

GENERAL INCREASE BULLETIN NO. 8 / 21

Club – SOP

9th November 2021

P&I

- A +5% general increase.

FDD

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The club analysis of the 2021 policy year has highlighted a level of claims arising from COVID-19 significantly higher than had been anticipated. Claims being made by clubs to the International Group Pool have also continued at a very high level in 2021. Claims otherwise have been broadly in line with expectations, with frequency having returned to pre-pandemic levels. The half year investment return was reported as 2.9%. Since then, the club has seen increased market uncertainty. As such, the Club is treating ongoing investment return expectations with caution.

Looking forward to the 2022 policy year the club in summary concludes,
“Given the number of COVID-19 outbreaks being experienced we must expect that claims frequency will remain high for the foreseeable future. We also expect that, in the short term at least, inflation will be a more significant factor, with overall claims costs increasing due to higher charter rates, commodity prices and social inflation all contributing to overall claim costs.”

The statement from the recently concluded Board meeting sums up the club approach moving forward into 2022,

“They remain committed to the policy of seeking to ensure that the financial stability of the Club is maintained by underwriting to a breakeven position and therefore determined that a 5% General Increase in premiums would be applied to all covers. This will be inclusive of any increases applied to the International Group reinsurance programme.”

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