# Solvency & Financial Condition Report (SFCR) 2017

## In accordance with the Solvency II regulations the Club has produced its Solvency & Financial Condition Report (SFCR) as at 31 December 2017.

This report has been produced in respect of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) ('the Club') to satisfy its public reporting requirements under the Solvency II insurance regulation regime. The information contained in this report covers the year ending 31 December 2017. This report has been produced on a single Group basis, a fact which reflects that on a day-to-day basis the Club manages itself as a Group. Where it differs from that of the Group, this report also includes information about the Club on a standalone legal entity basis ('Solo') and about Spandilux S.A. ("Spandilux"), a Luxembourg-domiciled reinsurance subsidiary of the Club.

**The below infographic provides a summary of the information contained within the Club's full SFCR.**

SHIPOWNERS

## The Shipowners' Club announces Solvency Ratio of

# 195%

**AS AT 31 DECEMBER 2017**

**The Club's Solvency Ratio has increased to 195% (2016: 177%) driven by the Club's investment returns.**

The solvency ratio of 195%, coupled with the Club's S&P 'A' credit rating, underlines the financial strength of the Club. As a mutual organisation, this strength allows the Club to write business 'at cost' and to continue to provide a market leading P&I insurance service.

The Solvency Ratio is defined as the ratio of eligible own funds of US$ 419.4 million to the requirement of US$ 214.7 million

## The Club's eligible own funds of

# $419.4m

**INCLUDES $312.0M OF TIER 1 CAPITAL**

Tier 1 capital is comprised of Basic Own Funds of $319.5 million offset by a reduction of $7.4 million in respect of own funds not available at group level.

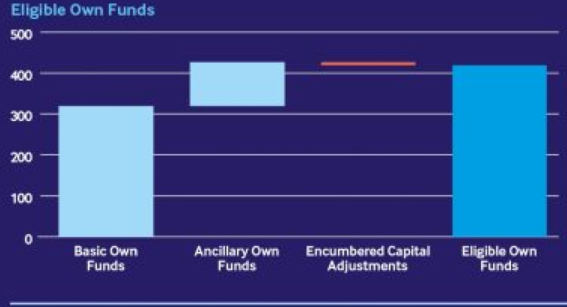
**INCLUDES US$ 107.3 MILLION OF TIER 2 CAPITAL IN THE FORM OF ANCILLARY OWN FUNDS**

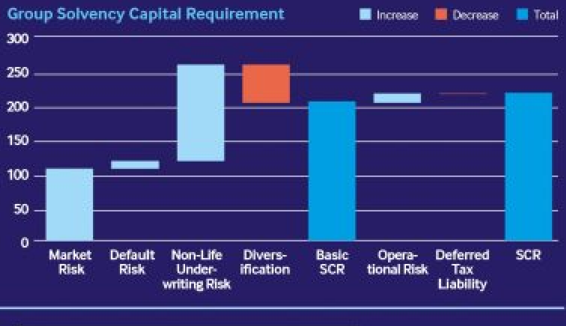
## The Club's solvency capital requirement of

# $214.7m

is driven by its non-life underwriting risk capital requirement of $141.8 million which reflects the risk associated with the technical provisions held in the Club's balance sheet and the premium the Club expects to write during 2018. The other main contributor to the Club's solvency capital requirement is its market risk capital requirement which reflects the risks associated with its investment portfolio.

Tier 2 capital represents the contingent amounts that could be called from the Club's Members. The Club has approval from its regulator, the Commissariat aux Assurances in Luxembourg, to include these amounts in its solvency ratio calculation.




## Tier 1 capital contributes

# 145%

**TO THE CLUB'S SOLVENCY RATIO AND REPRESENTS THE HIGHEST QUALITY OF AVAILABLE CAPITAL**

## Tier 2 capital contributes

# 50%

**TO THE CLUB'S SOLVENCY RATIO AND REPRESENTS THE CONTINGENT AMOUNTS THAT COULD BE CALLED FROM THE CLUB'S MEMBERS**

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