

## GENERAL INCREASE BULLETIN NO. 6 / 18

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### *Club – Gard*

5<sup>th</sup> November 2018

#### P&I

- No General Increase will be applied

#### FDD

- No General Increase will be applied

The Gard has announced the deliberations of the Board for the forthcoming renewal at 20th February 2019 after the recent Board meeting. A concise renewal circular has been issued by the club noting that in general the individual P&I policy years have performed better than forecast, with a stable claims environment and some favourable run-off of earlier years.

Analysis of claims during the first six months of the 2018 policy year shows an increase in claims incurred compared to the same period of the 2017, 12 per cent above plan even if the number of claims reported in the same period is down 4 per cent.

#### Premium policy and deductible for the 2019 policy year

The Boards of Directors of Gard P. & I. have decided that there will be no general increase in the Estimated Total Call for owner's mutual P&I entries and mutual FD&D entries for 2019.

The renewal circular further notes:

“The overall rate level of the portfolio has been evaluated to be sufficient to meet claims expectation of 2019 policy year provided there are no major changes in frequency or severity. There may be a need to adjust the premium rate level between segments and individual Members.”.

Through Rule changes to be introduced effective 20th February 2019 the premium model will be simplified in terms of terminology and premium collecting to reflect the following:

- “Premium Rating” replaced with “Estimated Total Call” (ETC).
- “Deferred Call” replaced with “Last Instalment”.
- “Last Instalment” to be a percentage of the Estimated Total Call for the relevant entered ship.
- “Supplementary Call” (meaning premium levied in addition to the Estimated Total Call) to be retained but shall be calculated as a percentage of the Estimated Total Call.
- The term “Advance Call” is no longer needed.

The Last Instalment for the 2019 policy year shall be set at 20 per cent of the ETC premium. The Board of Directors will determine whether the Last instalment shall be levied in whole or in part after the expiry of the policy year to which the Last Instalment relates.

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