

The Bulletin edition 01.16

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With less than a month ahead of the 2016/2017 P&I Renewals, Shipowners and P&I Clubs are intensifying their negotiations of what seems to be a very tough and demanding renewal process.

Tough due to the fact that Shipowners are facing a tremendously volatile market, where in particular the dry cargo sector has been suffering for a significantly long time, without any immediate signs of recovery.

Demanding because P&I Clubs have announced for another consecutive year General Increases even though they are on the low side, in comparison to previous years, with however certain P&I Providers not applying any increase.

On the other hand, there is some relief with the reduction of the Group's R/I cost.

We have compiled our yearly Bulletin, in an effort to provide a "snapshot" of the IG P&I Clubs' current position always in correlation to historical data including but not limited to GIs/R/I Cost/Free Reserves.

We trust our **Bulletin** serves certain aid throughout the renewal process.

After all "It isn't over until the fat lady sings!!"

2016/17

	P&I		FD&D	
	General Increase	General Comments	General Increase	Free Reserves US\$
American Club (S&P BBB-)	2.50%	All expiring deductibles of less than \$10,000 to be increased by US\$1,000 in every case. Minimum deductible to apply for all crew claims. Class 1, Rule 2, Section 14.4 Special Compensation to Salvors (Pollution) minimum deductible to be \$50,000 any one incident. Class 1, Rule 2, Section 13 Unrecoverable GA Contribution minimum deductible to be \$50,000 for vessels over 15 years of age.	Nil	58.6m @ 31/12/14
Britannia P&I (S&P A)	2.50%	P&I Deferred Calls: 2016/17 budget for 45% -2015/16 budget for 45% - 2014/15 reduced to 37.50%-2013/14 remains at 45% - to be reviewed in 12 months -2012/13 no further call, year to be closed. FD&D Deferred Calls: 2015/16 budget for 30% - 2014/15 remains at 30% - 2013/14 waived half of 50% - 2012/13 waived half of 50% no further recommendations -2011/12 no further call, year to be closed. Free Reserves of US\$525m include Budicca of US\$174m	Nil	545m @ 20/2/15
Gard P&I (S&P A+)	2.50%	The standard P&I deductibles to remain unchanged. Any deductibles below the standard ones to be increased by \$1,000. Standard Deductibles are as follows: \$ 7,000- Crew/Passenger/Other P&I Liabilities \$19,000- Cargo/Pollution/Fines \$24,000- Collision with other ships & damage to FFO	2.50%	969m @ 20/2/15
London Club (S&P BBB)	5.00%	P&I deductibles to be increased by \$2,000.	5.00%	157.4m @ 20/2/15
North of England (S&P A)	2.50%	All crew and cargo deductibles below US\$25,000 to be increased by US\$2,500. All other deductibles will be increased by US\$1,000.	2.50%	338.1m @ 20/2/15
Shipowner's Club (S&P A-)	Nil	No alterations / Further Comments	Nil	300.3m @ 20/2/15
Skuld P&I (S&P A)	N/A	Renewals will be based on individual risk assessments. BOD has decided to guarantee min. 2.5% credit on Member's P&I mutual net premium paid for 2015/16 Policy Year.	N/A	343 @ 20/2/15
Standard Club (S&P A)	2.50%	All deductibles to be increased by 10%. Existing deductibles below \$20,000, a mandatory increase of \$2,000 to be applied.	Nil	380m @ 20/2/15
Steamship Mutual (S&P A-)	Nil	No alterations / Further Comments	Nil	376.2m @ 20/2/15
Swedish Club (S&P BBB+ AM Best A-)	Nil	Crew and Cargo deductibles to be increased by US\$1,000	Nil	186.3m @ 20/2/15
U.K. P&I (S&P A)	2.50%	Standard deductible to remain \$10,000 per event including fees & expenses. FD&D Continuity Credit is continues follows: 2.50% Credit for Members being with the Club for 1 complete year 5.00% Credit for 3 years membership with the Club 7.50% Credit for members with greater than 5 years membership with the Club Members insuring their entire fleet with the Club will receive an additional 1.50% Credit. Free Reserves inclusive of Hybrid capital.	Nil	548m @ 20/2/15
West of England (S&P BBB+ AM Best A-)	Nil	P&I deductibles of 10% or US\$1,000 whichever is the higher, subject to a maximum increase of US\$2,500, and also Rules deductible to be increased by US\$1,000 to US\$11,000.	Nil	243.7m @ 20/2/15

P&I GENERAL INCREASES HISTORY

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
American Club	2.50%	4.50%	10.00%	10.00%	5.00%	2.00%	4.00%	29.00%	20.00%
Britannia P&I	2.50%	2.50%	2.50%	12.50%	5.00%	5.00%	5.00%	12.50%	23.80%
Gard P&I	2.50%	2.50%	5.00%	5.00%	5.00%	Nil	Nil	15.00	10.00%
London Club	5.00%	6.00%	10.00%	12.50%	5.00%	5.00%	5.00%	15.00%	17.50%
North Of England	2.50%	4.75%	7.50%	15.00%	5.00%	3.00%	5.00%	17.50%	17.50%
Shipowners Club	Nil	Nil	5.00%	5.00%	Nil	Nil	5.00%	10.00%	20.00%
Skuld P&I	Nil	Nil	Nil	7-11%	Nil	Nil	5.00%	15.00%	7.50%
Standard Club	2.50%	5.00%	12.50%	7.50%	5.00%	3.50%	3.00%	15.00%	15.00%
Steamship Mutual	Nil	Nil	10.00%	7.50%	5.00%	Nil	5.00%	17.50%	15.00%
Swedish Club	Nil	4.50%	7.50%	7.50%	5.00%	2.50%	2.50%	15.00%	15.00%
U.K. P&I	2.50%	6.50%	10.00%	7.50%	3.00%	5.00%	5.00%	12.50%	17.50%
West of England	Nil	2.50%	7.50%	3.50%	5.00%	5.00%	5.00%	19.20%	15.00%

SUPPLEMENTARY CALLS HISTORY

	2016/17		2015/16		2014/15		2013/14		2012/13		2011/12	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
American Club	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Britannia P&I	45%	45%	45%	40%	37.50%	45%	45%	40%	40%	40%	40%	40%
Gard P&I	25%	25%	25%	25%	15%	25%	15%	25%	15%	25%	15%	20%
London Club	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
North Of England	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Shipowners Club	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Skuld P&I	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Standard Club	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Steamship Mutual	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Swedish Club	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
U.K. P&I	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
West of England	35%	35%	35%	35%	35%	35%	35%	30%	35%	35%	35%	30%

RELEASE CALLS HISTORY

	2016/17	2015/16	2014/15	2013/14	2016/17	2015/16	2014/15	2013/14
	Protection & Indemnity				Freight Demurrage & Defence			
American Club	20%	20%	12.50%	7.50%	20%	20%	12.50%	7.50%
Britannia P&I	15%	7.50%	5%	0%	20%	20%	10%	5%
Gard P&I	20%	20%	5%	5%	20%	20%	5%	5%
London Club	15%	15%	12.5%	5%	15%	15%	12.5%	5%
North Of England	20%	20%	5%	0%	20%	20%	5%	0%
Shipowners Club	0%	0%	0%	0%	0%	0%	0%	0%
Skuld P&I	10%	5%	0%	0%	10%	5%	0%	0%
Standard Club	TBA	7%	3%	2%	TBA	7%	3%	2%
Steamship Mutual	12.50%	2.50%	5%	2.50%	12.50%	2.50%	5%	2.50%
Swedish Club	15%	20%	12.50%	7.50%	5%	10%	5%	0%
U.K. Club	15%	10%	0%	5%	0%	0%	0%	0%
West of England	20%	20%	10%	5%	20%	20%	10%	5%

INTERNATIONAL GROUP REINSURANCE RATES HISTORY

	Dirty Tanker	Clean Tanker	Dry Cargo	Passenger
2016/17	US\$ 0.6567	US\$ 0.2816	US\$0.4537	US\$ 3.5073
2015/16	US\$ 0.7317	US\$ 0.3138	US\$ 0.4888	US\$ 3.7791
2014/15	US\$ 0.7963	US\$ 0.3415	US\$ 0.5203	US\$ 3.7791
2013/14	US\$ 0.7565	US\$ 0.3245	US\$ 0.4942	US\$ 3.1493
2012/13	US\$ 0.6515	US\$ 0.2798	US\$ 0.3561	US\$ 1.3592
2011/12	US\$ 0.7038	US\$ 0.3055	US\$ 0.3709	US\$ 1.4780
2010/11	US\$ 0.7554	US\$ 0.3335	US\$ 0.3867	US\$ 1.5654
2009/10	US\$ 0.8079	US\$ 0.3667	US\$ 0.3697	US\$ 1.6026
2008/09	US\$ 0.7300	US\$ 0.3498	US\$ 0.3196	US\$ 1.4985
2007/08	US\$ 0.6797	US\$ 0.3187	US\$ 0.2837	US\$ 1.3714
2006/07	US\$ 0.6797	US\$ 0.3201	US\$ 0.2851	US\$ 0.8006
2005/06	US\$ 0.6385	US\$ 0.3041	US\$ 0.2677	US\$ 0.7476
2004/05	US\$ 0.6399	US\$ 0.3128	US\$ 0.2752	US\$ 0.7329
2003/04	US\$ 0.6724	US\$ 0.3268	US\$ 0.2858	US\$ 0.6841
2002/03	US\$ 0.4859	US\$ 0.2364	US\$ 0.1984	US\$ 0.3782
2001/02	US\$ 0.3953	US\$ 0.1773	US\$ 0.1453	US\$ 0.2762