
February Board Meeting Report

February 2021

Dear Member,

At the Board meeting, held virtually on 2 February, the following developments were reported.

Impact of Covid-19

Projections for the 2020/21 and 2021/22 policy years include prudent provisions for the impact of Covid upon claims and premiums. In the current year 2020/21 the development of incurred Covid claims is in line with expectations. The Managers have focused throughout the year upon providing support to Members in their response to the pandemic, including a programme which offers free of charge support to crewmembers in respect of their mental health and general well-being.

Underwriting Results

2020/21 Policy Year

After nine months, the Club's own incurred claims, including Covid-19 liabilities, remain marginally higher than at the same point in 2019/20. IG Pool claims remain higher after nine months than in any previous year. This is largely attributable to the high level of losses reported in the first six months of the year.

2019/20 and prior years

The Club's own prior year claims have developed broadly in line with original projections, but this has been offset by adverse Pool claims development in the 2019/20 policy year, as reported to Members in the Club's October 2020 circular.

Investments

In the eleven months ending January 2021 the Club's investment return was significantly higher than originally projected.

Renewal 2021/22

Given the high levels of claims on the Pool presented by IG Clubs over the last two years, the projected combined ratio for the current 2020/21 financial year remains in excess of 100%. The General Increase ordered last October reflects these claims levels.

Capital Management

The Board once again noted the Club's continuing financial strength and capital position as affirmed by the Standard & Poor's A (stable) rating. The Club's capital is projected to remain comfortably above the AAA requirement.

As usual, the Board will review the capital position at the October 2021 Board meeting.

Reinsurance

Changes in the cost of the International Group Excess of Loss reinsurance contract and the Hydra reinsurance programme for 2021/22 were reported in the Club's December Circular [L.367](#)

Tonnage

The Club's combined owned entry is 91m GT at 20 January 2021 with an owned and chartered entry of 164m GT.

Club Circular: L.368

Yours faithfully,

**STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION LIMITED**