

Protection & Indemnity Insurance 2026/2027

The Board of Directors met in Madrid on 20 November 2025 to review the Club's financial position and consider renewal requirements for the coming policy year 2026/2027. Decisions taken regarding open Policy Years are set out below.

Update

The owners' mutual P&I portfolio has remained stable, with entered gross tonnes at 55.3 million GT across 1,538 vessels and a solid, loyal membership base. Overall tonnage has remained broadly unchanged over the past year, with only minor portfolio adjustments, while the underlying membership base remains solid and supportive.

Year-to-date claims trends are encouraging, with lower claim frequency and reduced cost per vessel. However, the average cost per claim remains elevated. Large losses on the Club's own account have so far been limited, while Pool claims for the current year are broadly within expectations, whereas the current inflationary environment continues to exert upward pressure on claims costs. The Board recognises that geopolitical tensions and changing trading patterns may add further uncertainty to claims development going forward. Investment returns have been supportive and continue to strengthen the Club's financial position, but financial markets remain volatile and cannot be relied upon to offset underwriting performance over time.

In light of the continued claims inflation, elevated cost per claim and the need to maintain a balanced technical result, the Board has decided to apply a 5% General Increase for the 2026/27 Policy Year and will address current deductible levels as part of the renewal. This adjustment is necessary to ensure premium adequacy, support the resilience of the portfolio and safeguard the Club's long-term financial strength.

Terms for Protection & Indemnity Insurance 2026/2027

Decisions and Instructions

At the Board meeting on 20 November 2025, the Board of Directors decided the following regarding premium and deductibles for the P&I policy year 20 February 2026 to 20 February 2027:

- To levy a 5% general increase for the policy year 2026/2027
- 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:

Deductibles to apply to legal costs and expenses.

Standard Minimum Deductibles:

Cargo	USD 17,500
Crew	USD 10,000
3 rd Party	USD 30,000
Other	USD 15,000

All deductibles below standard minimum subject to a minimum increase of USD 2,500.

Individual adjustments as appropriate.

Premiums

All premiums are debited as advance and supplementary calls. It is anticipated that policy year 2026/2027 will be closed in 2029. 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 2026. The current estimated supplementary call for 2026/2027 is 0%.

Release Call

The release call for 2026/2027 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 2025 is as follows:

Year	Status	Estimated Supplementary Call	Release Call
2023/2024	Open	0%	5%
2024/2025	Open	0%	15%
2025/2026	Open	0%	15%
2026/2027	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 2026/2027 will be based on the Member's record for the five-year period 2020-2024, 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 2026/2027 will be applied to the net premium applicable for policy year 2025/2026 (gross premium less commission if applicable). Once the excess reinsurance cost for policy year 2026/2027 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 2026/2027. 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 2026/2027 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 currently USD 100 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 Rule changes 2026/2027
- Lay-up conditions 2026/2027
- Procedures for payment of premium