

# SHIPOWNERS

## 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**

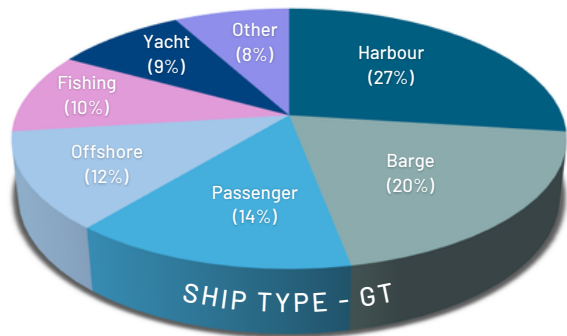
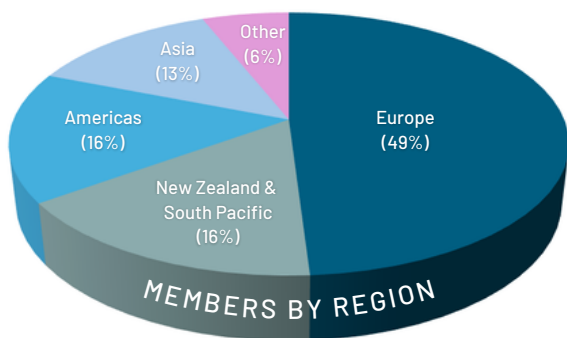
Surplus

**\$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
<b>Total Assets</b>		<b>1,129,100</b>	<b>1,024,101</b>	<b>975,365</b>
Outstanding Claims		469,854	448,507	436,962
Creditors		128,582	128,137	131,565
<b>Total Liabilities</b>		<b>598,436</b>	<b>576,644</b>	<b>568,527</b>
<b>Free Reserves</b>		<b>530,664</b>	<b>447,457</b>	<b>406,838</b>

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
		<b>269,766</b>	<b>263,699</b>	<b>248,419</b>
<b>Underwriting Surplus / (Deficit)</b>		<b>1,017</b>	<b>3,154</b>	<b>452</b>
<b>Investment Income / (Loss) Less Tax</b>		<b>82,190</b>	<b>37,465</b>	<b>69,017</b>
<b>Surplus / (Deficit)</b>		<b>83,207</b>	<b>40,619</b>	<b>69,469</b>

## 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.