
Year end results and 2021/22 renewal report

May 2021

To the Members,

2020/21 Financial Year Highlights

- Free Reserves remain in excess of US\$ 511 million despite the challenges presented in 2020.
- At renewal approximately 5.7 million GT of new tonnage entered the Club from both existing and new Members.
- 2021 opening entered tonnage stood at 177 million GT.
- The Club achieved a 4.5% increase on renewing owned business.
- International Group Pool and Covid claims raised the combined ratio higher than expected to 125.4% with the average combined ratio for last six years at 99.2%.
- Investment return of US\$ 54.2 million (4.8%).
- The Club's capital remains comfortably in excess of the S&P AAA rating level.

Financial Results

The Reports and Accounts of Steamship Mutual Underwriting Association Limited, The Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Trust and Steamship Mutual Underwriting Association (Europe) Limited were approved by their respective Directors at Board Meetings held virtually on 24 and 25 May. These reports and the combined financial position of the Club will be published in June.

The Directors noted the pressure on the underwriting performance from higher than expected Pool claims, both in the 2020 policy year and in prior years, and Covid related claims. These two aspects apart, all other claims for the 2020 policy year were broadly in line with, or better than, budget.

Gross investment income in the 2020/21 financial year was US\$ 54.2 million (4.8%). The portfolio recorded positive gains across all asset classes.

Over the year, free reserves decreased only moderately from US\$ 515.3 million to US\$ 511.1 million, still maintaining an amount comfortably in excess of S&P's AAA rating level and ensuring the Club has one of the strongest solvency capital ratios in the International Group.

2021/22 Renewal

The Board decided upon a 5% general increase. At renewal, owners' premium, including the value of adjusted terms, increased by 4.5%. Approximately 5.7 million GT of new owned mutual business was entered at renewal. This new tonnage was drawn from a wide cross section of geographical areas including Greece, Japan, Singapore, Cyprus, Germany, Hong Kong, Spain and UAE.

2018/19 Policy Year

The Directors reviewed the position in relation to the open years and resolved that the 2018/19 Class 1 P&I and Class 2 FD&D years be closed without further calls.

Release Calls

The Directors decided to maintain present release call levels so that Class 1 P&I and Class 2 FD&D will be subject to release calls as follows:

2019/20: 10%

2020/21: 10%

2021/22: 10%

The support received by the Club during the 2020 policy year, and particularly at renewal, is much appreciated and our special thanks is given to all those who have worked with the Club over this difficult period. We will continue to be of service to Members as we all meet the challenges of the pandemic; particularly those impacting the health and well-being of so many in the industry.

Club Circular L.376

Yours faithfully,

**STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION LIMITED**