

## GENERAL INCREASE BULLETIN NO. 14 / 18

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### *Club – Swedish*

11<sup>th</sup> December 2018

#### P&I

- No general increase ordered.
- A deductible increase for Cargo and Crew deductibles of USD 1,000 respectively

#### FDD

- No general increase ordered.

The Board meeting of the Swedish club and their announcement of renewal requirements for the 2019/20 policy year draws to an end the deliberations of all clubs of The International Group of P&I Clubs.

In summary the club has noted an increase in the frequency of claims notified during the 2017/18 and 2018/19 policy years. Particular increases are being recorded for matters relating to cargo and crew claims. Whilst claims costs are not seen as increasing the club is cautious in drawing long term conclusions at this stage. With regards to large claims the trend of costlier claims for the International Group is seen to have returned for 2017/18 and 2018/19 following a very benign 2016/2017.

Whilst confirming a zero general increase for P&I the club notes that it is, *“however mindful of premium erosion over the last few years as churn effects (disproportionate premium for new tonnage) and absence of General Increases for previous years has reduced the premium income per GT (USD/GT ratio)”*, *“..... we need to be mindful of the fact that we have seen premium erosion for a number of years, to the extent there is a danger of the formula becoming unworkable.”* This echoes sentiments already voiced by a number of clubs leading into this renewal.

For P&I entries the club will apply a general deductible increase for Cargo and Crew deductibles of USD 1,000 respectively for the 2019/2020 policy year.

Premiums will be subject to changes in Group reinsurance costs. Individual members' claims records and risk exposure will be considered in the renewal process as normal.

There will be no general increase of the FD&D premium.

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