

GENERAL INCREASE BULLETIN NO. 12 / 20

Club – Shipowners

3rd December 2020

P&I

- A 5% General Increase
- A 10% increase in all deductibles under US\$ 50,000 with a minimum increase of US\$ 500 applied to all deductibles under US\$ 5,000

FDD

- A 5% General Increase

Following the meeting of the Board the club has informed on the deliberations for renewal at 20th February 2021.

The club notes a lower incidence of claims within retention deriving mostly from reduced vessel activity in the wake of the pandemic environment but at the same time noting that some sizeable claims have resulted following Covid 19 outbreaks onboard entered vessels. A cautious monitoring the International Groups pooled claims is being undertaken with the club making provision for the manifesting higher level of claims in 2020 which will have an impact on the clubs overall 2020 position. Investment returns after a turbulent start to year have made a recovery but the level of positive return at this moment is limited and well below previous years leading to the club noting that with market volatility the club cannot place reliance on the investment portfolio to offset any underwriting shortfalls.

In the light of the above and in seeking to underwrite to a breakeven position whilst having utilised the positive capital position of the club over the last three years the Board has concluded to determine for the 2021 renewal a 5% general increase on P&I and FDD premiums to bring the club back to the desired underwriting balance moving forward. Premiums in respect of other additional covers will be assessed based upon risk exposure. The general increase above will be inclusive of any adjustment to reinsurance premiums.

After a number of years of no mandated increase in deductibles at renewal the Board has this year concluded that a 10% increase in all deductibles under US\$ 50,000 with a US\$ 500 minimum increase on deductibles under US\$ 5,000 will be applied.

Should you have any queries regarding the above arguments and insurance issues, please do not hesitate to get in touch with your usual P.L. Ferrari contact or get in touch via our website at <https://www.plferrari.com>

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