

GENERAL INCREASE BULLETIN NO. 10 / 18

Club – American Club

21st November 2018

P&I

- No general increase ordered.

FDD

- No general increase ordered.

The American club renewal circular provides its usual articulated analysis of their present circumstances and future demands by reference to a variety of factors. They build their footprint by referencing to the current overall global economic climate, the current state of the freight markets, the Club's recent operating performance, the nature of the present investment landscape and the implications of emerging trends within the P&I environment.

The club notes that the premium softness in the marine insurance space has persisted however the previously mentioned relentlessly downward momentum of P & I rates caused by the "churn effect" appears, in their experience, to have abated. They further opine that the indicators currently emerging could imply that the bottom of a lengthy cycle of insurance pricing weakness may finally have been reached and that there are grounds to consider that P & I risk pricing is gaining a firmer footing as the new policy year approaches.

Regarding recent claims experience, the Club's retained losses for the current year to date, are seen to be developing very favourably. Claims in the aggregate for the Club's own account as of mid-November 2018, are 23% less than the total for the previous year at the same cut-off date. The Club's exposure to Pool claims is tracking at a rather higher level than was the case twelve months ago, but not to a degree which causes them concern at this stage.

The Club's investment earnings for 2018 to date have not been as robust as they were in 2017.

The Board has made the following decisions concerning requirements for the 2019 policy year with regards to premium rating. In summary:

Mutual Protection and Indemnity (P&I) Insurance

- All expiring estimated total premiums - no general increase.
- Members' premium will also be adjusted to incorporate any changes in the costing and structure of the International Group General Excess of Loss Reinsurance Programme.

Mutual Freight, Demurrage and Defence (FD&D) Insurance

- All expiring estimated total premiums - no general increase.

Fixed Premium Protection and Indemnity and Damage to Hull (DTH) Insurance

- All fixed premium P&I and DTH entries (e.g. those for charterers' risks) - no general increase.

Fixed Premium Freight, Demurrage and Defence (FD&D) Insurance

- All fixed premium FD&D entries (e.g. those for charterers' risks) - no general increase.

Beyond these general resolutions the Club advises that Members' premium rates and terms of entry will be further scrutinized against the background of their loss records, vessel-type factors and other relevant matters, including the risk-based rating assessment of Members' individual circumstances, in consequence of which, further adjustments may be made as appropriate.

This Newsletter, and our information archive, can also be accessed at www.plferrari.com

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