

Arrangements for the renewal of the International Group Reinsurance Programme

December 2020

To the Members

The arrangements for the renewal of the International Group reinsurance programme for the year commencing 20 February 2021, including Hydra premium, the Collective Overspill Cover, TRIA allocation War cover and Laid Up rates, has now been finalised.

Individual Club Retention and General Excess Loss (GXL) programme attachment

Individual Club Retention (ICR) remains unchanged for the 2021/22 policy year at US\$10 million, as does the structure of the Pool above that and the attachment point for the GXL programme at US\$100m. The further ICR of 7.5% in the upper layer of the Pool also remains unchanged.

Hydra participation

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

Excess Loss Rating

As part of its annual analysis to ensure the fairness of cost allocation between different vessel types, the International Group considered the current vessel categories and noted that Fully Cellular Container Ships (FCCs) now represent approximately 20% of the tonnage entered with Group Clubs. Further, FCCs have experienced a significant number of large claims in recent years.

It has therefore been decided that:

1. there should now be a fifth category splitting FCCs away from other Dry vessels; and
2. there should be an adjustment to reflect the improved record on persistent oil tankers.

The Group RI rates (per GT) to be charged to Members for 2021/22 are now confirmed as below;

Owned entries

Tonnage Category	2021 rate per g.t.	% change from 2020
Persistent Oil tankers	\$0.5625	-2.1%
Clean Tankers	\$0.2619	+1.4%
Dry	\$0.4028	+1.4%
FCC	\$0.4249	+7.0%
Passenger	\$3.2624	+1.4%

U.S. Oil Pollution Surcharge 2021/22

The surcharge will remain at nil for 2021/22

US Terrorism Risk Insurance Act (TRIA)

TRIA has been further extended by the Terrorism Risk Insurance Program Reauthorisation Act of 2019 up to 2027. TRIA continues to apply to worldwide trading US flag vessels in the MARAD programme only.

MLC cover

The MLC market reinsurance cover is being renewed for 2021 at competitive market terms, with the premium included in the overall reinsurance rates charged to shipowners.

War cover

The excess War P&I cover will be renewed for 2021 for a period of 12 months. Again, this will be included in the total rates charged to shipowners.

Club Circular: L.367

Yours faithfully,

**STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION LIMITED**