



**SHIOWNERS**

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## ▶ THE SHIOWNERS' CLUB REPORTS UNDERWRITING RESULT IN LINE WITH EXPECTATIONS

London, 10 September 2018

The Shipowners' Club, the leading P&I insurer in the smaller and specialist vessel sector, has reported financial results for the six months ended 30 June 2018. The Club recorded a 106.4% combined ratio, which was in line with expectations and underlines the Club's support for its Members.

The Club's investment portfolio saw a loss of US\$ 13.7m in the first half, which reversed some of the US\$ 47.5m gain that was reported in the prior year.

### Financial summary

- Combined ratio 106.4%
- Capital and free reserves US\$ 321.6m
- Earned premiums US\$ 110.3m
- Claims costs US\$ 76.7m
- Underwriting deficit US\$ 6.2m

As previously communicated, the Club did not seek a general increase in premiums from Members at the most recent renewal. This, coupled with the higher cost of covering Member claims in the first half, has led to an underwriting deficit. The first half saw a higher level of income, a stable level of claims frequency but a higher level of claims quantum, especially in the higher claims bandings due to two sizeable casualties.

The Club has an actively managed investment portfolio of some US\$ 550m. The Club's benchmark policy is to invest approximately 75% of the portfolio in cash and fixed income products, with the balance in equity investments. In common with the market generally, the Club has seen a level of volatility in investment values in the first six months of the year, which has led to the investment loss. Despite this short-term loss, the Club continues to invest for the long term and, as a result, has a strong track record of portfolio performance over many years.

**Simon Swallow, Chief Executive commented:** *"As a mutual organisation, the Shipowners' Club exists for the benefit of its Members. The Club therefore targets the provision of insurance 'at cost' and this continues to be achieved, with a five year average combined ratio of 99%. In support of the Club's Members, the Club, once again, did not seek a general increase in premium at the most recent renewal, albeit recognising that this was likely to result in an underwriting deficit. The Club is well capitalised and is therefore well placed to offer this support to the Members.*

*It is very encouraging to report an increased level of business from most of our vessel sectors, including strong levels of membership retention. The Shipowners' Club has a reputation for strong service and a proactive approach to claims when they occur, and hence sees enviable loyalty from Members and their brokers. We will continue to apply our financial strength and service to the benefit of our existing Members and to welcome new Members to the Club who complement the Club's risk and pricing profile."*

## Ends

### *Notes for editors*

The Shipowners' Club is a mutual marine liability insurer, providing Protection and Indemnity 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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