

# CIRCULAR

By your side

## TO ALL OWNERS AND MEMBERS

28 May 2021

Dear Sir / Madam

### Financial position and open policy years

The board of The Standard Club Ireland DAC approved its financial statements at a meeting on 21 May 2021. This circular provides an update to owners/members and their brokers.

### Consolidated financial statements for the year ended 20 February 2021

The Report and Consolidated Financial Statements for the year to 20 February 2021 were approved by the board and will be circulated to the membership by email and published on the club's website shortly.

Despite the impact of COVID-19 related claims, the 2020 policy year saw the club's own claims position improved compared to the relatively high levels of claims experienced over the previous two years. However, International Group Pool claims from other clubs reached a new high last year, with the club's contributions to these claims pushing the combined ratio to 121%.

Offsetting this loss the club's investments delivered a 4.7% return in a very volatile market, as a result of a deliberate strategy of capital preservation and generating an absolute return. The investment gain has partially mitigated the underwriting result and, as at 20 February 2021, the club's free reserves remain comfortably above regulatory requirements at \$360m.

### Renewal 2021/22

The club delivered a strong renewal result and made material progress in returning towards its goal of breakeven underwriting. The club strategically reduced exposure to some underperforming business and selectively welcomed additional owners/members to the club. Significantly, the club received excellent support from existing owners/members consolidating and increasing their entries. Tonnage stood at 149mgt on 20 February 2021.

### P&I CLASS

2019/20 policy year

This year has been heavily affected by both the club's own and its share of other clubs' pool claims, however no further calls are expected to be necessary. Release calls are maintained at 0%.



2020/21 policy year

As for 2019/20, the continued high levels of other clubs' pool claims has resulted in an underwriting loss forecast for this policy year. Apart from the final instalment of the estimated total premium, which is due on 1 November 2021, no further calls are expected to be necessary. Release calls are maintained at 6%.

2021/22 policy year

The estimated total premium has been debited with the final instalment due on 1 November 2022. Release calls have been set at 12.5%.

## **DEFENCE CLASS**

2019/20 and 2020/21 policy years

Claims in these policy years have developed in line with expectations. No further premiums are expected to be necessary and release calls are maintained at 0% for 2019/20 and 6% for 2020/21.

2021/22 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary with release calls set at 12.5%.

## **COASTAL & INLAND CLASS**

2019/20 and 2020/21 policy years

Claims have developed better than expected on the 2019/20 policy year (with an underwriting surplus forecast), but worse than anticipated on the 2020/21 policy year (with a forecast underwriting deficit). No further calls are anticipated and release calls have been maintained at 0%.

2020/21 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary. Release calls are set at 0%.

## **WAR RISKS CLASS**

No further premiums are expected to be necessary for any open policy year with release calls maintained at 0%.

## **STRIKE & DELAY CLASS**

2020/21 policy year

Although the class has been affected by COVID-19 claims resulting in an underwriting deficit being forecast, underlying claims are in line with expectations. No further calls are expected to be necessary and release calls are maintained at 20%.



2021/22 policy year

Release calls have been set at 20%.

Yours faithfully

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

**Robert Drummond**  
**Director**  
The Standard Club Ireland DAC

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