



SHIPOWNERS

2024 Annual Report

Ensuring Peace
of Mind



CONTENTS

OVERVIEW

02

- 02 Introduction
- 03 2024 performance
- 06 Our Membership
- 07 Chair's report
- 10 Chief Executive's report
- 13 Our strategy

OPERATIONS REVIEW

14

- 16 Spotlight: P&I Online
- 18 Spotlight: Emergency claims
- 21 Spotlight: LCC offering

CORPORATE GOVERNANCE

22





- 23 Notice of Meeting
- 24 Committee responsibilities
- 25 Our Board of Directors
- 28 Our executive management team
- 30 Review of Board meetings

FINANCIAL REVIEW

31

- 32 Report of the Directors
- 34 Risk management
- 37 Report of the Réviseur d'Entreprises Agréé
- 40 Consolidated balance sheet
- 41 Consolidated income and expenditure account
- 42 Notes to the consolidated annual accounts
- 48 Additional information (unaudited)
- 49 Corporate information

FURTHER INFORMATION:

-  Read more online
-  Read more in this report
-  Watch our videos
-  Click an icon



The spotlight section features three cards, each with a background image and a spotlight header. The first card, 'P&I ONLINE', has a blue background with white wavy lines and a large white number '16'. The second card, 'EMERGENCY CLAIMS', has a background image of a ship's deck with a white megaphone and a red fire alarm bell, and a large white number '18'. The third card, 'LCC OFFERING', has a background image of a wooden gavel on a wooden block and a large white number '21'.

- SPOTLIGHT**
P&I ONLINE
16
- SPOTLIGHT**
EMERGENCY CLAIMS
18
- SPOTLIGHT**
LCC OFFERING
21

Welcome to our 2024 Annual Report

WHO WE ARE

We are a mutual insurance association offering Protection & Indemnity (P&I), Legal Costs Cover (LCC) and associated insurances to smaller and specialist vessel owners, operators and charterers around the world.

As a mutual association, the Club is owned and governed by its Members. Members share risk and we operate on a non profit-making basis. The Board of Directors is substantially drawn from the Membership. Underwriting, claims, loss prevention and crew welfare services are provided by the Managers of the Club on behalf of the Association.



[Read more online](#)
Who we are



2024 PERFORMANCE

It is fundamentally important that our Members know that we have the financial strength to pay their claims as and when they arise. It is also important that they know we are charging a fair price for the peace of mind that their insurance provides them. To assist with this the commentary on our 2024 performance contains key indicators of financial performance.

ONGOING UNDERWRITING AND CAPITAL STRENGTH

As a mutual, we seek to provide our Members with insurance 'at cost'. The key measure for this is the combined ratio and it is pleasing to report that our underwriting result was, once again, close to breakeven, with a 2024 combined ratio of 98.8%.

Our five year average combined ratio is 99% which demonstrates the important balance between the money we collect from our Members and the costs of providing insurance, the main one being the cost of our Members' claims.

In addition to the underwriting result the Club saw a strong investment return in 2024 and hence an overall increase in our capital and reserves, to US\$ 447.5m. Our capital strength, alongside our focused management of risk, resulted in Standard & Poor's reaffirming our credit rating of A (stable outlook).



Read more in this report
Financial Review



2024 PERFORMANCE CONTINUED

FINANCIAL HIGHLIGHTS



COMBINED RATIO

98.8%  2023: 98.4%



CAPITAL & FREE RESERVES (US\$)

447.5m  2023: 406.8m



EARNED PREMIUMS NET OF REINSURANCE (US\$)

266.9m  2023: 248.9m



INCOME AND EXPENDITURE (YEAR ENDED 31 DECEMBER 2024)

(US\$ millions)	2020	2021	2022	2023	2024
Earned premiums, net of reinsurance	207.2	223.2	236.4	248.9	266.9
Incurred claims, net of reinsurance	(154.0)	(161.2)	(167.3)	(173.8)	(188.5)
Operating expenses	(55.2)	(59.1)	(63.0)	(71.0)	(75.2)
Underwriting result	(2.0)	2.9	6.2	4.1	3.2
Investment result less tax/other	48.1	14.5	(65.3)	65.4	37.4
Change in free reserves	39.1	17.4	(59.1)	69.5	40.6
Combined ratio	101.0%	98.7%	97.4%	98.4%	98.8%

BALANCE SHEET (AS AT 31 DECEMBER 2024)

(US\$ millions)	2020	2021	2022	2023	2024
Investments at market value and cash	756.1	786.7	740.0	850.9	891.4
Other assets	110.8	112.0	122.8	124.3	132.7
Creditors	(36.1)	(34.3)	(33.9)	(45.4)	(38.2)
Net assets before reserves	830.8	864.4	829.0	939.8	985.9
Net technical provisions	(451.7)	(468.0)	(491.6)	(523.0)	(538.4)
Capital and free reserves	379.1	396.4	337.4	406.8	447.5

Throughout this report some figures are reported in \$ millions and hence small rounding differences can arise.

2024 PERFORMANCE CONTINUED

OPERATIONAL HIGHLIGHTS



OUR MEMBERSHIP

Our Members operate in a variety of specialist sectors across the globe, providing the Club with a spread of risk and relatively low exposure to individual catastrophe.

WHERE WE OPERATE

→ Click each region for a detailed breakdown



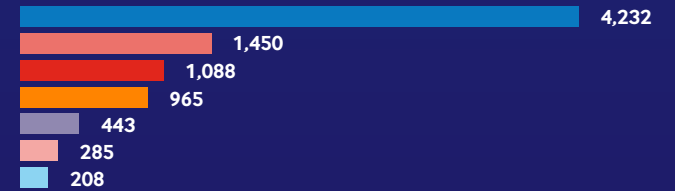
→ Click each icon for a detailed breakdown



TOTAL MEMBERS BY REGION

48.8%

of the Club's total Members are based in Europe



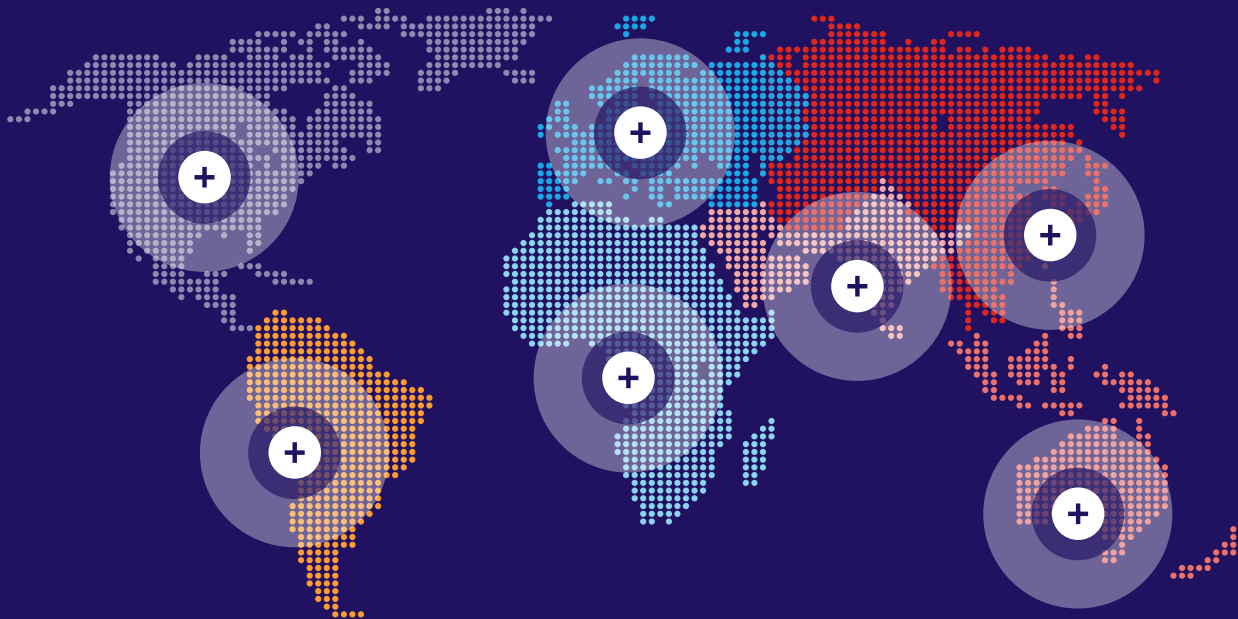
- Europe
- Australia, New Zealand & the South Pacific
- Southeast Asia & the Far East
- Central & South America
- North America
- Middle East & India
- Africa

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WHERE WE OPERATE

→ Click each region for a detailed breakdown



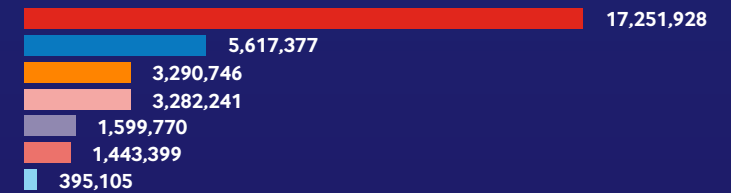
→ Click each icon for a detailed breakdown



TOTAL TONNAGE BY TRADING AREA

52.5%

of the Club's total GT is traded in Southeast Asia & the Far East



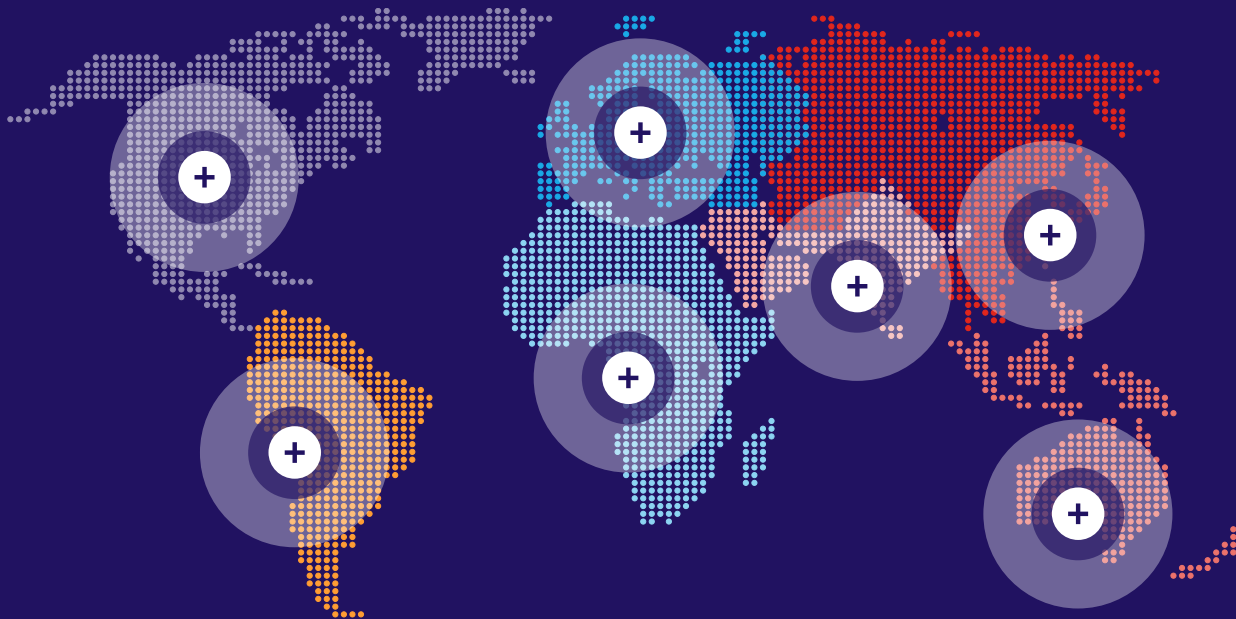
- Southeast Asia & the Far East
- Europe
- Central & South America
- Middle East & India
- North America
- Australia, New Zealand & the South Pacific
- Africa

OUR MEMBERSHIP

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WHERE WE OPERATE

→ Click each region for a detailed breakdown



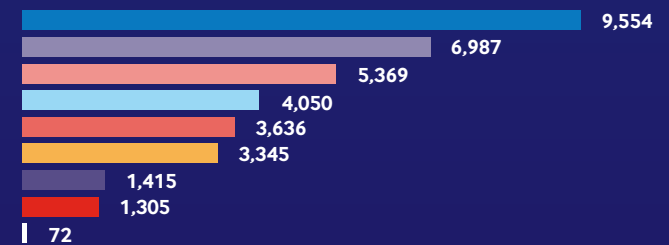
→ Click each icon for a detailed breakdown



TOTAL VESSELS BY SECTOR

26.7%

of the Club's total vessels are in the Harbour sector



- Harbour
- Barges
- Passenger
- Offshore
- Fishing
- Yachts
- Tankers
- Dry Cargo
- Autonomous

OUR MEMBERSHIP

Our Members are spread across various sectors across the globe, providing the Club with a special exposure to the global shipping market.

WHERE WE OPERATE

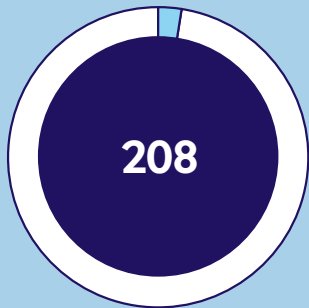
Click each region for a detailed breakdown.

AFRICA



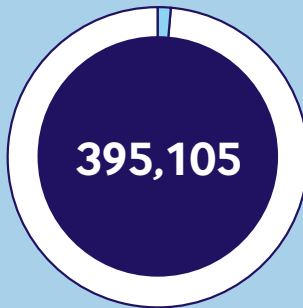
MEMBERS

2.4%



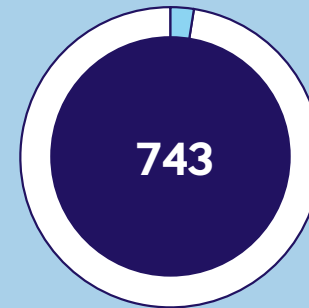
TONNAGE

1.2%

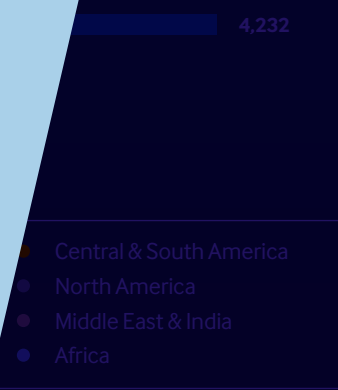


VESSELS

2.1%



These percentages and numbers represent the location's proportion of the Club's total Members, tonnage and vessels.



OUR MEMBERSHIP

Our Members are spread across various sectors across the globe, providing the Club with a special exposure

WHERE WE OPERATE

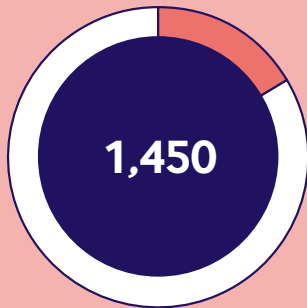
Click each region for a detailed view

AUSTRALIA, NEW ZEALAND & THE SOUTH PACIFIC



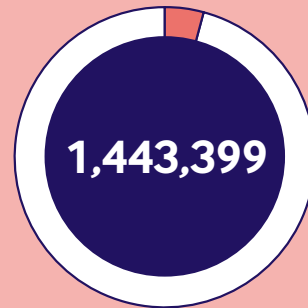
MEMBERS

16.7%



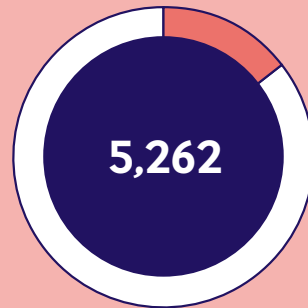
TONNAGE

4.4%

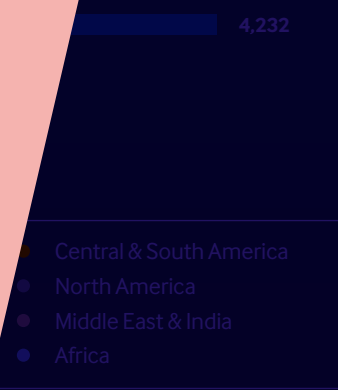


VESSELS

14.7%



These percentages and numbers represent the location's proportion of the Club's total Members, tonnage and vessels.



OUR MEMBERSHIP

Our Members are spread across various sectors across the globe, providing the Club with a special exposure

WHERE WE OPERATE

Click each region for a detailed view

CENTRAL & SOUTH AMERICA



MEMBERS

11.1%



TONNAGE

10.0%

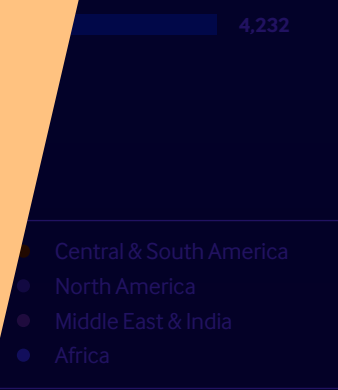


VESSELS

10.7%



These percentages and numbers represent the location's proportion of the Club's total Members, tonnage and vessels.

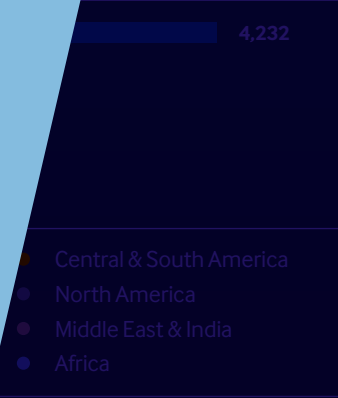
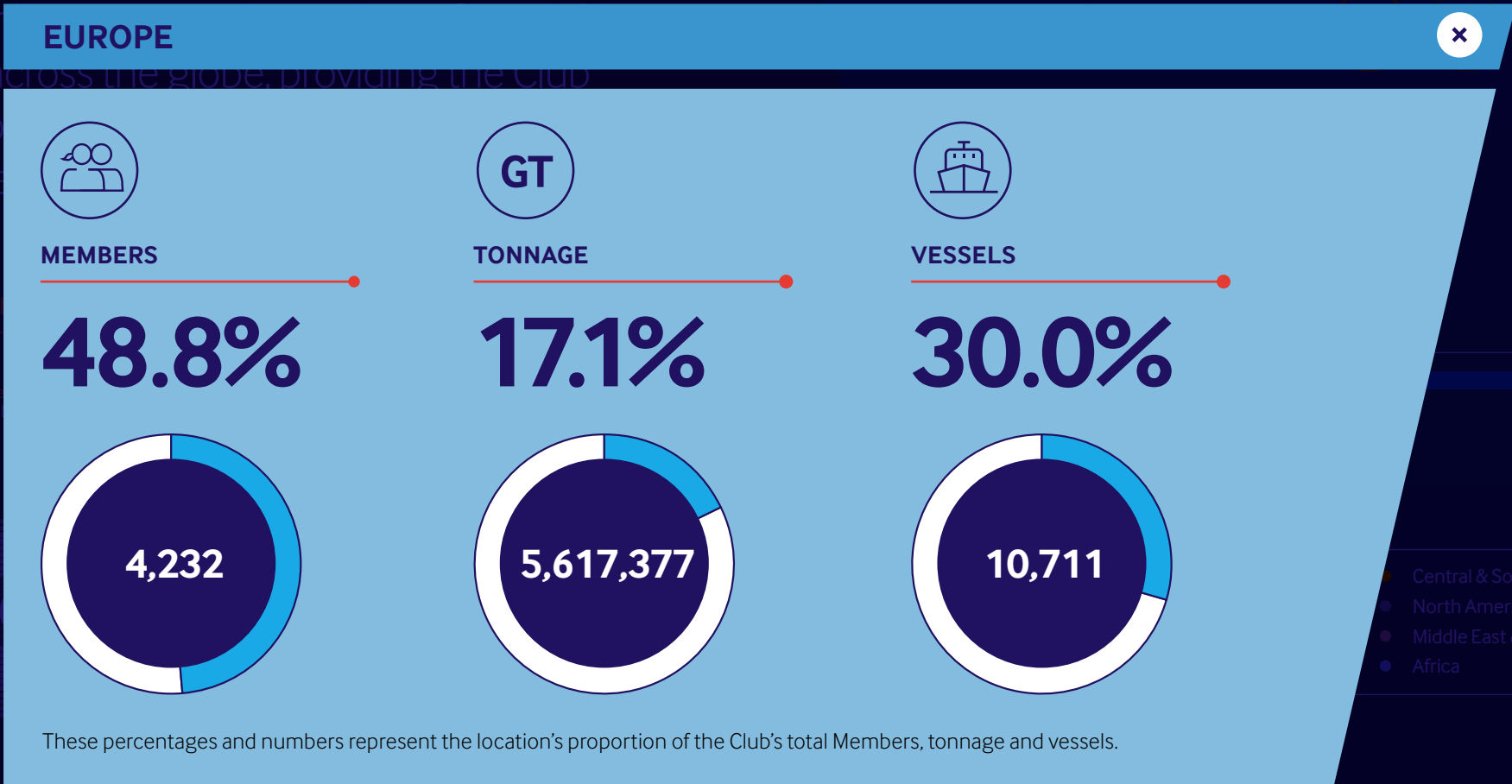


OUR MEMBERSHIP

Our Members are spread across various sectors across the globe, providing the Club with a special exposure to the global shipping industry.

WHERE WE OPERATE

Click each region for a detailed breakdown.



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WHERE WE OPERATE

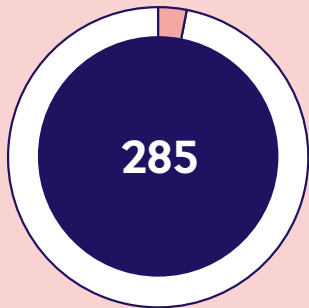
Click each region for a detailed breakdown

MIDDLE EAST & INDIA



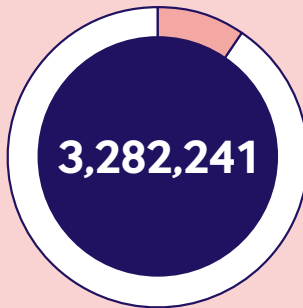
MEMBERS

3.3%



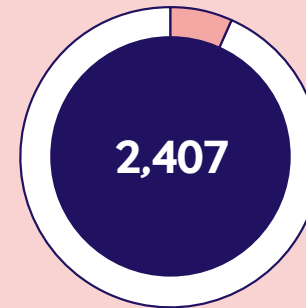
TONNAGE

10.0%

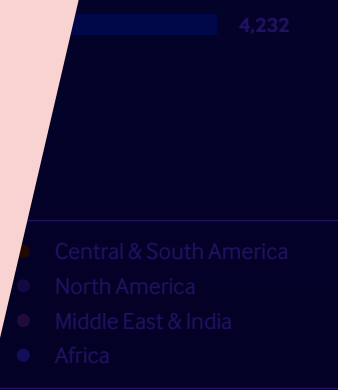


VESSELS

6.7%



These percentages and numbers represent the location's proportion of the Club's total Members, tonnage and vessels.



OUR MEMBERSHIP

Our Members are spread across various sectors across the globe, providing the Club with a special exposure

WHERE WE OPERATE

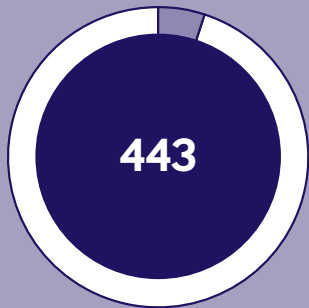
Click each region for a detailed breakdown

NORTH AMERICA



MEMBERS

5.1%



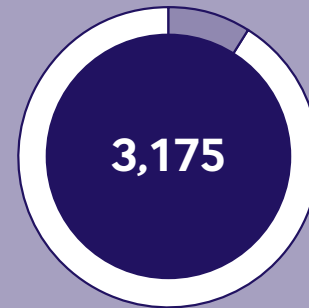
TONNAGE

4.9%

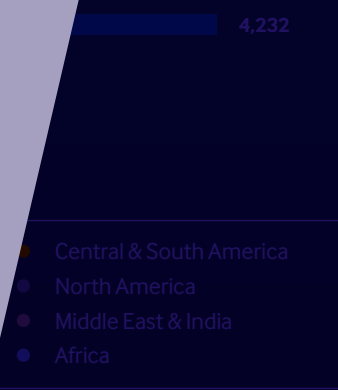


VESSELS

8.9%



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WHERE WE OPERATE

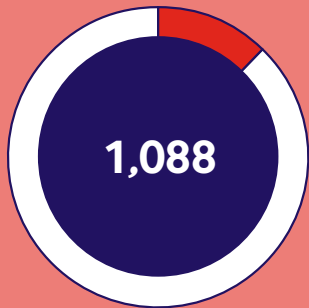
Click each region for a detailed breakdown.

SOUTH EAST ASIA & THE FAR EAST



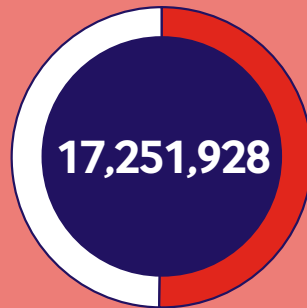
MEMBERS

12.5%



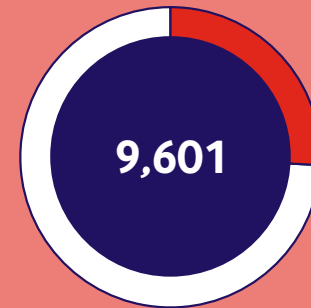
TONNAGE

52.5%

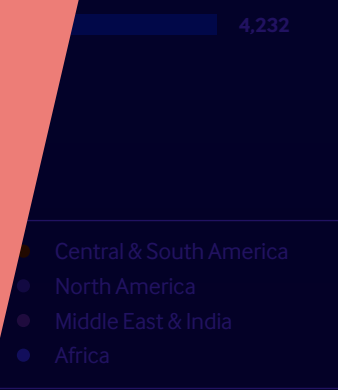


VESSELS

26.9%



These percentages and numbers represent the location's proportion of the Club's total Members, tonnage and vessels.



Chair's report

“The year 2024 was a good year at the Shipowners' Club. The Club is financially strong, with an excellent technical result, a positive overall surplus for the year, a strong balance sheet with good levels of free reserves and a significant investment portfolio which helps provide exceptional liquidity.”

DONALD A. MACLEOD KC
Chair

UNDERWRITING SURPLUS (US\$)

3.2m ↓

2023: 4.1m

MEMBERSHIP RETENTION

99.0% -

2023: 99.0%

COMBINED RATIO

98.8% ↑

2023: 98.4%



CHAIR'S REPORT CONTINUED

Success as a P&I Club is driven by many factors that must work in tandem to create an insurance product that is competitive, secure and sought after in the market because of price, dependability and service.



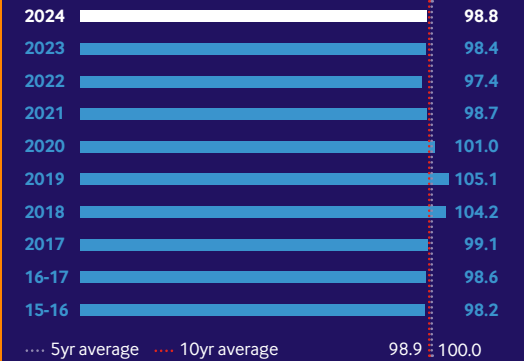
Some say size is important and this is true – the Shipowners' Club has the most Members and vessels of any International Group (IG) Club and importantly this gives great diversification by both sector and geography. At year-end, the Club had 8,671 Members with 35,733 vessels entered for Membership.

Some say growth is important, whether achieved by merger or by writing more business. Indeed, steady and measured growth with underwriting discipline can bring impressive results. This year, for the first time in Club history, the Club exceeded US\$ 300m in gross earned premium.

Some say the level of free reserves is important and this cannot be denied. Strong capitalisation gives our Members and many other stakeholders confidence that we stand ready to settle our claims and other liabilities when they fall due. This year, capital and free reserves stood at US\$ 447.5m, an improvement of US\$ 40.6m over last year-end and a record amount for the Club. That said, as a mutual we are always mindful that, ultimately, this is Members' money and as such the level of free reserves must be appropriate.

 [Read more online](#)
Renewal 2025-2026

COMBINED RATIO %



STRATEGIC GOALS

 CAPITAL ADEQUACY & RISK MANAGEMENT

10-YEAR AVERAGE

100.0%

The Club achieved a combined ratio of 98.8% in financial year 2024, in line with its mutual ethos of providing insurance at cost to its Members.

CHAIR'S REPORT CONTINUED

We at the Shipowners' Club believe consistency and predictability in service, payment of claims and appropriate pricing is what is most important to our Members; they know that the Club is committed to delivering "at cost" insurance with transparent and simple pricing. History shows that the Club provides P&I insurance with the lowest level of underwriting volatility and with the lowest level of cumulative General Increases among our IG peers. In short, our Members know that the Club only asks for what is needed to provide "at cost" insurance.

Furthermore, if and when General Increases are requested, these are inclusive of any increases to IG reinsurance costs which are not, therefore, added separately. This is unique among our peers.

Member retention was strong with 99% retention as of February 20, 2025. This retention level is even more impressive when it is understood that the Club does not impose release calls but instead seeks to retain its Members through providing stability, predictability and high levels of service.

Gross earned premium was at an all time high – US\$ 300.4m, increasing by US\$ 19.1m or 6.8% from last year. Our underwriting result for 2024 provided a small surplus of US\$ 3.2m, generating a combined ratio of 98.8%.

This follows a long-term trend at the Club. The average combined ratio over the past five years is 98.9% and the average combined ratio over the past 10 years is 100.0%.

The total surplus from underwriting and investments for the year was a healthy US\$ 40.6m. At the end of 2024, the Club's investment portfolio stood at US\$ 694.5m representing a US\$ 44.2m or 7% improvement over last year. The net assets of the Club at year-end were US\$ 447.5m, which represents a 10% increase over the previous year.

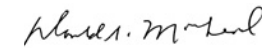
While there is evidence of a thirst for growth in our market, at the Shipowners' Club we are prepared to pass on business if it does not meet the Club's underwriting risk criteria rather than write it for the sake of revenue growth. We always focus on achieving the right risk-reward profile for the mutual benefit of all Members. In the past year alone, we declined in excess of US\$ 60m of potential new business because it did not meet the Club's underwriting criteria.

The Club continues to invest in technology to enhance the capabilities of the organisation. Considerable progress has been made in the utilisation of our P&I Online facility which streamlines the quoting, binding and documentation process of the Club.

2024 also saw the Club introduce its "one stop shop" strategy of coupling hull and machinery insurance with P&I. In typical Shipowners' style, we plan to start modestly and grow this capability in a measured way.

As we look back on the previous year, it is safe to say that our Members know where they stand based on experience and a proven track record. Growth at the Club will be measured and disciplined, insurance will be provided "at cost", financial stability will not be compromised, and all decisions will be made in the best interest of the Membership. This is the commitment of the Board and the Management of the Shipowners' Club today and for the future.

The year 2025 will mark the 170th anniversary of the Club. Very few organisations of any type are fortunate to be able to make such a statement. Think of the changes that have taken place in the world since 1855: but in many respects the Club continues to do what it did all those many years ago – provide support and predictability to its Members.



DONALD A. MACLEOD KC
Chair



Chief Executive's report

“I am proud to work in this industry and I am also proud to work with, and for, an organisation that is a mutual – one that puts its Members at the heart of everything it does. This focus helps guide our strategy and gives us clarity of thought. That strategy has, once again, helped to deliver a most successful year for the Club.”

SIMON PEACOCK
Chief Executive

CAPITAL & FREE RESERVES (US\$)

447.5m 

2023: 406.8m

EARNED PREMIUMS NET OF REINSURANCE (US\$)

266.9m 

2023: 248.9m



Read more in this report

Combined ratio & underwriting surplus

CHIEF EXECUTIVE'S REPORT CONTINUED

One does not need to look far in today's world to find evidence of conflict, of antagonism and, as a result, volatility. It is of great concern that human potential can be so mis-directed, with some people seeming to delight in the pain and suffering they cause others.



I am proud to say that, at the Shipowners' Club, we operate in an industry which seeks to do the opposite of this. For centuries, the insurance industry has sought to give certainty, predictability, comfort and security to the world at large. Not only to the people and companies they insure but also to those who might be impacted by those people and companies.

It is for this reason that the Shipowners' Club operates under our guiding principle of Ensuring Peace of Mind.

I am proud to work in this industry and I am also proud to work with, and for, an organisation that is a mutual – one that puts its Members at the heart of everything it does. This focus helps guide our strategy and gives us clarity of thought. That strategy has, once again, helped to deliver a most successful year for the Club.

Our Chair has shared the financial highlights of the Club's past year within his statement. The success that he has reflected on was in part due to macroeconomic factors but was largely a result of the Club delivering, once again, against its seven strategic goals. We can only meet these goals because we are supported by a wide range of people.

Our Members, their brokers, and our Delegated Underwriting Authority partners are fundamentally important to our success. They place great trust in us to provide the security they need, knowing that we stand ready, willing and able to support them when incidents and accidents occur. We will always seek to give our Members great service, for a fair price.



When I have had the pleasure to visit our business partners in any of our office locations, or further afield, I have been genuinely delighted by the warmth that people show towards the Shipowners' Club.



SIMON PEACOCK
Chief Executive

Our reinsurers play a hugely important part in how we manage our risks and navigate the volatility that can arise in our business. We are indebted to them for their support and we thank all the team at Gallagher Re that work with the Club for helping to create a panel of reinsurers, led by Swiss Re, Axis and Convex, whom we are proud to work alongside.

Our global network of correspondents, lawyers and surveyors remain on hand to provide assistance whenever and wherever an incident arises. They are supported by many other professionals who ensure that we help our Members manage and mitigate the liabilities that they can be faced with.



Read more in this report
Our Strategic Goals

CHIEF EXECUTIVE'S REPORT CONTINUED

One group of those “many other professionals” that I refer to is, of course, my colleagues. Whether they are in our head office in Luxembourg or in London, Greece, Singapore, or Hong Kong, I can confidently say that they will be working to do the best for our Members.

Over the course of the past year we have celebrated the 5-year anniversary of our Greek office, the 10-year anniversary of our Hong Kong office and the 15-year anniversary of our Singapore office. When I have had the pleasure to visit our business partners in any of our office locations, or further afield, I have been genuinely delighted by the warmth that people show towards the Shipowners' Club and the readiness with which they are willing to give compliments to my colleagues.

Such compliments are hard earned, are very welcome and will never be taken for granted. They are received as the result of our underwriting approach, or due to our fair and transparent pricing, or because of our supportive and expert claims service, or due to the Member guidance or support which helps to reduce the chance of a loss occurring or the chance of one of their seafarers becoming ill onboard. Compliments are forthcoming due to the new systems we are introducing which help to keep us at the forefront of technological innovation in our industry. Such compliments can come simply because we take that extra step when someone needs us – when they are under pressure and we help to alleviate that pressure.

I know I speak for all my colleagues when I say we remain committed to earning the trust placed in us and which is reflected in those compliments.

At the time of writing this report some governments and some institutions are changing their approach when it comes to matters of Environmental, Social and Governance (ESG). At the Shipowners' Club we will not change our emphasis; we will continue to seek to be a responsible insurer regardless of whether there is a piece of legislation (or similar) that demands it.

For example, some of the most high-profile incidents that we are faced with often involve environmental damage and such damage can affect the livelihoods of communities in the locale. Such incidents can lead to significant liabilities for our Members. We will be there to support our Members and to support the clean-up in order to minimise the damage caused and the impact thereof.

This desire to act responsibly, to do the right thing, brings me back to where I started. Despite the turbulence we see every day, despite that conflict and that antagonism, in our own small way the Shipowners' Club will continue to do what we have done for the past 170 years, since we started our journey in 1855.

We will continue to do what's right for our Members. We will continue to do what's right for the communities that we and our Members operate in. We will continue to seek to Ensure Peace of Mind.



SIMON PEACOCK
Chief Executive

 **Read more in this report**
Our Executive Management team



OUR STRATEGY

OUR STRATEGIC GOALS

We have developed our strategic goals by assessing our competitive position, risk appetite, regulatory environment, capital strength and ORSA (Own Risk and Solvency Assessment).

Delivering on these strategic goals and our 'key guiding principles' enables us to be the number one market leader in the smaller and specialist vessel sector.

→ Click each Strategic Goal for more information



-  **STEADY GROWTH**

-  **CAPITAL ADEQUACY & RISK MANAGEMENT**

-  **RETAINED BUSINESS**

-  **OPERATIONAL EFFICIENCY**

-  **BRAND RECOGNITION**

-  **DEVELOPED STAFF & COLLABORATION**

-  **STAKEHOLDER PEACE OF MIND**

STANDARD & POOR'S RATING

A (stable) 

The Club's current 'A' (Stable outlook) rating from Standard & Poor's underlines our financial strength and our risk management. As a mutual organisation, this strength allows the Club to write business 'at cost', and to continue to provide a market-leading P&I insurance service.

OUR STRATEGY

OUR STRATEGIC GOALS

We have developed our strategic goals by assessing our competitive position, risk appetite, regulatory environment, capital strength and ORSA (Own Risk and Solvency Assessment).

Delivering on these strategic goals and our 'key guiding principles' enables us to be the number one market leader in the smaller and specialist vessel sector.

→ Click each Strategic Goal for more information



STEADY GROWTH

Over the long-term, to maintain steady growth in premium without ever sacrificing our underwriting disciplines – business is proudly written for the mutual benefit of the Club.

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CAPITAL ADEQUACY & RISK MANAGEMENT

To maintain a strong Balance Sheet to support independence including an A credit rating and capital adequacy in excess of the 99.95%/99.99% threshold and to satisfy compliance, IT security and regulatory requirements.

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RETAINED BUSINESS

Priority will be placed on business retention and nurturing our key broker relationships.

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OPERATIONAL EFFICIENCY

Achieve more with what we have – improve service and increase growth with the same resources.

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BRAND RECOGNITION

Members, brokers, employees and markets to recognise the Club's brand and understand its brand differentiators.

OUR STRATEGY

OUR STRATEGIC GOALS

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→ Click each Strategic Goal for more information



DEVELOPED STAFF & COLLABORATION

Recruit, train and retain colleagues who are technically outstanding, imaginative and committed to offering the highest service levels with a joined-up approach between branches and departments.

STANDARD & POOR'S RATING

A (stable) ★

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STAKEHOLDER PEACE OF MIND

Members and their brokers to have access to our team of specialist, expert and proactive claims, loss prevention and crew welfare services, who are there to provide a tailored and timely response, delivered with fairness and integrity.

Operations review

“Premium income across all sectors of the Club’s Membership grew by a further US\$ 19.1m. This was largely driven by organic and inorganic growth in vessels and total entered tonnage, but was also partly attributable to the application of a 5% General Increase on Member premiums.”

IAN EDWARDS
Director – Underwriting



OPERATIONS REVIEW

Following the excellent growth reported last year for 2023, it is pleasing to report that this positive trend continued through 2024.

Premium income across all sectors of the Club's Membership grew by a further US\$ 19.1m. This was largely driven by organic and inorganic growth in vessels and total entered tonnage, but was also partly attributable to the application of a 5% General Increase on Member premiums.

In terms of tonnage, the Club saw the dry cargo sector grow to the greatest extent, primarily due to the investment in new tonnage in Indonesia. Indonesia now represents the Club's highest grossing country in premium income terms. In recognition of the importance of this geographic area, the Club was pleased to host its March 2024 Board meeting in Jakarta where the Club was delighted to meet so many business partners from that region. Tonnage growth was also significant in the barge, offshore and tanker sectors.

The only sector where there was a reduction in tonnage was in the fishing vessel portfolio. Having reviewed the underwriting performance of certain Far East domiciled vessels, the Club concluded that the risk profile was not meeting the required standards to maintain entry.

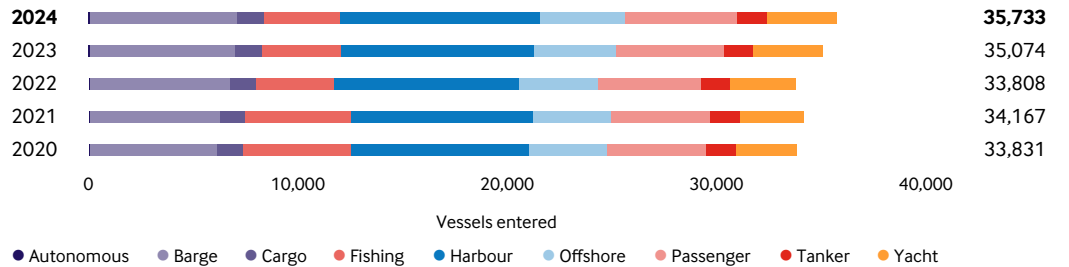
Consequently, the Club declined to renew Members in this area but remains committed to the fishing sector more broadly with over 3,600 fishing vessels still entered with the Club.

The Club continues to support Members with claims across the fishing community globally. One particularly challenging aspect of fishing vessel claims relates to damage to cables. However, in 2024 the Club had considerable success in the Netherlands, where the courts recognised the rights of fishermen to fish in proximity to subsea cables and the obligations on cable companies to adequately bury the same.

Fishing vessel operations are unique and present their own set of challenges and hazards to the crew working on these vessels. The Club has experienced a high volume of crew injury claims on fishing vessels. The Loss Prevention department has produced several pieces of guidance including the [Fishing Vessel Safety Booklet](#) and a [risk assessment](#) that highlights key steps to mitigate the associated risks and promote a safer working environment.

TOTAL ENTERED VESSELS

(as at 31 December 2024)



SPOTLIGHT: P&I ONLINE

STRATEGIC GOALS



STEADY
GROWTH



RETAINED
BUSINESS



OPERATIONAL
EFFICIENCY



BRAND
RECOGNITION

P&I Online represents one of the most visible innovations that the Club has developed with its brokers and Members in mind, in line with the Club's vision and strategic goals.

Initially, the P&I Online portal allowed brokers to view their loss ratio records and download documentation quickly and efficiently. Continued innovation since 2022 has resulted in over US\$ 26m of business being bound, and all the related documentation produced, by the end of 2024. Month-by-month bound premium grew significantly at the start of 2025 and so the Club is very encouraged by the continued growth in the take-up of this new capability.

As the Club looks to the future, it will continue to develop the portal and introduce new functionality by liaising closely with brokers to offer them new services that are valuable to them. The Club is excited to have started work on its mobile app for portal access which will make it even easier for brokers to quote, bind, and share documents seamlessly, wherever and whenever.

As always, the Club looks to innovate whilst ensuring that nothing takes away from the personal service or strong market relationships the Club is known for. Any new initiatives will always act as a supplement to the human interactions that are so key, never as a replacement for them.

The Club's P&I Online portal has substantially grown in usage and at the start of 2025 reports:

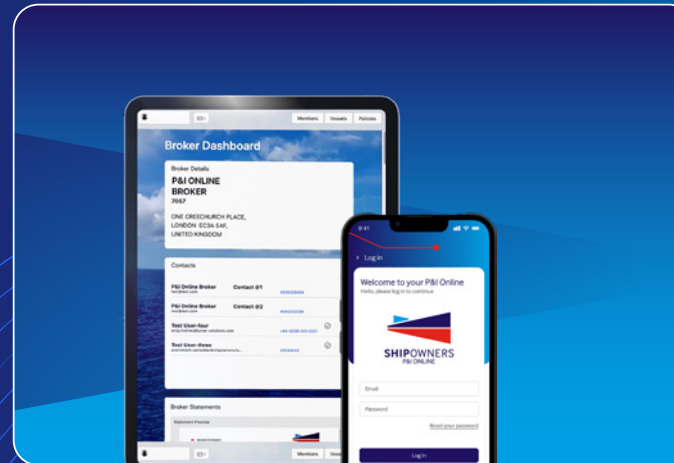
591
Broker accounts

2,088
Broker contacts

US\$ 26.5m
Gross premium transacted through the portal (US\$)

2,670
Quotes bound through the portal

15,000
Documents downloaded from the portal



Read more online
P&I Online

OPERATIONS REVIEW CONTINUED

Overall vessel numbers entered with the Club also increased but more modestly compared to the prior year. The yacht sector, which has seen very significant year-on-year growth, saw a relatively limited number of new vessels added. This is in part the result of the Club having tightened its underwriting criteria for privately registered yachts where manning regulations are limited. The Club now requires each privately registered yacht to have a suitably qualified master, as would be required on a commercially registered yacht. Additionally, the Club has observed that the number of new vessels being built and delivered is likely to outstrip the availability of crew with the appropriate experience and qualifications and the number of safe berths in the event of extreme weather events. Similar to the fishing vessel sector, the Club remains committed to providing an insurance solution for these vessels but will be selective in doing so.

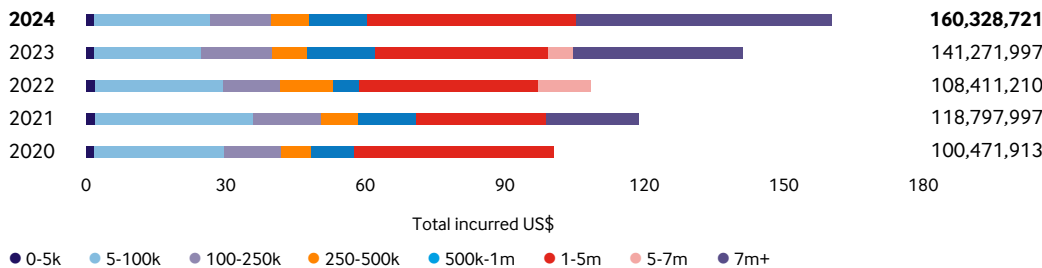
It is also pleasing to report continued adoption of the Club's online functionality, P&I Online. Brokers are increasingly using the bind functionality to confirm renewals and to generate the required Member documentation. Work continues to develop this functionality and the Club expects to launch a mobile app in 2025 to further enhance the ease of use. This functionality also forms a key part of the Club's previously announced strategy to offer Hull & Machinery (H&M) cover to UK domiciled Members, commencing in 2025, following the acquisition of the Waterborne Underwriting Agency in November 2024.

As previously announced, this fits with the Club's ambition of offering a one stop shop solution of H&M and P&I cover on smaller, lower value vessels, initially in the UK and Ireland.



TOTAL INCURRED VALUE OF CLAIMS

(year ended 31 December 2024)



SPOTLIGHT: EMERGENCY CLAIMS

STRATEGIC GOALS



BRAND
RECOGNITION



STAKEHOLDER
PEACE OF MIND

The claims response service is available 24 hours a day, 7 days a week and provides immediate global assistance to all of the Club's Members.

- Calling the emergency contact number provides a quick and effective way to speak directly to a duty Shipowners' claims handler in the event of an incident or casualty involving an entered vessel.
- During office hours the emergency number will redirect to the relevant corresponding office switchboard.
- Alternatively, Members can request assistance from the Club's network of correspondents located around the world.

277

emergency calls received
and dealt with from the
Club's Membership in 2024.

CLAIMS

The Shipowners' Claims team provides high quality, 24/7 global assistance. The Club's expert claims handlers are dedicated to offering tailored and practical solutions underpinned by fairness and integrity, always striving to ensure that Members' needs are met when required most. Every claim is handled with mutuality at the forefront of the claims handler's mind. Whilst the Club's approach is claims friendly in relation to its Membership, the Club maintains a robust approach to ensure the best outcome for Members.

Claims frequency has remained stable over time, and 2024 is no exception with a modest 5% increase recorded in overall claims frequency compared to 2023. However, the overall quantum of incurred claims remains subject to volatility due to a small number of fortuitous claims falling into higher quantum brackets. Last year, the Club reported that 2023 had the highest incurred claims when compared to the previous five years.

In 2024, the Club saw the continuation of increasing claims quantum, with a further 13.5% increase in claims quantum. As in 2023 and prior years, attritional claims have remained stable with volatility confined to a very small number (four) of high quantum claims which individually have an incurred value more than US\$ 7m.

Analysis of these claims has not identified commonality in terms of vessel type, jurisdiction or external factors such as a weather event. This fortuity is highlighted

by four directly contrasting claims falling within this quantum bracket. At the very start of the year, one of the Club's Member's passenger cruise vessels hit the Pont de Sully bridge in Paris, causing significant damage to supporting beams and resulting in road closures as well as disruption to water traffic. This claim was complicated somewhat by the impending Olympic ceremony, which featured the bridge.

Mid-year, another Member's offshore vessel contacted an underwater reef near Zhoushan, China before sinking. This resulted in wreck removal and pollution mitigation measures. At the end of the year, a Member's research vessel grounded in Samoan waters with resulting pollution liabilities. Whilst these claims highlight the fortuitous nature of the Club's claims experience, they serve to highlight that the human factor continues to be a dominant cause of claims.



Read more online
Emergency Claims

OPERATIONS REVIEW CONTINUED

2024 FOCUSED CAMPAIGN

Enhancing maritime safety and security remains at the core of the Club's loss prevention (LP) service. This year, the department proudly supported the International Maritime Organisation's (IMO) 2024 world maritime theme of 'Navigating the future: safety first!'

This was achieved by aligning a wide array of initiatives, appropriate to the Club's specialist tonnage, to topics such as operational safety in adverse weather conditions, basics of navigation, vessel maintenance, towage operations and piracy at sea.

The Club's Condition Survey Programme (CSP) remains an essential core service, helping to ensure that vessels entered into the Club are considered to be at the same 'mutual' standard, by way of both physical condition and from an operational standpoint.

The CSP has been used by the Club for over two decades and serves to give comfort that vessels entered with the Club are in a condition that is of mutual benefit to all Members. During 2024, 461 surveys were undertaken compared to 491 in 2023 and 398 in 2022. This accumulates to 1,350 surveys being carried out over the last three years. With the resulting survey outputs to hand, the LP team can ensure that related initiatives are based on pertinent data such as risks relating to vessel type, operational area and the top defects seen across all surveys, as follows:

Defect/item (as surveyed in 2024)

- 1 Are there appropriate notices to warn the crew of the hazards associated with mooring operations including the entire mooring deck area being a snap back zone?
- 2 Are the machinery space bilges clean and free of oil, waste and sediments?
- 3 Are engine compartments including bilges, clean, tidy and free from combustible materials?
- 4 Are save-alls (drips trays) around cargo/bunker connections and air/vent pipes adequate and in good condition?
- 5 Are air pipes, sounding pipes and filling pipes in good condition?
- 6 Is the Ultrasonic Thickness (UT) Gauging report available on board, reviewed by the attending surveyor and found in order?
- 7 Are the weather tight doors and access hatches on weather decks in good condition?
- 8 Are all door sills marked with high visibility paint or otherwise clearly defined?
- 9 Are decks nonslip in relevant areas?
- 10 Are mooring bollards in satisfactory condition?

The CSP also gives insight into how the Club's Membership is adopting measures to address industry concerns such as cyber risks. The following was observed from the 2024 survey results¹ where cyber security measures were a requirement:

95%

of 200 vessels used passwords to protect access to computers Wi-Fi and networks.

93%

of 228 vessels had up to date anti-virus software installed.

92%

of 185 vessels had cyber security procedures in place.

91%

of 197 vessels had measures in place to prevent the transfer of viruses using external media.

96%

of 206 vessels monitored the usage of computers on board.

¹ Where cyber security measures were a requirement, but were not found to be in place, defects were proactively raised to enable rectification.



OPERATIONS REVIEW CONTINUED

LOSS PREVENTION

The LP department consists of ten team members across two branches (London and Singapore), eight of whom are ex-seafarers. The team's purpose is to support Members, colleagues and wider stakeholders with risk mitigation services, with the aim of reducing the possibility of incidents that may result in a claim. With a wide range of experience on different vessel types and an in-depth understanding of P&I, the LP team provides expert insight across the Club and beyond.

An important element of LP's work is its collaboration with industry experts, organisations and committees to develop new initiatives and guidance to benefit Members, their seafarers, and the wider maritime industry. In addition, participation in these forums enables the LP team to represent Members' interests and address areas that may impact the Membership.

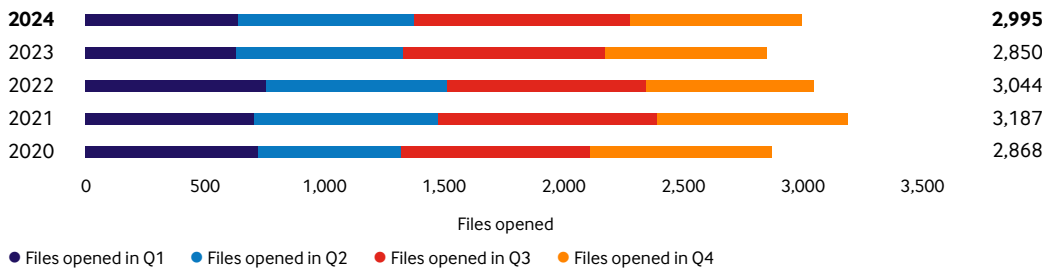
DECARBONISATION

To assist Members with their efforts towards building a cleaner and greener shipping industry, and navigating through the various industry regulations and measures being implemented, the Club continues to build a [repository of information](#) from both a technical and legal perspective. As the industry works towards a carbon net-zero landscape, it is the seafarer that must manage and implement the changes at the operational level. Ensuring that seafarers have the necessary training to meet the challenges of the zero-carbon transition is a subject of extensive debate. However, comparatively, there has been little focus on the impact that the rapid pace of change is having on seafarers' wellbeing, workload and job satisfaction. With this in mind, in 2024, the Club worked with [ISWAN](#) to ask seafarers and others working in the maritime sector about how the [decarbonisation transformation is affecting their work and wellbeing](#).

The survey received 400 responses from seafarers of 29 nationalities, as well as 55 responses from shore-based staff. The findings indicate that there is significant support for the principles of

FILES OPENED

(as at 31 December 2024)



SURVEY RESULTS

53.8%

of seafarers reported a negative impact on their workload.

44%

of seafarers reported a negative impact on their stress levels.

32.8%

of seafarers reported an increase in their fear of criminalisation.

53.4%

of seafarers felt that improving technologies, systems and processes was a key step that ship owners could take to support their wellbeing through the transition to greener shipping.

37.7%

of seafarers emphasised the importance of a "no blame" culture in supporting seafarers' wellbeing through the zero-carbon transition.

46.9%

of seafarers felt increased workload and fatigue will be a key challenge in achieving decarbonisation goals in the coming five years.



decarbonisation among seafarers and shore-based staff. In practice, however, the challenges of the journey to zero carbon are negatively impacting the wellbeing of many working in the maritime sector, as the following high level statistics show (opposite).

Based on feedback from survey responses, the report sets out several steps that maritime companies should take to reduce the potential for the changes brought about by decarbonisation to negatively impact wellbeing. The Club continues to work with ISWAN with the aim of supporting the maritime sector by turning the survey findings into practical actions. This includes the development of a new guide for maritime employers and seafarers on addressing the impact of 'technostress', which will be published in 2025.

SANCTIONS

In 2024, Western sanctions on Russia's maritime activities intensified, with the EU, US and UK targeting, for example, the shadow fleet. The UK imposed sanctions on tankers identified as part of this fleet, aiming to curtail their role in circumventing restrictions. Similarly, the EU and the US contributed to these efforts, leveraging their vast sanctions regimes to pressure entities facilitating these exports.

In 2024, one of the most notable measures in this regard was the intensification of requirements under the Russian oil price cap policy introduced to restrict Russia's oil revenues whilst seeking to maintain stability in the international oil market.

[Read more online](#)
Sanctions

SPOTLIGHT: LCC OFFERING

STRATEGIC GOALS



RETAINED BUSINESS



STAKEHOLDER PEACE OF MIND

As well as offering financial support, the Club's LCC team can provide English and Singaporean law advice, as part of a Member's cover. The LCC team regularly advise on:

- Contractual disputes (such as charterparty, bills of lading, memorandums of agreement, new build contracts, ship management agreements etc);
- Disputes with suppliers over the quality or quantity of bunkers;
- Ship repair disputes;
- Disputes with marine insurers;
- Disputes with agents, stevedores, customs or other local authorities;
- Legal representation of Members at official investigations, inquests or other enquiries;
- Other topical issues (e.g. legislation surrounding the decarbonisation of the shipping sector).



Read more online
LCC

The International Group of P&I Clubs (the IG), who collectively provide liability insurance to around 90% of the world's ocean-going tonnage, plays a role in enforcing sanctions by withdrawing coverage for vessels involved in non-compliant activities.

The sanctions compliance landscape will remain complex into 2025. Robust due diligence is crucial for risk mitigation. Members should screen partners, customers, cargoes and transactions to identify risks and they must stay updated on regulations, as violations may result in severe consequences. The Club offers value-added services, including guidance on insurance cover. Whilst not a substitute for due diligence, the Club's team of sanctions experts provide resources and an up-to-date list of sanctions developments on the [Club's website](#).

LEGAL COSTS COVER

Shipping disputes are often complex, partly due to their cross-border nature, requiring a deep appreciation of the technical, legal and practical

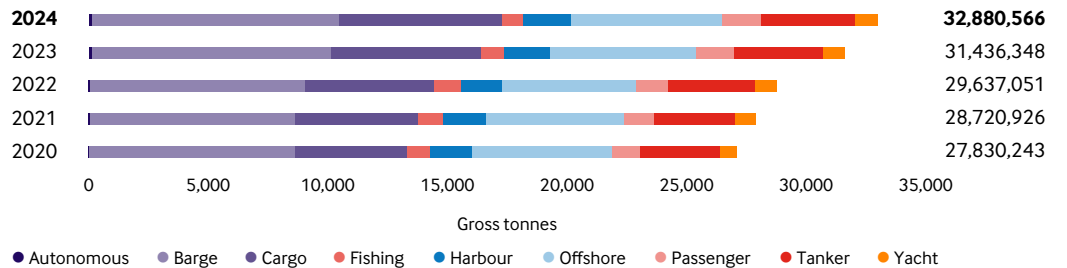
considerations. Members can face lengthy, costly legal proceedings, with even small disputes having the potential to escalate quickly without timely and knowledgeable legal intervention.

The Club can support Members through disputes via its optional LCC offering. LCC insures Members for costs incurred in pursuing or resisting claims which arise out of their business operations relating to an entered vessel. From the start of a dispute and until its final resolution, LCC provides access to the Club's expert team of legally qualified claims handlers.

In addition to the Club's comprehensive LCC offering, the Club recently introduced an additional benefit to its Membership, under which Members are entitled to initial legal advice free of charge, ensuring fast access to specialist assistance on covered and non-covered claims, disputes or proceedings as well as non-contentious shipping work. This benefit is applicable to all Members having an entry or entries with the Club, as owners or charterers.

TOTAL ENTERED TONNAGE

(year ended 31 December 2024)



Corporate governance

The Shipowners' Club Board is drawn largely from a cross-section of the Club's Membership in terms of vessel sector and geography. The Club's executive management team is comprised of nine industry professionals with global coverage, each of whom offer a variety of skills and experience which enhance the growth and development of the Club's business.



CORPORATE GOVERNANCE

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Members of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) will be held at Hotel Hilton, Weena 10, 3012 CM Rotterdam, Netherlands, on Thursday 22 May 2025, at 09:00 hours for the following purposes:

- To approve the Report of the Directors and the Annual Accounts for the year ended 31 December 2024, and the Report of the Auditor (*Réviseur d'entreprises agréé*) thereon.
- To elect Directors.
- To undertake the appointment of the statutory auditor (*Réviseur d'entreprises agréé*) for the financial year ending 31 December 2025.
- To review the level of Directors' Fees.
- To transact any other ordinary business of the Association.

By Order of the Board

P HERRMANN
General Manager

16, Rue Notre-Dame
L-2240 Luxembourg

6 May 2025

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of him/her. A proxy need not be a Member of the Association. The proxy must be in the form published on our website and signed by the appointing member or its legal representative(s). Members are encouraged to utilise their proxy voting form.



BOARD MEETINGS

The Club's Board meets four times a year, aligning with the quarterly and year-end financial reporting periods. Prior to each Board meeting, the Finance Committee convenes to review financial matters and subsequently reports its findings to the Board. Additional sub-committees meet throughout the year as necessary.

At each Board meeting, the Club's Managers present a comprehensive review of business operations, covering key areas such as underwriting performance, financial outlook, reinsurance arrangements, and claims developments. In relation to claims activity, the Managers provide updates on claims trends, existing and new claims, and any claims requiring Board consideration, including details of significant claims. The Board also receives briefings on new pool claims submitted by other clubs.

Read more in this report
2024 Board meetings

CORPORATE GOVERNANCE CONTINUED

OUR BOARD



The Shipowners' Club Board is drawn largely from a cross-section of the Club's Membership in terms of vessel sector and geography.

COMMITTEE RESPONSIBILITIES

THE BOARD

DONALD A. MACLEOD KC
(CHAIR)

- Determining strategic objectives, acceptable level of risk and key policies.
- Effective discharge of its obligations and meeting at least once a quarter in order to monitor the development of the Club's activities.
- Delegation to the Club Managers, The Shipowners' Protection Limited, a wholly owned subsidiary of the Club, of operational management of the Club while maintaining ultimate oversight of, and responsibility for the management.
- Providing oversight through scrutiny at every quarterly meeting of the Club's business operation on the basis of reports prepared by the Managers.
- Engaging in constructive and critical discussion of the strategy and key policies put forward by the Managers and contributing to their development.

AUDIT AND RISK COMMITTEE

KATHY MEADS
(CHAIR)

- Monitoring the integrity of the financial reporting process and the financial statements and any formal announcements relating to financial performance.
- Reporting to the Board on the statutory audit outcome and its contribution to the integrity of financial reporting.
- Reviewing the Club's significant accounting policies and any changes to them.
- Making recommendations to the Board and its subsidiaries as to the terms of engagement, including the remuneration, of the external auditors.
- Reviewing the external auditors' independence and objectivity, including with respect to any non-audit services.
- Reviewing with the external auditors the findings of their work.
- Reviewing the effectiveness of the corporate governance framework and other operational matters required under Solvency II.
- Reviewing the effectiveness of the internal control and risk management systems.
- Maintaining oversight of the Club's risk and regulatory compliance processes and procedures and monitoring their effectiveness.
- Monitoring significant risk and regulatory matters affecting the Club and resolution of any material compliance or regulatory breaches or other matters arising.

FINANCE COMMITTEE

PHILIP D. ORME
(CHAIR)

- Monitoring and reporting to the Board the quarterly financial position of the Club, including the annual financial result.
- Monitoring key Solvency II financial and solvency measures.
- Making recommendations to the Board and its subsidiaries on annual expense plans and budgets, specific capital projects, acquisitions, joint ventures and divestitures, financial structure, initiatives and regulatory matters.
- Investment strategy, including plans and strategies for hedging and mitigating risk, foreign currency exchange, interest rate exposure and other risk exposures.
- Appointment and terms of engagement, including remuneration, of the external investment managers.
- Monitoring and reporting to the Board on the performance of the external investment managers.
- Liaising with the subsidiary companies as applicable on implementation of the above matters.

REMUNERATION COMMITTEE

MARK WHITAKER
(CHAIR)

- Determining and agreeing employment, termination and retirement conditions, and remuneration and benefit packages of senior employees.
- Reviewing the overall annual percentage increase in management company staff salaries and the structure and application of the discretionary bonus scheme.
- Monitoring and reviewing succession planning for senior management including prospective senior appointments.
- Recommending appropriate levels of remuneration for Directors of the Club and its subsidiary companies.

CORPORATE GOVERNANCE CONTINUED

- A Audit and Risk Committee
- F Finance Committee
- R Remuneration Committee
- Chair of the Committee



CHAIR
DONALD A. MACLEOD KC



Don serves as Chair of the Club. He has over 30 years of experience in international shipping and has held senior executive positions in the marine sector. Based in Halifax, Nova Scotia, Canada, he brings to the Club Board in depth knowledge of the marine sector in Canada and abroad including offshore oil and gas, subsea construction, trans-ocean cable installation and maintenance, salvage, tug operations and the passenger sector.

In addition to chairing the Club's main Board he sits on the Audit and Risk, Finance and Remuneration committees.



VICE CHAIR
JAN VERMEIJ



Jan is Chief Executive Officer at Ultravav and is also the Executive Director of Ultratug, Chile. He brings to the Board specialist knowledge in container, tanker, dry and tug operations.

Jan is based in Chile but has experience in cargo operations across six continents. Jan has a Master's in Business Administration from Universidad Adolfo Ibáñez, Santiago.

As well as serving the Club's Members on the Association's Board as Vice Chair, Jan also serves on the Finance Committee.



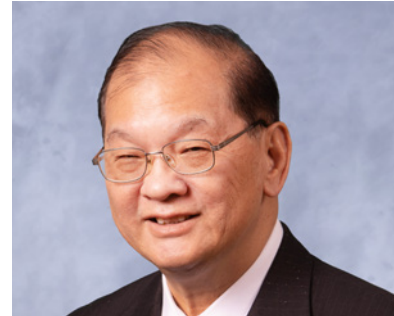
DIRECTOR OF THE ASSOCIATION
ALI GÜRÜN



Ali is President of Sanmar Shipyards and brings to the Board extensive experience in the construction and operation of tugboats as well as harbour towage and pilotage services.

Based in Turkey, Ali is passionate about innovation and technology and has led the development of several pioneering vessels including the world's first LNG powered tugboats and remotely operated commercial vessel.

Ali has a Master's Degree in Marine Engineering from the Istanbul Technical University Department of Marine Engineering and is a Board Member of the Turkish Environmental Protection Foundation.



DIRECTOR OF THE ASSOCIATION
DR. DAVID HO, JP



David has over 40 years' experience in ferry operations and served as General Manager of the Hong Kong Ferry (Holdings) Co Ltd for 25 years, until his retirement in 2021.

Based in Hong Kong, David has a Doctorate in Business Administration and a Master's in Arbitration and Dispute Resolution. He is a Fellow of the Chartered Institute of Logistics and Transport in Hong Kong as well as a Fellow of the Hong Kong Institute of Directors.

David also serves the Club's Members on the Finance Committee.



DIRECTOR OF THE ASSOCIATION
THEO G. KAILIS

Theo is an Executive Director of Austral Fisheries, West Australia, and brings to the Club's Board huge experience in the global fishing vessel sector, which remains a very significant vessel sector to the Club, plus his knowledge of the Australian market.

Theo is focused on sustainable fishing, with his business being certified by the Marine Stewardship Council.

CORPORATE GOVERNANCE CONTINUED

A Audit and Risk Committee **F** Finance Committee **R** Remuneration Committee **Chair of the Committee**



DIRECTOR OF THE ASSOCIATION
MARK KO



DIRECTOR OF THE ASSOCIATION
KATHY MEADS



DIRECTOR OF THE ASSOCIATION
REV. CANON STEPHEN MILLER



DIRECTOR OF THE ASSOCIATION
ELINE MULLER



DIRECTOR OF THE ASSOCIATION
PHILIP D. ORME

A

Mark is the Executive Director of the Club's longstanding Member, Tian San Shipping. Mark's business is based in Singapore and has a fleet covering passenger ferries, Ro-Ro barges and workboats. Mark is also Co-Chair of the Maritime Port Authority of Singapore's Harbour Craft Safety Work Group and is a member of the Singapore National Maritime Safety at Sea Council.

A

Kathy brings to the Board extensive experience across a wide range of business sectors including telecommunications, ports and logistics, infrastructure and insurance. Based in New Zealand, Kathy served as a CFO for over 20 years, and has over 25 years' experience in both Executive and Non-Executive Director roles in New Zealand and offshore entities. Kathy is a Fellow (FCA) of the Chartered Accountants Australia and New Zealand and is a Chartered Member of the New Zealand Institute of Directors. As well as serving the Club's Members on the Association's Board Kathy is Chair of the Audit and Risk Committee.

F

Having worked for international seafarer support service Mission to Seafarers since 1999, Stephen currently serves as both Senior Chaplain, Hong Kong, and as Regional Director for East Asia for the organisation. Stephen has experience working with seafarers across all four corners of the world and has been posted to missions in the UAE, Asia and Europe, the latter being where he studied Maritime Law and Policy at Erasmus University, Rotterdam. As well as serving the Club's Members on the Association's Board, Stephen also serves on the Finance Committee.

A F R

Eline is co-owner and a senior executive of the Club's longstanding Member Multtraship. Eline's business is based in Terneuzen in The Netherlands and has a fleet providing harbour and terminal towage, sea towage, support to the offshore energy and marine infrastructure industries and emergency response salvage. Eline is an active member of the International Salvage Union where she is chair of its Salvage sub-Committee. She also engages with other shipping industry bodies such as the European Tug Owners' Association and the Royal Dutch Shipowners Association.

Phil brings to the Board over 30 years' experience in the onshore contracting, offshore marine contracting and port management industries both in the UK and overseas with allied engineering and manufacturing knowledge. Phil's business was based in the United Arab Emirates, as the single shareholder of OP Maritime Services DMCEST and a shareholder and Director of Ocean Power Holdings. Phil served as the Club's Chairman for eight years until 2022. He continues to serve Club Members as Chair of the Finance Committee and as a member of both the Audit and Risk and Remuneration Committees.

CORPORATE GOVERNANCE CONTINUED

- A Audit and Risk Committee
- F Finance Committee
- R Remuneration Committee
- Chair of the Committee



DIRECTOR OF THE ASSOCIATION
SIANA SURYA

Siana is President Director of the Club's longstanding Member PT Berlian Laju Tanker. Siana's business is based in Indonesia and has a fleet of Oil/Chemical Tankers, LPG Carriers and LNG Carriers.

Siana is a member of a number of marine related committees and boards, including the Indonesian Advisory Committee of the Royal Institution of Naval Architects and the Indonesia Committee of Nippon Kaiji Kyokai, ClassNK.



DIRECTOR OF THE ASSOCIATION
SIMON SWALLOW

Simon is the retired Chief Executive of the Association's management company, The Shipowners' Protection Limited.

Simon served the Club for 32 years, including eight years as Chief Executive. He has a wealth of P&I experience and of all aspects of the business that stems from the Club's core P&I service, including knowledge in the areas of (re)insurance and insurance broking.



DIRECTOR OF THE ASSOCIATION
PETER SYDENHAM



Peter has over 40 years of insurance and reinsurance experience and most recently was a Managing Director and Leader of Special Lines at Swiss Re. Peter's specialisms included marine, aviation and agriculture business as well as credit and surety and engineering. Peter is based in the UK but has spent significant time in other locations including New York, HK, Singapore, Beijing, Shanghai and Tokyo. Peter commenced his career in 1979 on a marine syndicate at Lloyd's and has extensive underwriting, claims and risk management experience in all classes of marine insurance. Peter is also a Vice President of the Insurance Institute of London and previously chaired the London Reinsurance Committee.

As well as serving the Club's Members on the Association's Board, Peter also serves on the Audit and Risk Committee.



DIRECTOR OF THE ASSOCIATION
DR. YVES WAGNER



Yves is a Partner and co-founder of The Directors' Office, the leading practice of independent directors in Luxembourg. Having previously served as Chief Executive of Fortis Investment Management Luxembourg, Yves brings to the Board extensive knowledge in finance, investments and risk management. Yves has a Doctorate in Economics from the University of Aix-Marseille and continues to teach and holds chairs at several universities and business schools, including the University of Luxembourg and the Institut de Formation Bancaire.

As well as serving the Club's Members on the Association's Board, Yves also serves on the Finance and Audit and Risk Committees.



DIRECTOR OF THE ASSOCIATION
MARK WHITAKER



Mark is Managing Director of the Whitaker Group and brings to the Board a wealth of knowledge in tanker operations.

Mark has extensive experience of overseeing operations in the UK and Northern Europe, but has also operated out of Australia, Africa and South America.

As well as serving the Club's Members on the Association's Board Mark is Chair of the Remuneration Committee and serves as a member of the Audit and Risk Committee.

CORPORATE GOVERNANCE CONTINUED

**OUR EXECUTIVE
MANAGEMENT TEAM**

Our executive management team is comprised of nine industry professionals with global coverage, each of whom offer a variety of skills and experience which enhance the growth and development of the Club's business.



**CHIEF EXECUTIVE
SIMON PEACOCK**

Simon joined the Shipowners' Club in 2016 as Chief Financial Officer. In May 2023, he became the Club's Chief Executive and therefore oversees all aspects of the Club's business, working closely with colleagues and the Club's Board in seeking to ensure peace of mind for all entered Members of the Club.

Prior to joining the Club, Simon spent 7 years at a London based real estate company, as Group Finance Director and Deputy Chief Executive Officer. Before that Simon spent 13 years working in the City within the securities and derivatives broking sector, and the investment banking sector.

Simon is a Fellow of the Institute of Chartered Accountants in England and Wales.



**CHIEF EXECUTIVE – SINGAPORE
STEVE RANDALL**

The longest serving member of staff, Steve joined the Club in 1978 with a solid focus on underwriting.

He relocated to Singapore as General Manager with the opening of the Branch in 2009 with overall responsibility for the Club's business in the region.

In May 2015 Steve was appointed to the Board of SPL as Commercial Director, taking on a wider remit reporting to the main Board on the Club's worldwide business development and commercial direction, working with the Underwriting and Claims teams in both London and Singapore. As of August 2022, Steve took on the role of Chief Executive of the Club's Singapore office.



**DIRECTOR – CLAIMS AND LEGAL
BRITT PICKERING**

After qualifying as a solicitor in 1998, Britt worked for a large City of London firm specialising in insurance litigation and yacht/pleasure craft claims. Britt then spent over two years with another P&I club dealing with Legal Assistance & Defence (FD&D) and cargo claims for Members in the Far East before joining the Shipowners' Club in 2003. In 2012, Britt became Claims & Legal Director of the Shipowners' Club, with overall responsibility for claims and legal services across all Branches.



**DIRECTOR – UNDERWRITING
IAN EDWARDS**

Ian joined the Club as a claims handler in 1991 having previously worked for a container shipping company. In 1993 he was offered the opportunity to move to the Underwriting department assuming responsibility for the Club's Australian and Middle Eastern Members. He then progressed to become the Head of Underwriting for the London Branch before assuming the position of Underwriting Director in 2012. Ian has overall responsibility for the technical underwriting result and the systems, processes and procedures employed by the underwriting function.

CORPORATE GOVERNANCE CONTINUED



**DIRECTOR – LOSS PREVENTION,
CORPORATE RESPONSIBILITY & MARKETING**
LOUISE HALL

Louise joined the Loss Prevention team in 2006 bringing with her a valuable marine background, having served at sea with a global container shipping line and by working as Cargo Planner, Operations Superintendent and Ship Manager. In January 2017 Louise was appointed as a Director of the management board, taking on the wider remit of overseeing Marketing and Corporate Responsibility in addition to Loss Prevention. Louise has an MSc in Marine Surveying and has undertaken Cambridge University's Sustainability in Business course.



**DIRECTOR/GENERAL MANAGER
– LUXEMBOURG**
PASCAL HERRMANN

Pascal graduated in finance and accounts from the Business School of Strasbourg University. He also spent a year at Stirling University in Scotland. He moved to Luxembourg financial services and worked for more than six years as an auditor specialising in the financial sectors of investment funds, private banking and insurance. He joined the Shipowners' Club head office in March 2004 and was appointed General Manager in April 2010.



CHIEF FINANCIAL OFFICER
MARCUS TARRANT

Marcus became the Club's Chief Financial Officer (CFO) in 2023 having joined the Shipowners' Club in 2014 as Chief Actuary. Prior to joining the Club, Marcus worked for professional services firm PwC for 14 years on a broad range of assignments, both in the UK and the US where Marcus was based for six years.

Marcus is a graduate of City University, London, a Fellow of the Institute of Actuaries (UK) and a Fellow of the Casualty Actuarial Society (US).



CHIEF OPERATING OFFICER
MARK HAMBLIN

Mark joined the Club in 2012 and was appointed to the management board in 2020. In 2025 Mark took on the role of Chief Operating Officer signifying the Club's commitment towards greater digital transformation and its ambition to remain at the forefront of innovation that benefits its large Membership. Mark is responsible for helping to drive forward the Club's technological services, seeking to understand challenges and opportunities for all teams in the Club and deliver great solutions that enable us to maintain our competitive advantage in this area.



COMMERCIAL DIRECTOR
MARK HARRINGTON

Mark joined the Club in 2004 after 18 years at another International Group club. After spending the early part of his Shipowners' career underwriting the Club's Members in Europe, Latin & Central America, Asia and South Africa, in 2014 Mark then moved into a management role applying his experiences to the role of Head of Underwriting in London. In May 2023 Mark joined the Club's management board as Commercial Director where his duties for the branch widened in respect of underwriting discipline, underwriting result, service levels, its personnel and establishing and delivering the commercial strategy of the Club. The role helps to set underwriting risk appetite, identify new business opportunities (both at a strategic and at a broker/Member specific level) and considers what service offering is required by the market, both now and in the future.

CORPORATE GOVERNANCE CONTINUED

BOARD MEETING 2024: JAKARTA



MARCH MAY AUGUST NOVEMBER



Click each icon to view each meeting

The Board meeting held in Jakarta was attended by fourteen Directors. Four new Directors – Mr. Mark Ko, Ms. Eline Muller, Ms. Siana Surya, and Mr. Simon Swallow – joined the Board for the first time.

The Chief Executive, Mr Simon Peacock, provided a comprehensive report covering various topics, including International Group (IG) activities, market developments, strategic initiatives, and advancements and issues in alternative fuels within the shipping sector.

The Club's Chief Information Officer (CIO) delivered an update outlining the scope of the function, presented a strategic overview, and reported on current projects and potential future developments.

The Board considered a report to enter into the Hull and Machinery (H&M) market in the UK and Ireland.

The Chair of the Finance Committee provided an update from the most recent Finance Committee meeting.

An update was provided by the Managers on the Club's year-end financial results.

The Managers provided a report on claims activity which included commentary on claims trends and a focus on LCC claims.

The Board received a report from the Managers which updated on the 20 February 2024 renewal. The Board heard about the Club's performance during the renewal period and management highlighted the gains and losses achieved.

Captain Vaughan Williams, the Club's casualty consultant, delivered a presentation on his ongoing work for the Club.

The Managers provided an update on the 2024/25 reinsurance renewal, outlining the terms secured for the IG's Excess of Loss reinsurance contract, as well as the Club's primary reinsurance agreements.

The Board received an update on Solvency II which covered recent regulatory developments, scenario testing, and outcomes.

The Managers presented an update on the Club's pre-employment medical scheme, Medisea, highlighting its benefits and financial effectiveness.



CORPORATE GOVERNANCE CONTINUED

BOARD MEETING 2024: LUXEMBOURG



MARCH



MAY



AUGUST



NOVEMBER



Click each icon to view each meeting

Fourteen Directors attended the Board meeting held in the Club's home jurisdiction of Luxembourg. The meeting was observed by the Club's internal auditors, BDO.

The Chief Executive provided an update covering various matters, including IG activities, strategic developments, and goals. His report also included examples of how the Club provides stakeholder peace of mind to its Members.

The Managers presented an update on the Club's Own Risk and Solvency Assessment (ORSA), outlining the preparation process, key assumptions, and the impacts of all modelled scenarios. The ORSA report was approved by the Board.

The Management provided a marketing update, detailing the team structure and responsibilities, core aims and objectives, and the methods used to measure value.

The Board reviewed and approved the Directors' fees, which were subsequently put to the Annual General Meeting (AGM) for approval.

The Chair of the Audit and Risk Committee provided an update on the latest meeting, including recent external and internal audit findings. The financial statements for the year ending 31 December 2023 were confirmed as approved.

The Board received the actuarial function report, which outlined the four key areas considered by the actuarial team. No significant issues were identified in any area.

The Club's Solvency & Financial Condition Report (SFCR) was presented and approved by the Board.

The Chair of the Finance Committee provided an update on the outcomes of the most recent Finance Committee meeting.

The Board approved the closure of the 2021 policy year without additional calls. It also reaffirmed its policy of maintaining nil additional calls and nil release calls for all open policy years.

The Board conducted a review of the Club's written policies, which were subsequently approved.



CORPORATE GOVERNANCE CONTINUED

BOARD MEETING 2024: HAMBURG



MARCH MAY AUGUST NOVEMBER



Click each icon to view each meeting

Fourteen Directors attended the Board meeting in Hamburg.

The Chief Executive provided an update covering market developments, progress on strategic goals, and planned activities for the upcoming quarter.

The Board received an update on the proposal to enter the Hull and Machinery market in the UK and Ireland.

The Managers presented an overview of the Club's Corporate Responsibility (CR) activities, including completed initiatives, a comparative analysis against marine industry peers, and key performance indicators (KPIs) from the CR Report. Following the presentation, the Board approved the CR Report for publication.

A report on the IG was presented, covering major developments, financial results, and a comparison of regulatory solvency.

The Club's CIO delivered a presentation on IT security challenges and plans. He outlined the current IT security landscape, strategic objectives, key threats and risks, as well as the future roadmap and planned investments.

The Chair of the Finance Committee provided an update from the most recent meeting, including a review of the financial results and investment returns as reported by the Club's investment managers.

The Board received an update on the Club's portal, P&I Online, which detailed its benefits, milestones achieved, and future development plans.

The Managers presented a report on claims activity, providing statistical insights, an overview of significant and high-value claims, and an update on maritime limitation.

An update on the Club's Condition Survey Programme (CSP) was presented, highlighting key focus areas for upcoming Concentrated Inspection Campaigns.

The Board considered the Club's 2025 renewal strategy, discussing various alternative options and approaches.

The Managers presented an update on the Digital Operational Resilience Act, outlining its implications and the Club's approach to compliance.



CORPORATE GOVERNANCE CONTINUED

BOARD MEETING 2024: PARIS



MARCH MAY AUGUST NOVEMBER



Click each icon to view each meeting

Fifteen Directors attended the Board meeting in Paris.

The Chief Executive presented a report updating the Board on the P&I market, the Club's strategy, the Club's portal, and confirmed completion of the acquisition of Waterborne Underwriting Agency Limited.

The Board received a presentation from the Managers outlining the 2025/27 strategic business plan and financial forecasts. The plan was approved by the Board.

A presentation on the 2025/26 policy year renewal was delivered, with the Board approving an 'as expiry' renewal.

The Managers presented the proposed rule changes for the 2025/26 policy year. The Board agreed to these proposed changes.

The Chair of the Finance Committee provided an update on the most recent meeting, including the financial results and investment returns.

The Chair of the Audit and Risk Committee delivered an update on the most recent meeting of the Committee, including reports from the external and internal auditors, an update on risk management, and sanctions.

The Board received an update on the most recent meeting of the Remuneration Committee.

An update on the Club's reinsurance renewal was presented, covering the Club's reinsurance programme, the IG's Excess of Loss contract, and expectations for the 2025 programme. The Club's reinsurance broker also presented to the Board.

The Managers provided a report analysing the Club's business, including performance by geography, vessel category, and Delegated Underwriting Authority agreements.

The Managers presented an update on HR, covering key priorities, the HR strategic plan, and KPIs tracking the success of the function. The Directors training and competency framework was also presented.

The Board received a presentation on additional cover for salvage, emergency towage, and wreck removal.



Financial review

“The year-end saw the Club report net assets of US\$ 447.5m. This strong capital position, which is reflected in the Club’s A rating (stable outlook) from Standard & Poor’s, leaves the Club well placed to continue to provide high quality, well priced P&I insurance to its Members into 2025 and beyond.”

MARCUS TARRANT
Chief Financial Officer



REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and the consolidated annual accounts of the Company (the “Club”, the “Company” or the “Association”) for the year to 31 December 2024.

The Board of Directors hereby submits the consolidated annual accounts, for the financial year ended 31 December 2024, prepared in conformity with the requirements of the company law, as amended.

The Club has generated a surplus for the year of US\$ 40.6m (2023: surplus of US\$ 69.5m). This surplus is primarily the result of an underwriting gain of US\$ 3.2m (2023: underwriting gain of US\$ 4.1m) coupled with an investment gain of US\$ 38.4m (2023: investment gain of US\$ 65.7m).

The Club has seen an increase in premium earned during the year of 6.8%, taking gross earned income to US\$ 300.4m. The Club's underwriting business benefited from a strong competitive position which delivered this steady growth in premium whilst still maintaining the Club's underwriting discipline. As a mutual organisation the Association is run for the collective benefit of its Members. As such, it is important that any new entries to the Club present an appropriate balance between risk and price. During the course of the year new business has been written with this underwriting focus, and, equally, significant amounts of potential new business have been turned down due to the risk/reward balance not being beneficial to the Club and its Members.

ACTIVITIES

The principal activities of the Club during the year were the insurance and reinsurance of marine protection and indemnity risks on behalf of its Members. There are no major changes planned to these activities during the current financial year.

DIRECTORS

The current Directors of the Association are shown on [page 23](#). They held office throughout the year, with the exceptions of Ms Muller, Ms Surya, Mr Swallow and Mr Ko who were each co-opted to the Board on 6 March 2024. Messers Gürün, MacLeod KC and Vermeij and Doctors Ho and Wagner will each resign in accordance with the constitution at the forthcoming Annual General Meeting and each being eligible and with their agreement, will offer themselves for re-election.



REPORT OF THE DIRECTORS CONTINUED

The new US Government is expected to lead to greater disruption in the supply chain and the instability across the global economy and financial markets. At the date of approval of these annual accounts the Board of Directors has not identified any significant impact on the operations and activity of the Company, in particular in terms of fluctuations in value of assets held, liquidity and solvency requirements, regulatory requirements and any other operational aspects of the business, which would cast significant doubt on the ability of the Company to continue as a going concern.

In the area of claims the Club saw a total cost of claims of US\$ 188.5m, which was a US\$ 14.7m deterioration on the prior year claims cost of US\$ 173.8m. Higher levels of business written are naturally a factor in higher claims costs. In addition to that, the main drivers of higher claims were in the area of the Club's own Member claims reserving, as well as the International Group pool which saw increased claims quantum for the 2024 policy year.

Total operating expenses amounted to US\$ 75.2m (2023: US\$ 71.0m). Operating expenses include the acquisition costs incurred from Members' brokers as well as the administrative costs of running the Club. Administrative costs saw an increase of 4.6% driven by the Club's ongoing investment in technology in support of its strategic objectives.

The other main element of the Club's technical result is reinsurance cost. The Club's reinsurance costs in 2024 were US\$ 33.5m, which represents 11.2% of gross earned income. Higher levels of business written saw the Club's reinsurance cost increase by US\$ 1.1m in the year.

Taking all these aspects together results in the Club's overall underwriting gain of US\$ 3.2m (a combined ratio of 98.8%).

In addition to the underwriting result, the Club's investment portfolio is the other main contributor to the Club's financial result. The portfolio returned an overall gain in 2024 of US\$ 38.4m (2023: US\$ 65.7m gain) inclusive of interest earned on the Club's cash balances.

The 2024 financial year saw a continuation of the solid performance in financial markets that was experienced during 2023 with both fixed income and equity markets posting positive gains for the year. While the US Dollar fluctuated against a number of non-US Dollar currencies during 2024, it strengthened in the final quarter of the year reducing prices of non-US Dollar assets when converted to US Dollars.

The year-end saw the Club report net assets of US\$ 447.5m. This strong capital position, which is reflected in the Club's A rating (stable outlook) from Standard & Poor's, leaves the Club well placed to continue to provide high quality, well priced P&I insurance to its Members into 2025 and beyond.

The early part of 2022 saw the commencement of war between Russia and Ukraine and this has resulted in, amongst other things, sanctions being instigated against Russia. The Association had some modest exposure to Russia through, in particular, its underwriting business and its investment portfolio. The Association released the vast majority of its Russian nexus business during 2022 and therefore the impact of the ongoing invasion on the Club's business during 2024 was limited. Due to the level of uncertainty regarding future developments as a result of the war, the Board of Directors will continue to closely monitor the potential impact on the business and development/performance of the Association.

BRANCHES

The Club has branches in London, Singapore and Hong Kong.

UNDERWRITING SURPLUS (US\$)**3.2m** ↓

2023: 4.1m

OVERALL SURPLUS (US\$)**40.6m** ↓

2023: 69.5m

CLOSING NET ASSETS (US\$)**447.5m** ↑

2023: 406.8m

“During the course of the year new business has been written with this underwriting focus, and, equally, significant amounts of potential new business have been turned down due to the risk/reward balance not being beneficial to the Club and its Members.”

MARCUS TARRANT
Chief Financial Officer

RISK MANAGEMENT

Risk is the potential for loss or failure to meet the Club's corporate objectives as a consequence of internal or external events. The key objectives of the Club's risk management framework are to:

- manage the risk profile of the business to maximise the opportunities to achieve the corporate objectives;
- identify and mitigate any hindrances to achieving the corporate objectives;
- manage the risk exposure, to minimise the exposure to losses and to manage the solvency capital requirement;
- embed risk management within the business to prevent unintended consequences of strategic and/or operational decisions;
- operate within the risk appetite defined by the Board; and
- meet all regulatory requirements.

Effective risk management is fundamental to the operation of the business, and is embedded through Board-level commitment, management buy-in, strong understanding of what is required of the Managers and staff, continuous improvement through effective monitoring and risk reporting, and careful communication. The Club's risk management framework is designed to ensure compliance with the risk management requirements of the Solvency II regulatory regime.

The Club is exposed to risk through its principal activity of providing insurance and reinsurance cover to its Members. In addition, it is exposed to financial and operational risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities.

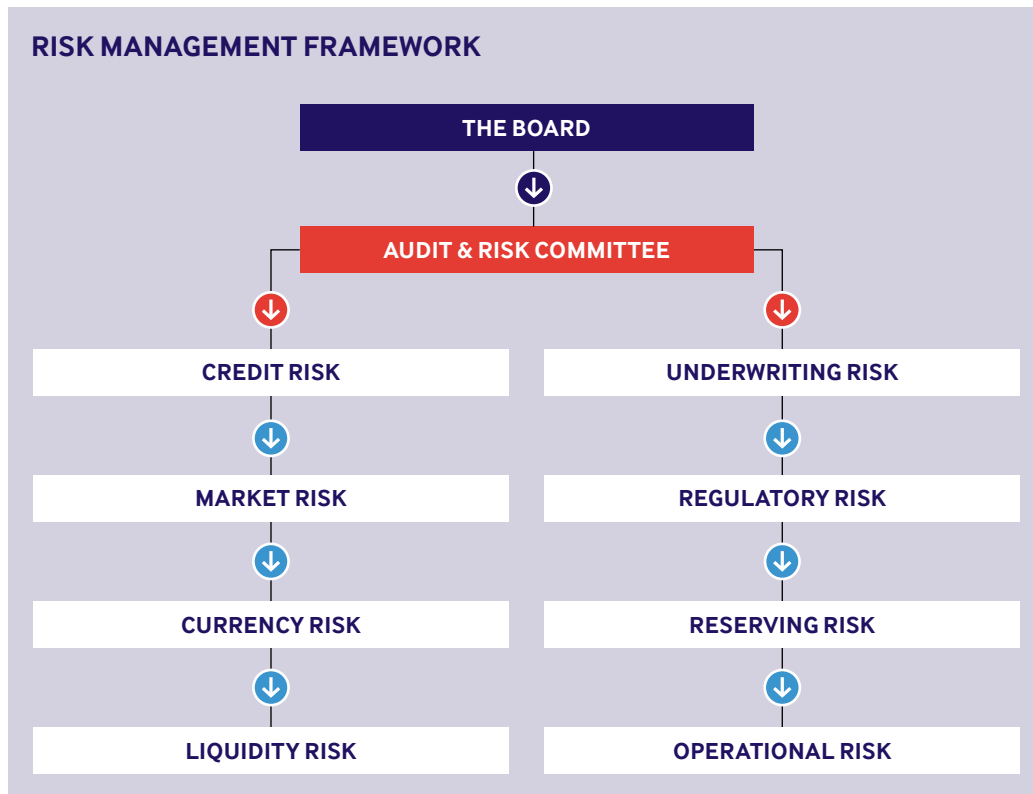
Through its established risk management framework, the Club has identified key risks, including emerging risks that are faced in the process of implementing the business strategy. Risks are analysed with reference to their likelihood of occurrence and potential severity of impact; an acceptable level of risk ("risk appetite") is identified for each risk, and controls are established which seek to ensure that this level is not exceeded. Employees receive training to ensure that they understand and adopt this approach, and the Managers monitor the efficiency and effectiveness of the controls and the procedures which support them, and which are independently reviewed through the internal audit process.



Oversight of the Club's risk management framework lies with the Board of Directors, through its Audit and Risk Committee. There follows a summary of how the key risks faced by the Club have been addressed.

Underwriting risk

This is the risk inherent in any underwriting contract, represented by the unpredictability of the insured event occurring and uncertainty about the quantum of any resulting claim. The potential risk to the Club is that business is written for insufficient premium or provides inappropriate cover, or that the frequency and/or severity of the insured events is higher than expected.



RISK MANAGEMENT CONTINUED



The Club's underwriting strategy documents its appetite for risk, as well as its pricing and reinsurance policy. The pricing policy reflects the loss experience and quality and management of vessels entered and is commensurate with the cover provided. The underwriting risk is further mitigated by maintaining a well-balanced and diverse insurance portfolio, in terms of both vessel type and geographical spread.

Reinsurance is a key tool used in reducing the underwriting risk exposure and in seeking to deliver stable underwriting results. The Club's reinsurance programme is subject to annual review and agreement by the Board of Directors to ensure that it continues to be an effective tool for achieving these objectives. In addition to its own reinsurance programme, the Club is party to the International Group Pooling Agreement, whereby for the 2024 policy year

individual claims of between US\$ 10m and US\$ 100m are pooled. Above this level, the International Group purchases reinsurance protection up to some US\$ 3bn on behalf of all pooled Members.

Reserving risk

This represents the risk that reserves established in the consolidated balance sheet are insufficient to meet the cost of outstanding claims, as a result of inadequate case reserves or inadequate reserves for claims that have been incurred but not reported. The Club has an established conservative estimating policy in place, based on always estimating the cost of the claim in the appropriate currency, always seeking to reflect the most up-to-date information available and not deviating from a pessimistic basis (worst reasonable likely outcome) for estimating a claim. The reserving process uses a variety of statistical and actuarial techniques, with the level of reserves calculated using internal actuarial resources and maintained on a conservative basis, subject to quarterly review and approval by the management Reserve Committee.

Regulatory risk

This represents the risk to the Club of reputational damage resulting from a failure to respond to and comply with a changing regulatory landscape. The Club actively adheres to regulatory requirements in worldwide jurisdictions where it operates, and in addition monitors all entities within the insurance and accounting systems against relevant sanction lists on a daily basis.

The Club has a defined process to monitor compliance with worldwide regulatory issues and to respond to any new developments as they are identified.

Credit risk

This is the risk to the Club of a loss resulting from a counterparty being unable to meet its contractual obligations to the Club.

The main credit risk arises from the potential for reinsurers to default on their obligations under the terms of reinsurance policies. The Club manages this risk by ensuring that the reinsurance security used is both strong and diverse. The financial standing of reinsurers is kept under regular review.

The Club is also exposed to its Members not paying premiums when due. Strong credit control procedures are in place to mitigate this risk. In addition, the rules of the Club allow it to terminate an entry from inception in case of non-payment of premiums. Furthermore, the payment of claims in respect of a policy can be suspended if premiums associated with that policy are outstanding.

Market risk

This represents the risk associated with fluctuation in the value of, or income generated from, investments, including the impact of fluctuations in interest and exchange rates.

The Club has an investment strategy in place which is aligned to its business plan, and which is designed to preserve its capital whilst still seeking an appropriate return, so that its liabilities can always be met within risk

RISK MANAGEMENT CONTINUED

tolerances agreed by the Board. The investment policy is regularly reviewed, and the portfolio is well diversified to reduce the impact of fluctuations in interest rates, market prices and foreign currency exchange rates.

The investment management and custodian functions are provided by trusted third parties and are regularly monitored by the Finance Committee of the Board, as well as by the internal audit function.

Currency risk

The Club has worldwide insurance operations and undertakes financial transactions in various currencies. As a consequence, it is exposed to foreign currency exchange rate fluctuations.

The Club has a process for seeking to materially match assets and liabilities in the appropriate currencies and also both earns income and pays claims in broadly matching currencies.

Liquidity risk

This represents the risk that the Club could fail to meet its financial obligations due to some difficulty or inability to liquidate investments at short notice, or through unanticipated cash flow requirements.

The daily cash flow requirements are forecast and monitored, and the Club maintains a high concentration of liquid assets to ensure that adequate funds are always in place to meet its financial obligations. The investment portfolio has a mix of short-, medium- and long-term investments to satisfy the Club's cash flow requirements.

The Club does not have any borrowings, but it does have credit and guarantee facilities in place with banks. In practice, these facilities are rarely utilised to meet short-term financial obligations.

Operational risk

The major sources of operational risk for the Club are those associated with process reliability, information security and financial crime. The Club has a number of key performance indicators in place to identify and manage operational risk, and systems are regularly reviewed to ensure that they are streamlined and responsive to the needs of the business.

Capital Management

The Club manages the risks it faces through a series of processes and controls, which are reviewed on an ongoing basis. In addition, it holds capital to cover unexpected losses arising from the risks it faces and to meet its regulatory requirements. As a result of its most recent review, credit rating agency Standard & Poor's has confirmed that the Club holds capital in excess of its 99.99% threshold.

The Club is conscious that its capital should be appropriately utilised. The Club is well capitalised, as a result of many years of disciplined underwriting and prudent financial management and it comfortably meets the Solvency II capital requirements.

**Own shares and research and development**

The Company does not hold any own shares as at 31 December 2024, as it has no share capital. There has been no research expenditure incurred during the year.

Auditors

The Annual General Meeting held on 23 May 2024 appointed Deloitte Audit S.à r.l. as Statutory Auditor for the financial year ended 31 December 2024.

The Annual General Meeting in 2025 will consider the appointment of auditor for the financial year end 31 December 2025.

By Order of the Board:

DONALD A. MACLEOD KC
Chair

2 April 2025

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Members of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) 16, Rue Notre-Dame L-2240 Luxembourg



REPORT ON THE AUDIT OF THE CONSOLIDATED ANNUAL ACCOUNTS Opinion

We have audited the consolidated accounts of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) and its subsidiaries (the "Association"), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income and expenditure account for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated accounts present fairly, in all material respects, the financial position of the Association as at 31 December 2024, and the results of its operations for the year then ended, in accordance with the basis of accounting described in notes 1 and 2 to these consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the consolidated accounts" section of our report.

We are also independent of the Association in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Presentation

We draw attention to notes 1 and 2 of these consolidated accounts, which describe the basis of accounting. These consolidated accounts have been prepared to assist The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) to meet its financial information requirements to its Members and to be consistent with the basis adopted by the other members of the International Group of P&I Clubs. As a result, these consolidated accounts may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ CONTINUED

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of the audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of incurred but not reported ("IBNR") claims reserves:

Risk description:

Gross claims outstanding include incurred but not reported ("IBNR") claims reserves which are typically recognised to reflect the uncertainty around the ultimate losses that will be incurred arising from claims due to the long-term nature of the Association's exposure. The judgements that are made by management in determining the valuation of incurred but not reported ("IBNR") claims reserves, as mentioned in note 2 to the consolidated accounts, are significant to the Association's financial position.

Determining these incurred but not reported ("IBNR") claims reserves require subjectivity and alterations in underlying assumptions may have a material impact on the financial position of the Association and on the results of its operations. In this context, the valuation of incurred but not reported ("IBNR") claims reserves in respect of management's selection of methodology and assumptions underlying the valuation of incurred but not reported ("IBNR") claims reserves have been assessed as a key audit matter.

Audit responses:

We have assessed the design and implementation of key controls which management performs in relation to insurance reserving. This included assessing the design and implementation of controls over the data used by the Association's actuarial experts, the internal challenge of that work and the appropriate governance oversight in determining the key assumptions underpinning the valuation of incurred but not reported ("IBNR") claims reserves. We completed procedures to assess the competence and objectivity of management's actuarial experts and involved our own actuarial specialists to assess the appropriateness of the methodology applied and the suitability of the key assumptions and judgements taken in determining the incurred but not reported ("IBNR") claims reserves.

Other matters

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) has prepared a separate set of consolidated accounts as at 31 December 2024, in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the consolidated accounts on which we issued a separate auditor's report to the Members of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) dated 24th April 2025.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Report of the Directors but does not include the consolidated accounts and our report of the *réviseur d'entreprises agréé* thereon.

Our opinion on the consolidated accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated accounts

The Board of Directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with the basis of accounting described in notes 1 and 2 to these consolidated accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Board of Directors is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the consolidated accounts

The objectives of our audit are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *réviseur d'entreprises agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ CONTINUED

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

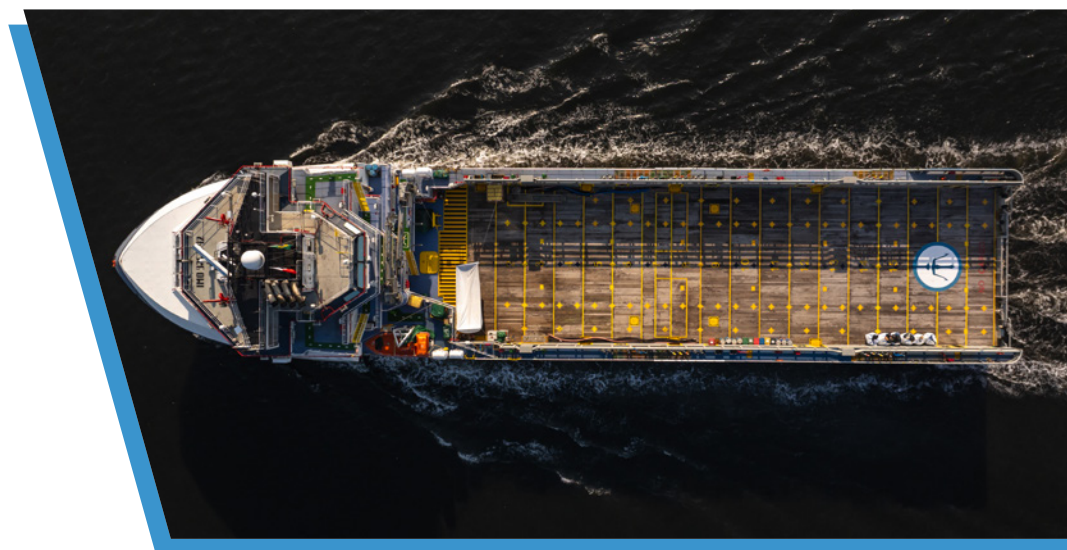
- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Association to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated accounts of



the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as *réviseur d'entreprises agréé* by the General Meeting of the Shareholders on 23 May 2024, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The Report of the Directors is consistent with the consolidated accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Association in conducting the audit.

For Deloitte Audit, *Cabinet de révision agréé*

LUDOVIC BARDON
Partner, *Réviseur d'entreprises agréé*

28 April 2025

CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

	Note	31 December 2024		31 December 2023	
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
ASSETS					
Intangible assets	4		33,762		33,374
Investments					
Other financial investments					
Shares and other variable yield transferable securities and units in unit trusts	5	191,312		179,319	
Debt securities and other fixed income transferable securities	5	493,835		465,729	
Deposits with credit institutions	5	114,129		95,835	
			799,276		740,883
Reinsurers' share of technical provisions					
Provision for unearned premiums		5,519		4,933	
Claims outstanding	6	131,067		92,775	
			136,586		97,708
Debtors					
Debtors arising out of direct insurance operations					
Policy holders		68,061		62,410	
Intermediaries		182		629	
Debtors arising out of reinsurance operations	7	2,078		969	
Other debtors		2,050		1,317	
			72,371		65,325
Other assets					
Tangible assets and stocks	8	10,254		10,207	
Cash at bank and in hand		87,832		105,893	
			98,086		116,100
Prepayments and accrued income					
Accrued interest		4,316		4,122	
Deferred acquisition costs		14,369		13,691	
Other prepayments and accrued income		1,921		1,870	
			20,606		19,683
TOTAL ASSETS			1,160,687		1,073,073

	Note	31 December 2024		31 December 2023	
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
LIABILITIES					
Capital and reserves					
Legal reserve		300		300	
Contingency reserve		406,538		337,069	
(Loss)/profit for the financial year		40,619		69,469	
	9		447,457		406,838
Technical provisions					
Provision for unearned premiums		95,442		90,975	
Claims outstanding	6	579,574		529,737	
			675,016		620,712
Provision for other risks and charges					
Provision for taxation			592		140
Creditors					
Creditors arising out of direct insurance operations					
Policy holders		3,097		2,452	
Intermediaries		18,050		17,167	
Creditors arising out of reinsurance operations		6,403		17,644	
Other creditors, including tax and social security		2,703		1,666	
			30,253		38,929
Accruals and deferred income			7,369		6,454
TOTAL LIABILITIES			1,160,687		1,073,073

The notes on pages 42 to 47 form part of these Consolidated Annual Accounts.

Approved by the Board on 2 April 2025

DONALD A. MACLEOD KC
Chair

DR. YVES WAGNER
Director

CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2024

	Note	31 December 2024		31 December 2023	
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS					
Earned Premiums					
Gross premiums written	10	304,828		286,569	
Outward reinsurance premiums	11	(34,094)		(33,031)	
Change in the gross provision for unearned premiums		(4,467)		(5,309)	
Change in the provision for unearned premiums, reinsurers' share	11	586		642	
			266,853		248,871
Allocated investment return transferred from the non-technical account			38,433		65,734
Claims incurred net of reinsurance					
Claims paid					
Gross amount	12	(185,130)		(163,069)	
Reinsurers' share	11, 12	8,208		16,071	
Net claims paid		(176,922)		(146,998)	
Change in the provision for claims					
Gross amount	12	(49,837)		(23,642)	
Reinsurers' share	11, 12	38,292		(3,145)	
Change in the net provision for claims		(11,545)		(26,787)	
			(188,467)		(173,785)
Net operating expenses					
Acquisition costs	13	(42,876)		(40,554)	
Change in deferred acquisition costs		678		1,122	
Administrative expenses		(33,034)		(31,568)	
			(75,232)		(71,000)
Balance on the technical account for non-life insurance business			41,587		69,820

	Note	31 December 2024		31 December 2023	
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
NON-TECHNICAL ACCOUNT					
BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS			41,587		69,820
Investment income	14	66,341		90,917	
Investment charges	14	(27,908)		(25,183)	
			38,433		65,734
Allocated investment return transferred to the non-life insurance technical account			(38,433)		(65,734)
Other income			59		54
Tax on profit on ordinary activities	15		(1,027)		(405)
Profit/(Loss) for the financial year	9		40,619		69,469

The notes on pages 42 to 47 form part of these Consolidated Annual Accounts.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

for the year ended 31 December 2024

1. GENERAL

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) (the "Club" or the "Association") is registered in the Grand-Duchy of Luxembourg. It is a mutual insurance association, whose principal activity is the insurance and reinsurance of marine protection and indemnity risks on behalf of its membership. As a mutual insurance association, the Club does not have a share capital and the liability of its members is limited to the calls and supplementary premiums set by the Directors of the Club.

Basis for Preparation

These consolidated annual accounts have been prepared in accordance with the significant accounting policies set out in Note 2.

These accounting policies and disclosures are consistent with those required by the amended law of 8 December 1994 on the annual accounts of insurance and reinsurance undertakings in Luxembourg, except for the shares and other variable yield transferrable securities, and debt securities and other fixed income transferrable securities, which are valued at market value.

The presentation of the investment income and investment charges sections in the consolidated income and expenditure account summarises the categories for investment income and investment charges. The breakdown of the investment income and investment charges has been included in note 14.

Basis of Consolidation

The consolidated annual accounts have been prepared in US dollars and comprise the consolidated accounts of the Association and its affiliated undertakings as shown below. The profits and losses of affiliated undertakings are consolidated as from the effective date of acquisition or to the effective date of disposal. The group undertakings are fully consolidated.

Group Undertakings

The Shipowners' Protection Limited	UK	100%
S.O.P. (Bermuda) Limited	Bermuda	100%
Spandilux S.A.	Luxembourg	100%
Hydra Insurance Company Limited, Shipowners' Cell	Bermuda	100%
The Shipowners' Management Limited	UK	100%
The Shipowners' Protection (Hellas) LLC	Greece	100%
Waterborne Underwriting Agency Limited	UK	100%

2. ACCOUNTING POLICIES

(i) Translation of items expressed in foreign currencies

Assets and liabilities in foreign currencies are converted into US Dollars at the rates of exchange ruling on the Balance Sheet date. Income and Expenditure items are converted at the daily rate prevailing at the transaction date. Differences arising on currency translation are included in the exchange gains and losses in the non-technical account.

(ii) Premiums

Premiums incepting prior to the balance sheet date are shown gross of acquisition costs and net of applicable refunds, discounts and cancellations. The income is accounted for on an accruals basis and is therefore recognised in the accounting periods to which the underwritten risk relates.

(iii) Reinsurance Premiums

Reinsurance premiums are charged to the consolidated income and expenditure account on an accruals basis and allocated to the Policy Year to which they relate.

(iv) Claims Paid

Claims, which include internal and external claims handling costs and the Club's share of claims under pooling agreements, are charged to the consolidated income and expenditure account when they have been paid and do not include any estimated outstanding claims. Claims are allocated to the Policy Years in which the incidents occurred.

(v) Reinsurance Recoveries

Certain liabilities of the Club are reinsured with similar associations under the International Group's pooling agreement and with market underwriters. Reinsurers' share represents actual recoveries received and due in respect of claims paid by the Club. They are allocated to the same Policy Year as the claims to which they refer.

(vi) Policy Years

Premiums and reinsurance premiums are credited or charged to the Policy Year to which cover relates. Claims are included in Policy Years by reference to the date of the incident and reinsurance recoveries are matched accordingly. Management expenditure is allocated to the current Policy Year.

(vii) Administrative Expenses

Administrative expenses include management costs and general expenses but exclude internal claims handling costs. They are dealt with on an accruals basis and charged to the consolidated income and expenditure account.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

for the year ended 31 December 2024

2. ACCOUNTING POLICIES CONTINUED**(viii) Investment Return**

Investment return comprises all investment income, realised investment gains and losses, value re-adjustments, net of investment expenses, charges and interest. Dividends are recorded on the date on which the shares are quoted ex-dividend and include the imputed tax credits. Interest and expenses are accounted for on an accruals basis. Realised gains and losses on investments are calculated as the difference between net sales proceeds and purchase price. Value re-adjustment gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price.

(ix) Allocated investment return from non-technical account

A transfer of the investment return is made from the non-technical account to the technical account to reflect the return made on those assets directly attributable to the insurance business.

(x) Taxation

The charge for taxation is shown in the non-technical account.

(xi) Investments**Other financial investments**

Investments are carried at their market value at the Balance Sheet date.

(xii) Debtors

Provision has been made for debts which are thought not to be wholly recoverable.

(xiii) Tangible assets and stocks

Tangible assets are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight line basis over the anticipated useful life of the assets concerned at the following rates:

Computer equipment	50% per annum
Furniture & Fixtures	33.3% per annum
Leasehold improvements	Over the remaining life of the lease
Communications hardware	20% per annum
Property and Plant	Consists of a leasehold property which is depreciated over the lease term of 70 years

(xiv) Intangible Assets**Software Development**

Intangible assets are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight line basis over the anticipated useful life of the assets. The Club capitalises internal and external computer software development costs when the following apply: where the software is separately identifiable, the Club has control over the software and where it can be demonstrated that they provide future economic benefits for the Club through facilitating revenue or improved processes. The costs capitalised include administrative and other general overhead expenditure when they can be directly attributed to the software development and preparing it for use. The useful economic life of internally generated software is estimated to be five years.

Goodwill

Goodwill represents the excess of the cost of acquisition over the book value of the net assets acquired in the participating interests. Goodwill is amortised over the period of 5 years. Goodwill deemed to be impaired will be written down to its impaired value. Goodwill will be derecognised when an asset is sold.

(xv) Deferred Acquisition Costs

Acquisition costs represent the brokerage and commissions attributable to the processing of proposals and the issuing of policies. Acquisition costs are deferred and amortised over the periods in which the premiums are earned.

(xvi) Technical Provisions – Unearned Premiums

Provision for Unearned Premiums represents that part of gross premiums written that is estimated to be earned after the balance sheet date. The unearned premium reserve is calculated on a daily pro-rata basis.

(xvii) Technical Provisions – Claims Outstanding

Claims are subject to prolonged delay, both as to notification and settlement. Accordingly, the likely final cost of claims outstanding, which include a projection for claims incurred but not reported (IBNR) as well as future development of reported losses, is based upon current information and the experience and judgement of the Directors. Large claims are assessed separately, being measured on a case by case basis in order to allow for the possible distortive effect of the development and incidence of these large claims. The ultimate costs thereof cannot be ascertained with certainty at the date of the Consolidated Balance Sheet. Provision for the cost of claims handling is included within the IBNRs. Reinsurers' share is accounted for on an accruals basis and allocated to the same Policy Year as the claims to which they refer.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

for the year ended 31 December 2024

2. ACCOUNTING POLICIES CONTINUED**(xviii) Creditors**

Creditors are included in liabilities at settlement value. Any differences arising on settlement of the debt are recognised then.

(xix) Accruals and deferred income

This item consists of both charges that relate to the current financial year but are payable after the balance sheet date and income received before the balance sheet date but relating to a subsequent financial year.

3. CREDITORS

There are no creditors due after more than five years.

4. INTANGIBLE ASSETS

	31 December 2024 US\$ '000			31 December 2023 US\$ '000		
	Software Development	Goodwill	Total	Software Development	Goodwill	Total
Cost						
At the beginning of the year	91,379	–	91,379	80,311	1,625	81,936
Disposals	–	–	–	–	(1,625)	(1,625)
Additions	11,593	542	12,135	11,068	–	11,068
At the end of the year	102,972	542	103,514	91,379	–	91,379
Accumulated Depreciation						
At the beginning of the year	(58,005)	–	(58,005)	(47,797)	(1,625)	(49,422)
Disposals	–	–	–	–	1,625	1,625
Annual amortisation	(11,747)	–	(11,747)	(10,208)	–	(10,208)
At the end of the year	(69,752)	–	(69,752)	(58,005)	–	(58,005)
Carrying Amount	33,220	542	33,762	33,374	–	33,374

Goodwill as at 31 December 2024 represents that arising on the acquisition of 100% of Waterborne Underwriting Agency Limited which was purchased during 2024.

5. INVESTMENTS

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Other financial investments		
Shares and other variable yield transferable securities and units in unit trusts		
Book and Market value	191,312	179,319
Debt securities and other fixed income transferable securities		
Book and Market value	493,835	465,729
Deposits with credit institutions		
Book and Market value	114,129	95,835

6. TECHNICAL PROVISION – CLAIMS OUTSTANDING

	31 December 2024 Total US\$ '000	31 December 2023 Total US\$ '000
Claims Outstanding – Gross amount		
Own claims	376,303	330,636
Own claims IBNR	128,581	115,324
Other Clubs' pool claims	47,562	48,113
Other Clubs' pool claims IBNR	27,128	35,664
	579,574	529,737
Reinsurers' Share		
Other reinsurers	79,155	42,179
Other reinsurers IBNR	24,109	17,223
Pool claims	26,176	30,675
Pool claims IBNR	1,627	2,698
	131,067	92,775

7. DEBTORS ARISING OUT OF REINSURANCE OPERATIONS

	31 December 2024 Total US\$ '000	31 December 2023 Total US\$ '000
Other reinsurers	2,078	969
	2,078	969

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

for the year ended 31 December 2024

8. TANGIBLE ASSETS AND STOCKS

	31 December 2024 US\$ '000					Total
	Leasehold Improvements	Computer Equipment	Communications Hardware	Furniture and Fixtures	Property and Plant	
Cost						
At the beginning of the year	5,509	1,720	15	878	10,022	18,144
Disposals	(1,120)	(786)	–	–	–	(1,906)
Additions	30	823	–	36	–	889
At the end of the year	4,419	1,757	15	914	10,022	17,127

Accumulated Depreciation

At the beginning of the year	(4,572)	(1,514)	(15)	(822)	(1,014)	(7,937)
Disposals	1,061	786	–	–	–	1,847
Annual amortisation	(345)	(247)	–	(48)	(143)	(783)
At the end of the year	(3,856)	(975)	(15)	(870)	(1,157)	(6,873)

Carrying Amount	563	782	–	44	8,865	10,254
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	31 December 2023 US\$ '000					Total
	Leasehold Improvements	Computer Equipment	Communications Hardware	Furniture and Fixtures	Property and Plant	
Cost						
At the beginning of the year	5,168	2,260	15	967	10,022	18,432
Additions	–	(540)	–	(89)	–	(629)
Disposals	341	–	–	–	–	341
At the end of the year	5,509	1,720	15	878	10,022	18,144

Accumulated Depreciation

At the beginning of the year	(4,216)	(1,995)	(15)	(922)	(871)	(8,019)
Annual amortisation	17	481	–	100	–	598
Disposals	(373)	–	–	–	(143)	(516)
At the end of the year	(4,572)	(1,514)	(15)	(822)	(1,014)	(7,937)

Carrying Amount	937	206	–	56	9,008	10,207
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9. RESERVE MOVEMENTS

	31 December 2024			31 December 2023		
	Legal Reserve US\$ '000	Contingency Reserve US\$ '000	Income and Expenditure Account US\$ '000	Legal Reserve US\$ '000	Contingency Reserve US\$ '000	Income and Expenditure Account US\$ '000
Balance brought forward	300	406,538	–	300	337,069	–
Profit/(Loss) for the financial year	–	–	40,619	–	–	69,469
Transferred to contingency reserve	–	40,619	(40,619)	–	69,469	(69,469)
Balance carried forward	300	447,157	–	300	406,538	–

10. GROSS PREMIUMS WRITTEN

The total gross direct insurance premiums result from contracts concluded in the:

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Member state of the head office	907	912
Other EEC member states	56,443	52,480
Non-member states	247,478	233,177
	304,828	286,569

11. REINSURANCE BALANCE

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Outward reinsurance premium	(34,094)	(33,031)
Change in the provisions for unearned premiums, reinsurers' share	586	642
Claims paid, reinsurers' share	8,208	16,071
Change in the provisions for claims outstanding, reinsurers' share	38,292	(3,145)
	12,992	(19,463)

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

for the year ended 31 December 2024

12. CLAIMS INCURRED NET OF REINSURANCE

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Claims paid		
Gross Amount		
Own claims	(169,152)	(147,356)
Other Clubs' pool claims	(15,978)	(15,713)
	(185,130)	(163,069)
Reinsurers' Share		
Pool	6,631	15,315
Other reinsurers	1,577	756
	8,208	16,071
Change in the provision for claims outstanding		
Gross Amount		
Own claims	(58,925)	(22,278)
Other Clubs' pool claims	9,088	(1,364)
	(49,837)	(23,642)
Reinsurers' Share		
Pool	(4,499)	2,429
Other reinsurers	42,791	(5,574)
	38,292	(3,145)

13. COMMISSIONS

The caption "Net operating expenses – Acquisition costs" comprises only commissions linked to the direct insurance business of the Club amounting to US\$'000 42,876 and US\$'000 40,554 for the years ended 31 December 2024 and 31 December 2023, respectively.

14. INVESTMENT INCOME AND CHARGES

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Investment Income		
Income from other investments	22,108	19,369
Gains on foreign exchange	5,680	10,167
Value readjustments on investments	32,491	54,903
Gains on realisation on investments	6,062	6,478
	66,341	90,917
	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Investment charges		
Investment management charges, including interest	(4,061)	(3,634)
Losses on foreign exchange	(17,986)	(5,471)
Value adjustment on investments	(282)	–
Losses on realisation on investments	(5,579)	(16,078)
	(27,908)	(25,183)
	31 December 2024 US\$ '000	31 December 2023 US\$ '000
15. TAXATION		
Luxembourg municipal and state taxes	(90)	(405)
UK Corporation Tax	(937)	–
	(1,027)	(405)

16. CONTINGENCY RESERVE

In accordance with the Club's Rules, all available funds after making full provision for claims outstanding have been, and will continue to be, transferred to the Contingency Reserve.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS CONTINUED

for the year ended 31 December 2024

17. AUDITOR'S REMUNERATION

The split of the fees (excluding VAT) accrued by the Club and payable to the Club's auditors for the year ended 31 December 2024 are as follows:

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Audit Fee (including Special Report and other reporting requirements instructed by the <i>Commissariat aux Assurances</i>)	643	505
	643	505

18. PERSONNEL EMPLOYED DURING THE YEAR

	31 December 2024	31 December 2023
The average number of persons employed by the Group during the year was:	203	186
The persons employed during the year fell into the following categories:		
Administrative	61	54
Technical	111	101
Financial	31	31
	203	186

Staff costs during the year were as follows:

	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Wages and Salaries	25,511	22,890
Other staff related costs	1,305	1,252
Social Security costs	2,833	2,613
Other pension costs	1,583	1,470
	31,232	28,225

19. DIRECTORS FEES

The aggregate amount paid to Directors during the year ended 31 December 2024 was US\$ 1.8m (2023: US\$ 1.4m).

20. RELATED PARTY TRANSACTIONS

Luxembourg Law requires disclosure of material transactions with related parties. The Club has no share capital and is controlled by the members who are also the insureds. The subsequent insurance transactions are consequently deemed to be between related parties. These are the only transactions between the Club and the members. No single transaction with related parties is of such materiality and nature as to require disclosure.

21. FINANCIAL COMMITMENTS AND GUARANTEES

The Association, through its subsidiary, S.O.P. (Bermuda) Limited - Bermuda, has pledged liquid assets of US\$ 22.9 million (2023: US\$ 23.8 million) as security to obtain credit facilities of US\$ 75.9 million (2023: US\$ 77.6 million).

Total non-insurance related bank guarantees and letters of credit issued on behalf of the Association at 31 December 2024 were:

	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Letters of credit and other guarantees	9,319	9,942
	9,319	9,942

As at 31 December 2024, the Association has committed to the future use of office space for a value of US\$ 1.6m (2023: US\$ 2.6m).

22. SUBSEQUENT EVENTS

There have been no events to report occurring after the 31 December 2024 balance sheet date, which have a material impact on these consolidated annual accounts.

ADDITIONAL INFORMATION (UNAUDITED)

CONSOLIDATED POLICY YEAR STATEMENT

20 February 2025

	2022 US\$ '000	2023 US\$ '000	2024 US\$ '000
Calls and premiums			
Debited in 2024 financial year and prior	267,049	283,301	302,142
Debited/(credited) in 2025 financial year	(73)	1,012	1,410
	<u>266,976</u>	<u>284,313</u>	<u>303,552</u>
Reinsurance premiums	(29,147)	(31,559)	(32,946)
Claims paid			
Own claims	(75,464)	(67,741)	(100,645)
Other Clubs' Pool claims	(2,391)	(1,075)	(6,789)
Reinsurance recoveries			
Pool	–	17,201	–
Other reinsurers	9	338	–
Estimated outstanding claims			
Own claims	(80,903)	(148,009)	(137,761)
Other Clubs' Pool claims	(9,886)	(18,179)	(14,611)
Estimated reinsurance recoveries			
Pool	171	(6,793)	3,810
Other reinsurers	(28)	35,558	63,483
Administrative expenses	(26,367)	(31,568)	(33,034)
Acquisition costs	(36,945)	(39,669)	(42,444)
Surplus/(deficit) at 20 February 2025	<u>6,025</u>	<u>(7,183)</u>	<u>2,615</u>

AVERAGE EXPENSE RATIO

In accordance with Schedule 3 of the International Group Agreement 2013 we are required to include a statement of the Average Expense Ratio for the Club's P&I business for the five years immediately preceding completed financial years. The ratio of 23.9% has been calculated in accordance with the Schedule and the guidelines issued by the International Group of P&I Clubs and is consistent with the relevant Financial Statements.

The Policy Year statement shows the position of open policy years as at 20 February 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

D. A. MacLeod KC (Chair), Canada
J. Vermeij, (Vice Chair) Chile
A. Gürün, Turkey
Dr D.C.S. Ho, Hong Kong
T. G. Kailis, Australia
M. Ko, Singapore
K. Meads, New Zealand
Rev. Canon S. Miller, Hong Kong
E. Muller, The Netherlands
P. D. Orme, United Arab Emirates
S. Surya, Indonesia
S.J. Swallow, United Kingdom
P. Sydenham, United Kingdom
Dr Y. Wagner, Luxembourg
J.M. Whitaker, United Kingdom

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With thanks to GEOxyz for
providing the cover image.

www.geoxyz.eu/en



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