WILSON GROUP
MASTERS OF P&I

THE WILSON P&I REPORT 2025

THE INTERNATIONAL GROUP

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TEAM WILSON

Julian South

Managing Director
julian@wilsoneurope.com

Andrew Bayman

Chief Operating Officer
andy@wilsoneurope.com

Ben Wong

Director
ben@wilsoneurope.com

Matthew Bragger

Associate Director
matthew@wilsoneurope.com

Bradley Pearce

Associate Director
bradley@wilsoneurope.com

Barney Harrison

Senior Broker
barney@wilsoneurope.com

Sue Jamieson

Business Operations & Accounting
sue@wilsoneurope.com

Cyrus Chan

Broker
cyrus@wilsoneurope.com

Jasmine Wood

Assistant Broker & Marketing Executive
jasmine@wilsoneurope.com

Tessa Seed

Trainee broker
tessa@wilsoneurope.com

Andrew Kemp

Consultant
andrewkemp@wilsoneurope.com

OTHER INSURANCES WE CAN READILY ARRANGE FOR YOU...

COFRs

Cyber

Directors & Officers

Errors & Omission

Freight at Risk

Freight, Demurrage & Defence

Hull & Machinery

International Carrier Bond

Kidnap & Ransom

Loss of Hire including Piracy

MARPOL Detention Costs

Mortgagee's Interest

Newbuilding Risks

Ports & Terminals

Professional Indemnity

Shipowner's Liability (S.O.L)

Strikes & Delay Cover

Transport and Logistics

War Risks

...and many more

THE IG... IN THE SPOTLIGHT

$5.9bn
Free Reserves

108%
Combined Ratio

5.8%
Investment Return

+20%
Increase in Incurred Claims

Overview

- This is challenging times for the shipping industry, with geopolitical tensions and sanctions at a seemingly all-time high.
- Fortunately, the financial markets remained buoyant which enabled most Clubs to generate sufficient income to cover their underwriting deficits.
- Net premium income rose to US$ 4.2bn, but an increase in the cost of large claims pushed the overall incurred claims up by over 20%, resulting in an underwriting deficit of US$ 353m. The investment managers came to the rescue with an overall average return of circa 6% returning US$ 673m of income, and resulting in an overall surplus of US$ 320m, which pushed up the free reserves to a record US$ 5.9bn.

Key Performance Indicators

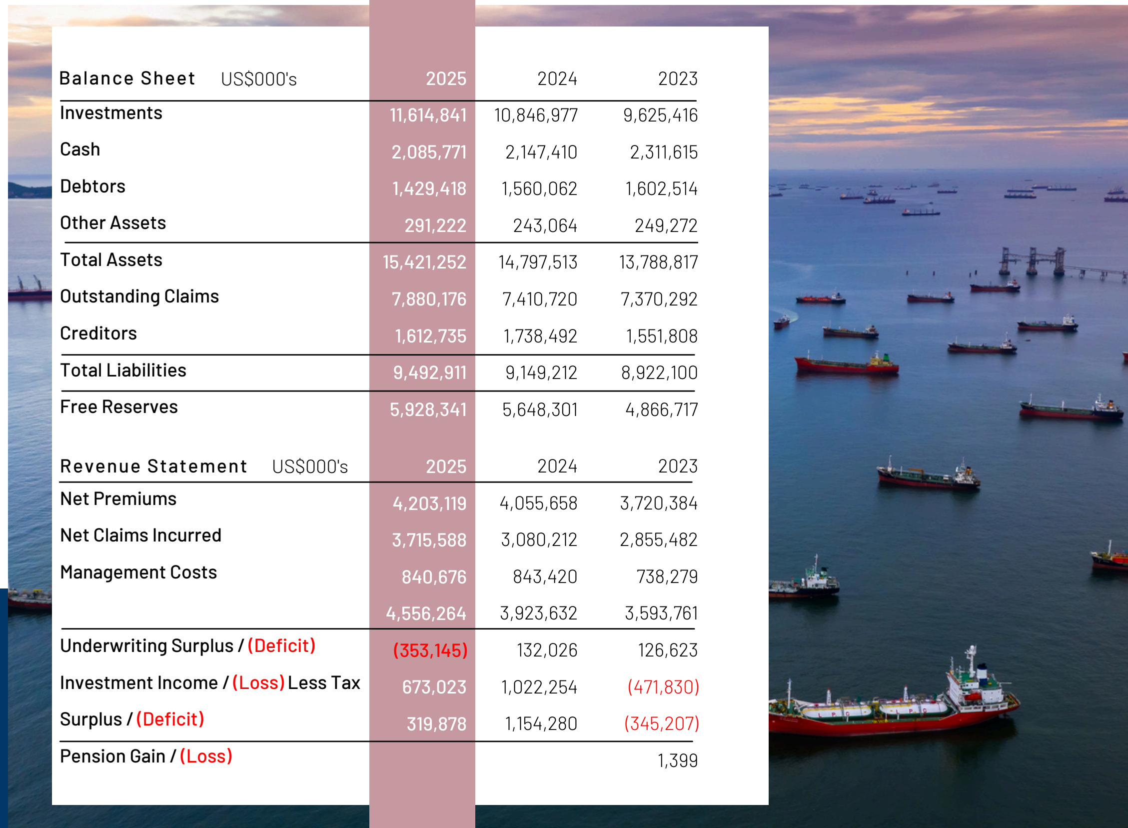
		2025	2024	2023
Gross Owned Tonnage	Mil	1471	1409	1366
Combined Ratio	%	108	97	97
Investment Return	%	5.8	6.8	-4.9
General Increase	%	5.3	6.3	7.3
Solvency	%	175	176	166
Movement in Net Premiums	%	3.6	9	8.6
Movement in Free Reserves	%	5	16.1	-7.2
Movement in Incurred Claims	%	20.6	7.9	-5.5
AER (Average Expense Ratio)	%	14.4	14.6	14.8
Increase in GT	%	4.4	3.2	0.6
Average net PR per GT	$	2.86	2.88	2.72
Free Reserves per GT	$	4.03	4.01	3.56
Surplus /(Deficit)(Mil)	$	320	1154	(345)

Underwriting

- The entered tonnage and net premium income both rose by 4%. The major concern was the sudden rise in the cost of incurred claims by over 20%, to a new record high of US$ 3.7bn. This was a result of a surge in the cost of large claims, which was reflected in the cost of IG Pool claims now totalling over US$ 650m and also an increase in the cost of claims within Club retentions.
- Fortunately the cost of attritional claims remained fairly constant and tended to grow in line with entered tonnage. The major claim of the year was the MV DALI's demolition of the Baltimore bridge, which is likely to cost (at least) over US$ 1bn and take several years to resolve.
- Elsewhere claims arose because of bad weather and human errors, occasionally involving pilots which is not a new phenomenon. The one positive note was that a number of Clubs reported fewer personal injury claims, which may be a consequence of many years of loss prevention work.
- It is to be hoped that this reporting year is an exceptional year for claims and that costs will be lower next year.

Investments

- It was a very satisfactory year for the investment managers and although returns were lower than the US$ 1bn attained last year, a return of around 6%. The income generated of US$ 673m was sufficient to cover the year's underwriting deficit and push the free reserves up by 5% to a new record high of US$ 5.9bn.
- The year started optimistically with the anticipation of interest rate cuts by the Federal Reserve, which pushed bond and equity prices higher and yields lower. Sentiment changed towards the end of the year as inflation remained obstinately high and uncertainty arose over the future path of US trade and economic policies.



Balance Sheet US$000's	2025	2024	2023
Investments	11,614,841	10,846,977	9,625,416
Cash	2,085,771	2,147,410	2,311,615
Debtors	1,429,418	1,560,062	1,602,514
Other Assets	291,222	243,064	249,272
Total Assets	15,421,252	14,797,513	13,788,817
Outstanding Claims	7,880,176	7,410,720	7,370,292
Creditors	1,612,735	1,738,492	1,551,808
Total Liabilities	9,492,911	9,149,212	8,922,100
Free Reserves	5,928,341	5,648,301	4,866,717

Revenue Statement US$000's	2025	2024	2023
Net Premiums	4,203,119	4,055,658	3,720,384
Net Claims Incurred	3,715,588	3,080,212	2,855,482
Management Costs	840,676	843,420	738,279
	4,556,264	3,923,632	3,593,761
Underwriting Surplus / (Deficit)	(353,145)	132,026	126,623
Investment Income / (Loss) Less Tax	673,023	1,022,254	(471,830)
Surplus / (Deficit)	319,878	1,154,280	(345,207)
Pension Gain / (Loss)			1,399

Outlook

- The Clubs were again able to push up their income levels, but not at the same pace as in the previous three years. The tonnage continued to rise slowly and many Clubs were supplementing their income with fixed premium classes of P&I business and expanding their diversification programmes.
- The number of IG Pool claims was not particularly high, but the costs were high. This is not really surprising as ships become larger, repairs more expensive and the value of cargoes increase, and the US Dollar remains relatively weak.
- Hopefully claims will ameliorate next year, the financial markets will remain strong and more IG Clubs will be able to return excess capital to their Members.

Time for Clubs to stop blaming the Pool for their own shortcomings?

Club Managers continue to point fingers at the ubiquitous Pool for their own adverse financial results. The latest round of the 'blame game' is for the 2024 Pool year. The Pool of course, covers claims between US$ 10m and US$ 100m. Whilst there has indeed been a marked increase in claims activity within this layer of the Clubs' massive reinsurance program in 2024 - when compared to some earlier years - it is not so exceptional and therefore worth dispelling some myths and/or misconceptions!

Firstly, Club Managers are advised (promptly) by fellow IG Members of each claim and its potential value that is likely to fall onto this reinsurance layer. That said, sadly some Clubs do have a behaviour of delaying notification of their likely Pool claims. This, it is sometimes speculated by disgruntled fellow Pool Members trying to record accurate costing estimates for their own liabilities, is done to improve perceptions of their own financial results, largely in an effort to convince their Shipowner Members, their fellow IG competitors, and/or the World at large that their overall financial results appear better than they actually are. Such delays, or equally damaging low-ball estimating, impacts on accurate Pool forecasting, transparency, confidence, and more pertinently, the ability of other Pool Members to accurately account for their own future liabilities and likely expenditure.

Such tardiness by a few results in other Club Managers second-guessing these large claim values, which does nothing to assist Pool estimating consistency. There are also highly subjective views on likely claims outcomes (again often influenced by a Club's own financial situation). Pool claims directly impact on every Club's combined ratio, which is regarded as the key measure of all Clubs' underwriting success. This then impacts on Clubs' General Increase demands. ***It is not without precedent for Clubs to reserve their annual Pool claims at levels half or twice that of others for the same notified incidents to seek to gain a competitive advantage!***

Another weakness of Clubs' current Pool reserving practices is the guidance they take from the recent past activity. Clubs anticipate within their Acceptable Loss Ratio and IBNR claims reserving on a premise based on what happened last year - even though they will tell you that such claims are entirely random. This apparently simplistic approach is clearly not a good barometer for likely future outcomes. Clubs still seem to regard a bad Pool claims year being at a level of say US$ 500m, and consequently they often anticipate initial outcomes at a much lower figure.

Such Pool claim levels were achieved in the mid noughties when the total IG entered tonnage was a mere 600m gross tons - not the approximate 1.4bn today!

Most ships have dramatically increased in size over the last decade or so, and it is true to say that larger ships generally cause greater damage and higher ultimate claims costs. Perhaps good recent examples of this are MV DALI and MV EVER GIVEN. Clubs should conservatively estimate in advance of the policy year much higher Pool claims levels to realistically or conservatively reflect likely Pool claims outcomes, and not opportunistically spring the bad news onto their Membership during the regularly pessimistic month of September, when often the need for punitive General Increases are being expounded by Club Managers in unison. Such rises when imposed are of course in perpetuity, whereas Pool claims estimates vary in quantum as they mature, but only final outcomes will verify the accuracy of earlier estimating. ***Current Club market briefings on Pool developments are vague, largely anecdotal or substantially non-existent.*** Much more transparency in this area is clearly needed!

It is surely time for Club Managers to stop taking a "Pontius Pilate" approach of blaming the Pool, its mechanism and results for the consequences of their own reserving strategy inadequacies. The International Group should adopt greater universal consistency, transparency and accountability in Pool claims administration and reserving. Clubs are highly secretive of Pool claims detail and quantum yet seek to convince mutual Member Shipowners to blindly accept the Club Manager's protestations without providing any meaningful detail. Pool records and costs are very relevant to Shipowners' P&I premium costs, but never do we formally see initial Club Pool policy year claims estimates, subsequent loss triangulations and final outcomes.

If the Clubs or the IG adopted even some transparency in this area, at least then the ***Members would not be subjected to the annual cycle of fake surprise, finger-pointing and alleged financial volatility by Club Managers that plagues so many renewal backdrops.***

Continuing lack of transparency

Since 2014, Wilson has regularly argued in our annual IG Club reports that Clubs need to be more transparent in their underwriting methodology. All too often we see Clubs adopting opaqueness in this area - particularly Acceptable Loss Ratio calculations (which fundamentally impact on premium demands), claims reserving philosophies, abatement allocations, Pool contributions and, of course, last but not least, Club management fees.

We believe all Members - and certainly Club Shipowner Directors - should be aware of exactly how their premium is being calculated, allocated and ultimately spent. It should not be that just the Club Chair or a very select few, undertake management fee negotiations and agreements 'behind closed doors' and 'in smoke-filled rooms'. Club management fees tend to be particularly opaque (elements of management fees are often intentionally lost 'in the long grass' of overall claims reserving and IBNR costs). Therefore, the actual Club management fees are usually unverifiable in Club Report & Accounts and only known to a very few partisan insiders.

With Club Acceptable Loss Ratios now being so low, Members and their brokers should have a particularly sharp focus on Club overhead costs. It is interesting to note that some Clubs have reduced their breakeven/acceptable Loss Ratios to below 100%. It is our understanding that when the European Union approved the IGA non-competition agreement, it was done on the basis of a trade-off with the Clubs. The trade-off being that whilst there can be "no competition" on rates, ***Club management fees were to be fair game on which the Clubs should compete.*** Accordingly, and if correct, two questions that might be asked are:

1. Are those Clubs adopting a breakeven of less than 100%, which includes significant elements of management fee, in breach of the Brussels' mandate?

2. Will competing Clubs operating to a 100% breakeven challenge those that are not, and by so doing discount the holding Club's rates (by the management fee differential) on transferring ships/premium and thus providing a potential saving to their new Member?

We have also long argued in our annual Soapboxes "how much is enough?" when considering how much capital a Club believes it needs to hold.

We see this lack of transparency largely across the International Group, with perhaps the only exception being Steamship Mutual, who freely disclose their minimum capital requirements (and indeed management fees) and pleasingly regularly return excess capital to its appreciative Membership.

Gard appears to be incredibly well funded (their appearance and behaviour more akin to an insurance company than a mutual Club), but there seems to be little correlation between the capital they hold and the amount they return by way of Members' Discount. Gard's renewal discount concession to its mutual Members, whilst consistent and welcome, has arguably been very modest when compared to its capability.

Britannia, by comparison, tend to return what they deem appropriate, striking a balanced approach between challenging combined ratios and large capital reserves delivering significant investment income.

Other Clubs are again this year under significant pressure to provide capital returns - entirely in response to be needing to be seen able to compete with the premier division Clubs, as their Members potentially eye up the 'greener grass' of the more successful and efficiently run Clubs!

General Increases, Fixed Premium, Unfairness

From a Club Manager perspective, General Increase adjustments each year have always been a 'crutch' on which to support perceived shortfalls in underlying premium levels. We are now seeing, particularly from the Scandinavian Clubs, a move away from the previous practice of "official General Increase" demands. This is perhaps in response to those Clubs recognising that their now very diverse fixed premium portfolios have moved so far away from their traditional ship owning mutual base, that General Increases are no longer appropriate and indeed somewhat of an anathema to the commercial market providers that previously served those fixed premium Clients. It is clear that these non-mutual classes, often bringing unrecognisable risks to those of traditional P&I Clubs are set to grow exponentially in our industry.

Now is perhaps the time, with so many Clubs focused on accelerating the growth of their constantly evolving new categories of fixed premium portfolios, that ***General Increase demands are also dropped for the 'often taken for granted' and 'broadest shouldered' mutual Members.*** The traditional mutual Members should not have General Increases forced upon them when new, inexperienced and often fickle classes of fixed premium business is being devoured by hungry Club underwriter employees, eager to please their senior management. One or two Clubs have already seen the error of their ways and are "dumping" the very business they so enthusiastically wrote only two or three years ago. The traditional mutual Shipowners are the financial guarantors for their Clubs and indeed the International Group and these new classes, more often than not, deliver poor claims results and considerably lower standards of operation. These new fixed premium Clients enjoy all the benefits of the Club system without any of the IGA restrictions of freedom of movement, non-compete pricing and punitive release call demands, not to mention Club Board General Increase demands, which of course they are not asked or required to pay.

The Shipowners won't know what they had until it is gone...!

CLUB FINANCES, RETENTIONS & GXL REINSURANCE

SUMMARY OF CLUBS' RENEWAL REQUIREMENTS - 2025 POLICY YEAR

Club	P&I	P&I - Comments	FDD	FDD - Comments
American	7%	Increase of 10% for all deductibles of US$50,000 or less subject to a minimum increase of US$2,500 in each instance.	7%	No specific requirements
Britannia	7.5%	Approx. 12% Capital Distribution (18% of net premium approx. 12% on gross ETC). Increase in deductibles to: Crew $US 10,000, Cargo $US 22,500 & All Other $US 15,000.	Nil	No applicable deductible in place with cover commencing from the ground up, but with Member bearing 1/3 of total cost up to policy limit.
Gard	4%	10% Owners' General Discount on agreed ETC for 2025.	4%	No specific requirements
Japan	7%	No specific requirements	Nil	No specific requirements
London	5%	No specific requirements	5%	No specific requirements
NorthStandard	5%	All deductibles below $US 30,000 to be increased by a minimum of $US 1,000.	5%	No specific requirements
Shipowners	Nil	No increase in deductibles to be applied, and premiums offered for renewal to be inclusive of any adjustment to reinsurance costs.	Nil	No specific requirements
Skuld	5%	All vessels entered for Mutual P&I during 2023 PY and still entered under the same Membership by 2025 PY are eligible for the credit. The 5% credit is calculated on the individual vessel's 2023 net Mutual P&I earned premium.	5%	No specific requirements
Steamship	5%	12.5% Capital Distribution of 2024 mutual P&I premium for renewing vessels.	5%	No specific requirements
Swedish	5%	A +10% (minimum US$ +1,000) to apply to all deductibles.	Nil	No specific requirements
UK	6.5%	An increase of 10% on all deductibles up to US$ 50,000 (minimum increase of US$ 1,000).	5%	Capital distribution increased from 5% to 15% for full fleet entry.
West	5%	No specific requirements	Nil	No specific requirements

ABATEMENT LAYER TRIGGERS (US$/MIL) - 2025 POLICY YEAR

American	4.5
Britannia	None
Gard	3
Japan	3
London	2
NorthStandard	3
Shipowners	None
Skuld	3
Steamship	3.5
Swedish	3
UK*	4
West **	2.5

Claims become eligible for abatement once they exceed the stated amounts.

*UK Club amended their abatement trigger effective 1st August 2025, from US$ 2.5m to US$ 4m. This new abatement trigger has been retrospectively applied across the life of Members' loss records.

** Individual claims are capped at US$ 2.5m, plus 10% of the difference between the Pool retention of US$ 10m, or actual gross claim amount if lower, and US$ 2.5m.

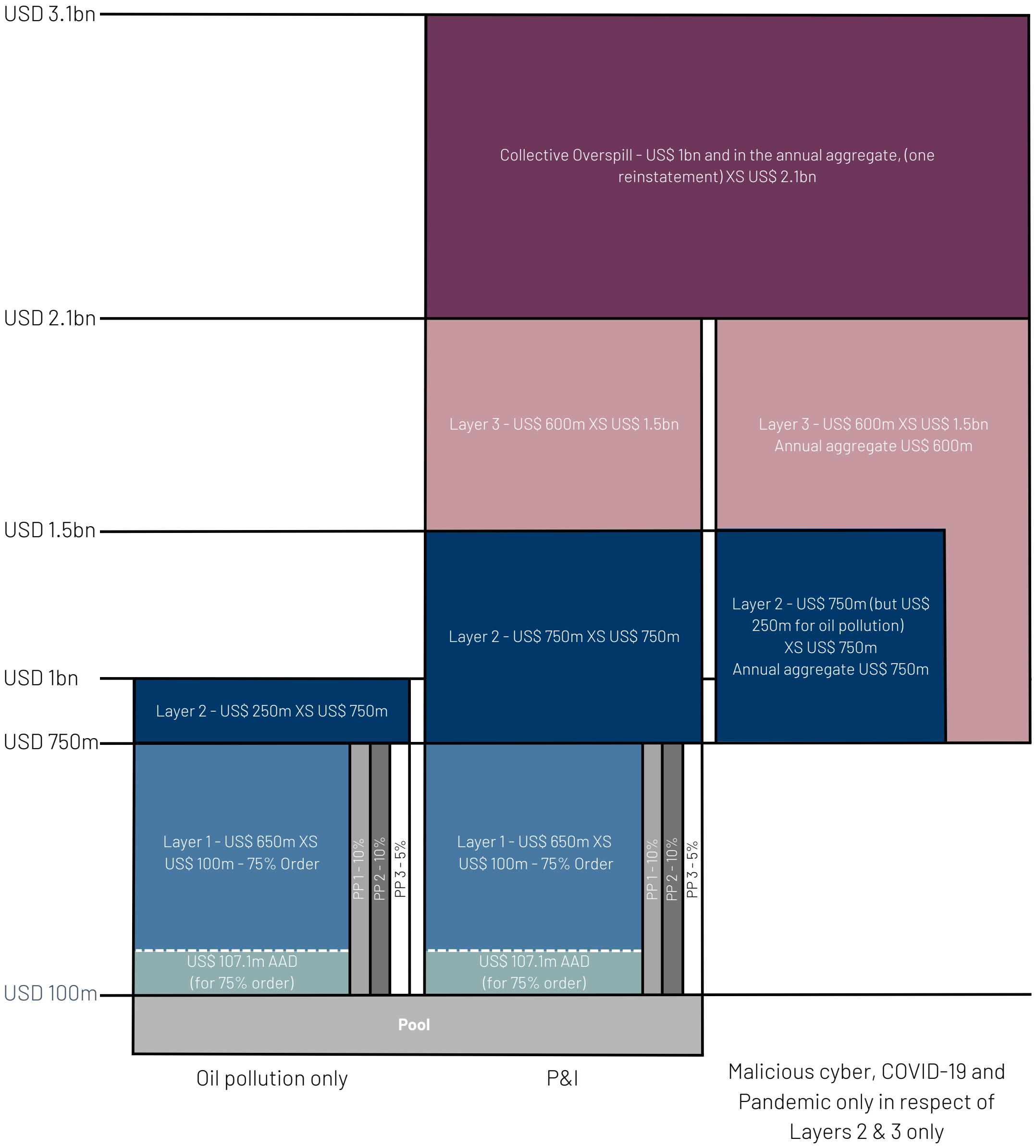
FREIGHT, DEMURRAGE & DEFENCE - 2025 COMPARISON TABLE

CLUB	STANDARD LIMIT	STANDARD DEDUCTIBLE
American	US$ 2m (up to US$ 10m on request)	25% with a minimum of $US 10,000 and a maximum of $US 75,000
Britannia	US$ 10m (US$ 2m also applies for any period of pre-delivery and new buildings/conversions)	1/3 of all costs
Gard	US$ 15m (lower limit if required) (Pre-delivery limit $1m)	25%, subject to a min contribution by the Member of US$ 5,000
Japan	US$ 10m, (US$ 2m for building, purchase, sale and repair)	1/3 of the costs in excess of US$ 1,000 of each claim
London	US$ 7.5m	25% of all costs
NorthStandard	US$ 10m (US$ 1m aggregated for building, purchase, sale and repair)	25% of all costs with a minimum of US$ 10,000
Shipowners	US$ 5m (US$ 1m NB/purchase/sale disputes)	No standard deductible for LCC (the Club's version of FD&D cover)
Skuld	US$ 5m (except US$ 300,000 per dispute alt/conversion/mortgage/NB/purchase/sale)	25% of the total costs with a minimum of US$ 12,500 per dispute
Steamship	US$ 10m (US$ 2m construction/purchase etc)	1/3 of all costs subject to a minimum of $US 7,500 and a maximum of $US 50,000
Swedish	US$ 5m, (US$ 1m pre-delivery). Higher limits available on request	US$ 12,000 plus 25% Member contribution for costs in excess of US$ 250,000
UK	US$ 15m	Nil, but no cover for disputes less than US$ 10,000
West	US$ 10m (US$ 15m can be arrange if required)	US$ 5,000, then 25% of the claim in excess, provided that the total deductible shall not exceed US$ 50,000 (US$ 100,00 for new building disputes)

INTERNATIONAL GROUP REINSURANCE STRUCTURE - 2025 POLICY YEAR

General Excess of Loss Reinsurance Contract Structure - Owned and Chartered Entries (including Overspill Protection, Hydra Participation, Pooling, Private Placements and Individual Club Retentions)

12 Months at Noon GMT 20th February, 2025

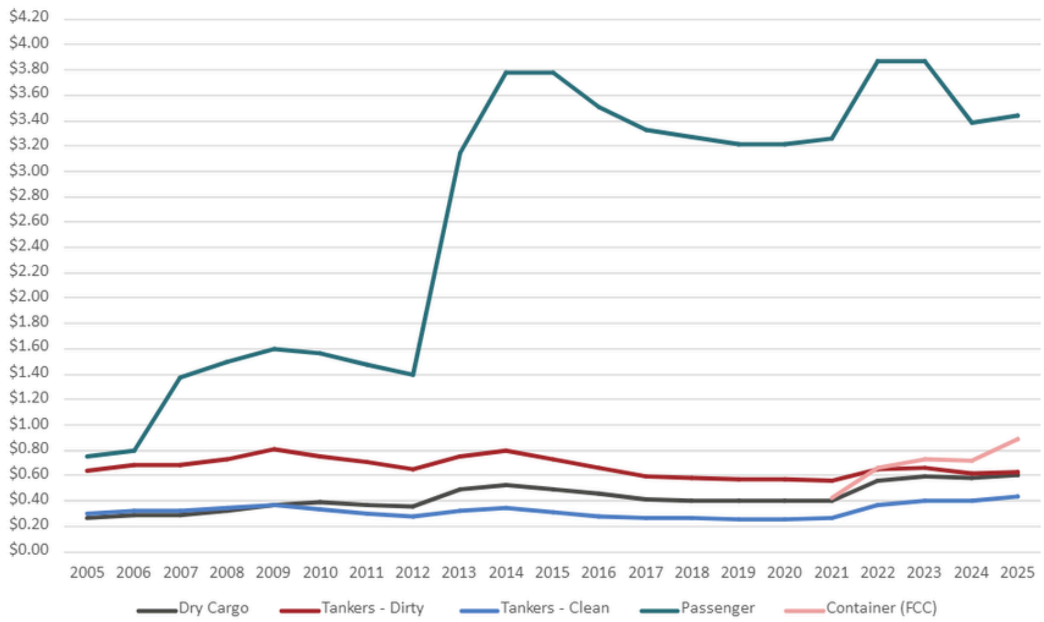


GROUP GXL REINSURANCE RATES - 2025 POLICY YEAR

The International Group Reinsurance Rates including Hydra Premium, Collective Overspill Cover and Excess War P&I

Policy Year	Dry Cargo Ships (US$)	Dirty Persistent Tankers (US$)	Clean Non-Persistent Tankers (US$)	Passenger Carrying Ships (US$)	Fully Cellular Container Ships (US$)
2025 Rates	0.6054	0.6258	0.4337	3.4390	0.8903
2024 Rates	0.5863	0.6163	0.3982	3.3842	0.7204
Adj. from 2024	0.0191	0.0095	0.0355	0.0548	0.1699
% change from 2024	+3.3%	+1.5%	+8.9%	+1.6%	+23.6%
2023	0.5991	0.6663	0.4051	3.8677	0.7277
2022	0.5639	0.6469	0.3666	3.8677	0.6586
2021	0.4028	0.5625	0.2619	3.2624	0.4249
2020	0.3971	0.5747	0.2582	3.2161	0.3971

GXL RI RATES (TRACKING GRAPH) 2005 - 2025



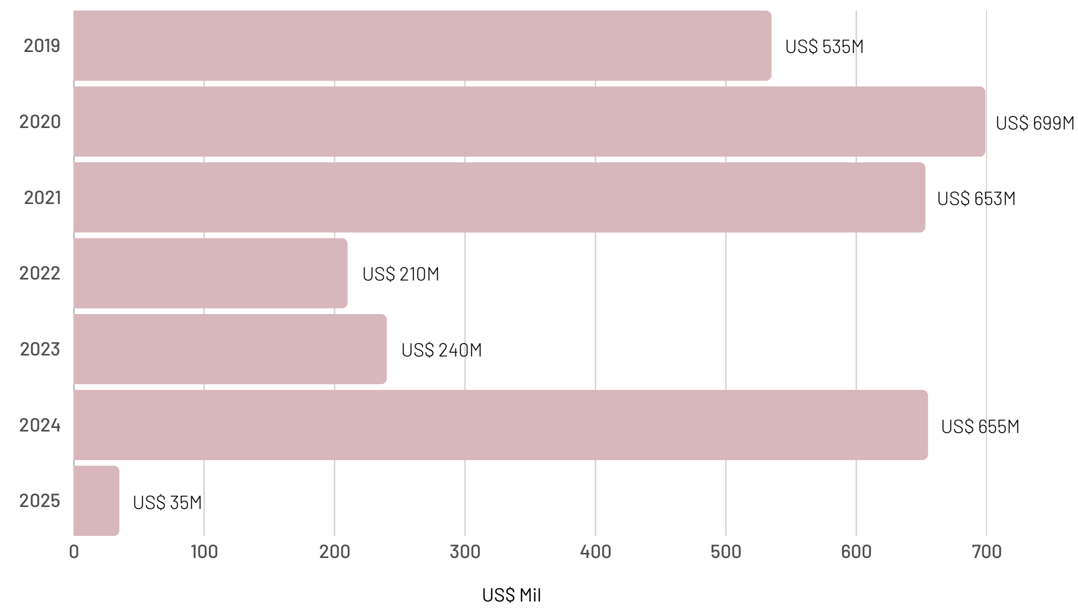
ENTERED MUTUAL GT BY CLUB & BY POLICY YEAR 2016-2025 (MIL)

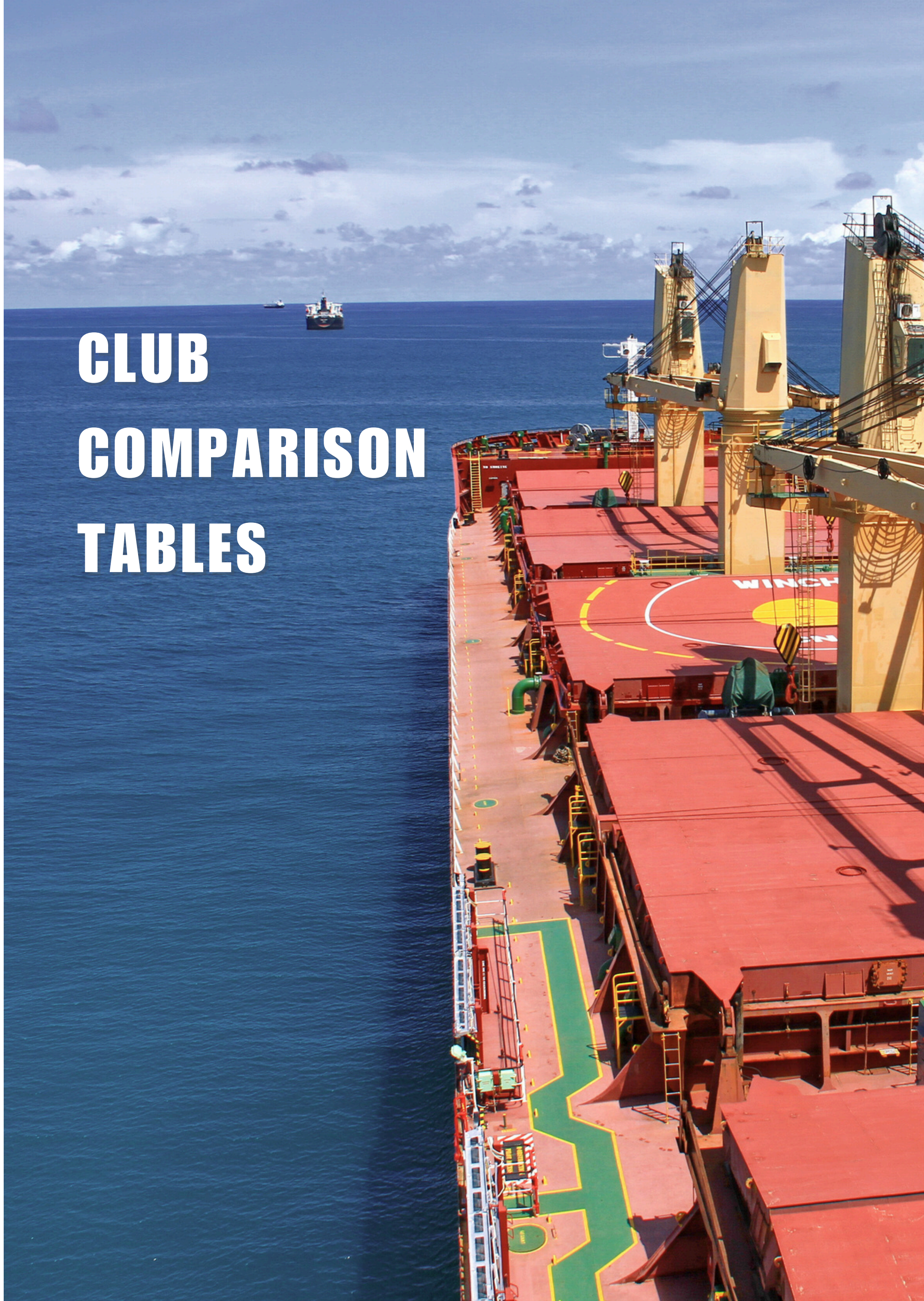
Club	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Period Increase
American	16	16	17	19	17	19	19	19	19	19	**19%**
Britannia	106	101	107	111	116	125	135	142	142	141	**33%**
Gard	200	200	207	214	228	246	260	266	279	293	**47%**
Japan	92	91	91	93	96	95	93	90	89	85	**-8%**
London	44	43	45	49	48	50	45	42	44	47	**7%**
NorthStandard*	238	248	259	264	276	266	268	258	260	270	**13%**
Shipowners	25	18	20	20	21	22	28	30	31	33	**32%**
Skuld	78	91	97	95	95	99	99	95	107	118	**51%**
Steamship	78	85	85	85	88	96	110	117	124	134	**72%**
Swedish	44	47	51	48	51	57	58	58	58	58	**32%**
UK	135	139	139	145	142	137	150	153	156	162	**20%**
West	72	82	91	92	101	106	90	96	100	111	**54%**
IG Total	1128	1161	1209	1235	1279	1318	1348	1366	1409	1471	**30%**

*Figures pre 2023 calculated by combining North of England and Standard's respective tonnages

TOTAL VALUE OF DECLARED POOL CLAIMS

approximate figures as at October 2025





CLUB KPI COMPARISON TABLES

Combined Ratios (%)

This is one of the acid tests for an insurer and shows the profitability of the underwriting operations. The ratio is calculated by dividing the Incurred Claims and expenses by the Net Premium Income. The underwriting breakeven is 100%; less than 100% is profitable (good) and more than 100% is a loss (bad).

Positive
Neutral
Negative

Japan	75
Swedish	98
Shipowners	99
American	101
Gard	101
London	102
West	104
Steamship	112
Skuld	115
NorthStandard	116
UK	116
Britannia	138

Free Reserves per Gross Ton (US$)

This is a test of the adequacy of the Free Reserves compared to the International Group Tonnage or the level of business underwritten. The ratio compares the size of the Club's reserves with the volume of business and may indicate whether the Club has the capacity to absorb risks and losses emanating from the business. The result will be overstated for Clubs with major sources of non-P&I income as all the Free Reserves are compared with only the P&I tonnage.

Above
Industry Average
Below

Shipowners	13.56
Gard	5.34
Skuld	4.56
Steamship	4.01
Britannia	3.83
London	3.64
Swedish	3.56
Japan	3.23
UK	3.05
NorthStandard	2.96
West	2.76
American	2.47

Published Investment Returns (%)

This is the acid test for the investment performance. All Clubs publish Investment Return results which are normally prepared by a specialist independent third party. This is a measure of the Investment Managers' performance and a good Investment Return may help overcome a poor underwriting performance. The asset allocation is determined by the Board, which will likely have a material bearing on the annual outcome. Equities will generally perform better in the long term, but the returns will be more volatile equities are penalised by the regulators and ratings agencies.

Positive
Negative

Britannia	8.1
Skuld	7.3
Steamship	6.6
Swedish	6.6
UK	6.6
London	6.3
NorthStandard	5.9
West	5.6
Gard	5.2
Shipowners	5
American	4.2
Japan	2

S&P Financial Ratings of Clubs

All Clubs are interactively rated by Standard & Poor's. A number of the Clubs are currently on S&P's watch list and it is quite possible that those Clubs who failed to address their rating inadequacies at the 2025 renewal could find their rating or outlook downgraded.

Gard	A+
NorthStandard	A
Shipowners	A
Skuld	A
Steamship	A
Britannia	A-
UK	A-
Japan	BBB+
Swedish	BBB+
West	BBB+
London	BBB
American	BB+

Movement in Free Reserves (%)

This is an indicator of the Clubs' annual performance. All the P&I Clubs in the Group are mutual and not-for-profit, but in the current regulatory environment, Clubs should aim to at least maintain the current level of Free Reserves for regulatory purposes and increase their Free Reserves to appropriately accommodate the rising levels of tonnage. Large losses raise concerns over a Club's health and the possibility of unplanned additional calls. Large surpluses raise concerns over a Club's possible aggressive acquisition of tonnage at uneconomic rates and poor claims reserving.

Positive
Negative

Japan	17.7
Swedish	17
American	16.5
London	14.2
West	10.8
Shipowners	10
Gard	6.4
Skuld	4
UK	2.3
NorthStandard	-0.3
Steamship	-0.6
Britannia	-1.8

Solvency Ratios (%)

This is the total assets less the creditors, divided by the Outstanding Claims. It is a key ratio that indicates the capability of the Club to meet their future claims. If the ratio falls below 100%, the Club is technically insolvent. However, the UK regulators will almost certainly request a business plan at around 115%, and probably require the Club to cease accepting new business before reaching 100%. The ratios are a general guide and, although some Clubs may demonstrate exceptional results in one test or another, it is always worth checking the conclusions.

Above
Industry Average
Below

Gard	209
Japan	205
Shipowners	200
Britannia	177
Skuld	175
NorthStandard	163
Steamship	163
Swedish	163
London	161
UK	160
West	154
American	124

KEY PERFORMANCE INDICATORS, REVENUE STATEMENT & BALANCE SHEET

Key Performance Indicators		**American**	**Britannia**	**Gard**	**Japan**	**London**	**NorthStandard**	**Shipowners**	**Skuld**	**Steamship**	**Swedish**	**UK**	**West**	**Total / Avg**
S&P Rating		BB+	A-	A+	BBB+	BBB	A	A	A	A	BBB+	A-	BBB+	**A-**
Gross Owned Tonnage	Mil	19	141	293	85	47	270	33	118	134	58	162	111	**1471**
Combined Ratio	%	101	138	101	75	102	116	99	115	112	98	116	104	**107**
Investment Return	%	4.2	8.1	5.2	2	6.3	5.9	5	7.3	6.6	6.6	6.6	5.6	**5.8**
General Increase	%	7	7.5	4	7	5	5	0	5	5	5	6.5	5	**5.3**
Solvency	%	124	177	209	205	161	163	200	175	163	163	160	154	**175**
Movement in Net Premiums	%	-4.7	1.2	1.7	-5.3	15.2	3.1	7.2	10	4	4.7	1.4	6	**3.6**
Movement in Free Reserves	%	16.5	-1.8	6.4	17.7	14.2	-0.3	10	4	-0.6	17	2.3	10.8	**5**
Movement in Incurred Claims	%	-10.7	43.9	9	-29.5	49.1	31.8	8.4	57.1	29.6	-2.6	14.5	18	**20.6**
AER (Average Expense Ratio)	%	18.4	14.4	12.2	7.3	13.7	16.6	23.9	11.2	12.4	12.9	13.5	16.5	**14.4**
Movement in GT	%	0	-0.7	5	-4.5	6.8	3.8	6.5	10.3	8.1	0	3.8	11	**4.4**
Average Net PR per GT	$	6.39	1.62	3.13	1.73	2.87	2.58	8.09	3.96	2.88	3.24	2.24	2.57	**2.86**
Free Reserves per GT	$	2.47	3.83	5.34	3.23	3.64	2.96	13.56	4.56	4.01	3.56	3.05	2.76	**4.03**
Revenue Surplus / (Deficit) (Mil)	$	7	(10)	95	38	21	(3)	41	21	40	30	11	30	**320**

Revenue Statement	US$ 000's												
Net Premiums	121,487	229,038	917,979	147,456	134,839	695,700	266,853	467,339	386,400	187,703	363,512	284,813	**4,203,119**
Net Claims Incurred	70,603	260,776	803,515	81,396	114,732	669,500	188,467	437,162	366,000	143,143	348,235	232,059	**3,715,588**
Management Costs	51,803	54,714	120,234	29,413	22,347	140,100	75,232	101,222	66,900	40,074	74,755	63,882	**840,676**
	122,406	315,490	923,749	110,809	137,079	809,600	263,699	538,384	432,900	183,217	422,990	295,941	**4,556,264**
Underwriting Surplus / (Deficit)	(919)	(86,452)	(5,770)	36,647	(2,240)	(113,900)	3,154	(71,045)	(46,500)	4,486	(59,478)	(11,128)	**(353,145)**
Investment Income / (Loss) Less Tax	7,563	76,633	100,408	1,031	23,589	111,300	37,465	91,698	86,000	25,405	70,520	41,411	**673,023**
Surplus / (Deficit)	6,644	(9,819)	94,638	37,678	21,349	(2,600)	40,619	20,653	39,500	29,891	11,042	30,283	**319,878**

Balance Sheet	US$ 000's												
Investments	150,094	933,818	2,535,866	313,382	353,211	1,770,400	685,147	1,155,885	1,313,500	498,211	1,101,410	803,917	**11,614,841**
Cash	46,108	170,700	418,138	333,188	81,787	231,400	201,961	189,831	130,300	41,985	163,741	76,632	**2,085,771**
Debtors	95,677	175,087	416,647	14,825	28,917	259,100	92,977	54,337	31,300	91,772	100,595	68,184	**1,429,418**
Other Assets	11,976	4,860	90,196	33,201	16,345	41,300	44,016	12,488	6,100	18,909		11,831	**291,222**
Total Assets	303,855	1,284,465	3,460,847	694,596	480,260	2,302,200	1,024,101	1,412,541	1,481,200	650,877	1,365,746	960,564	**15,421,252**
Outstanding Claims	197,532	701,375	1,437,157	261,796	281,377	1,270,000	448,507	713,575	846,400	328,033	830,645	563,779	**7,880,176**
Creditors	59,315	42,978	457,762	157,905	27,700	232,200	128,137	160,896	97,800	116,640	40,699	90,703	**1,612,735**
Total Liabilities	256,847	744,353	1,894,919	419,701	309,077	1,502,200	576,644	874,471	944,200	444,673	871,344	654,482	**9,492,911**
Free Reserves	47,008	540,112	1,565,928	274,895	171,183	800,000	447,457	538,070	537,000	206,204	494,402	306,082	**5,928,341**

GENERAL INCREASE PERCENTAGES

	American	Britannia	Gard	Japan	London	NorthStandard		Shipowners	Skuld	Steamship	Swedish	UK	West
2016	2.5	2.5	2.5	3	5	2.5	2.5	0	N/D	0	0	2.5	0
2017	0	0	0	0	0	0	0	0	N/D	0	0	0	0
2018	0	0	0	0	0	0	0	0	N/D	0	0	0	0
2019	0	0	0	0	0	0	0	0	N/D	0	0	0	5
2020	0	0	0	7.5	7.5	7.5	7.5	5	N/D	7.5	5	0	2.5
2021	5	0	0	10	10	10	10	5	N/D	5	5	10	7.5
2022	12.5	12.5	0	10	12.5	15	12.5	5	N/D	12.5	12.5	12.5	15
2023	10	10	5-7	10	0	10	10	0	10	7.5	10	10	10
2024	7.5	7.5	5	7.5	7.5	5		5	5	5	7.5	7.5	7.5
2025	7	7.5	4	7	5	5		0	5	5	5	6.5	5

N/D (Non Declared) - Underwriter is selecting risks in accordance with perceived or actual risk exposure/results.

CALLS - INITIAL ESTIMATE/TOTAL CALLED

	American	Britannia	Gard	Japan	London	NorthStandard		Shipowners	Skuld	Steamship	Swedish	UK	West
2016	0/22.5	45/45	25/0	40/30	0/0	0/0	0/0	0/0	0/0	0/-10	0/0	0/-3	35/35
2017	0/17.5	45/45	25/0	40/40	0/0	0/-5	0/-5	0/0	0/-2.5	0/0	0/0	0/0	35/35
2018	0/15	45/45	25/12.5	40/40	0/0	0/0	0/-5	0/0	0/-2.5	0/-10	0/-3	0/0	35/35
2019	0/35	45/45	20/15	40/40	0/35	0/0	0/0	0/0	0/-2.5	0/-7	0/-4	0/0	0/0
2020	0/60	0/0	0/-10	40/65	0/30	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2021	0/70	0/0	0/-5	40/65	0/35	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2022	0/35	0/0	0/-5	40/40	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2023	0/0	0/0	0/-5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2024	0/0	0/0	0/-10	0/0	0/0	0/0		0/0	0/0	0/-7.5	0/0	0/0	0/0
2025	0/0	0/-12	0/-10	0/0	0/0	0/0		0/0	0/-5	0/-12.5	0/0	0/0	0/0

N.B. Clubs with nil original are premium on ETC. Clubs showing an initial % requirement are on advanced basis.
The table does not include capital distributions made by certain Clubs as these are not policy year specific and/or for the benefit of all Members.

RELEASE CALL REQUIREMENTS

	American	Britannia	Gard	Japan	London	NorthStandard	Shipowners	Skuld	Steamship	Swedish	UK	West
2022	Closed	0	5	5	5	Closed	0	Closed	Closed	5	5	Closed
2023	15	5	5	3.5	12.5	0	0	7.5	0	15	7.5	7.5
2024	20	7.5	10	3.5	15	5	0	10	10	15	10	15
2025	20	15	10	15	15	12.5	0	15	10	15	15	15

IG CLUBS... IN THE SPOTLIGHT

AMERICAN

BB+
S&P Rating

$7M
Surplus

101%
Combined Ratio

35%
Unbudgeted Supplementary Call (2022)

Overview

- The American Club report for the year ending December showed their best underwriting performance in 14 years, after an 11% reduction in incurred claims, but still the underwriting result ended in a (modest) deficit.
- Against a background of an increase in large claims and a record year for IG Pool claims, the Club has reported a much improved performance with a 4.2% investment return adding US$ 8m, to give an overall surplus of US$ 7m and free reserves up 17% to US$ 47m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BB+	BB+	BBB-
Gross Owned Tonnage	Mil	19	19	19
Combined Ratio	%	101	110	104
Investment Return	%	4.2	7.9	-10.3
General Increase	%	7	7.5	10
Solvency	%	124	122	123
Movement in Net Premiums	%	-4.7	-15.9	5.9
Movement in Free Reserves	%	16.5	-9.1	-30.3
Movement in Incurred Claims	%	-10.7	-22.5	-8.5
AER (Average Expense Ratio)	%	18.4	19	21
Increase in GT	%	0	0	0
Average net PR per GT	$	6.39	6.71	7.98
Free Reserves per GT	$	2.47	2.12	2.34
Surplus /(Deficit)(Mil)	$	7	(4)	(19)

Underwriting

- After a 7.5% General Increase at the 2024 renewal, the tonnage and premiums were lower compared to the previous year with net premium income down nearly 5%, which was partially due to the Club's decision to reduce risk in the portfolio due to under-performance and a re-emergence of the "churn" effect as older tonnage was replaced by newer lower risk vessels.
- The good news on the claims front was the level of attritional claims was similar to 2023, which has been a recurring experience in the IG. This was in stark contrast to the larger value claims which had experienced an increase in frequency and severity, with the IG Pool claims rising to a new record high. The Club incurred two incidents which were notified to the IG as potential claims, plus an earlier claim arising from a loss of a container ship in the Red Sea and the subsequent cost of retrieving lost containers.
- The 2022 policy year had suffered from a trend of inflated claims and consequently the board levied a 35% supplementary call to cover the deficit.

HEAD OFFICE: NEW YORK, USA
REGIONAL OFFICES: HONG KONG / HOUSTON / LONDON / PIRAEUS / SHANGHAI

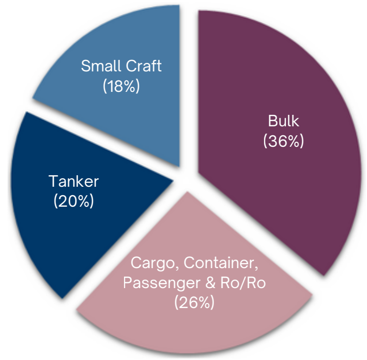
Investments

- The Club maintained a prudent approach to investment asset allocation with only 19% of the investment assets in equities, with the remainder in cash and government and corporate bonds. The financial markets were driven by early expectations of positive developments, but towards the end of the year new geopolitical concerns and financial uncertainty following the US presidential election led to a more conservative outcome. The equities performed well with a return of 11.4%, but the overall return was driven by the larger bond portfolio. The overall return was 4.2% with income of US$ 8m.

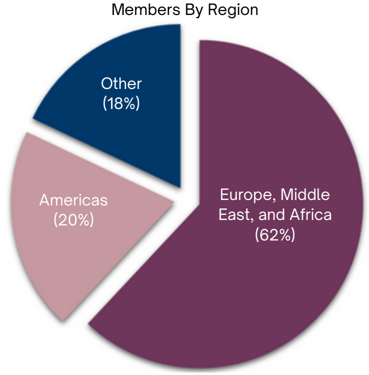
Balance Sheet US$000's	2025	2024	2023
Investments	150,094	129,149	131,215
Cash	46,108	41,234	28,997
Debtors	95,677	106,074	149,141
Other Assets	11,976	8,744	10,031
Total Assets	303,855	285,201	319,384
Outstanding Claims	197,532	183,457	192,276
Creditors	59,315	61,380	82,698
Total Liabilities	256,847	244,837	274,974
Free Reserves	47,008	40,364	44,410

Revenue Statement US$000's	2025	2024	2023
Net Premiums	121,487	127,518	151,705
Net Claims Incurred	70,603	79,021	101,949
Management Costs	51,803	61,870	55,680
	122,406	140,891	157,629
Underwriting Surplus / (Deficit)	(919)	(13,373)	(5,924)
Investment Income / (Loss) Less Tax	7,563	9,327	(13,337)
Surplus / (Deficit)	6,644	(4,046)	(19,261)

Ship Type - GT



Members By Region



Outlook

- The American Club has bucked the trend by reporting much improved underwriting results following a reduction in incurred claims, while other Clubs suffered the impact of a barrage of expensive claims within their own retention and in the IG Pool.
- The results were helped by the Club's fixed premium small vessels company Eagle Ocean Marine, which maintained a positive contribution to the Club with a combined ratio of 90%. There was also a US$ 10m reduction in the management costs which was a great help, but these costs still represent 43% of the net premium income, which clearly handicaps the underwriting results.
- The Club has tried to reduce "risk" in its underwriting portfolio, but it does have a history of under-providing for outstanding claims. Last year the 2023 policy year deteriorated by US$ 13.4m and there were further deteriorations on earlier years of US$ 10.2m. The 2024 policy year had paid and outstanding claims of US$ 54m after twelve months compared to US$ 33m on 2023 after 12 months, but the IBNRs for 2024 were only US$ 12m compared to US$ 21m a year earlier which ultimately proved too low.
- The Club has retained its S&P BB+, sub investment grade credit rating. The free reserves of US$ 47m, include US$ 43m of unbilled premiums and calls, which perhaps highlights the Club's vulnerability.

BRITANNIA

A-
S&P Rating

8.1%
Investment Return

$30M
Return to Members

138%
Combined Ratio

Overview

- Britannia had a difficult year with a 44% increase in incurred claims, which pushed the underwriting deficit up to US$ 86m. This produced a 138% Combined Ratio. The situation was saved by the favourable financial markets and the investment managers delivering a c. US$ 76m return on the Club's investment portfolio, which reduced the overall deficit to US$ 10m.
- The major event of the year was the MV DALI, which demolished the Francis Scott Key bridge and will likely cost the Club itself in excess of US$ 30m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A-	A	A
Gross Owned Tonnage	Mil	141	142	142
Combined Ratio	%	138	103	107
Investment Return	%	8.1	6.6	-5.9
General Increase	%	7.5	7.5	10
Solvency	%	177	181	169
Movement in Net Premiums	%	1.2	11.4	15.8
Movement in Free Reserves	%	-1.8	7.8	-13.2
Movement in Incurred Claims	%	43.9	6.7	3.1
AER (Average Expense Ratio)	%	14.4	15.5	15.4
Increase in GT	%	-0.7	0	5.2
Average net PR per GT	$	1.62	1.59	1.43
Free Reserves per GT	$	3.83	3.87	3.59
Surplus /(Deficit)(Mil)	$	(10)	58	(78)

Underwriting

- After a number of recent years of slowly diminishing underwriting deficits, the Club was hit by a wave of high value claims which rather devastated the underwriting.
- There were 28 high value claims over US$ 1m and a significant increase in the severity of such claims.
- The majority of the high value claims related to damage to property (inc. MV DALI). A bulk carrier damaged a terminal in Brazil when the moorings parted during a storm, a second bulk carrier hit the pier in Teesport while under pilotage and a container ship hit a crane while berthing in Liverpool.
- A bright spot was the small attritional claims which showed continued improvements. The underwriting has been in deficit for a number of years and the frailty was exposed this year, a situation that clearly needs to be rectified.

HEAD OFFICE: LONDON, UK
REGIONAL OFFICES: COPENHAGEN / HONG KONG / KOBE / LUXEMBOURG / NEW YORK / PIRAEUS / SINGAPORE / TOKYO

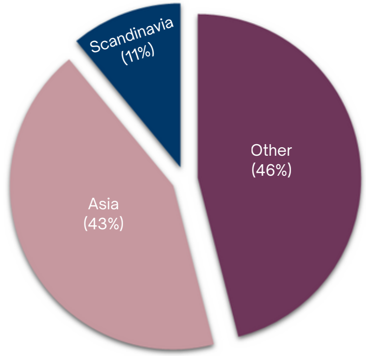
Investments

- The investment performance was the highlight of the results with a return of 8.1% ranking with the best in the IG and delivering income of US$ 76.6m, which saved the day and reduced the damage to manageable proportions.
- The investment strategy divided the portfolios into one matching the currency and maturity of the outstanding claims and a second designed for growth. The majority of the funds were invested in government and high quality corporate bonds with 23% in diversified growth funds and equities. The growth portfolio benefited from exposure to US "tech" stocks which performed particularly well.

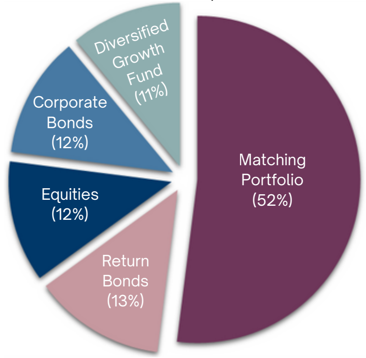
Balance Sheet US$000's	2025	2024	2023
Investments	933,818	896,263	750,086
Cash	170,700	220,787	373,783
Debtors	175,087	173,343	142,508
Other Assets	4,860	5,748	5,914
Total Assets	1,284,465	1,296,141	1,272,291
Outstanding Claims	701,375	682,330	740,493
Creditors	42,978	63,880	21,766
Total Liabilities	744,353	746,210	762,259
Free Reserves	540,112	549,931	510,032

Revenue Statement US$000's	2025	2024	2023
Net Premiums	229,038	226,213	202,976
Net Claims Incurred	260,776	181,261	169,933
Management Costs	54,714	52,077	48,229
	315,490	233,338	218,162
Underwriting Surplus / (Deficit)	(86,452)	(7,125)	(15,186)
Investment Income / (Loss) Less Tax	76,633	65,368	(62,651)
Surplus / (Deficit)	(9,819)	58,243	(77,837)

Members By Region



Investment Composition



Outlook

- After the worst underwriting results in recent memory, it was essential for the Club to get the underwriting moving towards a balanced outcome. At the 2025 renewal the Club set a target of 7.5% rate increase plus an additional 2.5% risk adjusted rate increase. These targets were reportedly met but there was a minor drop in entered tonnage.
- Britannia's last underwriting surplus was in 2018 and in the claims period to 2024 financial year, the claims had nearly doubled, but the net premium income had increased by less than 50%, so the claims were rising at twice the speed of the income. This year saw an exceptional rise in claims which hit an already vulnerable position resulting in the exceptional deficit.
- Fortunately, the investment managers were in command of the situation and made the most of favourable financial markets. The Club received an S&P downgrade to A- with a stable outlook, but is still one of only a few IG Clubs with over US$ 500m in free reserves. Notwithstanding the adverse claims experience, the Club was still able to provide capital returns totalling US$ 30m to renewing mutual Members – a sign of true mutuality!

GARD

A+
S&P Rating

10%
Owners General Discount

$95M
Surplus

209%
Solvency

Overview

- The Gard behemoth motors on with their second best results in the Club's history and a surplus of US$ 95m, pushing the free reserves over US$ 1.5bn and the cash and investments to nearly US$ 3bn.
- The underwriting reported a small deficit of US$ 6m after a further Owners General Discount of US$ 49m and a 9% jump in incurred claims, mostly on the P&I class. The investment income was a modest 5.2% on the large funds, boosted by a strong performance on equities to produce US$ 100m of income.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A+	A+	A+
Gross Owned Tonnage	Mil	293	279	266
Combined Ratio	%	101	95	83
Investment Return	%	5.2	6.6	-6.3
General Increase	%	4	5	0
Solvency	%	209	207	199
Movement in Net Premiums	%	1.7	19.8	-1.3
Movement in Free Reserves	%	6.4	16.7	-1.4
Movement in Incurred Claims	%	9	39.9	-16.2
AER (Average Expense Ratio)	%	12.2	12.6	14.8
Increase in GT	%	5	4.9	2.3
Average net PR per GT	$	3.13	3.23	2.83
Free Reserves per GT	$	5.34	5.27	4.74
Surplus /(Deficit)(Mil)	$	95	211	(18)

Underwriting

- The P&I business grew by 14m GT, predominantly in Asia, with strong gains in Japan where they obtained a license. The rates remained soft and there was little improvement in the level of income, which was subsequently reduced by US$ 49m Owners General Discount, compared with a discount of US$ 25m last year.
- The P&I claims rose from US$ 426m last year to US$ 490m, despite recording no IG Pool claims of their own in the year, principally due to an increase in other Clubs' IG Pool claims and worse than expected claims from fixed premium P&I and charterers and a deteriorating large claim concerning a mobile offshore unit.
- There was a small increase in Marine and Energy net premium income from US$ 387m last year to US$ 398m. The Marine and Energy claims remained little changed at US$ 314m, with fewer large claims, but there were more incidents from the Offshore sector and one large builders' risk claim at a yard causing the total loss of a yacht under construction.
- In addition to obtaining a license in Japan to boost their Asia business, where it had been arguably under-represented in the past, the Club decided to increase their renewable energy business with the acquisition of Codan's Marine and Energy portfolio which has a strong footprint in Denmark and Northern Europe.

HEAD OFFICE: ARENDAL, NORWAY
REGIONAL OFFICES: AARHUS / BERGEN / BERMUDA / COPENHAGEN / HELSINKI / HONG KONG / IMABARI / LONDON / NEW YORK / OSLO / PIRAEUS / RIO DE JANEIRO / SINGAPORE / TOKYO

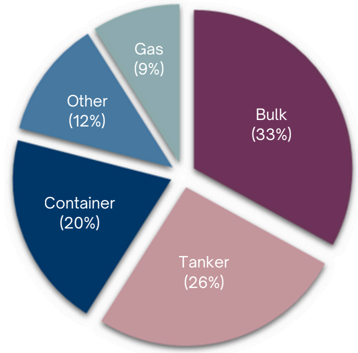
Investments

- With nearly US$ 3bn in cash and investments, the investment managers produced a 5.2% return of US$ 100m after tax and various deductions.
- The financial year got off to an optimistic start with the possibility of rate cuts and rising bond and equity prices. The optimism slowed as the inflation remained persistent and geopolitical tensions came to the surface. The year ended with some confusion over Trump's economic plans and pronouncements.
- Overall the equities and alternatives had a good year, with a steady performance from the bonds and cash. The global equities returned 12% and the alternatives 9% with the bonds and cash returning 4% each and only the property returned a loss.

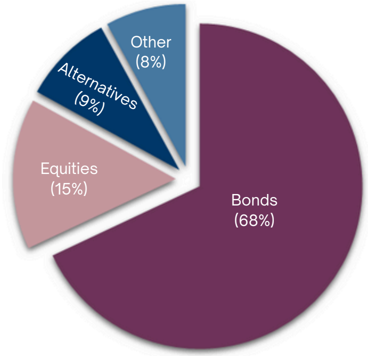
Balance Sheet US$000's	2025	2024	2023
Investments	2,535,866	2,501,479	2,263,344
Cash	418,138	295,884	234,978
Debtors	416,647	455,084	407,756
Other Assets	90,196	51,119	43,966
Total Assets	3,460,847	3,303,566	2,950,044
Outstanding Claims	1,437,157	1,373,464	1,276,166
Creditors	457,762	458,811	413,427
Total Liabilities	1,894,919	1,832,275	1,689,593
Free Reserves	1,565,928	1,471,291	1,260,451

Revenue Statement US$000's	2025	2024	2023
Net Premiums	917,979	902,241	753,240
Net Claims Incurred	803,515	737,496	527,000
Management Costs	120,234	122,706	95,942
	923,749	860,202	622,942
Underwriting Surplus / (Deficit)	(5,770)	42,039	130,298
Investment Income / (Loss) Less Tax	100,408	168,800	(148,129)
Surplus / (Deficit)	94,638	210,839	(17,831)

Ship Type - GT



Asset Allocation



Outlook

- Gard have constructed a very strong business model by accumulating large capital reserves and a massive investment portfolio. The cash and investment portfolio currently stands at just under US$ 3bn, which enables the Club to generate a large investment income stream which can cope with most eventualities and support the underwriting, coupled with US$ 1.5bn capital, which enables the Club to diversify into other more profitable marine insurance sectors.
- The Marine and Energy business produces regular surpluses which may be used to supplement the free reserves and allow the P&I business to make regular Owners General Discounts, which helps Member retention and the Marine and Energy business also compliments the P&I business and the diversity is seemingly appreciated by the rating agencies.
- This year the Club has further extended their diversity by purchasing the Codan's Marine and Energy portfolio, which will expand their renewable sector.
- The Club remains by far the strongest in the IG with approximately 20% market share and some of the best solvency and capital ratios... and will doubtless continue to go from strength to strength.

JAPAN

BBB+
S&P Rating

75%
Combined Ratio

205%
Solvency

$37M
Underwriting Surplus

Overview

- As those around them struggled, Japan reported their best underwriting results of the century, with a remarkable 30% reduction in incurred claims, which led to a US$ 37m underwriting surplus.
- The investment managers were unfortunately unable to match this performance as they reported their worst results for seven years, with a meagre US$ 1m of income after a large tax charge and the Bank of Japan's unexpected interest rate rise.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BBB+	BBB	BBB
Gross Owned Tonnage	Mil	85	89	90
Combined Ratio	%	75	91	97
Investment Return	%	2	4.6	1.2
General Increase	%	7	7.5	10
Solvency	%	205	182	165
Movement in Net Premiums	%	-5.3	-15	49.9
Movement in Free Reserves	%	17.7	13.7	13.7
Movement in Incurred Claims	%	-29.5	-22	-4.3
AER (Average Expense Ratio)	%	7.3	7.4	7.8
Increase in GT	%	-4.5	-1.1	-3.2
Average net PR per GT	$	1.73	1.75	2.04
Free Reserves per GT	$	3.23	2.63	2.28
Surplus /(Deficit)(Mil)	$	38	50	42

Underwriting

- Following the 7.5% General Increase at the 2024 renewal, the net premium income fell by 5%. There was also a further small reduction in the entered tonnage.
- The steep reduction in incurred claims related to the improvements on the two previous open policy years and the closed policy years. On the current year, the downward trend in the number of claims continued, partly due to fewer cargo claims and a lower number of crew claims following the end of Covid-19.
- The cost of cargo claims rose in the year due to a number of large bulk cargo claims. The Club registered no IG Pool claims in the year, but the cost of other Clubs' Pool claims rose from US$ 16m last year to US$ 19m.
- The Club also covers local coastal vessels, with an entered tonnage of 2.5m GT. There are approximately 200 claims every year, mostly involving damage to piers, which account for around 40% of the total costs. There were no claims in the year exceeding US$ 2m, resulting in a notable decrease in the total cost of the claims.

HEAD OFFICE: TOKYO, JAPAN
REGIONAL OFFICES: KOBE / FUKUOKA / IMABARI / SINGAPORE / LONDON

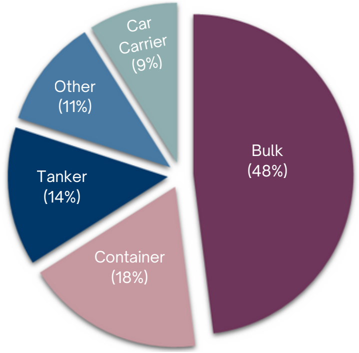
Investments

- The investment income fell from a healthy US$ 36m in the last two financial years, to a rather paltry US$ 1m after a large tax charge of US$ 14m. The investment performance was derailed by the Bank of Japan's unexpected decision to raise interest rates, which upset the foreign Yen carry trade and unsettled the local markets. The value of the Yen stabilised, but the uncertainty raised yields and lowered asset prices.

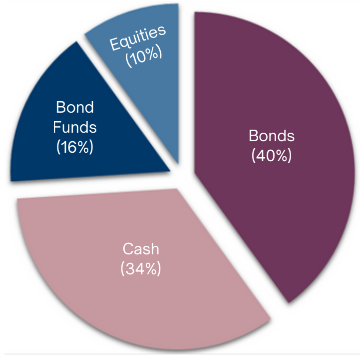
Balance Sheet US$000's	2025	2024	2023
Investments	313,382	355,614	241,900
Cash	333,188	273,580	361,030
Debtors	14,825	15,589	26,278
Other Assets	33,201	32,590	34,961
Total Assets	694,596	677,373	664,169
Outstanding Claims	261,796	285,093	314,205
Creditors	157,905	158,651	144,494
Total Liabilities	419,701	443,744	458,699
Free Reserves	274,895	233,629	205,470

Revenue Statement US$000's	2025	2024	2023
Net Premiums	147,456	155,709	183,181
Net Claims Incurred	81,396	115,534	148,035
Management Costs	29,413	26,298	29,718
	110,809	141,832	177,753
Underwriting Surplus / (Deficit)	36,647	13,877	5,428
Investment Income / (Loss) Less Tax	1,031	36,366	36,171
Surplus / (Deficit)	37,678	50,243	41,599

Ship Type - GT



Asset Allocation



Outlook

- Japan had a very successful underwriting year with their best underwriting surplus in years, largely driven by improvements in the estimated cost of claims on older policy years.
- The reduction in estimated claims on older policy years is not a policy that can be repeated on this scale regularly and the Club clearly identified that it needs to "improve the balance of income and expenditure", which it may well have done this year, but it needs to reverse the falling level of premiums.
- The Club's 'Achilles' heel' is its inability to expand beyond its national borders, with only a small branch in Singapore handling claims and a liaison office in London. The other IG Clubs have substantial operational offices in most of the key areas to attract international tonnage, which is frequently reflected in their Board of Directors. The Club needs to expand, otherwise its competitive position may slowly erode.
- The Club's S&P credit rating was raised to BBB+ and it has an excellent solvency margin, but it needs to focus on (sustainable) growth.

LONDON

BBB
S&P Rating

49.1%
Movement in Incurred Claims

$21M
Surplus

102%
Combined Ratio

Overview

- After a bruising claims year with a 49% increase in incurred claims, the London Club was still able to maintain the progress it made last year by keeping the underwriting deficit down to US$ 2m and boosting the free reserves by 14%, following a healthy investment return of US$ 23m.
- The Club had previously endured a difficult number of years, but after a successful year last year, the situation has been stabilised and growth has started to return.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BBB	BBB	BBB
Gross Owned Tonnage	Mil	47	44	42
Combined Ratio	%	102	85	130
Investment Return	%	6.3	5	-3.9
General Increase	%	5	7.5	0
Solvency	%	161	155	137
Movement in Net Premiums	%	15.2	5.2	-42.6
Movement in Free Reserves	%	14.2	32	-30.8
Movement in Incurred Claims	%	49.1	-38.5	-18.9
AER (Average Expense Ratio)	%	13.7	13.38	13.27
Increase in GT	%	6.8	4.8	-6.7
Average net PR per GT	$	2.87	2.66	2.65
Free Reserves per GT	$	3.64	3.41	2.70
Surplus /(Deficit)(Mil)	$	21	36	(51)

Underwriting

- After a successful 2024 renewal there was an increase in tonnage and a 15% rise in the net premium income, drawn predominantly from bulk, tankers and container owners. There were also positive contributions from the fixed premium owned and chartered business and war risks.
- There was positive development in the Club's technical performance, where the cost of paid and known outstanding claims after twelve months was in line with previous years, and not exceptionally high as in other Clubs.
- The cost of IG Pool claims was high, but the cost of the Club's own retained claims remained modest. There were a number of large claims in excess of US$ 1m, the most expensive being fixed and floating objects (mostly dock damage), with one such claim exceeding the IG Pool retention. There were two general average and salvage claims arising from groundings.
- The underwriting has undergone a major recovery with tonnage back up to levels last seen in 2021, but (importantly) with the net premium income nearly 36% higher and the free reserves 10% higher.

HEAD OFFICE: LONDON, UK
REGIONAL OFFICES: HONG KONG / LIMASSOL / PIRAEUS / SEOUL

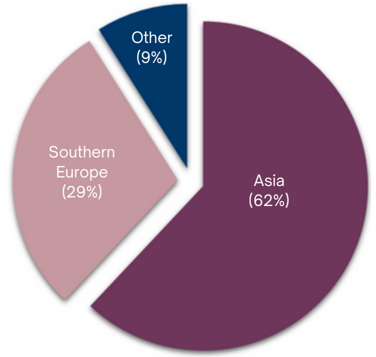
Investments

- Over optimism in the financial markets at the start of the year soon evaporated as inflation in the US remained high and the US economy remained resilient. The subsequent slowing of the economy led to a small reduction in Fed fund rates, but towards the end of the year after the US presidential election, uncertainty over US future economic policy and geo-political tensions led the Fed to become more cautious.
- The investment managers remained underweight in riskier assets, preferring mortgaged backed securities and government bonds. The assets under management returned 7.2%, but the cash and passive investments reduced the rate to 6.3%, producing a total income of US$ 24m.

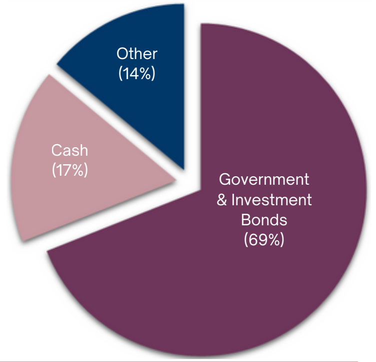
Balance Sheet US$000's	2025	2024	2023
Investments	353,211	333,004	277,902
Cash	81,787	74,421	123,848
Debtors	28,917	30,305	33,039
Other Assets	16,345	16,833	18,470
Total Assets	480,260	454,563	453,259
Outstanding Claims	281,377	271,297	303,263
Creditors	27,700	33,432	36,470
Total Liabilities	309,077	304,729	339,733
Free Reserves	171,183	149,834	113,526

Revenue Statement US$000's	2025	2024	2023
Net Premiums	134,839	117,070	111,287
Net Claims Incurred	114,732	76,972	125,085
Management Costs	22,347	22,017	19,672
	137,079	98,989	144,757
Underwriting Surplus / (Deficit)	(2,240)	18,081	(33,470)
Investment Income / (Loss) Less Tax	23,589	18,227	(17,007)
Surplus / (Deficit)	21,349	36,308	(50,477)

Members By Region



Asset Allocation



Outlook

- After a difficult few years, which culminated in additional calls in the 2022 financial year, and a 30% reduction in the free reserves, London has finally turned the corner with an underwriting surplus and a healthy overall surplus of US$ 21m this year.
- The underwriting performance for the year was very satisfying as many Clubs struggled to contain a rise in high value claims and the consequences of a record year for IG Pool claims.
- The incurred claims rose by 49%, reflecting the likely cost of the IG Pool claims. However, the Club still managed to keep the combined ratio down to a manageable 102%.
- The Club maintained an S&P BBB credit rating with a stable outlook, but if it can maintain the current underwriting discipline and continue to attract quality tonnage, the rating should improve.

NORTHSTANDARD

A
S&P Rating

116%
Combined Ratio

$800M
Free Reserves

32%
Increase in Incurred Claims

Overview

- NorthStandard successfully negotiated its way through a difficult year which saw incurred claims rise by 32% and a combined ratio of 116% (an underwriting deficit of US$ 114m).
- The large investment portfolio of US$ 2bn and buoyant financial markets helped the investment managers to 'save the day' with a 5.9% return, which brought in US$ 111m to leave the Club with a small overall deficit of just US$ 3m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	270	260	258
Combined Ratio	%	116	96	96
Investment Return	%	5.9	4.9	-4.5
General Increase	%	5	5	10
Solvency	%	163	168	156
Movement in Net Premiums	%	3.1	6.7	9.7
Movement in Free Reserves	%	-0.3	17	-7.8
Movement in Incurred Claims	%	31.8	3	-0.4
AER (Average Expense Ratio)	%	16.6	16.3	15
Increase in GT	%	3.8	0.8	-4.8
Average net PR per GT	$	2.58	2.6	2.45
Free Reserves per GT	$	2.96	3.09	2.66
Surplus /(Deficit)(Mil)	$	(3)	382*	(58)

*Inclusive of $265m of Standard Club's free reserves

Underwriting

- Like many other Clubs, NorthStandard suffered from the increased cost of the IG Pool, which was partially to blame for the 32% increase in the cost of incurred claims.
- The number of retained claims was higher than the 2023 policy year, but the retained value of the claims after twelve months was similar, around US$ 250m net of reinsurance.
- There were 30 P&I claims estimated to cost over US$ 1m for the 2024 policy year, compared to an average of 36 claims in the last five years, including 2024 policy year. There had been an increase in admiralty claims in the year, but the cost of personal injury claims was the lowest for five years.
- The Club has a very diversified underwriting portfolio, including offshore and renewables in a partnership with NIORD, providing US$ 30m capacity to insure fixed and floating wind farms. They also cover fishing, small vessels, coastal and inland craft, along with Hull, War, Strike and Delay, and Aquaculture. The P&I still accounts for 77% of the net premium income, and this year the other classes turned in a useful US$ 33m underwriting surplus for the first time.

HEAD OFFICES: NEWCASTLE, UK / LONDON, UK
REGIONAL OFFICES: BRISBANE / DUBLIN / HONG KONG / MELBOURNE / NELSON / NEW YORK / PIRAEUS / SEOUL / SHANGHAI / SINGAPORE / TOKYO

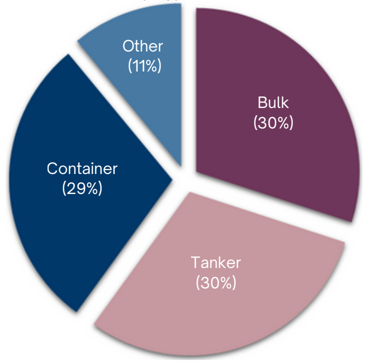
Investments

- The investment managers had a successful year with a return of 5.9% and earnings of US$ 111m, substantially covering the underwriting deficit. The Club has a conservative investment policy with the portfolio divided into a matching portfolio to cover the expected future claims liabilities and a surplus portfolio. The matching portfolio consists of corporate and government bonds, while the surplus portfolio included alternative investments and equites.
- The equities performed well and the corporate bonds saw gains above 5%, in addition to their healthy yields.

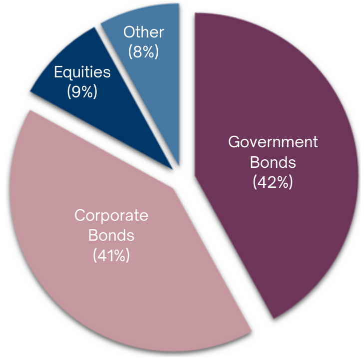
Balance Sheet US$000's	2025	2024	2023
Investments	1,770,400	1,658,900	1,602,775
Cash	231,400	275,900	264,546
Debtors	259,100	266,700	278,895
Other Assets	41,300	25,600	35,648
Total Assets	2,302,200	2,227,100	2,181,864
Outstanding Claims	1,270,000	1,181,400	1,218,050
Creditors	232,200	243,100	277,952
Total Liabilities	1,502,200	1,424,500	1,496,002
Free Reserves	800,000	802,600	685,862

Revenue Statement US$000's	2025	2024	2023
Net Premiums	695,700	675,000	632,514
Net Claims Incurred	669,500	507,800	492,916
Management Costs	140,100	139,100	116,328
	809,600	646,900	609,244
Underwriting Surplus / (Deficit)	(113,900)	28,100	23,270
Investment Income / (Loss) Less Tax	111,300	353,700	(82,643)
Surplus / (Deficit)	(2,600)	381,800	(59,373)
Pension Gain / (Loss)			1,399

Ship Type - GT



Asset Allocation



Outlook

- NorthStandard has managed a difficult year with success, absorbing a 32% increase in incurred claims and a monstrous US$ 114m underwriting deficit with only a modest US$ 3m loss of free reserves. The increase in claims was blamed on the cost of the IG Pool claims, and although claims within retention remained constant at around US$ 250m, there was evidence that there had been some deterioration on the 2022 policy year and the closed years.
- The Club's diversification programme continued apace with the partnership with NIORD providing capacity to insure fixed and floating wind farms. The Strike and Delay cover will likely be in demand in the coming year with the prevarications over US tariffs and delays in setting up the requisite administration.
- The aquaculture business's recent strategy of selective risk quality saw a 90% increase in income, and the Hull, Coastal and Fishing sectors were also expanding.
- The Club retained the S&P A credit rating with a stable outlook and has a 163% solvency ratio. It was also good to see the diversification classes finally making a positive contribution in an otherwise difficult year.

SHIPOWNERS

A
S&P Rating

+10%
Free Reserves

$41M
Surplus

200%
Solvency

Overview

- Shipowners' steady progress continued with their third consecutive underwriting surplus and a further US$ 41m added to the free reserves, lifting them by 10% to US$ 447m, nearly 50% higher than six years ago. Although claims rose faster than premiums, they still reported an underwriting surplus of US$ 3m and the investment managers made US$ 37m. The financial statements were for the year to 31st December, 2024.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	33	31	30
Combined Ratio	%	99	100	99
Investment Return	%	5	10	-10
General Increase	%	0	5	0
Solvency	%	200	193	182
Movement in Net Premiums	%	7.2	5.3	5.9
Movement in Free Reserves	%	10	20.6	-14.9
Movement in Incurred Claims	%	8.4	3.9	3.8
AER (Average Expense Ratio)	%	23.9	24	23
Increase in GT	%	6.5	3.3	7.1
Average net PR per GT	$	8.09	8.03	7.88
Free Reserves per GT	$	13.56	13.12	11.25
Surplus /(Deficit)(Mil)	$	41	69	(59)

Underwriting

- There was a 5% General Increase at the 2024 renewal which helped lift the level of premium income. There were also gains in the Dry Cargo sector principally led by new tonnage from the Indonesian market, which was now the highest grossing country in premium income terms.
- There was also significant growth in the Barge, Offshore and Tanker sectors, but elsewhere growth in tonnage had been more modest. The Yacht sector which had seen significant growth in recent years, saw a relatively limited number of new vessels added due to private yachts needing a qualified master and an increase in the demand for appropriately qualified crew, which was outstripping supply.
- The only sector where there was a reduction in tonnage was Fishing, where the "performance" of certain Far Eastern domiciled vessels was less than satisfactory. Other major issues within the Fishing sector were damage to undersea cables and the high volume of crew injuries.
- The Club's roll out of the "P&I Online" continued with US$ 25m of business on the new system allowing brokers to bind renewals and produce documentation, with a mobile app on the way in 2025. The Club also started a modest Hull and Machinery cover for UK domiciled Members commencing in 2025, following the acquisition of Waterbourne Underwriting Agency.
- The underwriting surplus was US$ 3m with a combined ratio of 99%.

HEAD OFFICE: LONDON, UK
REGIONAL OFFICES: HONG KONG / SINGAPORE / PIRAEUS / LUXEMBOURG

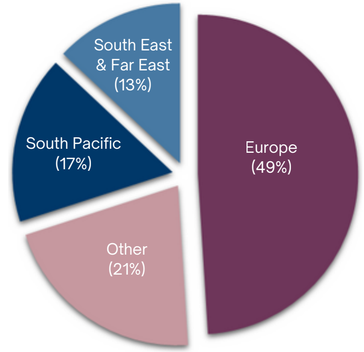
Investments

- The net investment income after tax was US$ 37m, a return of approximately 5%. This is considerably less than last year (which was exceptional), but still never-the-less very satisfactory. The year started with a continuation of last year's optimism and was subsequently helped by expectations of lower interest rates and positive outcomes following the US presidential election.
- The Club maintained a relatively large equity portfolio with an overall asset exposure of over 20%. This undoubtedly helped the overall return and the expectation of lower interest rates pushed bond yields lower.

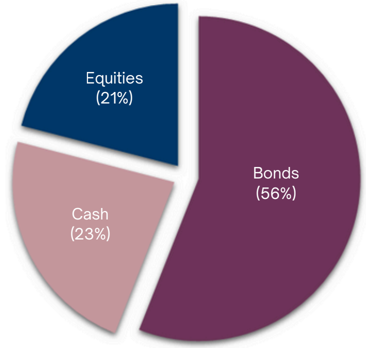
Balance Sheet US$000's	2025	2024	2023
Investments	685,147	645,048	579,385
Cash	201,961	201,728	156,305
Debtors	92,977	85,008	84,241
Other Assets	44,016	43,581	42,927
Total Assets	1,024,101	975,365	862,858
Outstanding Claims	448,507	436,962	410,176
Creditors	128,137	131,565	115,313
Total Liabilities	576,644	568,527	525,489
Free Reserves	447,457	406,838	337,369

Revenue Statement US$000's	2025	2024	2023
Net Premiums	266,853	248,871	236,442
Net Claims Incurred	188,467	173,785	167,295
Management Costs	75,232	74,634	66,816
	263,699	248,419	234,111
Underwriting Surplus / (Deficit)	3,154	452	2,331
Investment Income / (Loss) Less Tax	37,465	69,017	(61,398)
Surplus / (Deficit)	40,619	69,469	(59,067)

Members By Region



Asset Allocation



Outlook

- The Club's free reserves continued to grow with a further 10% added and taking them to US$ 447m. This represents an increase of almost 50% in the last six years and notwithstanding a modest entry of 33m GT. The free reserves rose to nearly US$ 14 per GT.
- The business continued to grow during the year with an impressive 2m GT added, principally from Indonesia.
- The Club has recently expanded the business with Hull and Machinery cover for UK domiciled Members, following the acquisition of Waterbourne Underwriting Agency.
- The general expenses have risen in the last few years as the Club develops the new P&I Online service, which allows brokers to view Members records, bind renewals and produce documentation, which will shortly be rolled out as an app.
- The Club had a combined ratio of 99% with a solvency ratio of 200% and a recently reaffirmed S&P credit rating of A with a stable outlook. The Club has flourished with a policy of conservative underwriting, while avoiding rash diversification and largely sticking to the small vessels market and what it knows best. It therefore looks set for continuing success in the future.

SKULD

A
S&P Rating

7.3%
Investment Return

$21M
Surplus

115%
Combined Ratio

Overview

- Skuld have navigated an exceptionally difficult year with success, reporting an overall surplus of US$ 21m, notwithstanding a dramatic increase in claims. Fortunately, the investment managers excelled, with a reported return of 7.3% and net income of US$ 92m, lifting the overall result back into surplus.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	118	107	95
Combined Ratio	%	115	88	96
Investment Return	%	7.3	7.2	0.3
General Increase	%	5	5	10
Solvency	%	175	188	173
Movement in Net Premiums	%	10	8.4	7.3
Movement in Free Reserves	%	4	16.4	3.4
Movement in Incurred Claims	%	57.1	-3.1	-9.6
AER (Average Expense Ratio)	%	11.2	12.2	12.7
Increase in GT	%	10.3	12.6	-4.0
Average net PR per GT	$	3.96	3.97	4.13
Free Reserves per GT	$	4.56	4.84	4.68
Surplus /(Deficit)(Mil)	$	21	116	32

Underwriting

- There was an increase in the net premium income of 10% following a 5% General Increase at the 2024 renewal and a 10% increase in mutual GT. In addition to the mutual P&I business, the Club underwrites Hull and Machinery, Offshore, Yachts, Aquaculture and Autonomous vessels.
- The commercial business, including fixed premium P&I, performed well during the year returning a positive underwriting result. The deterioration occurred on the mutual P&I book following a number of very modest claims years. Incurred claims in the 2024 policy year rose by 68% (after twelve months) compared to the 2023 policy year.
- There were an unusually high number of P&I claims in the second half of the year. The adverse development was driven by a surge in the reported claims in the US$ 500k to US$ 2m band, plus a substantial increase in the cost of the IG Pool claims, which included two of Skuld's own claims.
- The Club's share of IG Pool claims was US$ 55m, compared to US$ 24m a year earlier, while their own claims from all classes rose by 50% to US$ 382m from US$ 254m. The Club retained a 5% General Increase at the 2025 renewal, and will be hoping for a more modest level of claims moving forwards to avoid any future capital erosion.

HEAD OFFICE: OSLO, NORWAY
REGIONAL OFFICES: BERGEN / BERMUDA / COPENHAGEN / HAMBURG / HONG KONG / LONDON / NEW YORK / PIRAEUS / SINGAPORE / TOKYO

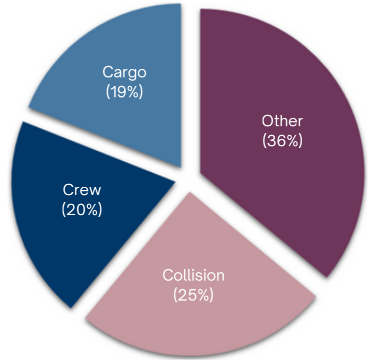
Investments

- The investment managers were clearly the 'heroes of the hour' reporting net income of US$ 92m, which more than covered the underwriting deficit to keep the free reserves moving in a positive direction.
- The investment markets behaved positively in the year, with falling bond yields and rising prices in anticipation of improvements in economic conditions. Prices responded in expectation of lower interest rates and falling inflation, resulting in unrealised investment gains of US$ 68m and other net investment income of US$ 24m. The 27% equity and alternatives asset allocation was clearly a positive factor in the outcome.

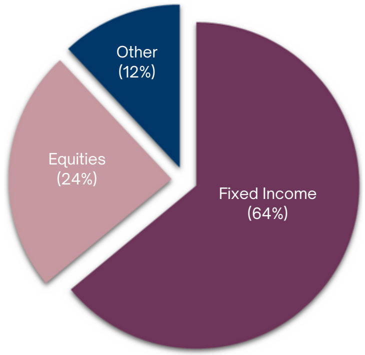
Balance Sheet US$000's	2025	2024	2023
Investments	1,155,885	1,037,626	911,150
Cash	189,831	166,713	178,354
Debtors	54,337	46,430	61,753
Other Assets	12,488	10,189	6,208
Total Assets	1,412,541	1,260,958	1,157,465
Outstanding Claims	713,575	587,349	607,991
Creditors	160,896	156,191	104,848
Total Liabilities	874,471	743,540	712,839
Free Reserves	538,070	517,418	444,626

Revenue Statement US$000's	2025	2024	2023
Net Premiums	467,339	425,006	392,001
Net Claims Incurred	437,162	278,259	287,240
Management Costs	101,222	97,801	90,905
	538,384	376,060	378,145
Underwriting Surplus / (Deficit)	(71,045)	48,946	13,856
Investment Income / (Loss) Less Tax	91,698	66,993	17,968
Surplus / (Deficit)	20,653	115,939	31,824

Claims



Asset Allocation



Outlook

- Skuld have increased their free reserves by US$ 21m / 4% after a very difficult year. The combined ratio rose from a very positive 88% last year to 115% this year, leading to an underwriting deficit of US$ 71m. The situation was alleviated by a positive performance from the fixed premium and commercial sector, without which the situation would have been much worse.
- The P&I was hit by a massive increase in claims, not only from the IG Pool, but from claims within their own retention, particularly claims under US$ 2m. The cost of the reinsurance increased by US$ 19m in the year, but this had no overall impact on the outcome, while estimated claims on the 2024 policy year exceeded the net premium income by 33%.
- The concern within the IG must be whether this is an isolated bad year or the start of a rather unpleasant trend. The Club retained its S&P A credit rating with a stable outlook and have a strong solvency ratio of 175% and more than enough free reserves to handle any immediate problems.

STEAMSHIP

A
S&P Rating

112%
Combined Ratio

$43M
Return to Members

$40M
Surplus

Overview

- Steamship had a successful year, absorbing a 30% rise in incurred claims whilst still managing to preserve their level of capital and making a further generous distribution of excess capital to renewing Members.
- The underwriting suffered a serious reversal with a wave of high severity claims within their retention and from the IG Pool, resulting in a US$ 47m underwriting deficit. However, the Club was able to take advantage of the favourable financial markets and their substantial investment funds to generate US$ 86m of income to leave an overall surplus of US$ 40m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	134	124	117
Combined Ratio	%	112	94	95
Investment Return	%	6.6	7.4	-2.4
General Increase	%	5	5	7.5
Solvency	%	163	169	162
Movement in Net Premiums	%	4	10.8	30.7
Movement in Free Reserves	%	-0.6	18.9	-4.1
Movement in Incurred Claims	%	29.6	8	7.9
AER (Average Expense Ratio)	%	12.4	12.3	12.8
Increase in GT	%	8.1	6	6.4
Average net PR per GT	$	2.88	3.00	2.87
Free Reserves per GT	$	4.01	4.36	3.88
Surplus /(Deficit)(Mil)	$	40	110	(19)

Underwriting

- After a 5% General Increase at the 2024 renewal, the net premium income rose by 4% and the mutual tonnage by 10 mil. In the last 5 years the mutual tonnage has risen by just over 50% and more importantly, in the same period, the net premium income has risen by just under 50%. Interestingly, the chartered tonnage now exceeds the mutual tonnage for the first time.
- There was a marked increase in the frequency and severity of large claims, both within their retention and in the IG Pool. The cost of attritional claims below US$ 250k rose in line with the tonnage, but the cost of large claims rose back to 2019 levels of cost per GT.
- The net premium income rose to US$ 387m compared to claims and expenses of US$ 433m, leaving a US$ 47m underwriting deficit, compared to a surplus of US$ 22m last year.

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REGIONAL OFFICES: BERMUDA / CYPRUS / HONG KONG / PIRAEUS / RIO DE JANEIRO / SINGAPORE / TOKYO

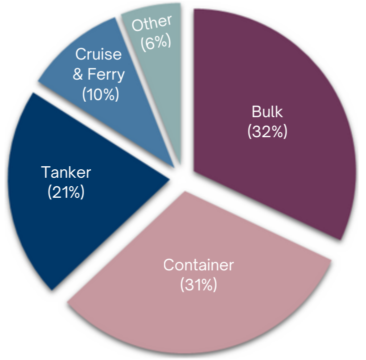
Investments

- The investment managers produced a 6.6% return (US$ 86m) on their US$ 1.4bn cash and investment portfolio with the emphasis on capital preservation with a large government and high-quality corporate bond allocation. The bond allocation was 69%, and only 8% in equities and 14% in unspecified alternative investments.
- Over 30% of the total value of the investments was held in bonds with over 5 years to maturity, but the managers had realised significant profits during the year, especially on the small equity portfolio.

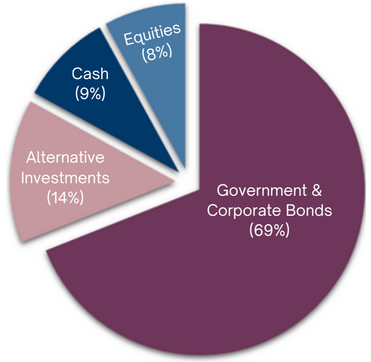
Balance Sheet US$000's	2025	2024	2023
Investments	1,313,500	1,201,900	964,700
Cash	130,300	139,200	223,500
Debtors	31,300	34,900	22,200
Other Assets	6,100	11,200	17,400
Total Assets	1,481,200	1,387,200	1,227,800
Outstanding Claims	846,400	778,800	737,300
Creditors	97,800	68,100	36,100
Total Liabilities	944,200	846,900	773,400
Free Reserves	537,000	540,300	454,400

Revenue Statement US$000's	2025	2024	2023
Net Premiums	386,400	371,700	335,500
Net Claims Incurred	366,000	282,300	261,500
Management Costs	66,900	67,000	56,100
	432,900	349,300	317,600
Underwriting Surplus / (Deficit)	(46,500)	22,400	17,900
Investment Income / (Loss) Less Tax	86,000	87,700	(37,100)
Surplus / (Deficit)	39,500	110,100	(19,200)

Ship Type - GT



Asset Allocation



Outlook

- In a difficult year Steamship have been able to maintain their status as one of the premier Clubs, while absorbing a 30% increase in incurred claims and returning US$ 43m of capital to renewing Members, without a significant loss of capital.
- The Club has a very conservative investment policy with most of the assets in government and quality bonds and the claims reserving reported a US$ 19m favourable improvement on prior years claims provisions.
- The Club retained their S&P 'A' credit rating and had a 163% solvency ratio, total free reserves of US$ 537m, all with an expanding business and a very successful business model of managing tonnage growth, financial security and Member rewards.

SWEDISH

BBB+
S&P Rating

+17%
Free Reserves

$30M
Surplus

98%
Combined Ratio

Overview

- The Swedish Club reported its first underwriting surplus (US$ 4m) for eight years. The results were aided by a sound performance from the investment managers with a return of 6.6%, to give an overall surplus of US$ 30m, pushing the free reserves up by 17% to a five year high of US$ 206m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BBB+	BBB+	BBB+
Gross Owned Tonnage	Mil	58	58	58
Combined Ratio	%	98	103	102
Investment Return	%	6.6	9.2	-9.8
General Increase	%	5	7.5	10
Solvency	%	163	157	159
Movement in Net Premiums	%	4.7	5.9	12.8
Movement in Free Reserves	%	17	18	-20.1
Movement in Incurred Claims	%	-2.6	7.3	-16.2
AER (Average Expense Ratio)	%	12.9	12.7	13.6
Increase in GT	%	0	0	0
Average net PR per GT	$	3.24	3.09	2.92
Free Reserves per GT	$	3.56	3.04	2.58
Surplus /(Deficit)(Mil)	$	30	27	(37)

Underwriting

- The premium income rose by 5% with strong growth in the Hull and Machinery business, but an influx of new capacity into the market led to increased competition. There was also significant demand for shipbuilders' risk cover, which helped to push the Marine and Energy net premium income up by 8% to US$ 83m. The claims fell by 6% to give an overall sector surplus of US$ 1m, before investment income.

- The P&I business, which accounts for 50% of the net premium income, experienced the best performance with a small increase in income, a reduction in claims and a US$ 13m reduction in "other technical provisions". This was reflected in improvements on earlier policy years, especially 2023 policy year, which improved dramatically. The P&I surplus was US$ 3m, before investment income.

- There were 35 claims reported in excess of US$ 500k, compared with 42 claims the previous year.

- The management costs rose by US$ 3m to give overall costs of US$ 183m, slightly down on last year, while the net premium income rose by nearly US$ 9m to give an underwriting surplus of US$ 4m. The combined ratio fell to 98%, down from a rather alarming 130% just three years ago. The Club also underwrites FD&D business and during the year introduced a cyber security cover.

HEAD OFFICE: GOTHENBURG, SWEDEN
REGIONAL OFFICES: ATHENS / HONG KONG / LONDON / OSLO / SINGAPORE

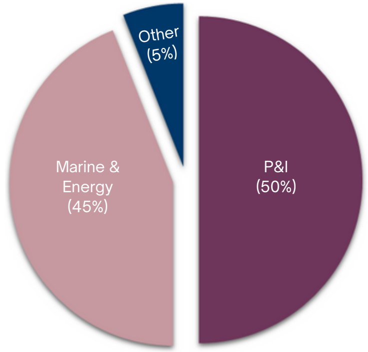
Investments

- The investment managers had a successful year with a return of 6.6% and income of US$ 25m. The return was clearly helped by underlying market conditions which pushed up prices in anticipation of lower interest rates and improvements in economic conditions. The equity allocation was 16% at the year-end with the remainder in cash and bonds.

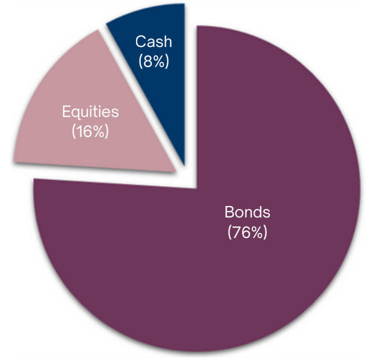
Balance Sheet US$000's	2025	2024	2023
Investments	498,211	436,438	350,460
Cash	41,985	31,123	33,432
Debtors	91,772	153,755	160,450
Other Assets	18,909	23,709	19,071
Total Assets	650,877	645,025	563,413
Outstanding Claims	328,033	306,903	254,382
Creditors	116,640	161,809	159,657
Total Liabilities	444,673	468,712	414,039
Free Reserves	206,204	176,313	149,374

Revenue Statement US$000's	2025	2024	2023
Net Premiums	187,703	179,201	169,277
Net Claims Incurred	143,143	146,972	136,933
Management Costs	40,074	37,425	35,688
	183,217	184,397	172,621
Underwriting Surplus / (Deficit)	4,486	(5,196)	(3,344)
Investment Income / (Loss) Less Tax	25,405	32,135	(34,063)
Surplus / (Deficit)	29,891	26,939	(37,407)

Underwriting Portfolio



Asset Allocation



Outlook

- The Swedish Club had a successful year with their first underwriting surplus for eight years, and a healthy investment return combined to push the free reserves up by 17% to US$ 206m, a level not seen for four years. The Club has spent the last decade juggling the P&I and Marine classes of business in its diverse underwriting portfolio, with varying degrees of success.

- The perceived wisdom amongst regulators and rating agencies, is that the two classes complement each other, but that has not always proved to be the case with a 130% combined ratio for the 2022 year.

- Hopefully the Club has now got the balance right with 50% in P&I and 45% in Marine and Energy. This year has also been helped by a US$ 13m change in technical provisions, which related to improvements on past policy years, which illustrated the conservative nature of their claims loss reserving.

- The Club has an S&P BBB+ credit rating, which it hopes to improve in the near future, and return to an S&P A- rating, which it lost shortly after 2022. The combined ratio was 98%, and the solvency ratio was 163%. Hopefully the Club will be able to sustain this recent improvement and keep all the different classes in surplus in the future.

UK

A-
S&P Rating

6.6%
Investment Return

$11M
Surplus

116%
Combined Ratio

Overview

- The UK Club has recorded its seventh successive underwriting loss, with a rise in claims following the worst IG Pool year in recent times. The Club's combined ratio has risen to 116% with an underwriting deficit of US$ 59m. Fortunately the investment managers came to the rescue with a return of 6.6% generating US$ 70m, to achieve an overall surplus of US$ 11m and push the free reserves up by 2% to US$ 494m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		A-	A-	A-
Gross Owned Tonnage	Mil	162	156	153
Combined Ratio	%	116	108	104
Investment Return	%	6.6	7.5	-3.8
General Increase	%	6.5	7.5	10
Solvency	%	160	162	157
Movement in Net Premiums	%	1.4	16.5	31.8
Movement in Free Reserves	%	2.3	12.3	-11.8
Movement in Incurred Claims	%	14.5	21.7	14.8
AER (Average Expense Ratio)	%	13.5	13.24	12.92
Increase in GT	%	3.8	2	2
Average net PR per GT	$	2.24	2.30	2.01
Free Reserves per GT	$	3.05	3.10	2.81
Surplus /(Deficit)(Mil)	$	11	53	(58)

Underwriting

- After a 7.5% General Increase (2024 policy year) and a small increase in entered tonnage, the gross premium income actually fell, but a small reduction in the reinsurance costs left the net premium income US$ 5m higher at US$ 363m. After a number of very difficult years, the Club finally reported that the fixed premium P&I and the Charterer's portfolios saw a modest profit albeit below target.

- The cost of attritional claims below US$ 0.5m remained stable however, there was an increase in the frequency and severity of large claims. There were 14 claims in excess of US$ 2m, including three dock damages, two injuries in the United States and two major groundings, one of which was an IG Pool claim.

- There was a US$ 10m deterioration in the expected outcome of the 2023 policy year, but positive developments on earlier years. The expected cost of claims on the 2024 policy year was US$ 55m higher than on the 2023 policy year after 12 months.

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Investments

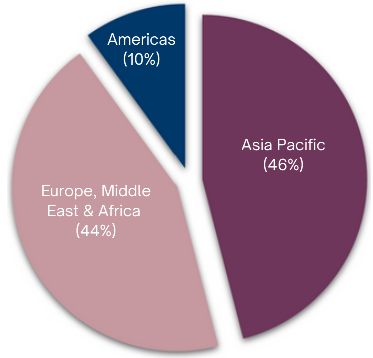
- The strong performance from the investment managers returned 6.6%, delivering an income of US$ 70m and helped to push the free reserves back up towards US$ 500m.

- The start of the year witnessed optimism over the future path of interest rates, which pushed up valuations and reduced bond yields, although uncertainty increased towards the end of the year, but overall returns were good with equities returning 17% and bonds 4.5%.

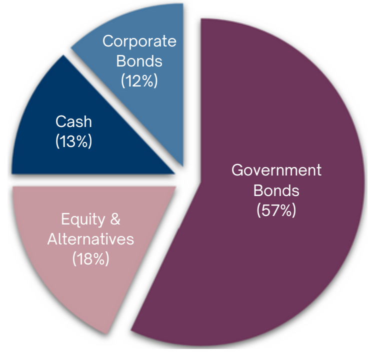
Balance Sheet US$000's	2025	2024	2023
Investments	1,101,410	876,272	882,382
Cash	163,741	368,838	225,260
Debtors	100,595	125,347	168,403
Other Assets			
Total Assets	1,365,746	1,370,457	1,276,045
Outstanding Claims	830,645	776,350	750,137
Creditors	40,699	110,647	95,463
Total Liabilities	871,344	886,997	845,600
Free Reserves	494,402	483,460	430,445

Revenue Statement US$000's	2025	2024	2023
Net Premiums	363,512	358,414	307,578
Net Claims Incurred	348,235	304,141	249,909
Management Costs	74,755	82,676	71,360
	422,990	386,817	321,269
Underwriting Surplus / (Deficit)	(59,478)	(28,403)	(13,691)
Investment Income / (Loss) Less Tax	70,520	81,418	(44,170)
Surplus / (Deficit)	11,042	53,015	(57,861)

Members By Region



Asset Allocation



Outlook

- The UK Club has navigated its most demanding underwriting year which had the highest incurred claims on record and a record high for IG Pool claims. The underwriting clearly suffered again with another deficit of US$ 59m, their seventh successive underwriting deficit, but the Club was saved by its capital reserves and the performance of their investment managers.

- After the well-publicised deficits of the fixed premium P&I and Charterer's class, 2024 policy year turned in a modest profit. Although the cost of attritional claims remained relatively constant below US$ 80m in total, it was apparent that claims inflation was having an adverse impact on the large claims, combined with advances in remedial technology.

- The Club's free reserves are still below the level of 2018 and it is evident that to rectify the continuing poor underwriting results, there needs to be a forensic focus on those Members with chronically poor loss records, who are now causing the Club to be uncompetitive against its contemporaries.

- The Club reported an US$ 11m overall surplus and retains its S&P A- credit rating with a 160% solvency ratio, however there is still much work to be done on the underwriting side which remains the Club's "Achilles heel".

WEST

BBB+
S&P Rating

5.6%
Investment Return

$30M
Surplus

104%
Combined Ratio

Overview

- After two years of positive underwriting results, WEST has posted a small underwriting deficit following a sharp increase in the cost of IG Pool claims. The Club's own retained claims remained remarkably stable, but the additional shared claims resulted in an US$ 11m underwriting deficit.
- The underwriting deficit was easily covered by the investment managers who reported a modest 5.6% return with income of US$ 41m, which resulted in a US$ 30m overall surplus pushing the free reserves up by 11% to US$ 306m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BBB+	BBB+	BBB+
Gross Owned Tonnage	Mil	111	100	96
Combined Ratio	%	104	95	98
Investment Return	%	5.6	4.6	-3.6
General Increase	%	5	7.5	10
Solvency	%	154	150	141
Movement in Net Premiums	%	6	9.8	9.8
Movement in Free Reserves	%	10.8	19.7	-8.1
Movement in Incurred Claims	%	18	4.8	-10.7
AER (Average Expense Ratio)	%	16.5	16.1	15.9
Increase in GT	%	11	4.2	6.7
Average net PR per GT	$	2.57	2.69	2.55
Free Reserves per GT	$	2.76	2.76	2.4
Surplus /(Deficit)(Mil)	$	30	45	(20)

Underwriting

- The underwriting has improved dramatically over the past two years, and the Club was quick to point out that the reversal this year was largely due to the IG Pool. This is a frequent argument, but in this case not without merit. The incurred claims rose by US$ 35m of which US$ 31m related to the IG Pool costs.
- The Club became the first Member of the IG to open an office in the UAE in Dubai to help service some of its Asian Members who now account for nearly half the entered tonnage.
- The diversification programme continued with the purchase of Nordic Marine after the year end. Nordic Marine are predominantly hull insurers based in Stockholm and the acquisition will bolster the Club's Scandinavian presence and West Hull which along with West War have reported their first full trading year.
- The Club also launched a piracy protection product, which has generated considerable interest. The underwriting has been transformed from three years ago, but the net premium income needs to keep pace with the rapidly recovering tonnage.

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REGIONAL OFFICES: DUBAI / HONG KONG / LUXEMBOURG / NEW YORK / PIRAEUS / SINGAPORE

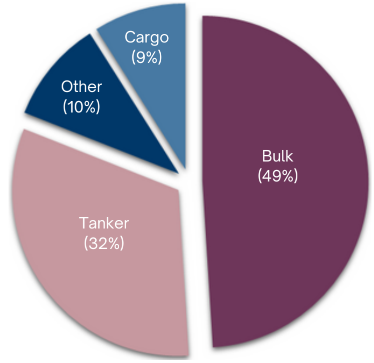
Investments

- The investment performance was a modest return of 5.6% generating US$ 41m, their best result for five years and sufficient to pull the overall result back into surplus and raise the free reserves by over 10%.
- All the financial markets performed positively with early gains moderated towards the end of the year over uncertainty surrounding US trade policy. The Club's fixed income investments remained broadly unchanged, but the 20% equity allocation posted strong returns.

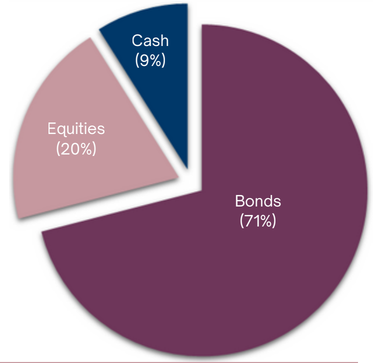
Balance Sheet US$000's	2025	2024	2023
Investments	803,917	775,284	670,117
Cash	76,632	58,002	107,582
Debtors	68,184	67,527	67,850
Other Assets	11,831	13,751	14,676
Total Assets	960,564	914,564	860,225
Outstanding Claims	563,779	547,315	565,853
Creditors	90,703	90,926	63,620
Total Liabilities	654,482	638,241	629,473
Free Reserves	306,082	276,323	230,752

Revenue Statement US$000's	2025	2024	2023
Net Premiums	284,813	268,715	244,683
Net Claims Incurred	232,059	196,671	187,687
Management Costs	63,882	59,816	51,841
	295,941	256,487	239,528
Underwriting Surplus / (Deficit)	(11,128)	12,228	5,155
Investment Income / (Loss) Less Tax	41,411	33,203	(25,471)
Surplus / (Deficit)	30,283	45,431	(20,316)

Ship Type - GT



Asset Allocation



Outlook

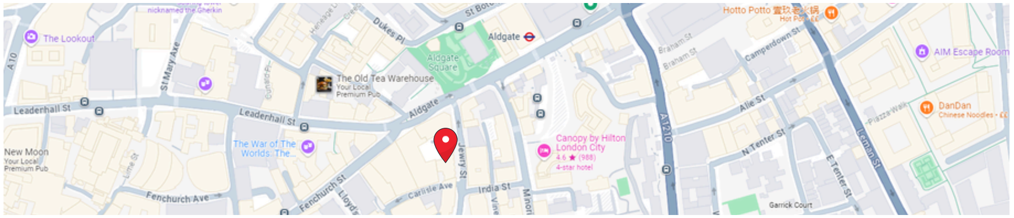
- The WEST transformation continued with a small underwriting deficit more than offset by the investment income. The level of entered tonnage was not dissimilar to 2021, but since then the net premium income has risen by over 40% and the underwriting improved.
- WEST may have been more fortunate than most other Members of the IG as their own retained claims only rose by US$ 4m in a year when most Clubs suffered from a steep rise in the cost of large value claims. This may be as a direct result of the recent underwriting review, but the Club must be prepared for the possibility of a rise in the cost of random large claims that can happen to any Club.
- The diversification policy continued with the first annual results of the new West Hull and West War facilities and a new piracy protection product. The purchase of Nordic Marine will also expand their regional footprint and bring expertise to help the new entities.
- The 11% increase in free reserves has pushed the total to over US$ 300m and hopefully on the way to passing the 2020 high. The Club has an S&P BBB+ credit rating and a 154% solvency ratio and seems set for future growth.

WILSON OFFICES WORLDWIDE

LONDON

Wilson Europe Limited
405A, 4th Floor, Dawson House,
5 Jewry Street,
London,
EC3N 2EX

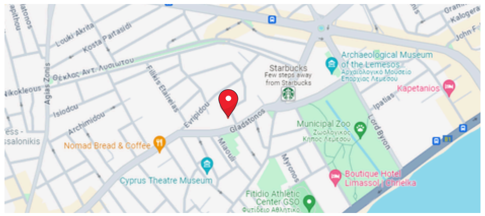
T +44 20 7626 9888
wilson@wilsoneurope.com



CYPRUS

Wilson Cyprus Insurance Brokers Limited
28 Oktovriou 261,
View Point Tower,
P.C. 3035 Limassol,
Cyprus

T +44 20 7626 9888
cyprus@wilsoncyprus.com



HONG KONG

Wilson Re Limited
25/F, Park Avenue Tower
2-5 Moreton Terrace
Causeway Bay
Hong Kong

T +852 2882 3633
wre@wilsonre.com.hk

KOREA

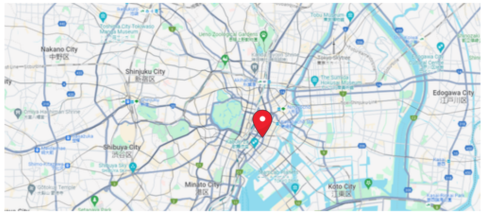
Wilson Korea Limited
9th Floor, Woori Building
Bongrae-Dong 1-Ga, 10
Jung-Gu, Seoul,
Korea

T +82 02 7750 708
wilson@wilsonkorea.co.kr

JAPAN

Wilson Japan Co Limited
301, ACN Kyobashi bldg.
2-12-9 Kyobashi, Chuo-Ku,
Tokyo 104-0031
Japan

T +81 03 5579 9465
marine@wilsonjp.com



TAIWAN

Wilson Re (Taiwan) Limited
3/F,181, Sec.3, Min-Chuan East Road,
Taipei 10541,
Taiwan

T +886 2 2545 7900
tckuo@wilsonre.com.tw

CHINA

Guangdong Goodfaith Risks Service Limited
26B, Guangdong International
Tower A,339 Huan Shi East
Road, Guangzhou,
Guangdong, P.R.China

T +86 20 8326 2826
jenny.zhong@goodfaithrisk.com

NOTES

WILSON GROUP
MASTERS OF P&I