

# SHIPOWNERS

## Overview

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

A

S&P  
Rating

+10%

Free  
Reserves

\$41M

Surplus

200%

Solvency

## Key Performance Indicators

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

## Underwriting

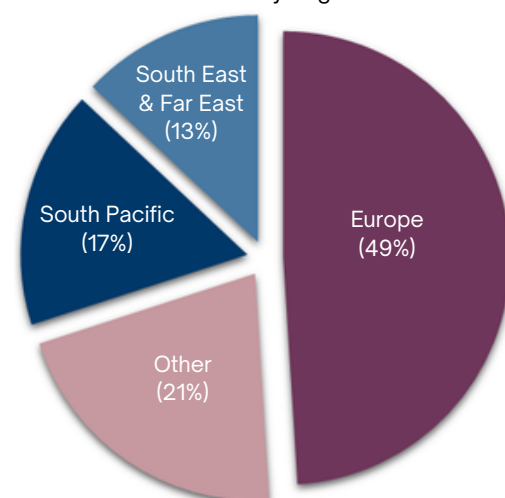
- There was a 5% General Increase at the 2024 renewal which helped lift the level of premium income. There were also gains in the Dry Cargo sector principally led by new tonnage from the Indonesian market, which was now the highest grossing country in premium income terms.
- There was also significant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

## Investments

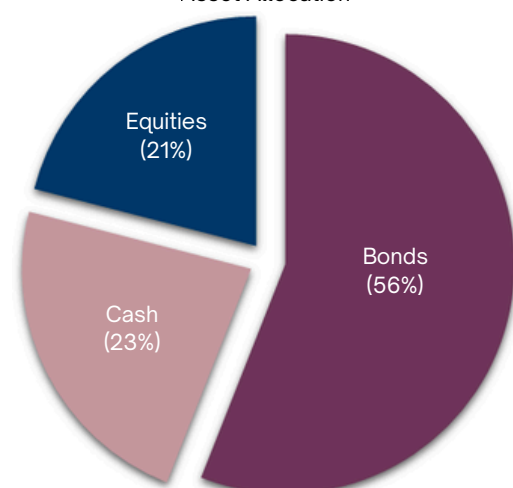
- The net investment income after tax was US\$ 37m, a return of approximately 5%. This is considerably less than last year (which was exceptional), but still never-the-less very satisfactory. The year started with a continuation of last year's optimism and was subsequently helped by expectations of lower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

Balance Sheet	US\$000's	2025	2024	2023
Investments		685,147	645,048	579,385
Cash		201,961	201,728	156,305
Debtors		92,977	85,008	84,241
Other Assets		44,016	43,581	42,927
<b>Total Assets</b>		<b>1,024,101</b>	<b>975,365</b>	<b>862,858</b>
Outstanding Claims		448,507	436,962	410,176
Creditors		128,137	131,565	115,313
<b>Total Liabilities</b>		<b>576,644</b>	<b>568,527</b>	<b>525,489</b>
<b>Free Reserves</b>		<b>447,457</b>	<b>406,838</b>	<b>337,369</b>
Revenue Statement	US\$000's	2025	2024	2023
Net Premiums		266,853	248,871	236,442
Net Claims Incurred		188,467	173,785	167,295
Management Costs		75,232	74,634	66,816
		263,699	248,419	234,111
<b>Underwriting Surplus / (Deficit)</b>		<b>3,154</b>	<b>452</b>	<b>2,331</b>
<b>Investment Income / (Loss) Less Tax</b>		<b>37,465</b>	<b>69,017</b>	<b>(61,398)</b>
<b>Surplus / (Deficit)</b>		<b>40,619</b>	<b>69,469</b>	<b>(59,067)</b>

Members By Region



Asset Allocation



## Outlook

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