

GENERAL INCREASE BULLETIN NO. 6 / 21

Club – Gard

8th November 2021

P&I Mutual entries

- No general increase ordered.

FDD Mutual entries

- No general increase ordered.

The club notes that after a long period of a benign claims experience and corresponding reduction in premium levels, the last years have seen an increase in the severity of claims. This has been accompanied by a stagnation in the reduction in claims frequency. At half year stage 2021 the club saw the results having been negatively affected by major claims falling within the International Group Pool, a continued impact of COVID-19, and an increase in their own claims. A situation however which has improved since 20 August.

Following the recent Board meeting it has been decided that premiums will have to be increased for P&I for the 2022 policy year to achieve a balanced underwriting result for owners P&I going forward. As with the previous renewal there will be no general increase applied across the portfolio. Instead, individual Members' rates will be adjusted to reflect their risk profile and claims record. As a closing comment to their renewal circular they comment, "as a result of the negative claims development, Members can expect an increase in the ETC for owners mutual P&I at the 2022 renewal."

In consideration of Gard group's current capital situation, the Board has concluded to allow an Owners' General Discount of 5% on the agreed ETC mutual premium for the 2022 policy year.

In common with other clubs of the International Group the expectation is that the reinsurance rates for the International Group GXL reinsurance programme will increase on renewal. The increases will be passed on to Members.

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