

GENERAL INCREASE BULLETIN NO. 10/22

Club – Standard

24th November 2022

- A general increase of 10% for both P&I and FD&D mutual entries.
- An increase of all deductibles by 10% for P&I mutual entries, subject to a minimum increase of USD 2,000 for crew and cargo claims.
- There will be additional premium adjustments for any P&I mutual owners/members preferring to maintain their existing deductibles.
- No changes to FD&D deductibles.

At the recent Board meeting, the Club has considered its financial position and decided the renewal requirements as above. In addition, the Club circular sets out the main highlights:

P&I and FD&D Mutual

- The Club made positive progress at the last renewal towards its goal of breakeven underwriting, and 2022/23 is forecast to show further improvement due to unusually low level of claims activity so far this policy year, both in respect of the frequency and cost of Club's own large claims, but also in respect of large claims in the International Group Pool where to date only one claim has been reported.
- Whilst the investment portfolio remains defensively positioned, all asset classes have poorly performed this year, although these losses are largely paper losses. The Club's capital remains in excess of the AAA capital requirement under S&P model and Club retains the current S&P's "A" rating.
- Despite the unusually low level of claims in the current year, the board is conscious that with a more normal pattern of claims, premium levels would still require to be further increased so as not to erode the Club's capital strength in future years.
- The board is also mindful of the potential future impact of inflation on claims costs.

- Any adjustment in cost in respect of the International Group excess of loss reinsurance programme will be passed to owners/members.
- No call is expected in addition to Estimated Total Premium (ETP) for all open policy years and release call percentages will remain at the levels set by the board earlier this year.

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