

# STEAMSHIP

**A**  
S&P  
Rating

## 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	%	113	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)

**113%**  
Combined  
Ratio

**\$43M**  
Return to  
Members

**\$40M**  
Surplus

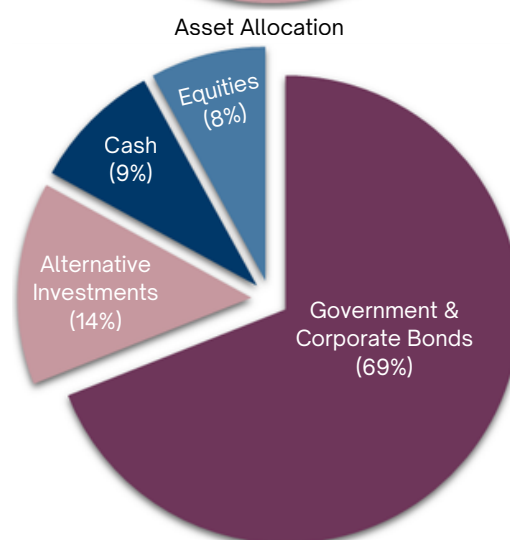
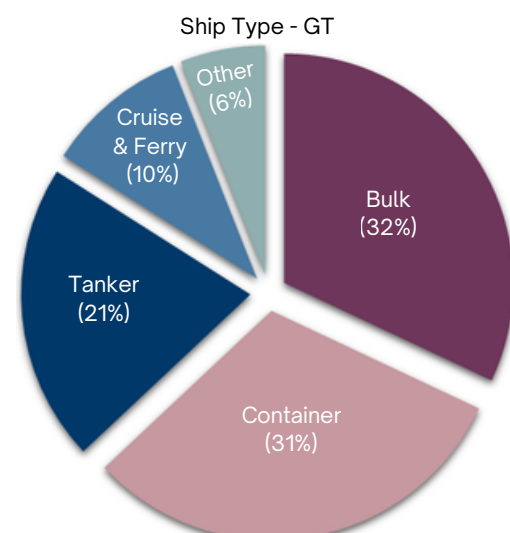
## Underwriting

- 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.

## 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
<b>Total Assets</b>		<b>1,481,200</b>	<b>1,387,200</b>	<b>1,227,800</b>
Outstanding Claims		846,400	778,800	737,300
Creditors		97,800	68,100	36,100
<b>Total Liabilities</b>		<b>944,200</b>	<b>846,900</b>	<b>773,400</b>
<b>Free Reserves</b>		<b>537,000</b>	<b>540,300</b>	<b>454,400</b>
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
<b>Underwriting Surplus / (Deficit)</b>		<b>(46,500)</b>	22,400	17,900
Investment Income / (Loss) Less Tax		86,000	87,700	(37,100)
<b>Surplus / (Deficit)</b>		<b>39,500</b>	110,100	(19,200)



## 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.