

# Standard Bulletin

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for service and security

**The Standard**



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Insured tonnage at the start of the 2015–16 policy year is 135m gt, representing a 3% increase over the policy year.

## The Standard Club's February 2015 renewal

The club has concluded its P&I renewal for the 2015–16 policy year; it delivered its strategy as planned and has met its financial targets.

As a result, the managers are projecting, at this early stage, a breakeven result for the 2015–16 policy year. The club remains in a strong financial position which compares very favourably with other clubs in the International Group.

The club announced a 'two tier' strategy this year, in which members with a good risk profile and record would only be asked to contribute a 5% increase towards claims inflation, but that the minority of members bringing risk or cost that are out of line with their premiums would be asked to contribute more. In addition, the club announced that it would apply members' deductibles to fees and other expenses.

The club renewed the vast majority of its members and eight new members joined the club. A significant number of members increased their entry, both at 20 February and in committing tonnage as their ships are delivered during the year. As expected, the club decided not to offer renewal terms to a small number of members who did not meet the club's quality and rating criteria. Consequently, tonnage declined by a small amount (around 3mgt) at renewal. The club anticipates that its tonnage growth during the 2015–16 policy year will more than offset this reduction.

The club's London Class, which writes European coastal and inland waterway business, had another successful renewal, having announced a nil general increase. It renewed the

majority of its members and added a small amount of new business. Likewise, the defence and war classes had successful renewals.

The club continues to have one of the best reinsurance facilities for business that cannot be pooled with the other International Group clubs, offering limits of up to \$1bn. The club has also further developed its fixed premium facility, also now offering limits of up to \$1bn.

The club has an ongoing focus on underwriting discipline, risk assessment and loss prevention, and on providing highly effective claims handling and high levels of technical advice. These efforts have all contributed to the club's underwriting performance. Following an improvement in claims in the second half of the 2014–15 financial year, the managers expect an underwriting result that is close to breakeven. Notwithstanding volatile investment conditions, a conservative investment policy and the club's investment in The Standard Syndicate at Lloyd's, the club's free reserves at 20 February 2015 are expected to have slightly increased over the previous financial year. The Standard Club is A rated by S&P.