

## ▶ THE SHIOWNERS' CLUB REPORTS STRONG HALF YEAR RESULTS WITH A POSITIVE INVESTMENT RETURN

London, 30 September 2016

The Shipowners' Club, the leading P&I insurer in the smaller and specialist vessel sector, has reported financial results for the six months ended 30 June 2016. The Club recorded a 98.1% combined ratio, which came in ahead of expectations. The Club generated an overall surplus of US\$ 11.8m, increasing the Club's free reserves to US\$291.2m, with the Club's investment portfolio a key contributor to the financial result.

### Financial summary

- Combined ratio 98.1%
- Capital and free reserves US\$ 291.2m
- Earned premiums US\$ 112.8m
- Claims costs US\$ 72.7m
- Underwriting result US\$ 1.9m

The Club's actively-managed investment portfolio of US\$ 550m, of which approximately 75% is invested in cash and fixed income products and 25% in equities, generated a gross return of US\$ 11.2m in the first half, equivalent to an annualised return of 4%.

At the half year position, the frequency of claims reported has increased compared with the same period in 2015, with a small increase in the quantum of claims reported within bands up to US\$ 1m. Despite this, the overall quantum of claims has reduced by 29% compared with the same period in 2015, principally due to a 31% reduction in the value of the claims reported within the US\$ 1–5m band.

After careful consideration of the Club's financial position, the board has decided that no general increase will be applied to premiums for the 2017 policy year. This will be the third consecutive year in which no general increase has been applied.

**Simon Swallow, Chief Executive commented:** "This is another good, robust set of results for the Shipowners', despite some challenging market conditions. Ongoing low oil prices, combined with a deceleration in Chinese economic growth and an over-supply in shipping across the globe have brought challenges for our Members. Despite this, the Club has seen positive development not least through its diversified portfolio of vessel types and the geographical regions within which it operates which, coupled with the strong performance of our investment portfolio, gives us confidence for an active and successful period moving into the second half of the year and beyond.

"In order to assess our current market position we undertook an in-depth review of our services in the first half of 2016, with the help of more than 300 of our Members' brokers from across the globe. We are delighted to report that the resounding message from respondents was that the Shipowners' club remains the go-to supplier for small vessel and specialist P&I insurance."

"Our expert staff based in Luxembourg, London, Singapore and Hong Kong will continue to provide first class support to our Members and their brokers, in order to maintain and build on the trust that they have in the Club and in our dedication to our mutual ethos."

## Ends

### *Notes for editors*

The Shipowners' Club is a mutual marine liability insurer, providing Protection and Indemnity insurance for small and specialist vessels since 1855. The Club is a member of the International Group of P&I Clubs and works with more than 600 brokers globally to insure over 32,000 vessels across a range of operating sections and geographical areas.

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