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**A sunken city, a reality TV  
copycat, a castle in flames,  
an estate agent fiddling the  
books, a masterpiece ripped  
at the restorer**

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**The world of Hiscox**

**Hiscox is a leading specialist insurer with a diverse portfolio of business by geography and product. This gives us great flexibility.**

**Group key performance indicators**

	2011	2010
Gross premiums written (£m)	1,449.2	1,432.7
Net premiums earned (£m)	1,145.0	1,131.2
Profit before tax (£m)	17.3	211.4
Profit after tax (£m)	21.3	178.8
Earnings per share (p)	5.5	47.2
Total dividend per share for year (p)	17.0	16.5
Net asset value per share (p)	323.5	332.7
Group combined ratio (%)	99.5	89.3
Group combined ratio excluding foreign exchange (%)	99.3	89.8
Return on equity (%)	1.7	16.5

**Excerpts from the Chairman's statement 2011 report and accounts**

**In 2011, Hiscox made a pre-tax profit of £17.3 million. A small profit is a good result considering we have been so well and truly tested by Mother Nature.**

By any measurement, it was a phenomenally catastrophic year. We were able to absorb considerable losses (despite much reduced investment returns) through the profits from our specialist books in the London Market and retail businesses in the UK, Europe and Guernsey. In particular, a £49.0 million profit from the UK business – the most mature of our retail accounts – showed the potential for our similar accounts in Europe and the US. Our strategy of balance worked well.

I have decided to step down as Chairman of the Board while I still feel near the top of my game. I will retire from the Board early in 2013 when I will have just turned 70. My passion for the business remains undiminished, and I will be available if the new Chairman or others wish to draw on my 47 years of experience. It has been an enormous privilege to lead Hiscox since 1970 when my father died and I am very grateful to those who have helped me to achieve what has been achieved so far.

It is an exciting business being in reality bookmaking as we quote odds on almost every conceivable event, loss or tragedy happening around the world. It is a fulfilling career as we enable private ownership and commercial endeavour to flourish through adversity.

We have built a brand based on trust and service and have been rated as the most trusted insurer in the UK. The value of our brand depends on our integrity and our fair treatment of customers.

Some key rates are rising, we are employing some brilliant talent, we have fledgling businesses poised for growth and profit, and our mature businesses have small market shares and enormous opportunities. I look forward to my final year as Chairman confident that the next era of the business will be rewarding to shareholders and staff.

**Robert Hiscox**  
Chairman

# Excerpts from the Chief Executive's report 2011 report and accounts

**Our strategy of balance and diversification has shown its value once again. We will continue to grow our retail-focused businesses around the world and invest in our specialist businesses in London. This will enhance our capacity to weather future catastrophes and will provide attractive returns to shareholders.**

Our London Market business navigated its way through the thick of the storm thanks to its diversified spread of business. Profits in US property, marine, and other specialist lines offset reinsurance losses allowing it to make a good profit. This is a fantastic achievement.

Hiscox UK and Hiscox Europe saw continued growth, pushing premium income up 9.5%. Our UK business achieved another record profit and it was Hiscox Europe's third successive year of overall profitability.

Hiscox International, and in particular Hiscox Bermuda, has suffered most visibly from the catastrophe losses in 2011. The US has made good progress in 2011, seeing strong growth of 29% in core lines of business including kidnap and ransom, construction, terrorism, media and professional lines. Guernsey delivered a good profit, despite the Arab Spring and a large fine art loss.

We believe that we can thrive in the current environment. The UK will continue with its consumer and brand-led expansion; Europe will focus on driving growth in its current products and territories, developing greater scale and improved profitability; the US will continue its drive for scale and build on its direct business's exciting possibilities; the London Market, Bermuda and Guernsey insurance businesses will take advantage of rate increases; reinsurance is even better rated than in previous years and, unless the world turns upside down, should return to its usual profitability. I feel excited as I see these plans coming together and am confident the profits they generate will benefit our shareholders and staff.

**Bronek Masojada**  
Chief Executive

Our Chairman,  
Robert Hiscox (right)  
and Chief Executive,  
Bronek Masojada.



# Hiscox Ltd business structure

Hiscox London Market	Hiscox London Market		<b>Russell Merrett, Managing Director</b> Reinsurance; property; marine and energy; specialty; kidnap and ransom; terrorism; political risks; errors and omissions; aviation and aerospace
Hiscox International	Hiscox Bermuda		<b>Charles Dupplin, Chief Executive Officer</b> Global reinsurance; group capital support; healthcare insurance
	Hiscox Guernsey		<b>Steve Camm, Managing Director</b> Fine art; kidnap and ransom; terrorism
	Hiscox USA		<b>Richard Watson, Chief Executive Officer</b> Errors and omissions; directors and officers' liability; property; specialty; kidnap and ransom; terrorism; technology/media; direct to customer commercial business
Hiscox UK and Europe	Hiscox UK		<b>Steve Langan, Managing Director</b> Fine art; high-value household; errors and omissions; directors and officers' liability; specialty commercial; technology/media; direct to customer household and commercial business
	Hiscox Europe		<b>Pierre-Olivier Desaulle, Managing Director</b> Fine art; high-value; household; errors and omissions; directors and officers' liability; specialty commercial; technology/media; kidnap and ransom; terrorism; direct to customer commercial business

# Hiscox at a glance

## Hiscox London Market

Hiscox London Market underwrites insurance and reinsurance business around the world. It uses the Lloyd's of London broker network and licenses to participate on some of the world's largest and most complex risks, as well as the simpler and more traditional ones, that come to Lloyd's.

<b>Gross premiums written (£m)</b>	<b>585.4</b>
<b>Profit before tax (£m)</b>	<b>57.6</b>
<b>Combined ratio (%)</b>	<b>89.1</b>

## Security

Hiscox Syndicate 33 has an A (Excellent) Syndicate rating from A.M. Best. It also benefits from Lloyd's own ratings, A (Excellent) from A.M. Best, A+ (Strong) from Standard & Poor's and A+ (Strong) from Fitch.

## Capacity

Hiscox increased the 2012 capacity for Syndicate 33 to £950 million (2011: £900 million) and Cougar Syndicate 6104's capacity is increased to £39 million (2011: £37 million). The capacity of Syndicate 3624, which is a wholly owned syndicate, remains flat at £250 million (2011: £250 million).

# Hiscox at a glance cont.

## Hiscox International

Hiscox International consists of Hiscox Bermuda, Hiscox Guernsey and Hiscox USA.

Gross premiums written (£m)	365.8
Profit before tax (£m)	(89.5)
Combined ratio (%)	133.9

### Security

Hiscox Insurance Company (Bermuda) Limited has an A (Excellent) rating from A.M. Best and an A (Strong) rating from Fitch. Hiscox Insurance Company (Guernsey) Limited has an A (Excellent) rating from A.M. Best and an A (Strong) rating from Fitch. Hiscox Insurance Company Inc. has an A (Excellent) rating from A.M. Best.

### Hiscox Bermuda

Hiscox Bermuda underwrites a variety of reinsurance business including catastrophe, risk excess of loss, healthcare insurance and providing Group capital support.

### Hiscox Guernsey

Hiscox Guernsey specialises in fine art, terrorism and kidnap and ransom protection.

### Hiscox USA

Hiscox USA underwrites a mix of property, casualty and specialty business.

### Locations

Bermuda, Guernsey, USA – Atlanta, Chicago, Los Angeles, New York City, Miami, San Francisco, White Plains (New York).

## Hiscox UK and Hiscox Europe

Hiscox UK and Hiscox Europe underwrite local specialty insurance from 18 different regional centres across Europe. Business is sourced mainly through brokers, however some household and commercial products are offered directly to the customer via internet and telephone.

Gross premiums written (£m)	498.0
Profit before tax (£m)	51.5
Combined ratio (%)	91.0

### Security

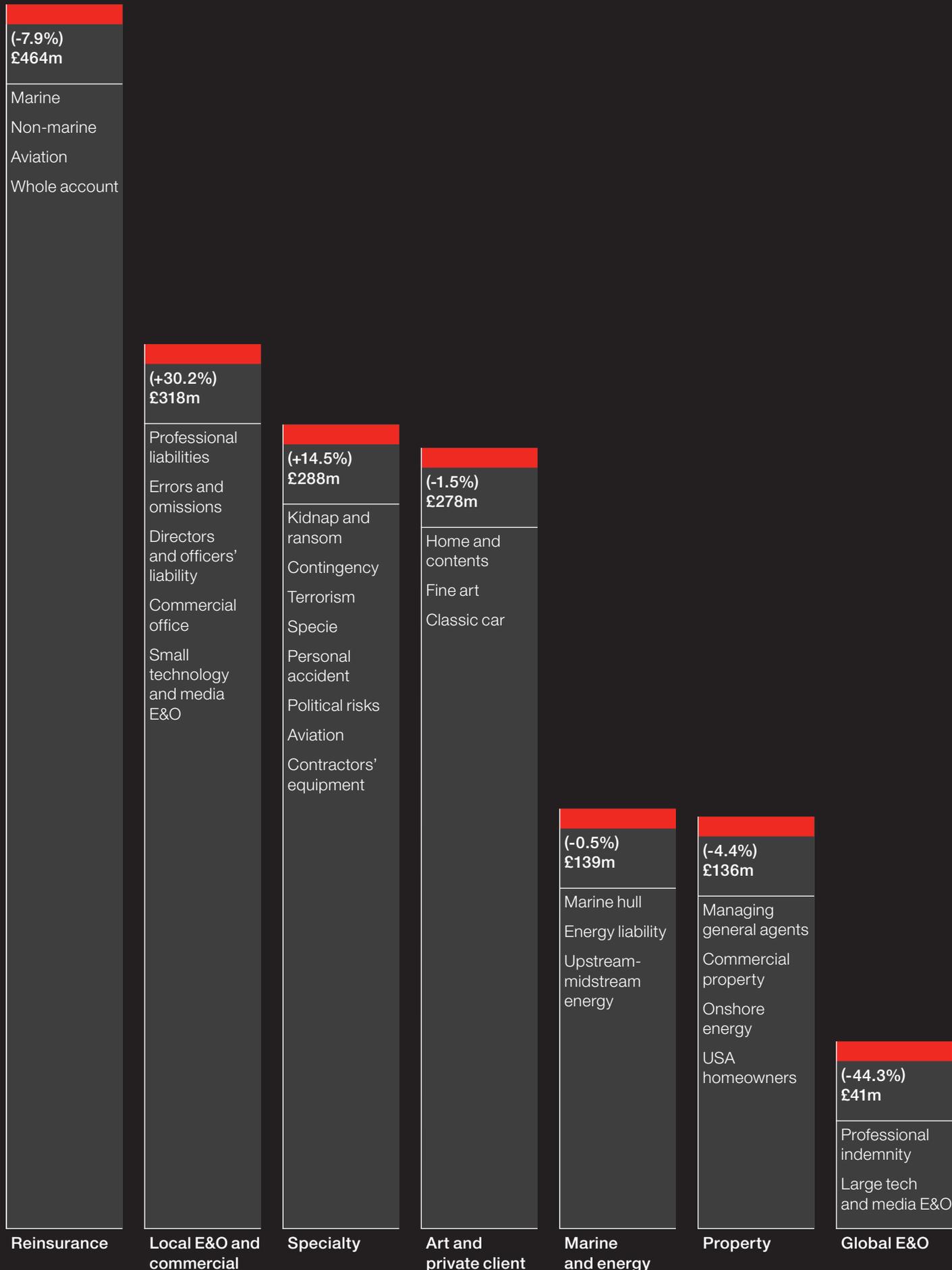
Hiscox Insurance Company Limited has an A (Excellent) rating from A.M. Best, an A (Strong) rating from Standard and Poor's and an A (Strong) rating from Fitch.

### Locations

UK – Birmingham, Colchester, Glasgow, Leeds, London, Maidenhead, Manchester.  
Europe – Amsterdam, Bordeaux, Brussels, Cologne, Dublin, Hamburg, Lisbon, Lyon, Madrid, Munich, Paris.

# Hiscox products

2011 total Group controlled premium £1,664m  
(Year-on-year change in original currency)



Reinsurance for catastrophic events, such as hurricanes, floods and earthquakes, is our largest line of business.



# Reinsurance

**Our reinsurance operation – providing insurance for insurance companies looking to transfer their own risk – is the largest contributor to the Group’s revenue at about a third of our overall income.**

With underwriting centres in London, Bermuda and Paris, we focus on ‘short-tail’ reinsurance which relates to exposures from large but short-lived and quantifiable risks such as property catastrophe cover. As a leader in many of our product areas, our focus is on building long-standing and stable relationships with our clients while we only trade through high-quality broking intermediaries.

Whether assessing the risk of homeowners in Florida suffering losses from hurricanes or earthquake-related damage for businesses in California, our world-class catastrophe modelling allows us to fully assess and fairly price a risk with the optimum mixture of computers and brains.



**Damien Smith**  
Underwriter

“I find the reinsurance business interesting because it has so many facets. I never get bored; in fact, I’m enjoying it just as much as I did when I started 17 years ago. Although it’s a very quantitative business, it also requires a lot of qualitative thinking, mainly about the quality of the companies we reinsure. There’s a lot of bespoke underwriting, which requires you to think outside the box. I have a maths degree so I like the fact there’s a lot of analytics for me to get my teeth into. I spend a lot of time digging into the catastrophe models. Brokers like our high level of service: responding quickly to their enquiries, clearly explaining the rationale behind our decisions and paying our claims quickly. Also the strength of our security is a distinguishing factor for us. Our A ratings have recently been affirmed by Fitch and A.M. Best.”

# Technology errors and omissions

It's hard to imagine a modern business that has no need for technology. Even the smallest enterprise can have unrealistic expectations of what its IT systems can and should deliver. When they are disappointed, their supplier or consultant is usually on the receiving end.

Hiscox puts more than a decade of experience into developing and writing specialist insurance for almost every kind of IT business, from consultants and website hosts to major software developers and telecoms companies. We employ expert underwriters to design policies that are easy to understand, and respond to the real, evolving needs of IT businesses.

Our cover can be provided on a worldwide basis, regardless of the jurisdiction governing the dispute, and encompasses the main legal hazards that technology firms should guard against. Breach-of-contract claims, for example, are becoming increasingly commonplace as economic difficulties force companies to reduce their spending by attempting to cut their investment on ambitious IT projects, citing performance issues as a reason for termination and recouping their costs.

Having spent more than 14 years working with technology firms to resolve disputes with their clients, we have learnt much about the problems they face. Through this experience and our constant dialogue with clients, Hiscox is uniquely placed to understand what can go wrong.

Technology is a vast and fast-moving industry. We are experts at keeping pace with exposures as they emerge. Importantly we can also tailor our cover to respond when it is most needed.



**Jim Whetstone**  
Underwriter

“My role has developed quite a lot since I came to Hiscox three years ago. It’s an entrepreneurial company and I’ve been given plenty of opportunities to make things happen. I started in an underwriting role but I’m now managing our technology and privacy product line and am in charge of that team of underwriters here in the US. It’s the knowledge of our underwriters that sets us apart from our rivals. Hiscox hires very good people but we also dedicate ourselves to really understanding every sector in which we work. That’s reflected in our products: we treat technology E&O as a specialty product, not just another miscellaneous type of professional indemnity. I think the way we serve our clients and handle their claims is better too. Hiscox offers something that is special and unique and I’m very proud to be a part of it.”



Responding to the evolving needs of IT businesses for over a decade.



# Privacy

The rise of the internet has been the most important social trend of the past 20 years. The number of US households with internet access at home rose from 18% in 1997 to 69% in 2009, according to the US Census Bureau. The web has transformed the way in which we live; it has reshaped how we now work, shop and bank. But our growing reliance on the internet has raised the question of how safe is our data that is stored online. Numerous corporations and governments have fallen prey to high-profile hacker attacks recently.

Hiscox has been insuring cyber risks for over ten years and its underwriters and claims specialists are acknowledged as being experts in their field. Whether the target of a professional cyber-criminal or the hapless victim of a lost laptop, our clients can rest safe in the knowledge that we cover them against the costs arising from breaches of data in any form and, just as importantly, help them to get back up and running after a breach has occurred.

Our clients can choose from six modules to allow them to tailor their coverage to their individual needs. We will pay the costs of finding out what went wrong and whose data has been put at risk and reimburse the client for the expense of setting up a call centre or providing credit monitoring services to affected customers. We'll also fund the cost of defending and settling legal claims against the client and pay their expenses incurred in repairing, restoring or replacing their websites and programs that have been damaged by a hacker.

We write the insurance in six countries and also offer our clients free access to a portal that is packed with essential information on how to respond to a data or privacy breach as well as the assistance of an international network of expert privacy lawyers.



**Matthew Norris**  
Underwriter

"We were recently asked for our input into trying to establish a data security standard in the UK. That's because we have a passion to understand our business in real depth. We have a dedicated claims team that is highly respected for their practical and technical knowledge of these kinds of claims. Our underwriters and claims experts spend a lot of time with our clients trying to understand what they do. The more time we take to learn about their businesses, the better appreciation we will have of what their working lives are like. If your business is victim to a hacker, what happens in the first 48-hours after the attack is crucial. You should not be learning what your insured does while you're handling a claim. You've got to be able to walk in and sort out the problem as quickly as possible."

# Higher value household

**In 1967, Robert Hiscox began underwriting the personal property of high net worth individuals as a specialist line of business – a first in the Lloyd’s market.**

Our expertise in this area has grown with the times. Today, we provide extraordinary cover and expert advice on the care and safe-keeping of a whole range of higher-value property from stately pile to city pad, and ceramic collection to luxury motor fleet.

When you buy our insurance we give you our ‘promise to pay’ – it’s when you make a claim that you really find out how good your insurer is, which is why we aim to ensure our claims service is best in the market.

Our claims professionals support our clients through painful times, putting them back on the road to recovery as soon as possible. One of our clients suffered a fire in their historic home caused by a faulty light in a fitted wardrobe. A large part of the second floor was completely destroyed, with smoke, heat and water damage affecting most other areas of the house. Precious possessions were destroyed or damaged, including a valuable Russian art collection. Immediate, expert assistance is essential in these situations to prevent further damage and our claims team are able to mobilise quickly. They were in contact the day the fire occurred and at the site the very next morning offering support and advice. Our restoration and forensic experts were onsite the following day to begin the clean up works and investigate the cause of the fire. Our clients value the service they receive and we welcome the chance to help make them whole again.



**Peter Stevens**  
Underwriter

“It’s a fascinating business, because you are insuring your clients’ passions, whether it’s fine art, sculpture, porcelain or classic cars. Each collection is truly unique, and can range in value from tens of thousands to hundreds of millions of Euros. The clients really care, so they are very engaged in the process. Captains of industry will have risk managers to buy their business’s insurance, but they want to know every detail of their own personal coverage. Whereas other companies treat their private clients as numbers, we treat them as individuals. They have a manual, which sets out which risks their underwriters should insure and what price they should charge. But we appreciate that each of our clients is unique. We want to be creative so we meet their individual needs, so each cover is tailor made. Once a person becomes a client of ours they tend to remain one for years.”

We are experts at covering high value home and contents, fine art and classic cars.

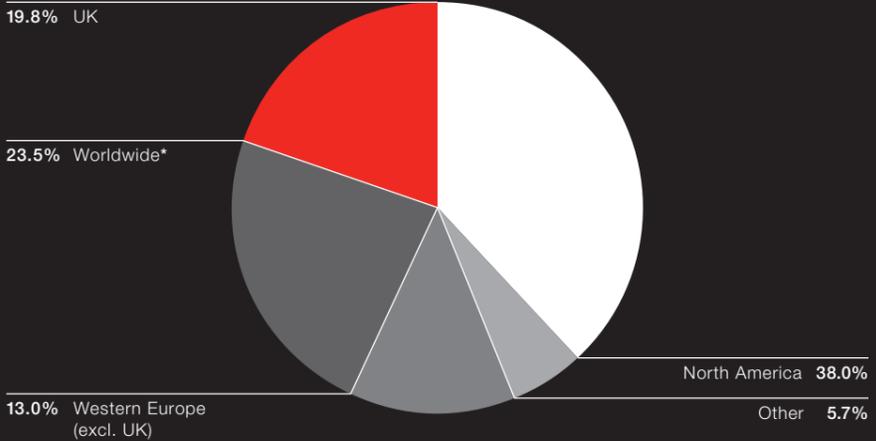


The Hiscox Group has over 1,250 staff in 11 countries.

Through our Lloyd's network we can insure risks almost anywhere in the world and we focus on areas where we have expertise and strength.

- Bermuda**  
Hamilton
- Europe**  
Amsterdam  
Bordeaux  
Brussels  
Cologne  
Dublin  
Hamburg  
Lisbon  
Lyon  
Madrid  
Munich  
Paris
- Guernsey**  
St Peter Port
- Latin American gateway**  
Miami
- UK**  
Birmingham  
Colchester  
Glasgow  
Leeds  
London  
Maidenhead  
Manchester
- USA**  
Atlanta  
Chicago  
Los Angeles  
New York City  
San Francisco  
White Plains (New York)

Geographical income split

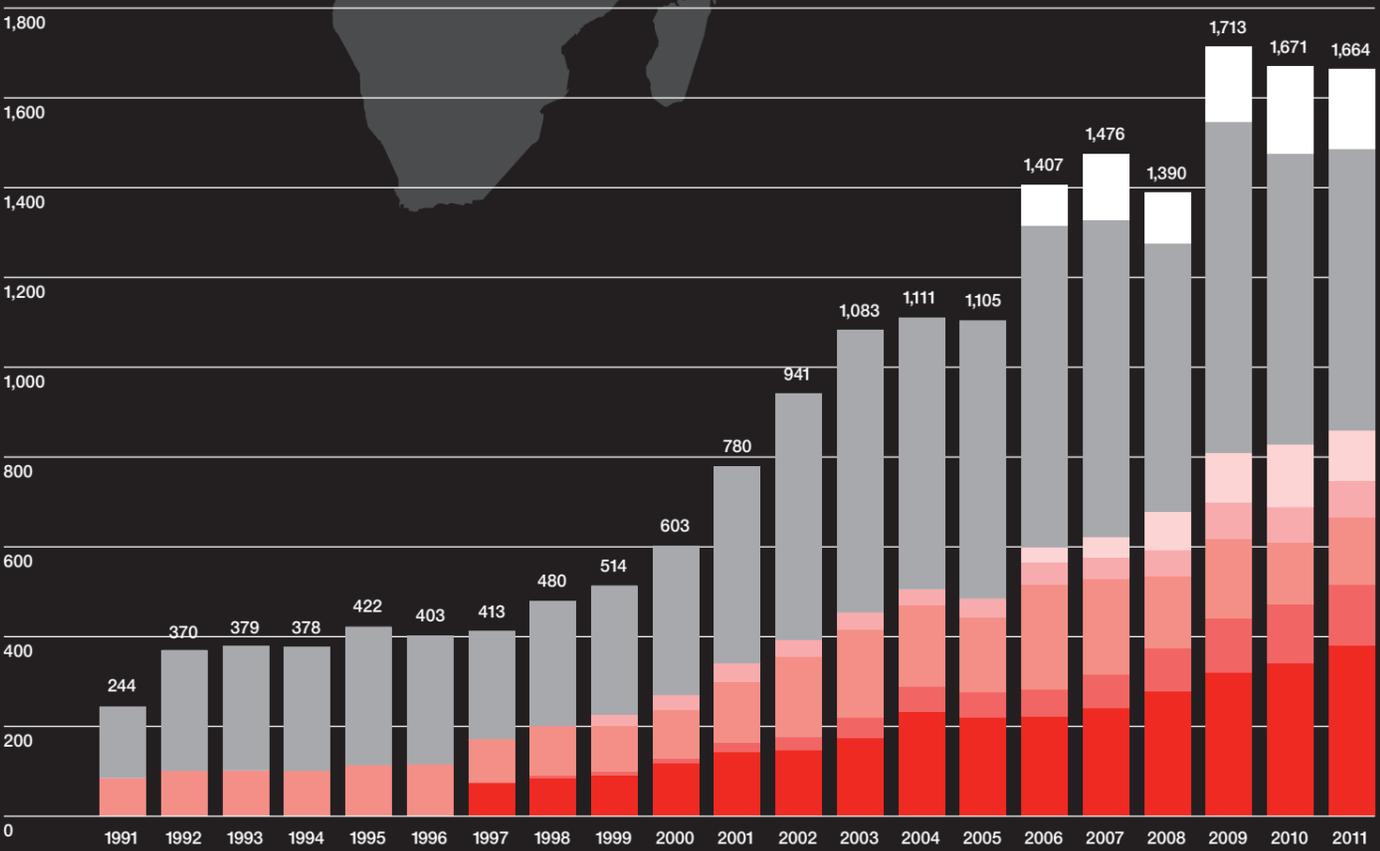


\*Worldwide generally refers to policies with liability, property or international jurisdiction.

Building a balanced business

Gross premiums written at 100% level (£m)

- Hiscox Bermuda
- Hiscox London Market – Volatile
- Hiscox USA
- Hiscox Guernsey
- Hiscox London Market – Retail
- Hiscox Europe
- Hiscox UK



From the restoration of fragile contemporary art, to the recovery of stolen works, our expertise is extensive.



## Fine art

Hiscox has been insuring fine art for over 40 years. It is one of our passions: we collect it and also support and promote new artistic talent. We understand the motivation to own rare and unique works, from medieval tapestries to modern art installations, and the desire to keep them in pristine condition.

The wealth of experience we have acquired over that time has helped our clients in every way, from restoring fragile artworks to recovering stolen pieces. Our own policy wordings have become the industry standard and we have earned a reputation for an excellent claims service that is known for being fair, discreet, sensitive and swift.

The range of art we insure is as diverse as the people who buy, sell and show it. We appreciate that every piece is unique. We also offer bespoke cover for a range of specialist collectables including musical instruments, classic cars, vintage aircraft and stamps.

Our clients range from museums and galleries, dealers, exhibitors and individual collectors. We cover against all forms of loss or damage anywhere in the world, but can also insure against defective title, exhibition cancellation and also the professional indemnity risks of auctioneers, valuers and restorers.

Our extensive know-how allows us to offer our clients expert advice on the care and safekeeping of their artworks. That has never been more important, with many paintings today worth over \$100 million – the overall value of a substantial collection not so long ago.



**Robert Read**  
Underwriter

"I've been at Hiscox for nearly 20 years and am in charge of the fine art products across the Group. Our clients return to us time after time because the depth of our experience and expertise is exceptionally high. Our biggest risk is from accidental damage to artworks. Most of our claims come from when the items are being moved, so we try to reduce the risk to our clients by advising them on how to move them safely, informing them what the best practices are for packing and securing the artwork properly before the van drives off. It can be tricky to value the level of depreciation of a work of art after it has been restored. Experts won't agree so it needs all your experience and skill to resolve a grey area in a way that is fair and which leaves the client happy. It's something we've done successfully dozens of times."

# Global response

The increasing globalisation of the world economy has meant companies are looking far beyond their home countries for profitable investment opportunities. But these can often be in turbulent regions, which present continual dangers for companies working there. We offer a comprehensive package of insurance products that allow our clients to go about their business no matter how hostile the environment.



**Lucy Straker**  
Graduate trainee

The knock-on effects of the financial crisis and the deepest global recession in decades continue to be felt in many countries, bringing simmering political tensions to boiling point and creating instability that may threaten firms' assets and staff in those hotspots.

Hiscox Global Response comprises our teams of highly experienced specialists offering coverage for political violence, political risk, kidnap and ransom and personal accident. They offer seamless protection for our wide variety of clients operating in hazardous places, which range from Fortune 500 corporations to private organisations.

Hiscox is the market leader, with over 25 years' experience in this field. We were one of the first private sector insurers to offer coverage against political risks and have unrivalled expertise in drafting terms and contracts for use in the most challenging and complex parts of the world. We write all forms of political risk and political violence across many different countries and industries. Hiscox also has exclusive access to the research and emergency-response services of Control Risks, the world renowned risk consultancy.

All in all, Hiscox Global Response offers its clients the peace of mind that they have a partner which they can rely on in a crisis.

"I joined Hiscox in February 2010 and am half-way through the graduate trainee scheme. Hiscox is very good at pushing people to achieve their full potential. I enjoy being thrown in at the deep end and work best under pressure. Alongside my day job I have other projects to complete as part of the scheme which allow me to continually develop my underwriting knowledge and further my independent learning. I am constantly being challenged and I am encouraged to think outside the box. There are huge opportunities available at Hiscox to those who are willing to seek them out. The company welcomes creativeness, will listen to new ideas and dares you to be different. If you don't agree with something then you shouldn't be afraid to stand up and challenge it."

Hiscox can cover those operating in hazardous places.



We specialise in liability risks faced by entrepreneurs.

# Professional indemnity for small businesses

Small businesses are the backbone of every economy. Although many of these businesses may have only a handful of employees and modest revenues they face many of the same risks as the biggest corporations, such as being sued by unhappy clients, business partners or rivals. But whereas a lawsuit may be an irritant for a large company, it has the potential to destroy a small business – even if it has done nothing wrong.

Professional liability insurance ensures that the expense of defending themselves against accusations of mistakes or misdeeds will not prove fatal to small- or medium-sized enterprises. Hiscox has a long and award-winning record in this market for professionalism, excellent service and innovation. We were one of the first insurers in the UK, France and the US to offer small business clients the opportunity to buy their liability cover by a few clicks of the computer mouse; we were also the first insurer – and remain the only – to offer small businesses an integrated suite of products that meets all their coverage needs.

We cover a wide range of professionals: from acupuncturists to energy consultants, massage therapists to children's entertainers, pet healthcare gurus to wrestling promoters. They all have at least one thing in common: they need liability insurance cover to protect themselves against the unique risks facing their companies so they can focus on what they do best, making their businesses successful.



**Justin Bowen**  
Underwriter

“There are still plenty of entrepreneurs setting up businesses today, despite the state of the economy. Many of our clients are companies with fewer than ten employees. We try to help them beyond simply offering risk advice. Hiscox conducts a lot of research into the SME sector and we constantly look at our products and services to ensure they're the best in the market. We get plenty of correspondence from our clients thanking us for what we've done for them. Being sued is extremely stressful and their livelihood can be at risk if they don't have the right insurer to handle their claim properly. It's not just about simply settling a claim – it's about resolving the situation in a way that makes the client happy. A consultant's business is built on their reputation: if a claim isn't settled in a way that keeps their reputation intact then that could finish their company. That's what we do day in, day out.”

# Charities

Charities are facing the same pressures as private sector companies in today's tough economic climate. Slashed income and high operating costs have forced many to review their spending plans and to take painful decisions on their staffing levels. Meanwhile the regulatory environment has become much more complex. Trustees may find themselves personally liable for mistakes made unwittingly by them or their managers, which could have dire consequences on their organisation.

We have taken the time to understand the charities sector and combined that with our market-leading expertise in liability insurance to offer bespoke coverage to charities, clubs and associations. Our renowned claims service will also ensure that a charity's affairs are handled tactfully and in confidence – crucial for it to keep its all-important reputation intact.

Hiscox has designed a Charities Insurance Portfolio product, available to charities in the UK. It provides cover for their property and professional exposures as well as the public and employment liabilities of both the organisation and its trustees. It provides substantial limits for damage to contents, whether they are bequests being transported from a donor's home to the charity's possessions, either held on premises or being stored in a warehouse or a volunteer's house. The product insures against accidents or dishonesty involving volunteers and public liability cover at fundraising events.

In the US, the Hiscox Not-For-Profit Management Liability policy offers maximum flexibility, from the way coverage is structured to the manner in which claims are handled. Insureds can build the policy that best meets their needs by selecting from five available modules (directors and officers' liability, employment practices liability, fiduciary liability, crime/fidelity, employed lawyers' liability). Should a claim come in, insureds can request that their own counsel defend the matter, or work with one of Hiscox's highly qualified law firm partners.



**Bertrand Spunberg**  
Underwriter

“In the wake of the 2008 financial crisis, not-for-profit organisations have encountered problems which threaten their survival. Their funding has dried up, either because government grants have been slashed or charitable giving has dropped. This makes the job of trustees and managers even more challenging, because they must continue to fulfill the organisation's mission with limited resources, while still complying with tight regulatory and operational constraints. For example, in the US, donations are often dedicated to specific purposes. A key exposure for trustees and managers of not-for-profits is allegations of improper use of such dedicated gifts. As part of our cover we will fund the costs of defending them against these allegations.”

We offer bespoke coverage based on our understanding of the charities sector and our expertise in liability risk.



With our exclusive Control Risks agreement we tailor cover for any kidnap crisis.

# Kidnap and ransom

**In the 1970s, after a series of high-profile incidents, kidnap became a real danger for public figures and prominent business people and the demand for insurance grew. Since then, Hiscox has become the world's leading insurer against kidnap and ransom, with around two-thirds of the world's premium income.**

Our exclusive agreement with Control Risks is a major factor in that domination. Control Risks is an independent security consultancy with unmatched experience in managing the demands of kidnap incidents, from negotiation to delivery of the ransom and safe return of the victim. Hiscox is the only insurer with access to Control Risks' services, and we cover customers for the ransom and many of the costs associated with a crisis which can sometimes dwarf those of the ransom itself.

The dangerous areas of kidnap constantly change. Recently, Somali pirates have become a serious threat to shipping in the Gulf of Aden and the Indian Ocean. Traditional forms of shipping insurance have focused on the craft, cargo or marine liability but not on risks to personnel. Hiscox developed specialist coverage for the costs of a kidnap crisis involving ships and crew. The policy covers Control Risks' fees, without limit, as well as any ransom cost. This gives crucial cover to enable international commerce to continue through the 20,000 shipping transits via the Gulf of Aden each year.

# Marine and energy

From the Piper Alpha and Exxon Valdez disasters to the destruction left in the wake of Hurricane Ike in 2008, Hiscox has helped to meet the costs of some of the world's worst marine and energy incidents.

Hiscox has been writing marine and energy insurance for decades and today we insure all types of vessel, from fishing boats and yachts up to tankers, container ships and cruise ships, against damage, loss of hire, and the perils of war and terrorism. We also cover loss or damage to cargo, and third-party liabilities.

Whether offshore or on land, we also protect energy companies against the risks to wells, platforms, plants and pipelines, from damage during drilling and construction, to fire, lightning, explosion, windstorm and earthquake, and also the energy companies' business interruption costs and liabilities.

This class of insurance demands an expert appreciation of each client's specific needs, and an appetite for innovation on a continuous basis. We have more than 30 years' experience in the field, and a record of developing our own, expert insurance for the world's leading energy businesses.



**Brendan Flood**  
Underwriter

"I'm responsible for the marine hull account at Hiscox. My role involves insuring ships of many different types, nationalities and values and this is a business where Hiscox has a long-standing reputation as being a high-quality insurer. We live in a world that presents challenges such as ever-advancing vessel technology, a tough economic environment, not to mention pirates and good old fashioned perils of the sea. We work closely with our brokers and clients to come up with effective solutions to both existing and developing risks for shipowners."

Thirty years' experience insuring marine and energy companies for offshore and on-land risks.



We offer the protection necessary to allow our media and entertainment clients to focus on what is most important to them. Their business.

## Media and entertainment

**The pressure to come up with new concepts and formats – and new twists on old ones – is intense, leaving broadcasters and film makers more exposed to intellectual property infringement, defamation and privacy risks.**

Hiscox is one of the leading writers of errors and omissions – or professional indemnity – insurance for the media and entertainment industries. For more than 15 years we have been helping the smallest independent production companies, right up to major studios and national broadcasters, to protect what is theirs and defend themselves against others' actions. We are also one of the leading insurers of local and national publishers and advertising agencies.

The volume, shape and distribution of entertainment has transformed in that time, and we have never shied away from innovation – be it streaming over mobile phones or over the internet.

We also insure television programmes, commercials and films before they even reach your television, cinema, computer or mobile phone screen. Delays in filming schedules due to an actor's death or illness and lost or damaged equipment are common and sometimes costly claims are made by production companies. Each day's delay in a typical £2 million budget film, for example, can cost as much as £40,000 – an exposure that remains constant throughout the shoot.

Our understanding of the industry means that we can deliver tailor-made solutions encompassing everything from production package, liabilities and personal accident to E&O insurance. And when we are called upon, we have specialist in-house claims handlers and loss adjusters on hand offering support and loss control advice, whose grounding in the media and entertainment business and expert knowledge of its risks sets us apart from the competition.



**Robin Walsh**  
Underwriter

"Our media account is divided into two parts: we offer professional indemnity cover to advertising agencies, publishers and film production companies; we also cover the production process for TV, films and commercial, which is the largest part of our book. When I started at Hiscox in 1998 I was working on my own. Now we have a team writing these risks both in London and LA and our book is about nine times the size it originally was. We provide a package of covers for production companies that move with their changing requirements, such as advances in technology and shifting tastes in broadcasting output. Our clients and brokers appreciate our can-do attitude and that we genuinely want to make their lives easier. I may get a call saying: "A TV shows wants its presenter to be strapped to a rotating board and have knives thrown at him this afternoon. Can you insure it?" I can't tell them I'll think about it for a couple of days."

# Hiscox history

1901:	A E Roberts underwrites marine insurance at Lloyd's.
1938:	Ralph Hiscox joins the Roberts agency to establish non-marine Syndicate 33 at Lloyd's for the 1939 account. He leaves in September 1939 to join the RAF.
1946:	Ralph Hiscox returns from the war and rejoins the Roberts family to form the Roberts & Hiscox partnership, acting as both a managing agent (managing syndicates at Lloyd's) and as a members' agent (advising members of Lloyd's).
1965:	Ralph Hiscox's son, Robert, joins Roberts & Hiscox.
1967:	Ralph Hiscox is elected Chairman of Lloyd's. Robert starts underwriting for Syndicate 33.
1970:	Ralph Hiscox dies and Robert, aged 27, takes over as Chairman.
1987:	Hiscox Holdings Ltd is formed as the Group's holding company, with two major subsidiaries: Hiscox Syndicates Ltd as managing agent and Roberts & Hiscox Ltd as members' agent.
1989:	Hiscox Underwriting Ltd is formed to find and underwrite business for Hiscox-managed syndicates outside the London market.
1993:	Robert Hiscox is elected Deputy Chairman of Lloyd's for 1993-5 (during the years of Reconstruction and Renewal) and he leads the introduction of corporate capital to Lloyd's.  Bronek Masojada joins Hiscox Holdings as Managing Director.  Hiscox forms Hiscox Select Insurance Fund plc, the first quoted corporate spread vehicle at Lloyd's supporting a selection of syndicates.  Hiscox forms the first (and only, in 1993) dedicated vehicle, Hiscox Dedicated Insurance Fund plc, supporting Hiscox Syndicates only.  Hiscox Holdings' first overseas office opens in Paris.
1995:	Hiscox Dedicated Insurance Fund plc buys 25% of Hiscox Holdings.

1996:	Hiscox Dedicated Insurance Fund plc buys the balance of 75% of Hiscox Holdings and names itself Hiscox plc.  The Economic Insurance Company is acquired, and its name changed to the Hiscox Insurance Company, enabling the Group to underwrite in both the Lloyd's market and the Company markets.
1997:	Hiscox plc is admitted to full listing on the London Stock Exchange.
1998:	The Hiscox Insurance Company (Guernsey) is created to underwrite offshore business.
2000:	Bronek Masojada is appointed Chief Executive of Hiscox plc.  Hiscox Online is launched as the first internet insurance site for owners of valuable homes.
2005:	Hiscox Bermuda opens to underwrite worldwide reinsurance and some of the Group's retail business.
2006:	The domicile of the Group is moved to Bermuda under a new Bermudian holding company, Hiscox Ltd.  Hiscox opens its first US office, at Armonk (New York).
2007:	Hiscox acquires American Live Stock Insurance Company and with it access to valuable admitted licenses in the US.
2010:	Hiscox is the first direct insurer for small businesses in the US.  Hiscox UK becomes carbon neutral.
2011:	Hiscox is the first direct insurer for small businesses in France.
2012:	Headquartered in Bermuda, Hiscox now has 27 offices in 11 countries throughout the UK, Europe and the US.

To request a copy of the 2011 Hiscox Report and Accounts visit [www.hiscox.com](http://www.hiscox.com)

Design: Browns  
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Print: Pureprint  
[www.pureprint.com](http://www.pureprint.com)

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An aerial photograph of a coastal landscape. A river flows from the top right towards the bottom left, winding through a dark, possibly wet or marshy area. The riverbanks are lined with dense green vegetation. The overall scene is a mix of dark, textured ground and vibrant green plants.

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