



January 2019

**Dear Member**

## **Financial Update and 2019 Renewal**

At a Board Meeting in Tokyo on 29 January the following developments were reported.

### **Tonnage**

The Directors were pleased to note the continued growth in the Association's owned entry, 1.5 million tons in the period 20 February 2018 to 20 January 2019, increasing the combined owned and chartered entry to 160 million tons.

### **Underwriting Results**

#### **2018/19 Policy Year**

Claims up to US\$250,000 in the current year are slightly lower than at the same point last year, in line with the average experience of the previous five years. The number of claims estimated in excess of US\$250,000 is higher than the previous years' average, but the sum of those claims is comparable with the five year average.

Pool claims across the International Group are higher at this point of the year's development than in 2017/18 which itself was notable for a high level of claims compared to previous years.

Presently, no claims from the Association have been made on the Pool whilst eighteen claims have been reported by other Clubs. Even at this early stage of development we can anticipate a higher cost than last year.

#### **2017/18 and Prior Years**

The overall development of claims in prior years has been slightly less favourable than expected in the period to date.

### **Investments**

In the eleven months ending 20 January the Club has recorded a small positive return, excluding the impact of currency movements on investments.

L.323

#### **STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

(Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

#### **MANAGERS: STEAMSHIP P&I MANAGEMENT LLP**

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority

(Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

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**Reinsurance**

As was reported in our circular [L.321](#) for a fourth successive year there have been reductions for all owner Members in the cost of the International Group Excess of Loss reinsurance contract and the Hydra reinsurance programme for 2019/20.

**Capital Management**

The Bermuda Club will make a distribution to Members amounting to 10% of premium paid for Class 1 P&I mutual entries in the 2018/19 policy year, in respect of vessels whose entries are renewed for the 2019/20 policy year. This distribution will appear on Members' statements shortly after the February 2019 renewal.

Yours faithfully,

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