

NEWS

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Standard Club reserves at record levels following \$10 million surplus

The Standard P&I Club returned a surplus of \$10 million last year after another strong investment performance. The result is in line with a policy of maintaining excellent financial security whilst at the same time restraining premium increases to members. Free reserves rose to \$363 million, their highest-ever level.

Premium income net of reinsurance went up by \$10 million to \$231 million, whilst claims came to \$271 million, an increase of \$6m. The gap was covered by an investment income of \$50 million. Tonnage increased by 7% to 135 million gt, representing a small gain in overall market share.

One of the highlights of the year was the introduction of several new products and covers for members including Kidnap and Ransom and, most recently, Hull insurance. This follows feedback from shipowners that they would value a seamless service that made full use of the club's claims expertise. Response to the Hull offering has been especially encouraging.

In his annual report, chairman Ricardo Menendez said the club would continue to investigate new ways of adding value to its members.

The underwriting loss was anticipated earlier in the year when the board decided to restrain increases to members and allow investment income to subsidise premiums. "As a mutual our main financial aim is to provide cover at cost to our members, not to make big profits, especially at times when shipowners are under financial stress," said chief executive Alistair Groom. "In recent years we have been very successful at walking this tight-rope whilst maintaining excellent financial security."

The Standard Club's investment returns over the past 15 years have been the best of any P&I Club. The club has a Standard & Poor's 'A' rating.

The Standard Club insures 135m gt of shipping and has an S&P A rating with a stable outlook.

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