



TYSERS

International Insurance and Reinsurance Brokers



THE P&I REPORT '23

STATE OF THE MARKET
IS BIG BEST?



TYSERS

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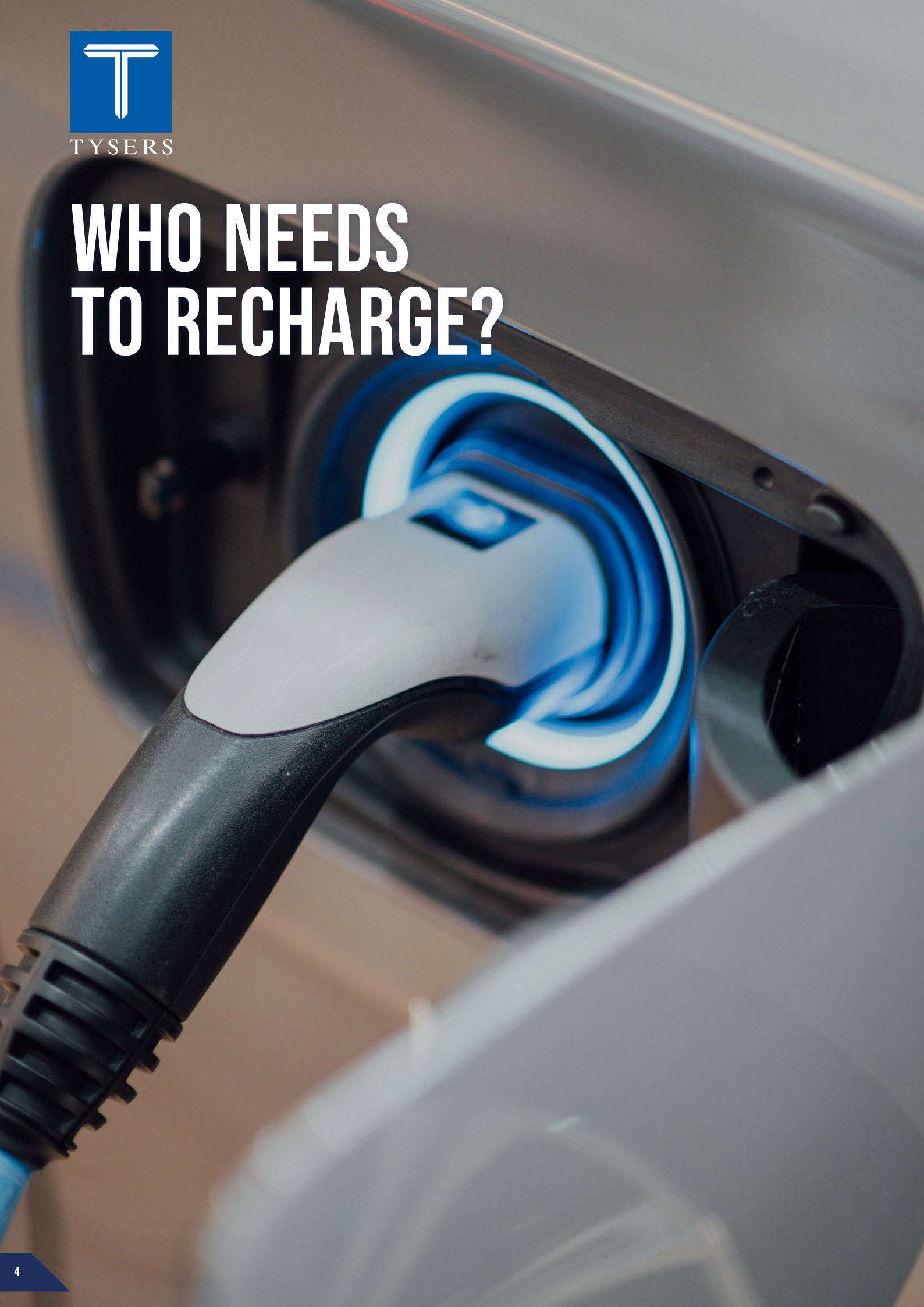
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TYSERS

WHO NEEDS TO RECHARGE?



INTRODUCTION

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

In the last year the drive towards decarbonisation has resulted in many industry firsts. We have seen a number of hydrogen powered and autonomous vessels making their maiden voyages, and there is a demand for ever larger vessels to bring economies of scale. However, these new technologies, when combined with the erosion of specialist maritime skills, increased cyber risks and GPS spoofing, and a significant rise in fire losses are causing a change in maritime exposures.

The P&I Clubs are being very proactive in endeavouring to plan for owners' possible future response and service requirements but there remains much to do. We hope that the Clubs are using the benign 2022 pool claims experience as a chance to give their engines a serious overhaul. Hence our 'Car' theme this year.

We hope you will find this 'mechanic's' report incisive.



“AT TYERS, WE MAKE EVERY EFFORT TO ADVISE OUR CLIENTS IN THE MOST INFORMATIVE, SUCCINCT AND INTERESTING WAY. WE BELIEVE THIS IS WHAT SETS US APART.”

Thomas D. Wilson
Managing Director
Head of Marine & Aviation

ABOUT TYSERS

KEY FACTS

- Tysers is over 200 years old.
 - Founded in 1820, it is now one of the largest independent Lloyd's Brokers.
 - In 2022 Tysers was acquired by AUB Group Ltd (AUB), which is listed on the Australian Stock Exchange. AUB is one of the largest groups of insurance brokers and underwriting agencies in Australia and New Zealand. AUB places USD 6bn GWP, with 3,000 employees.
 - Tysers forms the international operation of AUB and places
- US\$3bn of GWP emanating from clients in over 140 countries, and with 1,100 employees.
 - 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 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

300 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

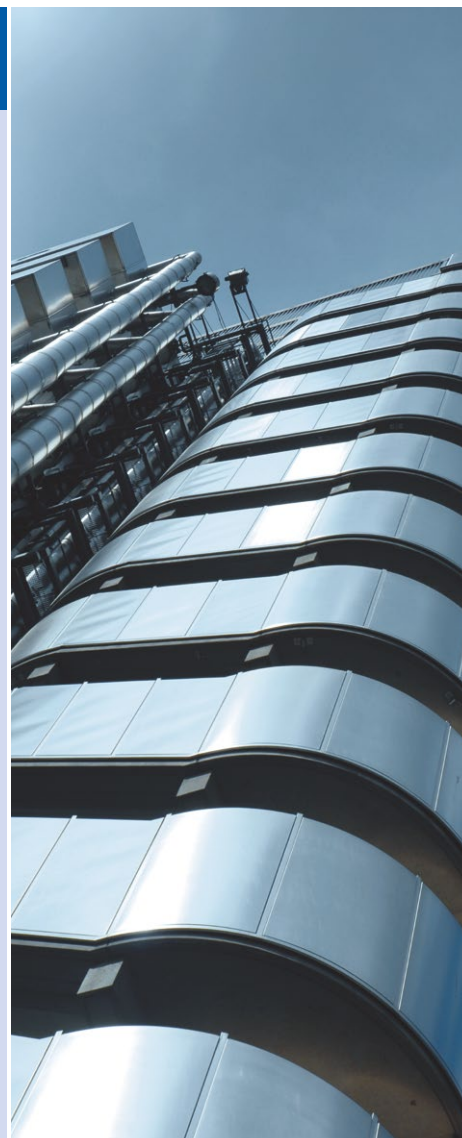
Our reinsurance clients range from the London Market to other major marine underwriting centres, P&I Clubs, fixed premium insurance providers and overseas insurers.

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

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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.



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



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David started his career at Besso's in 2011, having spent 8 years as an Officer in the British Military and joined Tysers in 2018. David has focussed his efforts on the US market with particular emphasis on Fishing vessels in North and South America.



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.



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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.



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



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Brian recently joined Tysers and has over 40 years experience in the marine sector. A qualified solicitor who also has seafaring experience as a deck officer, Brian has spent most of his career in the P&I market in both the mutual and fixed premium sectors.



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Managing Director, Claims for Tysers and with over 40 years specialising in Marine Claims.





BIG IS BETTER?

STATE OF THE MARKET

So 2022 ends with 13 Clubs and 2023 starts with 12. Besides the NorthStandard merger, 2022 will be remembered for the lack of serious casualties giving some respite to the Clubs after five years of mounting Pool claims. As detailed below, the respite was to some extent prejudiced by the deterioration of prior year Pool claims during 2022, but the average P&I combined ratio improved from 120% last year to around breakeven, with six Clubs below 100% but London and Swedish still suffering with 128% and 116% respectively. The International Group as a whole managed a technical surplus of just over \$150m across all lines of business, but this was almost entirely due to Gard, whose profit came mainly from excellent results in Marine & Energy.

Investment losses exceeded \$500m, and the IG's free reserves fell below \$5 billion. Free reserves now stand at \$3.52 per owned GT, a fall of \$1 per GT compared

to five years ago. The Clubs must be very relieved there was such a dearth of serious claims, otherwise 2022 could easily have turned into a disaster for them. Some Clubs do not appear overly concerned with the investment losses, much of which are unrealised, and have adjusted their portfolios to take advantage of current high interest rates in the hope of a speedy recovery of the losses.

There is no doubt that the smaller Clubs (with the exception of the niche Shipowners Club) will continue to struggle and the bigger Clubs offer more stability and are able to cope far better with market volatility. The reduction in the IG to 12 Clubs will in no way cut competition, and another merger or two with smaller Clubs subsumed by more solid ones would produce an even more competitive, and certainly more stable, P&I market.

TOTAL INTERNATIONAL GROUP TONNAGE AND FREE RESERVES

Year	Owned GT	Free Reserves (US\$)	Reserves Per GT
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
2022/23	1,382,037,000	4,866,444,000	\$3.52

POOL CLAIMS

The deterioration on prior years has negated much of the benefit of the benign 2022 year, with claims in 2017 – 2021 increasing by a total of \$523m during 2022.

INCURRED POOL CLAIMS IN US\$ MILLIONS

(ICRs NOT deducted, excludes co-assurance / AAD)

USD Millions

As at \ Pol Yr	2015	2016	2017	2018	2019	2020	2021	2022
1 year	198	84	227	306	259	463	399	75
2 year	277	126	270	456	442	550	621	
3 year	284	145	290	490	453	724		
4 year	283	137	311	428	513			
5 year	291	140	333	448				
6 year	295	139	380					
7 year	297	149						
8 year	297							



POOL CLAIMS ARE EXPENSIVE

NET COMBINED RATIOS

Club	2018/19*	2019/20**	2020/21 all business	2020/21 P&I only	2021/22 all business	2021/22 P&I only	2022/23 all business	2022/23 P&I only
American***	116	117	116	116	129	129	108	108
Britannia****	113	132	120	120	116	116	107	107
Gard*****	116	102	104	112	94	100	81	92
Japan*****	86	113	108	108	134	134	84	84
London*****	140	137	137	137	155	155	128	128
North	105	126	114	114	107	106	N/A	N/A
Standard	113	131	121	121	105	105	N/A	N/A
NorthStandard	N/A	N/A	N/A	N/A	N/A	N/A	95	92
Shipowners	104	105	101	101	99	99	97	97
Skuld	98	109	108	121	107	111	97	100
Steamship	116	100	125	125	113	113	95	95
Swedish	99	106	123	146	129	159	102	116
UK	114	120	150	150	115	115	104	104
West	114	107	140	140	114	114	97	97
Average	111	116	121	124	117	120	100	102

* After changes to calls but not including capital distributions

** Britannia and Steamship net of capital distributions

*** American Club 2021 and 2022 excluding EBUB (unbilled additional calls). NCR including EBUB 112% for 2021 and 104% for 2022.

**** Britannia 2021/22 before capital distribution \$25m

***** Gard 2021/22 and 22/23 before owners general discount

***** Japan 2022/23 including supplementary calls for 2020 and 2021

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

TYSERS RANKING OF THE P&I CLUBS



1.= Gard P&I (Bermuda) Limited
MCLAREN ARTURA – FAST AND CLASSY



1.= NorthStandard
BUGATTI CHIRON - BIG AND BOLD



3. Assuranceforeningen Skuld
AUDI SQ8 E-TRON - INNOVATIVE AND AIMING BIG



4. Steamship Mutual Underwriting Association Limited
MERCEDES S CLASS - RELIABLE AND LOTS OF APPEAL



5. The Shipowners Mutual Protection & Indemnity Insurance Association (Luxembourg)
TESLA MODEL S - A SMOOTH RIDE



6. The Britannia Steam Ship Insurance Association Limited
SOLID BUT MOVING SLOWLY



- 7.** The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited
- VW ID BUZZ - HAS ATTRACTIONS, LACKS POWER**



- 8.** The West of England Shipowners Mutual Insurance Association (Luxembourg)
- VW TIGUAN - MID-RANGE AND STEADY**



- 9.** The Swedish Club
- RENAULT CLIO - TIME FOR A BIGGER MODEL**



- 10.** The Japan Ship Owners' Mutual P&I Association
- NISSAN QASHQAI - FRESH FROM AN UPLIFT**



- 11.** American Steamship Owners Mutual Protection & Indemnity Association, Inc.
- REGULAR REPAIRS KEEP IT GOING**



- 12.** London Steamship Owners Mutual Insurance Association Ltd
- RUNNING OUT OF GAS?**

PROSPECTS FOR 2024

While combined ratios have improved, a return to a more usual pattern of Pool claims would easily upset the apple cart. We shall have to wait to see how claims trends are developing in 2023 and whether financial market volatility continues to prevent reasonable investment returns but, as matters currently stand, we expect supplementary calls from the weakest Clubs and believe many Clubs will be taking a cautious approach to the 2024 renewal with general increases around the 10% mark. We shall as usual update the position in December.

RELEASE CALLS

P&I Release Calls as at August 2023

Policy Year

	American	Britannia	Gard	Japan	London	NorthStandard	Shipowners	Skuld	Steamship	Swedish	UK	West
2020	0	0	0	3.6	5	0	0	0	0	0	0	0
2021	30	5	5	3.6	5	0	0	7.5	10	15	10	10
2022	20	7.5	5	3.6	15	5	0	10	10	15	15	15
2023	20	15	10	3.5	15	12.5	0	15	12.5	15	20	15

All release calls expressed as a percentage of estimated total premium

SUMMARY OF 2022/23 RESULTS

Club	U/W Profit/Loss 2022/23 (\$M)	Net Combined Ratio 2022/23	Investment Income 2022/23 (\$M)	Surplus Feb 2023 (\$M)	Free Reserves Feb 2023 (\$M)	Total Owned GT Feb 2023 (M)	Free Reserves per owned GT Feb 2023	Solvency Capital Ratio 2023
American*	(-6)	104%	(-13)	(-19)	44	23	\$1.97	N/A
Britannia	(-13)	107%	(-64)	(-78)	510	142	\$3.59	169%
Gard**	130	81%	(-149)	(-18)	1,260	277	\$4.55	331%
Japan	15	84%	5	42	205	90	\$2.28	N/A
London	(-32)	128%	(-18)	(-50)	114	41	\$2.80	124%
NorthStandard***	30	95%	(-81)	(-59)	685	255	\$2.69	219%
Shipowners	6	97%	(-66)	(-59)	337	30	\$11.38	222%
Skuld	15	97%	5	32	445	103	\$4.30	177%
Steamship	15	95%	(-35)	(-19)	454	117	\$3.88	224%
Swedish	(-3)	102%	(-39)	(-46)	150	56	\$2.69	173%
UK	-14	104%	(-43)	(-58)	430	153	\$2.81	200%
West	8	97%	(-28)	(-20)	231	96	\$2.40	176%
	TOTAL	AVERAGE	TOTAL	TOTAL	TOTAL	TOTAL	AVERAGE	AVERAGE
	151	99%	(-526)	(-352)	4,865	1,383	\$3.52	202%

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

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

** Net combined ratio on ETC basis, other figures net of \$20m discount to members. Figures are for the period 21/02/22 - 31/12/22

*** Solvency Capital Ratio is legacy North figure

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 2023

P&I Club	Owned GT	%	Accounting year premium \$	%	Free reserves \$	%
Gard*	277,000,000	20.04	1,167,000,000	23.64	1,260,451,000	25.90
NorthStandard**	255,000,000	18.45	795,900,000	16.13	684,900,000	14.07
UK	153,000,000	11.07	479,613,000	9.72	430,445,000	8.85
Britannia	142,000,000	10.27	258,140,000	5.23	510,032,000	10.48
Steamship	117,100,000	8.47	406,900,000	8.24	454,400,000	9.34
Skuld***	103,300,000	7.47	473,276,000	9.59	444,626,000	9.14
West	96,000,000	6.95	293,170,000	5.94	230,800,000	4.74
Japan	90,200,000	6.53	246,372,000	4.99	205,470,000	4.22
Swedish****	55,700,000	4.03	225,877,000	4.58	150,015,000	3.08
London	40,500,000	2.93	136,460,000	2.76	113,526,000	2.33
Shipowners	29,637,000	2.14	264,664,000	5.36	337,369,000	6.93
American	22,600,000	1.64	188,379,000	3.82	44,410,000	0.91
Total	1,382,037,000		4,935,751,000		4,866,444,000	

* Annualised Premium for all lines of business. P&I annualised income \$592m net of owner discount.

** Premium for all lines of business. P&I income \$654m

*** Premium for all lines of business, P&I income \$282m

**** Premium for all lines of business. P&I income \$124m

STANDARD & POOR'S RATING OF P&I CLUBS

Insurance Year	2019	2020	2021	2022	2023	Outlook August 2023
Gard	A+	A+	A+	A+	A+	Stable
Steamship	A	A	A	A	A	Stable
Shipowners	A	A	A	A	A	Stable
NorthStandard	A	A	A	A	A	Stable
Skuld	A	A	A	A	A	Stable
Britannia	A	A	A	A	A	Negative
UK	A	A	A	A-	A-	Stable
West	A-	A-	A-	A-	BBB+	Stable
Swedish	A-	A-	A-	A-	BBB+	Stable
Japan	BBB+	BBB+	BBB+	BBB+	BBB	Stable
London	BBB	BBB	BBB	BBB	BBB	Negative
American	BBB-	BBB-	BBB-	BBB-	BBB-	Negative

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.

	2019	2020	2021	2022	2023
Shipowners	24%	23%	22%	23%	23%
American Club	26.60%	24.30%	22.20%	21.30%	21%
West of England	14.68%	14.60%	14.60%	15.06%	15.89%
Britannia	10.90%	11.50%	11.66%	12.98%	15.39%
NorthStandard	N/A	N/A	N/A	N/A	15.30%
Gard	13.04%	12.81%	13.51%	13.70%	14.80%
Swedish	13.80%	13.20%	12.80%	12.60%	13.60%
London Club	10.30%	10.41%	10.46%	11.95%	13.27%
UK Club	11.09%	11.28%	11.45%	12.27%	12.92%
Steamship	12.40%	12.10%	11.90%	12.40%	12.80%
Skuld	12.80%	13%	12.60%	12.40%	12.70%
Japan Club	6.52%	7.42%	8.02%	8.29%	7.78%
Average	N/A	N/A	N/A	N/A	14.87%

P&I GENERAL/TARGET INCREASES 2014-2023

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

	Shipowners**	Gard	Skuld*	Britannia	Swedish	Steamship	American	West***	Japan	London	North	UK	Standard
2014	5	5	8.5	2.5	7.5	10	10	7.5	7.5	10	7.5	10	12.5
2015	0	2.5	0	2.5	2.5	0	4.5	2.5	3	6	4.75	6.5	5
2016	0	2.5	0	2.5	0	0	2.5	0	3	5	2.5	2.5	2.5
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	5	0	0	0	5	7.5	0	2.5	7.5	7.5	7.5	7.5	7.5
2021	5	0	0	0	5	5	5	7.5	10	10	10	10	10
2022	5	7.5	10	12.5	12.5	12.5	12.5	15	10	12.5	15	12.5	12.5
2023	0	7	10	10	10	7.5	10	10	10	0	10	10	10
Total 2014/ 2023	122	127	131	133	150	150	153	161	163	163	173	176	177

↓
Average 152

* 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

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
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	40/65	0/30	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2021	0/30	0/0	0/-5	40/65	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
2023	0/0	0/0	0/-5	0/0	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 target increases)

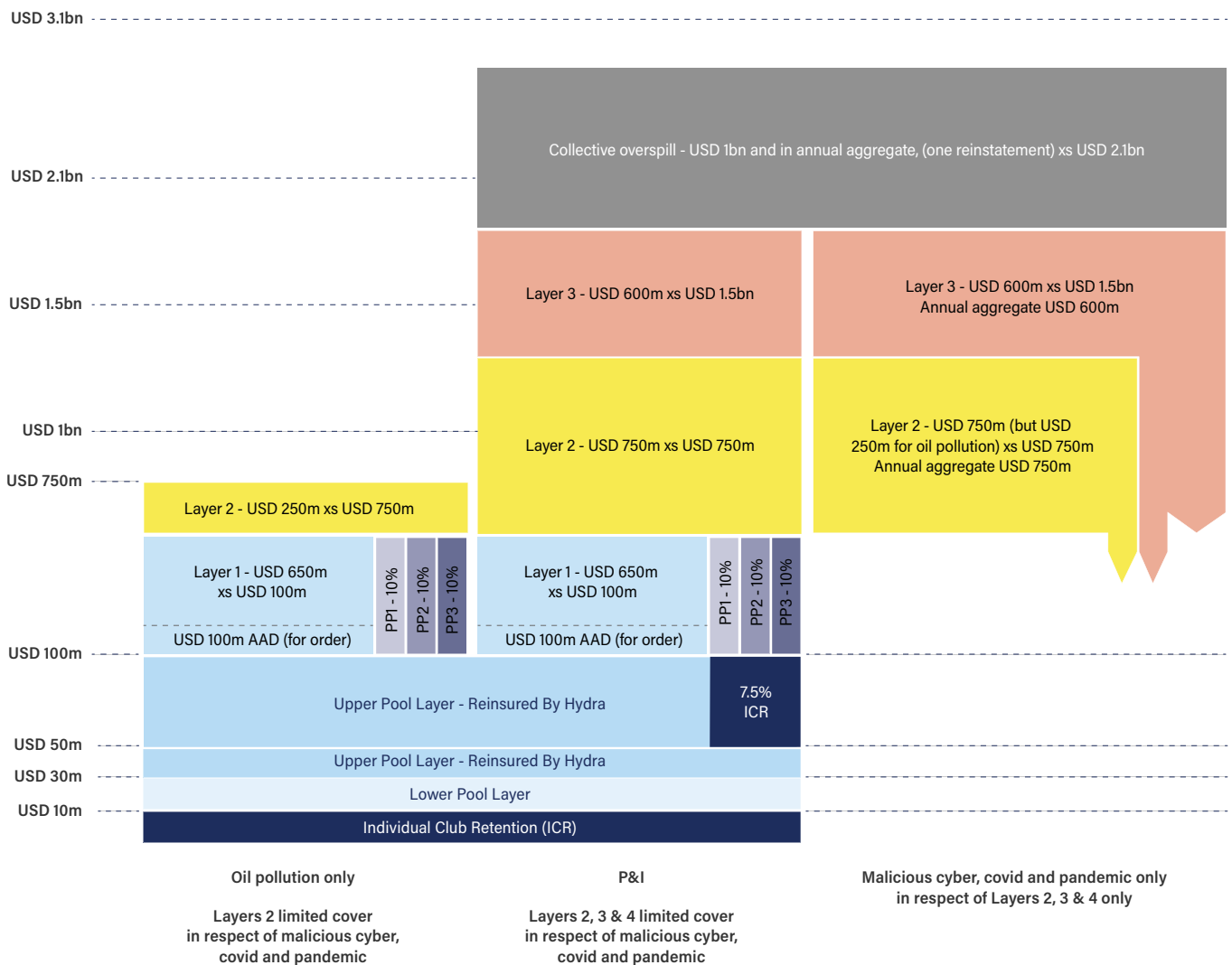
	American	Britannia	Gard	Japan	London	North	Shipowners	Skuld	Standard	Steamship	Swedish	UK Defence Club	West
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	7.5	7.5	5	0	7.5	7.5	0	0	0
2021	5	0	0	0	10	5	5	0	0	5	10	5	7.5
2022	12.5	15	10	10	12.5	7.5	5	10	12.5	12.5	15	7.5	15
2023	10	15	7	10	0	15	0	10	10	7.5	15	5	15

2023 Limits and Deductibles

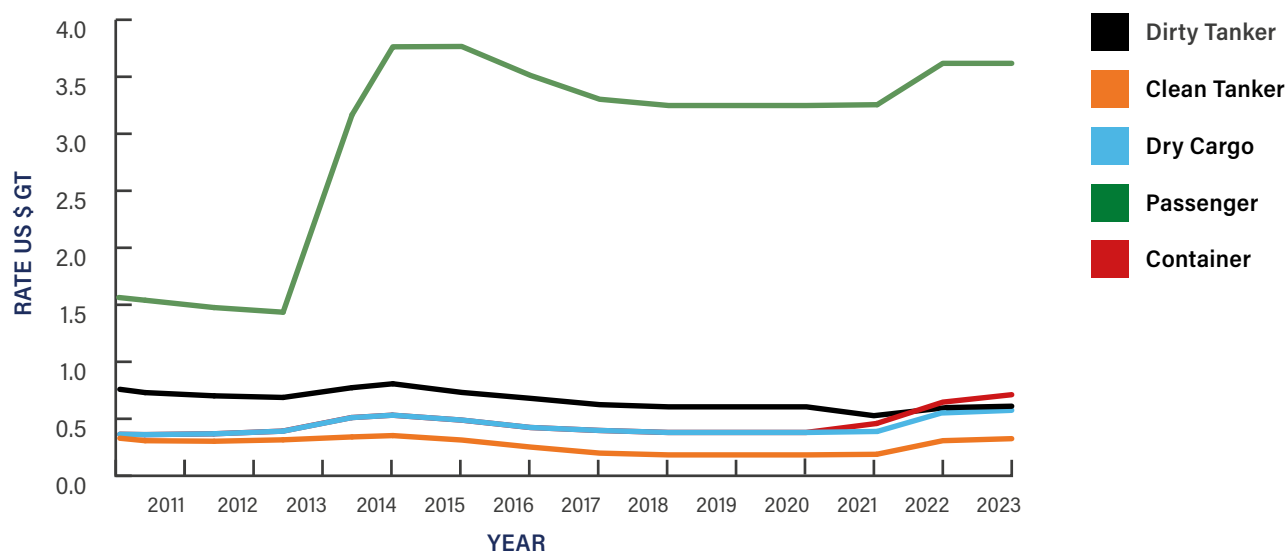
Club	Standard Limit	Standard Deductible
API	\$2m (up to \$10m on request).	25% Minimum \$5,000 maximum \$30,000.
Britannia	\$10,000,000 (but \$2,000,000 sale and purchase).	1/3 of all expenses in excess of \$7,500 (capped at \$150,000).
Gard	USD 15,000,000 (but USD 1m for pre delivery).	Deductible 25%, 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% (min. USD 10,000)
SOP	USD 5,000,000 (USD 1m building, purchase/sale).	Variable depending on size/type of vessel
Skuld	USD 50,000,000 (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 2023/24

Excess Loss Programme 2023/24



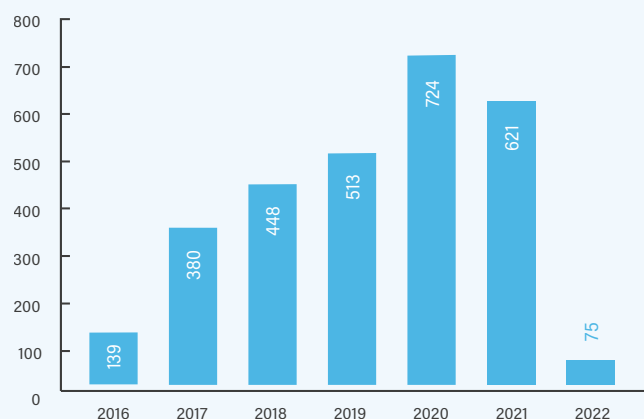
EXCESS OF LOSS REINSURANCE RATES



The Actual rates US\$ per GT are:

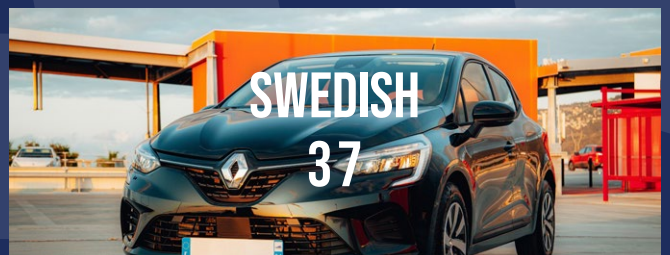
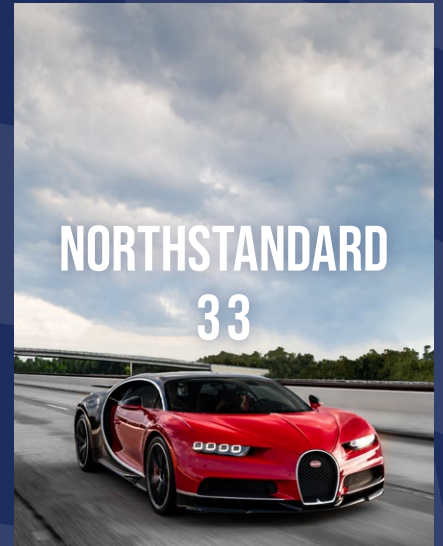
Category	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Dirty Tankers	0.5845	0.5747	0.5747	0.5625	0.6469	0.6663
Clean Tankers	0.2626	0.2582	0.2582	0.2619	0.3666	0.4051
Dry Cargo Vessels	0.4038	0.3971	0.3971	0.4028	0.5639	0.5991
Passenger Vessels	3.2707	3.2161	3.2161	3.2624	3.8677	3.8677
Container Vessels	(same rate as Dry Cargo until 2021/22)			0.4249	0.6586	0.7277

ESTIMATED COST OF NOTIFIED POOL CLAIMS



For 2023, 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 20/02/23



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 22,600,000

Chartered 4,300,000

Free reserves

2023 44,410,000

2022 63,671,000

2021 72,000,000

2020 54,192,000

2019 45,225,000

Standard & Poor's Rating

BBB-

Firstly, we offer our congratulations to Dorothea Ioannou on becoming the first female CEO in the history of the International Group; not a statistic the IG can be proud of and we wish Dorothea well as she takes over after a 27 year stint by the eloquent and charming Joe Hughes.

There were a few encouraging signs for the Club during 2022, with the combined ratio excluding EBUB (premium earned but unbilled until charged as supplementary calls) improving from 129% to 108%. Including EBUB, the ratio was 104% compared to 112% last year. Also, owned tonnage has increased from 20m to 23m GT and there has also been growth in chartered tonnage.

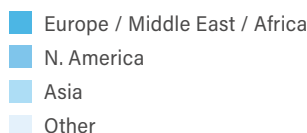
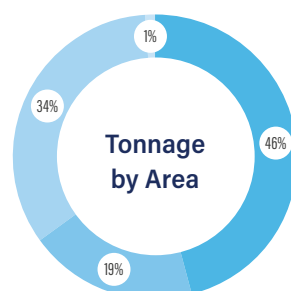
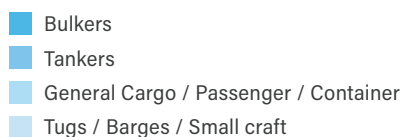
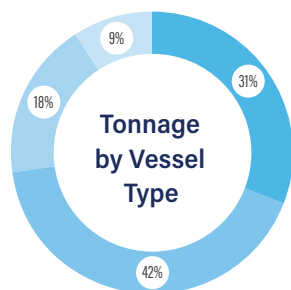
However, an underwriting loss of \$6m coupled with a negative investment return over 10% saw free reserves fall by nearly \$19m to just over \$44m. Total liabilities of the Club are stated at \$399m, with total assets of \$443m including EBUB of \$70m. The Club has charged supplementary calls for the last six years and no doubt will continue to do so for the foreseeable future.

Gross premium for the year was up \$12m at \$188m, but this was negated by an increase of \$14m in reinsurance and operating costs. Claims were down by nearly \$10m to \$102m.



The Club suffered its first Pool claim since 2016, resulting from the fire and sinking of TSS Pearl, but is more concerned with the high level of retained claims which it feels is "evidencing the permanence of a new risk landscape". The Club attributes the increase in these claims to "social inflation" and a global crisis of crew competency and seafarer shortage.

2022 was a challenging year and the issues involved are likely to continue for some time. The Club feels the underwriting improvement is due to the efforts to get premium levels moving in the right direction which continued into 2023 but with more work still required. The one factor in the Club's favour is the remarkable loyalty of its members despite the inevitability of supplementary calls to bolster the bottom line. Rather like a loveable old car which needs frequent visits to the EBUB repair shop. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	188,379	175,605	113,934	137,085	95,951
Reinsurance Cost	36,674	29,866	23,306	28,411	22,546
Net Claims (incurred)	101,949	111,402	59,033	71,443	45,905
Operating Expenses	55,680	48,501	42,502	43,545	39,805
Net Underwriting Result	(5,924)	(14,166)	(10,907)	(6,314)	(12,305)
Gross Outstanding Claims	315,852	253,798	215,440	215,503	192,689
Total Assets	442,960	402,136	365,769	341,224	308,060
Average Expense Ratio	21.00%	21.30%	22.20%	24.30%	26.60%
Solvency Margin	1.40	1.58	1.70	1.58	1.60
Reserves/GT Ratio	\$1.97	\$3.14	\$3.85	\$3.17	\$2.42

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	142,000,000
Chartered	51,000,000

Free reserves

2023	510,032,000
2022	587,895,000
2021	626,855,000
2020	594,388,000
2019	587,561,000

Standard & Poor's Rating

A

2022/23 was not a good year for the Club.

There was some positive news, with further rationalisation of the Group companies and financial results consolidated into one, and owned tonnage saw decent growth of 7m to 142m GT, including a 4.9m gain at the 2023 renewal, although chartered tonnage declined by 23m to 51m GT due to remedial action taken on accounts with poor records. The Club continues to benefit from strong member loyalty and the ability to attract new quality members.

However, the overall loss of nearly \$78m for the financial year was the highest in the International Group. The investment loss was \$64m (-5.9%), and the combined ratio of 107% - one of the worst in the IG - represents a technical loss of \$13m. It is no surprise that the Club decided against a capital distribution to members. Free reserves fell from \$588m to \$510m, their lowest for many years. While the ratio of free reserves per owned GT is still a respectable \$3.59, it has been in decline every year since 2018 when it stood at \$6.00, although it should be remembered that the Club has returned \$120m to members between 2017 and 2021.

Investment strategy was fully reviewed in 2022 and Chair Anthony Firmin is confident the Group's still strong capital position and conservative, structured investment policy (which includes 27% in cash) will enable it to benefit from the current high interest rates.

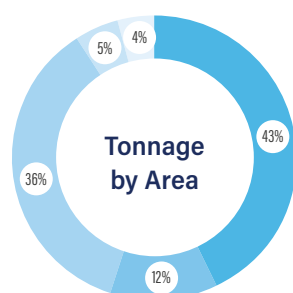
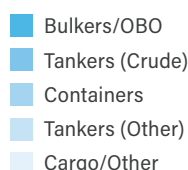
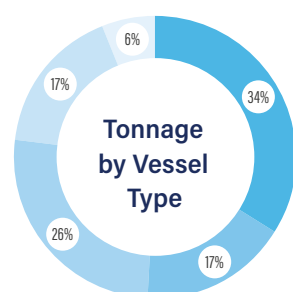
Despite there being only four IG Pool claims



(from other Clubs) totalling \$75m as at 20th February 2023, compared to eleven totalling \$487m at the same stage last year, retained incurred claims in the financial year rose by \$5m to \$170m. This reflects the deterioration of prior year Pool claims plus considerable volatility in claims falling within the Club retention. The 2022 policy year suffered 25 claims in excess of \$1m, totalling \$70m compared to 16 totalling \$46m in the previous year, and retained claims under \$250,000 have consistently increased since 2016/17 - in 2022/23 such claims totalled \$67m, nearly double that of 2016/17.

Premium rose substantially, from \$217m to \$258m, reflecting increases achieved at the 2022 renewal and increased tonnage. Further premium increases were imposed at the February 2023 renewal as the Club strives to convince S&P to improve its A rating negative outlook to stable. In view of the claims trend at the Club and continued investment volatility, this may take longer than the Club is hoping for.

The Club is a big machine but appears to be stuck in a jam at the moment. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	258,140	216,931	200,086	201,185	204,415
Reinsurance Cost	55,164	41,700	38,798	33,152	32,433
Net Claims (incurred)	169,933	164,888	160,674	189,832	164,941
Operating Expenses	46,490	39,113	32,520	31,891	28,649
Net Underwriting Result	(13,447)	(28,770)	(31,906)	(53,691)	(21,608)
Gross Outstanding Claims	1,155,333	1,051,603	1,220,857	1,198,743	1,163,551
Total Assets	1,687,131	1,690,512	1,873,450	1,806,962	1,747,396
Average Expense Ratio	15.39%	12.98%	11.66%	11.50%	10.90%
Solvency Margin	1.46	1.61	1.53	1.51	1.50
Reserves/GT Ratio	\$3.59	\$4.36	\$5.01	\$5.06	\$5.25

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 277,000,000

Chartered 95,000,000

Free reserves

2023 1,260,451,000*

2022 1,278,281,000*

2021 1,262,920,000*

2020 1,179,200,000*

2019 1,158,391,000*

Standard & Poor's Rating

A+

The Club has changed its financial year to a calendar year basis so the 2022 Accounts cover a ten month period from February 2022 to December 2022. It is easy to overlook this as many of the ten month 2022 figures are similar to the full twelve months for 2021.

The underwriting results were the best for fifteen years, with a combined ratio of 81% producing a technical profit of \$150m before application of the Owners General Discount (OGD) worth \$20m. All lines of business were profitable, with P&I improving to 92% from 100%, and Marine & Energy an excellent 66% (87% last year). P&I owned tonnage increase by 6m to 277m GT and chartered business remained around 95m GT.

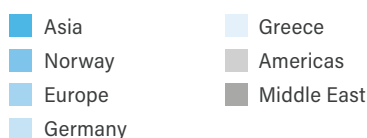
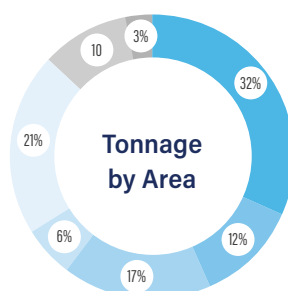
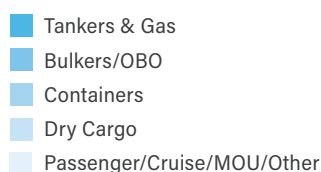
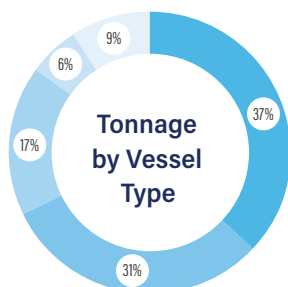
The Club did suffer an investment loss of \$149m, but with around 70% of its assets in bonds it expects future returns to improve as interest rates increase. Overall, and after the OGD of \$20m, free reserves fell slightly to \$1,260m from \$1,278m. Chair Martin Hoegh comments that lower claims levels were certainly the main driver for the good underwriting results but, while marine insurance



is inherently volatile, luck can never replace good underwriting and good claims handling. Borrowing an analogy from the golfing world, he states "the more you practice, the luckier you are".

The key priority for the Club in 2022 was to provide stability and reassurance in turbulent times. This was achieved by sound underwriting results, continued OGDs in 2022 and 2023, and immediate assistance and guidance on the very complex sanctions issues.

Gard is joined by NorthStandard as number one this year but continues to be a very special model speeding along in the fast lane. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	512,065	509,959	519,838	442,052	481,130
Reinsurance Cost	104,822	98,687	103,238	97,890	102,296
Net Claims (incurred)	347,400	384,323	412,504	405,015	338,538
Operating Expenses	46,282	47,716	35,088	38,831	102,190
Net Underwriting Result	13,561	(20,767)	(30,992)	(99,864)	(61,894)
Gross Outstanding Claims	1,427,846*	1,403,790*	1,473,288*	1,381,122*	1,409,646*
Total Assets	3,123,766*	3,222,487*	3,206,380*	2,881,429*	2,858,758*
Average Expense Ratio	14.80%	13.70%	13.51%	12.81%	13.04%
Solvency Margin	2.19*	2.30*	2.18*	2.09*	2.03*
Reserves/GT Ratio	\$4.55*	\$4.72*	\$4.83*	\$4.82*	\$5.05*

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

2023 figures for period Feb/Dec 2022 and net of Owners General Discount \$19,563,000

All figures \$'000

THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION



Managers

Self-Managed

Gross Tonnage

Owned 90,200,000

Chartered 8,800,000

Free reserves

2023 205,470,000

2022 180,686,000

2021 243,666,000

2020 235,935,000

2019 237,876,000

Standard & Poor's Rating

BBB

Following the awful 2021 year, the Club did make a surplus of \$42m in 2022 to push free reserves back over the \$200m mark, but this was due to unbudgeted additional calls totalling \$51m for the 2020 and 2021 years. The combined ratio improved from 134% to 84%, excluding currency movements in claims estimates, and improving the five-year average to 105%. Including currency movements, the combined ratio was down to 97% from 157%.

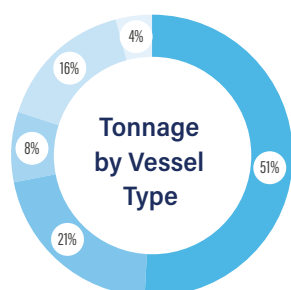
Net incurred claims were down from \$155m to \$148m and in both years the Club suffered two pool claims although the 2022 ones were less serious than 2021. The Club did achieve an investment return of \$5m, but saw owned tonnage drop 3m to just over 90m.

New Chair Hitoshi Nagasawa bemoans the state of the Japanese economy, with soaring global resource prices and a weak yen resulting in 2022 having the largest trade deficit ever recorded and recovery lagging behind the rest of the world, partly as a result of issues with Covid vaccination rollout and the emergence of new Covid variants. In the shipping industry, uncertainty over the economic outlook and concerns about stagnant cargo movement



remain. Herein lies the problem for the Club – its efforts to develop business outside Japan have not been successful and its lack of geographical and tonnage spread and reliance on domestic business are a severe disadvantage compared to other Clubs who are operating worldwide and gain some stability by balancing downturns in some parts of the world against upturns elsewhere.

On the other hand, the Club can rely on the loyalty of most of the membership to help it through difficult times such as those experienced over the last two years and this does give it an advantage over the other Clubs who are struggling at the moment. The collection of additional calls has given the Japan Club an uplift as it seeks to become a more reliable and efficient model. ■



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

Year	2023	2022	2021	2020	2019
Calls/Premium	246,372	166,551	178,080	183,078	194,384
Reinsurance Cost	59,931	43,531	44,157	46,174	42,351
Net Claims (incurred)	148,035	154,702	120,396	118,370	118,734
Operating Expenses	23,015	23,270	24,250	25,710	25,739
Net Underwriting Result	15,391	(54,952)	(10,723)	(7,176)	7,560
Gross Outstanding Claims	661,574	671,742	592,800	468,556	435,842
Total Assets	664,169	592,442	673,058	659,533	643,569
Average Expense Ratio	7.78%	8.29%	8.02%	7.42%	6.52%
Solvency Margin	1.00	0.89	1.14	1.41	1.48
Reserves/GT Ratio	\$2.28	\$1.94	\$2.51	\$2.39	\$2.49

All figures \$'000

LONDON STEAMSHIP OWNERS MUTUAL INSURANCE ASSOCIATION LTD

Managers

A Bilbrough & Co Ltd

Gross Tonnage

Owned 40,500,000

Chartered 20,000,000

Free reserves

2023 113,526,000

2022 164,003,000

2021 153,571,000

2020 173,891,000

2019 168,843,000

Standard & Poor's Rating

BBB

Following the disastrous 2021/22 year it is sad to see the Club's woes continuing and the 2022/23 results give even more cause for concern. A combined ratio of 128% (the worst in the IG by some margin) produced a technical loss of \$32m and, with an investment loss of \$18m, saw free reserves plummet from \$164m to a fragile \$114m. This is \$60m lower than the 2020 figure despite the additional calls for 2019, 2020 and 2021 totalling \$82m. Not surprisingly, owned tonnage dropped by nearly 5M to just over 40m GT, following a fall of 8m GT last year. Chartered tonnage remains stable at 20m GT.

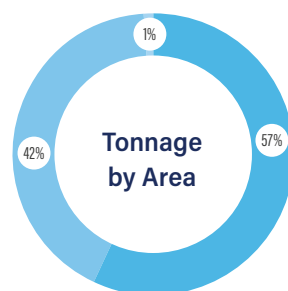
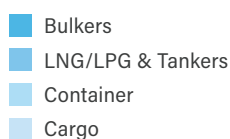
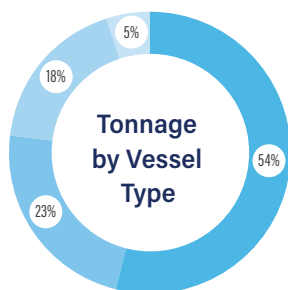
Gross premium was up just 2.5% on the prior year (excluding the additional calls) at \$136m, while claims reduced from \$154m to \$125m. Attritional claims have dropped back to pre-pandemic levels but medium and large claims total close to the expensive 2021/22 year. This is due some extent to the Club suffering two of the four Pool claims notified as at 20th February 2023, both groundings.

Chair John Lyras may feel that 50% of Pool claims falling on his Club is bad luck but he readily accepts that volatility from claims and other sources are a part of the operating environment the Club must recognise and prepare for through capital management and other strategic planning. This includes restoring



premiums to sustainable levels, which he states was progressed in 2022 and continued in 2023. However, we have stated before that this is too little too late as consistent serious underwriting losses over many years should have dictated far more serious changes over the years. It is particularly worrying that \$82m of additional calls has just filled a few holes rather than provided any sort of stability and security. All the major indicators – free reserves, free reserves per GT and Solvency Capital Ratio – are weakening and the warning signs were apparent some years ago.

It seems to us that, based on current tonnage, the Club needs premium income in the \$200m region to have any chance of stabilising its position and this would still require additional calls to restore free reserves to a reasonable level. Whether this is feasible is open to doubt and there are grave concerns this car may soon be running on an empty tank. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	136,460	214,848	119,497	116,175	103,660
Reinsurance Cost	25,173	21,019	19,529	18,502	19,671
Net Claims (incurred)	125,085	154,232	120,194	118,680	104,019
Operating Expenses	17,919	24,867	16,489	15,093	13,644
Net Underwriting Result	(31,717)	14,730	(36,715)	(36,100)	(33,674)
Gross Outstanding Claims	542,966	591,969	352,225	334,851	326,160
Total Assets	694,375	809,311	545,036	526,501	511,570
Average Expense Ratio	13.27%	11.95%	10.46%	10.41%	10.30%
Solvency Margin	1.28	1.37	1.55	1.57	1.53
Reserves/GT Ratio	\$2.80	\$3.69	\$3.08	\$3.43	\$3.30

All figures \$'000

NORTHSTANDARD

Managers

Self-Managed

Gross Tonnage

Owned 255,000,000

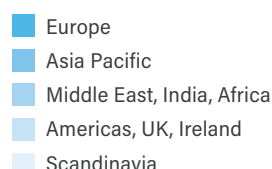
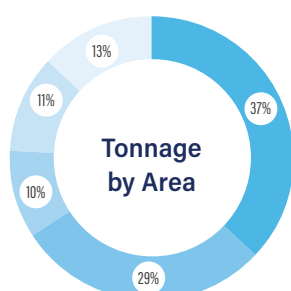
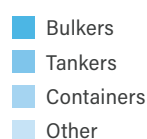
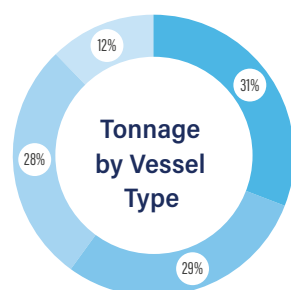
Chartered 110,000,000

Free reserves

2023 684,900,000

Standard & Poor's Rating

A



This year we get our first glimpse of how the North and Standard merger is shaping up as it moves into full throttle in 2023. As was to be expected, there was some fall out from the membership of each Club, and NorthStandard started 2023 with 255m owned GT and 110m chartered. We reckon the owned tonnage is down 37m on the combined figures for February 2022, with chartered down 8m. The Club admits that the February 2023 renewal was very competitive and securing the 10% general increase was a significant challenge. No doubt there were a few members who decided the merged Club was not for them, and others with split entries with various Clubs including both North and Standard preferred not to over-concentrate tonnage in the new entity. The Club states that the total tonnage renewed of 365m GT achieved its business plan target.

The combined ratio across all business lines was 95% while for P&I related business it was 92%, the same as Gard and the best return in the IG. Overall, the technical surplus was \$30m but an investment loss of just over \$80m (-4.5%) saw free reserves at \$685m at the start of the fully merged operations, compared to a combined \$744m last year.

For the 2022 financial year, premium was up over \$70m at \$796m, while claims were down \$3m at \$492m. However, on a policy year basis claims in 2022 were down \$134m, largely due to a substantial drop in the number and value of claims over \$1m – 28 claims making up 26% of the total value compared the previous year's 49

Year	2023
Calls/Premium	795,900
Reinsurance Cost	160,963
Net Claims (incurred)	492,216
Operating Expenses	111,719
Net Underwriting Result	31,002
Gross Outstanding Claims	1,921,127
Total Assets	2,911,129
Average Expense Ratio	15.30%
Solvency Margin	1.52
Reserves/GT Ratio	\$2.69

Figures include all lines of business
All figures \$'000



NorthStandard



claims making up 43% with no claims on the Pool. Claims under \$1m ran at similar levels to 2021. The Club cannot point to any particular reason for the reduction in larger claims and warns that the trend is not expected to continue "with a range of significant clouds gathering on the horizon to threaten the current benign claims environment".

The Club concludes that its "operational scale and even stronger financial resilience will deliver confidence and stability over coming years in our operational, financial and technical results." S&P clearly agrees as it has rated the new entity A with a stable outlook, whilst the two Clubs previously had a negative outlook.

We feel both Clubs should be applauded for the courage and initiative shown in successfully concluding the merger in an insurance market famous for its conservatism. We shall be following the progress of NorthStandard closely but feel that this year it warrants joint top place with Gard in our ranking for being willing to be different and become, by a significant margin, the second biggest player in the P&I market. It has shown the style and power of a Bugatti. ■

THE SHIPOWNERS MUTUAL PROTECTION & INDEMNITY INSURANCE ASSOCIATION (LUXEMBOURG)

Managers

The Shipowners' Protection Ltd

Gross Tonnage

Owned **29,637,000**

Chartered **N/A**

Free reserves

2023 **337,369,000**

2022 **396,436,000**

2021 **379,065,000**

2020 **339,974,000**

2019 **303,825,000**

Standard & Poor's Rating

A

There have been plenty of personnel changes at the Club, with Phil Orme retiring after eight years as Chair and being replaced by Donald Macleod, Simon Swallow handing over the CEO mantle to Simon Peacock, Marcus Tarrant moving up from Chief Actuary to CFO and Mark Harrington joining the management board.

Macleod quickly endears himself to us by acknowledging that, as we mentioned last year, the Club is boring but for the right reasons – "Prudent (some might even say "boring") underwriting practices underpin our financial strength" he states, and how true that is.

The 2022 calendar year combined ratio was 97.4%, the second best over the last decade which has an average of 99.6%, while the five year average is 101.3%. Gross premium rose by over \$15m to \$265m, while claims rose by \$6m to \$167m. Entered tonnage rose by almost 1m and is now very close to 30m GT.

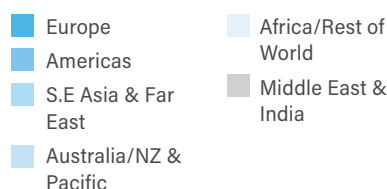
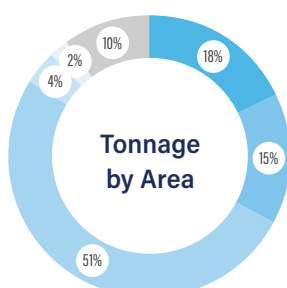
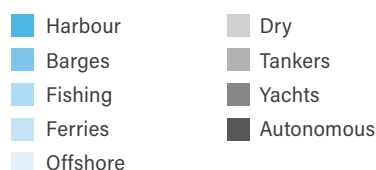
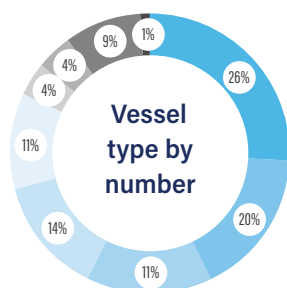
The Club thus felt it had no need for a general increase in 2023, except for the yacht and dry cargo sectors which make up 13% of the total vessels entered. Retiring CEO Simon Swallow signs off by confirming the Club has



always adopted a no surprise culture and will continue to stick to its niche by offering the most secure P&I product to smaller and specialised vessels. Boringly sensible.

The one dark cloud in 2022 was the investment performance, but this was the case throughout the market. The investment loss was \$65m, incurred mainly during the first six months of the year with the position stabilising thereafter. The underwriting surplus was just over \$6m, so free reserves have fallen from \$396m to \$337m, wiping out the gains of the last two years.

We do not see this as giving any cause for alarm as the Club's emphasis on underwriting discipline underpins a still strong and stable financial position. The Club will continue to offer a smooth ride as the best option for smaller vessels. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	264,664	249,005	232,081	224,902	224,267
Reinsurance Cost	28,222	25,835	24,864	24,943	29,270
Net Claims (incurred)	167,295	161,160	157,091	156,491	151,038
Operating Expenses	62,977	59,086	59,159	53,741	52,156
Net Underwriting Result	6,170	2,924	(9,033)	(10,273)	(8,197)
Gross Outstanding Claims	506,096	506,926	516,216	464,442	440,348
Total Assets	963,069	1,017,123	1,002,390	905,789	843,216
Average Expense Ratio	23%	23%	22%	23%	24%
Solvency Margin	1.90	2.01	1.94	1.95	1.91
Reserves/GT Ratio	\$11.38	\$13.80	\$13.62	\$12.56	\$11.15

All figures \$'000

ASSURANCEFORENINGEN SKULD



Managers

Self-Managed

Gross Tonnage

Owned 103,300,000

Chartered 69,000,000

Free reserves

2023 444,626,000

2022 430,063,000

2021 459,079,000

2020 465,845,000

2019 452,723,000

Standard & Poor's Rating

A

Skuld celebrated its 125th anniversary with a solid set of results. A combined ratio of 97% across all lines of business equates to a technical profit of \$15m, with mutual business at 100% and commercial lines at 94%, compared to 111%/104% last year. Gross premium rose by \$53m to \$473m, of which \$282m relates to P&I/chartered business. Claims were down from \$318m to \$287m.

A small investment return of \$5m was achieved, mainly thanks to the sale of the Club's shareholding in Lloyd's Managing Agent ASTA, and free reserves have grown from \$430m to \$445m. Owned tonnage grew by 4m to over 103m GT and chartered tonnage stands at 69m GT.

As the only Club to record a surplus in 2022 (Japan Club also did but this was due to additional calls for 2020 and 2021), Skuld are entitled to be pleased with the results. Chairman Klaus Kjaeruff reckons its house is in order and well organised and successfully managed from a robust platform, so the Club is ready for any future challenge.

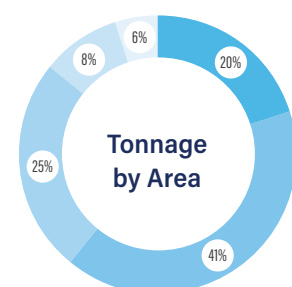
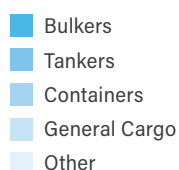
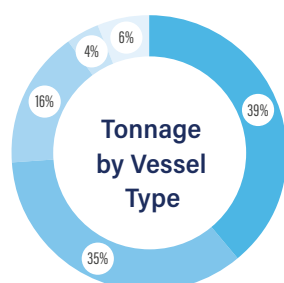
CEO Stale Hansen again affirms that size is important for success – "Size and our clear



growth strategy keep us solid and strong in today's tumultuous environment." He also again mentions that Skuld is very open to M&A discussions but warns that "it can be difficult to combine those with a taste for rock 'n roll with those who favour classical music. We don't judge but we see great advantage in choosing for ourselves which music to play."

We believe any Club with less than 100m owned GT would benefit from a discussion with Skuld, although we hope that if put on hold when making the call they do not have to listen to Frank Sinatra's "My Way."

The Club is revving up for a bright future, with a larger model possibly in the pipeline. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	473,276	419,548	390,839	390,760	401,621
Reinsurance Cost	81,275	54,123	44,736	47,361	56,070
Net Claims (incurred)	287,240	317,651	301,168	288,842	244,577
Operating Expenses	89,747	78,035	75,065	89,775	92,937
Net Underwriting Result	15,014	(30,261)	(30,130)	(35,219)	8,037
Gross Outstanding Claims	1,107,176	917,595	690,573	801,897	875,663
Total Assets	1,157,466	1,116,048	1,080,979	1,067,131	1,040,143
Average Expense Ratio	12.70%	12.40%	12.60%	13%	12.80%
Solvency Margin	1.05	1.22	1.57	1.33	1.19
Reserves/GT Ratio	\$4.30	\$4.34	\$4.68	\$5.01	\$4.93

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

All figures \$'000



TYSER'S STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED



Managers

Steamship P&I Management LLP

Gross Tonnage

Owned	117,100,000
Chartered	113,000,000

Free reserves

2023	454,400,000
2022	473,600,000
2021	511,064,000
2020	515,342,000
2019	467,049,000

Standard & Poor's Rating

A

Retiring Chair Armand Pohan feels that during his tenure the Club has grown its reputation and is a market leader, and he is pleased to sign off with a satisfactory outcome for 2022. We do not disagree with any of this and the 2022 results are perfectly reasonable in the current political and economic climate.

The combined ratio was 95.4%, a significant improvement on the previous two years at 113% and 125% and resulting in a technical surplus of \$15m. Gross premium rose by almost \$100m to \$407m, and claims were up \$31m at \$267m. There were 59 large claims (excess of \$250,000) totalling \$58m, similar to the previous year. Nine of these claims, including one over \$1m, occurred on the Club's substantial chartered entry.

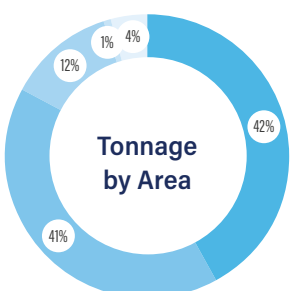
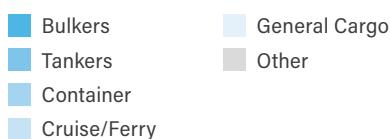
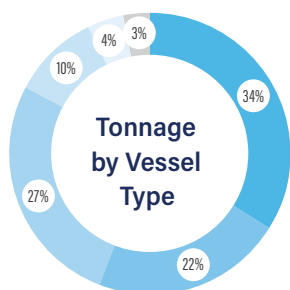
Owned tonnage again saw a good increase, up by 7m to 117m GT on the back of an increase of 14m in 2021. The Club's chartered book continues to grow and is now, at 113m GT, almost the same as its owned tonnage and the highest in the IG.

The investment loss was \$35m, including a \$5m hit due to a revaluation of the Club's London building. As a result, free reserves fell by \$19m to \$454m, still a very healthy position.



Pohan concludes his report with a warning. While the Club exceeded its objective of underwriting balance in 2022, the six-year average combined ratio is 108% and the 2022 result was due to the low activity on the Pool. While the result may signify a period of premium stability, "the circumstances that led to the very high claims levels in 2020/21 and 2021/22 remain; and with inflation prevalent throughout the world economy there is no room for complacency." We take this to indicate that it will take very little change in claims activity during 2023 for the Club to require a further general increase for 2024.

S&P has recently changed its outlook for the Club from negative to stable, but warns its A rating is unlikely to improve further unless the Club moves into diversification. Steamship are not a supercar but are a big, reliable P&I model with plenty of appeal. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	406,900	307,500	284,405	308,725	306,661
Reinsurance Cost	71,400	50,900	50,773	48,389	50,522
Net Claims (incurred)	266,600	245,500	252,735	218,027	246,358
Operating Expenses	53,400	43,700	40,307	40,780	41,623
Net Underwriting Result	15,500	(32,600)	(59,410)	529	(31,842)
Gross Outstanding Claims	1,025,800	1,009,800	955,538	821,204	827,408
Total Assets	1,516,300	1,526,100	1,507,197	1,381,712	1,343,120
Average Expense Ratio	12.80%	12.40%	11.90%	12.10%	12.40%
Solvency Margin	1.48	1.51	1.58	1.68	1.62
Reserves/GT Ratio	\$3.88	\$4.30	\$5.32	\$5.83	\$5.46

All figures \$'000

THE SWEDISH CLUB



Managers

Self-Managed

Gross Tonnage

Owned 55,700,000

Chartered 37,000,000

Free reserves*

2023 150,015,000

2022 196,486,000

2021 231,431,000

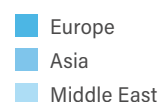
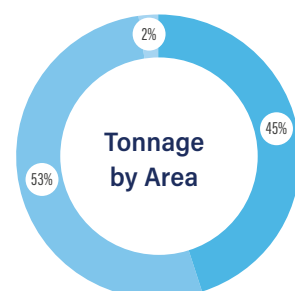
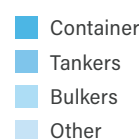
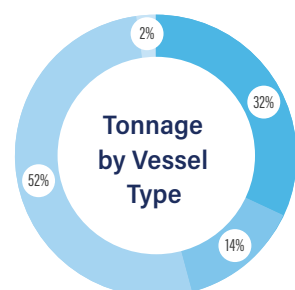
2020 228,445,000

2019 203,838,000

Standard & Poor's Rating

BBB+

* All classes of business



The Club celebrated 150 years in 2022 with an improved underwriting performance, the combined ratio improving from 129% to 102% across all lines of business, resulting in a technical loss of just under \$3m. Marine was the main driver at 87%, with FDD at 102%, but P&I was still a high 116% although much improved from the 159% of 2021. Outgoing Managing Director Lars Rhodin is worried that whilst there were fewer large cases, attritional claims are on the increase and absorbing much more of the total premium than in the past.

Total premium was up \$33m to \$226m, and claims were down \$26m at \$137m. Looking at P&I alone, premium was up \$20m at \$124m and claims down \$13m at \$80m, and allowing for reinsurance and operating expenses the P&I book had a technical loss of \$14m. Owned P&I tonnage declined by almost 3m to under 56m GT, while chartered tonnage increased by 3m to 37m GT. We are thus somewhat bemused that underwriting director Tord Nilsson regards 2022 as "a very good P&I year" – it was a better year, but surely a combined ratio under 100% and some tonnage growth are needed to warrant a "very good" label.

The investment loss was \$39m (-10%), and after tax and the cost of hedging operating costs from SEK to US\$, free reserves fell by \$46m to \$150m. The investment losses were suffered over the first nine months of the year and trended positively in the last quarter and, like others, there is a higher expectation of returns going forwards due to rising interest rates.



Chair Lennart Simonsson summaries the year as one in which the insurance portfolio performed well, global financial turbulence affected the financial result and the Club is well-prepared to serve its members in the best possible way. Rhodin emphasises that the Club continues to be a merchant in trust and trust is its real capital going forward, and new M.D. Thomas Nordberg echoes this theme by insisting the Club must maintain its reputation as "the friendly Club".

Nordberg also offers some views on the future of the Club. He feels that as shipping companies consolidate, these bigger companies may want something different from the Club and what works well today may have to change for tomorrow. The business is becoming increasingly complex and the Club must be organised to promote in depth competence. "We must not be afraid of reorganising ourselves to ensure we are in the best position for market developments".

While the Club has been around for 150 years and is well-liked, Nordberg is right to mention that changes may be necessary. It is a small saloon model in today's SUV dominated market, and consideration of consolidation to produce a bigger vehicle ought not to be discounted. ■

Year	2023	2022	2021	2020	2019
Calls/Premium	124,424	104,694	94,115	93,268	90,485
Reinsurance Cost	42,000	33,415	27,381	25,827	27,300
Net Claims (incurred)	80,336	93,076	81,529	59,979	47,052
Operating Expenses	16,276	14,346	13,743	14,439	14,870
Net Underwriting Result	(14,188)	(36,143)	(28,538)	(6,977)	1,264
Gross Outstanding Claims*	395,139*	342,046	279,105	238,041	225,053
Total Assets*	710,143*	689,801	632,583	580,036	530,472
Average Expense Ratio	13.60%	12.60%	12.80%	13.20%	13.80%
Solvency Margin*	1.80*	2.02	2.27	2.44	2.36
Reserves/GT Ratio*	\$2.69*	\$3.36	\$4.13	\$4.57	\$4.29

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

All figures \$'000



TYSER'S

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



Managers

Thomas Miller

Gross Tonnage

Owned 153,000,000

Chartered 110,000,000

Free reserves

2023 430,445,000

2022 488,306,000

2021 507,398,000

2020 559,194,000

2019 504,793,000

Standard & Poor's Rating

A-

Chair Nicholas Inglessis steps down this year after a 5 year term and feels this may have been the most eventful period in the Club's long history, with Covid, the Ukraine war, increasing inflation and the climate crisis. He feels the Club has shown its resilience in these problematic times, with growth in tonnage, new products and growth of 60% in gross premium in the last 4 years all helping to maintain financial security.

In 2022, the Club returned a combined ratio of 104% - a technical loss of \$14m and the best result in the last five years. Gross premium rose by \$139m to \$479m, although this was largely offset by an increase of \$32m in net claims to \$250m plus a rise in reinsurance and operating costs of \$86m. While the combined ratio is a significant improvement on the last two years (114% and 150%), it remains high compared to its main competitors and reflects little more than a lack of Pool claims in the 2022 policy year. "Work in progress" was the message last year and continues to be the case.

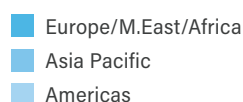
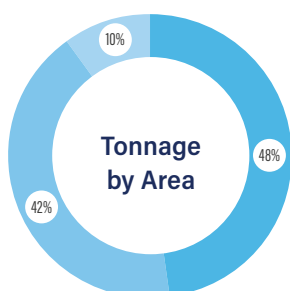
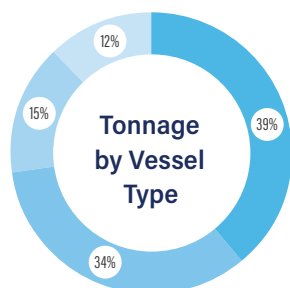
The Club suffered an investment loss of \$43m (-3.8%), and free reserves have declined by \$58m to \$430m, equivalent to \$2.81 per owned GT and down from close to \$4 in recent years.



Owned tonnage grew by 3m to 153m GT, and chartered tonnage by 10m to 110m GT.

While the Club has shown improvement over the last two years, it does feel like its engine is lacking a bit of power and could do with an upgrade to get free reserves back over \$500m.

William Beveridge was appointed last year as Chief Underwriting Officer and CEO Andrew Taylor commented "As we continue to pursue our diversification and growth strategy, William's experience as an underwriter of the marine and wider insurance market will play a significant role in the further development of the Club...". We hope William will be able to use his experience to develop new ideas to recharge the Club's batteries. ■



Year	2023	2022	2021	2020	2019
Calls/Premium	479,613	339,676	286,376	305,037	322,398
Reinsurance Cost	172,035	106,331	76,624	60,386	64,860
Net Claims (incurred)	249,909	217,668	272,506	251,707	250,941
Operating Expenses	71,360	50,826	43,843	43,724	43,654
Net Underwriting Result	(13,691)	(35,149)	(106,597)	(50,780)	(37,057)
Gross Outstanding Claims	1,386,089	1,275,256	1,288,949	957,030	984,145
Total Assets	1,976,079	1,815,889	1,841,992	1,533,085	1,506,871
Average Expense Ratio	12.92%	12.27%	11.45%	11.28%	11.09%
Solvency Margin	1.43	1.42	1.43	1.60	1.53
Reserves/GT Ratio	\$2.81	\$3.26	\$3.69	\$3.94	\$3.51

All figures \$'000

THE WEST OF ENGLAND SHIPOWNERS MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)

Managers

Self-Managed

Gross Tonnage

Owned 96,000,000

Chartered 51,000,000

Free reserves

2023 230,800,000

2022 251,185,000

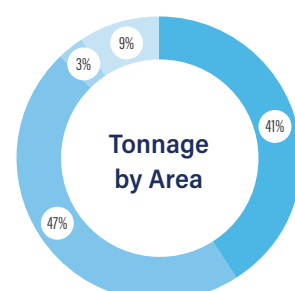
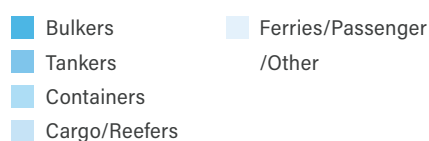
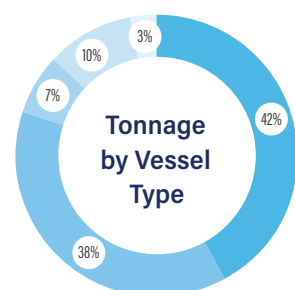
2021 291,134,000

2020 338,147,000

2019 306,373,000

Standard & Poor's Rating

BBB+



West appears happy with a reasonable set of results for 2022/23, with Chair F.G. Sarre commenting he is "pleased to be able to report a positive financial result for the Club this year – the best result in fact since 2017. A combined ratio of 96.7% and an underwriting surplus for the year of USD 8 million all point towards a strengthening financial position and are a further validation of the robust actions your Board has taken across recent renewals to ensure that the Club is in a strong position to meet the financial and geopolitical challenges we all face".

The combined ratio improved from 114% to 97%, gross premium rose by \$26m to \$293m and claims were down \$22m at \$188m. Owned tonnage grew by nearly 6m to 96m GT, and chartered tonnage grew by a similar amount to over 50m GT.

The only downside was an investment loss of \$28m, and free reserves dropped from \$251m to \$231m. While the Solvency Capital Ratio improved from 163% to 176%, free reserves per owned GT have dropped from \$2.79 last year to \$2.40, one of the lowest in the International Group. With investment markets

WEST.



remaining volatile, it is essential the Club maintains its recent underwriting discipline.

The Club has provided no figures regarding its diversification strategy which includes new products such as Hull and Offshore besides cyber risks and delay cover available through its partnerships with Astaara and Nordic. We imagine the Club is following its traditional conservatism and treading very carefully and slowly into these new areas.

West is a very likeable Club that looks after its members well, and we think it will accept it is still at an early stage as it seeks to develop its financial security and product range. Meanwhile, it remain a mid range vehicle, nice to drive but always obeying the speed limits. ■

Year	2023	2022	2021	2020	2019
Calls/Premium	293,170	266,457	243,037	221,663	219,726
Reinsurance Cost	48,487	43,618	41,281	39,908	38,646
Net Claims (incurred)	187,687	210,065	239,511	156,726	169,668
Operating Expenses	49,019	44,867	42,606	38,182	37,438
Net Underwriting Result	7,977	(32,093)	(80,361)	(13,153)	(26,026)
Gross Outstanding Claims	727,797	686,834	757,465	548,719	567,069
Total Assets	1,023,768	1,025,152	1,127,841	927,072	912,460
Average Expense Ratio	15.89%	15.06%	14.60%	14.60%	14.68
Solvency Margin	1.41	1.49	1.48	1.69	1.61
Reserves/GT Ratio	\$2.40	\$2.79	\$2.74	\$3.33	\$3.30

All figures \$'000



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