

# 2001 HOUSTON MARINE INSURANCE SEMINAR

## OPENING STATEMENTS

Monday, September 24, 2001

Good morning and welcome to the 35<sup>th</sup> Annual Houston Marine Insurance Seminar. We are delighted you are here. I am Richard Blades. I am a Partner with John L. Wortham & Son and I have the privilege of serving as Chairman of the seminar this year. It is an interesting year to be holding a seminar as our country and the insurance industry are facing significant challenges following the appalling terrorist attacks on September 11th.

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After the tragic events we discussed cancelling the seminar and came to the conclusion it was important that we go forward with the seminar and not let the cowardly terrorists disrupt our lives any further. Life needs to proceed as "normal", although normal may never be quite the same following the recent terrorist attacks on American soil. The insurance industry is facing an astronomical dollar loss from these events, but the dollar loss pales in comparison to the loss of human life. We would like to extend our deepest sympathy and prayers to Aon, Marsh and everyone in the audience who lost colleagues, family members and friends.

In remembrance of those who lost their lives, we would like to have a moment of silence.

I want to thank the speakers for delivering their presentations during these trying times, especially the speakers who have had to travel with the increased concerns over security.

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As you might suspect, in view of the unique circumstances, we do have some changes to the original program:

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- ◆ Peter Allen, Head of Commercial Development at Lloyd's, will deliver the Lloyd's speech.
- ◆ Steve Weiss, Vice President of Rodriguez, Villacorta & Weiss, will deliver a speech on Tuesday morning titled Catastrophe Management for Executives. He is taking the place of Richard Hobbie of WQIS. Mr. Hobbie sends his regards and indicated the WQIS office in New York reopened a week ago.
- ◆ Bob Daniels, President of Burke-Daniels Company, will deliver a speech on the Control of Well Market Tuesday morning in place of Joe O'Connor of Thomas Miller, Managers of the UK P&I Club.
- ◆ The panels have a couple of changes as well.

We really appreciate these speakers stepping up to the plate on such short notice. A complete copy of the revised program is on the registration desk.

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I want to thank the members of the seminar planning committee who volunteer their time to make sure we have a successful seminar. Their names are up here on the screen and the committee members are wearing blue ribbons. If you have any questions during the next day and a half, please feel free to ask anyone on the committee for assistance.

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This year's seminar is dedicated to the memory of Frank J. Wetzel. I had the privilege of knowing Frank for as long as I can remember. Frank was a leader in the insurance industry and one of the individuals who supported the seminar when it started 35 years ago. At the time of his untimely death, Frank was serving as Chairman of the board of the seminar. We will miss Frank's leadership, wit and wisdom.

Some people might wonder why the marine seminar is held in Houston.

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Well Houston is very much a marine city with one of the largest ports in the United States. In fact, as these slides demonstrate tropical storm Allison certainly helped expand Houston's waterways.

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The main purpose of this seminar is to update attendees on the issues and events that impact our business on a daily basis. Education is the other primary purpose of this seminar. We provide continuing education credit. We also have a student involvement program, so selected university students can obtain exposure to our industry. The seminar is a non for profit organization and the profit from previous seminars have been donated to various universities and marine academies.

The seminar has given away over \$500,000 since 1996. I am pleased to report this year in place of our normal donation to educational institutions, the seminar is going to donate the profit to charities benefiting the families victimized by the September 11<sup>th</sup> events.

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This year, adjusters and agents will receive 9 hours of continuing education credits in Texas, Louisiana and Washington. Mississippi agents will also receive 9 hours. Attorneys will receive 9.5 hours of CLE credits in Texas and 11.4 hours in Louisiana. In order to receive your continuing education credits, it is important that you sign in at the reception desk all three (3) times. Partial credit is not offered. The sign-in sheets will be on the registration desk starting at the coffee breaks today and tomorrow.

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I have always wondered why the attorney's receive more continuing education credits than insurance agents and adjusters. First, I thought it was because they received credit for the cocktail parties. But now, I realize after seeing this cartoon it is the way they are trained to roundup their billable hours. 😊 In case you can not see the caption on the cartoon, it reads "Remember to round each billable hour off to the nearest week." 😊

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We are pleased to have these universities participating in the Student Involvement Program again this year:

- Rice University,
- St. Mary's University,
- Texas A&M University at Galveston,
- University of Texas, and
- University of Houston

Will the students please standup? These are bright students. Some of them will be graduating in the near future looking for jobs, so if you have a moment during the coffee break or cocktail party, I am sure they would appreciate you sharing some of your work experience with them and let them know how you got started in the business. They are wearing white ribbons so you will be able to find them. I am sure they would be happy to email you a resume.

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If you want to go ahead and mark your calendar, the seminar dates for 2002 are September 22, 23 & 24. Details will be posted on our webpage at [www.houstonmarineseminar.com](http://www.houstonmarineseminar.com) closer to the time.

We do have excellent speakers for the next day and a half and I hope you will give them your full attention. We will have a question and answer session after each speaker and panel. Please write down your questions and forwarding them to the ladies who will be walking the isles towards the end of each speech. The speakers' presentations will be posted on our website following the seminar.

The seminar was started 35 years ago thanks to the Houston Mariners Club. Certainly when the seminar started 35 years ago, business was transacted in a totally different manner than it is today. Back then a hard drive would have been referring to a long trip on the road, not part of your computer. 😊 Before we get started with the

speeches, I would just like to take a quick survey to help demonstrate how technology has changed our business. If you remember conducting business using a telex machine, please raise your hand. I see we do have some people in the audience with a bit of experience. ☺ How many people receive at least 10 emails everyday? How many people carry a pager or a mobile phone wherever they go? Okay, those people with their hands up, we would appreciate it if you would at this time switch your mobile phone or pager over to vibrate, so we will not disrupt the speakers. Thank you.

Door Prize – Astros vs. St. Louis Wednesday night.

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Now, I would like to introduce our first speaker. We are fortunate to have with us today Chuck Watson who is Chairman and Chief Executive Officer of Dynegy Inc.

Dynegy is a leading provider of energy and communication solutions around the globe.

I first had the opportunity to work with Dynegy a handful of years ago when the firm was called Natural Gas Clearinghouse and they had a couple of hundred employees and five (5) gas processing plants. It certainly has been exciting to watch Dynegy's dynamic growth.

Today they are one of Houston's largest public companies with 6,000 employees and over 20 billion in assets. Dynegy is also one of Houston's largest corporate supporters of the community.

Chuck currently serves on the National Petroleum Council.

He is a board member of the Interstate Natural Gas Association of America and the Edison Electric Institute as well as a founding member of the Natural Gas Council.

Educated in business and Economics at Oklahoma State University, he has served as Chairman, trustee and governor of the OSU foundation.

He is a board member of numerous non for profit organizations and he has served as Chairman of various United Way campaigns.

Chuck and his wife Kim have also served as co-chairpersons of several community organizations in and around the Houston area.

In 1998, Child Advocates of Houston named the Watson's the "Family of the Year".

Please help me welcome Chuck, owner of the Houston Aeros and part owner of the Houston Texans. Presenting sponsor of PGA Tour Championship.

Peter Allen – Head of Commercial Development of Lloyd's

Peter studied at Cambridge as the City University Business School in London.

Before joining the Corporation of Lloyd's he was Deputy to Richard Keeling on Lloyd's Syndicate 360.

The Syndicate wrote various new products including credit insurance products and insurance produced by non-traditional distribution sources.

Peter joined the Lloyd's market in 1982 starting his career as a broker with Stewart Wrightson.

He subsequently became a Director of Lloyd's Broker Steel Burrill Jones.

In addition to his current role, Peter has been head of Alternative Risk Transfer at Lloyd's and Program Director of lloyds.com.