
Board Meeting

January 2025

Dear Members,

At the Board meeting, held in Shanghai on 21 January, the following developments were reported in respect of the Steamship Mutual regulatory group of companies.

Highlights

- The Club's own incurred claims and the cost of International Group (IG) Pool claims for the 2024/25 policy year are higher than budgeted but not significantly considering the Club's tonnage growth
- Claims development for prior years remains better than budget expectations
- The Club's financial year-end combined ratio may exceed break-even due to increased 2024 policy year claims projections
- After 10 months the Club recorded an investment return of US\$71 million
- Owned tonnage has increased by 6.9% in the 10 months to 20 December

Underwriting Results

2024/25 Policy Year

After 10 months the Club's own incurred claims are higher than previous years but within reasonable expectations considering tonnage growth and inflationary pressures. The Club has incurred one claim which has exceeded its US\$10 million retention and gone into the IG Pool.

To date fourteen pool claims have been notified by IG Clubs (including three precautionary notifications) with incurred costs at a level comparable to the 2020 and 2021 policy years, which are notable as high-cost years for pool claims.

2023/24 and Prior Years

The overall development of prior year claims has been favourable. In particular, the development of IG Pool claims has been better than expected, notably for the 2022 and 2023 policy years which remain at low levels in contrast to earlier years.

Investments

In the 10 months ending December 2024 the Club's investments, excluding currency movements, recorded returns of US\$71 million or 5.0% with bonds, equities and cash all ahead of budget.

Renewal 2025/26

At the Board meeting in October 2024, 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 2025/26 were reported in the Club's December Circular [L.450](#)

Tonnage

The Directors were pleased to note the continued growth in the Club's owned entry by 6.9% in the period 20 February 2024 to 20 December 2024, increasing the total owned entry to over 132.5m GT.

Capital Management

At the Board meeting in October 2024 the Directors decided that a capital distribution to Members be made equivalent to 12.5% of premium paid for Class 1 P&I mutual entries in the 2024/25 policy year, in respect of vessels whose entries are renewed for the 2025/26 policy year. The distribution, of approximately US\$43 million, will appear on Members' statements shortly after the February 2025 renewal.

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

Club Circular: L.454

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED