

## Club News

Setting the Standard for  
Service and Security

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### Renewal

The club announced in October a general increase of 7.5% to balance the need to move towards underwriting break even with the need to keep P&I premiums at a minimum at a time when many members continue to experience very difficult trading conditions. Overall, this target was achieved, with additional costs associated with the International Group general excess loss programme charged in addition.

The club has welcomed some new members at renewal. Additionally, a number of members have transferred ships from other clubs or have committed to attach new ships as they deliver during the year. In a year where the club has been conscious to contain costs and keep premium increases low, the club has seen some welcome consolidation.

Tonnage at 20 February 2013 is 135m, an increase of 9% over the year. Premium income for the Group over all classes is projected at \$323m and free reserves at year end are projected to be slightly increased over last year. The club's European inland waterway class, London class, announced a general increase as expiring and achieved this, also adding some additional business both from existing and new members.

The club's investment portfolio has again had a positive year in volatile markets achieving a 6.6% return. This result follows three successive years in which, according to annual reports, the club has seen the best investment returns in the International Group. Investment strategy remains conservative with a high allocation to cash and a cautious allocation to equities.

The claims environment remains unpredictable with the 2012 policy year likely to have been one of the worst on record for the Group's pool claims (shared claims between \$8m and \$60m for 2012). The reinsurance market was difficult at this renewal, with the club absorbing some additional costs in its general purchasing arrangements. But on a positive note, the club's non-Pool programme has been renewed with a \$1bn limit again this year and all members were able to receive their documentation as renewals were agreed with them.

