

The Shipowners' Club Announces Strong Results Amid Competitive Market Conditions

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The Shipowners' Club, which is the leading P&I insurer in the smaller and specialist vessel sector, has reported very healthy results for the twelve months ending 20th February 2014. Entered members, vessels and tonnage all grew, resulting in an increase of 9.8% in gross premiums, a combined ratio of 98.9% and an 8.4% increase in free reserves to USD298.9 million. The results were achieved against a background of increased competition and a continuing upward trend in claims.

Highlights:

- Earned premiums USD213.1 million
- Incurred claims USD158.5 million
- Underwriting surplus USD2.3 million
- Investment return USD20.9 million
- Increase in free reserves USD23.2 million
- Capital and free reserves USD298.9 million
- Combined ratio 98.9%

In his statement Shipowners' Chairman, Donald MacLeod drew attention to the performance of the Club over the six-year period since the so-called economic crisis of 2008 and the trading difficulties that have ensued. "The Club has successfully navigated these troublesome and difficult waters, emerging stronger than ever by adhering to the principles that it should achieve a balanced underwriting result, and that investment income should be used to bolster reserves, not subsidise rates," he said.

Indeed, without the need for unbudgeted calls, free reserves have increased by some 142% over this six-year period to a total of USD298.9 million and the Club's investment portfolio has risen to USD569.3 million. The average combined ratio over the period was 90.6%. "This performance more than justifies the consistency of purpose portrayed by the Club with prudent underwriting over the long haul," stated MacLeod.

Chief Executive Charles Hume emphasised the continued attraction to new members of Shipowners' renowned commitment to the best interests of owners' in the specialist vessel sectors. "Notwithstanding the increased competition in our market the Club has continued its strong rate of growth adding 457 Members and 1,118 vessels, representing an increase in tonnage entered of 1.7 million GT, during the 2013 policy year. This growth brings additional

stability to the Club's risk profile but also illustrates the ongoing appeal of the traditional virtues of a mutual Club – continuity, stability and security,” he stated.

ENDS

Notes for editors

The Shipowners' Club is a mutual marine liability insurer, providing Protection & Indemnity insurance to 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 broking companies globally to insure over 33,000 vessels across a range of operating sectors and geographical areas.

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