

GENERAL INCREASE BULLETIN NO. 1 / 17

Club – West Of England

2nd October 2017

P&I

- No general increase ordered.
- Rule deductible will be increased from US\$ 11,000 to US\$ 12,000. Where individual deductibles are below this level an increase of 10% or US\$ 1,000, whichever is higher, will be applied.

FDD

- No general increase ordered.

Following the Board Meeting held on 20th September the West of England is the first club of the International Group of P&I Clubs to announce their requirements for the forthcoming P&I / FDD renewal at 20th February 2018.

The 2018/19 Renewal announcement is best read together with their Policy Year Balances and Mid-Year Financial Position at 20th August circular for an overview to the background of the Boards decision.

The decision for a Nil standard increase follows the position that the majority of Members individual loss records continue to be positive and so not meriting an overall standard increase. The Club will continue to charge the GXL reinsurance tariffs separately as done since some years. Premiums will be adjusted where necessary to reflect particular claims experience and risk exposure of Members.

In summary the Mid-Year Financial position at 20th February 2017 presents the continued satisfactory performance for all policy years up to 2016. Early experience in the 2017 /18 Policy Year indicates that this year has an increased claims development compared to previous years at the same half way stage with the Club questioning if this may be indicative of the start of a changing claims trend going forward.

Finally for both Class 1 and Class 2 risks the basis of charging mutual premiums will be modified so that for 2018 and subsequent policy years the Club's estimated total mutual call, which hitherto has been expressed as a net advance call (net of the GXL reinsurance tariffs) plus an additional call (35% of the net advance call), shall be re-expressed simply as a total mutual call to be payable in 5 equal instalments (each of 20% of the total mutual call). Four instalments shall be paid during the policy year with the fifth in August the following year

Group reinsurance costs per GT for owned mutual entries will continue to be charged separately as a fixed cost in equal instalments together with each total mutual call instalment.

P.L. FERRARI & CO S.r.l.