

# Marine Circular

No. 425/2019



Gothenburg : 16 October 2019

Hull & Machinery  
Insurance Terms  
2020

## Hull & Machinery Insurance 2020

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**The terms for 2020'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

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#### Business Development

As a result of consecutive years with losses in the insurance sector, the capacity available in the insurance market has been reduced leading to a slowly hardening marine insurance market.

Despite premium levels in the market still below breakeven and below exposure, The Swedish Club has managed well through careful risk selection and line size considerations.

The Club's marine insurance portfolio has shown a selective growth throughout the 2019 policy year. A selective risk appetite has been applied, choosing risks that matches the Club's core business and also successfully converting follow business to claims lead business.

Going into the 2020 policy year, the same appetite and focus will be maintained and as capacity in the insurance market is decreasing, we expect to see further opportunities for growth both in terms of number of vessels and average shares.

#### Claims Trend

In terms of overall Hull & Machinery claims, the Club's marine portfolio saw frequency as well as average claim cost at lower levels compared with recent years. Looking at larger claims in particular, the frequency of large claims is lower compared to previous years and the average cost of large claims remained stable.

Figures provided by The Nordic Association of Marine Insurers CEFOR show similar trends but also an increased number of large losses.

Due to the trend for Hull & Machinery claims in 2019 and a positive result on the Loss of Hire portfolio, the outlook for marine underwriting result for 2019 is positive.

#### Renewals 2020

The Club will offer all members renewal terms tailored to individual performance and exposure.

## Terms for Hull & Machinery Insurance 2020

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#### 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 with a share lower than 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, mobile 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 2020 renewals will reflect the results for 2014, 2015, 2016, 2017 and 2018. Claims development for 2019, 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 2020 should contain the full set of Mandatory Club Clauses as outlined in the attachment "Mandatory Club Clauses 2020". 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 2020 policy year further described in the attachment "Changes in respect of Mandatory Club Clauses 2020":

- A.4 - The Swedish Club Claims Lead Clause 2019-10-01
- A.14 - Co-insurance Clause 2019-10-01

Yours faithfully,  
The Swedish Club



Lars Rhodin

Enclosures:

- Procedures for Payment of Premium
- Mandatory Club Clauses 2020
- Changes in respect Mandatory Club Clauses 2020
- 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.