



20 December 2023

CIRCULAR TO ALL MEMBERS

SKULD RENEWAL UPDATE II POLICY YEAR 2024/25

INTERNATIONAL GROUP REINSURANCE PROGRAMME

In this circular to members, we will outline the International Group's Reinsurance Programme for the Policy Year 2024/25.

KEY FEATURES

- Club retention maintained at USD 10 million
- Pool maintained at USD 100 million.
- International Group's captive, Hydra, utilised as part of the risk retention strategy
- Main General Excess of Loss have been renewed with unamended free and unlimited coverage for all risks except Malicious Cyber, Covid-19 and Pandemic
- Malicious Cyber, Covid-19 and Pandemic risks have expanded benefit of free and unlimited cover for claims up to USD 650 million excess of USD 100 million, covering almost all Group Clubs' certificated risks. Excess of USD 750 million there is up to USD 1.35 billion of annual aggregated cover in respect of Malicious Cyber and separate annual aggregated cover of USD 1.35 billion for Covid-19/Pandemic risks.
- Following a relatively benign Pool claims environment the renewal has been positive for the shipowners with all vessel categories seeing rate reductions.

INTERNATIONAL GROUP REINSURANCE ARRANGEMENTS FOR POLICY YEAR 2024/25

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

Club retention	USD 10 million
Pool retention	USD 100 million (USD 90 million excess of USD 10 million) (Part of the Pool is covered by Hydra excess USD 30 million)
General Excess cover	USD 2 billion in excess of USD 100 million
Overspill protection	USD 1 billion in excess of USD 2.1 billion

LIMITS ON THE ASSOCIATION'S COVER 2024/25

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 2.1 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 with the 1976 Limitation Convention (Skuld Rules Appendix 3). Overspill protection has been placed for claims up to USD 1 billion in excess of USD 2.1 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 of approximately USD 8 billion.

MARITIME LABOUR CONVENTION

The market reinsurance cover will be renewed for a further 12 months from 20 February 2024 at competitive market terms with the premium included within the overall reinsurance cost.

INTERNATIONAL GROUP GENERAL EXCESS OF LOSS REINSURANCE CONTRACT 2024/25

The International Group RI rates (USD per GT) including Hydra premium, Collective Overspill Cover and excess war risks P&I for the year commencing 20 February 2023 are renewed as expiry and are as follows:

Tonnage Category	2024/25 rate USD per GT	% change from 2023/24
Tankers carrying persistent oil as cargo	0.6163	-7.5%
Tankers carrying non-persistent oil as cargo	0.3982	-1.7 %
Dry cargo vessels	0.5863	-2.1 %
Fully Cellular Container vessels	0.7204	-1 %
Passenger vessels	3.3842	-12.5 %

Further background on the changes in rates may be found at International Group of P&I clubs' website: 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: (2024/25 rates per GT and change in % from 2023/24)



Tonnage Category	NOK/GT		SEK/GT		DKK/GT		EUR/GT		GBP/GT	
	Value	%	Value	%	Value	%	Value	%	Value	%
Tankers, persistent	6.315	-3.33 %	6.208	-9.60 %	4.147	-8.18 %	0.558	-8.35 %	0.487	-10.47 %
Tankers, non-persistent	4.080	2.73 %	4.011	-3.93 %	2.680	-2.42 %	0.360	-2.60 %	0.314	-4.85 %
Dry cargo vessels	6.008	2.28 %	5.906	-4.36 %	3.945	-2.85 %	0.530	-3.03 %	0.463	-5.27 %
Fully Cellular Container vessels	7.382	3.47 %	7.257	-3.25 %	4.848	-1.73 %	0.652	-1.90 %	0.569	-4.18 %
Passenger vessels	34.677	-8.55 %	34.089	-14.49 %	22.773	-13.14 %	3.062	-13.30 %	2.673	-15.30 %

US OIL POLLUTION SURCHARGE

The surcharge for 2024/25 will remain nil.

WAR RISKS P&I

The Association'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. The minimum attachment point of the cover (where the vessel is not protected by Primary War P&I up to proper hull value) remain at USD 500 million. However, this excess War Risk P&I cover excludes any liabilities which members may incur under TOPIA 2006. Due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers require Territorial Exclusion language (consistent with exclusion already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. An aggregated sub-limited cover of USD 80 million is available for affected vessels.

TRIA / TRIP

TRIA has been further extended by the Terrorism Risk Insurance Program Reauthorisation Act of 2015 up to 31 December 2027. Cover for acts of terrorism as defined in the US Terrorism Risk Insurance Program Reauthorisation Act will be included on the same terms with the same limit. A premium of USD 0.0025 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
2020/21	0%	0%	Individual adjustments	0%
2021/22	0%	0%		7.5%
2022/23	0%	0%	Minimum 10%	10%
2023/24	0 %	0%	Individual adjustments	15%
2024/25	0%	(est 0%)		15%

Yours faithfully,
Assuranceforeningen Skuld (Gjensidig)

Ståle Hansen
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