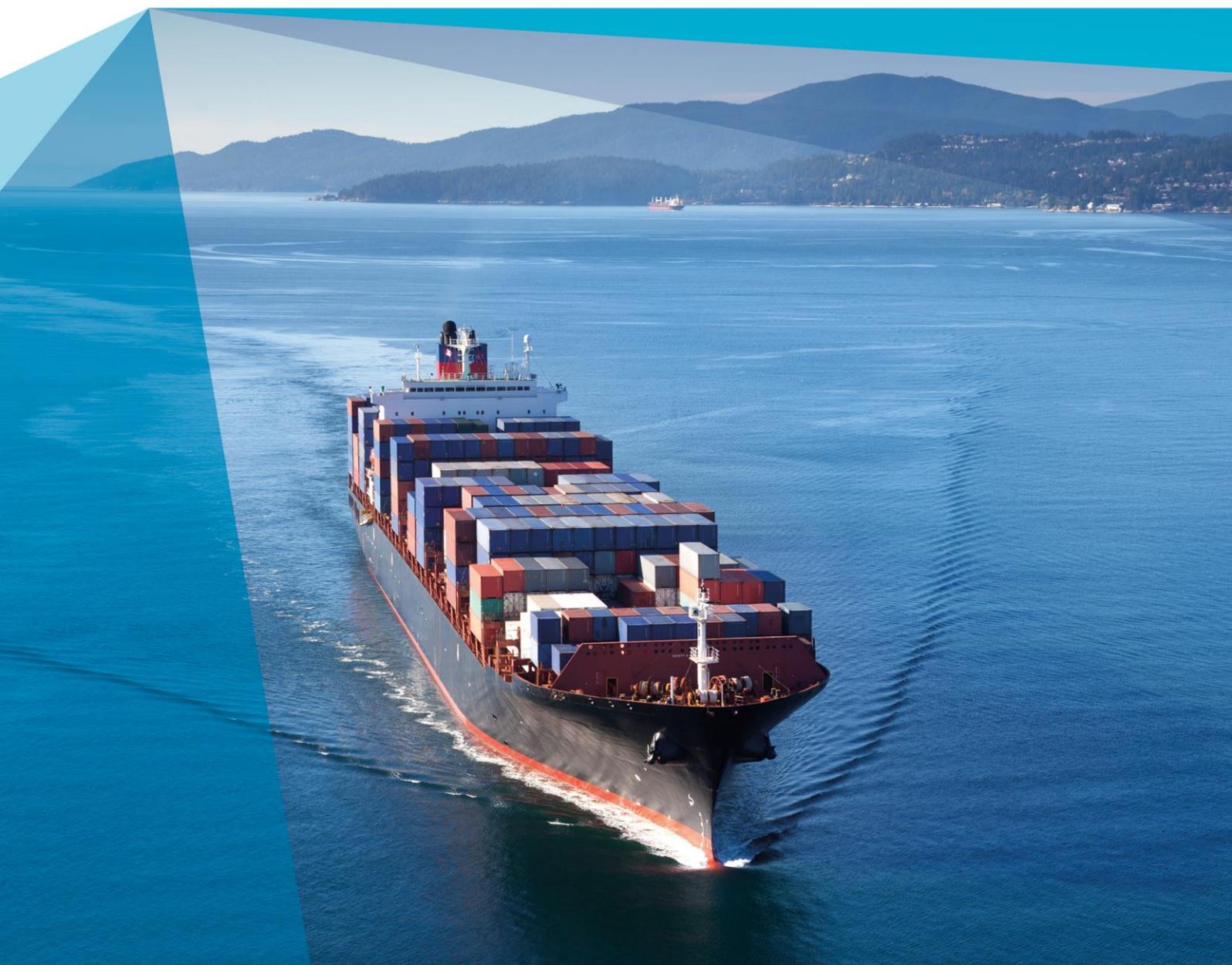


MARSH JLT SPECIALTY

PROTECTION & INDEMNITY (P&I) CLUB RENEWAL 2021/22

GENERAL INCREASE UPDATE

December 7, 2020



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2021 ANNOUNCED GENERAL INCREASES

Mutual increases only are listed. For fixed entries and full details see Club circulars. All increases are subject to reinsurance adjustment unless otherwise stated. Please read in conjunction with “Supplementary Call History” page below.

IG Club S&P Rating	P&I	FD&D*	Change in Deductibles/Notes
American BBB- (stable)	5.0	5.0	Expiring P&I deductibles of US\$10,000 or less will be increased by US\$1,000. All other deductibles (up to US\$15,000) will be subject to an increase of 10% on expiring values.
Britannia A (stable)	0.0 ¹	0.0	Minimum deductibles will be increased as follows: Crew: US\$5,000, Cargo: US\$16,000, All Others: US\$10,000
Gard A+ (negative)	0.0 ¹	0.0	A 5% Owners' General Discount will be deducted from the 2021/22 P&I ETC on renewed entries only. FD&D will be offered as a fixed premium product from February 20, 2021.
Japan BBB+ (Positive)	10.0	0.0	The Standard deductibles will be increased to the following: Crew from US\$3,000 to US\$5,000, Cargo US\$10,000 to US\$15,000, All Others US\$5,000 to US\$10,000.
London BBB (Negative)	10.0	10.0	All P&I deductibles will be increased by US\$2,000.
North A (negative)	10.0	5.0	All owned P&I deductibles below US\$25,000 (excluding those relating to people and crew) will be increased by a minimum of US\$1,000. Deductibles below US\$25,000 in respect of people and crew will be increased by a minimum of US\$2,500.
Shipowners A (stable)	5.0	5.0	A 10% increase will apply to all P&I deductibles under US\$50,000. A minimum increase of US\$500 to be applied to those that are currently under US\$5,000. General increase is inclusive of any adjustment for reinsurance premiums.
Skuld A (stable)	N/A	N/A	Management to secure the necessary individually assessed premium increases from all mutual Members.
Standard A (negative)	10.0	0.0	Management shall adjust deductibles on a bespoke basis for all Members at renewal.
Steamship A (stable)	5.0	5.0	The standard FD&D deductible will be increased to US\$7,500 with the cap on a Member's maximum contribution increasing to US\$50,000. The club's abatement layer will be revised from its current entry point of US\$1.8 million to US\$3.5 million from the 2021/22 policy year.
Swedish A- (stable)	5.0	10.0	Deductibles to be addressed individually for owners.
UK Club A (negative)	10.0	5.0	The club may propose higher P&I deductibles for those Members with adverse records. Members entering their full fleet will receive a 2.5% continuity credit on their FD&D premiums.
West A- (stable)	7.5	7.5	The Rules Deductible for Class 1 entries will be increased from US\$13,000 to US\$14,000. Where individual deductibles are below this level they will increase by US\$2,000.

FD&D: Freight, Demurrage, and Defence / IGA: International Group Agreement

1. Members with underperforming loss records should expect to see their premiums increased, notwithstanding that there is no general increase.

SUPPLEMENTARY CALL HISTORY (P&I)

	2016		2017		2018		2019		2020		2021	
	Original (%)	Current (%)	Original (%)	Current (%)	Original (%)	Current (%)	Original (%)	Current (%)	Original (%)	Current (%)	Original (%)	Current (%)
American ETC	0	22.5	0	17.5	0	0	0	0	0	0	0	-
Britannia ETC	45	45	45	45 ³	45	45 ³	45	45 ⁴	0 ⁸	0 ²	0	-
Gard ETC	25	0	25	0	25	12.5	0	-5 ⁹	0	0 ¹⁰	-5 ¹¹	-
Japan ETC	40	30	40	40	40	40	40	40	40	40	40	-
London MP	0	0	0	0	0	0	0	0	0	0	0	-
North MP	0	-5	0	0	0	0	0	0	0	0	0	-
SOP MP	0	0	0	0	0	0	0	0	0	0	0	-
Skuld ETC	0	-2.5	0	-2.5	0	0 ⁵	0	0	0	0	0	-
Standard ETC	0	-5	0	-5	0	0	0	0	0	0	0	-
SSM MP	0	-10	0	0	0	0 ⁶	0	0 ⁷	0	0	0	-
Swedish ETC	0	0	0	-3	0	-4	0	-4	0	0	0	-
UK MP	0	0	0	0	0	0	0	0	0	0	0	-
West¹ ETC (ex XSRI)	35	35	35	35	0	0	0	0	0	0	0	-

1. Calculated excluding the allocation to International Group excess of loss reinsurance (XSRI)
2. A capital distribution of US\$10 million to mutual P&I Members with ships on risk at midnight (BST) on October 20, 2020.
3. A capital distribution of US\$20 million as at May 23, 2018 and a further US\$10m as at October 16, 2018 to be paid to Members with ships on risk has been approved by the board.
4. A further capital distribution of US\$15 million to mutual P&I Members with ships on risk at midnight (BST) on October 15, 2019
5. US\$5 million return based on the percentage of Individual Member's five-year statistical contribution.
6. 10% return of premium for P&I mutual entries in the 2018 policy year in respect of vessels whose entries are renewed for the 2019 policy year.
7. 7.5% return of premium for P&I mutual entries in the 2019 policy year in respect of vessels whose entries are renewed for the 2020 policy year.
8. Britannia have changed their call structure to ETC with effect from the 2020 policy year.
9. Gard payment structure changed in 2019 to a final instalment. The last instalment for the 2019 policy year has been set at 15% of the original ETC, representing a 5% reduction on the ETC.
10. The estimated last instalment level to remain at 20% of Estimated Total Call and will be evaluated by Gard's Board of Directors in May 2021
11. From the 2021 policy year Gard have introduced an Owners' General Discount which replaces any reduction in the last instalment of the ETC. The discount will be decided by the Board in November and will be deducted as a percentage of the ETC premium for the following policy year.

GENERAL INCREASE HISTORY

P&I Club	2016	2017	2018	2019	2020	2021
American	2.5	0.0	0.0	0.0	0.0	5.0
Britannia	2.5	0.0	0.0	0.0	0.0	0.0
Gard	2.5	0.0	0.0	0.0	0.0	0.0
Japan	3.0	0.0	0.0	0.0	7.5	10.0
London	5.0	0.0	0.0	0.0	7.5	10.0
North	2.5	0.0	0.0	0.0	7.5	10.0
Shipowners	0.0 ²	0.0 ²	0.0 ²	0.0 ²	5.0 ²	5.0 ²
Skuld	N/A	N/A	N/A	N/A	N/A	N/A
Standard	2.5	0.0	0.0	0.0	7.5	10.0
Steamship	0.0	0.0	0.0	0.0	7.5	5.0
Swedish	0.0	0.0	0.0	0.0	5.0	5.0
UK	2.5	0.0	0.0	0.0	0.0 ⁴	10.0
West	0.0	0.0	0.0	5.0 ¹	2.5 ¹	7.5 ¹
Group Average³	1.9	0.0	0.0	0.4	4.2	6.5

1. Standard surcharge to apply to all mutual premium rates.

2. Inclusive of the International Group excess of loss reinsurance cost adjustment.

3. Average excludes Skuld.

4. Targeting an overall premium increase of 7.5%.

INTERNATIONAL GROUP REINSURANCE RATES

Year	Tanker Dirty	Tanker Clean	Dry	Passenger
2004	0.6399	0.3128	0.2752	0.7329
2005	0.6385	0.3041	0.2677	0.7476
2006	0.6799	0.3201	0.2851	0.8006
2007	0.6797	0.3187	0.2837	1.3714
2008	0.7300	0.3498	0.3196	1.4985
2009	0.8079	0.3667	0.3695	1.6026
2010	0.7554	0.3335	0.3867	1.5654
2011	0.7038	0.3055	0.3709	1.4780
2012	0.6515	0.2798	0.3561	1.3992
2013	0.7565	0.3245	0.4942	3.1493
2014	0.7963	0.3415	0.5203	3.7791
2015	0.7318	0.3138	0.4888	3.7791
2016	0.6567	0.2816	0.4537	3.5073
2017	0.5955	0.2675	0.4114	3.3319
2018	0.5845	0.2626	0.4038	3.2707
2019	0.5747	0.2582	0.3971	3.2161
2020	0.5747	0.2582	0.3971	3.2161
2021	TBC	TBC	TBC	TBC

* TBC: To be confirmed

P&I RELEASE CALLS

	2016	2017	2018	2019	2020	2021
American of ETP	Closed	Closed	20%	20%	20%	20%
Britannia of ETC	Closed	Closed	0%	5%	7.5%	15%
Gard of ETC	Closed	Closed	5%	5%	10%	10%
Japan of current AC	Closed	Closed	5%	5%	45%	45%
London of ETC	Closed	Closed	5%	12.5%	15%	15%
North of Current ETP	Closed	Closed	0%	5%	15%	15%
Shipowners of MP	Closed	Closed	0%	0%	0%	0%
Skuld of ETC	Closed	Closed	7.5%	10%	15%	15%
Standard of current ETP	Closed	Closed	0%	0%	6%	TBC
Steamship of MP	Closed	Closed	5%	10%	10%	10%
Swedish of AC	Closed	Closed	5%	12%	15%	15%
UK of MP	Closed	Closed	5%	10%	15%	20%
West of ETC	Closed	Closed	0%	7.5%	15%	15%

LINKS TO CLUB RENEWAL CIRCULARS/RELEASES

American	https://www.american-club.com/files/files/cir_41_20.pdf
Britannia	https://britanniapandi.com/wp-content/uploads/2020/10/Calls-Class-3-Protection-and-Indemnity-and-Class-6-FDD-10-2020.pdf
Gard	http://www.gard.no/Content/30666431/MemberCircular_11_2020.pdf http://www.gard.no/web/news/article?p_document_id=30693714
Japan	https://www.piclub.or.jp/wp-content/uploads/2020/12/No.20-016_Report-on-the-605th-Meeting-of-the-Board-of-Directors.pdf
London	https://www.londonpandi.com/knowledge/circulars/5589/
North	https://www.nepia.com/circulars/financial-review-and-renewal-2021/
Shipowners	https://www.shipownersclub.com/media/2020/11/Renewal-Circular-2021_301120.pdf
Skuld	https://www.skuld.com/contentassets/f62524bf4d3341038a2649b831a6bedb/skuld-renewal-update-1-for-policy-year-2021-22.pdf
Standard	https://www.standard-club.com/media/3358184/29-october-2020-standard-uk-circular-financial-position-open-policy-years-and-renewal-2021.pdf
Steamship	https://www.steamshipmutual.com/Downloads/Circulars-London/L.365.pdf
Swedish	https://www.swedishclub.com/media_upload/files/Circulars/2020/2664-2020%20PI%20Circular-PI%20Ins%20Terms%202021-2022-n.pdf
UK Club	https://www.ukpandi.com/news-and-resources/circulars/2020/circular-1420-autumn-update-and-2021-renewal/ https://www.ukdefence.com/fileadmin/uploads/uk-defence/Photos/Publications/Circulars/2021_22_premium_requirements_November_2020_6.pdf
West	https://www.westpandi.com/Publications/Notice-to-Members/2020-2021/CLASS-1-(P-I)-AND-CLASS-2-(FD-D)-POLICY-YEAR-BALAN

CONTACT US

If you would like to discuss how the findings of this report will help you during your renewal negotiations, please contact your local Marsh JLT Specialty representative in the Marine & Cargo practice.

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