



SHIPOWNERS

RENEWAL 2026/2027

30 OCTOBER 2025 - At the half year stage, the Club reported a Combined Ratio of 99.6%, with an underwriting surplus of US\$ 0.6m, compared with 95.8% and US\$ 5.4m at the same stage of the prior year.

2025 FINANCIAL YEAR

The number of claims from the Club's Membership for the 2025 year has been stable although the total quantum for claims with an estimated value up to US\$ 3m is at the highest level since 2020, a year that was impacted by COVID-19. Claims to the International Group Pool on a calendar year basis are higher than in 2024 at the same stage of development.

Despite not applying a General Increase for 2025, premium income has continued to increase albeit the impact of inflation is feeding through to overall claims costs.

From an investment perspective the year to date has been favourable, a positive investment result is therefore forecast.

2026 FINANCIAL YEAR

Building on growth in the Club's Membership in 2025 we expect to continue to see steady growth in the number of Members, vessels and gross tonnage during 2026, although economic uncertainty may impact the level of growth achieved.

Ongoing inflation will continue to impact claims costs and some modest increases in reinsurance costs are expected. Overall, the Club will continue to target a break even Combined Ratio, providing ongoing stability and cover to Members at cost.

We will continue to focus on helping Members mitigate the risks that are faced through Loss Prevention advice, which helps to offset the increasing cost of claims.

2026 RENEWAL

When the Board met on 28 October 2025 it was noted that prior year claims were developing ahead of budget. Despite an absence of any very serious incidents, at the end of the third quarter, the Combined Ratio for the 2025 Financial year would be over 100%. Whilst this was principally driven by Member claims, claims to the International Group Pool continue at a high level.

Given the obvious impact of inflation and the imbalance between premium and claims **the Board resolved that a General Increase of 5% would be applied for 2026, inclusive of any changes to reinsurance costs.** The Board noted their wish to only ever ask for increases in premium when absolutely required to maintain underwriting balance.

The Board also resolved that a 10% increase in P&I deductibles would be applied, subject to a minimum monetary increase of US\$ 500. This is the first such increase since 2023. For LCC claims, where no change to deductible structures has been made for an extended period, minimum and maximum deductibles would be reviewed and Members notified individually on the revised structure to apply.

In setting the policy of requesting a General Increase, the Board did recognise the continued growth in the level of the Club's free reserves and will be reviewing the level of capital required to support the risks that the Club takes.

As in previous years, the Managers will also review individual Members' claims records and operational risks, applying commensurate adjustments in premiums and terms where appropriate. This may include adjustments to deductible levels. The Club's policy of applying selective ship inspections and management audits will also remain.

It is at this time that the Club would kindly like to remind all Members and their brokers that renewal terms cannot be concluded, and documentation issued, whilst any premiums remain outstanding.