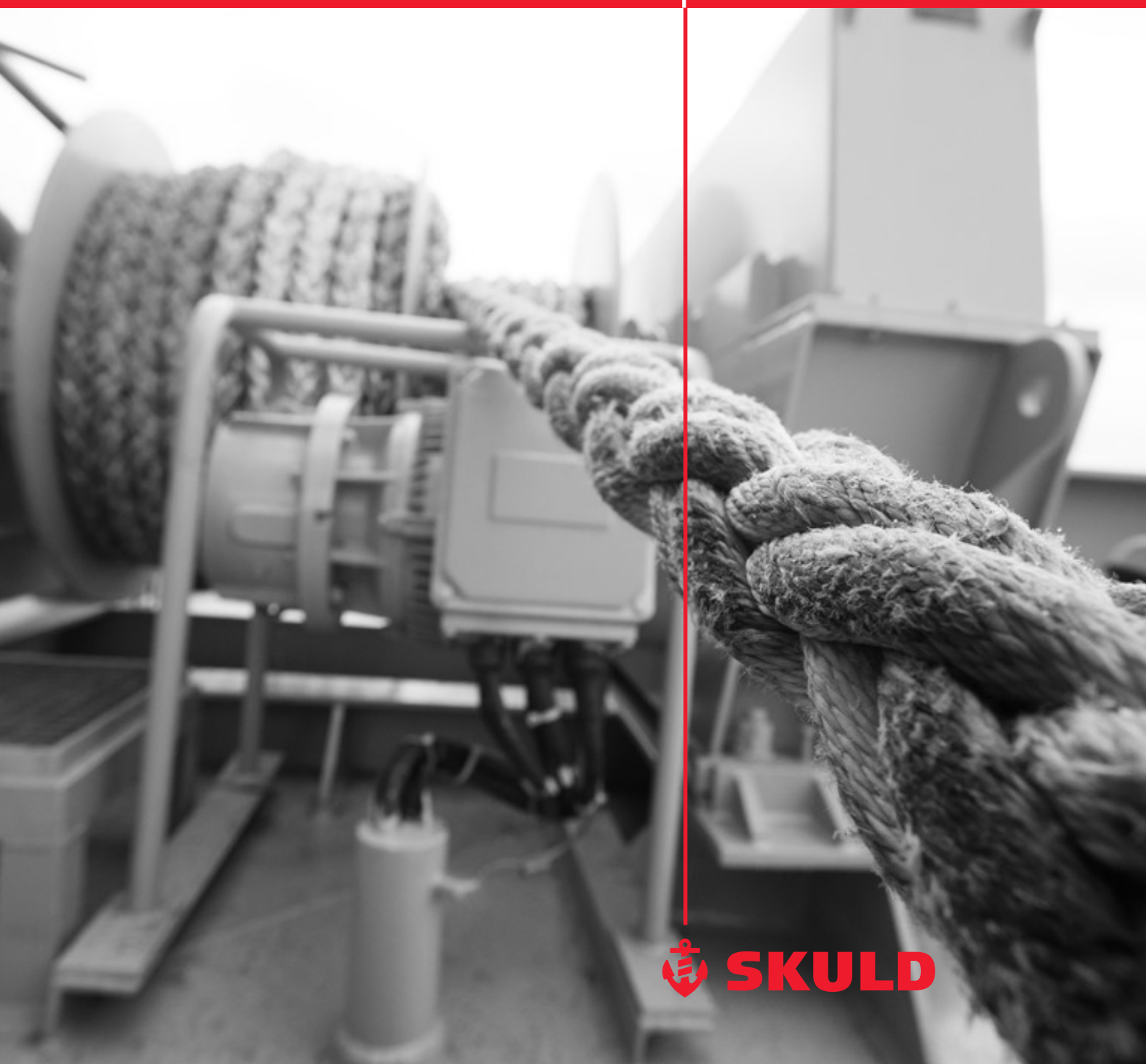


RENEWAL UPDATE I

policy year
2016/17

SERVICE
AND COMPETENCE
YOU CAN RELY ON



SKULD

RENEWAL UPDATE I – POLICY YEAR 2016/17

This circular provides general information applicable to all covers provided by Skuld P&I, including policies renewed throughout the policy year 2016/17. Skuld will issue a separate circular outlining the final reinsurance rates when they are known.

SKULD'S DIVERSIFICATION STRATEGY

We wanted to take this opportunity to highlight some of the issues that have taken place so far this year. Skuld is in good health and very well placed to continue to serve the global marine markets as it has done for 118 years. Skuld's chosen path of diversification is starting to bear dividends and we are very excited about the future.

We chose to diversify to support our core mutual membership and we believe that this decision was and remains a sound one, even at a time of uncertainty in both the global shipping and insurance markets. We are very pleased with the positive contribution to the bottom line by our diversification efforts.

OPERATIONAL YEAR 2015

Some of the issues that we have seen and continue to see from this policy year include a less volatile claims environment within Skuld's own portfolio as well as within the International Group's claims pool. While there may be many reasons for this, including risk selection and an overall improvement in the standard of shipping internationally, we never forget our main focus of meeting our members' and clients' needs for bespoke insurance covers.

Other points of interest relate to the International Group where individual Club retention for the 2016/17 policy year has been increased by USD1 million to USD10 million, a development that Skuld welcomes.

We published our half-year results in September and we were encouraged by the overall underwriting performance in our portfolio. We are less encouraged by the international financial markets affecting our investment portfolio. Skuld's track record of delivering underwriting surpluses underlines our choice not to rely on investment returns. We have built a sound underwriting platform; a fact that has again not gone unnoticed by Standard and Poor's who reaffirmed our 'A' rating earlier this year.

PREMIUM CREDIT FOR MUTUAL P&I MEMBERS FOR 2015/16 POLICY YEAR

In line with Skuld's diversification strategy we are delighted to announce our first mutual-member credit which is intended to reflect our commitment to our members and their contribution to the success of Skuld's P&I business.

The Board of Directors has decided to guarantee a minimum 2.5% credit on the individual member's P&I mutual net premium paid for 2015/16 Policy year, with an opportunity to increase the percentage in line with the size of Skuld's result should the result improve even further in the fourth quarter. The mutual-member premium credit will be funded by an allocation of 20% of the 2015/16 financial year's result. The credit will be granted after the final percentage has been determined and the annual result has been approved by Skuld's Annual General Meeting in 2016.

RENEWALS 2016

Looking ahead to the renewal for the 2016/17 policy year we will continue to conduct all renewals based on individual risk assessments and we look forward to these discussions.

We have started the renewal season with a highly motivated Skuld team around the globe ready to deliver our mutual members – our owners – service and competence they can rely on.

SKULD CALL HISTORY

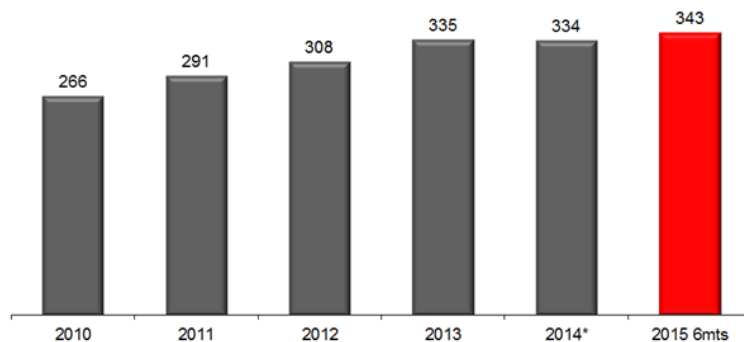
For mutual P&I and mutual FDD:

YEAR	ORIGINAL SUPPLEMENTARY CALL	FINAL CALL	GENERAL INCREASE	RELEASE CALL
2012/12	0%	0%	Individual adjustments	Closed
2013/14	0%	(est 0%)		0%
2014/15	0%	(est 0%)		0%
2015/16	0%	(est 0%)		5%
2016/17*	0%	(est 0%)		10%

* As decided by the Skuld Board of Directors 17-18 November 2015.

CONTINGENCY RESERVES

USD mill.



* With adaption to IFRS standards, contingency reserves in FY2014 have been restated to recognise actuarial loss on pension liabilities of USD 12.5 M.

Yours faithfully,
Skuld

Ståle Hansen
President and CEO

MAIN PRODUCTS AND SERVICES

SKULD P&I

Skuld was founded as a P&I club and Protection and Indemnity insurance is still our largest line of business. Our in-house lawyers and claims handlers work closely with members to provide fast and professional claims handling and to reduce unnecessary delays for entered vessels.

SKULD FD&D

Our Defence Insurance provides members with access to Skuld's lawyers and their comprehensive legal assistance in non P&I matters. The insurance is available to shipowners and charterers.

SKULD CHARTERERS AND TRADERS

Skuld provides a comprehensive cover for Charterers' and Traders' liability which will be tailored to the individual client's requirements. Our experienced in-house claims staff is well prepared to assist charterers and traders in all matters and will offer help whenever needed.

SKULD OFFSHORE

Based on a clear understanding of the offshore and energy industry, Skuld Offshore has become a leading provider specialising in liability insurance for offshore contractors. In addition Skuld covers FD&D, Energy, Mobile Offshore Units, Operators Risks, Subsea and Offshore Equipment, and more.

SKULD FIXED P&I

Skuld P&I offers a fixed premium facility with the full service of Skuld P&I. The fixed premium cover has its own terms and conditions and is suitable for shipowners not interested in the full mutual protection, i.e. mainly shipowners with limited exposure in local trade or with smaller vessels.

SKULD YACHT

Skuld Yacht is a fixed cover specially designed for superyachts and with its own terms & conditions. Backed by Skuld P&I and its world-wide recognised service, Skuld Yacht provides a new haven for the exclusive owners who require high quality and modern insurance solutions.

SKULD SYNDICATE 1897 AT LLOYD'S

Our Lloyd's syndicate provides a number of marine products, such as Hull and Machinery, Cargo, Energy Physical Damage, Ports and Terminals and other Marine Liabilities not provided by Skuld P&I. A number of Skuld's P&I members have placed a share of their Hull and Machinery insurance with the syndicate. More and more also elect our syndicate as claims lead.

SKULD CLAIMS SERVICES

Skuld Claims Services is specially designed for handling hull claims when Skuld 1897 at Lloyd's provides hull insurance on a claims lead basis. The team is set up within Skuld P&I with staff specialising in hull insurance.

ABOUT SKULD

Skuld is a world leading marine insurance provider with a strong financial position and an 'A' rating with Standard & Poor's. We cater to the needs of shipowners, the offshore and energy sector, charterers and traders, ports and terminals, cargo and the superyacht community.

Skuld was established in 1897 as a P&I club for Scandinavian shipowners. Since then, we have grown into a diversified marine insurer and now offer bespoke covers through Skuld P&I and Skuld 1897, a syndicate at Lloyd's. Today Skuld is the third biggest P&I club based on the premium income due to Skuld's diversification.

With headquarters in Oslo and a worldwide office network of around 250 highly skilled employees, we provide our members and clients with service and competence they can rely on, 24 hours a day.