



*The Maritime General Agency  
Marine Underwriting Team.*

**LIFE ON THE WATER  
RUNS IN THEIR BLOOD**

*Underwriters'  
boating experience  
runs deep at  
Maritime General  
Agency*

By Edward O'Hare

**W**hen Chris Pesce joined the Maritime General Agency in 1995 as an intern, it was to be a temporary stop on his way to law school. He brought with him a deep knowledge of marine matters gleaned while growing up on the South Shore of Long Island, where he spent his free time around marinas and boating and fishing on the Great South Bay.

He found that knowledge also made for an easy entry into the world of ocean marine insurance. Before his internship expired, a full-time position as a yacht underwriter became available, affording



Photography by Phil Smith

Top photo: Kip Wiley (left), Service Manager at Brewer Pilots Point Marina in Westbrook, Connecticut, speaks with Chris Pesce, Managing Partner of Maritime General Agency.



Bottom photo: Paul Cusson (center) of Atlantic Outboard, also in Westbrook, meets with Maritime's Michael Terrier, Senior Yacht Underwriter and Stephanie Sacco, Commercial Underwriter.

Pesce the opportunity to continue on with the agency while he worked through college.

"Given my love of boating, I soon realized that the agency offered me an opportunity for an exciting and rewarding career—one that would also satisfy my passion for a life on water," says Pesce. It was a wise choice.

After graduation in 1997, Pesce continued with the agency and landed on a fast track to success—serving as a yacht and commercial underwriter and general manager when the agency moved from Northport, Long Island to its present location in Westbrook, Connecticut. In the short span of seven years, he became an owner of the agency and now operates as the managing partner. During that span, the agency went from \$6 million to nearly \$100 million in premiums.

"I have been extremely fortunate to have had such great mentors who

were not just brilliant insurance minds, but successful entrepreneurs as well. The lessons I learned from them about insurance, business and life are hugely instrumental in the success this agency has enjoyed," says Pesce.

In addition to his responsibilities at Maritime, Pesce is a member of the executive committee for the Independent Insurance Agents Association of Connecticut, and a registered instructor teaching several classes on marine insurance for continuing education in Connecticut.

Since 1991, Maritime General Agency has been the national program administrator for American International Group (AIG) and their respective companies—New Hampshire Insurance Company, and American Home Assurance Company—providing state-of-the-art insurance for marinas, boat dealers, yacht clubs, private pleasure boats

and yachts, and mega-yachts as well as commercial charter vessels. As 2008 began, the agency had on the books \$6.8 billion in hull values.

In 2003, Pesce formed a new underwriting entity, Windward Marine Underwriters (WMU), which also writes recreation marine insurance with the Chubb Group of Insurance Companies. Pesce says, "We created WMU at a time when the marine market was in need of additional capacity and our ability to bring such a quality company like Chubb to the market was very well received."

Pesce attributes the agency's rapid rise in business to a dedicated staff formed through a recruiting model that emphasizes expertise and experience in boating. "We can teach them about insurance," says Pesce, "but you can't teach an underwriter the intuitive knowledge that comes



*The staff of Maritime General Agency.*

from spending a lifetime on the water and crawling through boatyards. Our people spend a lot of time on water; they know boats and boatyards as well as 'perils of the sea.' Their backgrounds better enable them to provide the right coverage for the right risk."

Among them are Bill Worden, western regional manager, whose family tree includes sea captains, marine engineers and boat builders; Linda Filon, technical underwriter, who is a past commodore of the Niantic Bay Yacht Club in Connecticut; and Michael Terrier, senior yacht underwriter, who is a United States Coast Guard Master Captain and has logged more than 1,000 days at sea.

Pesce says another key contributing factor to the success of Maritime is the extensive use of technology, including an easy-to-use Web site—[www.maritimgeneral.com](http://www.maritimgeneral.com)—which welcomes agents and brokers to use its New Broker Application as a first step toward carving a niche in the ocean marine specialty. The Web site boasts a very simple-to-use online rating tool for boats and yachts that provides instant quotes to brokers. Other pages provide production and commission reports, loss control tools such as background checks for marine employees or yacht crews, profiles of staff members as well as video interviews and reports about

Maritime and various aspects of ocean marine insurance.

Maritime provides the ability to bundle all of the coverage a commercial risk would need in one product offering, Pesce says. "Many agents have to go to several different underwriters to obtain complete coverage for a marine risk, but we have the ability to offer all lines of coverage including property, GL, auto, workers comp, bumsershoot (excess) liability, marine operators legal liability, boat dealers inventory, regatta liability, hull & P&I, pollution, D&O and more."

Damon Pesce, marketing manager for Maritime, adds, "In my travels to agencies throughout the country, I get the opportunity to meet with local agents and discover what exposures are unique in their regions. We use this local knowledge to custom tailor our coverage to meet the demands that are particular to a specific territory."

An example of this, he explains, would be a collapse of docks resulting from the build-up of ice and snow on the roof. He adds that this exposure is somewhat unique to the Midwest, and Maritime was among the first carriers to offer this coverage.

As 2008 unfolds, Chris Pesce expects the hard market for ocean marine to persist in the Southeast, with other sections of the country staying "soft"—as new carriers enter

the market and existing carriers expand into new territories, increasing competition and driving rates down further. "There is greater supply than demand, and pricing will continue to erode."

Still, Pesce and Maritime are geared up for a productive and prosperous year, encouraged by the continued growth of the marine industry despite a struggling economy and high fuel costs. The health (and wealth) of the marine business was on full display at the New York National Boat Show in early January. The show that featured more than 1,000 boats—everything from personal watercraft and pontoons to mega-yachts, with more open space, closets and bedrooms than a multimillion-dollar Manhattan condominium. As one boater remarked, "With the mega-yacht, there's also no worry about 'there goes the neighborhood.' If you don't like the area, you just push off and take your luxury living elsewhere."

Today recreational boating is a major consumer goods industry generating \$39.5 billion in sales and services, an increase of 6% from 2005, according to the National Marine Manufacturer's Association (NMMA). The number of boats in use increased slightly to 18 million in 2006, an increase of nearly 60,000 from 2005. Participation increased an estimated 1.3 million in 2006 to nearly



## BOATING SAFETY STILL NOT WHERE IT NEEDS TO BE

While the marine business flourishes, safety issues among recreational boaters are still a concern. According to the Coast Guard, the number of boating deaths (710) in 2006 increased for the second consecutive year. Seventy percent of the fatalities occurred on boats where the operator had not received safety instruction and 90% of all drowning victims were not wearing life jackets.

To help reverse this trend, the Coast Guard conducted its boating course and certification test at the New York National Boat Show in January, where it also distributed 800 free life jackets to children 12 years old and younger, bringing to 40,000 the number of life jackets distributed free of charge as part of this safety campaign.

73 million (from 71.3 million). Nearly one-third of U.S. adults went boating in 2006, up 2% from the previous year. There were 12,073 marinas in operation in the U.S. in 2006 and nearly 1,500 boat builders, which support 116,000 employees.

The sustained growth in the marine industry is good news for Maritime and its network of independent agents across the country, who offer some observations about the marketplace and Maritime. Their forecasts closely follow those of Chris Pesce.

In Pompano Beach, Florida, the heart of the hard market, Skip Smith of Smith-Merritt Insurance Agency, sees the possibility of some “softening” in the state. “We’re seeing two or three new carriers coming into the marine market this year. So we’re hopeful that the increased competition will lead to better rates for our customers.” Smith has been placing business for yachts with Maritime General Agency for 12 years. “With Maritime you get a

fast turnaround on quotes—usually within 24 hours from submission,” says Smith, who captained a 110-foot yacht on the high seas for 20 years.

“You can also count on getting a complete policy that covers the navigational risk, which is often the cause of E&O claims,” says Smith. That can happen, he explains, when a vessel travels beyond its navigational limits. An example, he adds, would be if a vessel is in the Bahamas and decides to go to the Turks and Caicos, which are not part of the Bahamas.

Another concern, says Smith, involves the growing threat of pirate attacks, which rose by 10% around the world in 2007, according to the International Maritime Bureau. The report notes that pirates have become more violent and better armed—using rocket-propelled grenades and automatic weapons. While most of the attacks occurred off the coasts of Nigeria and Somalia, these waters are within the range of U.S.-based mega-yachts.

In Benton, Kentucky, Ray Barga of R. Barga and Company, believes that the marine market in 2008 is holding pretty steady to slightly down on rates. “The last couple of years have been pretty good loss-wise, and the rates are reflecting that,” says Barga, adding, “The availability of coverage has improved this year as we’ve had a couple of new markets in play.” He says Maritime provides outstanding products and online services as well as fast attention to renewals.

And he praises the staff for continually working to respond to the needs of individual agents. He offers this example: “We insure a lot of people who rent runabouts and pontoons to tow skiers and inflated inner tubes. Unfortunately, this risk was excluded in the basic insurance policy. But Maritime responded to our request with an endorsement to the policy that would cover these activities,” says Barga, a former dock master of a large marina, who does marine business in seven states.

In Alameda, California, Kevin Milroy of BayRisk Insurance Brokers, Inc., says the 2008 West Coast marine marketplace remains competitive with a number of large, domestic companies seeking to grow in this niche market. Milroy says Maritime has a good understanding of the geographical differences between the East Coast and the West Coast.

“We don’t have the same seasonal storms, hurricanes and tornadoes, and that’s recognized in their risk evaluation,” he says. He prefers Maritime’s package policy, which provides the broad coverage for California-type marinas that are more like resorts with restaurants and campgrounds. He also notes that Maritime underwriters utilize the unregulated status of marine insurance, which allows them to be creative in tailoring policies to the particular needs of the marine industry.

Smith, Barga and Milroy agree that there are opportunities for agents to expand into the ocean marine line, but they point out that this specialty is highly competitive and complex and requires a long learning curve. However, Chris Pesce believes that the curve can be considerably shortened by connecting with Maritime and taking advantage of its expertise and streamlined service. ■

### For more information:

**Maritime General Agency**

Web site:

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