

CIRCULAR

By your side

TO ALL STRIKE & DELAY CLASS MEMBERS

12 November 2021

FINANCIAL POSITION, OPEN POLICY YEARS AND RENEWAL 2022

The class committee has reviewed the financial position of the class, open policy years and the requirements for renewal at 20 February 2022.

RENEWAL 2022

The risk environment for 2021/22 was reviewed by the committee and considered volatile for the foreseeable future. The ongoing impact of the COVID-19 pandemic on economies, supply chains and world trade will exacerbate this unpredictability. Extreme weather conditions will continue to cause major disruption in key locations, and more isolated risks such as the blockage of major trading routes, fires at ports and terminals, terrorism and cyber-attacks are on the increase. Higher daily insured sums resulting from the buoyant dry freight markets increase this exposure.

To take account of these factors and an anticipated material increase in reinsurance costs, the committee set a general increase of 7.5% to be applied to members' premiums at 20 February 2022.

Updates to the rules for 2022/23 have been reviewed by the committee and the boards and will be submitted for adoption by members at general meetings in January 2022.

Renewal approach

To ensure fairness amongst members, the class will continue to analyse each member's rating, terms and deductibles against their historical and forecast claims exposures. Members whose current rating levels are insufficient will need to increase their contributions in excess of the general increase.

As in previous years, renewal will be subject to no premiums remaining due and unpaid to the class at 20 February 2022.

FINANCIAL POSITION AND OPEN POLICY YEARS

Premium income for the 2021/22 year is ahead of projections driven by new business growth and higher daily insured sums as a result of improved earnings, particularly in the dry bulk market. Claims do reflect this trend, although they remain in line with expectations.

The class finances remain strong and the defensively positioned investment portfolio is projected to make a positive, albeit modest contribution. No call is expected in addition to Estimated Total Premium (ETP) for all open policy years and release call percentages are maintained at 20% of and in addition to ETP.



We remain committed to providing excellent service and support to our members at the lowest sustainable price. We wish to thank all members for their ongoing support at this renewal.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jeremy Grose', is located below the 'Yours faithfully' text.

Jeremy Grose
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