

## Protection & Indemnity Insurance 2025/2026

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The Board of Directors met in London on 21 November 2024 to review the Club's financial position and consider renewal requirements for the coming policy year 2025/2026. Decisions taken regarding open Policy Years are set out below.

### Update

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The owners' mutual P&I portfolio has remained stable, with entered gross tonnes at 56.6 million. While overall tonnage experienced a slight decline over a 12 months' period, a net positive tonnage inflow was observed in the first half of the Policy Year.

The frequency of claims stayed consistent but elevated, with large claims, including those pooled within the International Group, returning to more expected levels after two benign years. The current inflationary environment has continued to bring impact on claims costs, where attritional claims have developed beyond budgeted levels.

The Board recognized the potential for continued turbulence from geopolitical tensions and market volatility which could influence claims patterns in the future.

Investment markets have been favourable over the past two years, with positive returns strengthening the Club's financial position. However, the Board remains cautious given the unpredictable nature of financial markets and potential global economic shifts.

In light of the current claims inflation environment and underwriting deficits, the Board has decided to apply a 5% General Increase for the 2025/26 Policy Year. This proactive adjustment is necessary to address rising claims costs, ensure premium adequacy, and maintain the Club's portfolio balance and financial resilience.

## Terms for Protection & Indemnity Insurance 2025/2026

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### Decisions and Instructions

At the Board meeting on 21 November 2024, the Board of Directors decided the following regarding premium and deductibles for the P&I policy year 20 February 2025 to 20 February 2026:

- To levy a 5% general increase for the policy year 2025/2026
- Members also subject to individual assessments based on risk profile and performance.
- Instructed the management to contact each Member individually to discuss renewals.
- The new call will be adjusted by any changes in the International Group's reinsurance cost. The call will also reflect the true exposure of the Club's retention, as well as estimated contributions to pool claims, together with an assessment of the Members' records.



- To apply adjustments on deductibles as follows:

Cargo	Up to USD 15,000	+10% (minimum USD +1,000)
Crew	Up to USD 10,000	+10% (minimum USD +1,000)
3 <sup>rd</sup> Party	Up to USD 25,000	+10% (minimum USD +1,000)
Other	Up to USD 10,000	+10% (minimum USD +1,000)

Individual adjustments as appropriate.

### Premiums

All premiums are debited as advance and supplementary calls. It is anticipated that policy year 2025/2026 will be closed in 2028. The Board decided that the premium will be debited in four instalments: at inception on 20 February, 20 May, 20 August and 20 November. The premium will be based on Gross Tonnes (GT) as per the International Convention on Tonnage Measurements of Ships 1969.

### Supplementary Call

Any supplementary call for this year will initially be decided upon in 2025. The current estimated supplementary call for 2025/2026 is 0%.

### Release Call

The release call for 2025/2026 is presently set at 15%. Members should be aware that, even if a release call has been paid, the Association retains the right to make overspill calls as per the P&I Rules (Rule 24).

The current position of open years as decided by the board in November 2024 is as follows:

Year	Status	Estimated Supplementary Call	Release Call
2021/2022	Open	0%	0%
2022/2023	Open	0%	5%
2023/2024	Open	0%	15%
2024/2025	Open	0%	15%
2025/2026	Open	0%	15%

The release call percentages reflect an assessment of the risk that it could become necessary for the Association to levy an unbudgeted supplementary call. The assessment is made by examining the factors set out in the International Group Agreement, notably premium risk, catastrophe risk, reserve risk, counterparty risk, market risk and operational risk.



## Renewals

The premium for 2025/2026 will be based on the Member's record for the five-year period 2019-2023, including the current year, if adverse. Daily updated records and claims summaries are made available in SCOL (Swedish Club OnLine), accessible through the Association's website.

## Application of General Increase and adjustments for records

The announced General Increase and adjustments for records relevant to policy year 2025/2026 will be applied to the net premium applicable for policy year 2024/2025 (gross premium less commission if applicable). Once the excess reinsurance cost for policy year 2025/2026 is known, the old excess reinsurance cost will be taken out of the new net premium and replaced with the new cost of the excess reinsurance applicable for policy year 2025/2026. Thereafter the commission (if applicable) will be calculated/added and the new gross premium will be fixed.

## Payment of Premium

Premiums are to be paid in accordance with the enclosed "Procedures for Payment of Premium".

## Limit of Liability

The overall liability of the Association for 2025/2026 is, unless otherwise stated in the Policy or in the P&I Rules, limited to a maximum collection of a 2.5% contribution for each entered vessel, based on the International Convention on Limitation of Liability for Maritime Claims 1976, property claims Article 6 paragraph 1(b), in excess of reinsurance jointly placed by the International Group. (See also current P&I Rules, "Appendix"). The limit of liability for Oil Pollution is USD 1 billion. In respect of P&I Excess War Risk Cover the limit is USD 500 million, with a sub-limit of USD 80 million in respect of Russian, Ukrainian and Belarus waters, and in respect of certain war and terrorist risks the liabilities arising from Bio-Chem etc., the limit is USD 30 million. For passenger and seaman risks, the limit is USD 3 billion with a sub-limit of USD 2 billion for passenger claims only.

## Lay-up Returns

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

## Special covers

Further information of reinsurance, special covers, US trading etc., will be provided prior to the new Policy Year.

Yours faithfully,

Thomas Nordberg

Enclosures:

- P&I and FD&D Rule changes 2025/2026
- Lay-up conditions 2025/2026
- Procedures for payment of premium