

20 May 2015

THE STANDARD P&I CLUB DELIVERS STABLE 2014-15 UNDERWRITING PERFORMANCE AND STEADY GROWTH

- 100% combined ratio – ‘breakeven’ underwriting result consistent with mutuality
- Tonnage increased by 3% to 135 million GT (2013: 131 million GT)
- Free reserves increased by 3% (in line with tonnage) to \$380 million (2013: \$369m)
- Further action taken at renewal to improve the operating quality of the fleet

The Standard P&I Club delivered stable ‘breakeven’ underwriting performance in 2014-15, combined with conservative, selective growth. The result is in line with the club’s strategy of delivering sustainable, good-value cover with excellent financial security and a high quality membership.

Tonnage increased by 3% to 135 million GT from 131 million GT. This increase was achieved in spite of a small reduction in tonnage at renewal, as some members were not renewed due either to unacceptable operating standards or to an unwillingness to align premiums paid with risk brought to the club. The club delivered an investment return of 1.8% during the financial year; excluding negative currency movements the investment return was approximately 5.7%. This return drove a surplus of \$11 million and an increase in free reserves from \$369 million to \$380 million; this 3% increase in free reserves was in line with the growth in tonnage.

As a result of the club’s strong financial position, the club has reduced the release calls for the P&I and defence classes to 2%, 3% and 7% for the 2013/14, 2014/15 and 2015/16 years respectively. The club’s previous levels of release calls were already one of the lowest in the International Group, and these further reductions reflect the board’s confidence in the club’s outlook.

Jeremy Grose, Chief Executive, Charles Taylor & Co, manager of The Standard Club said:

“The Standard Club achieved a good result over the past year, achieving a break-even underwriting result, steady growth and a proportionate increase in free reserves. We are focused on providing good-value, sustainable P&I insurance and related cover to our high-quality membership, combined

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with excellent financial security, market-leading service and a selective approach to growth. Our members spend a lot of money achieving industry-leading operating standards, and they don't want to waste money on insurance. Our break-even result is ideal in the mutual context, and exactly in line with the board's target.”

The club progressed a number of growth initiatives during the year. In 2014, the club successfully established the Singapore War Risks Mutual, a class within Standard Asia, providing war risks cover to Singapore-based operators. It was developed with the support of the Singapore Shipping Association and began underwriting on 20 February 2015.

Another highlight of the year was the development of The Standard Syndicate at Lloyd's, which began underwriting on 1 April 2015. The Syndicate offers a range of fixed premium covers for property, casualty and liability risks, to club members and other insureds. It focuses on hull, marine and energy liability, energy physical damage, D&O and E&O, marine and energy-related property, and cargo.

Jeremy Grose said: “We achieved excellent progress in delivering our growth initiatives over the year, with the launch of The Standard Syndicate at Lloyd's and the Singapore War Risks Mutual. These initiatives are intended to diversify the club's business and income streams and add further to the financial strength of the club. This will help to ensure that we can continue to deliver good value P&I cover to our members at sustainable premiums, and we believe that the club is well positioned for the future.”

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About The Standard Club

The Standard Club is a mutual insurance association and is a member of the International Group of P&I Clubs. The Standard Club insures 135m gt of shipping and the active insurance companies have an S&P A rating. The club is managed by Charles Taylor plc group companies.

About Charles Taylor plc

Charles Taylor plc is a leading provider of professional services to clients across the global insurance market. The Group has been providing services since 1884 and today employs over 1,200 staff in 67 offices spread across 27 countries in the UK, the Americas, Asia Pacific, Europe, the Middle East and Africa.

The Group offers services, principally on a fee-based model and operates through three businesses – Management, Adjusting and Insurance Support Services. Charles Taylor also owns insurers, creating value through select acquisitions and operational efficiency.