WILSON GROUP
MASTERS OF P&I

THE WILSON P&I REPORT 2026



THE INTERNATIONAL GROUP

CLUBS

























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CONTENTS

About Wilson 4
Our Team 6
Our Offices 7
The IG... In The Spotlight 8
South's Soapbox 10

Club Finances, Retentions & GXL Reinsurance

Summary of Clubs' Renewal Requirements - 2026 Policy Year 14
Abatement Layer Triggers - 2026 Policy Year 15
Freight, Demurrage & Defence - 2026 Comparison Table 15
International Group Reinsurance Structure - 2026 Policy Year 16
Group GXL Reinsurance Rates 17
Entered Mutual GT by Club & by Policy Year 2017-2026 18
Total Value of Declared Pool Claims 2020-2026 18

Club Comparison Tables

Club Key Performance Indicators Comparison Tables 20
Key Performance Indicators, Revenue Statement & Balance Sheet 22
General Increase Percentages 2017-2026 24
Calls - Initial Estimate / Total Called 24
P&I Release Call Requirements 2023-2026 24

IG Clubs... In The Spotlight

American 28
Britannia 30
Gard 32
Japan 34
London 36
NorthStandard 38
Shipowners 40
Skuld 42
Steamship 44
Swedish 46
UK 48
West 50

ABOUT WILSON

International

Our International portfolio demonstrates our industry capability, enabling our highly skilled team of brokers to 'tailor make' solutions for clients' needs. Our portfolio extends from small fleets to some of the world's largest and most reputable Shipowners and operators. This enables us to place vessels of all sizes, types and complexities. A number of our clients are current or past Club Board Directors.

Independent

Wilson Europe is perhaps the largest independent insurance and reinsurance broker, based in the City of London and specialising in the placing and servicing of P&I and other Marine Insurance risks. Wilson Re, our parent company, headquartered in Hong Kong along with offices in Korea, Taiwan and Japan, have a long standing and leading presence in the Asian market.

Experienced

Wilson Europe has one of the most experienced P&I teams of any broker and this enables us to provide a highly effective and efficient service to all our clients. We are passionate about the industry and have a very strong service ethos, and are totally committed to operating with transparency and integrity at all times.

Substantial

Wilson Europe has built a substantial global client base and today is responsible for placing more than 115 million gross tons of P&I. We also handle, in London or via our other offices, a vast number of other related insurances... a full list can be found overpage.

INSURANCES WE CAN ARRANGE FOR YOU...

Cargo

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

Protection & Indemnity

Shipowner's Liability (S.O.L)

Strikes & Delay Cover

Transport and Logistics

War Risks

...and many more

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THE IG... IN THE SPOTLIGHT

Overview

- In a year when shipowners were confronted by geo-political risks, trade protection, conflict in the Middle East, US tariffs and fluctuating energy prices, it is pleasing to report that after last year's bruising, the IG recovered and posted its second-best overall results ever.
- After a 21% increase in incurred claims last year, this year's rise was just under 2%. The Clubs also improved their underwriting, achieving a 6% increase in net premium at renewal, which helped reduce the overall combined underwriting deficit from US$353m to US$232m.
- For the third year running, the investment managers came to the rescue, this time with a record income of US$1.06bn, to leave an overall surplus of US$826m to raise the free reserves by 14% to a record US$6.8bn.

Key Performance Indicators

		2026	2025	2024
Gross Owned Tonnage	Mil	**1504**	1471	1409
Combined Ratio	%	**105**	108	97
Investment Return	%	**8.2**	5.8	6.8
General Increase	%	**5.9**	5.3	6.3
Solvency	%	**182**	175	176
Movement in Net Premiums	%	**5.9**	3.6	9
Movement in Free Reserves	%	**14.1**	5	16.1
Movement in Incurred Claims	%	**1.5**	20.6	7.9
AER (Average Expense Ratio)	%	**14.5**	14.4	14.6
Increase in GT	%	**2.2**	4.4	3.2
Average net PR per GT	$	**2.96**	2.86	2.88
Free Reserves per GT	$	**4.50**	4.03	4.01
Surplus / (Deficit)(Mil)	$	**826**	320	1154

Underwriting

- The 2024 policy year marked the record cost of IG pool claims, which were fortunately lower in 2025. However, the total cost of all claims still rose by 2%, driven in part by the increased cost of personal injury claims emanating from the US, where damages set by juries tend to lead to generous awards.
- Net premium income rose by just under 6%, while the entered tonnage rose by 2%. With the IG free reserves rising to record levels on an almost annual basis, persuading Members to address the underwriting deficit can often be a challenging task.
- For the 2026 renewal General Increases ranged from 5-8%, which should assist in reducing the 105% combined ratio of the Group. Hopefully more Clubs will be in a position in future to return excess capital to its membership.

$826m Surplus

105% Combined Ratio

$1bn Investment Income

+14% Free Reserves

Investments

- This was a golden year for the investment managers with a record return of US$1.06bn / approximately 8%. Most Clubs matched their claims liabilities with government or investment grade corporate bonds and invested the remainder in "growth" assets, including land, equities, alternatives, private equity or debt.
- The year started with US economic optimism, but uncertainty crept in and "Liberation Day" tariffs followed by Trump's subsequent prevarications, led to uncertainty. Fortunately, as the year progressed stability returned and bond prices recovered. Meanwhile the equity markets were having a field day driven by large US tech companies and over-optimism about the future of AI earnings.
- It was to be hoped that earnings from the enormous AI investments materialise in future, or the market may be in for a correction.

Balance Sheet US$000's	2026	2025	2024
Investments	**12,683,643**	11,614,841	10,846,977
Cash	**2,274,017**	2,085,771	2,147,410
Debtors	**1,561,330**	1,429,418	1,560,062
Other Assets	**490,385**	291,222	243,064
Total Assets	**17,009,375**	15,421,252	14,797,513
Outstanding Claims	**8,234,196**	7,880,176	7,410,720
Creditors	**2,010,071**	1,612,735	1,738,492
Total Liabilities	**10,244,267**	9,492,911	9,149,212
Free Reserves	**6,765,108**	5,928,341	5,648,301

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**4,449,931**	4,203,119	4,055,658
Net Claims Incurred	**3,772,372**	3,715,588	3,080,212
Management Costs	**909,802**	840,676	843,420
	4,682,174	4,556,264	3,923,632
Underwriting Surplus / (Deficit)	**(232,243)**	(353,145)	132,026
Investment Income / (Loss) Less Tax	**1,058,647**	673,023	1,022,254
Surplus / (Deficit)	**826,404**	319,878	1,154,280

Outlook

- Despite another record-breaking year for claims, the IG produced a surplus of US$826m, thanks to the income generated from the nearly US$15bn of cash and investments, which underpins the entire IG system.
- The underwriting has remained in deficit for the last two years, but is slowly showing signs of improvement. It would have been challenging to persuade Members to pay more at the 2026 renewal, however the Clubs cannot afford to become over-reliant on investment income.
- In the last ten years, there has only been a single year with an investment loss in 2023, but seven of the last ten years had underwriting deficits, so care must be taken to keep a sensible and sustainable balance.
- Fortunately, the free reserves of US$6.8bn were at a record level and thus able to accommodate any short-term issues, but with the expansion of the war in the Middle East, rising fuel prices, disruptions to free passage of vessels and an unknown US foreign policy, caution should be exercised.



THE END OF AN ERA...

As the saying goes... "You can always tell a Miller Man, but you can't tell him much!" Unfortunately, this enduring metaphor has now exacted its toll.

After more than 140 years of operating in the rather cosy arena of the P&I Club world, and certainly at the top of its industry for more than a century, Thomas Miller has fallen from grace, and what was once an unassailable industry leader has sadly become a somewhat distressed operation, in just a decade or two.

For those of you who have not been following the saga in the world of P&I... the UK P&I Club Board of Directors, allegedly dissatisfied with Thomas Miller's management of their Club, have finally 'grasped the nettle', rather than perhaps 'biting the bullet', and are now taking back control of the management of their Club by purchasing its independent manager.

The TT Club, also apparently dissatisfied with its same manager's performance, has also decided to jump on this initiative by merging with the UK P&I Club and also taking an interest in its own management going forward. The UK Club has achieved the takeover of Thomas Miller by buying the remaining 77% of the privately held shares (owned by staff, their families and former employees). The UK Club already owned some 23% of its manager, its initial shareholding acquired around the time of the millennium.

This recent development is in no small way due to the UK Club's understandable concern at what it almost certainly regards as its manager's lacklustre administration of the UK Club and its continuing decline in key performance areas since the turn of this century. The wider consequences of the manager's failings can perhaps be summarised in the UK Club's loss of market share (down to less than 50% of its original high), and a decade at least of poor underwriting results. Interestingly and pleasingly, the UK Club does punch well above its weight in claims handling matters and any Member with a major casualty can 'rest easy' that under the leadership of Alan Mackinnon, they will be in some of the most capable hands in the industry.

Going forward the Club Board will need to particularly focus its new management oversight on all matters underwriting. The UK Club CFO has already been replaced by the TT Club CFO. Much focus will now need to be concentrated on marketing, relationships, underwriting and underwriters' approach to risk assessment. Just re-shuffling the current underwriting deck (severely diminished by senior staff losses, replaced with staff largely recruited or inherited from failed fixed premium facilities), and the introduction of new and challenging growth targets will not rectify the obvious shortcomings that have existed in this area for so long. I guess we all know Einstein's definition of insanity!

In so many ways, and perhaps by no coincidence, this likely final chapter of Thomas Miller is a parallel to that of the Standard Club's dispatching of its former manager - Charles Taylor. Indeed, it is said that Miller's top management (and particularly its two most senior executives and largest shareholders) became somewhat obsessed with the Charles Taylor FTSE share price almost immediately Charles Taylor floated in 1996. A quarter of a century later, following the Lloyds' syndicate debacle, Charles Taylor predictably lost the Standard Club management contract, and the Standard Club was forced to find a new benefactor.

Whilst Charles Taylor and the Standard Club have gone on to prosper independently of each other, the future of Thomas Miller looks rather more bleak...

It is very pleasing to see the UK Club Board of Directors taking back control of their Club in such a decisive way. Wilson have long since been calling for Club Boards to take more engaging and pro-active roles in the management of their Clubs, not least since shortcomings in Club operations have become ever more apparent, particularly in response to the demand for greater transparency.

The ambitious leadership of the UK Club Board of Directors, cognisant of the fact that a meaningful change of direction for the Club had become essential, coupled with a TT Club that is arguably also in the doldrums, meant that a decisive change of direction had become necessary to halt the continuing decline. The challenge now for these two bastions of mutual insurance is to be able to successfully compete in a new era of commercially more astute players, both in the International Group and the commercial markets, and perhaps more importantly without a manager who arguably had too many conflicting ambitions, roles and priorities.

SO WHERE DID IT GO WRONG?

There have been many strategic decisions taken during this millennium, that have potentially had a negative impact on the UK Club's longer term results:

- We could start with the manager's initiative of facilitating an A.R.T. product with Swiss Re, which started as an 'alternative risk transfer' product but allegedly following a prompt condemnation by the financial regulator was converted and rebranded an 'actual risk transfer'. This was apparently done by introducing a small element of reinsurance to the programme. This was arguably a very costly facility which was unlikely to deliver much benefit to the UK Club finances. Thomas Miller already had an existing, relatively new relationship with Swiss Re following the creation of a H&M facility called DEX. Given DEX's 'overly ambitious' business model of demanding a very large percentage share of each hull risk it underwrote, this unorthodox approach failed to get the necessary traction from brokers and shipowners and so, predictably joined the already growing list of expensive diversification failures Thomas Miller had sought to create in its quest to grow.

- The initiative to merge both Britannia P&I and Tindall Riley with UK Club and Thomas Miller, hatched during an exuberant retirement lunch, also turned into another expensive failure and lost opportunity, which from the outside seemingly paralysed both Club operations for more than a year. In fact the proposed merger had real merit at a time when some Clubs were looking to consolidate. This initiative was effectively doomed very early into the process, in no small measure due to the squabbling amongst very senior staff over future hierarchical positions in both camps and senior Miller management anecdotally telling interested parties, that the merger was in fact a "takeover" by the UK Club. It seems Britannia / Tindall Riley learnt a lot from this unhappy experience and have subsequently grown substantially. Unfortunately, Thomas Miller, apparently unfazed by the merger failure, seemed to have adopted a very much 'business as usual' approach... and on to the next project, which largely consisted of "mopping up" distressed commercial market fixed premium P&I facilities.

- Thomas Miller's arrangement of the hybrid capital initiative, a 'subordinated loan' facility, arranged in the late noughties in response to the UK Club facing a challenging solvency position, arguably turned out to be a costly divergence from traditional P&I fiscal propriety. It did, however, generate exceptional investment rewards for a few shipowner Members invited to participate. There was consternation from those Club Members interested in participating but not invited to join the party.

- Perhaps the most ironic of the decisions taken by Thomas Miller management was when they sought to recognise their 125 year anniversary of management of the UK Club. Thomas Miller embarked on a rare charitable project to convert and refurbish (into a hospital ship) a derelict 1900s Lake Malawi steamboat called CHAUNCY MAPLES. This laudable, if arguably impractical renovation and conversion project, was another classic example of individuals within Thomas Miller perhaps being out of touch with reality. Once this project was given the green light, frenetic and determined fund-raising activity began, culminating in much arm twisting of reluctant staff, Club Members, brokers, competitors, Lloyd's underwriters, and I believe even a plea on a BBC early evening TV slot... until finally the 'church roof' fund target was achieved. Before engineering work on the decrepit CHAUNCY MAPLES could commence, a very large advance payment was said to be required. The requested funds were duly transferred, allegedly only to be instantly and irrevocably lost to an archetypal 'African Chief' scam, and in a heartbeat the core of the charitable project was dead in the Malawi waters and the original concept quickly and quietly abandoned. Perhaps now, with the considerable proceeds of the sale of Thomas Miller and further winds of fortune blowing strongly in the direction of the individuals accountable for this project, they may feel they want to make good the charity funds misappropriated under their watch.

- The likely "straw that broke the camel's back" was the failing Thomas Miller Specialty fixed premium P&I facility, which underwrote a very high proportion of sub-prime ships, by operators who were unable to meet the entry criteria of an IG Club. Reinsurance cover was (initially) requested and provided by the UK Club (the commercial market having declined to renew the reinsurance contract) and the TM Specialty portfolio was absorbed into the UK Club. The underwriting results of this facility were awful and UK Club's combined ratio severely negatively impacted as a consequence.

AN OPPORTUNITY PERHAPS FOR INDEPENDENT MANAGERS TO VERIFY THEIR OWN M.O.

A former Thomas Miller executive and IG Chair publicly expressed the view that there were too many Clubs and that the number should be reduced by half. This position was deemed divisive by some within the IG at the time and arguably sat uneasily with the role of a Chair expected to represent the collective interests of its membership. The proposal might also have been interpreted by some as serving the interests of the Chair's own Club, rather than simply advancing the case for industry-wide consolidation.

The many Clubs that felt threatened by this vision of forced consolidation, and perhaps being rather "lighter on their feet" than the proponent of the vision, redoubled their efforts to grow and evolve and consequently have almost certainly achieved greater success than they otherwise might have.

Steamship and Britannia, both independently managed Clubs at the top of their game, should perhaps remain cognisant of the reasons for the failures of Charles Taylor, Thomas Miller and indeed other independent Club managers from decades past.

That said, Steamship and Britannia's current m.o. of 'sticking to their knitting', providing high-quality and largely traditional monoline P&I cover is serving them and their respective Clubs very well... focusing on delivering first class service, good or great value for money and providing financial strength including returning capital to their mutual shipowner Members which in fact may become 'a thing of the past' as Clubs become ever more commercial and less mutual. These core disciplines are largely the sole ingredients necessary to be a successful P&I Club manager. It is also particularly pleasing to be told that WEST achieved its recent S&P upgrade, largely, if not entirely, due to the Club's strong P&I fundamentals, and not due to the often dubious promotion of multi-line classes of cover that at least one rating agency has focused on, to seek to evidence a Club's financial strength.

It is also interesting to note that, contrary to those individuals promoting a preference for a reduced number of IG Clubs, the China P&I Club (CPI) is expected to join the IG in 2028. As a consequence of this new joiner, a number of Clubs currently providing CPI with reinsurance and access to full IG cover for their Members, will see their combined total GT entry reduce by 100 mil GT, and for all Clubs there will be greater competition. Accordingly, CPI joining the IG is a bit like 'turkeys voting for Christmas' but in reality, Christmas will come regardless of the IG's preferences.

AN EXCITING FUTURE BECKONS FOR UK CLUB...

There are strong grounds for optimism for a very successful UK Club going forward, now that the previous senior incumbents have been dispatched and Andrew J Taylor a.k.a. "The Accountant" and William Beveridge a.k.a. "The Rainmaker" take over the reins of the merged operations. It is pleasing to see that their leadership is already delivering tangible benefits. Clear central fiscal management should focus on delivering much improved "VFM" and reduced premiums for the mutual membership of both the UK and TT Clubs.

It of course remains to be seen which other ex-Thomas Miller marine / mutual Clubs will join the new merged UK / TT Club facility. It is rumoured that the UK Defence and War Clubs, along with ITIC, may choose not to join the UK / TT Club merged 'party'. Given that it is questionable these Clubs have ever adequately paid their true operational costs (a suggestion being that the UK Club has long since subsidised their operations), then should these Clubs decide to 'go it alone', that might well be better for the new merged facility – UTM (United Transport Mutual).

A reinvigorated UK P&I Club, released from its historical manager's control, must however replicate, under its own pedigree portfolio, these separate facilities (should those traditional classes choose to go it alone), as these facilities are in fact traditional P&I Club classes of cover in all other Clubs. A clean and comprehensive break from these currently non philosophically aligned facilities will prove less divisive in the longer term and in the process achieve meaningful cost savings and growth opportunities for UK Club. The UK Defence Club boasts wide coverage and high limits, but such cover support is strictly controlled with interim claims cost layer limits, applied consecutively by both the managers and the Club Board.

As a potentially timely experience (just this last weekend), following a Member/client advice of an imminent war breach, it was disappointing to not receive even an acknowledgement from the UK War Club to our request for cover. Fortunately a friendly and conscientious UK P&I Club Underwriter was able to assist (from his local supermarket) and at least got us an acknowledgement from a War Club representative. No formal response was received from the Club much before the Club opening on the Monday morning. With two wars currently raging, this unhappy experience may not bode well for expected service levels from the War Clubs should they go it alone post merger.

The UK Club Board have a clear vision for their Club direction and seem unwilling to compromise on the big decisions to achieve it!

CLUB FINANCES, RETENTIONS & GXL REINSURANCE



SUMMARY OF CLUBS' RENEWAL REQUIREMENTS - 2026 POLICY YEAR

Club	P&I	P&I Comments	FDD	FDD Comments
American	8%	All deductibles of US$ 25,000 or less increased by US$ 1,000 in each instance.	8%	All deductibles of US$ 25,000 or less increased by US$ 1,000 in each instance.
Britannia	5%	10% increase applied to all deductibles below US$ 50,000 subject to a minimum monetary increase of US$ 1,000. A Capital Distribution totalling c. US$ 15m paid on renewing vessels, equating to approx. 8.5% of Member's net premium (5% on a gross ETC). This distribution offset against the first instalment of the 2026 policy year.	5%	No specific requirements
Gard	5%	10% Owners' General Discount on agreed ETC for 2026.	5%	No specific requirements
Japan	5%	All deductibles below US$ 50,000 increased by 10%, subject to a minimum increase of US$ 1,000.	5%	No specific requirements
London	6%	An overall increase of 6% in average rates targeted. A minimum increase of US$ 2,000 for all deductibles below US$ 20,000.	6%	An overall increase of 6% in average rates targeted.
NorthStandard	5%	All deductibles below US$ 30,000 increased by a minimum of US$ 1,000.	5%	FD&D Rules deductible of 25% maintained, with a minimum of US$ 10,000 per claim.
Shipowners	5%	5% General Increase applied, inclusive of any changes to reinsurance costs. 10% increase applied to P&I deductibles, subject to a minimum monetary increase of US$ 500.	5%	No specific requirements
Skuld	7.5%	All lower deductibles increased to minimum Skuld standard levels.	7.5%	No specific requirements
Steamship	8%	All deductibles in respect of P&I, Damage to Hull and Extra Covers applied to both the underlying claim and all associated fees, costs and expenses.	8%	Minimum deductible increased to no less than US$ 10,000 and the maximum Member contribution to no less than US$ 75,000.
Swedish	5%	All deductibles below standard minimum subject to a minimum increase of US$ 2,500.	5%	Deductibles applied on costs of US$ 12,000 and 25% in respect of costs in excess of US$ 250,000.
UK P&I / UK Defence Club	7.5%	Targeted 10% increase to all deductibles below US$ 50,000, subject to a minimum increase of US$ 1,000.	5%	Existing Members renewing ships into the 2026 policy year entitled to a 10% continuity credit with a further 5% credit applied for those entering their full fleet.
WEST	5%	Deductibles below US$ 50,000 increased by 10%.	5%	No change made to the deductible structure.

ABATEMENT LAYER TRIGGERS (US$/MIL) - 2026 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.

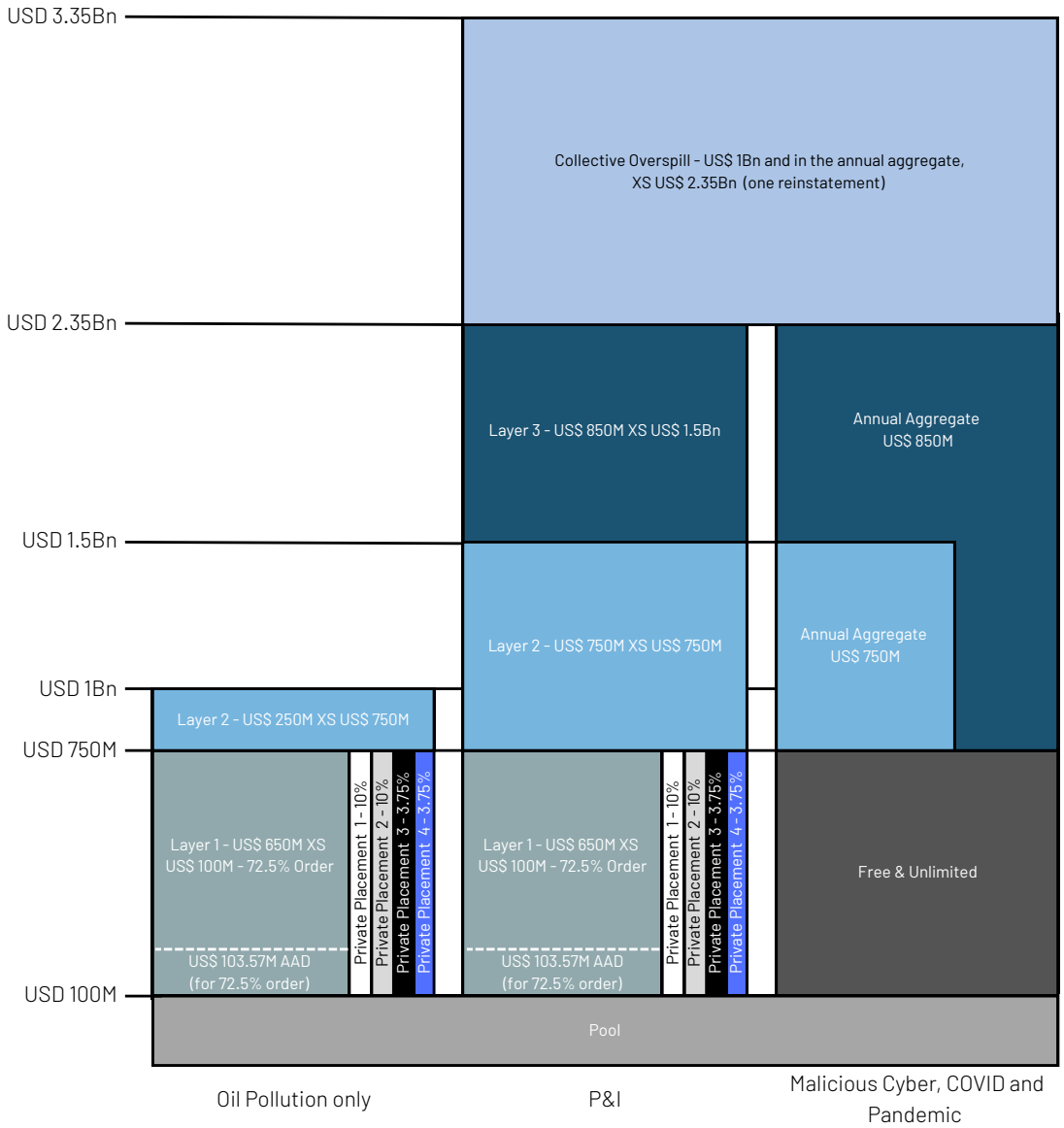
FREIGHT, DEMURRAGE & DEFENCE - 2026 COMPARISON TABLE

CLUB	STANDARD LIMIT	STANDARD DEDUCTIBLE
American	US$ 2m (up to US$ 10m on request)	25% with a minimum of US$ 7,500 and a maximum of US$ 50,000
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 US$ 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)	US$ 10,000 for all costs and expenses, each dispute, plus 1/3 of all further costs and expenses, subject to a maximum Member contribution of US$ 75,000 per dispute
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 arranged if required)	US$ 5,000, then 25% of the claim in excess, provided that the total deductible shall not exceed US$ 50,000 (US$ 100,000 for new building disputes)

INTERNATIONAL GROUP REINSURANCE STRUCTURE - 2026 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, 2026



USD 100M Pool retention shared pro-rata across P&I and Oil Pollution towers; all reinsurance layers excess of applicable underlying cover

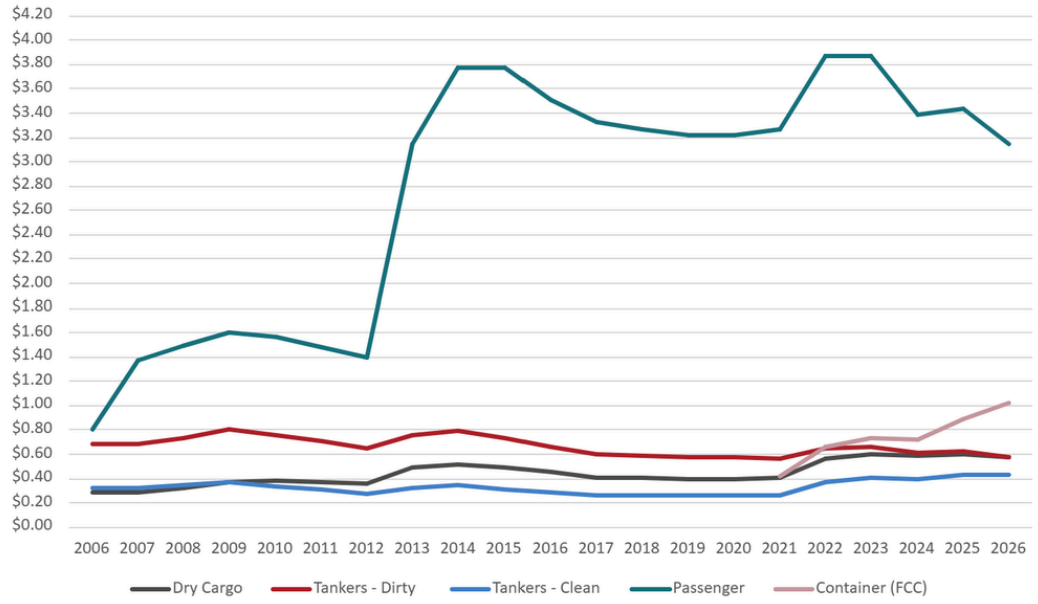
Layers 2 & 3 limited cover in respect of Malicious Cyber, COVID and Pandemic

GROUP GXL REINSURANCE RATES - 2026 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$)
2026 Rates	**0.5751**	**0.5758**	**0.4337**	**3.1472**	**1.0237**
2025 Rates	0.6054	0.6258	0.4337	3.4390	0.8903
Adj. from 2025	-0.0303	-0.0500	Nil	-0.2918	+0.1334
% change from 2025	-5%	-8%	0%	-8.5%	+15%
2024	0.5863	0.6163	0.3982	3.3842	0.7204
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

GXL RI RATES (TRACKING GRAPH) 2006 - 2026



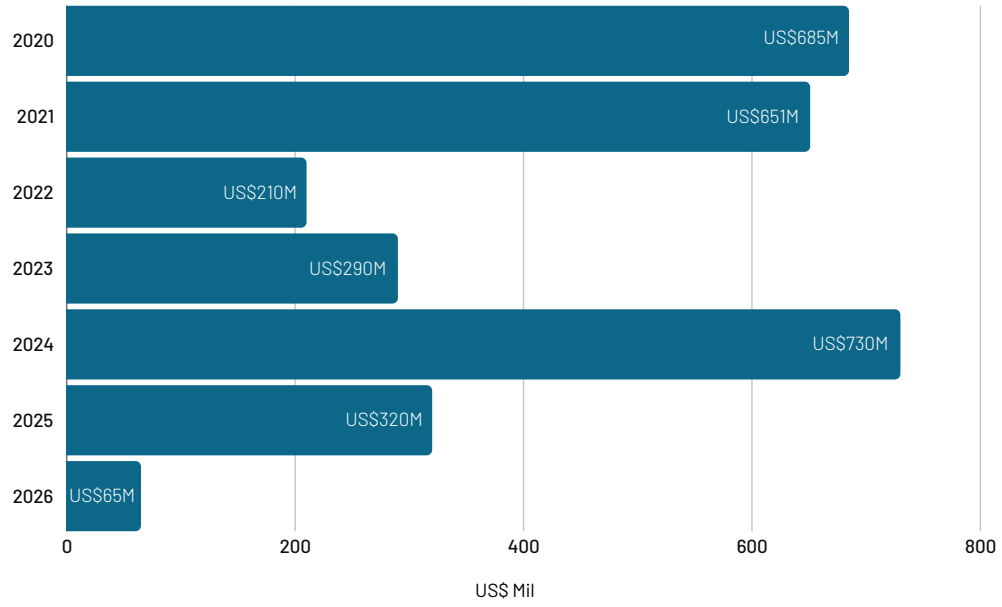
ENTERED MUTUAL GT BY CLUB & BY POLICY YEAR 2017-2026 (MIL)

Club	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Period Increase
American	16	17	19	17	19	19	19	19	19	19	**19%**
Britannia	101	107	111	116	125	135	142	142	141	144	**43%**
Gard	200	207	214	228	246	260	266	279	293	293	**47%**
Japan	91	91	93	96	95	93	90	89	85	82	**-10%**
London	43	45	49	48	50	45	42	44	47	51	**19%**
NorthStandard*	248	259	264	276	266	268	258	260	270	270	**9%**
Shipowners	18	20	20	21	22	28	30	31	33	34	**89%**
Skuld	91	97	95	95	99	99	95	107	118	126	**38%**
Steamship	85	85	85	88	96	110	117	124	134	138	**62%**
Swedish	47	51	48	51	57	58	58	58	58	58	**23%**
UK	139	139	145	142	137	150	153	156	162	168	**21%**
West	82	91	92	101	106	90	96	100	111	121	**48%**
IG Total	1161	1209	1235	1279	1318	1355	1366	1409	1471	1504	**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 2026





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	85
Skuld	96
Swedish	97
West	98
Shipowners	100
NorthStandard	106
UK	107
London	108
American	110
Britannia	111
Gard	111
Steamship	113

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	15.61
Gard	5.95
Skuld	5.23
Swedish	4.35
Steamship	4.19
Britannia	3.97
London	3.77
Japan	3.68
UK	3.49
NorthStandard	3.42
West	3.11
American	2.54

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 and penalised by the regulators and ratings agencies.

- Positive
- Negative

Gard	10.6
NorthStandard	9.5
UK	9.4
Britannia	9
Shipowners	9
American	8.7
Skuld	8.7
Swedish	7.9
West	7.9
London	7.2
Steamship	7
Japan	4

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 2026 renewal could find their rating or outlook downgraded.

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

West	23.1
Skuld	22.5
Swedish	22.4
Shipowners	18.6
UK	18.5
NorthStandard	15.3
London	12.4
Gard	11.4
Japan	9.8
Steamship	7.7
Britannia	5.9
American	2.7

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

Japan	231
Shipowners	213
Gard	203
Britannia	186
Skuld	184
Swedish	179
UK	177
NorthStandard	171
Steamship	164
West	163
London	162
American	125

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-	A-	**A-**
Gross Owned Tonnage	Mil	19	144	293	82	51	270	34	126	138	58	168	121	**1504**
Combined Ratio	%	110	111	111	85	108	106	100	96	113	97	107	98	**105**
Investment Return	%	8.7	9	10.6	4	7.2	9.5	9	8.7	7	7.9	9.4	7.9	**8.2**
General Increase	%	8	5	5	5	6	5	5	7.5	8	5	7.5	5	**5.9**
Solvency	%	125	186	203	231	162	171	213	184	164	179	177	163	**182**
Movement in Net Premiums	%	-2.2	7.5	12.6	-10.9	6.4	2.8	1.5	5.6	7.3	7.9	-6.2	18.9	**5.9**
Movement in Free Reserves	%	2.7	5.9	11.4	9.8	12.4	15.3	18.6	22.5	7.7	22.4	18.5	23.1	**14.1**
Movement in Incurred Claims	%	0.2	-17.1	21.8	-2.9	15.3	-5.7	1.6	-17	10.6	7.5	-14.6	9.2	**1.5**
AER (Average Expense Ratio)	%	18.9	14.5	11.8	7.9	13.3	16.7	23.8	11.6	12.2	13.3	13.8	16.7	**14.5**
Movement in GT	%	0	2.1	0	-3.5	8.5	0	3	6.8	3	0	3.7	9	**2.2**
Average Net PR per GT	$	6.25	1.71	3.53	1.60	2.81	2.65	7.96	3.92	3.00	3.49	2.03	2.80	**2.96**
Free Reserves per GT	$	2.54	3.97	5.95	3.68	3.77	3.42	15.61	5.23	4.19	4.35	3.49	3.11	**4.50**
Revenue Surplus / (Deficit) (Mil)	$	1	61	173	43	21	122	83	103	41	46	60	72	**826**

Revenue Statement	US$ 000's												
Net Premiums	118,819	246,292	1,033,680	131,335	143,407	715,500	270,783	493,611	414,500	202,532	340,850	338,622	**4,449,931**
Net Claims Incurred	70,740	216,202	979,060	79,020	132,315	831,100	191,392	363,058	404,800	153,866	297,505	253,314	**3,772,372**
Management Costs	59,520	58,026	168,629	32,739	23,116	124,400	78,374	110,275	65,400	43,458	67,222	78,643	**909,802**
	130,260	274,228	1,147,689	111,759	155,431	755,500	269,766	473,333	470,200	197,324	364,727	331,957	**4,682,174**
Underwriting Surplus / (Deficit)	(11,441)	(27,936)	(114,009)	19,576	(12,024)	(40,000)	1,017	20,278	(55,700)	5,208	(23,877)	6,665	**(232,243)**
Investment Income / (Loss) Less Tax	12,720	88,865	286,996	23,104	33,199	162,400	82,190	82,262	97,000	40,965	83,897	65,049	**1,058,647**
Surplus / (Deficit)	1,279	60,929	172,987	42,680	21,175	122,400	83,207	102,540	41,300	46,173	60,020	71,714	**826,404**

Balance Sheet	US$ 000's												
Investments	170,728	902,193	2,751,666	526,091	395,543	1,909,200	759,802	1,375,309	1,320,100	542,596	1,124,334	906,081	**12,683,643**
Cash	54,220	196,623	437,415	310,657	81,921	292,800	231,997	185,362	183,300	28,736	194,487	76,499	**2,274,017**
Debtors	76,753	193,941	539,391	22,636	31,851	263,000	92,634	37,614	39,000	103,565	75,726	85,219	**1,561,330**
Other Assets	10,824	3,886	271,703	36,153	17,778	42,700	44,667	17,606	5,900	17,941		21,227	**490,385**
Total Assets	312,525	1,296,643	4,000,175	895,537	527,093	2,507,700	1,129,100	1,615,891	1,548,300	692,838	1,394,547	1,089,026	**17,009,375**
Outstanding Claims	192,942	667,641	1,696,798	230,037	310,599	1,300,700	469,854	780,785	903,600	319,892	758,657	602,691	**8,234,196**
Creditors	71,296	56,824	558,729	363,612	24,136	284,600	128,582	175,805	66,400	120,569	49,966	109,552	**2,010,071**
Total Liabilities	264,238	724,465	2,255,527	593,649	334,735	1,585,300	598,436	956,590	970,000	440,461	808,623	712,243	**10,244,267**
Free Reserves	48,287	572,178	1,744,648	301,888	192,358	922,400	530,664	659,301	578,300	252,377	585,924	376,783	**6,765,108**

GENERAL INCREASE PERCENTAGES

	American	Britannia	Gard	Japan	London	NorthStandard		Shipowners	Skuld	Steamship	Swedish	UK	West
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
2026	**8**	**5**	**5**	**5**	**6**	**5**		**5**	**7.5**	**8**	**5**	**7.5**	**5**

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

CALLS - INITIAL ESTIMATE/TOTAL CALLED

2017	0/17.5	0/-16	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	0/-16	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	0/-14	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/-6	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/-14	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/-4	0/-5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
2024	0/35	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
2026	0/0	0/-5	0/-10	0/0	0/0	0/0		0/0	0/0	0/0	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.

Britannia's capital distribution is calculated as a percentage of ETC net of reinsurance costs; percentages of gross ETC shown above are approximate.

P&I RELEASE CALL PERCENTAGES

2023	Closed	0	5	3.5	5	0	0	Closed	Closed	Closed	5	Closed
2024	2.5	5	5	3.5	12.5	0	0	7.5	5	5	7.5	7.5
2025	20	7.5	10	15	15	5	0	10	10	15	10	15
2026	**20**	**15**	**10**	**15**	**15**	**12.5**	**0**	**15**	**10**	**15**	**15**	**15**


IG CLUBS... IN THE SPOTLIGHT

AMERICAN

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

Overview

- The American Club reported an overall surplus of US$1m, down from US$7m last year, following a small reduction in income and a rise in management costs. The Club recorded its 15th consecutive underwriting deficit as general expenses rose by nearly US$8m and net premium income fell by 2%, resulting in an underwriting deficit of US$11m, up from US$1m last year.
- Fortunately, the financial markets came to the rescue. Investment managers generated a return of 8.7%, producing investment income of US$13m, resulting in an overall surplus.

Key Performance Indicators

		2026	2025	2024
S&P Rating		BB+	BB+	BB+
Gross Owned Tonnage	Mil	19	19	19
Combined Ratio	%	110	101	110
Investment Return	%	8.7	4.2	7.9
General Increase	%	8	7	7.5
Solvency	%	125	124	122
Movement in Net Premiums	%	-2.2	-4.7	-15.9
Movement in Free Reserves	%	2.7	16.5	-9.1
Movement in Incurred Claims	%	0.2	-10.7	-22.5
AER (Average Expense Ratio)	%	18.9	18.4	19
Increase in GT	%	0	0	0
Average net PR per GT	$	6.25	6.39	6.71
Free Reserves per GT	$	2.54	2.47	2.12
Surplus / (Deficit)(Mil)	$	1	7	(4)

Underwriting

- There was a small decline in net premium income despite a reported increase in tonnage of nearly 20%, although the mutual element was not disclosed separately. The release call for the 2024 policy year increased from 20% to 35%, which was reflected in the US$12.5m increase in unbilled premiums and calls on the balance sheet and in the revenue statement.
- Claims levels have fallen over the past two years following a revised risk assessment process, increased condition surveys, and pre-hire medical examinations. Particular attention has been paid to personal injury claims and rising cargo valuations.
- Attritional claims continued the positive trend established in 2023, although personal injury claims remained high due to inflation, particularly in the United States. Increased deductibles were introduced at renewal.
- There was US$7m of unfavourable development on earlier policy years. The small-vessel fixed-premium insurer, Eagle Ocean Marine, reported an improved loss ratio, and American Club Europe contributed meaningful growth. However, the principal underwriting concern remains the level of management costs, which accounts for 50% of net premium income.

110% Combined Ratio

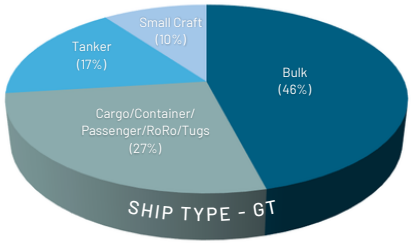
$48m Free Reserves

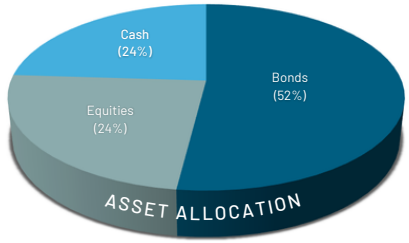
BB+ S&P Credit Rating

8.7% Investment Return

Investments

- Financial markets behaved erratically during 2025, driven by ever-changing national policies, economic data, and the unpredictability of the Trump administration.
- The Board and Managers held frequent reviews with their professional advisers and successfully navigated the market volatility, delivering an 8.7% portfolio return. This performance was undoubtedly supported by the 24% equity allocation, with investment income of US$13m representing the Club's best result in seven years and keeping the overall outcome positive.





Balance Sheet US$000's	2026	2025	2024
Investments	170,728	150,094	129,149
Cash	54,220	46,108	41,234
Debtors	76,753	95,677	106,074
Other Assets	10,824	11,976	8,744
Total Assets	312,525	303,855	285,201
Outstanding Claims	192,942	197,532	183,457
Creditors	71,296	59,315	61,380
Total Liabilities	264,238	256,847	244,837
Free Reserves	48,287	47,008	40,364

Revenue Statement US$000's	2026	2025	2024
Net Premiums	118,819	121,487	127,518
Net Claims Incurred	70,740	70,603	79,021
Management Costs	59,520	51,803	61,870
	130,260	122,406	140,891
Underwriting Surplus / (Deficit)	(11,441)	(919)	(13,373)
Investment Income / (Loss) Less Tax	12,720	7,563	9,327
Surplus / (Deficit)	1,279	6,644	(4,046)

Outlook

- The Club needs to expand its membership to achieve a sustainable critical mass, enabling it to provide affordable services to Members without relying on additional calls or strengthening the financial statements through release calls and unbilled premiums, which currently exceed the free reserves.
- Eagle Ocean Marine, the small-vessel fixed-premium provider, reviewed its risk appetite and achieved 15% income growth in an effort to deliver greater value to mutual Members.
- The Club introduced war-risk cover during the year to help boost income, but it still needs to expand and/or reduce costs to ensure its long-term viability.

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

BRITANNIA

Overview

- After the dramas of last year Britannia experienced a quieter year, with improvements in the underwriting and the investment performance. Last year was marked by a 44% increase in the incurred claims (including the DALI) which led to a US$86m underwriting deficit.
- Thankfully, this year improved with the underwriting deficit down to US$28m and a sparkling investment performance bringing in US$89m to leave a surplus of US$61m, compared to last year's deficit of US$10m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**A-**	A-	A
Gross Owned Tonnage	Mil	**144**	141	142
Combined Ratio	%	**111**	138	103
Investment Return	%	**9**	8.1	6.6
General Increase	%	**5**	7.5	7.5
Solvency	%	**186**	177	181
Movement in Net Premiums	%	**7.5**	1.2	11.4
Movement in Free Reserves	%	**5.9**	-1.8	7.8
Movement in Incurred Claims	%	**-17.1**	43.9	6.7
AER (Average Expense Ratio)	%	**14.5**	14.4	15.5
Increase in GT	%	**2.1**	-0.7	0
Average net PR per GT	$	**1.71**	1.62	1.59
Free Reserves per GT	$	**3.97**	3.83	3.87
Surplus / (Deficit) (Mil)	$	**61**	(10)	58

Underwriting

- After a combined ratio of 138% last year, the Club sought a substantial increase at the 2025 renewal, targeting a minimum 7.5% increase plus a further 2.5% risk-adjusted rate change, alongside changes in terms. This culminated in a 7.5% increase in net premium income.
- Fortunately, the incurred claims fell by 17% to a more "normal" level, with the value of retained claims below US$10m, down 25% from last year and lower IG pool costs, albeit still at a high level.
- The Club suffered a number of large claims stemming from fires on container ships. The other increasingly expensive risk was the problem caused by containers carrying "nurdles" which can result in expensive clean-up costs.
- The Club still has some way to go to balance the underwriting.

$61m Surplus

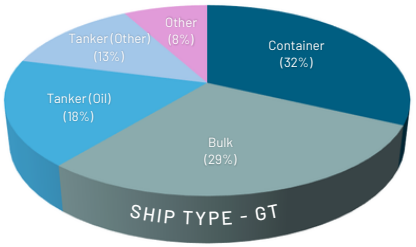
+6% Free Reserves

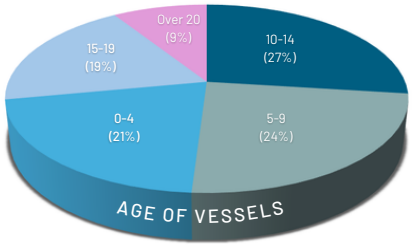
A- S&P Credit Rating

9% Investment Return

Investments

- The investment managers had a most successful year with a return of 9% and income of US$89m, resulting in an overall surplus of US$61m and an increase in the free reserves of 6% to US$572m.
- The equity allocation fell by 10% during the year to 27%, but it was evident that the trading had been successful with realised gains of US$107m, which was tempered by unrealised losses on investments of US$40m, presumably reflecting the rising yields on their large US Treasury portfolio.





Balance Sheet US$000's	2026	2025	2024
Investments	**902,193**	933,818	896,263
Cash	**196,623**	170,700	220,787
Debtors	**193,941**	175,087	173,343
Other Assets	**3,886**	4,860	5,748
Total Assets	**1,296,643**	1,284,465	1,296,141
Outstanding Claims	**667,641**	701,375	682,330
Creditors	**56,824**	42,978	63,880
Total Liabilities	**724,465**	744,353	746,210
Free Reserves	**572,178**	540,112	549,931

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**246,292**	229,038	226,213
Net Claims Incurred	**216,202**	260,776	181,261
Management Costs	**58,026**	54,714	52,077
	274,228	315,490	233,338
Underwriting Surplus / (Deficit)	**(27,936)**	(86,452)	(7,125)
Investment Income / (Loss) Less Tax	**88,865**	76,633	65,368
Surplus / (Deficit)	**60,929**	(9,819)	58,243

Outlook

- The claims environment was more settled this year after last year's setback and the Club was able to achieve a much needed 7.5% increase in net premium income to get the underwriting moving towards the elusive breakeven position.
- Pleasingly, the Club has maintained its policy of capital distributions with US$29m distributed to Members renewing in 2025 and a further US$15m to be distributed at the 2026 renewal, which depletes capital growth but encourages loyalty.
- The Club still has a little way to go to balance the underwriting and it was disappointing, although not wholly surprising that S&P reduced their credit rating from A with a negative outlook, to A- with a stable outlook.
- The Club has an excellent solvency ratio of 186% and shown resilience in the face of adversity and is looking strong for the future.

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

GARD

Overview

- Gard had a mixed year of extremes, with the largest underwriting deficit in recent years and an investment return that surpassed all known records. After a balanced underwriting performance last year, there was a 39% increase in Marine and Energy incurred claims, which hugely impacted the overall underwriting results and left an annual underwriting deficit of US$ 114m.
- Meanwhile, the investment managers were on fire, producing a result never previously reported in the P&I industry. With US$ 3.2bn of cash and investments, they produced annual income of US$ 287m (over US$ 100m more than their previous record), to give an overall surplus of US$ 173m and an increase of 11% in free reserves.

Key Performance Indicators

		2026	2025	2024
S&P Rating		A+	A+	A+
Gross Owned Tonnage	Mil	293	293	279
Combined Ratio	%	111	101	95
Investment Return	%	10.6	5.2	6.6
General Increase	%	5	4	5
Solvency	%	203	209	207
Movement in Net Premiums	%	12.6	1.7	19.8
Movement in Free Reserves	%	11.4	6.4	16.7
Movement in Incurred Claims	%	21.8	9	39.9
AER (Average Expense Ratio)	%	11.8	12.2	12.6
Increase in GT	%	0	5	4.9
Average net PR per GT	$	3.53	3.13	3.23
Free Reserves per GT	$	5.95	5.34	5.27
Surplus / (Deficit)(Mil)	$	173	95	211

Underwriting

- There was no growth in the P&I tonnage, the first time for some years, although the gross income rose by 8% (after the 18th consecutive Owners' General Discount (OGD) of US$ 54m for the year). There was a US$ 93m deficit on the 2025 P&I policy year after the OGD (after twelve months) whereas in the past the commercial business had successfully subsidised the P&I operations, this year the M&E business failed.
- The Club (seemingly now under rather controversial circumstances) acquired Codan last year, a company underwriting offshore wind farms, which brought in US$ 63m of additional income, accounting for all the M&E increased income in the year, but the gross claims rose by US$ 124m, which absorbed any surplus.
- Elsewhere there was an increase in casualty claims in the P&I and Hull sectors, with three total losses, all involving fires.
- There is a clear need to rectify the M&E underwriting, in order to maintain the P&I subsidy, or else raise P&I premiums. The underwriting deficit was US$ 114m.

A+ S&P Rating

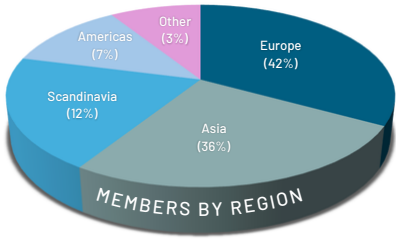
10.6% Investment Return

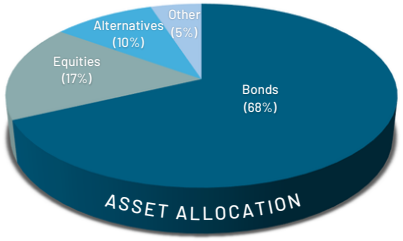
$173M Surplus

$114M Underwriting Deficit

Investments

- Gard claimed to maintain a conservative asset allocation with 68% of the portfolio in global government bonds and credit bonds. The majority of the funds were held in US dollars, but during the year funds were moved into other currencies, notably Japanese yen and Emerging Markets, which appreciated as the US dollar weakened. US dollar bonds improved in anticipation of lower interest rates, while Emerging Markets exceeded expectations, helped by strengthening currencies.
- The alternative investments returned 25% with global macro funds producing a strong performance. The overall rate of return was 10.6% with unprecedented income of US$ 287m to spare the underwriters' blushes.





Balance Sheet US$000's	2026	2025	2024
Investments	2,751,666	2,563,691	2,501,479
Cash	437,415	418,138	295,884
Debtors	539,391	416,647	455,084
Other Assets	271,703	62,371	51,119
Total Assets	4,000,175	3,460,847	3,303,566
Outstanding Claims	1,696,798	1,437,157	1,373,464
Creditors	558,729	457,762	458,811
Total Liabilities	2,255,527	1,894,919	1,832,275
Free Reserves	1,744,648	1,565,928	1,471,291

Revenue Statement US$000's	2026	2025	2024
Net Premiums	1,033,680	917,979	902,241
Net Claims Incurred	979,060	803,515	737,496
Management Costs	168,629	120,234	122,706
	1,147,689	923,749	860,202
Underwriting Surplus / (Deficit)	(114,009)	(5,770)	42,039
Investment Income / (Loss) Less Tax	286,996	100,408	168,800
Surplus / (Deficit)	172,987	94,638	210,839

Outlook

- Gard had a year of mixed fortunes, with the underwriting largely treading water (while acquiring a new office in Denmark and starting a hull business in Japan) while the investment managers were ascending new heights.
- The problem in the underwriting may well have centred around the acquisition of Codan, of which little is mentioned in their annual report, but which reports in the media suggest is subject to an arbitration appeal by Gard for the recovery of US$ 163m in compensation from the previous owners.
- The acquisition may have accounted for the fall in fortunes of the M&E business and consequent large underwriting deficit. Fortunately, the investment managers stole the show, and hopefully the situation will be satisfactorily resolved in the near future and normal underwriting business can be resumed.
- Nevertheless, Gard remains by far the financially strongest Club in the IG, with the only S&P A+ credit rating and free reserves of US$ 1.7bn, almost twice the size of any other Club in the IG. The free reserves still rose by 11%, even after a poor underwriting year. Owners will hope this results in an increase in the OGD at future renewals.

JAPAN

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

Overview

- The Japan Club had a successful year with its fourth successive underwriting surplus and healthy investment income, boosted by a weak Yen. During the year, the Yen fell by 7% against the US dollar and consequently the comparison with last year's figures may be misleading.
- The net premium income was 11% lower than last year as the entry slipped, and the claims fell 3% in US dollar terms, but actually rose by 4% in Yen terms. The result was a US$20m underwriting surplus, down from US$37m last year.
- The investment income rose as a result of the US$12m foreign currency gains on the 38% investment allocation, which propelled the investment income up to US$23m, to give an overall surplus of US$43m, compared with US$38m last year.

Key Performance Indicators

		2026	2025	2024
S&P Rating		BBB+	BBB+	BBB
Gross Owned Tonnage	Mil	82	85	89
Combined Ratio	%	85	75	91
Investment Return	%	4	2	4.6
General Increase	%	5	7	7.5
Solvency	%	231	205	182
Movement in Net Premiums	%	-10.9	-5.3	-15
Movement in Free Reserves	%	9.8	17.7	13.7
Movement in Incurred Claims	%	-2.9	-29.5	-22
AER (Average Expense Ratio)	%	7.9	7.3	7.4
Increase in GT	%	-3.5	-4.5	-1.1
Average net PR per GT	$	1.60	1.73	1.75
Free Reserves per GT	$	3.68	3.23	2.63
Surplus / (Deficit)(Mil)	$	43	38	50

Underwriting

- The slow decline in the entered tonnage continued with a loss of 3m GT from last year to just 82m GT. The majority of the tonnage continued to be bulk carriers, followed by containers and tanker vessels and a growing number of gas carriers.
- The major improvement in the underwriting has been the steady decline in the value of incurred claims on the ocean-going class. Over the last five years there has been a downward trend in the number and the value of claims. This was primarily due to the decrease in cargo and personal injury claims, despite a temporary rise in 2024. The most expensive claims tended to be collision, groundings, sinkings, fire and pollution claims, which have accounted for about 24% of the incurred claims over the last five years.
- There were no IG pool claims in the year and no claims on the Naiko class over their reinsurance retention of 300m Yen. The Naiko class handles Small Coastal Craft with the total annual cost of claims below US$10m, most claims being damage to piers with the occasional casualty.

$43m Surplus

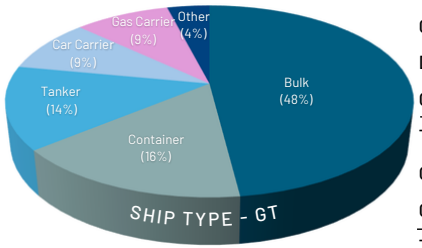
85% Combined Ratio

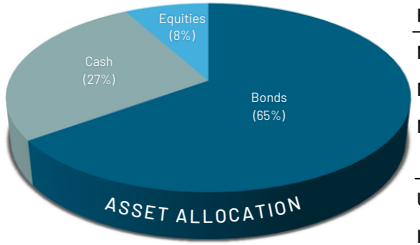
BBB+ S&P Credit Rating

231% Solvency

Investments

- The value of the investments has risen by nearly 70% in the year after the inclusion of US$212m of Yen temporary guarantee deposits, which were financed by guarantee deposits received as collateral for specific insurance underwriting. The funds have been invested in Yen government and local bonds.
- The transaction looks like a forward sale of more than a year's premium income at a fixed discount rate, in anticipation of future interest rate rises. This size of transaction carries a risk if interest rates should fall.
- The investment return was 4%, yielding US$23m of income, largely due to the US$12m of foreign currency exchange gains on the US dollar assets. Otherwise the asset allocation was conservative with 27% in cash, 8% in equities and the remainder in bonds.





Balance Sheet US$000's	2026	2025	2024
Investments	526,091	313,382	355,614
Cash	310,657	333,188	273,580
Debtors	22,636	14,825	15,589
Other Assets	36,153	33,201	32,590
Total Assets	895,537	694,596	677,373
Outstanding Claims	230,037	261,796	285,093
Creditors	363,612	157,905	158,651
Total Liabilities	593,649	419,701	443,744
Free Reserves	301,888	274,895	233,629

Revenue Statement US$000's	2026	2025	2024
Net Premiums	131,335	147,456	155,709
Net Claims Incurred	79,020	81,396	115,534
Management Costs	32,739	29,413	26,298
	111,759	110,809	141,832
Underwriting Surplus / (Deficit)	19,576	36,647	13,877
Investment Income / (Loss) Less Tax	23,104	1,031	36,366
Surplus / (Deficit)	42,680	37,678	50,243

Outlook

- The Japan Club's strength in the last four years has been its underwriting after the dire consequences of 2022. In the last three years, the Club has seen the net premium income fall by nearly 30%, not all as a consequence of a weak Yen, but after the 2026 renewal it was reported that the tonnage was down to 80m GT, 10m GT less than 2023. The gradual erosion of the membership seems irreversible as more Clubs and insurers enter the local market.
- Despite the falling membership, financially the Club were doing well with positive underwriting results and healthy annual surpluses with free reserves up by nearly 10% to over US$300m for the first time and an S&P BBB+ credit rating with a positive outlook.
- The guarantee deposit received as collateral for specific insurance underwriting, was a derivative anticipating local interest rate rises, and given the amount of turmoil with the Yen carry trade and interventions by the Bank of Japan and the US Federal Reserve Bank to support the Yen, the uncertainty around the currency and local interest rates, comes with some risk.

LONDON

Overview

- The London Club celebrated its 160th year with a third consecutive overall surplus, which has pushed the free reserves up by nearly 70% in the last three years to US$192m.
- There was a small increase in the net premium income, but this was insufficient to cover the 15% increase in incurred claims after a spate of large incidents and an unexpected deterioration in a couple of historic fixed premium claims. The underwriting deficit rose from US$2m last year to US$12m, but the increase was covered by the investment return of US$33m, leaving an overall surplus of US$21m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**BBB**	BBB	BBB
Gross Owned Tonnage	Mil	**51**	47	44
Combined Ratio	%	**108**	102	85
Investment Return	%	**7.2**	6.3	5
General Increase	%	**6**	5	7.5
Solvency	%	**162**	161	155
Movement in Net Premiums	%	**6.4**	15.2	5.2
Movement in Free Reserves	%	**12.4**	14.2	32
Movement in Incurred Claims	%	**15.3**	49.1	-38.5
AER (Average Expense Ratio)	%	**13.27**	13.72	13.38
Increase in GT	%	**8.5**	6.8	4.8
Average net PR per GT	$	**2.81**	2.87	2.66
Free Reserves per GT	$	**3.77**	3.64	3.41
Surplus / (Deficit)(Mil)	$	**21**	21	36

Underwriting

- London's transformation has continued, but the current year has seen an unwelcome increase in the cost of claims, which rose by 15% to US$132m, compared to US$114m last year.
- The main impact came from a small number of claims in the US$500k to US$1m band, with 22 such cases costing a total of US$15m, compared with only 9 in the previous year costing US$6m. The most frequent type of claim within this category was cargo damage. The cost of larger claims in excess of US$1m remained high at US$29m, with most involving container vessels, including the Club's only IG pool claim. There was also deterioration in the 2021 policy year.
- The Club has a suite of reinsurance covers for retained claims and for the higher than forecast frequency of medium claims and higher severity losses across all product lines and US$1bn of cover for fixed P&I and Charterers' business.
- The reinsurance costs were likely to rise after an increase in the gross cost of claims on the 2021 policy year of US$106m. The underwriting remains finely balanced, but care must be taken to avoid over expansion and unprofitable fixed premium business.

$21m Surplus

+8% Movement in Gross Tonnage

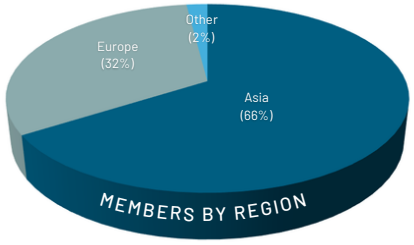
BBB S&P Credit Rating

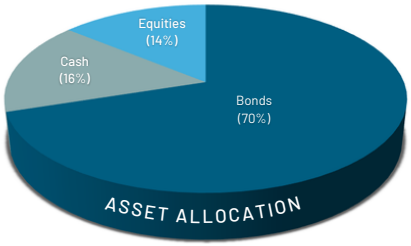
7.2% Investment Return

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

Investments

- The investment managers navigated the occasionally volatile financial markets with some success, earning US$33m with an overall return of 7.2%.
- After an early burst of over-exuberance, the equity markets slowed and funds moved into bonds and yields started to fall.
- Later in the year equity markets recovered, supported by strong corporate earnings and attention turned to concerns over excessive US government spending and bond yields started to rise.
- There was a modest increase in the bond asset allocation during the year and the core portfolio managed to deliver a return of 8.7% falling to 7.2% after including cash.





Balance Sheet US$000's	2026	2025	2024
Investments	**395,543**	353,211	333,004
Cash	**81,921**	81,787	74,421
Debtors	**31,851**	28,917	30,305
Other Assets	**17,778**	16,345	16,833
Total Assets	**527,093**	480,260	454,563
Outstanding Claims	**310,599**	281,377	271,297
Creditors	**24,136**	27,700	33,432
Total Liabilities	**334,735**	309,077	304,729
Free Reserves	**192,358**	171,183	149,834

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**143,407**	134,839	117,070
Net Claims Incurred	**132,315**	114,732	76,972
Management Costs	**23,116**	22,347	22,017
	155,431	137,079	98,989
Underwriting Surplus / (Deficit)	**(12,024)**	(2,240)	18,081
Investment Income / (Loss) Less Tax	**33,199**	23,589	18,227
Surplus / (Deficit)	**21,175**	21,349	36,308

Outlook

- After 45 years of service, John Lyras has stepped down as Chairman of the board and can proudly claim that he has left the Club in considerably better shape than when he started. After a number of recent difficult years, the Club has successfully recovered, increasing the free reserves by nearly 70% in the last three years.
- The underwriting deteriorated during the year as a result of some older fixed premium entries and a raft of high-severity claims under US$1m. The fixed premium entry now accounts for 35% of the entered tonnage which seems to be becoming increasingly less profitable.
- The Club's solvency ratio has improved from a nadir of 137% in 2023 to 162% at the time of reporting. With free reserves back up to almost US$200m and a steadily growing membership, the Club is now back on a more stable trajectory.
- The underwriting discipline needs to be maintained to avoid the errors of the past and move the Club forward.

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

NORTHSTANDARD

Overview

- The NorthStandard have put last year's disappointing underwriting performance behind them and got the recently formed behemoth back on track with an overall surplus of US$122m, largely as a consequence of a dazzling investment performance and a much-reduced underwriting deficit.
- The underwriting deficit fell from US$114m last year to a much more manageable US$40m after a 6% reduction in the cost of claims, while the investment managers turned in a return of 9.5% on the portfolio to produce income of US$162m.

Key Performance Indicators

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

		2026	2025	2024
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	270	270	260
Combined Ratio	%	106	116	96
Investment Return	%	9.5	5.9	4.9
General Increase	%	5	5	5
Solvency	%	171	163	168
Movement in Net Premiums	%	2.8	3.1	6.7
Movement in Free Reserves	%	15.3	-0.3	17
Movement in Incurred Claims	%	-5.7	31.8	3
AER (Average Expense Ratio)	%	16.7	16.6	16.3
Increase in GT	%	0	3.8	0.8
Average net PR per GT	$	2.65	2.58	2.6
Free Reserves per GT	$	3.42	2.96	3.09
Surplus / (Deficit)(Mil)	$	122	(3)	382*

Underwriting

- The P&I class dominated underwriting, generating 77% of net premium income. This year, the Club saw a marked reduction in the number and value of the Club's own large claims, but this was partially offset by a deterioration in the 2024 policy year IG pool costs.
- The net premium income rose by 3% but the incurred claims fell by 6% and the economies emanating from the merger saw general expenses fall by 11%.
- The admiralty claims fell by US$38m compared to last year and the cargo claims were US$33m lower, but people claims rose by US$10m, largely driven by the volatile nature of settlements in the US.
- The Club was continuing with its diversification policy and now covers Coastal and Inland Marine Craft, Offshore and Renewable, Aquaculture, Strike and Delay, Hull and War and the recently launched Upstream Energy and Marine Energy product.
- The Specialty sector has grown premiums by 38% since the merger, with the new Upstream Energy and Marine Energy liability sector expected to write over US$30m by 2029. However, there was no premium growth this year, while the underwriting surplus fell from US$33m to US$16m and the overall surplus from US$45m to US$21m.

$122m Surplus

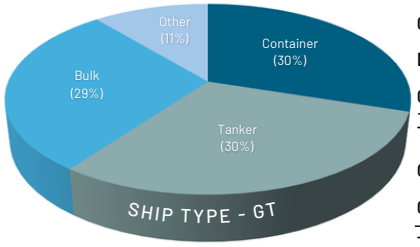
+15% Free Reserves

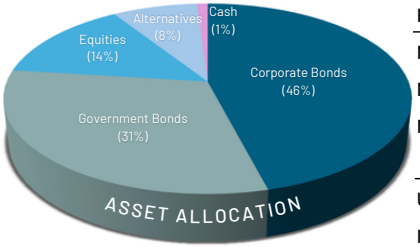
A S&P Credit Rating

9.5% Investment Return

Investments

- The undoubted performance of the year came from the investment managers who turned in a 9.5% return and earnings of US$162m to easily cover the underwriting deficit and propel the free reserves US$122m higher to US$922m.
- The Club has a matching strategy which matches claims liabilities with government and corporate bonds, with a proportion of the remainder in growth assets, such as equities, property, loans and private securities.
- The growth assets performed well during the year, with equities doing particularly well as the Club increased its equity allocation from 11% to 16% at the year end.





Balance Sheet US$000's	2026	2025	2024
Investments	1,909,200	1,770,400	1,658,900
Cash	292,800	231,400	275,900
Debtors	263,000	259,100	266,700
Other Assets	42,700	41,300	25,600
Total Assets	2,507,700	2,302,200	2,227,100
Outstanding Claims	1,300,700	1,270,000	1,181,400
Creditors	284,600	232,200	243,100
Total Liabilities	1,585,300	1,502,200	1,424,500
Free Reserves	922,400	800,000	802,600

Revenue Statement US$000's	2026	2025	2024
Net Premiums	715,500	695,700	675,000
Net Claims Incurred	631,100	669,500	507,800
Management Costs	124,400	140,100	139,100
	755,500	809,600	646,900
Underwriting Surplus / (Deficit)	(40,000)	(113,900)	28,100
Investment Income / (Loss) Less Tax	162,400	111,300	353,700
Surplus / (Deficit)	122,400	(2,600)	381,800

Outlook

- After the traumas of last year's underwriting, the Club has recovered and justified the logic of the merger and turned in a massive surplus of US$122m and a 15% increase in free reserves to US$922m to give the new entity a solid base to continue with diversification and take the Club forward.
- There was still room for improvement in the underwriting, although considerable progress has been made and last year's deficit of US$114m has been reduced to just US$40m and a combined ratio of 106%.
- The Club reported four IG pool claims in the year, but the frequency and severity of large claims were lower in the year. There were 27 claims over US$1m for the P&I Bluewater business, compared with an average of 33 such claims after twelve months in the years 2021-2024.
- The merger has finally delivered the performance that was optimistically anticipated and the free reserves have increased by 34% in the last three years, largely helped by investment income and Standard's free reserves. The Club had its S&P A rating positively revised to a stable outlook, rather than negative and with a solvency ratio of 171% and nearly $1bn in free reserves, the new entity looks set for a bright future.

SHIPOWNERS

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

Overview

- The Shipowners Club celebrated its 170th anniversary with a bumper set of financial results and a surplus of US$83m to increase the free reserves to US$531m (an increase of 57% on just 4 years ago). An amazing achievement for a Club with only 34m tons of business and free reserves of over US$15 per ton.
- The result reflects the Club's conservative underwriting. The premiums and the claims rose by less than 2% in the year, and the Club recorded its fourth balanced underwriting result. The investment managers provided the growth with a return of US$82m, approximately 9%, reflecting the key to Shipowners' financial success.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**A**	A	A
Gross Owned Tonnage	Mil	**34**	33	31
Combined Ratio	%	**100**	99	100
Investment Return	%	**9**	5	10
General Increase	%	**5**	0	5
Solvency	%	**213**	200	193
Movement in Net Premiums	%	**1.5**	7.2	5.3
Movement in Free Reserves	%	**18.6**	10	20.6
Movement in Incurred Claims	%	**1.6**	8.4	3.9
AER (Average Expense Ratio)	%	**23.8**	23.9	24
Increase in GT	%	**3**	6.5	3.3
Average net PR per GT	$	**7.96**	8.09	8.03
Free Reserves per GT	$	**15.61**	13.56	13.12
Surplus / (Deficit)(Mil)	$	**83**	41	69

Underwriting

- The underwriting has been the Club's undeniable success story with an emphasis on conservative underwriting and avoiding unlimited growth. In the last three years, the Club has grown by 13% and the net premium income by 14%.
- The Club has expanded its limited UK Hull and Machinery business by acquiring Waterborne, a company with experience in small and specialist hull insurance and a Managing General Agent (MGA), utilising a Lloyd's licensing arrangement.
- There was also growth in the Passenger and Offshore sectors, particularly in the Central and Latin America and South East Asia markets and in the Offshore sector, especially for vessels involved in renewables.
- The increased cost of personal injury claims caused the Club to introduce a limit of US$100m for Yachts, a class that has been particularly hard hit in the US and Australia.
- The attritional claims remained elevated, but there were fewer high severity claims over US$1m, which kept the claims growth modest. This resulted in a US$1m underwriting surplus.

A — S&P Rating

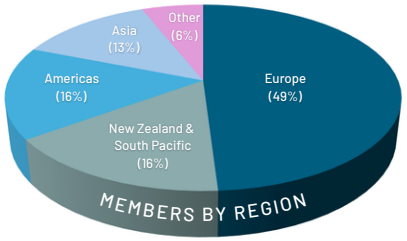
9% — Investment Return

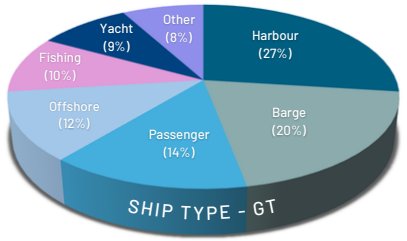
$83M — Surplus

$531M — Free Reserves

Investments

- After another steady balanced performance from the underwriters, it was left to the investment managers to steal the show and propel the Club's free reserves to new heights. With just under US$1bn of cash and investments, the managers returned US$82m in income, about a 9% return, to push the free reserves up by over 18%.
- The Club reported a continued solid performance in the financial markets following 2023 and 2024, with both fixed income and equities posting positive gains. The weakness of the US dollar resulted in currency gains of US$18m, while capital appreciation on the portfolio was US$42m.





Balance Sheet US$000's	2026	2025	2024
Investments	**759,802**	685,147	645,048
Cash	**231,997**	201,961	201,728
Debtors	**92,634**	92,977	85,008
Other Assets	**44,667**	44,016	43,581
Total Assets	**1,129,100**	1,024,101	975,365
Outstanding Claims	**469,854**	448,507	436,962
Creditors	**128,582**	128,137	131,565
Total Liabilities	**598,436**	576,644	568,527
Free Reserves	**530,664**	447,457	406,838

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**270,783**	266,853	248,871
Net Claims Incurred	**191,392**	188,467	173,785
Management Costs	**78,374**	75,232	74,634
	269,766	263,699	248,419
Underwriting Surplus / (Deficit)	**1,017**	3,154	452
Investment Income / (Loss) Less Tax	**82,190**	37,465	69,017
Surplus / (Deficit)	**83,207**	40,619	69,469

Outlook

- Shipowners have managed a steady growth trajectory over the past five years, matching balanced underwriting with mostly strong investment performances. The Club only has a fraction of the tonnage of other Clubs, but has managed to surpass many in terms of free reserves. The secret of their success has been disciplined, or some might say overly conservative underwriting (for a mutual), and concentrating on their strengths in the Small Vessels and Craft sectors and avoiding the temptations of adventures into previously uncharted territories.
- Their underwriting strength was illustrated by an over 50% increase in entered tonnage in the last five years, while the net premium only rose by 30%, with no underwriting deficits. The Club has over US$500m in free reserves and net assets of over twice their outstanding claims, and an S&P A credit rating with a stable outlook.
- The Club has an unrivalled position in the Small Vessels' market and an exceptionally strong balance sheet, and looks set for further success in the future.

SKULD

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

Overview

- Skuld have reported their second best results in their 129-year history, with an overall surplus of US$103m, following a strong showing in the financial markets, which brought in US$82m and a reduction in the incurred claims, which left the Club with a US$20m underwriting surplus.
- The Club underwrites mutual and fixed premium P&I, and a multitude of commercial categories, with the mutual class accounting for approximately 50% of the income.

Key Performance Indicators

		2026	2025	2024
S&P Rating		A	A	A
Gross Owned Tonnage	Mil	126	118	107
Combined Ratio	%	96	115	88
Investment Return	%	8.7	7.3	7.2
General Increase	%	7.5	5	5
Solvency	%	184	175	188
Movement in Net Premiums	%	5.6	10	8.4
Movement in Free Reserves	%	22.5	4	16.4
Movement in Incurred Claims	%	-17	57.1	-3.1
AER (Average Expense Ratio)	%	11.6	11.2	12.2
Increase in GT	%	6.8	10.3	12.6
Average net PR per GT	$	3.92	3.96	3.97
Free Reserves per GT	$	5.23	4.56	4.84
Surplus / (Deficit)(Mil)	$	103	21	116

Underwriting

- After a poor underwriting result last year, which saw incurred claims rise by 57% and a previously healthy underwriting surplus reduced to a US$71m deficit, things have improved.
- The net premium income rose by nearly 6% thanks to a 9% increase in mutual income, which pushed the gross premium income to over US$600m for the first time. The net premium income was US$494m, but the major improvement was a 17% drop in incurred claims, mostly on the mutual P&I class where the 2025 policy year incurred claims were US$65m lower than the previous policy year after twelve months.
- There were major underwriting improvements on some of the commercial classes, with big improvements on the physical damage, FD&D and other fixed premium businesses, which all recorded better results versus the 2024 policy year.

$103m Surplus

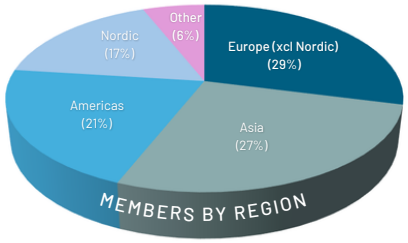
-17% Movement in Incurred Claims

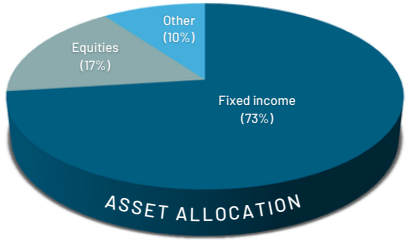
96% Combined Ratio

$659m Free Reserves

Investments

- The investment managers produced a near record breaking return of 8.7%, higher than last year, but a larger tax charge reduced the total net investment income to US$82m, still a very satisfactory outcome. The Club remained in dispute with the local tax authorities over new regulations.
- The Club benefitted from the strong financial markets, with gains of US$77m on their portfolio, with global equities and bonds performing positively. The Club only maintained a modest 17% exposure to equities, with the remainder mostly in bonds which all benefitted from anticipated lower interest rates and US optimism.





Balance Sheet US$000's	2026	2025	2024
Investments	1,375,309	1,155,885	1,037,626
Cash	185,362	189,831	166,713
Debtors	37,614	54,337	46,430
Other Assets	17,606	12,488	10,189
Total Assets	1,615,891	1,412,541	1,260,958
Outstanding Claims	780,785	713,575	587,349
Creditors	175,805	160,896	156,191
Total Liabilities	956,590	874,471	743,540
Free Reserves	659,301	538,070	517,418

Revenue Statement US$000's	2026	2025	2024
Net Premiums	493,611	467,339	425,006
Net Claims Incurred	363,058	437,162	278,259
Management Costs	110,275	101,222	97,801
	473,333	538,384	376,060
Underwriting Surplus / (Deficit)	20,278	(71,045)	48,946
Investment Income / (Loss) Less Tax	82,262	91,698	66,993
Surplus / (Deficit)	102,540	20,653	115,939

Outlook

- Skuld has had a most successful year with a near record overall surplus of US$103m to push the free reserves up by over 22% to a record US$659m. The major improvement compared to last year has been the underwriting which witnessed the reversal of last year's US$71m deficit into a US$20m surplus.
- The P&I was the main contributor with a reduction of anticipated claims on the 2025 policy year compared with 2024 policy year, and there were improvements on other classes.
- The P&I and mutual classes both saw premium growth with the mutual tonnage increasing by 7m GT. The commercial sectors saw no growth, but experienced a reduction in claims and an increase in profitability.
- The Club has a solvency ratio of 184%, an S&P A credit rating and free reserves of US$659m, and looks set to keep prospering.

HEAD OFFICE: LONDON, UK
REGIONAL OFFICES: BERMUDA / CYPRUS / HONG KONG / PIRAEUS / RIO DE JANEIRO / SINGAPORE / TOKYO

STEAMSHIP

Overview

- After several years of underwriting surpluses, there has been a surge in claims which has left the last two financial years with large underwriting deficits. This year the modest rise in premiums was inadequate to cover a double digit rise in incurred claims, which left the Club with a US$56m underwriting deficit.
- Fortunately, the Club's US$1.5bn cash and investment portfolio enjoyed a successful year with rising markets and an investment return of 7% and income of US$97m net, to give a net overall outcome of US$41m and an increase in free reserves of 8% to US$578m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**A**	A	A
Gross Owned Tonnage	Mil	**138**	134	124
Combined Ratio	%	**113**	113	94
Investment Return	%	**7**	6.6	7.4
General Increase	%	**8**	5	5
Solvency	%	**164**	163	169
Movement in Net Premiums	%	**7.3**	4	10.8
Movement in Free Reserves	%	**7.7**	-0.6	18.9
Movement in Incurred Claims	%	**10.6**	29.6	8
AER (Average Expense Ratio)	%	**12.2**	12.4	12.3
Increase in GT	%	**3**	8.1	6
Average net PR per GT	$	**3.00**	2.88	3.00
Free Reserves per GT	$	**4.19**	4.01	4.36
Surplus / (Deficit)(Mil)	$	**41**	40	110

Underwriting

- The Club had a challenging year with incurred claims over 40% higher than two years ago, which has not given the underwriters time to correct the income levels and avoid repeated deficits.
- Part of the problem appears to emanate from the Club's exposure to personal injury claims arising in the US. The generosity of many of the Jones Act jury trials has led to uncertainty and a quantum increase in claims and perhaps requires a better claims strategy. The Club has tried to introduce arbitration clauses into crew employment contracts to avoid jury trials and achieve more manageable and predictable outcomes.
- Like many other Clubs, the 2024 policy year has deteriorated and the net expected cost of claims on that year were 70% higher than the 2022 policy year after two years.
- The Club now appears to buy retention insurance, after previously eschewing it, as the reinsurance costs have doubled in the last four years. The Club also has a large non-mutual entry which has recently experienced poor claims results just like most other Clubs.

$41m Surplus

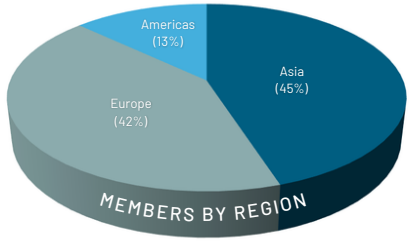
+8% Free Reserves

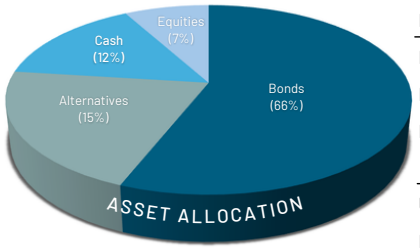
A S&P Credit Rating

7% Investment Return

Investments

- The investment managers retained a conservative policy with 66% of the portfolio in bonds, only 7% in equities and the remainder in alternatives and cash, which kept the return to a modest 7%, in a year when equities were very strong.
- The performance was positive across all major asset classes and the allocation of alternatives was increased in the year to support diversification and the portfolios long term positioning. The total investment income after tax was US$97m, which covered the underwriting shortfall and left a surplus of US$41m.





Balance Sheet US$000's	2026	2025	2024
Investments	**1,320,100**	1,313,500	1,201,900
Cash	**183,300**	130,300	139,200
Debtors	**39,000**	31,300	34,900
Other Assets	**5,900**	6,100	11,200
Total Assets	**1,548,300**	1,481,200	1,387,200
Outstanding Claims	**903,600**	846,400	778,800
Creditors	**66,400**	97,800	68,100
Total Liabilities	**970,000**	944,200	846,900
Free Reserves	**578,300**	537,000	540,300

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**414,500**	386,400	371,700
Net Claims Incurred	**404,800**	366,000	282,300
Management Costs	**65,400**	66,900	67,000
	470,200	432,900	349,300
Underwriting Surplus / (Deficit)	**(55,700)**	(46,500)	22,400
Investment Income / (Loss) Less Tax	**97,000**	86,000	87,700
Surplus / (Deficit)	**41,300**	39,500	110,100

Outlook

- Steamship had a difficult year with a deteriorating underwriting position, which was saved by a successful investment year and ended with a US$41m surplus and an 8% increase in free reserves, but rather disappointingly ended with an S&P rebuke and a negative outlook.
- The underwriting was clearly a concern, with less than 50% of the entered tonnage being made up of mutual Members and a reference to the fact that the non-poolable reinsurance costs had risen due to recent claims experience.
- In earlier years, fixed premium business was often viewed as very profitable, but more recently a number of Clubs have reported losses on their non-mutual entries. It was also noticeable that in recent years the fixed premium entry has been rising faster than the mutual entry.
- The Club clearly needed to increase premiums and better control the level of claims. It has strengthened the US operations with a view to getting better control of the personal injury claims, which appears to be the major issue.
- The Club has free reserves of US$578m, has a strong financial position and acts as a true mutual by returning 'excess' capital to its membership.

SWEDISH

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

Overview

- After a number of difficult years, the Club has undergone a considerable improvement, reporting three consecutive overall surpluses and two consecutive underwriting surpluses, resulting in a large increase in free reserves.
- The improvement has been driven by stronger underwriting and a steady increase in net premium income, despite a decline in the P&I and charterers' tonnage.
- The underwriting surplus was US$5m with a combined ratio of 97%. The investment income was US$41m, a return of approximately 8% which added an additional 22% to the free reserves, taking them to US$252m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**BBB+**	BBB+	BBB+
Gross Owned Tonnage	Mil	**58**	58	58
Combined Ratio	%	**97**	98	103
Investment Return	%	**7.9**	6.6	9.2
General Increase	%	**5**	5	7.5
Solvency	%	**179**	163	157
Movement in Net Premiums	%	**7.9**	4.7	5.9
Movement in Free Reserves	%	**22.4**	17	18
Movement in Incurred Claims	%	**7.5**	-2.6	7.3
AER (Average Expense Ratio)	%	**13.3**	12.9	12.7
Increase in GT	%	**0**	0	0
Average net PR per GT	$	**3.49**	3.24	3.09
Free Reserves per GT	$	**4.35**	3.56	3.04
Surplus / (Deficit)(Mil)	$	**46**	30	27

Underwriting

- The P&I class accounts for 52% of the income, which rose by 11% in the year to US$105m, and after a small rise in claims and expenses, the sector made a modest surplus of US$2m, down from US$4m last year.
- The Marine sector recorded a small increase in income to US$88m, but rising claims kept the surplus down to US$2m. The Marine gross entered tonnage rose by 6% in the year to 396m GT with an insured value of US$32bn.
- There were 32 claims reported during the year in excess of US$500k, eight of which were from the IG pool, compared with 35 large claims last year with seven from the IG pool.
- The Club has clearly prioritised realistic underwriting over growth, which has been marked by a loss of 9m GT of P&I and charterers' business over the last four years, which has seen the overall underwriting result improve from a deficit of US$45m in 2022 to a surplus of US$5m this year.
- The Club also underwrites a small FD&D class which had a modest income of US$10m and a surplus of US$2m, unchanged from last year.

BBB+ S&P Rating

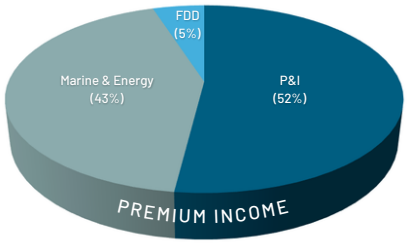
8% Investment Return

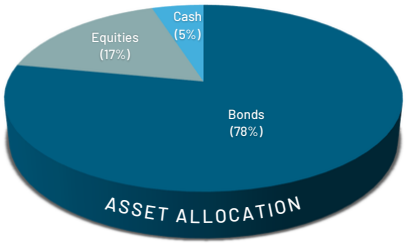
97% Combined Ratio

+22% Free Reserves

Investments

- Following the positive performance of the underwriting, the investment managers were able to push the free reserves up by over 20%, with a return of just under 8% and income of US$41m. The Club has always maintained a conservative investment policy with only a modest equity allocation, currently around 17% of the total cash and investments.
- The Club enjoyed a buoyant period in the financial markets, before doubts and dollar weakness emanated after the New Year. The equities produced unrealised gains of US$12m, compared to US$18m for the much larger bond portfolio. The Club also wisely hedged their local costs against their dollar income, producing a further profit of US$5m.





Balance Sheet US$000's	2026	2025	2024
Investments	**542,596**	498,211	436,438
Cash	**28,736**	41,985	31,123
Debtors	**103,565**	91,772	153,755
Other Assets	**17,941**	18,909	23,709
Total Assets	**692,838**	650,877	645,025
Outstanding Claims	**319,892**	328,033	306,903
Creditors	**120,569**	116,640	161,809
Total Liabilities	**440,461**	444,673	468,712
Free Reserves	**252,377**	206,204	176,313

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**202,532**	187,703	179,201
Net Claims Incurred	**153,866**	143,143	146,972
Management Costs	**43,458**	40,074	37,425
	197,324	183,217	184,397
Underwriting Surplus / (Deficit)	**5,208**	4,486	(5,196)
Investment Income / (Loss) Less Tax	**40,965**	25,405	32,135
Surplus / (Deficit)	**46,173**	29,891	26,939

Outlook

- After a number of poor years, the Club introduced a strategic plan to strengthen the Club's capital position and attempt to regain their S&P A credit rating. They introduced a more disciplined approach to their underwriting, which has seen the gross P&I and charterers' entered tonnage fall, but there has been a steady rise in the income and the level of claims has been controlled to give two consecutive underwriting surpluses.
- The Club has also attempted to expand their international presence by opening an office in New York, which they hope will attract new business, while improving service to local Members.
- The Club plans to increase their charterers' and traders' activities and with only 1% of the net premium income from the Energy sector, there was clearly room for future expansion. The Club has had three successive positive results and may be well on the way to improving their credit rating.

HEAD OFFICE: LONDON, UK
REGIONAL OFFICES: BERMUDA / HAMBURG / HONG KONG / IMABARI / NEW JERSEY / PIRAEUS / ROTTERDAM / SAN FRANCISCO / SHANGHAI / SINGAPORE / TOKYO

UK

Overview

- The UK Club had a successful year, with an overall surplus of US$60m, their best performance for many years. This was achieved predominantly due to the investment return of 9.4%, bringing in US$84m assisted by an exceptional performance from their equity investments.
- The underwriting reported its eighth consecutive deficit, with a deficit of US$24m, compared to US$59m last year, which was easily covered by the investment income to give an overall surplus of US$60m, pushing free reserves up by 18% to US$586m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		A-	A-	A-
Gross Owned Tonnage	Mil	168	162	156
Combined Ratio	%	107	116	108
Investment Return	%	9.4	6.6	7.5
General Increase	%	7.5	6.5	7.5
Solvency	%	177	160	162
Movement in Net Premiums	%	-6.2	1.4	16.5
Movement in Free Reserves	%	18.5	2.3	12.3
Movement in Incurred Claims	%	-14.6	14.5	21.7
AER (Average Expense Ratio)	%	13.79	13.47	13.24
Increase in GT	%	3.7	3.8	2
Average net PR per GT	$	2.03	2.24	2.30
Free Reserves per GT	$	3.49	3.05	3.10
Surplus / (Deficit)(Mil)	$	60	11	53

Underwriting

- The improvement in the underwriting result was largely due to a lower level of claims on the mutual P&I business. The overall claims were down by 15%, with improvements in all categories. The cargo and injury claims were approximately 30% of the previous year's value and claims over US$500k were the lowest for a decade.
- The claims on the 2025 policy year were lower than the previous year after twelve months, except for chemical cargo contamination claims.
- It was also notable that the net premium income was down by 6%, perhaps reflecting the reassessment of the fixed premium portfolio, which had caused a sharp rise in income in the past three years and brought significant losses. Fortunately, for the last two years the non-poolable business has reportedly contributed positively to the Club's financial performance.
- It was unfortunate that in a year when the frequency and severity of the claims were so low that the Club was still unable to achieve its stated aim of a breakeven underwriting result.

$60m Surplus

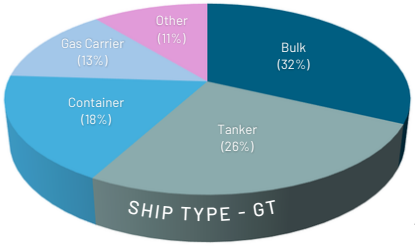
+18% Free Reserves

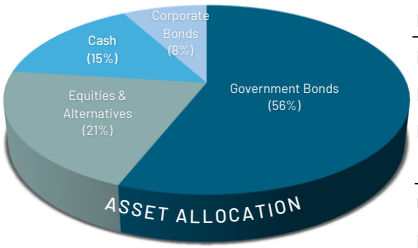
A- S&P Credit Rating

9.4% Investment Return

Investments

- The investment managers produced their best performance in six years with income of US$84m, which helped propel the free reserves back over US$500m to US$586m, an increase of 18%.
- The asset allocation was predominantly government bonds with a small corporate element and equities. The 21% equity allocation clearly exceeded expectations with a return of 24%, which was exceptional and the bonds turned in a more modest 6% return.
- The Club is the beneficiary of Front Street Trust, which holds equity investments on their behalf. Following the change in accounting treatment of its investment in Thomas Miller, a gain of US$32m arose and has been treated as a prior year adjustment, thus raising the free reserves by a further US$32m.





Balance Sheet US$000's	2026	2025	2024
Investments	1,124,334	1,101,410	876,272
Cash	194,487	163,741	368,838
Debtors	75,726	100,595	125,347
Other Assets			
Total Assets	1,394,547	1,365,746	1,370,457
Outstanding Claims	758,657	830,645	776,350
Creditors	49,966	40,699	110,647
Total Liabilities	808,623	871,344	886,997
Free Reserves	585,924	494,402	483,460

Revenue Statement US$000's	2026	2025	2024
Net Premiums	340,850	363,512	358,414
Net Claims Incurred	297,505	348,235	304,141
Management Costs	67,222	74,755	82,676
	364,727	422,990	386,817
Underwriting Surplus / (Deficit)	(23,877)	(59,478)	(28,403)
Investment Income / (Loss) Less Tax	83,897	70,520	81,418
Surplus / (Deficit)	60,020	11,042	53,015

Outlook

- The outlook is dominated by the news that the Club is in merger negotiations with the Through Transport Club, which is also managed by Thomas Miller. The new merged entity will also acquire Thomas Miller, following its reportedly chronic lacklustre performance, to become self-managed.
- The proposed merger would give the new entity combined free reserves of around US$900m, which would propel it up the capital league table to around third place.
- There are clear management advantages for the two Clubs as they currently work alongside each other with obvious opportunities to eliminate duplicate systems and overheads. This should enable both Clubs to expand and diversify and remain mutual, something few other Clubs have managed.
- The Club had the best results for many years and the free reserves were back above US$500m. The underwriting has improved, but still has some way to go to breakeven.
- The merger activities must not distract from the day-to-day activities of the Clubs and planning for the next renewal. The merger really must derive the economies of scale and synergies needed to eradicate the current wasteful duplications.

WEST

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

Overview

- After seeing their free reserves shrink by over 30% at the start of the decade, the West renaissance continued with net premium income up 19% this year, after the acquisition of Nordic Marine, while claims only rose by 9% and the free reserves rose by 23% to a new record of US$377m.

Key Performance Indicators

		2026	2025	2024
S&P Rating		**A-**	BBB+	BBB+
Gross Owned Tonnage	Mil	**121**	111	100
Combined Ratio	%	**98**	104	95
Investment Return	%	**7.9**	5.6	4.6
General Increase	%	**5**	5	7.5
Solvency	%	**163**	154	150
Movement in Net Premiums	%	**18.9**	6	9.8
Movement in Free Reserves	%	**23.1**	10.8	19.7
Movement in Incurred Claims	%	**9.2**	18	4.8
AER (Average Expense Ratio)	%	**16.7**	16.5	16.1
Increase in GT	%	**9**	11	4.2
Average net PR per GT	$	**2.80**	2.57	2.69
Free Reserves per GT	$	**3.11**	2.76	2.76
Surplus / (Deficit)(Mil)	$	**72**	30	45

Underwriting

- The Club has produced its third underwriting surplus in four years, something few other Clubs have managed to achieve. The growth in net premium income has been helped by the acquisition of Nordic Marine, which contributed around US$20m to the gross premium income and was a further step in their diversification programme, underwriting Hull and Machinery, Delay, and Loss of Hire.
- The diversification plan seems to be progressing satisfactorily with US$120m or nearly 30% of the gross premium income coming from non-mutual businesses.
- The Club has been focusing on regionalising its services, with offices in Hong Kong, New York, Piraeus, Singapore, and more recently in Dubai, which was probably not the most auspicious timing, but thankfully all the staff are safe and well.
- The Club has announced a cooperation agreement with WIK Marine for them to act as the Club's exclusive representatives in South Korea. The Club has a long-term commitment in the area with interests and new business emanating from South Korea and over fifty years of experience dealing with the Vietnamese market.

$72m Surplus

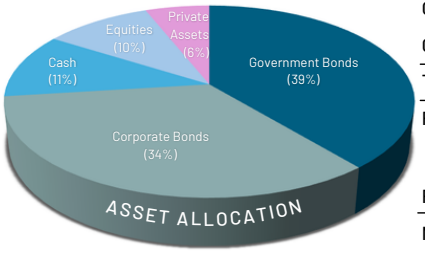
+23% Free Reserves

A- S&P Credit Rating

7.9% Investment Return

Investments

- All the asset classes contributed positively to the investment return of 7.9%, the best result since 2011, earning US$65m net of taxes. The Club retained a conservative asset allocation with 73% of the assets in government and corporate bonds and the remainder in cash, equities and private assets.
- The equities and the private assets were described as shares and variable yield transferable securities and units in unit trusts. The investment managers' performance was a great success in a sometimes volatile market and the additional income helped to push the free reserves up to a record US$377m.



Balance Sheet US$000's	2026	2025	2024
Investments	**906,081**	803,917	775,284
Cash	**76,499**	76,632	58,002
Debtors	**85,219**	68,184	67,527
Other Assets	**21,227**	11,831	13,751
Total Assets	**1,089,026**	960,564	914,564
Outstanding Claims	**602,691**	563,779	547,315
Creditors	**109,552**	90,703	90,926
Total Liabilities	**712,243**	654,482	638,241
Free Reserves	**376,783**	306,082	276,323

Revenue Statement US$000's	2026	2025	2024
Net Premiums	**338,622**	284,813	268,715
Net Claims Incurred	**253,314**	232,059	196,671
Management Costs	**78,643**	63,882	59,816
	331,957	295,941	256,487
Underwriting Surplus / (Deficit)	**6,665**	(11,128)	12,228
Investment Income / (Loss) Less Tax	**65,049**	41,411	33,203
Surplus / (Deficit)	**71,714**	30,283	45,431

Outlook

- After a dreadful start to the decade, with a combined ratio of 141% in 2021, it was pleasing to report that the Club has successfully turned the situation around and produced some of the most consistently positive underwriting performances in the IG, with three underwriting surpluses in four years and an increase of 60% in the free reserves in the last three years.
- The acquisition of Nordic Marine was a clear strategic move, not only to grow the business, but to continue to diversify into new areas and boost the non-mutual business, which now accounts for nearly 30% of the gross income.
- In the last five years the net premium income has grown by nearly 70%, with the incurred claims rising by just over 20%, reflecting the much more disciplined approach to the underwriting and the positive impact of all the new non-mutual businesses.
- The Club has clearly cracked the underwriting conundrum and was one of a few Clubs to report an underwriting surplus and the positive progress over the last few years has been recognised by S&P who have upgraded their credit rating from BBB+ to A-, with a stable outlook. West are clearly back in business.

NOTES



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