



SKULD
POLICY YEAR
RENEWAL UPDATE 2015/16

INTERNATIONAL GROUP REINSURANCE PROGRAMME

We are pleased to announce that the International Group Reinsurance for Policy Year 2015/16 for Members is agreed and is outlined in this circular to members.

KEY FEATURES

- Pool maintained at USD 80 million
- Excess RI cost reduced on tankers and dries

INTERNATIONAL GROUP REINSURANCE ARRANGEMENTS FOR POLICY YEAR 2015/16

The structure of the cover reinsured through International Group and the Pool is set up as follows:

Club retention	USD 9 million (unchanged)
Pool retention	USD 80 million (71 million in excess of USD 9 million) (Part of the Pool is covered by Hydra)
General Excess Loss Cover	USD 2 billion
Overspill protection	USD 1 billion

LIMITS ON THE ASSOCIATION'S COVER 2015/16

Oil Pollution:	USD 1 billion
Passenger and crew combined:	USD 3 billion
Passenger (sub-limit)	USD 2 billion

The oil pollution limit is applicable to the aggregate of owners' and bareboat charterers' liabilities. (Skuld Rules Appendix 5)

For passenger and crew claims, the overall limit is USD 3 billion any one event, any one vessel and with a sub-limit of USD 2 billion in respect of passenger claims alone. (Skuld Rules Appendix 5A)

OVERSPILL PROTECTION

In the event of a claim in excess of the cover limit of the International Group Excess Loss Contract of USD 2.08 billion, members will be liable to contribute overspill calls which will remain subject to a limit of 2.5% of the property limitation fund for each entered vessel calculated in accordance under the 1976 Limitation Convention (Skuld Rules Appendix 3). A maximum contribution for an overspill claim from a ship of 20,000 GT would be in the region of USD 130,000 and if 70,000 GT, the corresponding contribution would be in the region of USD 390,000. Overspill protection has been placed for claims up to USD 1 billion in excess of USD 2.08 billion. The limit on each mutual member's liability for claims other than oil pollution and for claims involving passengers will remain unchanged at 2.5% of the Convention Limit, which provides an overall limit in excess of USD 8 billion.

INTERNATIONAL GROUP GENERAL EXCESS OF LOSS REINSURANCE CONTRACT RENEWAL 2015/16

The International Group RI rates (per GT) including Hydra premium, Collective Overspill Cover and excess war risk P&I for the year commencing 20 February 2015 are as follows:

TONNAGE CATEGORY	2015/16 RATE USD PER GT	% CHANGE FROM 2014/15
Tanker, carrying persistent oil as cargo	0.7317	-8.11%
Tankers, carrying non-persistent oil as cargo	0.3138	-8.11%
Dry cargo vessels	0.4888	-6.05%
Passenger vessels	3.7791	0%

Further background on the changes in rates may be found at International Group of P&I clubs web-site: www.igpandi.org under "News and Information".

Members having policies in other currencies than USD will have rates that are affected by the change of exchange rates between USD and the currency of the Policy. Skuld has to pay the reinsurance in USD thereby this will have an impact on the reinsurance rates in other currencies: (2015/16 rates per GT and change from 2014/15)

Tonnage Category	NOK/GT		SEK/GT		DKK/GT		EUR/GT		GBP/GT	
Tankers, persistent	5.6030	12.74%	5.9097	12.95%	4.6065	5.56%	0.6191	5.65%	0.4810	-0.95%
Tankers, non-persistent	2.4029	12.74%	2.5345	12.95%	1.9756	5.56%	0.2655	5.65%	0.2063	-0.95%
Dry cargo vessels	3.7430	15.27%	3.9479	15.48%	3.0773	7.92%	0.4136	8.01%	0.3213	1.27%
Passenger vessels	28.9385	22.70%	30.5227	22.93%	23.7917	14.88%	3.1975	14.98%	2.4844	7.79%

WAR RISKS P&I

The Club's special War Risk P&I cover in excess of Hull and Machinery War Risk P&I cover will continue. The limit of this cover remains at USD 500 million each vessel any one event. However, this excess War Risk P&I cover excludes any liabilities which members may incur under TOPIA 2006. Details of the cover will be set out in the Associations circular on P&I War Risk cover January 2015.

TRIA

Cover for acts of terrorism as defined in the US Terrorism Act of 2002 will be included on the same terms with the same limit. A premium of US cents 0.25 per GT will be deemed attributable to these risks and will be included within the overall premium.

SKULD CALL HISTORY

Year	Original Supplementary Call	Final Call	General Increase	Release Call
2011/12	0%	0%	-	Closed
2012/13	0%	(est 0%)	-	0%
2013/14	0%	(est 0%)	-	0%
2014/15	0%	(est 0%)	-	10%
2015/16	0%	(est 0%)	-	15%

Yours faithfully
Skuld

Douglas Jacobsohn
President & Chief Executive Officer