

The Shipowners' Club reports business growth

18 April 2019 - Shipowners' Club, the leading mutual P&I insurer in the smaller and specialist vessel sector, has reported results for the year ended 31 December 2018.

The Club has reported a combined ratio of 104.2%, which was slightly better than the budgeted 105%. Tonnage increased by 6.9% to 27.3m tonnes and insured vessel numbers increased by 3.5% to 34,094. After a very positive experience in the investment markets in 2017, which contributed to the 2017 surplus of US\$ 47.7m, the more difficult investment markets seen in 2018 contributed to an overall deficit in 2018 of US\$ 37.9m. The Club has US\$ 303.8m of net assets and is A rated by Standard & Poor's.

In announcing the results, Chairman Philip Orme highlighted that "the Club anticipated the difficult trading conditions that continue for many of our Members and, in the spirit of mutuality, chose to budget for a small underwriting deficit, rather than seek additional premium from Members. Whilst the underwriting deficit and the negative investment yield reduced the Club's net assets, the Club remains well capitalised. It has been pleasing to note that the first quarter of 2019 has seen an upturn in investment markets to the extent that the Club has substantially recovered the 2018 investment deficit."

Simon Swallow, Chief Executive, commented "the Shipowners' Club has seen growth in vessel numbers, tonnage and Member numbers during 2018, which is a tremendous reflection of the faith that our Members and their brokers place in the Club. At a time of some considerable insurance market uncertainty our Members can be assured of a high commitment to service. Our Members are insured by a well-capitalised Club which has a long-standing track record of being ready to stand by them when claims arise."

Financial summary:

- Combined ratio 104.2% (2017: 99.1%)
- Capital and free reserves US\$ 303.8m (2017: US\$ 341.7m)
- Earned premiums US\$ 195.0m
- Incurred claims, net of reinsurance US\$ 151.0m
- Underwriting deficit US\$ 8.2m
- Investments returned an overall deficit of US\$ 29.7m (net of tax)
- Entered vessels 34,094 (2017: 32,932)
- Gross tonnage 27.3m (2017: 25.5m)

Ends

Notes for editors

The Shipowners' Club is a mutual marine liability insurer, which has been providing Protection and Indemnity, including Legal Cost insurance, for small and specialist vessels since 1855. The Club is a member of the International Group of P&I clubs and works with more than 600 brokers globally to insure over 34,000 vessels across a range of operating sectors and geographical areas.

Media contacts

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