

# Press Release



## NORTH P&I CLUB DIRECTORS DECIDE ON 2.5% PREMIUM INCREASE

6 NOVEMBER 2015

Directors of the 175 million GT, 'A' rated North P&I Club have decided to set a general premium increase of 2.5% for both protection and indemnity (P&I) cover and freight demurrage and defence (FD&D) cover in the 2016/17 policy year. The relatively low increases compared to recent years reflects an improvement in the Club's financial position during 2015/16, with favourable claims development more than offsetting negative investment income.

According to North's chairman Pratap Shirke, 'North remains financially secure, with a strong capital position evidenced by Standard & Poor's affirmation of its 'A' stable rating in January this year. This is our eleventh consecutive year with an 'A' rating and our consistently strong technical underwriting performance means Members have not been burdened by unbudgeted supplementary calls for 24 years.

Shirke says that while the Club remains mindful of the difficult trading conditions that its Members are operating under, the Directors believe it is imperative to maintain the financial strength of the Club and to continue with their strategic objective of not burdening Members with additional unbudgeted calls.

For the P&I class, the Directors have decided to apply an overall increase of 2.5% on mutual and fixed premiums at the February 2016 renewal. Premiums will be further adjusted to reflect individual Member's claims performance and exposure, plus any changes in the costing and structure of the International Group of P&I Clubs' excess-loss reinsurance programme. All crew and cargo deductibles below US\$25,000 will be increased by US\$2,500 per deductible, and all other deductibles will go up by US\$1,000.

Mutual and fixed premiums for North's FD&D cover will increase by 2.5% at the February 2016 renewal but there will be no change to deductibles.

Joint managing director Alan Wilson says, 'We will again adopt a robust approach to the February 2016 renewal to ensure that suitable premium levels are achieved for each Member to cover their anticipated exposure. While this means most Members will be paying around 2.5% extra for their P&I cover, some could be paying significantly more.'

Joint managing director Paul Jennings concludes, 'The Directors are satisfied North remains in a strong position and that our proactive renewal strategy will maintain this position. Our over-riding aim is to ensure that all Members continue to receive the high levels of service and financial security they have come to expect from us.'

## ENDS

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## Notes to Editors

North is a leading global marine insurer providing P&I, FD&D, war risks and ancillary insurance to 130 million GT of owned tonnage on a mutual basis and 45 million GT of chartered tonnage. Through its guaranteed subsidiary Sunderland Marine, North is also a leading insurer of fishing vessels, small craft and aquaculture risks. The Club is based in Newcastle upon Tyne, UK with regional offices in Greece, Hong Kong, Japan and Singapore and Sunderland Marine offices worldwide. North is a leading member of the International Group of P&I Clubs (IG), with 11.6% 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.

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