

# Press Release



**NORTH P&I CLUB DIRECTORS DECIDE TO KEEP RATES UNCHANGED FOR 2017/18**

**11 NOVEMBER 2016**

Directors of the North P&I Club have decided to keep rates unchanged for both protection and indemnity (P&I) cover and freight demurrage and defence (FD&D) cover in the 2017/18 policy year. The zero increases reflect lower than average claims as well as the Club's commitment to help its Members cope with difficult trading conditions.

According to North's chairman Pratap Shirke, 'Despite continuing volatility in the bond markets, which has again negatively impacted the Club's pension scheme, our healthy investment returns and a generally favourable claims experience mean North remains in a strong financial position. As such – and exceptionally in recognition of the difficult trading conditions facing our Members - we have decided not to apply any general premium increases next year. We will also be returning 5% of mutual premium in respect of the 2016/17 policy year. This will be achieved by issuing a credit note, following renewal, on all mutual owned ships entered in the current 2016/17 Policy Year, that renew in the 2017/18 Policy Year. This credit will be applied against that first instalment of the 2017/18 premium.'

Leading ratings agency Standard and Poor's confirmed North's 'A' financial strength rating and stable outlook for the twelfth consecutive year in January and increased its financial flexibility rating from adequate to strong. 'Together with our strategy to hold sufficient capital to meet regulatory requirements as well as buffer us against the risk of adverse years, we have been able to maintain our proud 25 year record of not burdening Members with unbudgeted additional premiums,' says Shirke.

Joint managing director Alan Wilson says, 'For the P&I class, the Directors decided not to apply a general increase to mutual and fixed premiums at the February 2017 renewal and to return 5% of mutual premium for the 2016/17 policy year. Premiums will nevertheless be 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 cargo deductibles below US\$25,000 will be increased by at least US\$2,000 per deductible, while crew and other deductibles will go up by a minimum of US\$1,000.'

Mutual and fixed premiums for North's FD&D cover will also not be subject to a general increase at the February 2017 renewal and there will be no change to deductibles.

Joint managing director Paul Jennings concludes, 'The Directors are satisfied North remains in strong financial health and that our 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**

For further information contact: Kim Heaselden +44 191 232 5221

**Note to editors**

North P&I Club is a leading global marine insurer providing P&I, FD&D, war risks and ancillary insurance to 131 million GT of owned tonnage. It is part of North Group, which was formed when North acquired Sunderland Marine in February 2014. Through Sunderland Marine, North is also a leading insurer of fishing vessels, small craft and aquaculture risks. The Standard and Poor's 'A' rated 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 11.5% 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](http://www.nepia.com)

The North of England P&I Association. The Quayside, Newcastle upon Tyne, NE1 3DU, UK

Telephone: +44 191 2325221 Facsimile: +44 191 261 0540 [www.nepia.com](http://www.nepia.com)

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