

Freight Demurrage & Defence Insurance 2026/2027

The Board of Directors met in London 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 Club's FD&D portfolio remains stable, covering 1,432 vessels. As of 1 November 2025 the Association had registered around 650 claims for the current policy year, which is in line with the same period in 2024. Of these, approximately one-third involve general legal advisory services rather than active disputes. The Club prioritizes high-quality service and sustainable growth, aiming to expand its FD&D portfolio and market its legal advisory services to Members requiring legal protection and advice. The Club employs 16 lawyers, including several qualified English solicitors, integrated within the Club's geographical teams. This structure ensures immediate access to collective expertise, equipping the team to handle today's complex legal disputes effectively.

For the first nine months of 2025, FD&D performance shows an improved combined ratio compared with last year, although still above budget in an environment characterised by elevated legal service costs and active member engagement. The long-tail nature of FD&D claims continues to contribute to volatility, and sustained inflation in legal and related costs underlines the need to preserve premium adequacy. To address these pressures and ensure financial sustainability, the Board has decided to levy a 5% General Increase for the 2026/2027 Policy Year. This adjustment is intended to maintain the Club's ability to deliver high-quality legal services while safeguarding its financial strength.

Terms for Freight, Demurrage and Defence 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 FD&D policy year 20 February 2026 to 20 February 2027:

- To levy a 5% general increase for the policy year 2026/2027
- Instructed the management to contact each Member individually to discuss renewals.

Premiums

All premiums are quoted in US Dollars (USD) or Euros (EUR) (unless otherwise agreed) and debited as advance and supplementary calls. It is anticipated that the 2026/2027 policy year will be closed in 2028. Unless otherwise agreed, the premium shall be debited in four instalments: at inception on 20 February, 20 May, 20 August and 20 November. There is a minimum premium period of 3 months.



Supplementary Call

Any supplementary call for this year will initially be decided upon in 2025. The current estimated supplementary call for 2026/2027 is 0%.

Release Call

The estimated release call for 2026/2027 is 5%.

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.

Payment of Premium

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

Lay-up Returns

Lay-up returns are not granted for FD&D cover.

Limit of Cover

The cover is limited to USD 5 million for any one dispute unless agreed to be USD 10 million for any one dispute (see also Rules 5 and 6 in respect of Discretion of the Association).

Excess Limit

The Association does not cover disputes involving amounts of USD 7,500 or less unless otherwise agreed, although advice is available on a case-by-case basis.

Deductibles

Deductibles apply on costs as follows: USD 12,000 and 25% in respect of costs in excess of USD 250,000.

Old years

The current position of the open years as decided by the board on 20 November 2025 is as follows:

Year	Status	Estimated Supplementary Call	Release Call
2023/2024	Open	0%	5%
2024/2025	Open	0%	5%
2025/2026	Open	0%	5%
2026/2027	Open	0%	5%



Enhanced services to members

The Association wishes to remind its Members about its cooperation with ICC's International Maritime Bureau. This cooperation enables the Association's FD&D members to check prospective business partners against a comprehensive fraud and malpractice database. This does not only add value for Members but may also reduce the risk for legal disputes.

Yours faithfully,

Thomas Nordberg

Enclosures:

- FD&D Rule changes 2026/2027
- Procedures for payment of premium