
2022/23 Financial Year Highlights

May 2023

To the Members

2022/23 Financial Year Highlights

- As at 20 February 2023, Free Reserves stood at US\$454 million, from US\$473 million at the same time last year, in excess of the S&P AAA rating level.
- The financial year combined ratio improved from 112.7% to 95.4%.
- Owned tonnage as at 20 February 2023 was 117 million GT, a 6.3% increase over the previous year.
- Total entered tonnage, including chartered, increased from 195 million GT to over 230 million GT as at 20 Feb 2023.
- International Group (IG) pool claims for the 2022 policy year were lower than expected, however there was notable deterioration of prior year claims.
- Investments recovered from the poor start to the year but still recorded a loss of US\$26.8 million.

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 their Board Meetings.

The Directors noted an improvement in the underwriting performance with a financial year combined ratio of 95.4%. The positive underwriting outcome reflected favourable claims development for claims within retention for both prior years and the 2022 policy year. There was notable deterioration in the costs of prior year IG pool claims, albeit mitigated by a benign claims experience for the 2022 policy year.

Gross investment returns in the 2022/23 financial year recorded a loss of US\$26.8 million or 2.4% driven by mark-to-market losses reflecting rising interest rates.

Steamship's financial strength remains one of the strongest in the International Group with assets of US\$1.1 billion, free reserves of US\$454 million and a combined ratio of 95.4%.

2023/24 Renewal

The Board decided upon a 7.5% general increase. Mutual premium, including the value of adjusted terms, increased by 6.6%.

At renewal, 2.8 million GT of new mutual business was entered, much of which came from the transfer of vessels from existing Members. These new entries (including new chartered business) were from Members based in Germany, Greece, Italy, Singapore, South Korea, Switzerland, Turkey, UK and USA. The Managers are very grateful for the confidence in the Club which these entries reflect.

2020/21 Policy Year

The Directors reviewed the position in relation to the open years and resolved that the 2020/21 Class 1 P&I and Class 2 FD&D years be closed without further calls.

Release Calls

The Directors reviewed release call requirements and resolved that release call levels for Class 1 P&I and Class 2 FD&D should be lowered as follows:

2021/22: 10%
2022/23: 10%
2023/24: 12.5%

Capital Management

In October of this year, as part of its annual overall review of projected capital requirements and resources, the Board will consider whether a return of capital to Members is appropriate.

Further information concerning the financial position and a review of the year may be found in the 2023 Management Highlights.

Club Circular E.76

Yours faithfully,

STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (EUROPE) LIMITED