

P&I

RENEWAL 2023/24
GENERAL INCREASE UPDATE

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MARINE INSURANCE BROKERS

GENERAL INCREASE OVERVIEW

IG Club / S&P Rating	P&I	FD&D	Change in Deductibles / Notes
 BBB- (negative)	individual risk assessment		The Board has decided not to apply a standardized, or general, increase for the forthcoming policy-year renewal. However, to take account of inflation and continuingly hostile trends in the claims environment, the Club has mandated the implementation for 2023 of a year-on-year increase of at least 10% on expiring overall rates. For 2023, all deductibles from USD 10,000 to USD 50,000 per claim will be increased by 10%, and any below the USD 10,000 threshold will be increased in all cases by USD 1,000.
 A (negative)	individual risk assessment		Whilst there is no declared general increase with Members continuing to be underwritten individually, the Board has targeted a 10% increase on Britannia's Estimated Total Call (ETC). The Board agreed that minimum deductibles will be increased to the following levels: Crew: USD 7,000 Cargo: USD 19,500 All Others: USD 13,500 Members will have the option to vary their deductibles in return for an appropriate rate adjustment.
 A+ (stable)	individual risk assessment		For the 2023/24 policy year, the Board has agreed a 5% Owners' General Discount. The Board also decided that premiums will have to be increased for P&I for the 2023/24 policy year to achieve a balanced underwriting result for owners P&I going forward. Individual Members' rates will be adjusted to reflect their risk profile and claims record. Most Members with an acceptable record should expect an increase of between 5-7%.
 Since 1950 BBB (stable)	10.00%	10.00%	In addition to the 10% general increase in advance call rates for Owners' entries, Members' rates will be adjusted as appropriate to reflect their individual claims record, as well as any change in the cost of the International Group's reinsurance programme.
 BBB (negative)	individual risk assessment		No general increase is set and renewal terms will be based on individual Member loss records and risk profiles incorporating the anticipated impact of inflation on future claims costs. Any adjustment to the cost of the Club's share of the IG's excess loss reinsurance programme will also be applied.
 A (negative)	10.00%	10.00%	Members with adverse loss records will have their rates and terms adjusted in excess of the minimum 10% general increase, in order to ensure that they make an equitable contribution. In addition, and in order to contend with inflationary pressures on claims, all crew and other people related claims deductibles below USD 50,000 will be increased by a minimum of USD 2,500. All cargo and other claims deductibles will be increased by a minimum of USD 1,000.
 A (stable)	individual risk assessment		Mindful of increases in premium requested through General Increases in recent years and the overall positive underwriting results, the Board resolved that no General Increase would be applied across the Membership. Noting the adverse claims record in the Yacht sector the Board concluded that a 10% increase in premiums would be applied to this segment, and that increases would be applied as required to Members operating Dry Cargo vessels. Due to the effects of global inflation, all deductibles under USD 50,000 would be increased by 10% but subject to a minimum monetary increase of USD 500.
 A (negative)	individual risk assessment		All mutual members can expect an increase at the upcoming P&I renewal and it will be necessary to achieve an overall ETC adjustment of 10% for the mutual product before any adjustments to the Group Excess of Loss contract.
 A (negative)	10.00%	10.00%	The Board has determined to increase all deductibles by 10%, subject to a minimum increase of USD 2,000 for crew and cargo claims. The managers have been instructed to apply additional premium adjustments for any members preferring to maintain their existing deductibles. There will be no change to FDD deductibles. As is the normal practice of the Standard Club, any adjustment in cost in respect of the International Group excess of loss reinsurance programme will be passed to Members.
 A (negative)	LONDON CLASS*	0.00%	0.00%
	*) Facility exclusively covering coastal and inland vessels		The committee decided that mutual members with satisfactory records and risk profiles should be offered renewal with no general increase. Any additional costs in respect of international group reinsurance will be absorbed by the class.
 A (negative)	7.50%	7.50%	The Board ordered a 10% increase in Class 1 P&I deductibles to apply to all deductibles which are USD 50,000 or less.
 BBB+ (stable)	10.00%	15.00%	The Board recommended minimum deductibles and increases if above minimum as follows: Cargo: Recommended minimum USD 15,000 (+10% if above minimum) Crew: Recommended minimum USD 10,000 (+10% if above minimum) Third Party: Recommended minimum USD 25,000 (+10% if above minimum) Other liabilities: Recommended minimum USD 10,000 (+10% if above minimum)
 A- (stable)	10.00%	10.00%	The standard deductible will remain unchanged at USD 15,000 per event, including fees and expenses.
 BBB+ (stable)	10.00%	10.00%	No change will be made to the Rules Deductible for Class 1 entries however all other deductibles will be increased by 10% and a minimum increase of USD 2,500 will be applied.

GENERAL INCREASE HISTORY (IN %)

Policy Year	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
AMERICAN CLUB *	n/a ¹⁾	12.5	5	n/a	0	0	0	2.5	4.5	10
BRITANNIA *	n/a ²⁾	n/a	n/a	n/a	0	0	0	2.5	2.5	2.5
GARD *	n/a ³⁾	n/a	n/a	0	0	0	0	2.5	2.5	5
JAPAN CLUB	10	10	10	7.5	0	0	0	3	3	7.5
LONDON CLUB *	n/a	n/a	10	7.5	0	0	0	5	6	10
NORTH OF ENGLAND	10	15	10	7.5	0	0	0	2.5	4.75	7.5
SHIPOWNERS *	n/a ⁴⁾	5	5	5	0	0	0	0	0	5
SKULD *	n/a ⁵⁾	n/a								
STANDARD	10	12.5	10	7.5	0	0	0	2.5	5	12.5
STEAMSHIP MUTUAL	7.5	12.5	5	7.5	0	0	0	0	0	10
SWEDISH CLUB	10	12.5	5	5	0	0	0	0	2.5	7.5
UK	10	12.5	10	7.5	0	0	0	2.5	6.5	10
WEST OF ENGLAND	10	15	7.5	2.5	5	0	0	0	2.5	7.5

*) American Club, Britannia, Gard, London P&I Club, Shipowners and Skuld decided to abandon the principle of a general increase. Those IG Clubs perform an individual risk evaluation of each member when assessing the policy year premium requirement and is not setting a general increase on premium ratings.

1) The Board has mandated the implementation for 2023 of a year-on-year increase of at least 10% on expiring overall rates.

2) The Board has targeted a 10% General Increase on Britannia's Estimated Total Call.

3) Most Members with an acceptable record should expect an increase of between 5-7%.

4) The Board has concluded that a 10% increase in premiums would be applied to the Yacht sector due to the adverse claims trends within this segment.

5) Members can expect an increase at the upcoming P&I renewal of 10% for the mutual product.

SUPPLEMENTARY CALL HISTORY (IN %)

Policy Year	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
AMERICAN CLUB	0/0	0/30	0/35	0/35	0/15	0/17.5	0/22.5	0/0	0/0	0/0
BRITANNIA	0/0	0/0	0/0	45/45	45/45	45/45	45/45	45/40	45/35	45/45
GARD	0/-5	0/-5	20/10	20/15	25/12.5	25/0	25/0	25/15	25/15	25/15
JAPAN CLUB	40/0	40/0	40/40	40/40	40/40	40/40	40/30	40/30	40/20	40/40
LONDON CLUB	0/0	0/35	0/30	0/35	0/0	0/0	0/0	0/0	0/0	0/0
NORTH OF ENGLAND	0/0	0/0	0/0	0/0	0/0	0/0	0/-5	0/0	0/0	0/0
SHIPOWNERS	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
SKULD	0/0	0/0	0/0	0/0	0/-2.5	0/-2.5	0/-2.5	0/-2.5	0/0	0/0
STANDARD	0/0	0/0	0/0	0/0	0/0	0/-5	0/-5	0/0	0/0	0/0
STEAMSHIP MUTUAL	0/0	0/0	0/0	0/-7.5	0/-10	0/0	0/0	0/-10	0/-10	0/0
SWEDISH CLUB	0/0	0/0	0/0	0/0	0/-5	0/-4	0/0	0/0	0/0	0/0
UK	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/-3	0/-2.5	0/0
WEST OF ENGLAND	0/0	0/0	0/0	0/0	0/0	35/35	35/35	35/35	35/35	35/35

Supplementary Calls are constantly updated as per Club Circulars.

Called below Estimated Supplementary ■
Called above Estimated Supplementary ■

P&I CURRENT RELEASE CALLS (IN %)

Policy Year	Basis of Calculation	2023/24	2022/23	2021/22	2020/21
AMERICAN CLUB	% of Estimated Total Premium	20*	50*	60*	50*
BRITANNIA	% of Estimated Total Call	15	7.5	5	NIL
GARD	% of Estimated Total Call	10	10	5	5
JAPAN CLUB	% of Advance Call	3.5	45	70*	30
LONDON CLUB	% of Annual Call	15	15	15	5
NORTH OF ENGLAND	% of Estimated Total Premium	15	15	5	0
SHIPOWNERS	Abandoned Release Calls	---	---	---	---
SKULD	% of Estimated Total Call	15	15	10	7.5
STANDARD	% of Estimated Total Premium	Tba	12.5	12.5	6
STEAMSHIP MUTUAL	% of Mutual Premium	15	15	12.5	12.5
SWEDISH CLUB	% of Net Premium	15	15	15	15
UK	% of Mutual Premium	20	15	10	5
WEST OF ENGLAND	% of Estimated Total Mutual Call	15	15	15	10

*) Release calls to include the originally-estimated supplementary calls.

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