



CIRCULAR

TO ALL MEMBERS

20 November 2023

Financial Review and Renewal 2024

The Directors met in Windsor on 15 November 2023 to review the Club's financial position and to consider requirements for the first Renewal of the NorthStandard's Bluewater P&I and FD&D Classes, in 2024. Decisions taken regarding Release Calls are set out at Appendix A.

Following the relatively benign claims experience last year in terms of both retained as well as Pool claims, the year to date has seen slightly higher values experienced, particularly in relation to large claims above US\$1M. The values seen are however still lower than the long term average and are therefore below those budgeted at the start of the year.

The investment performance in the year to date has also seen continued volatility, albeit the projections are for a positive but moderate return. The War in the Ukraine however continues unabated and has now been augmented by yet further geopolitical instability in other parts of the world. The consequent impact on general claims and expense inflation worldwide adds further complexity to claims forecasting, but there is no doubt that inflationary pressures will continue to impact the claims experience next year.

Whilst the Directors are focused on the need to support our Membership, responsible action to increase premium rating levels to contend with these inflationary pressures as well as the expected impact of rating churn on insurance premiums, will be required in order to preserve the financial equilibrium of the Club. In the interests of transparency and sound corporate governance, the Directors believe that it is appropriate to notify Members of the Club's overall budgetary requirements for the forthcoming Policy Year. They have therefore concluded as follows :-

P&I CLASS

Mutual and Fixed Premiums – to declare a 5% increase in premium rates at the forthcoming renewal. The managers will nevertheless also continue to robustly review all Members' premiums and terms in order to ensure that premiums are further adjusted to properly reflect performance and exposure going forwards. Members with adverse loss records will therefore have their rates and terms adjusted in excess of these minimum requirements, in order to ensure that they make an equitable contribution.

In addition, and in order to contend with inflationary pressures on claims, all deductibles below US\$30,000 will be increased by a minimum of US\$1,000. These increases are intended to ensure that equitable and sustainable levels of risk are retained by Members.



Reinsurance – Members’ rates will also be adjusted to incorporate any changes in the costing and structure of the International Group General Excess of Loss reinsurance programme.

FD&D CLASS

Mutual and Fixed Premiums - to declare a 5% General Increase in premium rates, in the light of the inflationary cost pressures presently affecting the Class and which are anticipated to increase into the future. Premiums will however further be adjusted to reflect individual Members’ claims performance and exposure.

The Directors also decided to maintain the FD&D Rules deductible of 25%, with the minimum of US\$10,000 per claim.

The Club’s Pre-Renewal Report was published on 20 November 2023 and will provide detailed information on the financial position and claims development during the current Policy Year. Please click [here](#) to view or download your copy of the Report.

The Directors are satisfied that NorthStandard remains on course to deliver the benefits of the merger, is in strong financial health and they are confident that our prudent 2024 renewal strategy allied with our disciplined financial approach and equitable underwriting philosophy, will position the Club appropriately to meet the ongoing geopolitical uncertainty and inflationary pressures; whilst securing the sustainable platform necessary to enable our Members to continue to receive the excellent levels of service together with financial stability. The Club is focussed on ensuring the sustainability of future premium levels through predictable operational, financial and technical results and without diluting our service led approach to Members and Clients.

If Members have any questions, please contact Thya Kathiravel – Chief Underwriting Officer, or your usual Underwriting contact.

Yours faithfully

Jeremy Grose

Director

The Standard Club UK Limited

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APPENDIX "A"

RELEASE CALLS

NorthStandard Group Boards have agreed to:

- Maintain the Release Calls for the 2023/24, 2022/23 and 2021/22 Policy Years at 12.5%, 5% and 0%, respectively (for the P&I and FD&D/Defence Classes).
- Maintain Release Calls for all open years for the Coastal & Inland and War Risks Classes at 0%.
- Reduce Release Calls for the Strike & Delay Class to 5% for the 2023/24 policy year and 0% for the 2022/23 policy year.

Summary Release Calls for the P&I, FD&D/Defence, War Risks, Coastal & Inland and Strike & Delay Classes

	P&I CLASS	FD&D/DEFENCE CLASS	WAR RISKS	COASTAL & INLAND	STRIKE & DELAY
2023/24	12.5%	12.5%	0%	0%	5%
2022/23	5%	5%	0%	0%	0%
2021/22	0%	0%	0%	0%	Closed