

PRESS RELEASE

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North P&I Club confirms sustainable approach to the forthcoming renewal

Describing 2021 as “one of the most challenging years on record”, North P&I Club’s latest Pre-Renewal Report, published today, calls for “robust action” in the form of increasing mutual P&I rates at the forthcoming renewal to confront the challenge of mounting claims liabilities.

Rising International Group (IG) pool claim costs and a surge in COVID-19 related claims have resulted in the Club seeking a 15% increase on P&I premium rates for the 2022/23 policy year.

“Over the last year, the prevailing marine insurance environment has faced many challenges, with rapidly rising IG pool claim costs posing the most significant risk,” said James Tyrrell, North Chairman. “Allied to this, there has been a rise in the number of COVID-19 related crew claims linked to the resumption of more usual global trade patterns.”

While North benefits from the contribution of its diversified lines and a small positive investment return, this does not offset the substantial costs being incurred across the mutual P&I sector. Alongside the 15% general increase on P&I premiums for the coming policy year - of which 7.5% is directly attributable to the costs of meeting the Club’s contribution to the escalating value of IG pool claims - North’s Board of Directors has decided to apply a 7.5% general premium rating increase to all FD&D risks.

“The Directors are confident that announcing a transparent general rating increase remains the most appropriate mechanism to communicate the Club’s overall budgetary requirements for the next policy year and is aligned with North’s principles of promoting fair and equitable mutuality within the P&I sector,” explained Thya Kathiravel, Chief Underwriting Officer. “Each individual Member’s renewal will, of course, still be negotiated and agreed upon based on a detailed review and assessment of specific performance, claims records and risk exposure.”

Paul Jennings, North’s Chief Executive, commented that “The International Group of P&I Clubs offers a unique system that has successfully managed several extraordinarily complex and challenging maritime casualties throughout the decades. In the current demanding marine insurance environment, I am confident that shipowners will understand the value and necessity of continuing to support and invest in the long-term sustainability of the P&I system.”

A copy of North Pre-Renewal Report can be downloaded [here](#).

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Images: Paul Jennings (CEO), Thya Kathiravel (CUO) and James Tyrrell (Chairman) - North P&I Club

About North P&I Club:

North P&I Club is a leading global marine insurer providing P&I, FD&D, war risks, hull and machinery, and ancillary insurance to over 240 million GT of owned and chartered tonnage. Through its Sunderland Marine brand, North also provides cover for fishing vessels, small craft, aquaculture risks and owners' fixed premium P&I. The S&P Global 'A' rated Club is based in Newcastle upon Tyne, UK with regional offices and subsidiaries in Australasia, China (Hong Kong and Shanghai), Greece, Ireland, Japan, Singapore and USA. North is a leading member of the International Group of P&I Clubs (IG), with over 12% of the IG's owned tonnage. The 13 IG clubs provide liability cover for approximately 90% of the world's ocean-going tonnage and, as a member of the IG, North protects and promotes the interests of the international shipping industry. For further information, visit: www.nepia.com

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