
The arrangements for the Renewal of the International Group Reinsurance Programme

January 2023

To the Members

The arrangements for the renewal of the International Group reinsurance programme for the year commencing 20 February 2023, 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 2023/24 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. Hydra will increase its retention to \$107.1 million as an Annual Aggregate Deductible in the 75% market share of the GXL programme.

Excess Loss Placement

Private Placements: 25% of the Layer US\$650m excess of US\$100m has been secured. This percentage is covered by three private market placements which are renewed independently of the main General Excess Loss programme.

Main General Excess of Loss: These placements have been renewed with unamended, free and unlimited, coverage for all risks except Malicious Cyber, COVID and Pandemic risks.

For Malicious Cyber, Covid and Pandemic risks there is now free and unlimited cover for claims up to US\$650m excess of US\$100m. Excess of US\$750m there is up to US\$1.35 bn of annual aggregated cover in respect of these three risks. Excess of that the Group continues to pool between Group Clubs the unreinsured risks. This combination means that there is no change to Members' cover for 2023.

The Collective Overspill (US\$1bn excess of US\$2.1 bn) and ancillary covers are being renewed with premiums included within the overall rate per GT.

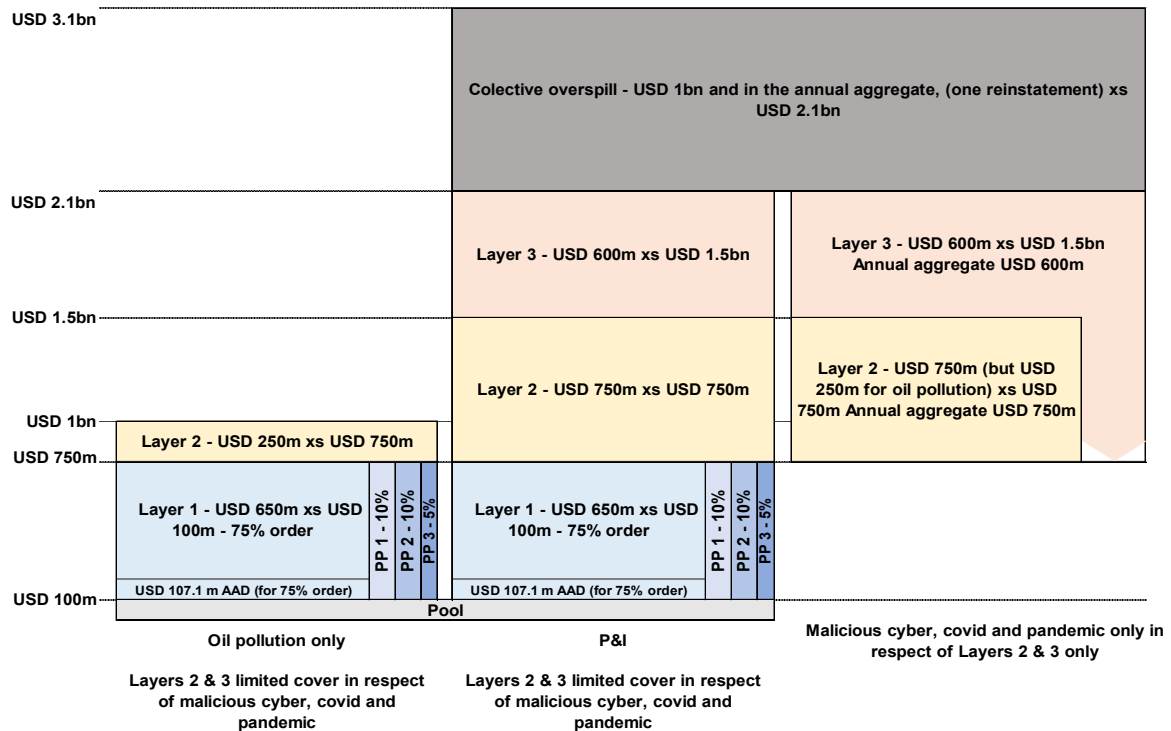
The Group RI rates (per GT) to be charged to Members for 2023/24 are now confirmed as below;

Excess Loss Rates

The overall increase of 5.8% has been allocated across the various vessel categories below to reflect their respective claims performance.

Owned Entries

Tonnage Category	2023 rate per g.t.	% change from 2022
Persistent Oil tankers	\$0.6663	+3%
Clean Tankers	\$0.4051	+10.5%
Dry	\$0.5991	+6.2%
FCC	\$0.7277	+10.5%
Passenger	\$3.8677	+0%



U.S. Oil Pollution Surcharge 2023/24

The surcharge will remain at nil for 2023/24

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 2023 at competitive market terms, with the premium included in the overall reinsurance rates charged to shipowners.

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War cover

The excess War P&I cover will be renewed for 2023 for a period of 12 months. Again, this will be included in the total rates charged to shipowners.

However, due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers require Territorial Exclusion language (consistent with exclusion already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. The IG are negotiating availability of sub-limited cover for affected vessels, which remains an ongoing process. However, it appears available cover is likely to be on the basis of a significantly lower per vessel limit than for the main Excess War placement limit of USD 500m. The Club will provide details of this cover in due course.

Club Circular: L.412

Yours faithfully,

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