

## Policy Year 2023 – Renewal

18 January 2023

Circular Ref: 2023/003



## Policy Year 2023 – Renewal

The arrangements for the renewal of the International Group's ("Group") General Excess of Loss Reinsurance ("GXL") Contract have now been finalised.

As mentioned in earlier circulars, the 2022/23 Policy Year has, so far, been relatively benign in terms of Pool Claims experience across the IG, although there has been some deterioration in prior years claims; whilst the Group's reinsurance partners have also been adversely affected by both Hurricane Ian and the Russia/Ukraine war, which led to difficult market conditions going into the 2023 renewal.

Notwithstanding this, in light of the current year performance and the increase paid in 2022/23, the Group has been able to renew its reinsurance programme for 2023/24 with only a small increase in rates for shipowners.

The structure of the placement is largely the same as in 2022/23 with the individual Club retention remaining unchanged at US\$10m and the GXL attachment point also unchanged at US\$100m. However, there are the following changes:-

- the Group renewed one of its two expiring 10% multi-year private placements (which provide cover in the layer USD 650m xs USD 100m) but replaced the other expiring 10% private placement with a 5% line. This results in an increased, 75%, share of the GXL for the open market.
- within that 75%, coverage for COVID-19, Malicious Cyber and Pandemic risks has been expanded and is now free and unlimited for all claims up to USD 650m xs USD 100m, with aggregated cover above USD 750m. This has resulted in the GXL structure reverting to the 3 Layers last seen for the 2021/22 placement.
- the Group's separate Excess War P&I placement will now include Territorial Exclusionary Language for ships trading in the waters of Russia and Ukraine although the extent of this and any potential buy-back is yet to be finalised. We will advise further in due course.

A summary of the slightly altered GXL programme structure for the 2023/24 Policy Year is explained in this link. [IG Reinsurance contract \(GXL\) structure for the 2023/24 finalized - The International Group of P&I Clubs \(igpandi.org\)](#)

The rates for 2023, inclusive of the Excess War Risks cover and the MLC cover purchased by the Group, will be as follows (these rates have been rounded to three decimal places):

<b>TONNAGE CATEGORY</b>	<b>2023 RATE PER GT US\$</b>	<b>% CHANGE IN RATE PER GT</b>
Persistent Oil tankers	0.666	+3.0%
Clean Tankers	0.405	+10.5%
Dry	0.599	+6.2%
FCC	0.728	+10.5%
Passenger	3.868	No Change

### **US Voyage Surcharges**

Following the decision taken for the 2014/15 Policy Year, Members that are carrying persistent oil as cargo to or from ports within the United States or the United States Exclusive Economic Zone (“EEZ”) as defined in OPA 1990, will continue to benefit from not having to pay any additional premiums.

The Club’s Underwriting Department will be happy to deal with any questions arising on any of the above matters.

THYA KATHIRAVEL

CHIEF UNDERWRITING OFFICER

The North of England P&I Association Limited / North of England P&I DAC