P&I Market Review

January 2018

P.L. FERRARI & CO.
P&I INSURANCE BROKERS
A MEMBER OF THE LOCKTON GROUP OF COMPANIES

Contents

01. The past year

Welcome to P.L. Ferrari's Annual Review which we have delayed releasing in order to maximise its impact for the P&I renewal season.

The Review concentrates on the core facts and figures and is designed to be used as an easy reference guide whilst negotiations are underway.

The climate for this renewal has already been set and is largely predicated by the strong financial performances of the mutual market.

The clubs' are reporting another year of positive combined ratios, increased free reserves and, to be frank, a surfeit of cash. Whilst the overarching demands of the regulators demand significant solvency levels many clubs have found themselves in a position where those solvency levels are exceeding even the most cautious club boards' margin tolerance.

Thus the need for General Increase predictions was academic. Clearly no club would be in a position to request an upward General Increase and so it proved as the announcements emerged during the 4th. Quarter of 2017. It was equally no surprise that some clubs looked to return money to the membership on back years. From a member perspective all of this is welcome as the shipping industry continues to struggle in challenging market conditions: a negative cycle that is unprecedented for having persisted for nearly a decade now.

Walking into the renewal negotiations we find the normal collective noise from the clubs that despite the healthy financial surpluses and the bloated free reserves that there is evidence of claims rising both within retention and on the Pool.

This noise is traditionally voiced to try and manage members' expectations in a soft renewal market. However there is some evidence that the pessimistic chatter has some substance.

It is certainly the case that the Pool has seen an uplift in claims in 2017 and the recent tragedy involving the "Sanchi"/ "CF Crystal" is likely to exacerbate this and anecdotal reports from a number of well funded clubs indicate the probability of Combined Ratios in excess of 100% for the current year (with most clubs having enjoyed successive years of sub-100% Combined Ratios). With most of the clubs (but not all) having a conservative investment policy there is little chance of negative underwriting results being subsidised by inflated investment returns (and, in any case, a healthily run club should separate the underwriting and the investment income streams to ensure discipline).

An increase in Pool claims is normally statistically random: some years are benign and some are not: clubs budget accordingly but such claims will still have a future impact. And the suggestion of increased attritional claims may be substantiated in a modest pick-up in shipping activity. It is logical that if there is more activity there will be more claims.

Thus it is likely that this renewal will be the last of the soft cycle and that the 2019 renewal will be more challenging as clubs look to rectify underwriting deficits.

Alongside this the Group reinsurance renewal enjoyed a small decrease (again welcome to owners) for 2018. The practical (reinsurance) effect of the catastrophic hurricane losses in 2017 have yet to filter through to the Group contract which was also enjoying a positive record. The probability of a hardening reinsurance market coupled with the increase in Pool claims which if pushing into the reinsurance layers is likely also to result in potential tariff increases in 2019.

As a side note we are pleased to note that the Group Reinsurance contract has been put out to tender – a move which we strongly advocated in our last P&I renew. Out argument was not a criticism of the work that the incumbent brokers perform but rather that is was good governance to tender such a major cost item for the mutual system. Transparency is all and to have regular reviews of service providers is an essential part of modern business.

But it leads to the other central dilemma in that the reinsurance tariffs, coupled with the other costs and expenses that are put into the premium calculations, now represent a substantial part (in many cases the majority part) of an owner's P&I premium.

The retained premium levels have become thinner and thinner making premium reductions for good records ever more challenging as there is less retained premium to discount. It would be good to see the club retained proportion of the overall premium burden reduce and if the Group Reinsurance tender helps to achieve this then this would be a further benefit.

At this renewal, as with all renewal seasons. P.L. Ferrari will be advocating vigorously on behalf of their clients.

And this year with renewed purpose as we anticipate the future possibility of a harder P&I market.

02. Introduction to Club data

We have sought to rationalise the data provided on each Club with the aim of making the Club overview pertinent to the comments made within the body of this Review.

The aim of representing the following data in a policy year format is to show how each individual policy year has stood on its 'opening merits' with its 'original' premium income versus the total outgoings in that year. This methodology shows both the individual strength of that year and an individual Club's progress in moving towards balanced pure technical underwriting over time.

In looking at the policy years on a stand-alone basis we have not included any element of investment income in the main body of the financial figures but deal with this aspect separately. This is not to reduce the value which the management of Club assets undoubtedly adds to the balance sheets. Our Review therefore seeks to concentrate on the policy years' 'pure merits'. This also reflects most Clubs' stated objective of being judged on their fundamental underwriting rather than the success, or otherwise, of their investment strategy. The individual Club pages are designed to be contrasted and compared; thus the majority of charts are to similar scales Club to Club and we have looked to group core information into homogenous types.

Notes to the charts

1. & 2.

"Historical trend for 2010-2016 Total Assets and Free Reserves" and "Historical trend for Policy Years 2010-2016 Premium Income, Claims, Policy Year Cost do not have a common scale between Clubs for practical visual reasons.

By way of explanation of the data used in the latter chart:

Premium

Policy year premiums less acquisition costs excluding additional supplementary calls.

Claims

Gross members' claims, contributions for other Clubs' pool claims, claims handling costs less reinsurance recoveries, including pool recoveries.

Policy Year Total Costs

All outgoings on policy year (claims, reinsurance, administration overheads)

3.

The recent data presented here is drawn from Clubs' Report and Accounts 2017. Specifically we should mention Investment Asset Allocation charts which are derived from the audited accounts as represented at policy year end rather than Management Highlights. The descriptions of investment types vary from Club to Club so to allow for easy comparative purposes we have grouped into just 4 headline asset categories as follows:

Equities

- Equities
- Common Stocks (US)
- Preferred Stocks (US)
- Unit Trusts
- Other variable yield securities
- Private Equity

Fixed Interest

- Corporate Bonds
- Industrial Bonds
- Municipal Bonds
- US Treasury Bonds
- Obligations of States/Other Political
- Subdivisions
- Local Government Bonds
- Other fixed income securities
- Mortgages
- UCITS

Cash

- Cash
- Deposits with credit institutions
- Money market instruments
- +/- investment transactions in progress

Other

- Alternative investments
- Exchange contracts
- Property
- Other Investments
- Hedge Funds
- Intangibles/Goodwill
- Unlisted Investments
- Absolute Return Funds
- Derivative Financial Instruments
- Retirement Benefit Assets
- Commodities, including Gold

4.

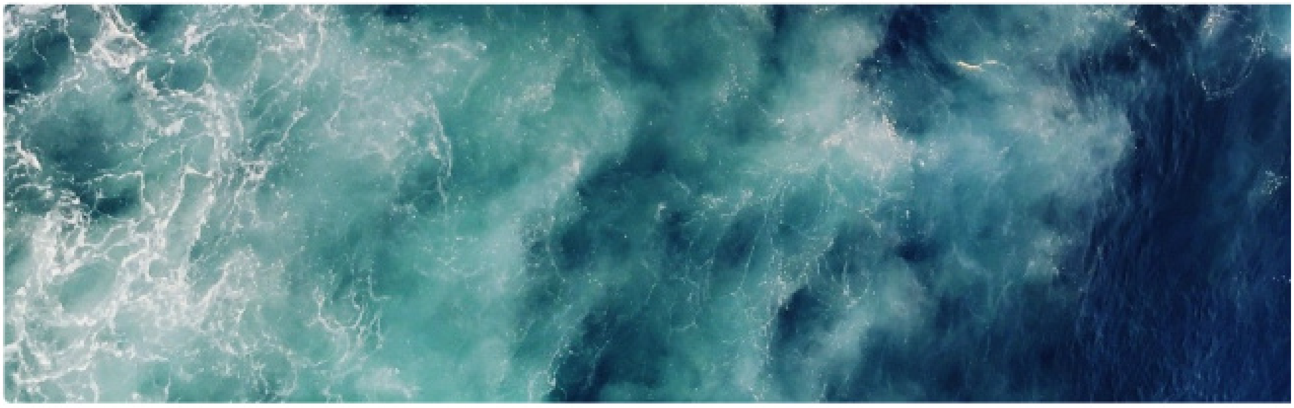
Yield is investment income (excluding exchange gains, before tax) divided by year-end invested assets.

5.

Underwriting result for the year is without investment income and excludes any excess supplementary calls.

*Since 2010 Gard has published consolidated group financials for their product lines. We have rebased the historic P&I figures accordingly which allows for year on year comparison but caution should be expressed when viewing the Gard with other Clubs. We invite readers with an interest in the methodology we have applied to contact us for an in-depth explanation.

All efforts have been made to accurately represent the data therein available. Financial data is dynamic and subject to change over time and as such we would recommend examination of individual Club web sites / publications for up to the moment information. This is particularly the case in the run-up to renewal and relevant to the Historical Data charts appearing at the end of this Market Review which were up to date as at the time of publication. We would therefore refer readers to our regular bulletins for more current information.

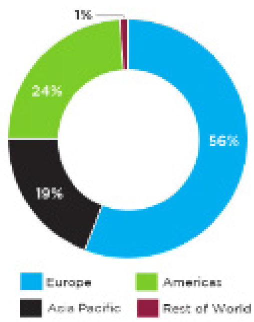


American Steamship Owners Mutual
Protection and Indemnity Association, Inc.
Shipowners Claims Bureau, Inc – Managers
1 Battery Park Plaza, 31st sloor
New York, New yourk 10004, USA
www.american-club.com

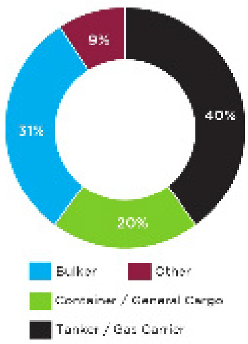
Standard & Poor's rating
(Interactive rating)
BBB-: stable

Gross tonnage (Mutual owned)
15,700,000

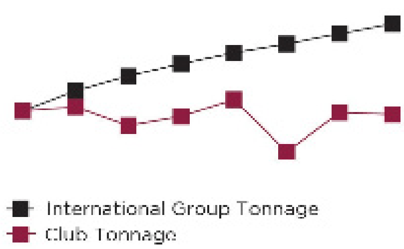
Geographical Spread



Entered GT by Vessel Type



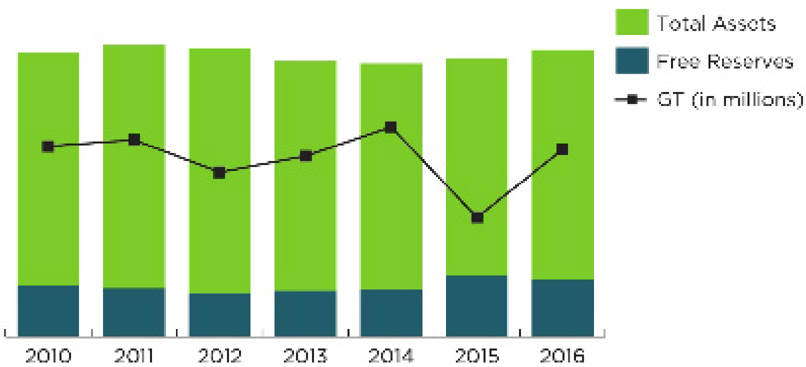
Tonnage Development 2010-2017



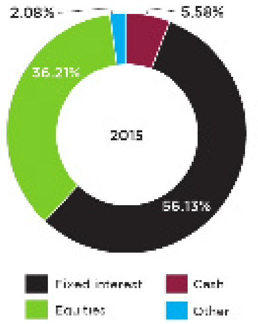
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	4.1	2.0	5.0	10.0	10.0	4.5	2.5	0.0
Supp call record (Original Estimate/Current)	25/25	25/25	0/0	0/0	0/0	0/0	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

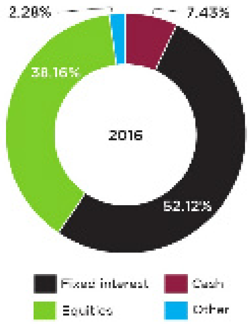
Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	15.90	16.10	15.10	15.60	16.50	13.70	15.80
Total Assets	288,156	301,215	303,117	284,301	280,111	269,145	284,348
Free Reserves	63,612	60,219	54,229	57,344	58,600	75,910	70,918



Investment Asset Allocation[3]





	2015	2016
Cash	5.58%	7.43%
Fixed Interest	56.13%	52.12%
Equities	36.21%	38.16%
Other	2.08%	2.28%

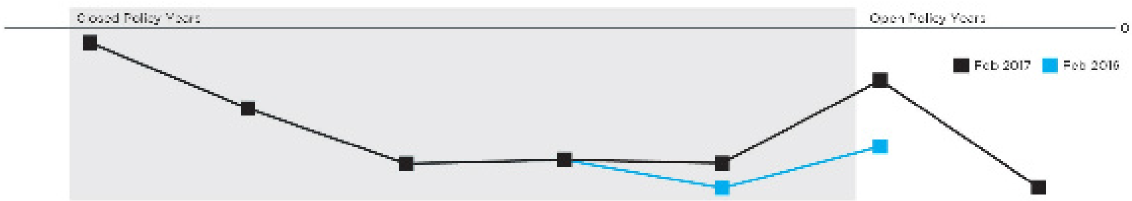
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	379	4003
Return %	0.16	1.81
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
107.9	103.0	115.8

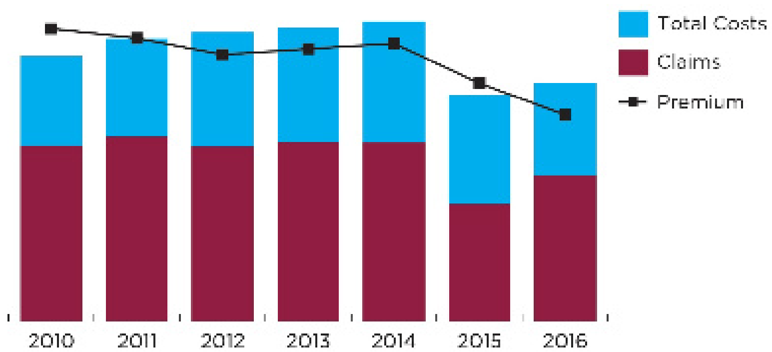
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	8,555	-1,477	-9,903	-9,302	-9,817	2,808	-13,524
Feb 2016	8,555	-1,477	-9,903	-9,302	-13,638	-7,288	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	107,238	103,694	97,655	99,740	101,780	86,919	75,234
Total costs	98,683	105,171	107,558	109,042	111,597	84,111	88,758
Claims	65,313	68,768	65,050	66,627	66,508	43,816	54,213



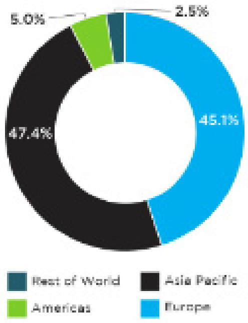
BRITANNIA P&I
TRUSTED SINCE 1855

The Britannia Steam Ship Insurance Association Limited
Tindall Riley (Britannia) Limited
Regis House
45 King William Street
London EC4R 9AN, UK
www.britanniapandi.com

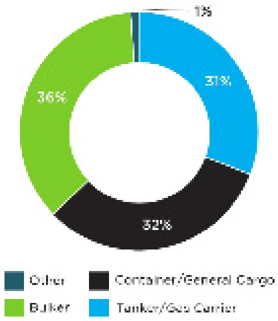
Standard & Poor's rating
(Interactive rating)
A: Stable

Gross tonnage (Mutual owned)
101,000,000

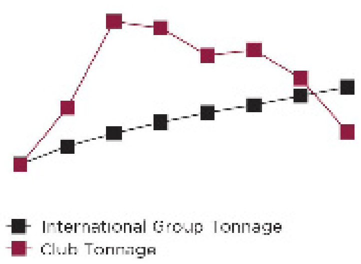
Geographical Spread



Entered GT by Vessel Type



Tonnage Development 2010-2017

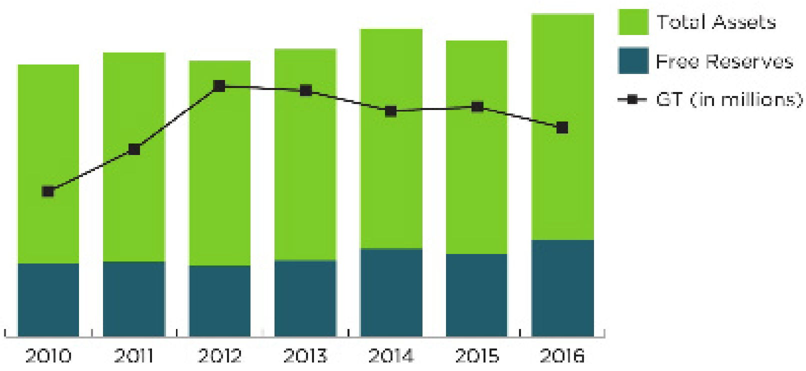


Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	5.0	5.0	16.52	2.5	2.5	2.5	0.0
Supp call record (Original Estimate/Current)	40/40	40/40	40/40	45/45	45/35	45/40	45/45	45/45
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

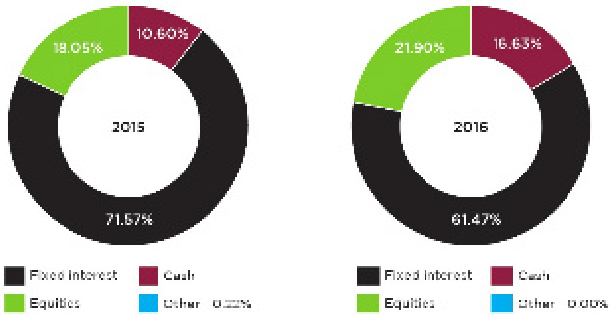
Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	98.00	103.20	111.10	110.50	108.00	108.5	105.9
Total Assets	1,234,306	1,301,318	1,270,476	1,309,209	1,366,353	1,323,468	1,398,256
Free Reserves	454,108	460,977	438,017	471,898	545,567	512,969	601,042

Note: Total Assets - Free Reserves including Boudicca



Investment Asset Allocation[3]



	2015	2016
Cash	10.60%	16.63%
Fixed Interest	71.57%	61.47%
Equities	18.05%	21.90%
Other	-0.22%	0.00%

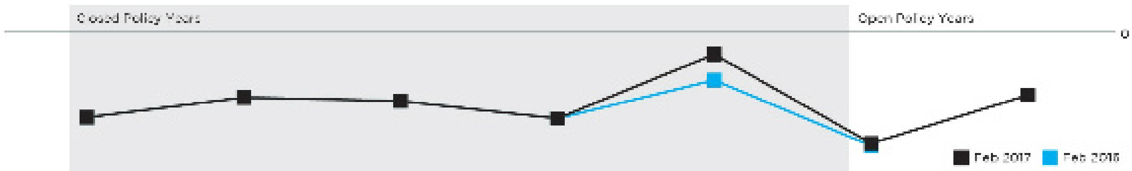
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-23.604	39,382
Return %	-2.33	3.83
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
65	101.3	71.1

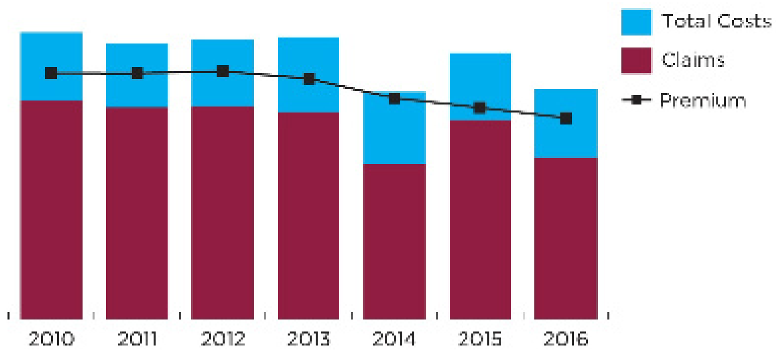
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-48,753	-37,112	-39,168	-49,421	-11,733	-64,087	-35,754
Feb 2016	-48,753	-37,112	-39,168	-49,421	-26,935	-65,452	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	262,416	262,242	264,369	256,633	235,359	224,987	214,024
Total costs	311,169	299,354	303,537	306,054	247,092	289,074	249,778
Claims	237,328	230,099	231,002	225,012	169,001	216,146	175,994

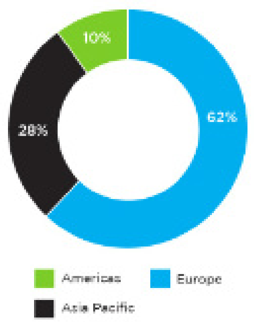


Assuranceforeningen Gard*
Gard AS - Managers
Kittelsbuktveien 31, NO-4836
Arendal, Norway
www.gard.no

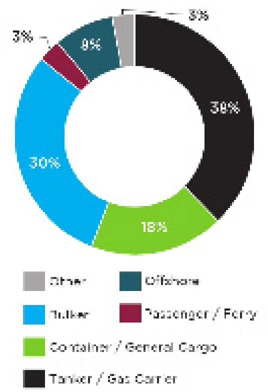
Standard & Poor's rating
(Interactive rating)
A+: Stable

Gross tonnage (Mutual owned)
216,600,000 (including MOU)

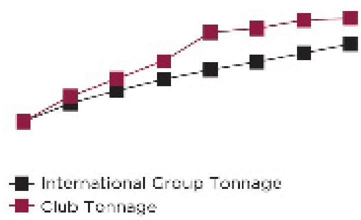
Geographical Spread



Entered GT by Vessel Type



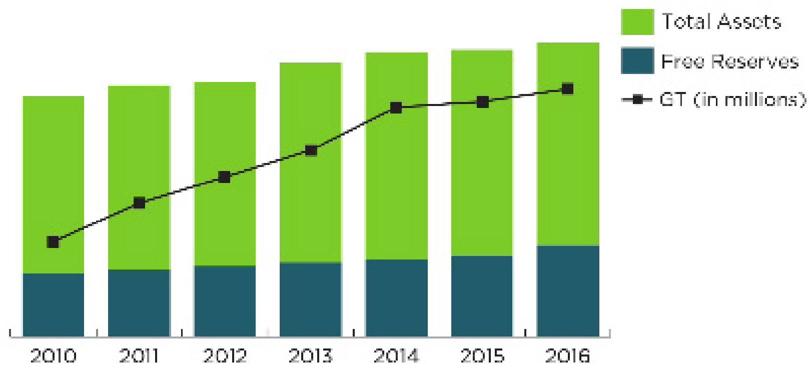
Tonnage Development 2010-2017



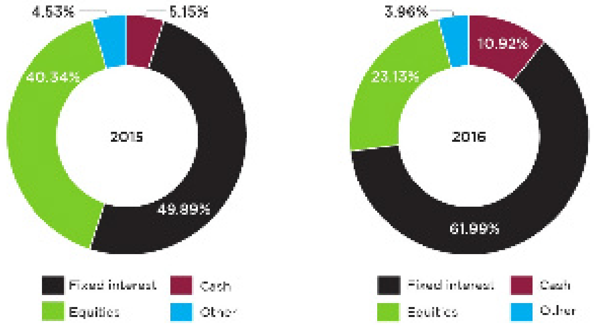
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	0.0	0.0	5.0	5.0	5.0	2.5	2.5	0.0
Supp call record (Original Estimate/Current)	25/15	25/20	25/15	25/15	25/15	25/15	25/0	25/25
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	144.30	162.10	174.30	186.70	206.70	209.40	215.20
Total Assets	2,190,553	2,287,968	2,280,402	2,478,162	2,567,655	2,547,632	2,508,256
Free Reserves	790,158	826,081	875,265	919,572	960,620	1,010,114	1,134,862



Investment Asset Allocation[3]



	2015	2016
Cash	5.15%	10.92%
Fixed Interest	49.89%	61.99%
Equities	40.34%	23.13%
Other	4.53%	3.96%

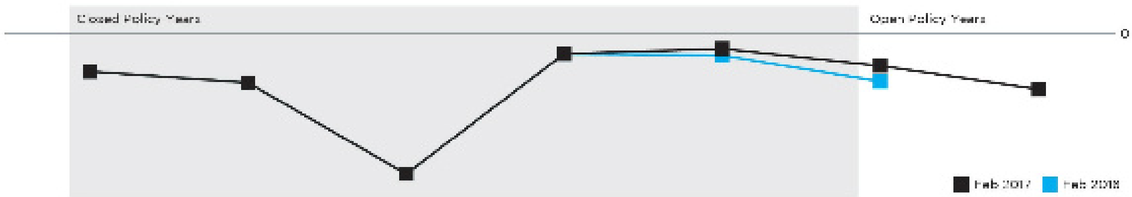
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-23,779	125,956
Return %	-1.08	5.56
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
88.0	83.0	83.0

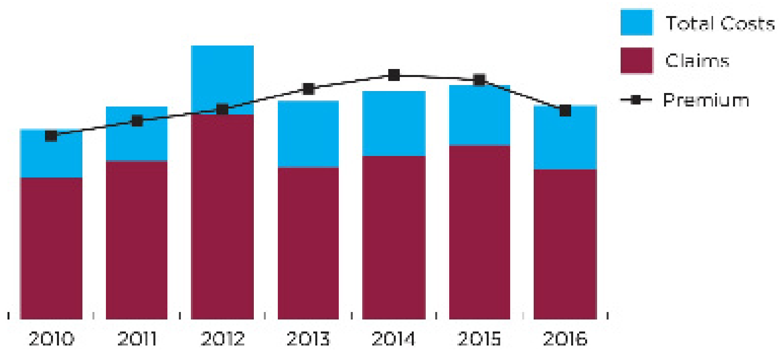
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-7,005	-24,610	-169,688	21,372	29,458	2,180	-22,715
Feb 2016	-7,005	-24,610	-169,688	21,372	18,894	-34,921	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	445,426	481,309	510,099	562,145	595,297	583,015	507,282
Total costs	452,431	505,919	679,787	540,773	565,839	580,835	529,997
Claims	350,476	393,339	508,158	378,176	405,434	432,059	371,972



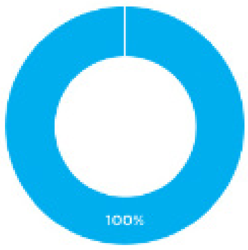
JAPAN P&I CLUB
日本船主責任相互保険組合

The Japan Ship Owners' Mutual Protection & Indemnity Association
2-15-14, Nihonbashi-Ningyocho
Chuoh-ku, Tokyo 103-0013, Japan
www.piclub.or.jp

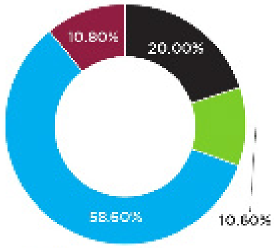
Standard & Poor's rating
(Interactive rating)
BBB+: stable

Gross tonnage (Mutual owned)
90,700,000

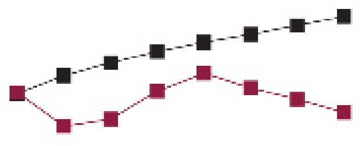
Geographical Spread



Entered GT by Vessel Type



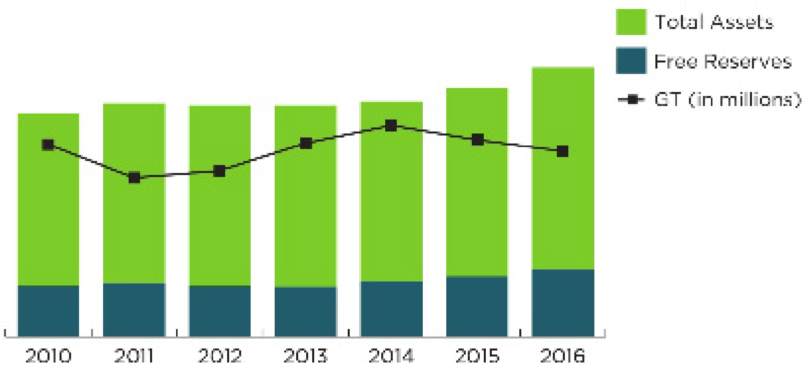
Tonnage Development 2010-2017



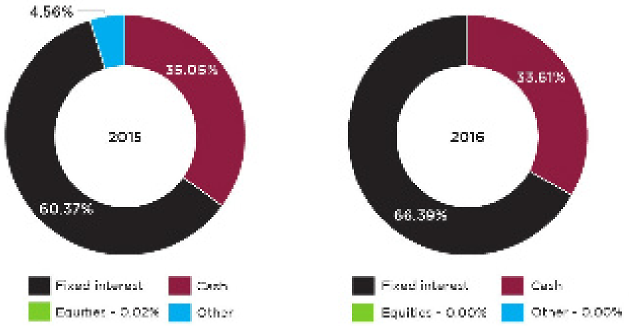
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	12.5	10.0	3.0	5.0	7.5	3.0	3.0	0.0
Supp call record (Original Estimate/Current)	40/50	40/40	40/40	40/40	40/20	40/30	40/30	40/40
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	91.92	89.86	90.30	92.00	93.10	92.20	91.50
Total Assets	534,169	557,471	560,360	561,647	557,346	584,276	626,834
Free Reserves	157,827	166,949	157,546	156,012	172,370	187,130	208,423



Investment Asset Allocation[3]



	2015	2016
Cash	35.05%	33.61%
Fixed Interest	60.37%	66.39%
Equities	0.02%	0.00%
Other	4.56%	0.00%

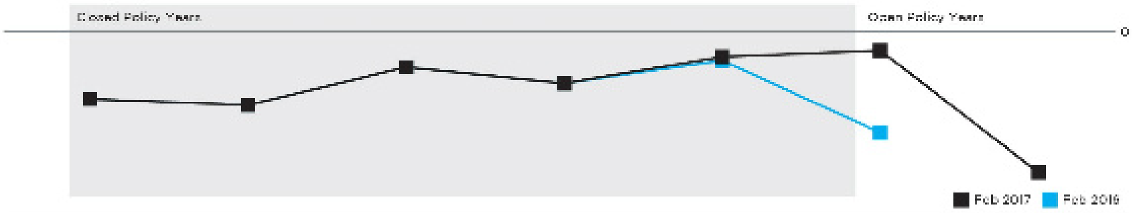
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	6,895	8,120
Return %	-1.31	1.48
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
100.00	92.7	87.8

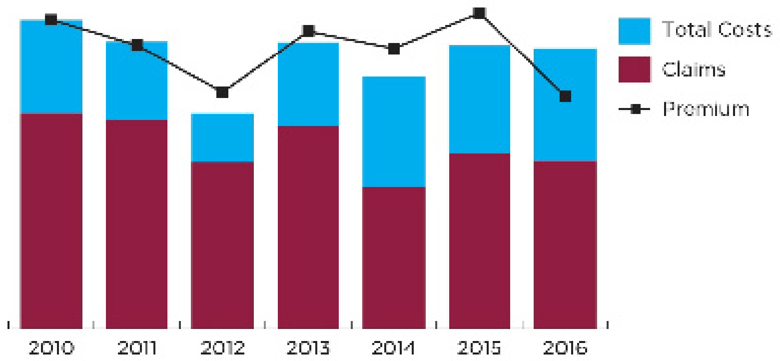
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-3,078	-6,119	13,132	4,907	18,479	21,623	-40,436
Feb 2016	-3078	-6,119	13,132	4,907	16,593	-20,155	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	235,661	216,035	179,891	226,656	213,538	240,951	176,623
Total costs	238,739	222,154	166,759	221,749	195,059	219,328	217,059
Claims	166,810	161,474	129,026	156,645	109,811	135,868	130,190



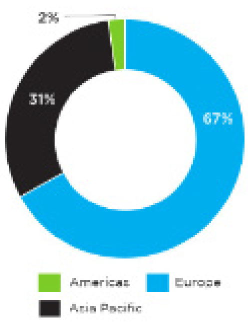
THE LONDON P&I CLUB

The London Steamship Owners' Mutual Insurance Association Limited
A Bilbrough & Co Ltd - Managers
50 Leman Street
London, E1 8HQ, UK
www.londonpandi.com

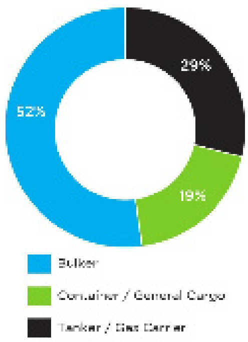
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
45,000,000

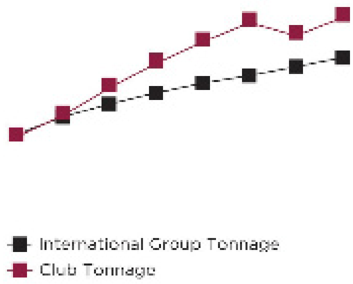
Geographical Spread



Entered GT by Vessel Type



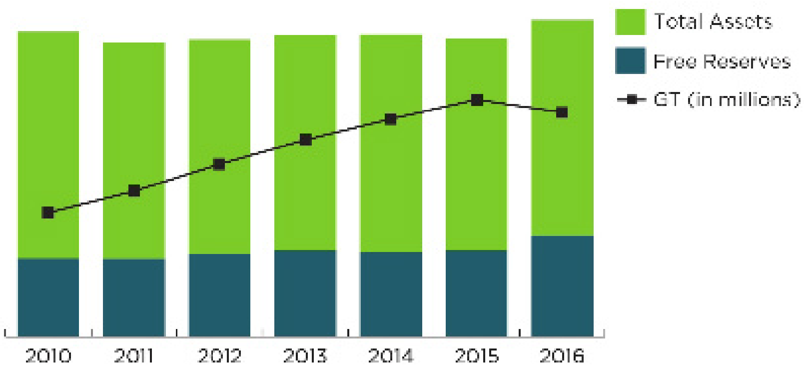
Tonnage Development 2010-2017



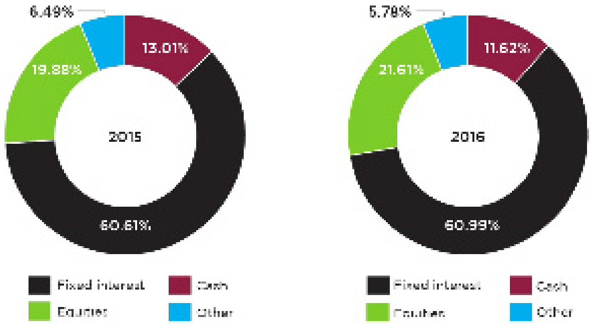
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	5.0	5.0	12.5	10.0	6.0	5.0	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	37.70	39.02	40.70	42.20	43.50	44.70	43.90
Total Assets	422,342	402,390	398,029	400,513	404,879	393,359	401,006
Free Reserves	145,070	144,669	154,029	160,644	157,414	160,707	188,012



Investment Asset Allocation[3]



	2015	2016
Cash	13.01%	11.62%
Fixed Interest	60.61%	60.99%
Equities	19.88%	21.61%
Other	6.49%	5.78%

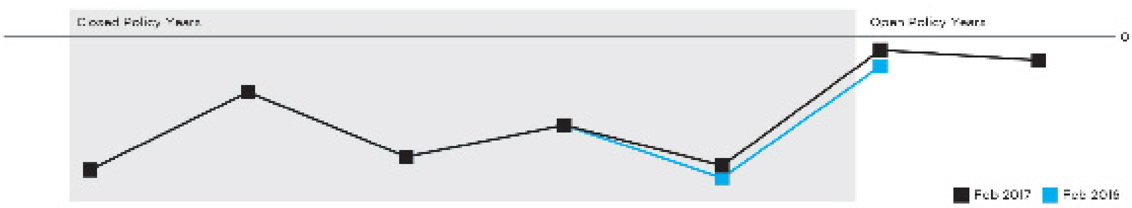
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-11,460	26,663
Return %	-2.99	6.87
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
145.00	82.5	97.9

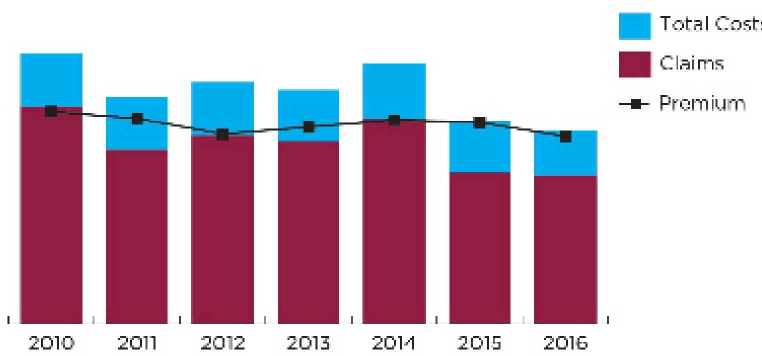
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-29,100	-11,800	-26,200	-19,155	-28,163	-2,457	-4,697
Feb 2016	-29,100	-11,800	-26,200	-19,155	-30,883	-6,082	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	96,500	93,300	86,100	89,328	92,603	91,492	84,986
Total costs	125,600	105,100	112,300	108,483	120,766	93,949	89,683
Claims	100,800	80,900	87,400	84,640	95,118	70,134	68,818



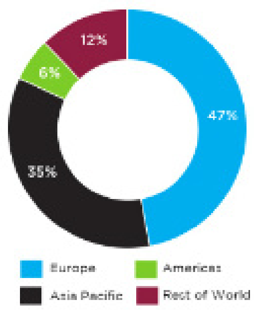
NORTH
SERVICE, STRENGTH, QUALITY

North of England Protection
and Indemnity Association Limited
North Insurance Management Ltd – Managers
The Quayside
Newcastle upon Tyne, NE1 3DU, UK
www.nepia.com

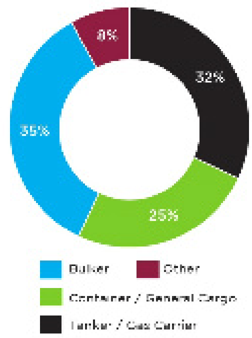
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
140,000,000

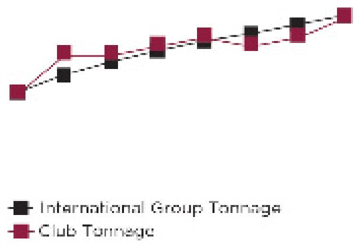
Geographical Spread



Entered GT by Vessel Type



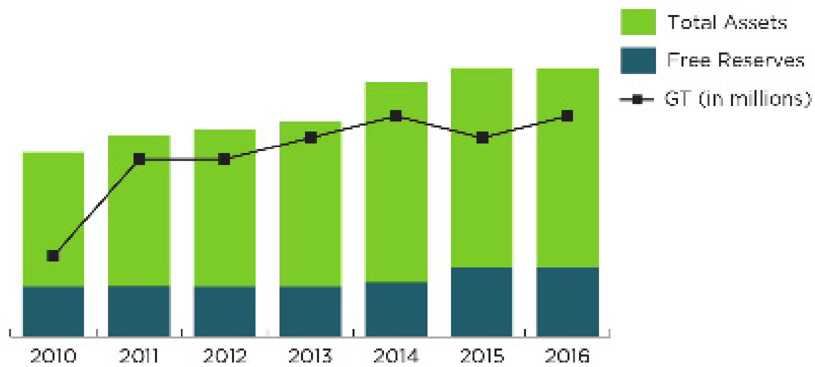
Tonnage Development 2010-2017



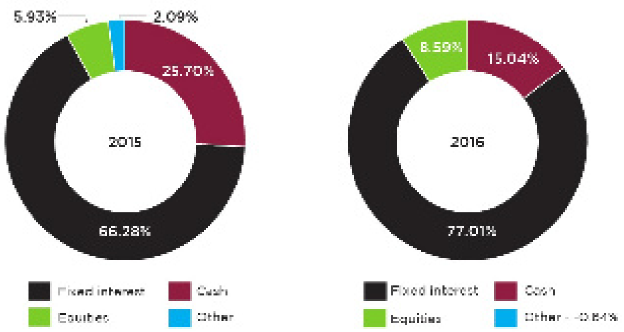
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	3.0	5.0	15.0	7.5	4.75	2.5	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/0	0/0	0/-5	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	105.00	123.00	123.00	127.00	131.00	127.00	131.00
Total Assets	831,115	935,227	974,138	1,020,612	1,237,942	1,238,369	1,234,295
Free Reserves	312,434	314,013	312,236	312,274	338,109	428,401	430,775



Investment Asset Allocation[3]



	2015	2016
Cash	25.70%	15.04%
Fixed Interest	66.28%	77.01%
Equities	5.93%	8.59%
Other	2.09%	-0.64%

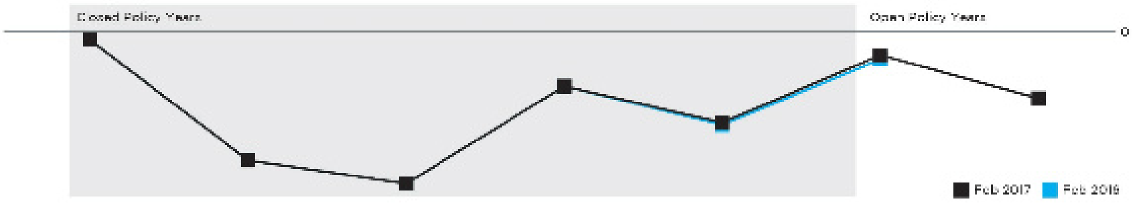
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-9,358	28,952
Return %	-0.86	2.69
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
108.6	73.3	96.0

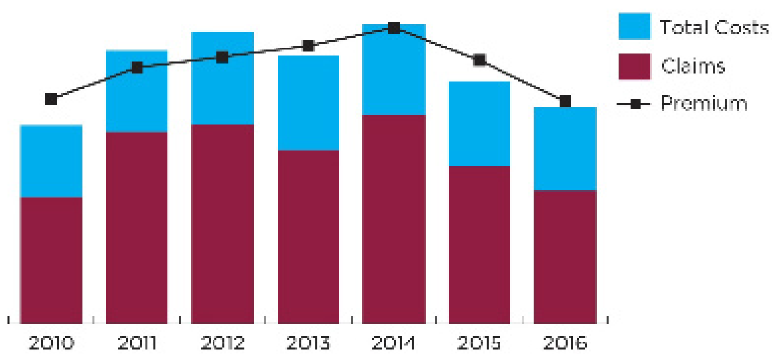
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	27,401	-26,187	-36,571	6,774	-9,384	20,646	1,393
Feb 2016	27,401	-26,187	-36,571	6,774	-10,393	18,758	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	272,868	311,829	325,079	338,811	361,331	320,686	269,690
Total costs	245,467	338,016	361,650	332,037	370,715	300,040	268,297
Claims	156,683	237,612	246,469	215,449	258,880	194,540	165,064



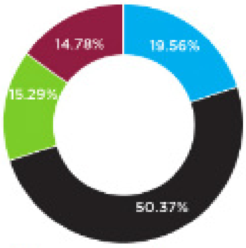
SHIPOWNERS

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg)
The Shipowners' Protection Limited – Managers
White Chapel Building, 2nd Floor
10 Whitechapel High Street, London E1 8QS
www.shipownersclub.com

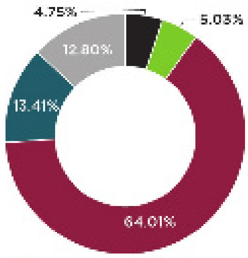
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
25,000,000

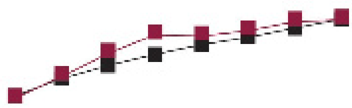
Geographical Spread



Entered GT by Vessel Type



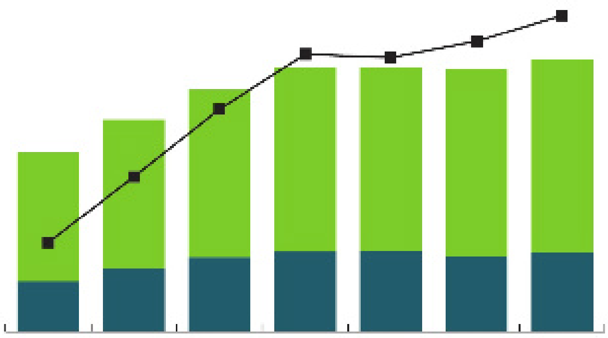
Tonnage Development 2010-2017



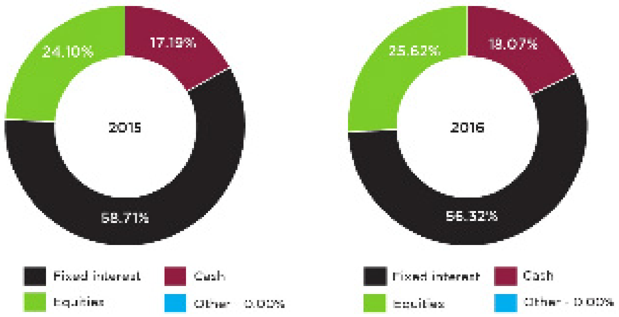
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	0.0	0.0	5.0	5.0	0.0	0.0	0.0
Supp call record (Original Estimate/Current)	10/0	10/0	0/0	0/0	0/0	0/0	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	17.77	19.80	21.90	23.60	23.50	24.00	24.80
Total Assets	478,116	553,538	624,967	684,954	683,932	697,587	719,475
Free Reserves	188,214	234,760	275,633	298,855	300,273	279,378	294,041



Investment Asset Allocation[3]



	2015	2016
Cash	17.19%	18.07%
Fixed Interest	58.71%	56.32%
Equities	24.10%	25.62%
Other	0.00%	0.00%

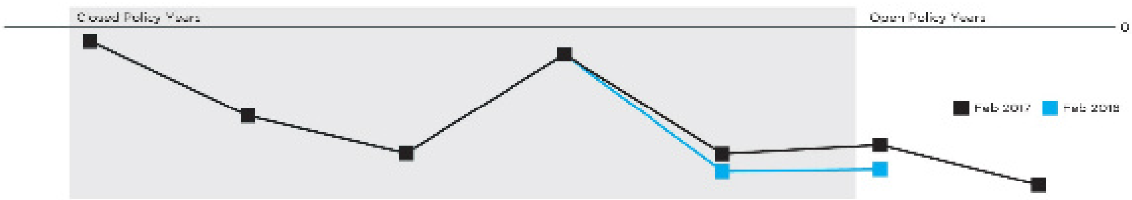
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-6,357	21,924
Return %	-1.09	3.39
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
94.6	98.2	98.6

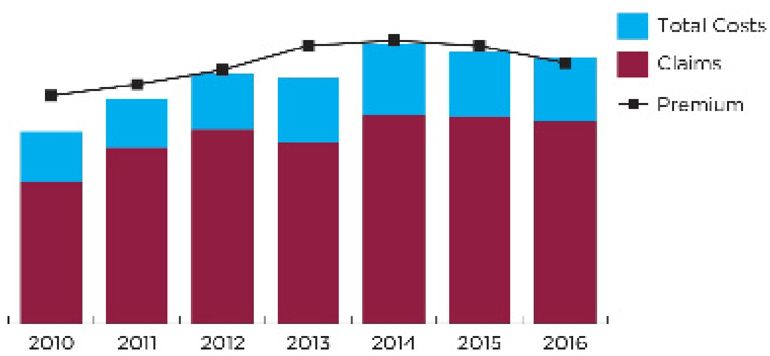
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	24,524	7,873	-497	21,560	-632	1,360	-7,540
Feb 2016	24,524	7,873	-497	21,560	-4,493	-4,054	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	173,084	181,944	193,175	211,893	216,017	211,603	198,531
Total costs	148,560	174,071	193,672	190,333	216,649	210,243	206,071
Claims	109,638	136,319	150,213	140,303	161,550	160,519	156,719

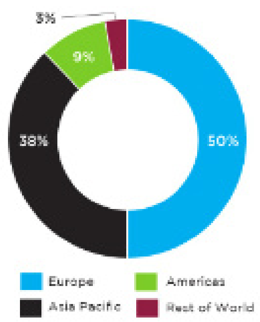


Assurancenforeningen Skuld (Gjensidig)
Rådhusgaten 27
0158 Oslo, Norway
www.skuld.com

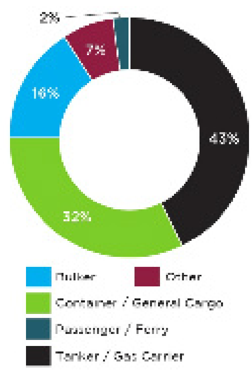
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
96,600,000

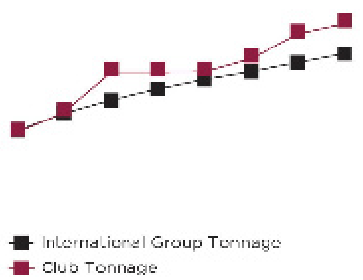
Geographical Spread



Entered GT by Vessel Type



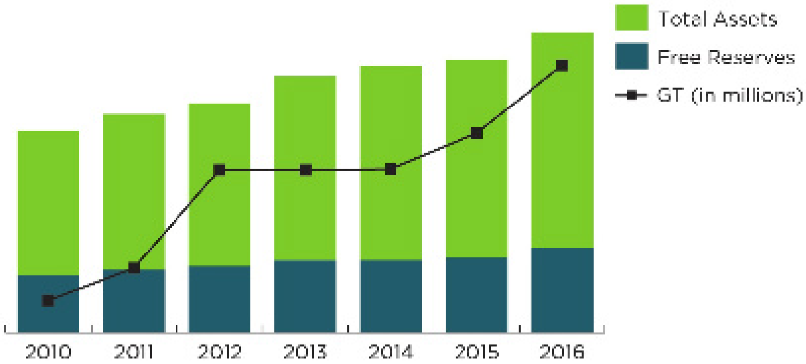
Tonnage Development 2010-2017



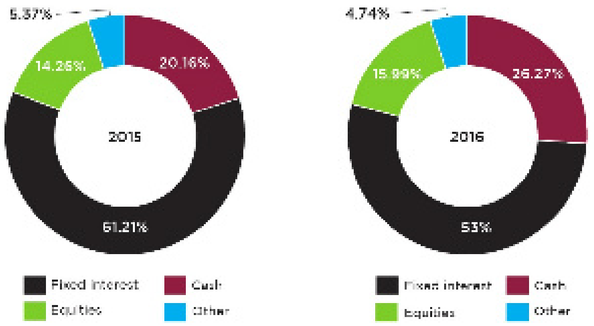
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	60.00	66.90	80.20	80.20	80.30	84.70	93.10
Total Assets	671,148	722,711	757,939	855,983	903,704	918,603	1,000,465
Free Reserves	266,436	291,429	308,425	334,548	335,195	348,230	394,075



Investment Asset Allocation[3]



	2015	2016
Cash	20.16%	26.27%
Fixed Interest	61.21%	53.00%
Equities	14.26%	15.99%
Other	5.37%	4.74%

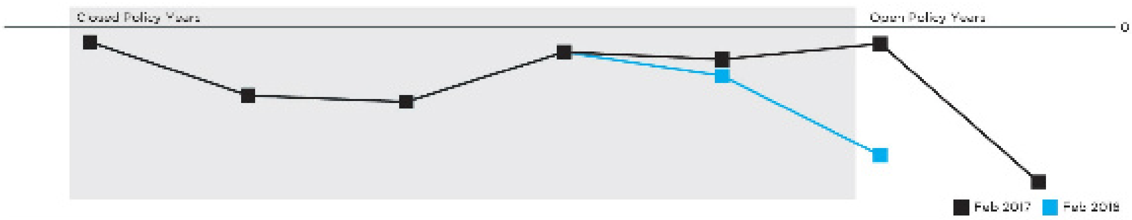
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-13,921	30,277
Return %	-1.59	3.22
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
99.8	95.0	98.0

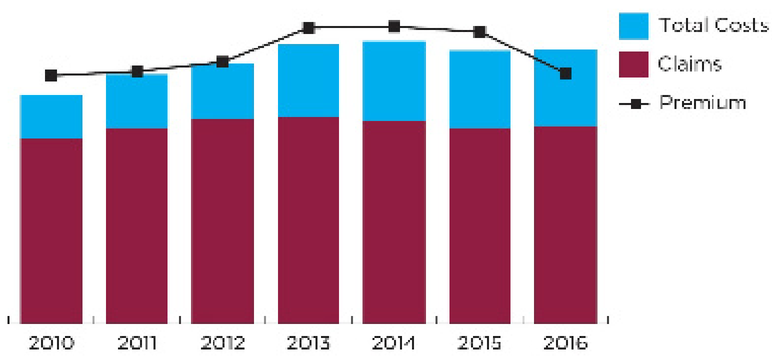
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	14,124	-1,115	-2,918	11,273	9,214	13,634	-25,853
Feb 2016	14,124	-1,115	-2,918	11,273	4,462	-18,294	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost² - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	226,494	230,493	238,896	270,844	271,754	267,167	228,676
Total costs	212,370	231,608	241,814	259,571	262,540	253,533	254,529
Claims	172,074	181,361	190,541	192,261	188,783	181,357	183,201



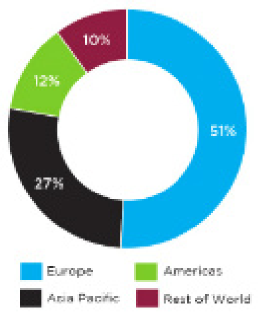
Standard Club

The Standard Club Ltd.
Charles Taylor & Co Ltd - Managers
Standard House, 12/13 Essex Street
London, WC2R 3AA, UK
www.standard-club.com

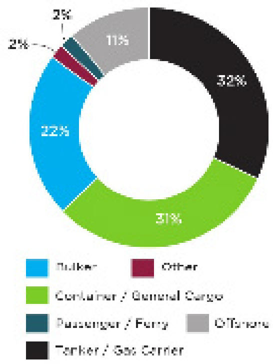
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
128,900,000

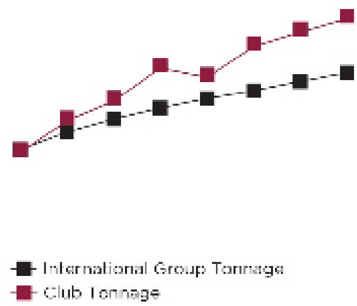
Geographical Spread



Entered GT by Vessel Type



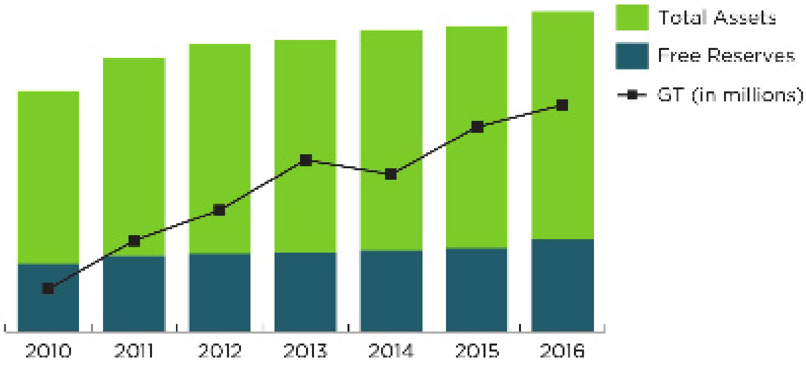
Tonnage Development 2010-2017



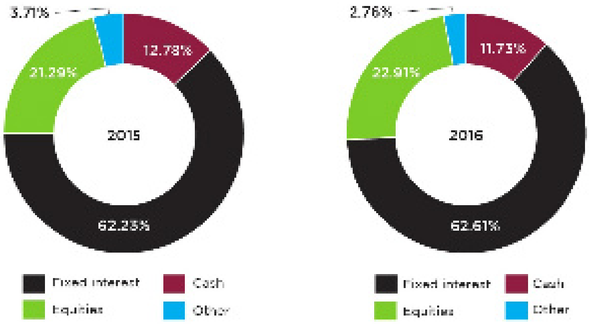
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	3.0	3.5	5.0	7.5	12.5	5.0	2.5	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/0	0/0	0/-5	0/-5
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	72.00	85.50	94.00	108.00	104.00	117.20	123.30
Total Assets	805,790	923,900	977,900	989,700	1,025,400	1,033,100	1,060,200
Free Reserves	316,792	352,600	362,600	368,500	380,300	390,100	430,500



Investment Asset Allocation[3]



	2015	2016
Cash	12.78%	11.73%
Fixed Interest	62.23%	62.61%
Equities	21.29%	22.91%
Other	3.71%	2.76%

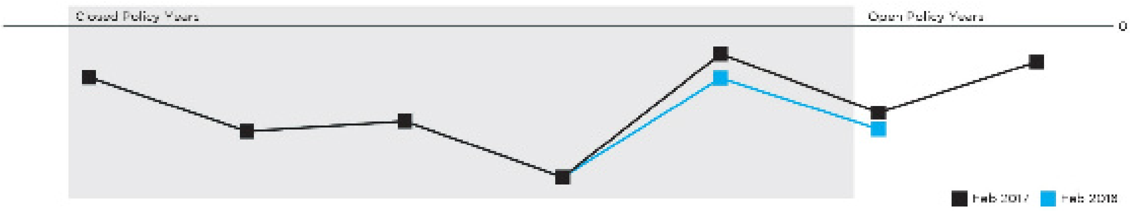
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-5,200	30,100
Return %	-0.58	3.27
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
100.0	95.0	95.0

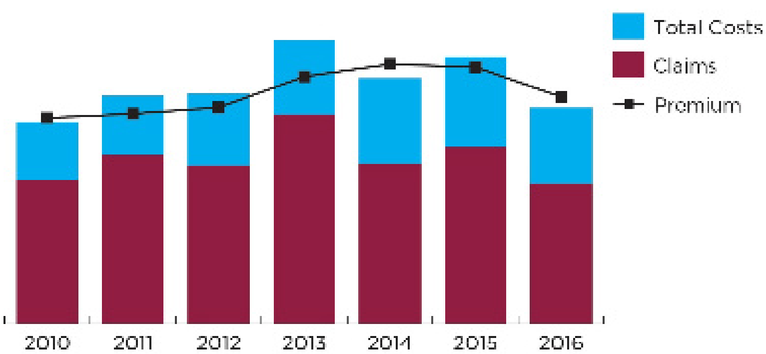
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	0,000	-27,400	-22,300	-50,700	11,900	-17,900	7,800
Feb 2016	0,000	-27,400	-22,300	-50,700	-400	-26,300	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	249,600	254,800	262,500	300,600	316,100	312,300	275,500
Total costs	249,600	282,200	284,800	351,300	304,200	330,200	267,700
Claims	177,700	209,500	195,900	259,200	197,600	218,900	173,900



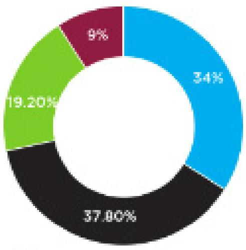
STEAMSHIP MUTUAL

The Steamship Mutual Underwriting Association (Bermuda) Limited
Steamship Insurance Management Services Limited – Managers
Aquatical House, 39 Bell Lane
London, E1 7LU, UK
www.steamshipmutual.com

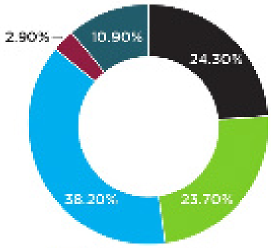
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
84,600,000

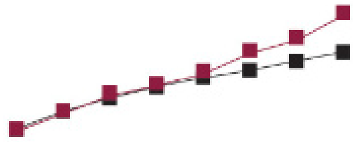
Geographical Spread



Entered GT by Vessel Type



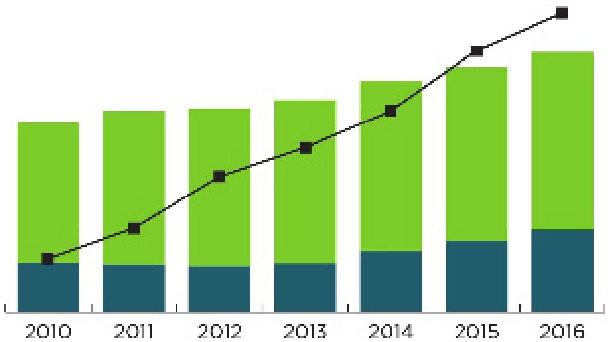
Tonnage Development 2010-2017



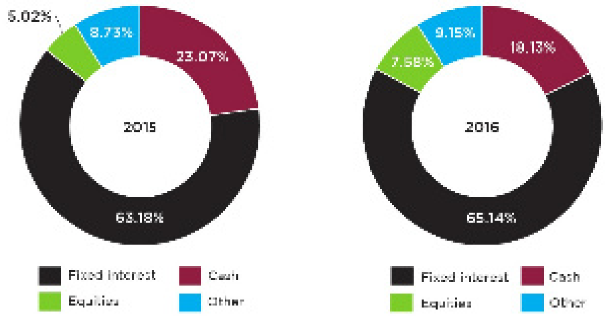
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	0.0	5.0	7.5	10.0	0.0	0.0	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/-10	0/-10	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	52.80	57.80	62.60	65.30	68.70	74.30	77.80
Total Assets	871,541	948,508	973,996	1,012,265	1,058,670	1,077,491	1,099,166
Free Reserves	303,307	295,838	286,207	301,199	376,187	440,321	510,290



Investment Asset Allocation[3]



	2015	2016
Cash	23.07%	18.13%
Fixed Interest	63.18%	65.14%
Equities	5.02%	7.58%
Other	8.73%	9.15%

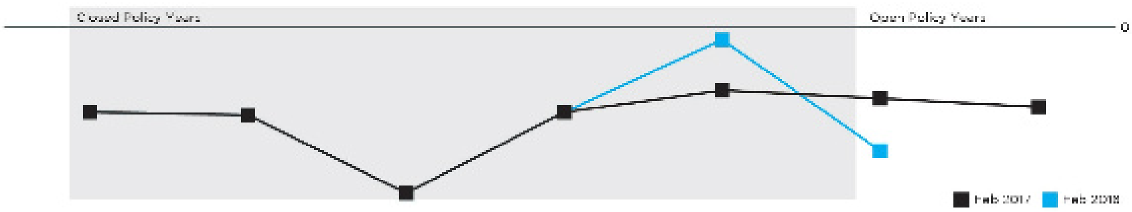
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-2,546	28,856
Return %	-0.24	2.72
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
78.6	76.2	83.5

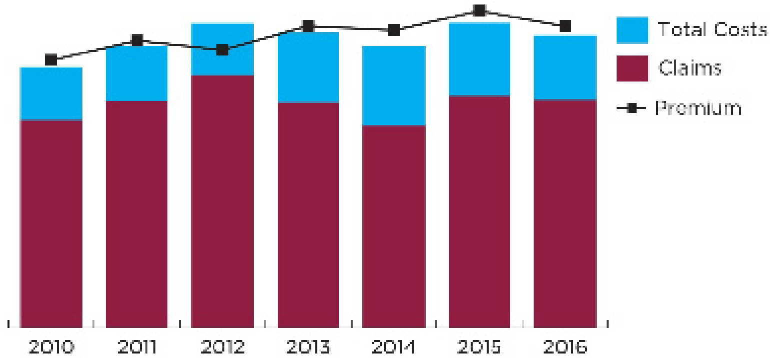
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	2,109	973	-28,755	2,107	10,457	7,435	4,092
Feb 2016	2,109	973	-28,755	2,107	29,761	-12,679	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	244,301	262,802	253,997	276,272	272,158	290,406	275,815
Total costs	242,192	261,829	282,752	274,165	261,701	282,971	271,723
Claims	193,056	210,335	234,629	209,314	187,668	215,232	211,543

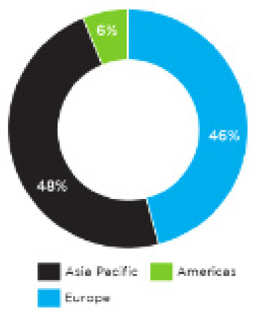


The Swedish Club
Gullbergs Strandgata 6
SE-411 04 Göteborg, Sweden
www.swedishclub.com

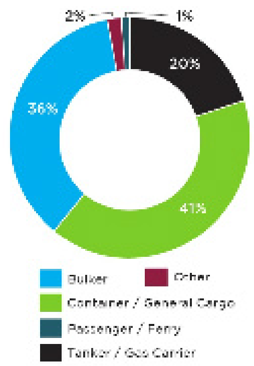
Standard & Poor's rating
(Interactive rating)
BBB+: stable

Gross tonnage (Mutual owned)
46,800,000

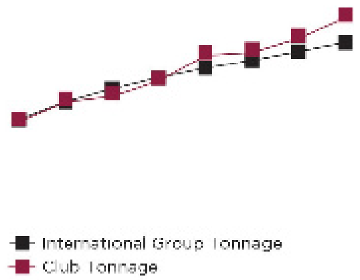
Geographical Spread



Entered GT by Vessel Type



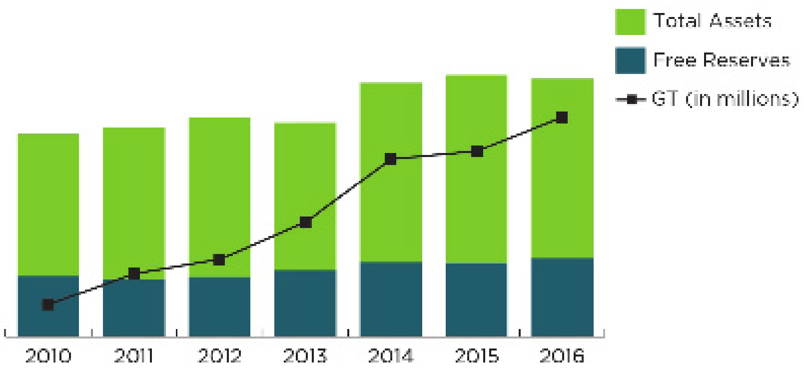
Tonnage Development 2010-2017



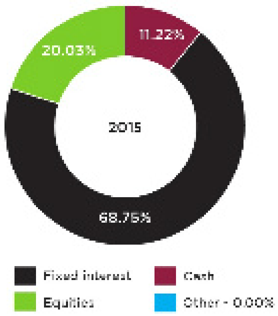
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	2.5	2.5	5.0	7.5	7.5	2.5	0.0	0.0
Supp call record (Original Estimate/Current)	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/-4
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

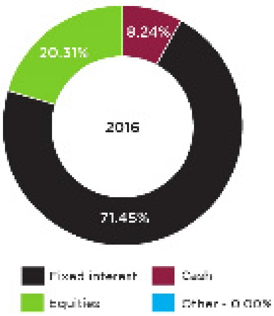
Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	30.90	33.90	34.80	37.10	41.00	41.50	43.60
Total Assets	352,408	376,956	394,307	365,532	444,895	464,989	445,136
Free Reserves	150,302	141,897	148,314	164,758	184,135	183,074	194,115



Investment Asset Allocation[3]





	2015	2016
Cash	11.22%	8.24%
Fixed Interest	68.75%	71.45%
Equities	20.03%	20.31%
Other	0.00%	0.00%

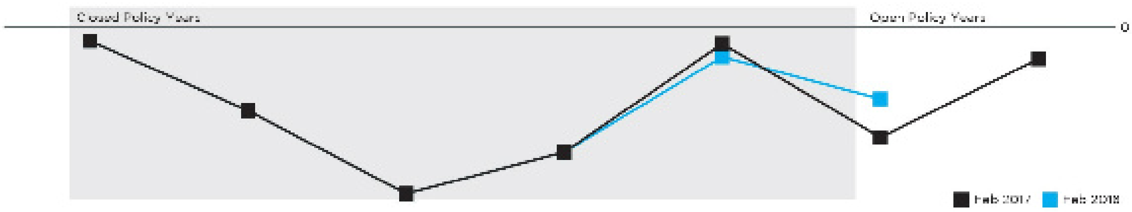
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-2,914	10,400
Return %	-0.74	2.71
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
87.0	99.0	98.0

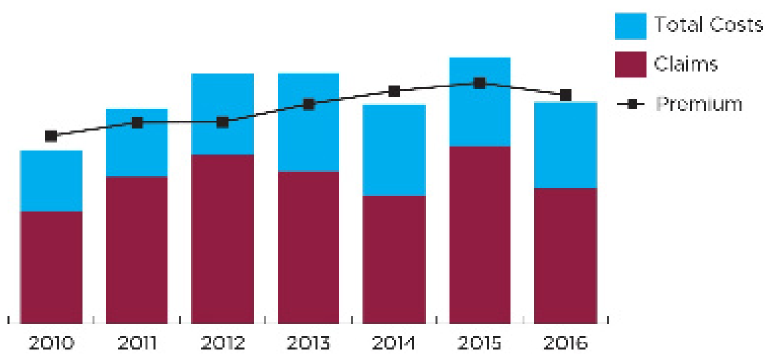
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	4,635	-8,656	-24,501	-16,573	4,098	-13,764	1,209
Feb 2016	4,635	-8,656	-24,501	-16,573	1,596	-6,427	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	85,280	91,356	91,742	100,000	106,006	109,958	104,133
Total costs	80,645	100,012	116,243	116,573	101,908	123,722	102,924
Claims	52,081	68,299	78,513	70,713	59,560	82,444	62,974



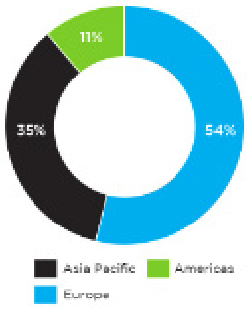
UK P&I CLUB

United Kingdom Mutual Steam Ship Association (Bermuda)
Thomas Miller P&I Ltd – Managers
90 Fenchurch Street
London, EC3M 4ST, UK
www.ukpandi.com

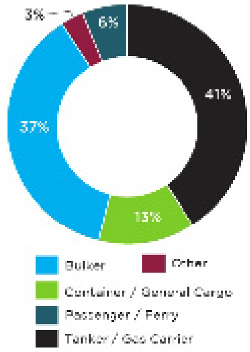
Standard & Poor's rating
(Interactive rating)
A: stable

Gross tonnage (Mutual owned)
139,000,000

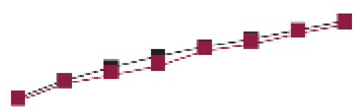
Geographical Spread



Entered GT by Vessel Type



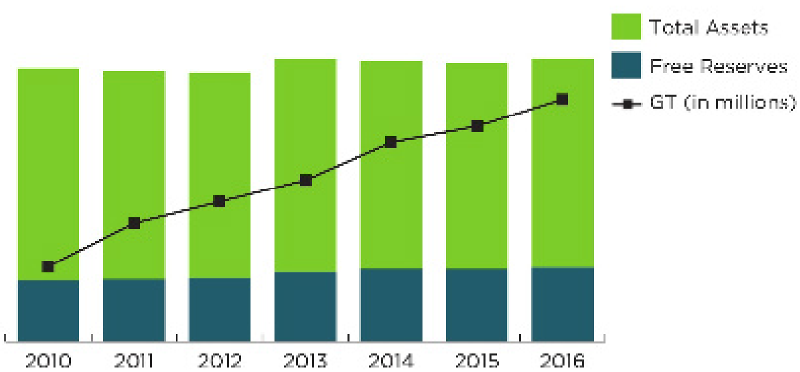
Tonnage Development 2010-2017



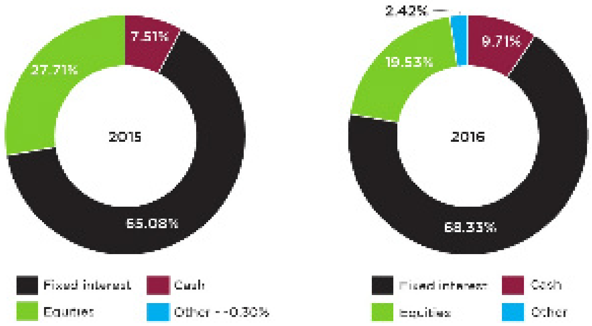
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	5.0	3.0	7.5	10.0	6.5	2.5	0.0
Supp call record (Original Estimate/Current)	0/0	0/-2.5	0/0	0/0	0/-2.5	0/-3	0/0	0/0
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	104.00	112.00	116.00	120.00	127.00	130.00	135.00
Total Assets	1,313,436	1,289,506	1,271,743	1,320,746	1,290,152	1,278,610	1,294,527
Free Reserves	378,993	386,459	394,056	430,004	449,069	447,844	458,377



Investment Asset Allocation[3]



	2015	2016
Cash	7.51%	9.71%
Fixed Interest	65.08%	68.33%
Equities	27.71%	19.53%
Other	-0.30%	2.42%

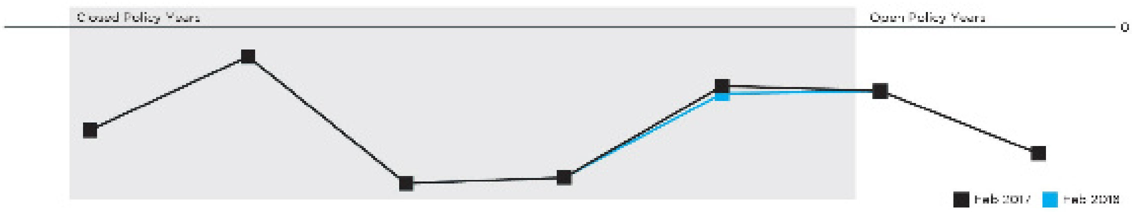
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	-16,552	44,274
Return %	-1.42	3.72
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
104.6	91.6	104.0

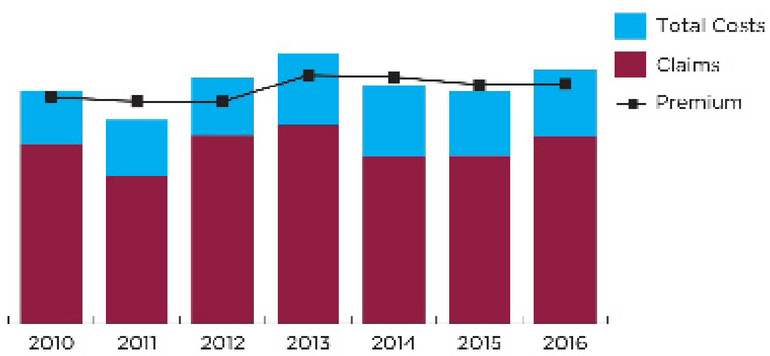
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-16,313	21,083	-43,468	-40,420	6,148	3,622	-28,222
Feb 2016	-16,313	21,083	-43,468	-40,420	2318	3,512	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	344,148	337,115	337,142	378,008	375,252	363,260	364,373
Total costs	360,461	316,032	380,610	418,428	369,104	359,638	392,595
Claims	277,641	228,526	291,322	307,388	259,253	259,990	289,867



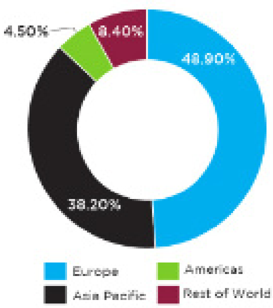
West of England

The West of England Ship Owners Mutual Insurance Association (Luxembourg)
Tower Bridge Court
226 Tower Bridge Road
London, SE1 2UP, UK
www.westpandi.com

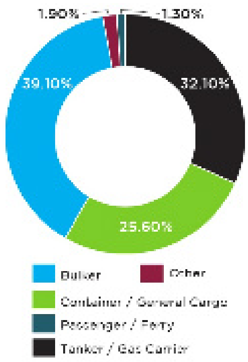
Standard & Poor's rating
(Interactive rating)
A-: stable

Gross tonnage (Mutual owned)
82,500,000

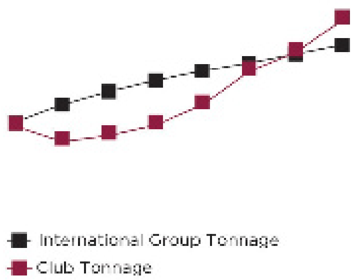
Geographical Spread



Entered GT by Vessel Type



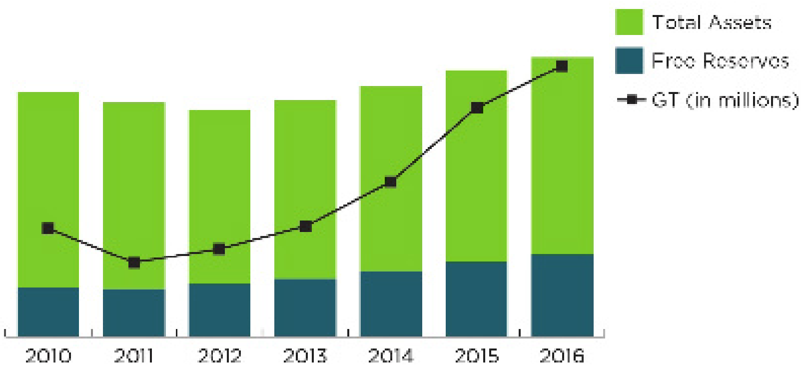
Tonnage Development 2010-2017



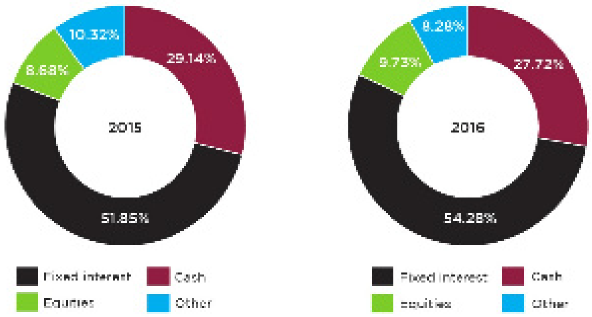
Policy Year	2010	2011	2012	2013	2014	2015	2016	2017
General Increase	5.0	5.0	5.0	7.5	7.5	2.5	0.0	0.0
Supp call record (Original Estimate/Current)	30/30	30/30	30/30	35/35	35/35	35/35	35/35	35/35
Additional calls debited to policy year in US$ thousands	0	0	0	0	0	0	0	0

Historical Trend for 2010-2016 Total Assets and Free Reserves[1] - in US$ thousands

Financial Year	2010	2011	2012	2013	2014	2015	2016
GT (in millions)	53.40	49.20	50.90	53.70	59.20	68.40	73.60
Total Assets	726,508	691,594	647,441	663,302	686,909	716,154	732,539
Free Reserves	182,664	179,356	197,421	216,196	243,692	276,661	306,512



Investment Asset Allocation[3]



	2015	2016
Cash	29.14%	27.72%
Fixed Interest	51.85%	54.28%
Equities	8.68%	9.73%
Other	10.32%	8.28%

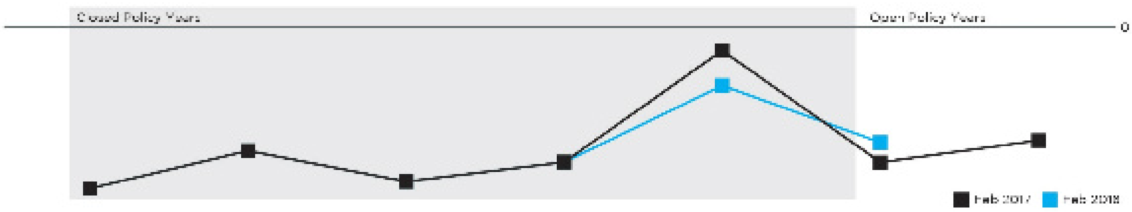
Financial Year Return/Yield[4]

	2015	2016
Yield US$ thousands	10,944	18,742
Return %	1.66	2.77
IG Market Average %	-0.88	3.68

Combined Ratio - %

2015	2016	2017
97.4	83.6	87.2

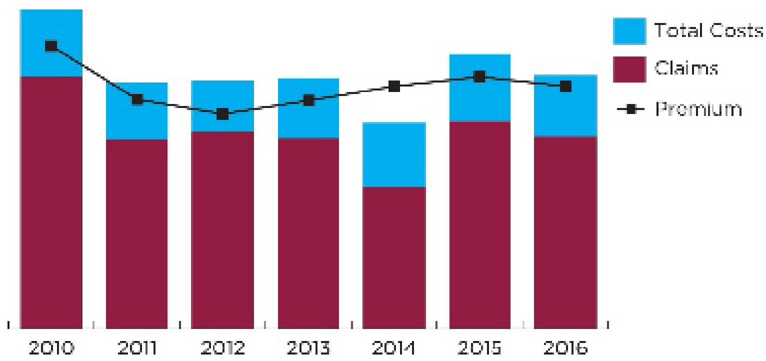
Pure Technical Underwriting Result Excluding Excess Supplementary Calls[5] - in US$ thousands



	2010	2011	2012	2013	2014	2015	2016
Feb 2017	-31,755	-16,175	-28,912	-20,854	25,333	-20,964	-11,865
Feb 2016	-31,755	-16,175	-28,912	-20,854	10,796	-12,696	

Historical Trend for 2010-2016 Premium Income, Claims, Policy Year Cost[2] - in US$ thousands

Policy Year	2010	2011	2012	2013	2014	2015	2016
Premium	215,529	174,238	162,994	173,174	184,292	191,638	184,305
Total costs	247,284	190,413	191,906	194,028	158,959	212,602	196,170
Claims	195,126	146,402	152,299	147,273	109,128	160,761	148,659



03. Pooling and reinsurance

The backbone to the Group clubs' ability to respond to the potential high exposures that their members face is the collective Pooling and Reinsurance structure.

Without this mechanism the contemporary influx of increased liability regimes, mandatory insurance and evidence of cover to governing authorities would be much harder to resolve. Simply put, and as the graphic on the following page depicts, each club retains the first level of an individual claim and thereafter, if an individual claim exceeds that retention, it is first pooled amongst all of the International Group and then, excess of that, substantially reinsured. There are limits capping recovery for Oil Pollution and Personal Injury Claims but for the general mass of homogenous operational exposures there is a further Pooling element above the structure which, in the event of a catastrophe claim, gives a limit of recovery in excess of US$7.75 billion. The latter figure is imprecise as it is calculated against the twin variables of a formula relating to the collective limitation of all the world's shipowners entered in the Group clubs (which obviously fluctuates as vessels are delivered or sold or scrapped) and Standard Drawing Rights (a "currency" that obviously fluctuates against the US$).

It is a structure that is fundamental to the Group system and whilst it has evolved and adapted over time it remains largely unaltered in principle.

The substantial coverage afforded by the Group system is only sustainable with the purchase of reinsurance.

2017/18 Policy Year

The Group managed to secure an early renewal of the reinsurance programme, respective to previous years, concluding in mid - December. This was facilitated by a favourable loss experience between 2012/13 and 2016/17, surplus market capacity, positive financial development of the Group captive Hydra, effective use of multi-year private placements and the introduction of some structural changes.

The key changes to the Group programme for the 2017/18 policy year were:

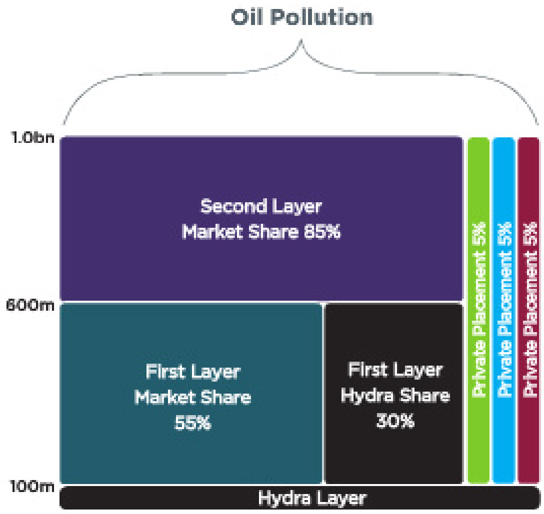
- Individual club retention was maintained at US$10 million per claim
- The attachment point on the Group GXL reinsurance which had been
- US$80 million since 2014 was moved up to US$100 million. In so doing Hydra absorbed the previous 25% reinsured portion of last year's layer
- US$80 million to US$100 million so reinsuring 100% of the layer in 2017/18
- Within the layer US$100 million to US$120 million Hydra reduced its share from 60% in 2016/17 to 30% in 2017/18, the remaining 30% was absorbed by the market
- The first of the 5% private placements , covering the first and second layers of the Group GXL placement (US$1billion in excess of US$100 million) expired on renewal. On expiry this was replaced by a more favourable new 5% private placement negotiated on a three-year basis. On renewal the Group further negotiated the second 5% three year private placement for two years beyond 20th February 2018.

Otherwise there was no change to the specific exposure sub-limits:

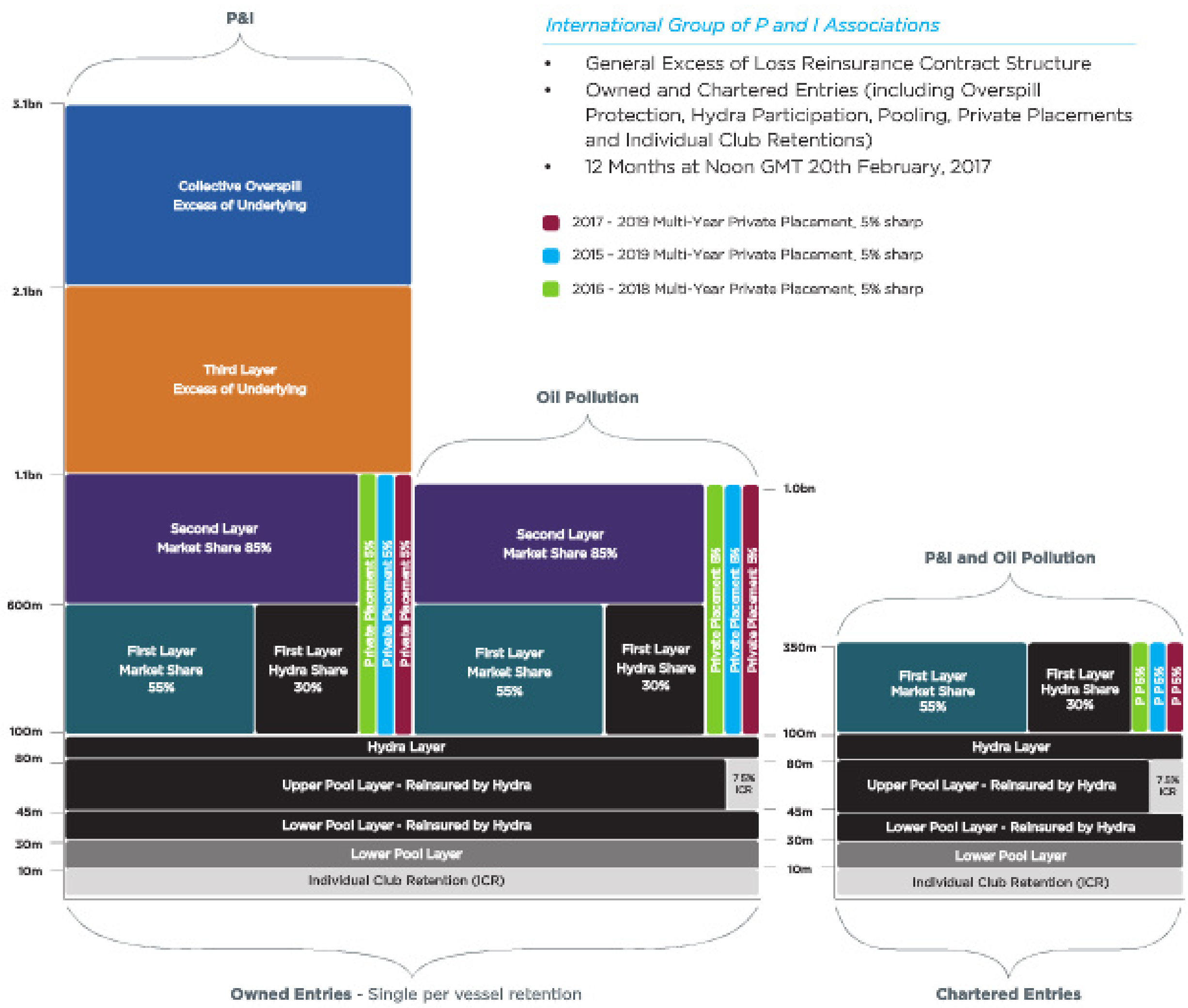
- Oil Pollution aggregate liability remains at US$1 billion.
- Passenger claims remain at US$2 billion and US$3 billion each event in respect of passengers and seamen combined.
- War and Terrorism P&I is written on an excess basis and the limit remains at US$500 million.
- The supplementary pooling for "Bio Chem" claims remains at US$30 million.

The stated aim of the Group's general reinsurance cost allocation is to achieve, over the medium to long term, a balance between claims and premium across the vessel type categories. The review on renewal of this objective included also examination and consideration to the question of whether vessel type categories should enlarged beyond the 'traditional' four. Concluding, the Group's Reinsurance Strategy Working Group and Reinsurance Subcommittee advised that in the absence of any significant container vessel claims during 2016/17 policy year there still remained insufficient historical claims data to support a separate treatment of container vessels from dry cargo vessels for reinsurance cost rating for the 2017/18 policy year.

Following the market conditions and the changes introduced at 20th February 2017 the impact on the reinsurance costs was as follows, a reduction of proximately 9.3% for dry cargo vessels and dirty tankers and approximately a 5% reduction for clean tankers and passenger vessels.



The International Group Retention, Pooling and Reinsurance Structure 2017/18 - in US$ millions



Total Claims Net of Club Retention at August 2017 - in US$ millions

Policy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
At August 2017	141.18	279.93	342.51	2,120.81	543.35	526.73	205.52	592.06	107.61
At September 2016	141.18	279.93	348.09	2,102.70	514.33	461.56	207,166	481,882	

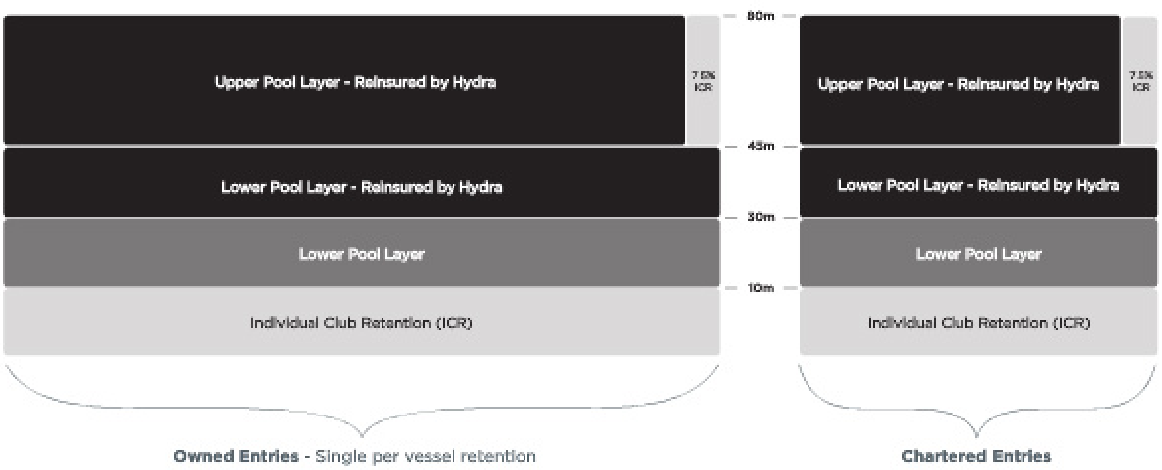
Pure Retained Pool Claims Excess of Club Retentions

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2008	393.4									
2009	392.5	124.5								
2010	386.9	124.9	260.7							
2011	399.4	122.9	263.9	259.9						
2012	399.9	119.5	266.7	259.0	288.7					
2013	392.8	120.0	246.9	250.6	289.3	446.3				
2014	358.5	122.0	219.5	252.5	289.6	465.1	364.9			
2015	360.4	106.3	223.5	266.9	280.8	467.0	364.0	204.5		
2016	348.3	116.2	221.8	241.1	277.9	453.9	327.0	193.6	276.6	
2017	267.6	87.6	226.3	179.1	231.0	368.6	279.8	179.6	198.4	84.0

Note: International Group Pool incurred claims based upon historical thresholds - US$ millions

Source: Steamship Mutual Management Highlights 2016

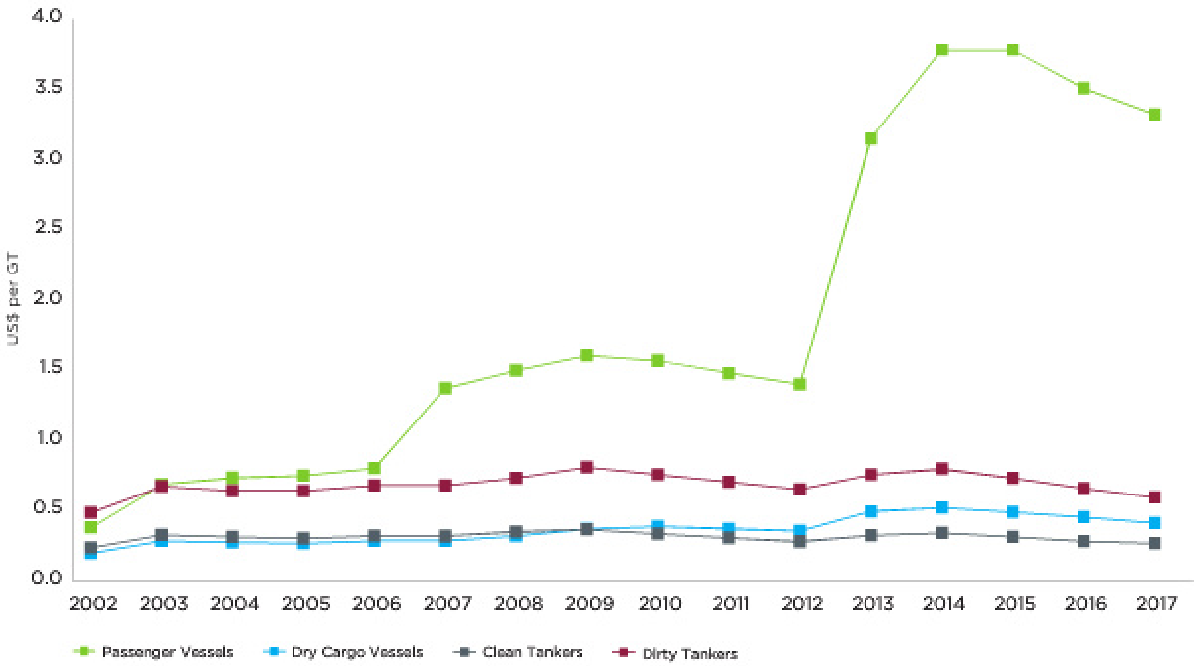
International Group Retention and Pooling Structure 2017/2018 - in US$



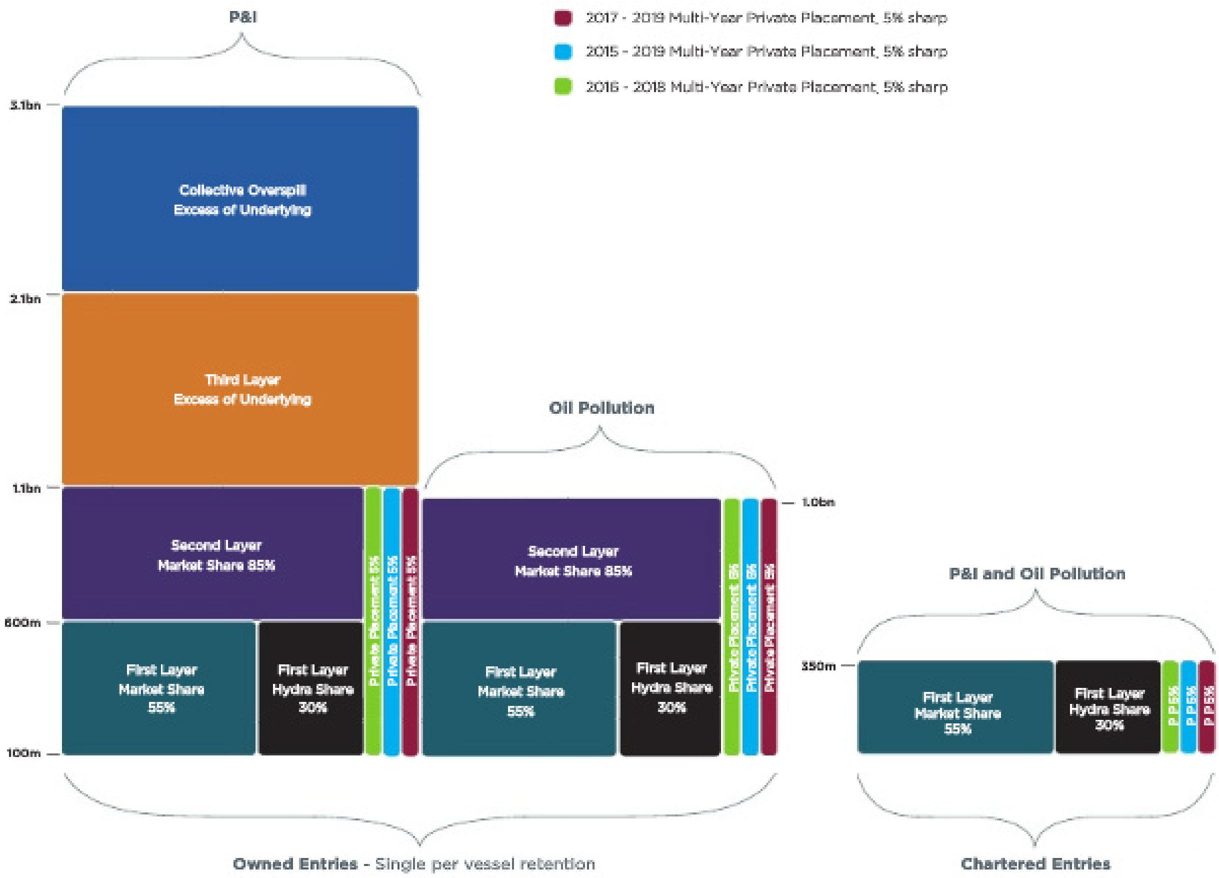
R/I Rates 2017/2018 - in US$

	2017 rate per GT	2016 rate per GT	US$ change
Dirty Tankers	0.5955	0.6567	-0.0612
Clean Tankers	0.2675	0.2816	-0.0141
Dry Cargo Vessels	0.4114	0.4537	-0.0423
Passenger vessels	3.319	3.5073	-0.1883

Historical Rating: General Reinsurance Rates Policy Years 2002-2017



International Group Reinsurance Structure 2017/2018 – in US$



04. Historical data

P&I Class Supplementary Call History

Original Estimates/Actual or Current Estimate as percentage of advance call as applicable.

Policy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
American	0/25	0/25	20/20	25/25	25/25	0/0	0/0	0/0	0/0	0/0	0/0
Britannia	30/30	40/40	40/32.5	40/40	40/40	40/40	45/45	45/35	45/40	45/45	45/45
Gard	25/25	25/25	25/10	25/15	25/20	25/15	25/15	25/15	25/15	25/0	25/25
Japan	30/30	30/30	40/40	40/50	40/40	40/40	40/40	40/20	40/30	40/30	40/40
London	40/89	40/75	40/40	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
North	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/-5	0/0
Shipowners	25/0	25/0	10/0	10/0	10/0	0/0	0/0	0/0	0/0	0/0	0/0
Skuld	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Standard	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/-5	0/-5
Steamship	0/14	0/20	0/0	0/0	0/0	0/0	0/0	0/-10	0/-10	0/0	0/0
Swedish	0/35	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/-4
UK	0/25	0/20	0/0	0/0	0/-2.5	0/0	0/0	0/-2.5	0/-3	0/0	0/0
West	20/55	20/65	30/30	30/30	30/30	30/30	35/35	35/35	35/35	35/35	35/35

Excess Supplementary call | Reduced supplementary call | Premium Credit | Premium Discount

P&I Class General Increase History

Policy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
American	10	20	29	4.1*	2*	5	10	10	4.5	2.5	0
Britannia	5	23.8	12.5	5	5	5	16.25*	2.5	2.5	2.5	0
Gard	5	10	15	0	0	5	5	5	2.5	2.5	0
Japan	10	20	21.2*	12.5	10	3	5	7.5	3	3	0
London	7.5	17.5	15	5	5	5	12.5	10	6	5	0
North	7.5	17.5	17.5	5	3	5	15	7.5	4.75	2.5	0
Shipowners	5	n/a	10	5	0	0	5	5	0	0	0
Skuld	2.5	7.5	15	5	0	0	0**	0**	0**	00**	0
Standard	5	15	15	3	3.5	5	7.5	12.5	5	2.5	0
Steamship	9	15	17.5	5	0	5	7.5	10	0	0	0
Swedish	7.5	15	15	2.5	2.5	5	7.5	7.5	2.5	0	0
UK	7.5	17.5	12.5	5	5	3	7.5	10	6.5	2.5	0
West	5	15	19.2	5	5	5	7.5	7.5	2.5	0	0

* Expressed as total cost increase so including announced general increase and any changes in deferred call estimates
** Club advised of 3 risk factors for general consideration

05. Conclusion

This is likely to be the last year of successive cycles of soft P&I renewals.

We anticipate clubs will see their premium base reduce by around 5% at this renewal but that when results for the current year are calculated in the 2nd. Quarter of 2018 we expect to seem many clubs posting negative underwriting results. To compound matters reinsurance pressure is also likely to be compelling in the coming year.

It is critical, therefore, for owners to demand high level and experienced advice from their brokers – a self-serving comment we admit but too many owners receive indifferent support and minimal service. With the market likely to turn this is one luxury that shouldn't be afforded.

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