

## GENERAL INCREASE BULLETIN NO. 16

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### *The Summary*

3<sup>rd</sup> January 2017






The announcements from The International Group of P&I clubs have sung a harmonious note from the first to the last press release and circular issued after the respective Boards met to consider requirements for the 2017/18 Policy Year. No General Increase either for P&I or FDD on expiring entries is a collective result which tests the memories of the P&I statisticians to find historic precedent.

What has led to this position ? Simply put, it would appear that commonly shared experience from the principal background driving forces which determine the evaluations made by the respective Boards. Club announcements resonated with a common language on the low level 2016 claims experience within own retention at the half year mark, a benign level of notifications in both numbers and in quantum by the Group for 2016 pool claims compared to recent years as well as higher than benchmark levels of investment returns, continued tonnage growth and improvements on claims reserved in back years.

The clubs are notorious for their variety in terms of clarificatory content in their renewal announcements ranging from very brief comment to the more detailed analysis. Traditionally The American Club expands more than their peers, for the benefit of the wider membership beyond those present in the Board meeting, on the wider global economic and political influences affecting shipping mooted the foreseeable trends whilst extrapolating scenarios for the 'during' and 'after' periods of the current shipping stagnation, whilst softly encouraging caution, particularly in relation to the impact on the potential future claims scenario.

A feature of the announcements this year has been the continuation of the clubs who last year released capital reserves by way of premium credits and their example being followed by other clubs namely The Standard and The North Of England. It is welcoming that the Club Boards are seeking, as far as possible, to assist their Members in the continuing tough shipping cycle which seems to show little signs of a comprehensive improvement.

	<p>P&amp;I      No General Increase All expiring deductibles between US\$ 10,000 and US\$ 25,000 increased by 10% All expiring deductibles of less than USD\$ 10,000 will be increased by US\$ 1,000 with however a minimum deductible for all claims in respect of crew of US\$ 7,500 to apply For vessels over fifteen (15) years of age, claims arising under the provisions of Class I, Rule 2, Section 13 will be subject to a minimum deductible of US\$50,000 any one incident (Class I, Rule 2, Section 13 refers to unrecoverable general average contributions)</p> <p>FDD      No General Increase</p>
	<p>P&amp;I      No General Increase All deductibles below US\$ 25,000 will be increased by 10% with minimum deductibles to increase as follows: Cargo claims            - US\$ 12,500 minimum (currently US\$ 10,000) Crew claims             - US\$ 3,000 minimum (currently US\$ 2,000) All other claims        - US\$ 7,000 minimum (currently US\$ 5,000)</p> <p>FDD      No General Increase</p>
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<p style="text-align: center;">   <b>NORTH</b> </p>	<p>P&amp;I    No General Increase  All P&amp;I Owned deductibles below US\$ 25,000 will be increased as follows;  Cargo - by a minimum of US\$ 2,000  Crew and all other deductibles - by a minimum of US\$ 1,000 per deductible</p> <p>FDD    No General Increase</p>
<p style="text-align: center;">   <b>SHIPOWNERS</b> </p>	<p>P&amp;I    No General Increase. Variations in GXL absorbed by Club.</p> <p>FDD    No General Increase</p>
<p style="text-align: center;">   <b>SKULD</b> </p>	<p>P&amp;I    No General Increase</p> <p>FDD    No General Increase</p>
<p style="text-align: center;"> <b>The Standard</b>  </p>	<p>P&amp;I    No General Increase</p> <p>FDD    No General Increase</p>
<p style="text-align: center;">   <b>STEAMSHIP MUTUAL</b> </p>	<p>P&amp;I    No General Increase</p> <p>FDD    No General Increase</p>

 <p>SVERIGES ÅNGFARTYGS ASSURANS FÖRENING  <b>The Swedish Club</b>  <small>EST. 1872</small></p>	<p>P&amp;I No General Increase</p> <p>FDD No General Increase</p>
 <p><b>UK P&amp;I CLUB</b></p>	<p>P&amp;I No General Increase</p>
 <p><b>UK DC</b>  <b>UK DEFENCE CLUB</b></p>	<p>FDD No General Increase</p>
 <p><b>West of England</b></p>	<p>P&amp;I No General Increase  Rules deductible will remain at US\$ 11,000. Where individual deductibles are below the Rule deductible an increase of 10% or US\$ 1,000 , whichever is higher, will be applied.</p> <p>FDD No General Increase</p>

*Note: Unless otherwise noted all Clubs will be passing on to Members any cost adjustment of the tariff based GXL Reinsurance market placement as at 20th February 2017.*

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