

GENERAL INCREASE BULLETIN NO. 6 / 20

Club – SKULD

9th November 2020

P&I

- No general increase ordered.

FDD

- No general increase ordered.

We open our sixth renewal bulletin with a quotation. One month earlier on 8th September in the Club press release reporting on the half year results President and CEO of Skuld Ståle Hansen noted,

Ståle Hansen, Skuld president and CEO, said: “This has been a challenging half year, but we are pleased with the performance of our commercial operations and positive investment returns. Our focus now is on rectifying the performance of our mutual book of business for the next policy year. Thus far we are optimistic about an improvement in the second six months as Skuld continues to attract quality tonnage and enjoy the benefits of a successful diversification strategy. We remain committed to providing our members, clients and brokers with the service and competence they can rely on.”

Following the meeting of the Board held on 5th November 2020 the message from the club against a negative underwriting performance evidences and echoes again the main drivers operating on the club. In common to all P&I Clubs, Skuld identifies once more the significant increase in claims activity within the International Group pooling mechanism together with an increase in large claims from their own members. Whilst the half year results showed a recovery in investment return following the impact of COVID -19 seen in March, going forward the club cautions on the persisting volatility of the global financial markets.

The club notes that the claims increase and the persisting volatility in the global financial markets further evidences that underwriting losses, *“mutual premium rates have not been sustainable for some time”*, enhance the need and resolve not to rely upon investment returns.

Renewal discussions will be carried out on individual Member performance so maintaining the consolidated 10 year club approach of not setting a General Increase.

On conclusion the club circular sets out,

“The Board has directed management to adequately address the challenging mutual underwriting performance during the upcoming renewal negotiations by securing the necessary individually assessed premium increases from all mutual members”.

Eventual changes in The International Group Excess Reinsurance tariffs will be passed on to Members.

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>

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