

21 December 2021

# SKULD RENEWAL UPDATE II POLICY YEAR 2022/23

## INTERNATIONAL GROUP REINSURANCE PROGRAMME

In this circular to members, we will outline the International Group's Reinsurance Programme for the Policy Year 2022/23.

### KEY FEATURES

- Club retention maintained at USD 10 million
- Pool maintained at USD 100 million.
- International Group's captive, Hydra, further 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 and Pandemic
- Malicious Cyber, Covid and Pandemic risks have benefit of free and unlimited cover for claims up to USD 450 million excess of USD 100 million, covering almost all Group Clubs' certificated risks. Excess of USD 550 million there is up to USD 2.15 billion of annual aggregated cover in respect of these three risks.
- Group agreed to accept an increase in rates for shipowners following worsening claims record and hardening market conditions
- New rates are similar to those rates per GT in 2014/15.

### INTERNATIONAL GROUP REINSURANCE ARRANGEMENTS FOR POLICY YEAR 2022/23

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 2022/23

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 2022 at competitive market terms with the premium included within the overall reinsurance cost.

### INTERNATIONAL GROUP GENERAL EXCESS OF LOSS REINSURANCE CONTRACT 2022/23

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 2022 are renewed as expiry and are as follows:

Tonnage Category	2022/23 rate USD per GT	% change from 2021/22
Tankers carrying <b>persistent</b> oil as cargo	0.6469	15 %
Tankers carrying <b>non-persistent</b> oil as cargo	0.3666	40 %
Dry cargo vessels	0.5639	40 %
Fully Cellular Container vessels	0.6586	55 %
Passenger vessels	3.8677	18.6 %

Further background on the changes in rates may be found at International Group of P&I clubs' website: [www.igpandi.org](http://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: (2022/23 rates per GT and change in % from 2021/22)

Tonnage Category	NOK/GT		SEK/GT		DKK/GT		EUR/GT		GBP/GT	
	Value	%	Value	%	Value	%	Value	%	Value	%
Tankers, persistent	5.875	19.61%	5.890	25.01%	4.231	23.32%	0.569	23.44%	0.490	16.46%
Tankers, non-persistent	3.329	45.58%	3.338	52.15%	2.397	50.10%	0.322	50.25%	0.278	41.75%
Dry cargo vessels	5.121	45.60%	5.135	52.17%	3.688	50.12%	0.496	50.27%	0.427	41.77%
Fully Cellular Container vessels	5.981	61.20%	5.997	68.48%	4.307	66.21%	0.579	66.38%	0.499	56.97%
Passenger vessels	35.126	23.30%	35.217	28.87%	25.294	27.13%	3.402	27.25%	2.929	20.06%

#### US OIL POLLUTION SURCHARGE

The surcharge for 2022/23 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. Details of the cover will be set out in the Association's circular on P&I War Risk cover in January 2022.


#### 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	Members' Performance Bonus	General Increase	Release Call
2018/19	0%	(-2.5%)	USD 5 mill.	Individual adjustments	closed
2019/20	0%	0%			7.5%
2020/21	0%	0%			10%
2021/22	0%	0%			15%
2022/23	0%	(est 0%)		Minimum 10%	15%

Yours faithfully,  
Assuranceforeningen Skuld (Gjensidig)

A handwritten signature in black ink, appearing to read "Ståle Hansen".

Ståle Hansen  
President and CEO