicated to the hot potato issue of the incorporation of the Indonesian Earthquake Pool (see previous IBSNEWS articles) with a variety of speakers and a moderator, all of whom were very much for the further extension of the risk pooling concept. This was not particularly surprising since all those concerned were directly involved in the 'Pool' organization in one way or another.

Questions from the floor were filtered through a screening process before being allowed forward. This was a pity, since it removed the opportunity for free debate on the scope, intention and role of the Pool, not to mention its impact on the Indonesian insuring public and the Indonesian economy as a whole.

Incorporation of the Pool, which has now been agreed for early 2004, brings an air of permanence to the Pool, as the intention of incorporation is to limit the liabilities of all insurers participating. At present, these insurers may be called on to contribute proportionately in an unlimited amount to claims which exceed the Pool's capacity (which is only US\$65 million). By limiting these liabilities resistance to the Pool from insurers is unfortunately expected to diminish. The benefits of incorporation are clearly in favour of participating insurers and not the insuring public.

Of significant concern at the Rendezvous was the amount of discussion regarding new Pools for flood and other major perils! Further developments in these areas can only place a greater strain on clients who are already required to pay premium rates and absorb policy deductibles for earthquake/volcanic eruption cover which are above those available in the open insurance and reinsurance markets.

We are of course concerned for the well-being of our clients and their ability to access competitive earthquake and other major peril capacity. This question was not considered at the conference!! We will of course continue to keep you up-to-date as things progress.

Borobudur Ship Expedition

Ibor Lakawa, ANZIIF (Snr. Assoc) - Business Manager - Risk Services - Marine

On August 16, 2003 the Borobudur Ship Expedition set off from Ancol on its voyage to Madagascar and Ghana, West Africa. The expedition is the brainchild of Philip Beale and the objective is to sail a reconstruction of a wooden vessel (18m long and weighing 16 tons), depicted on the Borobudur temple, from

Indonesia to Africa to prove that such voyages were possible over 1,000 years ago. This will hopefully prove a link existed between the people of Africa, Indonesia and Australasia in the first millennium.



IBS Marine Group is pleased to be involved in the project and has arranged personal accident insurance for the crew (a mixture of Indonesians, international professionals and guests from sponsors), marine liability insurance for the vessel as well as cover for material damage to the vessel and equipment on board.

The progress of the vessel is tracked and reported daily on the official website, www.borobudurexpedition.com, with completion of the voyage expected in early January 2004.

Motor Fleet Insurance

James White, ACII - Technical Advisor - Risk Services - Equipment and Motor

Many articles are written about the health and future prospects of the Indonesian forestry and mining sectors. An integral part of those industries is the supply, operation and maintenance of mobile plant and heavy equipment at the numerous plantations and mine sites.

IBS Group handles some of the largest fleets of heavy equipment in operation within Indonesia, particularly in the mining sector. Growth of fleets was rapid during the late 80's and early 90's as investment poured into the Indonesian forestry and mining sectors. An inevitable slowdown occurred after 1997 and investment in new plant and equipment has yet to reach pre-97 levels.

The supply, distribution and maintenance of heavy equipment is dominated by two firms: Caterpillar of the USA and Komatsu of Japan, while other brands such as Volvo, Nissan and Renault have a smaller market share.

Given the large values of some units (US\$ 1 million - US\$ 2 million for large dump trucks for example) and investment overall (US\$ 100 million across a large mine site is common), insurance is extremely important.

Generally, insurance is left to the contractor operating the units at the plantation or mine site. In mining for example, there are several large contractors that dominate the sector, operating fleets of up to 1000 units across several locations. Heavy equipment units are purchased, leased or rented and insurance implications differ for each type of use or ownership.

When a unit is purchased outright, the owner may choose the type and level of insurance cover to suit him. If the unit is new, an "All Risks" programme that covers all partial losses is recommended with a low deductible. This is the most expensive form of cover. If the unit is old and has little value left, then the owner may prefer total loss cover instead. When units are leased or hire-purchased, then the financing company providing the credit will generally insist on good insurer security and the broadest possible cover. When renting, it is usually the rental company that arranges the insurance for their asset. As with leasing, rental companies generally effect broad cover and above average insurer security.

Heavy equipment insurance is normally offered on standard terms and conditions so as to ensure a common understanding throughout the insurance industry. The most commonly

used wording is provided by Munich-Re. Most insurers in Indonesia start with this wording and then negotiate amendments or extensions. The wording basically covers "All Risks" of operation: fire, theft, flood, accidental damage, etc. Exclusions include ordinary wear and tear, third party liabilities and marine transits.

In Indonesia, the market for heavy equipment insurance is extremely limited. Currently only 2 joint-venture insurers and 3-4 domestic insurers underwrite substantial amounts of this class of business. This means that rates and deductibles are not as competitive as they once were in the 1990's when 10-15 insurers offered cover.

The reason for so few players offering cover is due in part to a historically poor loss record for the industry and the high sums insured involved. Forestry fleets in particular have had a poor industry loss record. The environment is hard to control/ manage, maintenance is often neglected and exposure to riot and civil disturbance is high. Mining has a better record due to the more controlled risk environment and greater investment in preventative maintenance. Since sums insured can exceed US\$ 1 million per unit and US\$ 10 million per location, capacity is a problem for insurers. Since the WTC attacks, global insurance capacity has reduced drastically. This has meant domestic insurers have seen their reinsurance capacity shrink significantly for domestic risk, and when one considers the poor loss record, it is no surprise that many have chosen to use their capacity for more profitable lines of business, such as marine cargo.

At IBS Group, we have been working hard to deliver the best terms for our heavy equipment clients. Through our 20-year association with some of Indonesia's largest forestry and mining contractors, we have developed a strong competitive advantage over the other players.

We have a dedicated team of 5 staff, including 2 mechanical engineers, servicing our heavy equipment clients. Our preference is to offer a package cover that includes operational cover, marine transit and storage risks in one policy. We can do this through placements to local joint-venture insurers or London and Singapore Reinsurers. These package covers are exclusive to IBS Group and are tailored to meet client's individual needs.

Risk identification and management are of key importance in minimizing insurance cost. This should also be of prime concern to a mining contractor since a damaged unit is not earning revenue and so must be repaired and returned to working condition as soon as possible. An incorrectly drafted

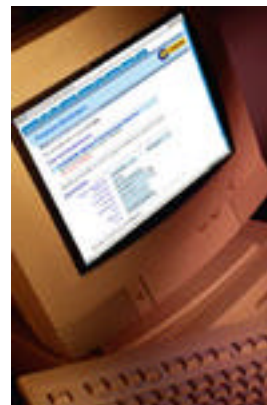
insurance policy will cause delays over agreeing repairs to be carried out, who does those repairs and the amount actually paid in the end by insurers. In heavy equipment insurance, more than any other, the policy must meet the client's needs. Cheap insurance is always available, but the lack of policy performance can cause fundamental problems to a client's business.

At IBS Group, we consider the true financial cost to a contractor following an accident and thus structure the insurance programme according to this "bigger picture".

*For further information, please contact **James White** or **Yudi Satrianto** in Equipment and Motor Group.*

IBS Group IT Solutions - CargoGuard, Claimslink, FleetGuard

Jacob Kosasih, Bsc, AAIK - President Director - Risk Services



There are as many different opinions on the commercial value of the Internet as there are Internet businesses. Some believe it can be the answer to all of their business prayers while others view the World Wide Web as over-hyped and best left alone. Many people have argued that the Internet

renders past business strategy obsolete and that the increased information available to the consumer via the Internet means it is more important than ever for companies to distinguish themselves through a new Internet

strategy. It is clear that Internet strategy within the insurance broking market is still evolving and will do so for some time but trends have started to emerge within the winning organizations. So how has the Internet impacted on the insurance broking industry and what benefits can clients obtain from these emerging trends in corporate Internet strategy?

Whilst the merits of Business-to-Business systems in their application to insurance products remains widely debated (and questioned), IBS Group recognized some time ago the many benefits available to our clients by delivering risk and insurance information efficiently and at call through the Internet. Our original strategy was to develop client-specific software which would firstly improve the flow of information, with a view to reducing administration, improving communication and providing 24-hour access to insurance data.

Our strategy subsequently developed into delivery of claim services and risk information, including critical shipping and vehicle movement activity for large fleets. In early 2004 IBS Group will deliver an online Risk Management software system designed to provide our clients with improved self-inspection and risk impairment grading criteria, risk diagnosis, documentation and follow-up. A brief description of software products currently available exclusively to IBS Group clients follows.

Our Internet-Based Products

Each of the following products may be accessed 24 hours a day through secure password access to the IBS Group website (www.ibsrisk.com) and can be tailored to the specific needs of our clients, reflecting their unique risk profile and insurance data demands.

- **CargoGuard**
CargoGuard enables clients in export and related businesses to enter and issue marine cargo insurance certificates, on Insurers' letterhead, from your own office, dramatically reducing lead-time in issuance from Insurers and avoiding potential rejection from shippers due to errors in certificates, a common problem. The application also substantially reduces correspondence and follow up administration.

CargoGuard also compiles detailed shipping activity reports noting departure and destination points

and dates, duration, values, type of vessel, cargo and any other relevant information required.

For non-export clients the system logs and monitors onshore and inter-island movements and provides summaries on type and age of transport and vessels used, transport/ vessel suppliers, delivery efficiency and other data.

Clients may notify and track the progress of claims and/or produce bordereaux providing analysis of claim type, frequency, amount and trends, all fully online and linked to your Marine Group Service Team.

- **FleetGuard**
FleetGuard was developed to support our clients with heavy equipment and motor fleets, and provides the same data storage and delivery capability as CargoGuard, only more specifically tailored to equipment and motor fleet risk. Claims reporting, tracking and analysis capability is also provided.
- **ClaimsLink**
ClaimsLink allows our clients to notify any type of claim from any type of insurance class (property, liability, casualty, construction, motor, etc.) online and then track the progress of the claim at any time from any place. This information is submitted directly to your nominated Service Team member in the IBS Claims Management Group and clients may communicate direct with those personnel through an email capability in the system.

Historical claims data and analysis can be accessed at any time with the information presented using microsoft excel format under criteria dictated by each client.

Not just Online but also secured

All of our application solutions use a powerful SSL encryption that comes from VeriSign, an industry-leading business identity authentication service. Only you have the password and so your information is completely secure.

With our commitment to continuous development and innovation, we are confident that we can provide imaginative solutions to all of your needs. We have a dedicated team focused solely on adding value to your business through IT solutions.

*For further information, please contact **James White** in Risk Services Group.*

Industry Updates

Indonesian Terrorism Insurance Rates Have Not Hiked. Indonesian insurers have refuted a report that local insurance rates have increased as a result of the terrorist acts in Jakarta and Bali. **Asia Insurance Review eWeekly Asia, September 2003.**

Indonesian New Deposit Agency Will Get Rp 5 Tln Capital. The new deposit insurance agency which will replace the Government's current bank guarantee programme, is expected to obtain a total of 5 trillion rupiah (US\$ 584.6 million) for its initial capital, said Mr. Firdaus Djaelani, the chairman of a Government team setting up the new agency (locally known as LPS). **Asia Insurance Review eWeekly Asia, August 2003.**

Indonesian Insurance Firms Suffer Lower Profit. The country's insurance industry will experience a lower profit this year amid declining domestic interest rates, said the Indonesian Insurance Council (DAI). To mitigate the impact on the bottom line, insurance companies have started to shift their investment from bank time deposits to other investment options like bonds or mutual funds. **Asia Insurance Review eWeekly Asia, July 2003.**

Living With Greater Corporate Governance, Yet More Expensive D&O Cover. Corporate governance is top priority in many boardrooms today. It is top of the agenda, from regulators to corporate honchos. The collapse of Enron and Worldcom and its attendant impact on the directors' & officers' (D&O) book of business with many insurers having to set aside huge reserves, have made for a hot issue in the global insurance industry. Everyone has an opinion along with dramatic saga on who caused the D&O underwriting catastrophe, where rates have to be pushed phenomenally. In Asia, where the corporate governance mantra started even before Enron but with the Asian Financial Crisis, the situation is still drawing great interest from historical underwriters looking to pin the blame and future writers trying to find the right formula for success. **Asia Insurance Review, May 2003 (Verbatim).**

Terrorism Products Ease Business Worries. Securing appropriate terrorism cover has been a key issue for many businesses recently. While some cover has been available at a price, stand-alone liability cover has been almost impossible to obtain. However, the launch of two new liability terrorism products by MAP Syndicate 2791 could provide a solution. "It has been difficult to buy stand-alone cover until now," explained terrorism underwriter Nick Williams, MAP. **Lloyd's The Market, June, 2003.**

For further information about any of the articles or to learn more about IBS Group expertise & services, please contact IBSNEWS@ibsrisk.com or call the authors at +62 21 515 3131.

IBS Group is Indonesia's largest and leading Risk Services provider, delivering the country's only truly integrated insurance and risk management service capability. With more than 25 years of experience, **IBS Group** provides competitive and comprehensive insurance protection, risk solutions and claims management to the highest international standards, delivered through 5 operating companies: Risk Services, Risk Management Services, Reinsurance Services, Healthcare Management and Technology.

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"Many of life's failures are people who did not realize how close they were to success when they gave up"
Thomas A. Edison (1847-1931)