



To the Members,

### Highlights

- Strong underwriting performance reflected in a combined ratio of 99.8%.
- Average combined ratio for last six years of 92.1%
- The Club distributed US\$ 16.3 million to mutual renewing members on 20 March 2020.
- Renewal rates at the 2020/21 renewal for mutual owned tonnage increased by an average of approximately 5% overall.
- Post renewal total entered tonnage stood at 157 million GT, with 3.5 million GT of new owned tonnage during the year.
- Investment return of US\$ 66.9 million (5.9%).
- Free Reserves increased by US\$ 48.3 million after the capital distribution and stood at US\$ 515.3 million at year end.
- The Club's capital remains comfortably in excess of the S&P AAA rating level.
- Establishment of Steamship Mutual Underwriting Association (Europe) Limited in Cyprus.

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 1 and 2 June and will be published together in July. In advance of their publication, the Directors have asked the Managers to bring Members up to date with the combined financial position.

### Financial Results

The 2019/20 financial year combined ratio exceeded expectations at 99.8% compared to 116.1% in the preceding (2018/19) financial year. Several factors contributed to this improved performance including fewer and lower value large claims, three of which were notified to the Pool by the Club. The six year average combined ratio is 92.1%.

Gross investment income in the 2019/20 financial year was US\$ 66.9 million (5.9%), well above expectations and the best result of the past decade. The portfolio recorded positive gains across all asset classes.

Over the year, free reserves increased to US\$ 515 million, after the Club's capital distribution to Members of US\$ 16.3 million. This amount is comfortably in excess of S&P's AAA rating level.

The Club remains in a strong financial position with one of the strongest Solvency II capital ratios in the International Group.

### **2020 Renewal**

The Board decided upon a 7.5 % general increase, after 5 years without one. In the event, Owners' premium including the value of adjusted terms for renewing vessels increased by 4.8%.

### **Tonnage**

The total entered tonnage for the Club stands at 157 million GT.

### **2017/18 Policy Year**

The Directors reviewed the position in relation to the open years and resolved that the 2017/18 Class 1 P&I and Class 2 FD&D years be closed without further calls.

### **Release Calls**

The Directors decided to move the present release call levels forward by a year so that Class 1 P&I and Class 2 FD&D will be subject to release calls as follows:

2018/19: 0%  
2019/20: 0%  
2020/21: 10%

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING  
ASSOCIATION (EUROPE) LIMITED