

PRESS RELEASE

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North posts solid renewal results after P&I's challenging year

North P&I Club has reported continuing growth in its diversified business lines and solid progress in raising premiums to reflect market conditions and is expecting to see a small tonnage reduction after a planned de-risking exercise.

The attention to risk, revenue and diversification leaves the global marine insurer in robust financial shape, despite Covid-19 challenges and what North Chief Executive Paul Jennings describes as "a very demanding renewal for our P&I mutual business". This year's renewal has been the first in North's 160-year history to have taken place virtually, without face-to-face discussions.

Jennings said North had secured premium growth across all of its business lines throughout the year, projecting a significant increase over the last 12 months.

"This result in a difficult year adds to our financial strength and continues the growth and diversification of our business," Jennings commented, noting that the Club was completing its 17th consecutive year of 'A' rating from S&P Global with AAA capital.

Chief Underwriting Officer Thya Kathiravel noted "The challenges around securing the increase in P&I premiums that we flagged up as necessary in November should not be underestimated. The market remains competitive, with owners understandably very sensitive to costs. We have tried to recognise this in balancing our renewal outcome."

Having approached the renewal with the objective of reducing exposure in certain areas, North's combined owned and chartered tonnage was reduced slightly but is still projected to be in excess of 245M GT.

"This is a reduction in overall tonnage which was planned and expected as part of our strategy to de-risk," said Kathiravel "I'd nonetheless like to acknowledge the trust placed in us by the membership during the last year, with a very high retention rate and a number of Members transferring more business to North." North's FD&D business was once more strongly supported, with combined owned and chartered tonnage projected to be 185M GT, he added.

In the meantime, diversified businesses are making an increasingly strong contribution to results, with the Sunderland Marine and North Hull lines achieving strong premium income growth.

"The combined diversified income has increased significantly" said Jennings. "Our newest business line, North Hull, launched in July 2020, has had a great start delivering its initial business plan targets. Our Owners' Fixed Premium P&I facility, launched in September 2019, is also well ahead of target."

Also up were revenues from the Fishing, Coastal and other Specialist Vessels product lines, and from a smaller base, the Club's Aquaculture team achieved impressive growth, with a number of new policyholders worldwide.

“With staff working from home for 11 of the last 12 months, this year has been as challenging for North as it has been for others in shipping, but it has also been successful for the ongoing strategic development of the North Group,” said Jennings.

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Images:

L-R: Paul Jennings, Chief Executive and Thya Kathiravel, Chief Underwriting Officer, North P&I Club

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About North P&I Club:

North P&I Club is a leading global marine insurer providing P&I, FD&D, war risks, to over 245M GT of owned and chartered tonnage. North Hull launched in July 2020 providing H&M and ancillary insurances and through its Sunderland Marine brand, North is also a leading insurer of fishing vessels, small craft, aquaculture risks and owners’ fixed premium P&I cover. 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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