
Board Meeting

February 2024

Dear Members,

At the Board meeting, held in Manila on 30 January, the following developments were reported in respect of the Steamship Mutual group of companies.

Highlights

- The Club's own incurred claims and the cost of International Group (IG) Pool claims for the 2023/24 policy year remain less than budgeted
- Claims development for prior years is also better than budget expectations
- The Club's financial year-end combined ratio is expected to be less than 100%.
- After 11 months the Club recorded an investment return of US\$87 million
- Owned tonnage has increased by 6.6% in the 11 months to 20 January

Underwriting Results

2023/24 Policy Year

After 10 months the Club's own incurred claims are less than expected notwithstanding tonnage growth and inflationary pressures. The Club has not incurred any claims which have exceeded its US\$10 million retention and gone into the IG Pool. Seven pool claims have been notified by other IG Clubs that exceed Club retention. Incurred costs in the pooling layers compare favourably to the average of recent policy years.

2022/23 and Prior Years

The overall development of the Club's own claims for prior years has been favourable. The development of IG Pool claims has also been better than expected, notably for the 2022 policy year which remains at low levels in contrast to earlier years.

Investments

In the 11 months ending January 2024 the Club's investments, excluding currency movements, recorded returns of US\$87 million or 7.0% with bonds, equities and cash all ahead of budget.

Renewal 2024/25

At the Board meeting in October 2023, it was decided that there should be a general increase of 5% in premium ratings. The Directors received a report on renewal progress and thanked the Members for their continued support.

Reinsurance

Changes in the cost of the International Group Excess of Loss reinsurance contract and the Hydra reinsurance programme for 2024/25 were reported in the Club's December Circular [E.89](#).

Tonnage

The Directors were pleased to note the continued growth in the Club's owned entry by 6.6% in the period 20 February 2023 to 20 January 2024, increasing the total owned entry to over 124.2m GT.

Capital Management

At the Board meeting in October 2023 the Directors decided that a capital distribution to Members be made equivalent to 7.5% of premium paid for Class 1 P&I mutual entries in the 2023/24 policy year, in respect of vessels whose entries are renewed for the 2024/25 policy year. The distribution, of approximately US\$25 million, will appear on Members' statements shortly after the February 2024 renewal.

The Directors will consider further capital distributions to the Members, in due course.

Club Circular: E.92

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (EUROPE) LIMITED