TYSERS

International Insurance and Reinsurance Brokers

THE P&I REPORT '22

BIRDS OF A FEATHER

TYSERS

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INTRODUCTION

Welcome to the latest edition of the Tysers P&I Report.

Just as the impact of Covid is subsiding we are faced with the fresh storms of the distressing crisis in Ukraine, sanctions, inflation and the rapid rise in energy prices and the cost of living, all of which are directly affecting the shipping and insurance industries. In addition, the maritime industry is rightly changing and transitioning to a greener one, and climate change and decarbonisation are triggering important policy changes that will result in a complex and challenging regulatory framework in the forthcoming years.

Whilst some of these storms may be creating opportunities for a few shipping companies, and a market situation that is more receptive to our long-recommended consolidation within the P&I clubs, there is still much to keep those in the industry flapping – hence our “Birds” theme for this report.

We hope that you will find this bird’s eye view of the P&I market gives you a clear perspective.

"AT TYSERS WE TRY HARD TO GIVE OUR CLIENTS INFORMATION THAT IS EASILY ACCESSIBLE, WITH SUCCINCT ANALYSIS OF ALL THE SALIENT POINTS SO THAT INFORMED DECISION MAKING IS AS EASY AS POSSIBLE.

WE HOPE THIS APPROACH MAKES THIS TYSERS REVIEW THE GO-TO REPORT FOR ALL INVOLVED IN THE P&I WORLD."

Thomas D. Wilson
Managing Director
Head of Marine & Aviation

ABOUT TYSERS

KEY FACTS

- Tysers is 200 years old.
- Founded in 1820, it is now one of the largest independent Lloyd's Brokers.
- In 2020 Tysers acquired RFIB, which also had a large marine portfolio.
- The combined total staff exceed 1,100 handling circa US$3 billion of annual premium emanating from clients in over 140 countries.
- We have offices strategically located across all continents positioned to assist in developing local markets or helping local clients where required.
- We are specialist brokers, operating only in classes where we have expertise.
- We excel at finding creative solutions for unusual risks.

Marine remains the largest division within Tysers.

Whilst size may give us added leverage and extended reach, we are adamant that this does not and will not compromise our efforts to remain a client focussed, service oriented broker working hard to provide the best advice, guidance, coverage, claims advocacy and overall service in all aspects of insurance, reinsurance and risk management.

Please visit our website to learn more about what we can offer: www.tysers.com

KEY STRENGTHS

Global expertise

We support clients based in 140 countries around the world, from offices on all the continents.

Established market presence

With Tysers having been around longer than all the P&I Clubs we have had strong relationships with all 13 of them since their beginnings. Furthermore, we have been instrumental in supporting selected alternative fixed premium P&I and open market insurers. The depth of these relationships enable us to achieve competitive pricing together with comprehensive coverages.

Extensive experience

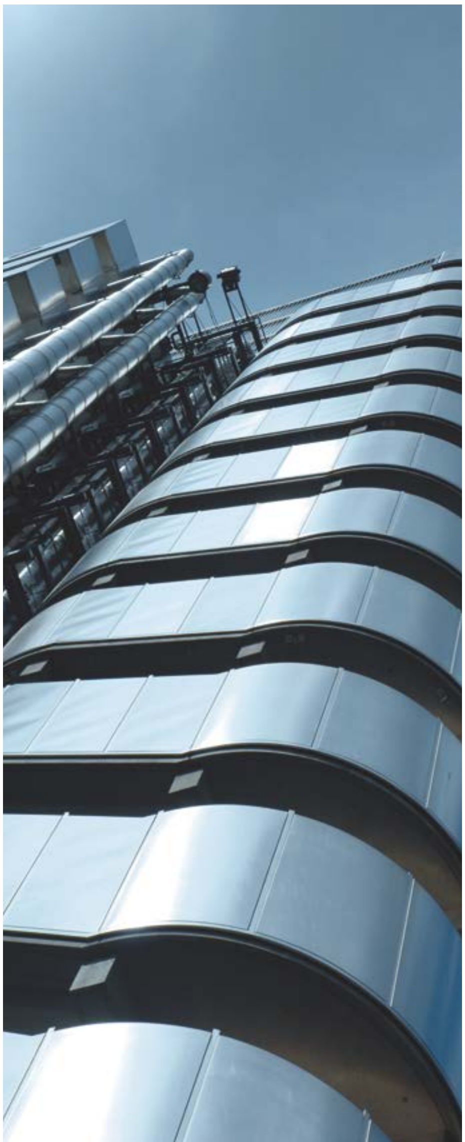
Our P&I team has a unique blend of expertise (totalling more than 250 years!) that is available to clients, having worked previously for International Group P&I Clubs, shipping companies, leading insurers and other major brokers.

Reinsurance expertise

Our reinsurance clients range from the London Market to other major marine underwriting centres, P&I Clubs, fixed premium insurance providers and overseas insurers.

Proactive claims service

Strong claims advocacy is at the heart of what we provide. The broking and claims teams work in harmony, from the same office, to deliver a complete and responsive service.



AREAS OF EXPERTISE

- P&I, FD&D and other marine liabilities including contractual and specialist operations
- Charterers' Covers
- Hull & Machinery
- War Risks
- Piracy
- Kidnap & Ransom
- Loss of Hire/Trade Disruption
- Ports and Terminals
- Cargo
- Containers and Chassis
- Ship Agents' Liabilities
- Bespoke Crew Insurance
- Reinsurance
- Builders' Risks, including related delay covers, and Ship Repairers' Liabilities
- Mortgagees Interest

P&I TEAM CONTACTS

Tom Wilson

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Tom has over 35 years experience working in all classes of marine coverage and leads the Marine & Aviation practice at Tysers. Tom is on the Marine Executive of LIIBA

Martin Hubbard

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Over 40 years P&I experience, mainly as a Senior Underwriter and Director with the Steamship Mutual Underwriting Association Ltd. Joined Tysers in 2005 and now acts as a consultant for them on P&I.

Ian Harris

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Ian joined Tysers from Willis in January 2014, and has over 45 years P&I and H&M experience, including 15 years in claims.

Simon Smart

Email: simon.smart@tysers.com Direct line: +44 (0)20 3037 8303
Mobile: +44 (0)7801 553866

Simon joined Tysers in 2012 having previously worked with Marsh and JLT and brings over 30 years experience in P&I.

Laurent Charlet

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Laurent joined Tysers in January 2018, with 20 years of experience having previously worked as the in-house insurance manager for a major multi-modal shipping company.

Piers O'Hegarty

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Piers joined the Marine Division in 1999 having previously been with Sedgwicks and Aon.

Diana Sailor

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Diana joined us from Zodiac Maritime where she was responsible for insurances of a fleet of over 140 vessels. Prior to Zodiac, Diana worked at the Steamship Mutual as senior FDD claims handler and Stephenson Harwood and Thomas Cooper Law.

Henry Head

Email: henry.head@tysers.com **Direct line:** +44 (0)20 3915 0235

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Henry joined Tysers in August 2017 from another Lloyds broker, and has a wealth of broking experience across all Marine classes. His primary focus is Protection & Indemnity, as well as Market Liability insurance.

Kate Crofton

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Kate has been working in the insurance industry for over 15 years and joined Tysers from Willis in January 2018.

Liam Scott

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Liam joined Tysers in 2016 straight from education and worked in the technical department for a year before being promoted to work in the P&I team.

Adrian Stafford

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Adrian has worked for almost 10 years in the market primarily at RFIB specializing in P&I and Liability placings.

Chris Sydenham

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Managing Director, Claims for Tysers and with 42 years specialising in Marine Claims.

BIRDS OF A FEATHER... FLOCKING TOGETHER

In 2022, the biggest news in the P&I world was without doubt the announcement of the merger of North and Standard Clubs, which should take effect for the 2023 policy year. We have long argued the merits of consolidation within the International Group, so welcome the announcement which will result in a more stable Group still providing more than enough competition with twelve Clubs.

Standard has been going through a torrid time over the last five years, due to a large extent to its failed initiative to diversify via the establishment of its Lloyd's Syndicate. North has shown far more commercial acumen in taking over Sunderland Marine and developing its own hull facility, and has shown good discipline in working through the recent difficult P&I years. Merged into a single unit, NorthStandard will be a stronger, more efficient and attractive Club.

Based on February 2022 figures, the largest four Clubs would look as follows, with NorthStandard and Gard figures covering all lines of business. We would expect NorthStandard to be able to increase its free reserves over a short period of time with savings on administration and compliance costs, higher investment returns and a disciplined approach to underwriting which may see some members not offered renewal.

P&I Club	Owned GT	Accounting year premium $	Free reserves $	Free reserves per GT $
NorthStandard	292,000,000	723,305,000	743,900,000	$2.55
Gard	271,000,000	964,560,000	1,278,281,000	$4.72
UK	150,000,000	339,676,000	488,306,000	$3.26
Britannia	134,700,000	216,931,000	587,895,000	$4.36

Will there be further mergers? We would like to think so, as the IG would be far more stable if the Clubs at the lower end of our ranking were merged with stronger Clubs, but pride and the conservatism of Club Boards and Managers have proved to be a serious stumbling block in the past.

TYSERS RANKING OF THE P&I CLUBS

1. **Gard P&I (Bermuda) Limited**

CONDOR – flying high and rarely flaps its wings

2. **The Shipowners Mutual P&I Insurance Association (Luxembourg)**

ROBIN – small, friendly and popular

3. **The North of England P&I Association Limited**

PELICAN – big beak makes it easy to gobble up prey, digestion can be slow

4. **The Britannia Steam Ship Insurance Association Limited**

OSTRICH – big and dangerous but should not bury its head in the sand

5. **Steamship Mutual Underwriting Association Limited**

PEACOCK – proud with the occasional excellent display

6. **Assuranceforeningen Skuld**

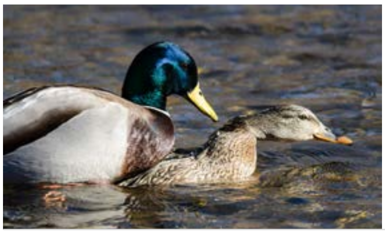
RED KITE – a hovering predator but unlikely to catch a condor

7. The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited

SWAN - swanning around in the middle of the pack

8. The West of England Shipowners Mutual Insurance Association (Luxembourg)

MAGPIE – scavenges well for shiny objects and throws away unattractive items



9. The Standard Club

DUCK - in mating season

10. The Swedish Club

KINGFISHER – busy, elegant, small

11. The Japan Ship Owners' Mutual P&I Association

RED-CROWNED CRANE – a symbol of luck and fidelity, but also an endangered species

12. London Steamship Owners Mutual Insurance Association Ltd

TOWER OF LONDON RAVEN – called Rocky, which seems appropriate

13. The American Club

ROCK PIGEON – always looking for leftovers

2021/22 RESULTS

This year has generally seen a small improvement in the Clubs' underwriting performances, but most Clubs' technical losses remain unacceptably high. There was no investment income to help balance the books so overall free reserves have dropped by $270m to their lowest level since 2015 whereas owned tonnage has grown by 36m GT since last year.

NET COMBINED RATIOS

Club	2017/18*	2018/19*	2019/20 **	2020/21 all business	2020/21 P&I only	2021/22 all business	2021/22 P&I only
American***	103	116	117	116	116	129	129
Britannia****	96	113	132	120	120	116	116
Gard*****	103	116	102	104	112	94	100
Japan	101	86	113	108	108	134	134
London ******	119	140	137	137	137	155	155
North	104	105	126	114	114	107	106
Standard	107	113	131	121	121	105	105
Shipowners	99	104	105	101	101	99	99
Skuld	99	98	109	108	121	107	111
Steamship	113	116	100	125	125	113	113
Swedish	105	99	106	123	146	129	159
UK	91	114	120	150	150	115	115
West	116	114	107	140	140	114	114
Average	**104**	**111**	**116**	**121**	**124**	**117**	**120**

* After changes to calls but not including capital distributions

** Britannia and Steamship net of capital distributions

*** American Club 2021/22 excluding EBUB (unbilled additional calls). NCR including EBUB 112%

**** Britannia 2021/22 before capital distribution $25M

***** Gard 2021/22 Before owners general Discount

****** London 2021/22 excluding Supplementary calls for 2019,2020 and 2021. NCR including the calls is 92.4%

TOTAL INTERNATIONAL GROUP TONNAGE AND FREE RESERVES

Year	Owned GT	Free Reserves (US$)	Reserves Per GT
2015/16	1,154,000,000	4,826,000,000	$4.18
2016/17	1,204,000,000	5,303,000,000	$4.40
2017/18	1,245,000,000	5,643,000,000	$4.53
2018/19	1,273,000,000	5,334,000,000	$4.19
2019/20	1,321,000,000	5,522,000,000	$4.18
2020/21	1,355,930,000	5,524,133,000	$4.07
2021/22	1,392,121,000	$5,254,512,000	$3.77

POOL CLAIMS

Pool claims continue to be blamed for the poor underwriting results.

As at 20th February 2022, there had been 11 Pool claims in the 2021 policy year totalling $487m, compared to 18 in 2020 totalling $463m. The largest claims in 2021 involved the X-PRESS PEARL, which caused massive pollution off Sri Lanka, and the FELICITY ACE, which caught fire and sank with 4,000 vehicles near the Azores.

The following shows the rise in total Pool claims since 2016:

INCURRED POOL CLAIMS IN US$ MILLIONS

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
After 12 months	84	264	306	259	463	487
At 20/02/2022	139	373	428	453	550	

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PROSPECTS FOR 2023

The Clubs have a considerable way to go to achieve the general target of break even underwriting, with the main problem being the substantial increase in the cost of large claims and casualties. Gard and Shipowners are just about there, but London, Swedish, Japan and American have a difficult journey ahead and the rest also have some serious work still to do. There will be considerable relief that there are no confirmed Pool claims in 2022/23 to date.

The Clubs will not be helped by the investment markets, and the losses of the first six months in 2022 will only be recouped, even in part, if the awful war in Ukraine comes to an end, global inflation starts to steady, oil and food prices fall and employment levels stabilise. The aim is probably to minimise losses rather than maximise gains.

Members must therefore expect another difficult renewal, and we expect the Clubs to seek general/target increases at least similar to last year's, so 5- 15% and possibly more in some cases.

RELEASE CALLS

P&I Release Calls as at August 2022

Policy Year

	American	Britania	Gard	Japan	London	North	Standard	Shipowners	Skuld	Steamship	Swedish	UK	West
2019	5	0	0	3.6	5	0	0	0	0	0	0	0	0
2020	5	5	5	3.6	5	0	6	0	7.5	12.5	15	10	10
2021	20	7.5	5	3.6	15	5	12.5	0	10	12.5	15	15	15
2022	20	15	10	3.6	15	15	12.5	0	15	15	15	25	15

All release calls expressed as a percentage of estimated total premium

SUMMARY OF 2021/22 RESULTS

CLUB	U/W Profit/ Loss 2021/22 ($M)	Net Combined Ratio 2021/22	Investment Income 2021/22 ($M)	Surplus Feb 2022 ($M)	Free Reserves Feb 2022 ($M)	Total Owned GT Feb 2022 (M)	Free Reserves per owned GT Feb 2022	Solvency Capital Ratio 2022
American*	(-14)	112%	8	(-8)	64	20	$3.14	N/A
Britannia**	(-29)	116%	15	(-14)	588	135	$4.36	178%
Gard***	25	94%	(-5)	15	1,278	271	$4.72	283%
Japan	(-55)	134%	9	(-37)	181	93	$1.94	N/A
London****	14	155%	(-4)	10	164	45	$3.69	132%
North	(-23)	107%	(-20)	(-17)	434	162	$2.68	234%
Standard	(-14)	105%	(-35)	(-50)	310	130	$2.39	164%
Shipowners	3	99%	15	17	396	29	$13.80	207%
Skuld	(-30)	107%	2	(-15)	430	99	$4.34	174%
Steamship	(-33)	113%	(-4)	(-38)	474	110	$4.30	175%
Swedish	(-44)	129%	10	(-35)	196	59	$3.36	181%
UK	(-35)	115%	20	(-19)	488	150	$3.26	195%
West	(-32)	114%	(-7)	(-40)	251	90	$2.79	163%
	TOTAL	AVERAGE	TOTAL	TOTAL	TOTAL	TOTAL	AVERAGE	AVERAGE
	(-267)	115%	4	(-231)	5,254	1,393	$3.77	190%

Note: Figures in orange are consolidated figures covering all lines of business

* Includes EBUB -(potential additional calls - see Club commentary)

** Includes Boudicca. NCR/Surplus before $25m capital distribution

*** Net combined ratio on ETC basis, other figures net of $19m discount to members

**** Net combined ratio excludes additional calls for 2019, 2020 and 2021 policy years

P&I MARKET SHARE

These comparisons show the relative size of the P&I Clubs by owned gross tonnage, financial year income and free reserves as at 20th February 2022.

P&I Club	Owned GT	%	Accounting year premium $	%	Free reserves $	%
Gard*	271,000,000	19.47	964,560,000	22.76	1,278,281,000	24.33
North**	162,000,000	11.64	429,005,000	10.12	433,700,000	8.25
UK	150,000,000	10.77	339,676,000	8.02	488,306,000	9.29
Britannia	134,700,000	9.68	216,931,000	5.12	587,895,000	11.19
Standard	130,000,000	9.34	294,300,000	6.95	310,200,000	5.90
Steamship	110,200,000	7.92	307,500,000	7.26	473,600,000	9.01
Skuld***	99,000,000	7.11	419,548,000	9.90	430,063,000	8.18
Japan	93,100,000	6.69	166,551,000	3.93	180,686,000	3.44
West	90,100,000	6.47	266,457,000	6.29	251,185,000	4.78
Swedish****	58,500,000	4.20	193,136,000	4.56	196,486,000	3.74
London	44,500,000	3.20	214,848,000	5.07	164,003,000	3.12
Shipowners	28,721,000	2.06	249,005,000	5.88	396,436,000	7.54
American	20,300,000	1.46	175,605,000	4.14	63,671,000	1.21
	1,392,121,000		**4,237,122,000**		**5,254,512,000**	

*Premium for all lines of business. P&I income $510m

**Premium for all lines of business. P&I income $309m

*** Premium for all lines of business, P&I income $307m

**** Premium for all lines of business. P&I income $104m

STANDARD & POOR'S RATINGS OF P&I CLUBS

Insurance Year	2018	2019	2020	2021	2022	Outlook Aug 2022
Gard	A+	A+	A+	A+	A+	Stable
Steamship	A	A	A	A	A	Stable
Shipowners	A	A	A	A	A	Stable
Britannia	A	A	A	A	A	Negative
Skuld	A	A	A	A	A	Negative
North	A	A	A	A	A	Negative
Standard	A	A	A	A	A	Negative
UK	A	A	A	A	A-	Stable
West	A-	A-	A-	A-	A-	Negative
Swedish	BBB+	A-	A-	A-	A-	Negative
Japan	BBB+	BBB+	BBB+	BBB+	BBB+	Stable
London	BBB	BBB	BBB	BBB	BBB	Stable
American	BBB-	BBB-	BBB-	BBB-	BBB-	Negative

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AVERAGE EXPENSE RATIOS (AER)

The AER was introduced in 1998 as a means of comparing the administration costs of the mutual P&I Associations under the terms of their exemption from the E.U. Competition Directive. The Clubs are only obliged to report their five-year AER and the below figures are all five-year averages.

	2018	2019	2020	2021	2022
Shipowners	22.00%	24%	23%	22%	23%
American Club	27.90%	26.60%	24.30%	22.20%	21.30%
North of England	12.10%	12.70%	13.70%	13.60%	15.20%
West of England	14.75%	14.68%	14.60%	14.60%	15.06%
Gard	11.21%	13.04%	12.81%	13.51%	13.70%
Standard	12.50%	12.78%	12.90%	12.70%	13.40%
Britannia	9.73%	10.90%	11.50%	11.66%	12.98%
Swedish	13.40%	13.80%	13.20%	12.80%	12.60%
Skuld	12.70%	12.80%	13%	12.60%	12.40%
Steamship	12.20%	12.40%	12.10%	11.90%	12.40%
UK Club	10.31%	11.09%	11.28%	11.45%	12.27%
London Club	9.68%	10.30%	10.41%	10.46%	11.95%
Japan Club	6.21%	6.52%	7.42%	8.02%	8.29%
Average	13.44%	13.97%	13.86%	13.65%	14.20%

P&I GENERAL/TARGET INCREASES 2014 -22

Target increases are included for 2022 and shown in red for those Clubs who did not declare an official general increase but stated their overall premium increase requirement

	Gard	Skuld*	Britannia	Shipowners**	Swedish	American	Steamship	West***	Japan	North	UK	Standard	London
2014	5	8.5	2.5	5	7.5	10	10	7.5	7.5	7.5	10	12.5	10
2015	2.5	0	2.5	0	2.5	4.5	0	2.5	3	4.75	6.5	5	6
2016	2.5	0	2.5	0	0	2.5	0	0	3	2.5	2.5	2.5	5
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	5	0	0	0	0	0
2020	0	0	0	5	5	0	7.5	2.5	7.5	7.5	7.5	7.5	7.5
2021	0	0	0	5	5	5	5	7.5	10	10	10	10	10
2022	7.5	10	12.5	5	12.5	12.5	12.5	15	10	15	12.5	12.5	12.5
Total 2014/ 2022	**119**	**120**	**121**	**122**	**137**	**139**	**140**	**147**	**148**	**157**	**160**	**161**	**163**

Average 141

* Skuld 2014 is an estimated figure

**Shipowners increases are inclusive of changes to IG reinsurance costs

*** West increases were applied to premium net of group excess loss reinsurance costs until 2019

**** Gard 2022 is an estimated internal target figure

The total shows the cumulative increase based on 2013 premium of 100

SUPPLEMENTARY CALL RECORD

(Original Estimate/Current Estimate)

Policy Year	American	Britannia	Gard	Japan	London	North	Shipowners	Skuld	Standard	Steamship	Swedish	UK	West
2013	0/0	45/45	25/15	40/40	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	35/35
2014	0/0	45/35	25/15	40/20	0/0	0/0	0/0	0/0	0/0	0/-10	0/0	0/-2.50	35/35
2015	0/0	45/40	25/15	40/30	0/0	0/0	0/0	0/0	0/0	0/-10	0/0	0/-3	35/35
2016	0/22.5	45/45	25/0	40/30	0/0	0/-5	0/0	0/-2.50	0/-5	0/0	0/0	0/0	35/35
2017	0/17.5	45/45	25/0	40/40	0/0	0/0	0/0	0/-2.50	0/-5	0/0	0/-4	0/0	35/35
2018	0/15	45/45	25/12.5	40/40	0/0	0/0	0/0	0/-2.50	0/0	0/0	0/-5	0/0	0/0
2019	0/35	45/45	0/-5	40/40	0/35	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2020	0/35	0/0	0/-10	40/40	0/30	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2021	0/0	0/0	0/-5	40/40	0/35	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2022	0/0	0/0	0/-5	40/40	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0

Called above Estimated Total Call   Called below Estimated Total Call   Called full Estimated Total Call

This table does not include capital distributions made by certain Clubs as these are not policy year specific and/or for the benefit of all members.

FREIGHT, DEMURRAGE AND DEFENCE SUMMARY

General Increases (including 2022 target increases)

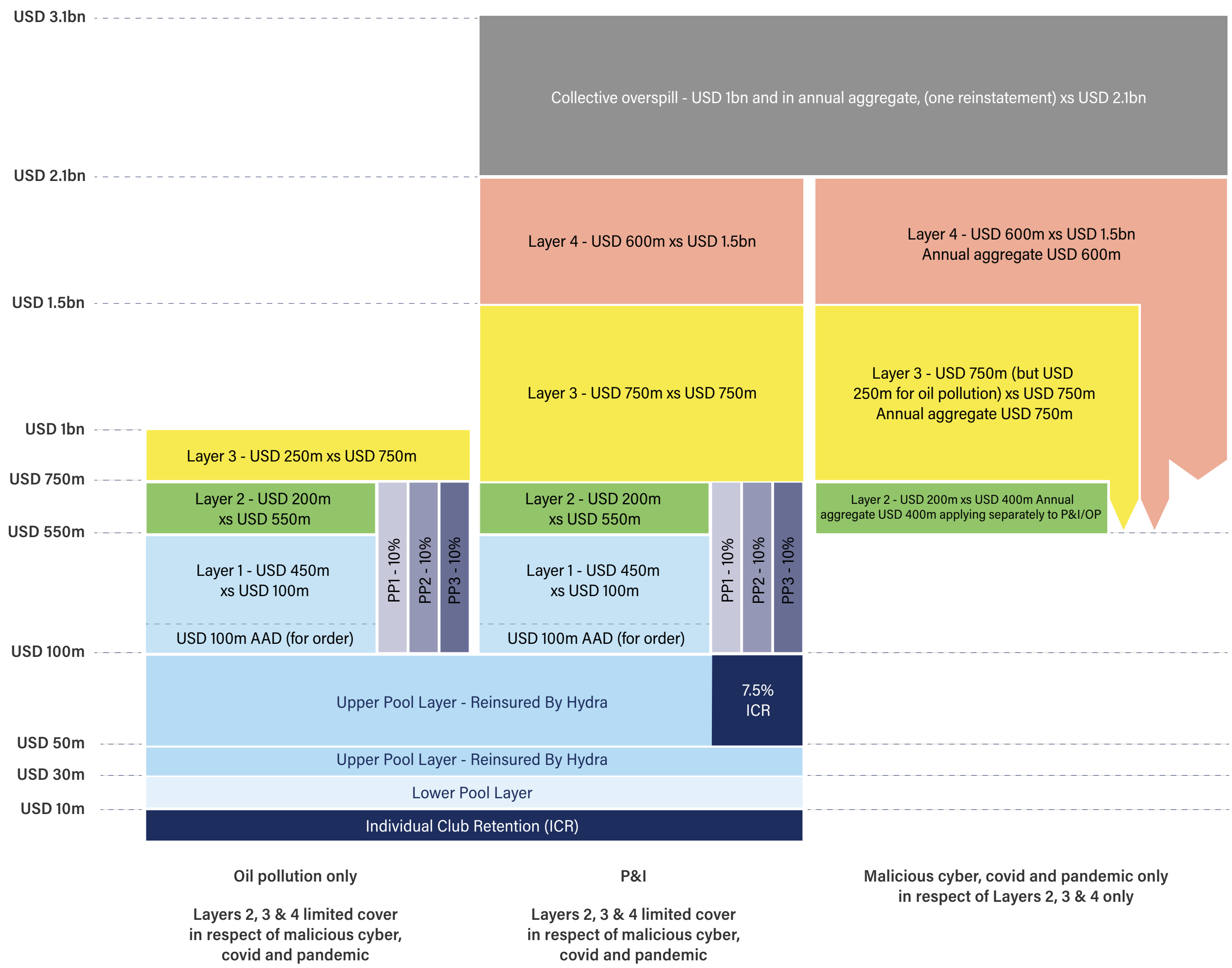
	American	Britannia	Gard	Japan	London	North	Shipowners	Skuld	Standard	Steamship	Swedish	UK Defence Club	West
2016	0	0	2.5	0	5	2.5	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	7.5	7.5	5	0	7.5	7.5	0	0	0
2021	5	0	0	0	10	5	5	0	0	5	10	5	7.5
2022	12.5	15	10	10	12.5	7.5	5	10	12.5	12.5	15	7.5	15

2022 Limits and Deductibles

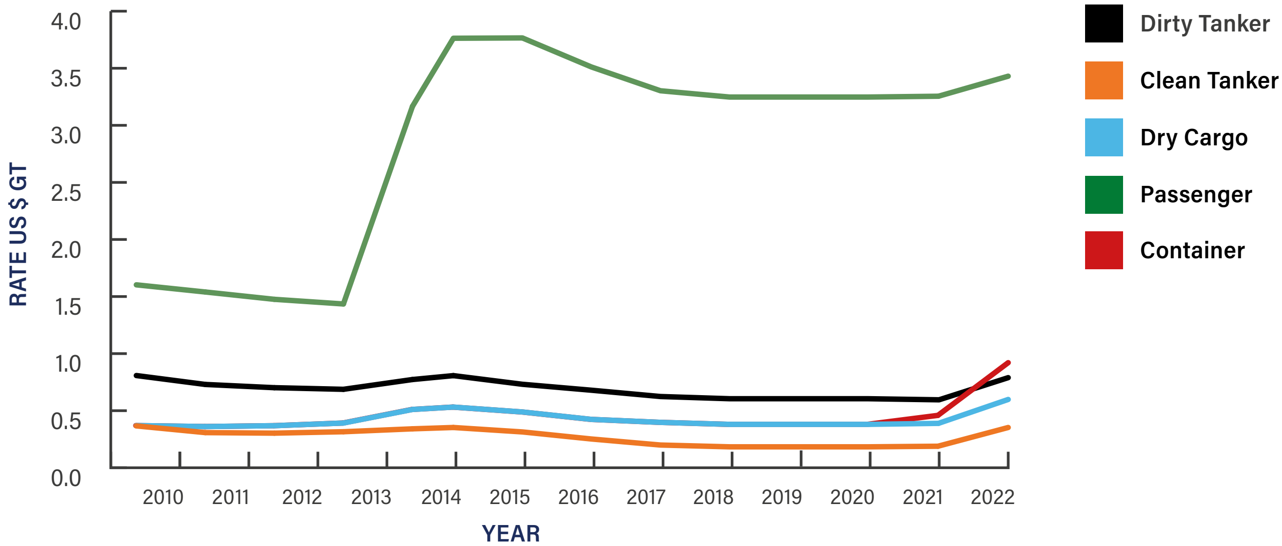
Club	Standard Limit	Standard Deductible
API	$2m (up to $10m on request).	25% Minimum $5,000 maximum $30,000.
Britannia	$10,000,000 (but $2,000,000 sale and purchase).	1/3 of all expenses in excess of $7,500 (capped at $150,000).
Gard	USD 15,000,000 (but USD 1m for pre delivery).	Deductible 25%, minimum USD 5,000.
Japan	Yen 1.5 billion (Eq USD 11.3m).	One third of all costs in excess of USD 1,000.
London	USD7,500,000.	25% of all costs.
North	None (but USD 250,000 for building, purchase, sale and repair etc).	25% with a minimum of US$10,000 and a maximum of US$150,000 per claim.
SOP	USD 5,000,000 (USD 1m building, purchase/ sale).	Variable depending on size/type of vessel
Skuld	USD 5,000,000 (USD 300k for purchase etc).	25% (min. USD 12,500).
Standard	USD 5,000,000.	25% (min. USD 10,000).
SSM	USD 10,000,000 (USD 2,000,000 construction, purchase etc).	USD 7,500 then one third overall maximum USD 50,000.
Swedish	USD 5,000,000 (up to USD 10,000,000 on request).	USD 12,000. However, for costs incurred in excess of USD 250,000 a further deductible of 25% applies.
UK	USD 15,000,000.	Nil but no cover for dispute less than USD 10,000.
West	USD 10m inc new build disputes; USD 15m can be arranged if required.	US$ 5,000 and 25% of the claim in excess of the amount of US$ 5,000, provided that the total deductible shall not exceed US$ 50,000 except where the claim relates to a contract for the building of an insured vessel where the total deductible shall not exceed US$ 100,000.

POOLING AND REINSURANCE 2022/23

EXCESS LOSS PROGRAMME 2022/23



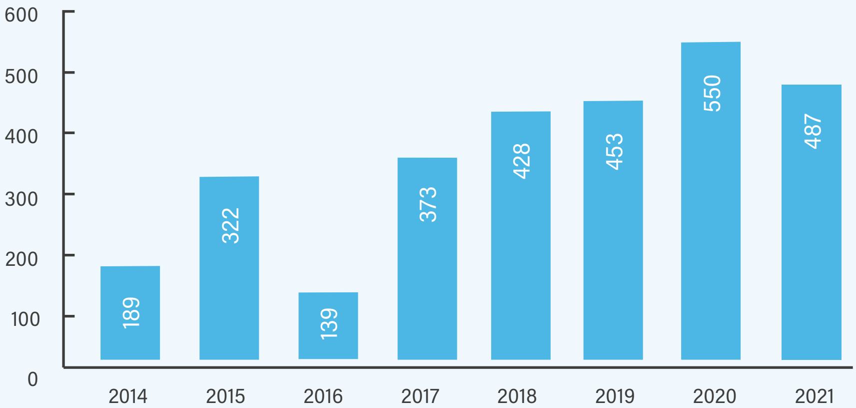
EXCESS OF LOSS REINSURANCE RATES



The Actual rates US$ per GT are:

Category	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Dirty Tankers	0.5955	0.5845	0.5747	0.5747	0.5625	0.6469
Clean Tankers	0.2675	0.2626	0.2582	0.2582	0.2619	0.3666
Dry Cargo Vessels	0.4114	0.4038	0.3971	0.3971	0.4028	0.5639
Passenger Vessels	3.3319	3.2707	3.2161	3.2161	3.2624	3.8677
Container Vessels	(same rate as Dry Cargo until 2021/22)				0.4249	0.6586

ESTIMATED COST OF NOTIFIED POOL CLAIMS



For 2022, there was no change to the Club retention of $10m or the Pool limit of $100m. The table shows the total cost of Pool claims based on historical thresholds.

Estimates in USD millions as at February 2022.

P&I CLUB INFORMATION & REVIEWS

Introduction

- The information contained in this report is not and is not intended to be a definitive analysis of the Clubs' accounts.
- In so far as is possible we have homogenised the data to enable comparison.
- Calls and Premiums are the consolidated totals for all classes.
- The net underwriting statistics express the 'technical' result for the year and exclude any 'non-technical' investment income.
- Operating Expenses include management expenses and business acquisition costs.
- Solvency margins are calculated as the ratio between total assets and gross outstanding claims.
- All monetary figures shown are US dollars.
- Whilst every effort has been made to ensure that the information contained in the report is accurate and up-to-date at the time of printing, this cannot be guaranteed by Tysers. Under no circumstances shall Tysers be responsible or liable for any loss or damage caused directly or indirectly by the publication or use of this information.

AMERICAN STEAMSHIP OWNERS MUTUAL PROTECTION & INDEMNITY ASSOCIATION, INC.

Managers

SCB Inc
(Eagle Ocean Management LLC)

Gross Tonnage

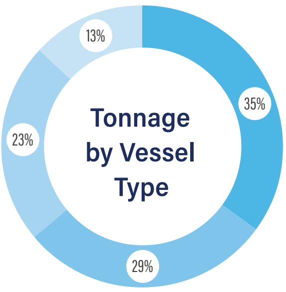
Owned	20,300,000
Chartered	2,800,000

Free reserves

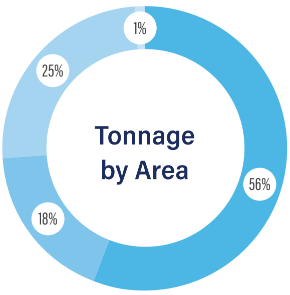
2022	63,671,000
2021	72,000,000
2020	54,192,000
2019	45,225,000
2018	57,614,000

Standard & Poor's Rating

BBB-



- Bulkers
- Tankers
- General Cargo / Passenger / Container
- Tugs / Barges / Small craft



- Europe / Middle East / Africa
- N. America
- Asia
- Other

The Club continues its recent policy of strengthening its figures by the inclusion of EBUB (premium earned but unbilled, reflecting the ability to make additional calls to correct policy year deficits). It has converted EBUB for 2018 – 2020 into additional calls, and includes a figure of $26m for the 2021 year. The Club admits that 2021 was a difficult year, and it is fair to assume there will be an additional call, making six years in succession the Club has had to resort to supplementary funding from the members to remain at all viable. Somewhat surprisingly, owned tonnage grew to just over 20m GT and chartered tonnage also saw an increase.

Retained claims in 2021 were the worst for a decade, and up from $59m last year to $111m. Prior years deteriorated by $35m (2020 figure $13m), and the current year claims totalled $76m (2020 $46m) due to a large extent to unusually high activity in the fourth quarter. Covid claims rose to $6.3m from under $2.5m last year.

The underwriting loss was $14m, a combined ratio of 112% but 129% excluding EBUB. As the Club reports on a calendar year basis, it avoided the investment market falls in early 2022 as the threat of war in the Ukraine grew, and an investment return of just over 7% helped reduce the final deficit to $8m.

Including EBUB for the last two years, free reserves have dropped from $72m to $64m, while excluding EBUB they dropped from $47m to $36m.

The worry for us is that despite regular unbudgeted calls, the Club's position continue to look fragile, and we do wonder if it is simply not possible to run the type of tonnage entered on a break- even basis. The saving grace for the Club is that the rest of the International Group has little interest in its business, so many members have little option but to pay up and continue their membership.

The Club's hull facility, American Hellenic, is now licensed to write P&I business as well and will henceforth be known as American Club (Europe). No doubt like a pigeon it will be scavenging industrially for scraps of new business. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	175,605	113,934	137,085	95,951	98,389
Reinsurance Cost	29,866	23,306	28,411	22,546	24,194
Net Claims (incurred)	111,402	59,033	71,443	45,905	36,302
Operating Expenses	48,501	42,502	43,545	39,805	40,300
Net Underwriting Result	(14,166)	(10,907)	(6,314)	(12,305)	(2,407)
Gross Outstanding Claims	253,798	215,440	215,503	192,689	193,493
Total Assets	402,136	365,769	341,224	308,060	322,228
Average Expense Ratio	21.30%	22.20%	24.30%	26.60%	27.90%
Solvency Margin	1.58	1.70	1.58	1.60	1.67
Reserves/GT Ratio	$3.14	$3.85	$3.17	$2.42	$3.37

Figures include EBUB - premium earned but unbilled - which appears to reflect the ability of the Club to charge additional calls to cover policy year deficits

All figures $'000

THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED

Managers

Tindall Riley (Britannia) Limited

Gross Tonnage

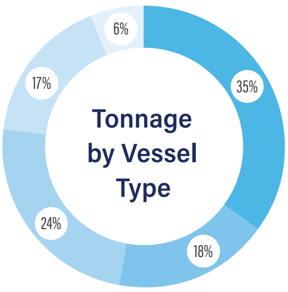
Owned	134,700,000
Chartered	73,500,000

Free reserves

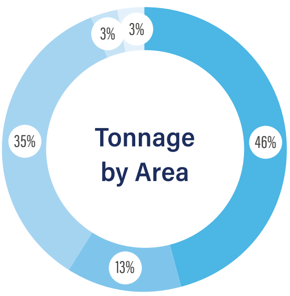
2022	587,895,000
2021	626,855,000
2020	594,388,000
2019	587,561,000
2018	641,557,000

Standard & Poor's Rating

A



- Bulkers/OBO
- Tankers (Crude)
- Containers
- Tankers (Other)
- Cargo/Other



- Asia
- Scandinavia
- Europe
- Americas
- Other

Our review again covers Britannia and its dedicated reinsurer Boudicca on a combined basis to enable proper comparison with the rest of the International Group.

2021 was a decent enough year given the general state of the P&I market. Gross premium rose from $200m to $217m, while net incurred claims were up $4m at $165m. The combined ratio improved from 120% to 116%, a technical loss of $29m but an investment return of $15m reduced the overall loss to $14m.

On a policy year basis, the Club saw a rise in attritional claims including those relating to Covid, but claims over $1m were down to 16 worth $46m compared to 20 totalling $63m in 2020.

The Club felt comfortable to make a capital distribution during the year of $25m to mutual members, so free reserves fell by $39m to $588m, back to 2019 levels but still a healthy $4.36 per owned GT. The Club has now returned $120m to members since 2017.

There was strong growth in entered tonnage which rose to record levels. Owned tonnage grew by nearly 10m to 135m GT, with much of the rise coming from existing members, including 207 vessels switching to the Club from split entries. Ten new members joined during the year and at

the 2022 renewals, and a new chartered account pushed total chartered tonnage up by 20m to nearly 74m GT. Clearly the members are being well-looked after and are happy with the service and financial security the Club offers, and the Club remains an attractive alternative for those who may not be so happy with their existing Clubs.

In October 2021, S&P felt it necessary to assign a negative outlook to the Club's A rating, citing large Pool claims and the need to raise rates which is the same problem for the vast majority of the International Group. We doubt members, particularly those who have benefited from the $120m capital distributions over the last five years, will be too worried about this but while the Club no longer has official general increases it did set a target rise of 12.5% last year and we may see a similar approach at the 2023 renewal.

Britannia is a big bird in the P&I world but must keep an eye on what its main competitors are up to. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	216,931	200,086	201,185	204,415	208,147
Reinsurance Cost	41,700	38,798	33,152	32,433	30,507
Net Claims (incurred)	164,888	160,674	189,832	164,941	144,828
Operating Expenses	39,113	32,520	31,891	28,649	25,666
Net Underwriting Result	(28,770)	(31,906)	(53,691)	(21,608)	7,146
Gross Outstanding Claims	1,051,603	1,220,857	1,198,743	1,163,551	1,142,577
Total Assets	1,690,512	1,873,450	1,806,962	1,747,396	1,807,557
Average Expense Ratio	12.98%	11.66%	11.50%	10.90%	9.73%
Solvency Margin	1.61	1.53	1,51	1.50	1.58
Reserves/GT Ratio	$4.36	$5.01	$5.06	$5.25	$6.00

Please note all figures for Britannia have been restated to include those of Boudicca.

All figures $'000

GARD P&I (BERMUDA) LIMITED

Managers

Gard AS

Gross Tonnage

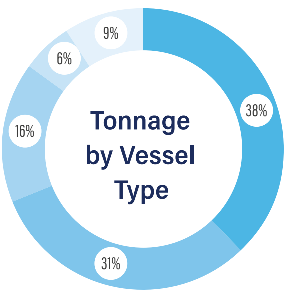
Owned	271,000,000
Chartered	95,000,000

Free reserves

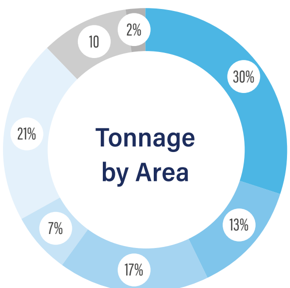
2022	1,278,281,000*
2021	1,262,920,000*
2020	1,179,200,000*
2019	1,158,391,000*
2018	1,248,567,000*

Standard & Poor's Rating

A+



- Tankers & Gas
- Bulkers/OBO
- Containers
- Dry Cargo
- Passenger/Cruise/MOU/Other



- Asia
- Norway
- Europe
- Germany
- Greece
- Americas
- Middle East

The Club has this year issued its first integrated report and value creation model, based on the Value Reporting Foundation's Integrated Reporting standards.This approach combines the sustainability report and directors' report previously presented as two separate documents, which the Club feels is a mature development of its reporting and provides a more holistic overview of its business performance. With some signs of normality returning after the pandemic and the P&I market getting back on airplanes to visit clients again, the timing is perfect as, running to over 140 pages, a concentrated study of the report will keep most readers occupied for even the most lengthy long haul flights. But will it convince them to reduce their travel and revert to environmentally friendly Zoom meetings?

Concentrating on the figures, Gard had an excellent year on the underwriting side. Gross written premium on an ETC basis (before Owners General Discount – OGD) exceeded $1 billion for the first time, an increase of 12% on 2020/21, while claims were slightly down at $629m. The combined ratio across all lines was 94%.

The P&I combined ratio was 100% before OGD, which was worth $19m to members. Owned tonnage grew by 10m to 271m GT, while chartered business remained stable at 95m GT.

The only downside was the lack of investment income, with the Club suffering a small loss of $5m due to currency fluctuations. However, any overall surplus is welcome in the current turbulent times, and Gard seems very happy with its profit of $15m net of the OGD.

S&P has rightly upgraded its outlook from negative to stable, and Gard remains the only Club with an A+ rating. It also continues at the top of our bird table, moving ahead with an elegance which requires little flapping of its wings.

Chairman Morten Hoegh is proud of the Club's performance, commenting that "In the face of adversity, we see time and again that our model works". He welcomes the move towards consolidation in the marine insurance industry, believing it will bring increased competition and stronger industry players to keep Gard on its toes. As the most successful Club, Hoegh recognises Gard must lead by example, and believes they are doing so in many areas including ESG initiatives and sustainable business practices.

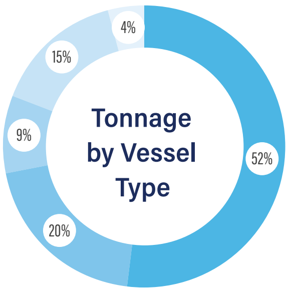
Year	2022	2021	2020	2019	2018
Calls/Premium	509,959	519,838	442,052	481,130	467,425
Reinsurance Cost	98,687	103,238	97,890	102,296	106,201
Net Claims (incurred)	384,323	412,504	405,015	338,538	357,388
Operating Expenses	47,716	35,088	38,831	102,190	45,490
Net Underwriting Result	(20,767)	(30,992)	(99,864)	(61,894)	(41,654)
Gross Outstanding Claims	1,403,790*	1,473,288*	1,381,122*	1,409,646*	1,338,266*
Total Assets	3,222,487*	3,206,380*	2,881,429*	2,858,758*	2,867,126*
Average Expense Ratio	13.70%	13.51%	12.81%	13.04%	11.21%
Solvency Margin	2.30*	2.18*	2.09*	2.03*	2.14*
Reserves/GT Ratio	$4.72*	$4.83*	$4.82*	$5.05*	$5.59*

Note: items marked * are Group figures and include all business lines, not just P&I.

All figures $'000

THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION

Managers	
Self-Managed	
Gross Tonnage	
Owned	93,100,000
Chartered	8,600,000
Free reserves	
2022	180,686,000
2021	243,666,000
2020	235,935,000
2019	237,876,000
2018	226,524,000
Standard & Poor's Rating	
BBB+	



- Bulk carriers
- Tankers
- Car Carriers
- Container Ships
- General Cargo/Other

Sadly, 2021/22 was a terrible year for the Club. Covid claims rose significantly, there were two large claims in excess of the $10m retention and the Naiko (coastal) class suffered its biggest ever claim. Owned tonnage dropped 4m to 93m GT, although the Club states most of the losses were owners with poor records. S&P has changed its outlook for the Club's BBB+ rating from positive to stable, which is probably a relief.

On top of all this, the depreciation of the yen has had an adverse effect on claims costs and the US$ accounting position. Gross premiums were down $11m to $167m, while net claims rose a massive $34m to $155m. The combined ratio rose from 108% to 134%, and the technical loss was $55m. A small investment gain did little to help the picture and the overall post-tax loss saw free reserves fall by $63m to $181m, which equates to a very worrying $1.94 per GT, the lowest in the International Group by some margin.

The decline in free reserves is greater than the deficit shown in the Summary Results on page 17 due to unique accounting practices in Japan dealing with catastrophe reserves, unrealised gains on securities and capital contribution funds, as well as rate of exchange variations in the US dollar

equivalent of the yen figures in the formal accounts.

Sadly, all the improvements in recent years have been reversed in one flutter of a bird's wings. Director General Shizuo Takahashi expects claims levels to fall in 2022/23 as Covid-related claims dropped rapidly in the second half of 2021/22, and he promises to "continue to work to achieve stable profitability in 2022 and to raise the credit rating by increasing the registered tonnage and enhancing the financial base as well as promoting the measures including digitalisation for the medium and long term growth of the Association."

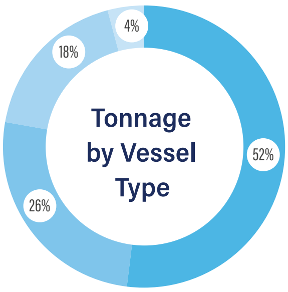
We wish him well and hope for a quick turnaround of fortunes based on loyalty of members and some good luck as associated with the Red-crowned Crane, both of which are needed to cease the risk of being an endangered species in the P&I market.

Year	2022	2021	2020	2019	2018
Calls/Premium	166,551	178,080	183,078	194,384	214,241
Reinsurance Cost	43,531	44,157	46,174	42,351	50,681
Net Claims (incurred)	154,702	120,396	118,370	118,734	121,533
Operating Expenses	23,270	24,250	25,710	25,739	26,536
Net Underwriting Result	(54,952)	(10,723)	(7,176)	7,560	14,164
Gross Outstanding Claims	671,742	592,800	468,556	435,842	398,057
Total Assets	592,442	673,058	659,533	643,569	645,160
Average Expense Ratio	8.29%	8.02%	7.42%	6.52%	6.21%
Solvency Margin	0.89	1.14	1.41	1.48	1.62
Reserves/GT Ratio	$1.94	$2.51	$2.39	$2.49	$2.42

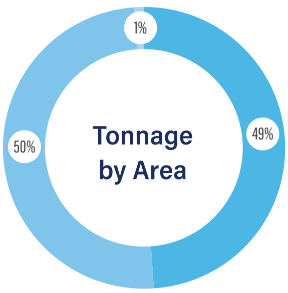
All figures $'000

LONDON STEAMSHIP OWNERS MUTUAL INSURANCE ASSOCIATION LTD

Managers	
A Bilbrough & Co Ltd	
Gross Tonnage	
Owned	44,500,000
Chartered	20,000,000
Free reserves	
2022	164,003,000
2021	153,571,000
2020	173,891,000
2019	168,843,000
2018	194,642,000
Standard & Poor's Rating	
BBB	



- Bulkers
- LNG/LPG & Tankers
- Container
- Cargo



- Asia
- Europe
- Americas

2021 was also a disastrous year for the London Club. While gross premium rose 11% to $133m (excluding the unbudgeted supplementary calls for 2019-21 totalling $82m), claims went through the roof with 14 claims over $1m totalling a net $66m compared to an average of six over the previous five years costing approx. $20-$25m p.a. The X-Press Pearl casualty off Sri Lanka is the Club's most expensive claim ever, hitting the Pool and the IG Excess Loss reinsurance. In addition, Covid- related claims rose from $3m in 2020 to over $11m. Net claims totalled $154m compared to $120m in 2020, and this is net of reinsurance recoveries of $267m.

To add to the Club's woes, there was an investment loss of $4m.Without the additional calls announced in October 2021 of 35% for 2019 and 2021 and 30% for 2020, the operating loss would have been $66m, but thanks to the calls an overall surplus of $10m was achieved, pushing free reserves up to $166m.

Unsurprisingly, it looks like a number of members decided that enough was enough and moved to other Clubs at the 2022 renewal. As a result, owned GT declined from 53m to under 45m GT, although chartered tonnage remained stable.

The Board has this year taken a very close look at the Club's operations. Chairman John Lyras reports that the Board has carried out a review of measures to achieve viable underwriting results and of other strategic issues such as product development and resources in key market areas, and is also looking at how to improve work efficiency. After four years of dire underwriting results, we cannot help but feel this may all be too little too late.

It will be interesting to see what S&P feel about this. Our suggestion would be a phone call to Skuld to see if it fancies a "merger". The Club has dropped down our ranking and now sits above only the American Club. These are "Rocky times" and without drastic action, it is difficult to see a long- term future for the Club. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	214,848	119,497	116,175	103,660	101,728
Reinsurance Cost	21,019	19,529	18,502	19,671	20,393
Net Claims (incurred)	154,232	120,194	118,680	104,019	83,902
Operating Expenses	24,867	16,489	15,093	13,644	12,655
Net Underwriting Result	14,730	(36,715)	(36,100)	(33,674)	(15,222)
Gross Outstanding Claims	591,969	352,225	334,851	326,160	298,144
Total Assets	809,311	545,036	526,501	511,570	512,840
Average Expense Ratio	11.95%	10.46%	10.41%	10.30%	9.68%
Solvency Margin	1.37	1.55	1.57	1.53	1.72
Reserves/GT Ratio	$3.69	$3.08	$3.43	$3.30	$4.29

All figures $'000

NORTH

Managers	
Self-Managed	

Gross Tonnage	
Owned	162,000,000
Chartered	90,000,000

Free reserves	
2022	433,700,000
2021	450,300,000
2020	443,810,000
2019	463,037,000
2018	450,462,000

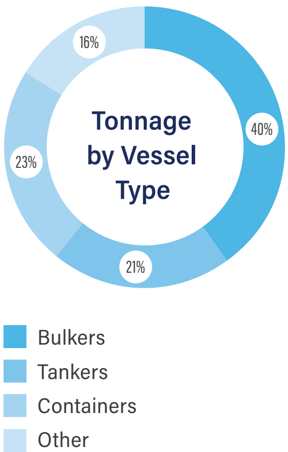
Standard & Poor's Rating	
A	

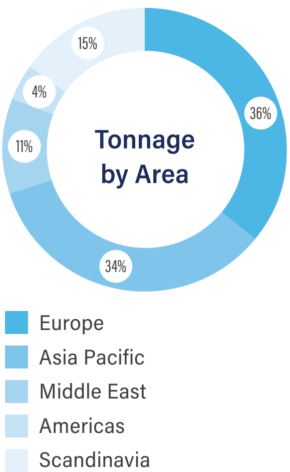
The Club reports an improvement in many financial performance indicators. Premium rose by $23m to $429 and claims were down $20m at $282m. The combined ratio improved from 114% to 107%, with mutual P&I at 106% and the Sunderland Marine Fixed P&I at 90% for a third consecutive year. Owned GT rose by 4m to 160m GT, with chartered tonnage stable at 90m. We are told the performance across all business lines was "robust", particularly Hull and Fixed premium which delivered to plan in terms of income growth and underwriting performance.

Even the accounting position of the Club's pension scheme improved by $26m. However, in contrast to last year when an investment return of $63m (6.67%) pushed the Club to an overall surplus, 2021 saw an investment loss of $20m (-1.75%). The underwriting loss was $23m, and the overall deficit of $17m saw free reserves fall back to $434m, their lowest since 2017 and the equivalent of $2.68 per owned GT – better than Standard's $2.39 but still not entirely comfortable.

The other downside was an increase of $45m in retained claims for the 2021 policy year compared to 2020. This was mainly due to Covid-related claims but there was also an increase in claims over $1m from 32 to 37, with two hitting the Pool.

The merger with Standard has our support and, handled properly, will improve long-term financial stability for both. The Club also promises it will deliver "a compelling service proposition" and "faster innovation to meet evolving market requirements". We hope it is right, and after a busy period of acquisition, new products and merger, the pelican will carefully digest its full stomach and develop condor-like characteristics.





Year	2022	2021	2020	2019	2018
Calls/Premium	429,025	406,159	346,567	345,019	387,599
Reinsurance Cost	82,161	79,822	65,512	61,701	81,326
Net Claims (incurred)	282,010	301,885	274,490	227,138	243,944
Operating Expenses	87,623	69.456	74,715	68,868	77,410
Net Underwriting Result	(22,769)	(45,004)	(68,150)	(12,688)	(15,081)
Gross Outstanding Claims	1,146,110	1,288,182	1,256,282	836,932	826,053
Total Assets	1,803,880	1,930,274	1,873,184	1,429,786	1,413,731
Average Expense Ratio	15.20%	13.60%	13.70%	12.70%	12.10%
Solvency Margin	1.57	1.50	1.49	1.71	1.71
Reserves/GT Ratio	$2.68	$2.85	$2.77	$3.15	$3.17

Figures include all lines of business

All figures $'000

THE SHIPOWNERS MUTUAL PROTECTION & INDEMNITY INSURANCE ASSOCIATION (LUXEMBOURG)

Managers

The Shipowners' Protection Ltd

Gross Tonnage

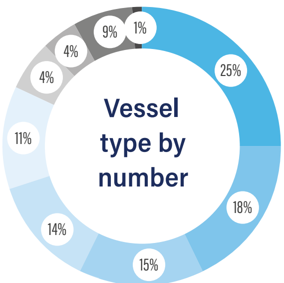
Owned	28,721,000
Chartered	N/A

Free reserves

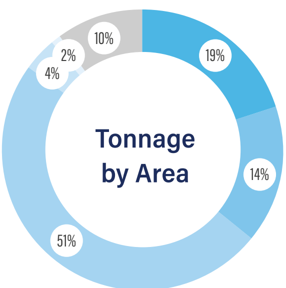
2022	396,436,000
2021	379,065,000
2020	339,974,000
2019	303,825,000
2018	341,726,000

Standard & Poor's Rating

A



- Harbour
- Barges
- Fishing
- Ferries
- Offshore
- Dry
- Tankers
- Yachts
- Autonomous



- Europe
- Americas
- S.E Asia & Far East
- Australia/NZ & Pacific
- Africa/Rest of World
- Middle East & India

Shipowners Club is now officially the most boring Club to review, although this is for all the right reasons. Yet again the Club has delivered a set of results that are the envy of the International Group and show it need have no fear of competition within the Group or from inferior commercial offerings.

A 99% membership retention saw gross tonnage rise by 3% to 28.7m GT, with the yacht sector showing the most growth. Gross premium rose by $17m to $249m, while claims were up just $4m at $161m. Covid-related claims were up 20% on 2020 but the biggest impact on claims were extreme weather events, including cyclones in India and typhoons in the Philippines. The largest claim involved the sinking of an accommodation barge offshore of Mumbai, with the tragic loss of 75 lives, and this has been notified to the Pool.

The net combined ratio improved to 98.7% from last year's 101%, producing an underwriting surplus of $2.9m, and a decent investment return of $14.5m (3.5%), thanks to its calendar year accounting period, resulted in an increase in free reserves of $17.4m to just over $396m. Thus, despite all the issues affecting the International Group in recent years, the Club's free reserves have grown by $93m since 2019.

The smiling Club does not go in for EBUB, additional calls, release calls, diversification or mergers. It sticks to its core business and does this very well, and an average combined ratio of 98% over the last ten years is a solid performance any Club would be proud of. As a result, it has the resources to develop new digital technologies to assist in the daunting task of managing the entry of over 34,000 vessels, and is also rolling out Medisea, an enhanced product for seafarers covering psychological, physical and mental wellbeing assessments to supplement the bare minimum medical examinations, which should reduce the incidence of health-related incidents on members' vessels.

The rest of the International Group must be thankful that Shipowners Club concentrates solely on smaller vessels, and envious that this little bird is so popular. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	249,005	232,081	224,902	224,267	216,341
Reinsurance Cost	25,835	24,864	24,943	29,270	29,706
Net Claims (incurred)	161,160	157,091	156,491	151,038	136,165
Operating Expenses	59,086	59,159	53,741	52,156	48,709
Net Underwriting Result	2,924	(9,033)	(10,273)	(8,197)	1,761
Gross Outstanding Claims	506,926	516,216	464,442	440,348	425,420
Total Assets	1,017,123	1,002,390	905,789	843,216	859,393
Average Expense Ratio	23%	22%	23%	24%	22%
Solvency Margin	2.01	1.94	1.95	1.91	2.02
Reserves/GT Ratio	$13.80	$13.62	$12.56	$11.15	$13.41

All figures $'000

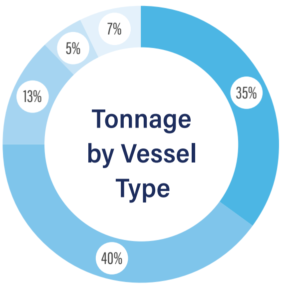
ASSURANCEFORENINGEN SKULD

Managers	
Self-Managed	

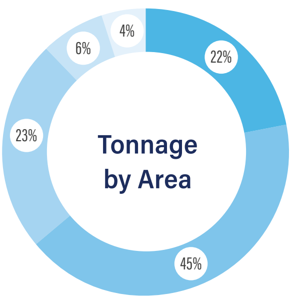
Gross Tonnage	
Owned	99,000,000
Chartered	N/A

Free reserves	
2022	430,063,000
2021	459,079,000
2020	465,845,000
2019	452,723,000
2018	442,026,000

Standard & Poor's Rating
A



- Bulkers
- Tankers
- Containers
- General Cargo
- Other



- Europe
- Asia
- Nordic
- Americas
- Other

2021 was something of a dull year for the Club. The combined ratio across all business improved slightly from 108% to 107%, although mutual P&I improved from 121% to 111%. Other business deteriorated from 94% to 104% due to some large claims in the offshore sector.

Premium rose by nearly $30m to $419m, of which $307m relates to mutual P&I, FDD and chartered vessels. Mutual owned premium rose by just 2.3%, with other lines increasing by 13%.

Net retained claims were up $17m at $318m and contributed to a technical loss of $30m. A small investment return of $2m plus a tax return of $13m reduced the final loss to $15m. However, a somewhat complicated deferred Norwegian cessation tax liability, against which can be offset incurred claims, contributed to an overall reduction in free reserves of $29m to $430m. This still equates to a healthy $4.34 per owned GT.

Chairman Klaus Kjaerulff concludes that "2021/22 was a difficult year. Pool claims through the International Group were much higher than expected, and Skuld's own claims – P&I and commercial alike – were also higher than usual. Investment income was driven down by factors beyond our control, including the global geopolitical situation and the ongoing Covid-19 pandemic. In view of these circumstances, Skuld's result is acceptable, and better than

I had anticipated thanks to the outstanding efforts of Skuld's staff and management."

The Club has stalled in recent years in its drive to compete with Gard, and CEO Stale Hansen acknowledges that work is required – "We are intent upon bolstering Skuld's robust financial position, so our diligent work to optimise our portfolio and return to positive underwriting results continues". More interestingly, Hansen comments that for several years the Club had predicted consolidation in the P&I sector and so is not surprised to see it begin. He sees the North/Standard merger as a reminder that size and financial strength are important and, while current strategy is to stand alone, "we are open to relevant opportunities that may arise".

As the Club celebrates its 125th year in 2022, it may wish to look at the state of one or two of the other IG Clubs to check whether a "relevant opportunity" to spread its wings and build its market position is closer than it thinks. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	419,548	390,839	390,760	401,621	412,739
Reinsurance Cost	54,123	44,736	47,361	56,070	57,363
Net Claims (incurred)	317,651	301,168	288,842	244,577	251,580
Operating Expenses	78,035	75,065	89,775	92,937	92,224
Net Underwriting Result	(30,261)	(30,130)	(35,219)	8,037	11,572
Gross Outstanding Claims	917,595	690,573	801,897	875,663	925,721
Total Assets	1,116,048	1,080,979	1,067,131	1,040,143	1,070,091
Average Expense Ratio	12.40%	12.60%	13%	12.80%	12.70%
Solvency Margin	1.22	1.57	1.33	1.19	1.16
Reserves/GT Ratio	$4.34	$4.68	$5.01	$4.93	$4.73

Note: All figures are Group figures including all business lines, not just P&I. All figures $'000

THE STANDARD CLUB

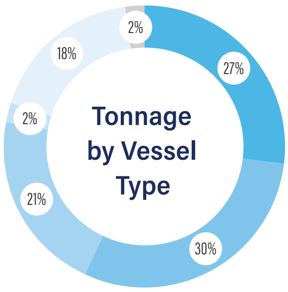
Managers	
Self-managed	
Gross Tonnage	
Owned	130,000,000
Chartered	28,000,000
Free reserves	
2022	310,200,000
2021	360,300,000
2020	393,700,000
2019	434,700,000
2018	461,500,000
Standard & Poor's Rating	
A	

Chairman Cesare d'Amico will be relieved this is his last report for Standard before he takes over the mantle at NorthStandard, and it is no surprise he concentrates on the future and the benefits of the merger with only a brief summary of 2021.

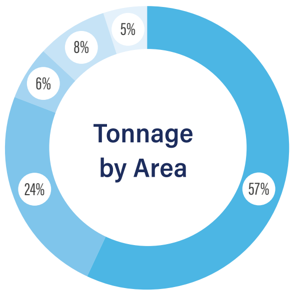
The Club did improve its combined ratio to 105% from last year's 121%, with gross premium up just $1m on last year at $294m but net claims down $37m at $213m. The technical loss was $14.4m, a vast improvement on last year's $63m. However, an investment loss of $35m resulted in an overall deficit for the year of $50m, compared to last year's loss of $33m.

Since 2018, free reserves have dropped by nearly a third from $462m to $310m. With owned tonnage up 9m on 2020/21 to 130m, free reserves per ton now stand at a fragile $2.39 per owned GT, and the Club's Solvency Capital Ratio of 164% is one of the lowest in the International Group.

The last five years have seen the Club reduced from a strong, reliable Club to one of the weakest, with a disastrous diversification strategy and substantial P&I technical losses forcing the Club to change its management structure. Some cynics may feel the merger with North is more akin to saving this duck from diving any deeper.■



- Tankers
- Cargo/Container
- Bulkers
- Passenger & Ferries
- Offshore
- Other



- Europe
- Asia
- USA
- Rest of World
- Canada

Year	2020	2021	2020	2019	2018
Calls/Premium	294,300	292,700	353,500	386,400	334,300
Reinsurance Cost	64,500	64,400	96,000	80,700	80,800
Net Claims (incurred)	212,900	260,400	309,100	274,100	232,300
Operating Expenses	31,300	30,000	58,100	81,100	45,700
Net Underwriting Result	(14,400)	(62,100)	(109,700)	(49,500)	(24,500)
Gross Outstanding Claims	799,300	834,600	929,500	883,600	967,900
Total Assets	1,212,200	1,254,200	1,416,700	1,466,300	1,538,400
Average Expense Ratio	13.40%	12.70%	12.90%	12.78%	12.50%
Solvency Margin	1.52	1.50	1.52	1.66	1.59
Reserves/GT Ratio	$2.39	$2.98	$3.03	$3.34	$3.50

All figures $'000

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED

Managers

Steamship P&I Management LLP

Gross Tonnage

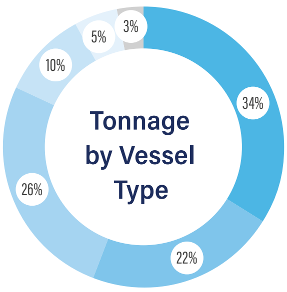
Owned	110,200,000
Chartered	85,000,000

Free reserves

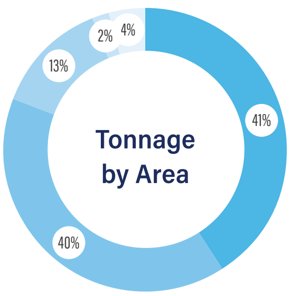
2022	473,600,000
2021	511,064,000
2020	515,342,000
2019	467,049,000
2018	515,968,000

Standard & Poor's Rating

A



- Bulkers
- Tankers
- Container
- Cruise/Ferry
- General Cargo
- Other



- Far East
- Europe
- North America
- Latin America
- Middle East/India

2021 was a year of contrasts for the Club. Gross premium rose by $23m to $308m, net claims were down $7m at $245m and the combined ratio improved from last year's 125% to 113%. However, for the first time since 2016, the Club suffered an investment loss, albeit a small one at net $4m, and the overall loss of $38m has reduced free reserves to $474m. The Club does not appear too perturbed by this, rightly so as reserves of $4.30 per owned GT remain very solid and among the best in the International Group, and from 2017 to 2020 the Club returned $204m on its investments.

There has been considerable tonnage growth, with owned entries up 14m to 110m GT and the substantial chartered entry grew by 4m to 85m GT. Over the last five years, owned tonnage has grown by 25m GT and is now the sixth largest in the International Group, up three places since last year. The Club insists it remains very selective on new entries.

Chairman Armand Pohan points out that the combined ratio for the last six years has increased from 99% to 105%, and underwriting

balance (i.e 100%) remains the objective for each financial year "even when adverse external factors seem likely to affect the outcome." He also confirms there will be no capital distribution to members this year, and we doubt this will come as a surprise to the membership.

CEO Stephen Martin has little to add, and is clearly delighted that he and his colleagues are able to travel again. He does conclude that "the Club is well positioned to provide the financial security and service which the membership expects, and on which newly joining Members place considerable reliance." Proud as a peacock but a good display of plumage would be welcome next year. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	307,500	284,405	308,725	306,661	295,318
Reinsurance Cost	50,900	50,773	48,389	50,522	52,089
Net Claims (incurred)	245,500	252.735	218,027	246,358	241,369
Operating Expenses	43,700	40,307	40,780	41,623	40,570
Net Underwriting Result	(32,600)	(59,410)	529	(31,842)	(38,710)
Gross Outstanding Claims	1,009,800	955,538	821,204	827,408	830,826
Total Assets	1,526,100	1,507,197	1,381,712	1,343,120	1,378,037
Average Expense Ratio	12.40%	11.90%	12.10%	12.40%	12.20%
Solvency Margin	1.51	1.58	1.68	1.62	1.66
Reserves/GT Ratio	$4.30	$5.32	$5.83	$5.46	$6.06

All figures $'000

TYSERS

THE SWEDISH CLUB

The Swedish Club

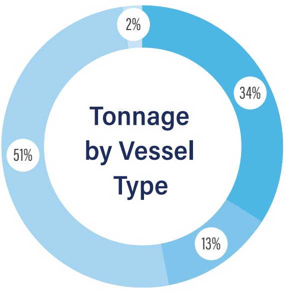
Managers	
Self-Managed	

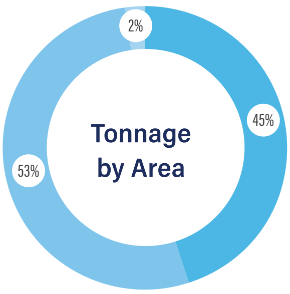
Gross Tonnage	
Owned	58,500,000
Chartered	34,000,000

Free reserves*	
2022	196,486,000
2021	231,431,000
2020	228,445,000
2019	203,838,000
2018	213,472,000

Standard & Poor's Rating	
A-	

* All classes of business





The 2021 calendar year was a bad one for the Club but, in true P&I tradition, there is no admission of this and M.D. Lars Rhodin prefers to mention that all classes of business were generally in balance except P&I, and the Club's financial standing enabled it to manage the situation. The problem is that of the total premium of $193m for all classes, $105m relates to P&I and this class had an awful combined ratio of 159%. Marine & Energy returned 103% and FDD 109%, so the overall combined ratio was 129% compared to the initial forecast of 104%.

The resultant technical loss of $44m was offset a little by a reasonable investment return of $10m (3%) but free reserves fell from $231m to $196m, their lowest since 2017. Like the American and Shipowners Clubs, Swedish Club has a calendar year accounting period so avoided the market fall as war in Ukraine became inevitable. P&I owned tonnage did grow by 2.5m GT to 58.5m, and chartered tonnage grew by 2m to 34m GT.

P&I premium grew by $10m to $105m but claims were up nearly $12m at $93m, with 26 claims over $500,000 compared to the expected 10-15. Covid claims tripled in cost compared to 2020 but the largest claim related to the "Ambition Journey", a bulk carrier which became a total loss following a grounding in the Philippines,

resulting in the Club's first Pool claim for four years. Rhodin bemoans the fact that premiums are simply not sufficient to deal with "social inflation" – a society that shows no tolerance to a casualty, draconian rulings in courts, government action and demands for higher compensation have all pushed the cost of casualties so high that "premiums are simply not at the level required to meet this kind of exposure".

The Club celebrates its 150th anniversary this year. It is proud of its history but states that the most important thing is to have the trust of its members in order to continue. It seems to us that prompt remedial action is necessary to prevent any further erosion of free reserves and maintain the financial stability required by the members.

We like the kingfisher and want it to survive happily.

Year	2022	2021	2020	2019	2018
Calls/Premium	104,694	94,115	93,268	90,485	95,362
Reinsurance Cost	33,415	27,381	25,827	27,300	27,390
Net Claims (incurred)	93,076	81,529	59,979	47,052	60,562
Operating Expenses	14,346	13,743	14,439	14,870	15,303
Net Underwriting Result	(36,143)	(28,538)	(6,977)	1,264	(7,893)
Gross Outstanding Claims*	342,046	279,105	238,041	225,053	258,123
Total Assets*	689,801	632,583	580,036	530,472	533,582
Average Expense Ratio	12.60%	12.80%	13.20%	13.80%	13.40%
Solvency Margin*	2.02	2.27	2.44	2.36	2.07
Reserves/GT Ratio*	$3.36	$4.13	$4.57	$4.29	$4.18

Note: items marked * are Group figures and include all business lines, not just P&I.

All figures $'000

THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED

Managers

Thomas Miller

Gross Tonnage

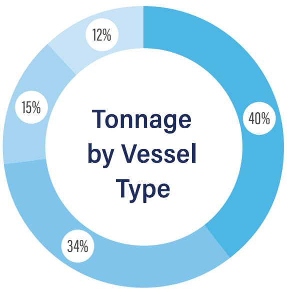
Owned	150,000,000
Chartered	100,000,000

Free reserves

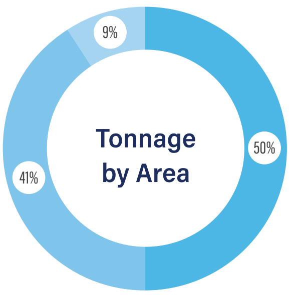
2022	488,306,000
2021	507,398,000
2020	559,194,000
2019	504,793,000
2018	539,980,000

Standard & Poor's Rating

A-



Tankers/Gas
Bulkers
Container
Other



Europe/M.East/Africa
Asia Pacific
Americas

Chairman Nicholas Inglessis emphasised last year that 2020 was an exceptional year with a combined ratio of 150% and and overall loss of $52m, and predicted matters would improve in 2021. We are pleased to report that he was correct, and there are some good signs with gross P&I premium up $50m to $336m, claims down $55m to $218m, 99% member retention and owned tonnage up 15m to 150m GT.

The combined ratio improved to 115%, and in a difficult year an investment return of $20m (1.9%) was a good result and helped reduce the overall loss for the year to $19m (including an exceptional loss of $4m connected with the transfer of historic occupational disease claims). Free reserves have thus fallen below $500m to $488m for the first time in five years.

Inglessis admits there is more to be done but feels there has been significant progress towards correcting premium rating and stabilising the underwriting result, as the Club seeks to get back to a break even technical position. While 2021 was a fairly benign year for large claims (over $500,000), the increased cost of such claims is regarded as a major factor in the inadequacy of rates across the market. Attritional claims

increased due to Covid-related incidents, and the cost of retained Pool claims is also a worry.

"Work in progress" is the message, with the Club perhaps somewhat optimistically asserting it is well positioned to meet the challenges and exploit the opportunities of the future. With the Club's European office UK P&I Club N.V now providing fronting for other Thomas Miller business such as the TT Club and ITIC (reinsured 100% back to the fronted company), we suppose the Club can now argue it has diversified well beyond just P&I, but it is going to need another disciplined P&I renewal to prove it is back on track. It cannot continue to swan around and needs to show some of the aggression associated with this bird. ■

Year	2022	2021	2020	2019	2018
Calls/Premium	339,676	286,376	305,037	322,398	361,793
Reinsurance Cost	106,331	76,624	60,386	64,860	65,119
Net Claims (incurred)	217,668	272,506	251,707	250,941	225,700
Operating Expenses	50,826	43,843	43,724	43,654	34,542
Net Underwriting Result	(35,149)	(106,597)	(50,780)	(37,057)	36,432
Gross Outstanding Claims	1,275,256	1,288,949	957,030	984,145	986,236
Total Assets	1,815,889	1,841,992	1,533,085	1,506,871	1,640,168
Average Expense Ratio	12.27%	11.45%	11.28%	11.09%	10.31%
Solvency Margin	1.42	1.43	1.60	1.53	1.66
Reserves/GT Ratio	$3.26	$3.69	$3.94	$3.51	$3.88

All figures $'000

THE WEST OF ENGLAND SHIPOWNERS MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)

Managers

Self-Managed

Gross Tonnage

Owned	90,100,000
Chartered	45,000,000

Free reserves

2022	251,185,000
2021	291,134,000
2020	338,147,000
2019	306,373,000
2018	308,533,000

Standard & Poor's Rating

A-

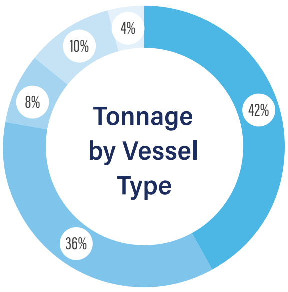
2021/22 was another difficult year for the Club which saw free reserves drop by $40m to $251m. The combined ratio did fall from last year's dreadful 140% to 114%, with Covid and Pool claims to blame. Excluding Covid claims, the ratio was 101% which the Club feels does show an underlying improvement in claims performance. Sadly, a negative investment return of 0.9% failed to provide any help to the bottom line.

There were some encouraging signs. Gross premium rose by $23m to $266m, and net claims were down $29m at $210m. No individual claim hit the Pool. Most importantly, the Club was brave enough at the 2022 renewal to adopt a a de-risking strategy which resulted in 22m GT with a combined net loss ratio of 170% not being offered renewal. Year on year owned mutual tonnage dropped by 16m to 90m GT. One immediate result of this is that the Club's contribution to Pool claims has dropped from 10.3% to 7.3%, a significant benefit if Pool claims continue to run at the high levels of recent years.

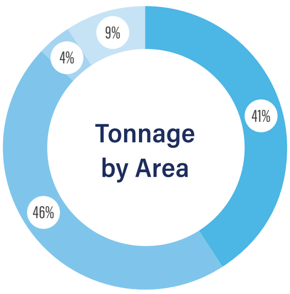
Group CEO Tom Bowsher believes "the Club has emerged from the renewal leaner and in

a much stronger financial position to meet the challenges ahead, which is especially important where the investment markets can no longer be relied upon to produce returns which are sufficient to subsidise poor operating performance. West's diversification strategy continues to evolve, with the fixed premium and charterers accounts growing and continued engagement with Members, brokers and third parties about the products offered by the Club's strategic partners Astaara, Qwest and Nordic".

We hope he is right, and the "magpie" selective approach to renewals produces a healthy improvement on recent results. ■



Bulkers
Tankers
Containers
Cargo/Reefers
Ferries/Passenger /Other



Europe
Asia
Americas
Other

Year	2022	2021	2020	2019	2018
Calls/Premium	266,457	243,037	221,663	219,726	213,797
Reinsurance Cost	43,618	41,281	39,908	38,646	37,496
Net Claims (incurred)	210,065	239,511	156,726	169,668	169,143
Operating Expenses	44,867	42,606	38,182	37,438	35,392
Net Underwriting Result	(32,093)	(80,361)	(13,153)	(26,026)	(28,234)
Gross Outstanding Claims	686,834	757,465	548,719	567,069	577,660
Total Assets	1,025,152	1,127,841	927,072	912,460	918,531
Average Expense Ratio	15.06%	14.60%	14.60%	14.68	14.75%
Solvency Margin	1.49	1.48	1.69	1.61	1.59
Reserves/GT Ratio	$2.79	$2.74	$3.33	$3.30	$3.41

All figures $'000

AT TIMES WE NEED TO BANG OUR HEADS ON A HARD SURFACE

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