

CIRCULAR REF: 2018/016

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPT**

**24 MAY 2018
CEO/KAH**

NORTH GROUP ANNUAL REVIEW & RELEASE CALLS

The Directors met on 17 May 2018 to approve the financial statements for the year ending 20 February 2018 for North P&I Club and Sunderland Marine (North Group) and we are pleased to report another positive result.

The Annual Review 2018 is now available to view and download from our website [here](#) and the combined financial statements together with the Directors Report and Bermuda Financial Statements will be published in due course.

For the financial year ending 20 February 2018, we can confirm a 2.6% (5 million GT) rise in total entered tonnage to 195 million GT and a 4.6% (US\$20 million) increase in free reserves to US\$451 million. Overall entered tonnage comprises 142 million GT of owned tonnage and 53 million GT of chartered tonnage, reflecting a 99% Member retention rate at the 20th February Renewal.

An investment return for 2017/18 of 2.87% produced US\$28.6 million and assisted in delivering the overall surplus of US\$20 million. The underwriting result was however impacted by the rise in the cost of our contributions to other International Group Clubs' Pool claims, as well as the increasing operational and regulatory cost pressures from Solvency II and Brexit. Overall the financial year combined ratio of 104% is a satisfactory result given the prevailing market conditions and the continuing need to support Members during this economically uncertain and challenging period for global shipping.

Standard & Poor's "AAA" capital strength assessment of the Club continued, as did our "A" (Stable) rating for the 14th consecutive year.

We are pleased to have delivered another positive result and continuing financial stability and would like to take this opportunity to thank our Members, policyholders, brokers and business partners for their loyalty and support.

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RELEASE CALLS

The Directors also reviewed the Release Calls for the P&I and FD&D Classes, which they have decided should be set as follows:

POLICY YEAR	P&I CLASS	FD&D CLASS
2015/16	0%	0%
2016/17	0%	0%
2017/18	5%	0%
2018/19	15%	15%

PAUL JENNINGS
CHIEF EXECUTIVE OFFICER
The North of England P&I Association Limited