

# Marine Circular

No. 419/2018



Gothenburg : 25 October 2018

Hull & Machinery  
Insurance Terms  
2019

## Hull & Machinery Insurance 2019

---

**The terms for 2019's Hull & Machinery Insurance are outlined in this circular. The Association will continue to make comprehensive insurance cover available to suit the needs of individual members at rating and deductible levels reflecting exposure.**

### Update

---

#### Business Development

The marine insurance market remains highly competitive. The Swedish Club manages its position with careful risk selection and by line size considerations.

The marine insurance portfolio has shown a stable development through the 2018 policy year. A selective risk appetite has been applied, choosing risks that are close to the Club's core business and also successfully converting follow business to lead business.

Going into the 2019 policy year, the same appetite and focus will be maintained. However, as capacity in the insurance market is decreasing, there are signs of the market firming up and hardening which may over time present an opportunity for a changed risk appetite.

#### Claims Trend

The Club's marine portfolio saw frequency as well as severity at similar levels as previous year. The decrease in cost of larger claims experienced in 2016 continued in 2017 and into 2018, where frequency of large claims is down but average cost is up. This trend is supported by Cefor statistics, showing the same picture as for the Club.

Despite the beneficial trend for Hull & Machinery claims in 2017, the underwriting result for marine was negative. Apart from attributed to a competitive market with pressure on premiums, the increased frequency and cost of Loss of Hire claims continued into 2018.

#### Renewals 2019

The outcome of 2018 has been analysed, with a large focus on assessing the rating and quality of our Loss of Hire portfolio. The Club will offer all members renewal terms tailored to individual performance and exposure.

## Terms for Hull & Machinery Insurance 2019

---

#### Hull Premium

The premium will be based on the type of vessel, management, value, risk exposure and loss records, in addition to the information stated above. In particular, the Association will ensure and prioritize that the premium fully covers the risk exposure.

#### Claims lead

The Association will have the claims lead at all times, unless otherwise agreed in writing. For all policies not covering 100%, where the Association has the claims lead, "The Swedish Club Claims Lead Clause" (A.4) shall apply.

Members electing to place a part of the cover elsewhere, are recommended to arrange for procedures to provide counter-security to the satisfaction of the Association, in cases when the Association decides to issue a Guarantee or a Letter of Undertaking for the full amount.

### Claims – Adjustments – Adjusters

Claims must be reported immediately to the Association by the member. Emergency, office, private telephone numbers, email addresses and other contact details are available on the website, as well as listed in the annual booklet "List of Correspondents". All claims are adjusted by the Association's in-house Adjusters. Adjusters for General Average shall be appointed in co-operation with the Association.

### Renewals

Each member, or its broker, will be contacted individually for renewal discussions.

Statistical records used for the 2019 renewals will reflect the results for 2013, 2014, 2015, 2016 and 2017. Claims development for 2018, if adverse, will also be taken into consideration when deciding renewal terms. Records are only presented in SCOL (Swedish Club OnLine), available on the Association's website.

### Lay-up returns

Applications for lay-up returns will be considered subject to the attached lay-up conditions.

### Club Clauses

Policies for 2019 should contain the full set of Mandatory Club Clauses as outlined in the attachment "Mandatory Club Clauses 2019". The attachment can also be found in the "Downloads" section in SCOL.

Please note the following additions and/or amendments in respect of Mandatory Club Clauses for the 2019 policy year further described in the attachment "Changes in respect of Mandatory Club Clauses 2019" :

- A.2.1 - The Swedish Club Classification Clause 2018-10-01
- A.4 - The Swedish Club Claims Lead Clause 2018-10-01

Yours faithfully,  
The Swedish Club



Lars Rhodin

Enclosures:

- Procedures for Payment of Premium
- Mandatory Club Clauses 2019
- Changes in respect Mandatory Club Clauses 2019
- Lay-up return Application form



## About The Swedish Club

The Swedish Club is a leading marine mutual insurer, headquartered in Gothenburg, Sweden, with offices in Piraeus, Hong Kong, Tokyo, Oslo and London.

The Club, established by shipowners in 1872, is owned, self-managed and under the direct control of its members. We are a true mutual organisation with a focus on marine safety and loss prevention, with a commitment to furthering an enhanced safety culture at sea.

Global ratings agency A.M. Best has awarded The Swedish Club a Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of "a-", with a stable outlook. S&P Global Ratings (S&P) recently revised its outlook on The Swedish Club to positive from stable. It also affirmed its 'BBB+' long-term insurer financial strength and issuer credit ratings for the Club.

## The All-in-One Club

### Protection & Indemnity

The Swedish Club is a member of the International Group of P&I Clubs and offers full mutual cover on a Group basis. Having handled complex P&I matters for more than a century the Club has gained extensive experience in large casualty response.

### Hull & Machinery

Offering good relationships and close cooperation with our members, we can provide on-site assistance from our in-house surveyors and technical experts. Our team of in-house adjusters offers time and cost benefits to both our members and the Club.

### Other Insurance Products

The Swedish Club offers a full range of insurance solutions for every area of your business. These include Freight Demurrage & Defence and Energy & Offshore insurance, in addition to specialist products such as Kidnap & Ransom and War Risks.

### Loss Prevention

Loss prevention is at the heart of everything we do. We deliver a wide range of loss prevention initiatives, training and information, including the Club's Emergency Response Training, Loss Prevention Guides, benchmarking and campaigns. More information can be found at [www.swedishclub.com/lossprevention](http://www.swedishclub.com/lossprevention).

### The Swedish Club Academy

In conjunction with The Swedish Club Academy we offer our members the benefits of the Maritime Resource Management (MRM) course. Designed to minimise the risk of incidents by encouraging safe and responsible attitudes, the Academy specialises in human factors training and related services for those who have marine safety, efficiency and job satisfaction as their main priorities.

### Marine Insurance Courses

Our popular Marine Insurance Course and Marine Insurance Seminars are offered yearly to members around the world and cover the essential aspects of marine insurance, ranging from terms and conditions to the practical handling of claims and loss prevention.

### SCOL - Swedish Club OnLine

Supporting you 24 hours a day, SCOL is a modern intelligence platform which adapts to your needs and helps inform decision making. Your gateway to The Swedish Club, it provides a comprehensive overview of your insurances and claims records at the touch of a button.