

The Shipowners' Club reports increased Member numbers and strong investment return in 2019

17 April 2020 - The Shipowners' Club, the leading mutual P&I insurer in the smaller and specialist vessel sector, has reported results for the year ended 31 December 2019.

Despite focusing on the 2019 financial year of account the Club Chairman, Philip Orme, has sought to reassure Members and their brokers that the Shipowners' Club is doing everything it can to help them through the current health and wealth crisis. The Club's management have been instructed that their single and absolute priority is to promptly settle and pay claims to ensure that Members' cash flow is supported during these most challenging times.

For the 2019 year of account, the Club has reported an on budget combined ratio of 105.1% and a 6% increase in Member numbers to 7,886. The Club's finances were strengthened by an excellent investment return of US\$ 48.8m which contributed to an overall surplus in 2019 of US\$ 36.1m. The Club ended the year with US\$ 340.0m of net assets and has had its A (stable) rating reaffirmed by Standard & Poor's.

In announcing the results, Philip Orme highlighted that *"As I had forecast in my last report, we have seen a tightening of the insurance market. The flight to service quality benefitted us over the fixed premium commercial insurers. I can report that this continued at the February 2020 renewal where we secured 98% retention and US\$ 3.5m in additional Member premium."*

Simon Swallow, Chief Executive, commented *"During the year we have seen some changes. The cost of claims has risen and although we can't identify any specific trends, we are aware that convention creep has seen the value of claims increase substantially at a time when the clubs have been challenged with reducing premiums. However, it is through our desire to provide the highest levels of service, our understanding of owners' specific risks and quite simply our ambition to be the best at what we do, that we are able to report a 98% retention rate and an increase in Member numbers for 2019. We are proud that our Membership, supported by their brokers, continues to recognise our energy, experience and expertise in serving the smaller and specialist vessel sector."*

Financial summary:

- Combined ratio 105.1% (2018: 104.2%)
- Capital and free reserves US\$ 340.0m (2018: US\$ 303.8m)
- Earned premiums, net of reinsurance US\$ 200.0m (2018: US\$ 195.0m)
- Incurred claims, net of reinsurance US\$ 156.5m (2018: US\$ 151.0m)
- Underwriting deficit US\$ 10.3m (2018: deficit of US\$ 8.2m)

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- Investments returned a gain of US\$ 48.8m (2018: loss of US\$ 28.8m)
 - Entered Members 7,886 (2018: 7,444)

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 33,000 vessels across a range of operating sectors and geographical areas.

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