

**To the Members**

The arrangements for the renewal of the International Group General Excess of Loss reinsurance contract and the Hydra reinsurance programmes for 2020/21 have now been finalised.

Club Retention

The retention of individual Clubs will remain at US\$10 million each claim.

Individual Club Retention and GXL programme attachment

Individual Club Retention (ICR) remains unchanged for the 2020/21 policy year at US\$10 million, as does the structure of the Pool above that and the attachment point for the GXL programme. The further ICR of 7.5% in the upper layer of the Pool remains unchanged.

Reinsurance structure changes

Following the structural changes made in 2019/20 year (which also saw co-brokers being appointed), the Group's Reinsurance subcommittee decided not to make significant changes this year.

However, for 2020/21 there is a modest adjustment, with the two expiring 5% private placements in the US\$1 billion excess of US\$100 million layer being replaced by two new 10% multi-year private placements in the first layer. This will therefore see three 10% private placements for the 2020/21 policy year, with the 70% balance placed in the market.

Otherwise the US\$100 million AAD (retained by the Group's captive Hydra), within the 70% market share of the first layer of the programme (from US\$100 million to US\$750 million ("first layer")) remains. The second layer will cover US\$750 million to US\$1.5 billion and the third layer from US\$1.5 billion to US\$2.1 billion. There is no change to the Collective Overspill layer, which provides US\$1 billion of cover in excess of US\$2.1 billion.

Hydra participation

Hydra continues to retain 100% of the Pool layer US\$30 million – US\$50 million and 92.5% of the Pool layer US\$50 million – US\$100 million. In addition, Hydra will retain a US\$100 million AAD in the 70% market share of the GXL programme.

MLC cover

The US\$200 million (excess of US\$10 million) market reinsurance cover will be renewed unchanged for a further 12 months from 20 February 2020. That renewal has also been achieved at a competitive cost, which has been included within the overall reinsurance cost.

War cover

The excess War P&I cover will be renewed for 2020 for a period of 12 months, with the costs included in the total rates charged to shipowners. There is a change to the terms of the placement in order to maintain the excess nature of the cover provided, increasing the minimum attachment point of the cover (where the vessel is not protected by Primary War P&I up to proper hull value) from US\$100 million to US\$500 million.

Excess of Loss Renewal

The International Group has agreed rates as follows:

Tonnage Category	2020 Rate Per GT	Change From 2019
Dirty Tankers	US\$0.5747	0%
Clean Tankers	US\$0.2582	0%
Dry Cargo Vessels	US\$0.3971	0%
Passenger Vessels	US\$3.2161	0%

US Oil Pollution Surcharge

There will be no surcharge for 2020.

A statement prepared by the International Group Reinsurance Subcommittee providing further information on the renewal and premium allocation can be seen on the International Group website [here](#)