

# Press Release



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## **NORTH P&I CLUB REPORTS AN INCREASE OF US\$20M IN FREE RESERVES AND A RISE OF 5M IN GROSS TONNAGE.**

Leading global marine insurer North P&I Club has announced its annual results, confirming a 4.6% increase (US\$20 million) in free reserves to US\$451 million, a 2.6% (5M GT) rise in total entered tonnage to 195M GT, and a combined ratio of 104% for the year ended 20 February 2018, along with a stable 99% member retention rate.

North's results reflect their consistently robust approach to underwriting and risk management and should also see the long term combined ratio of the Club remain in the upper quartile of the International Group of P&I Clubs (IG). 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 financial year combined ratio was impacted by the rising costs of contribution to other IG Club's Pool claims, as well as increasing operating and regulatory cost pressures from Solvency II and Brexit. Ratings agency Standard & Poor's continued to assess North's capital strength as "AAA" and North's 'A' (stable) rating was maintained for the 14th consecutive year.

North's strategy of controlled growth saw total entered tonnage rise by 5 million GT to 195 million GT, comprising 142 million GT of owned tonnage and 53 million GT of chartered tonnage. The majority of this growth has come from existing Members who value the Club's financial strength and service excellence but there have also been significant new entries from Danish and German owners, as well as from owners and charterers in Singapore, Japan, Greece and Qatar. North has also seen significant recognition of its market leading FD&D class, with an increase in tonnage of approximately 8 million GT in the 2017/18 year. This brings the Club's total FD&D entry for owned and chartered Members to over 140 million GT, and reflects the confidence Members have in North's ability to support their trading activities.

Pratap Shirke, Chairman of North P&I Club, commented, "In these uncertain trading conditions for global shipping, it is more important than ever that our Members can confidently rely on our support. This was clearly demonstrated in our renewal strategy announcement in November 2017, when, for the second consecutive year, we decided to charge no general increase. Shipping's longstanding economic challenges have shown some signs of improvement along with freight rates in certain sectors, but we are yet to see any permanent or long-term improvement."

Paul Jennings, Chief Executive Officer of North P&I Club, commented, "2017/18 has been another successful year for North and we take pride in the service we offer to enable our Members to trade with confidence. North's commitment to service excellence was clearly recognised in our triennial Member & Broker Survey conducted in September 2017, which returned a series of exceptional results. We would like to thank our membership for their confidence in North and for their loyalty."

**ENDS**

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1. North P&I Club is a leading global marine insurer providing P&I, FD&D, war risks and ancillary insurance to 195 million GT of owned and chartered tonnage. Through its guaranteed subsidiary Sunderland Marine, North is also a

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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 and subsidiaries in China (Hong Kong and Shanghai), Greece, Japan, Singapore and Sunderland Marine offices worldwide. 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](http://www.nepia.com).

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