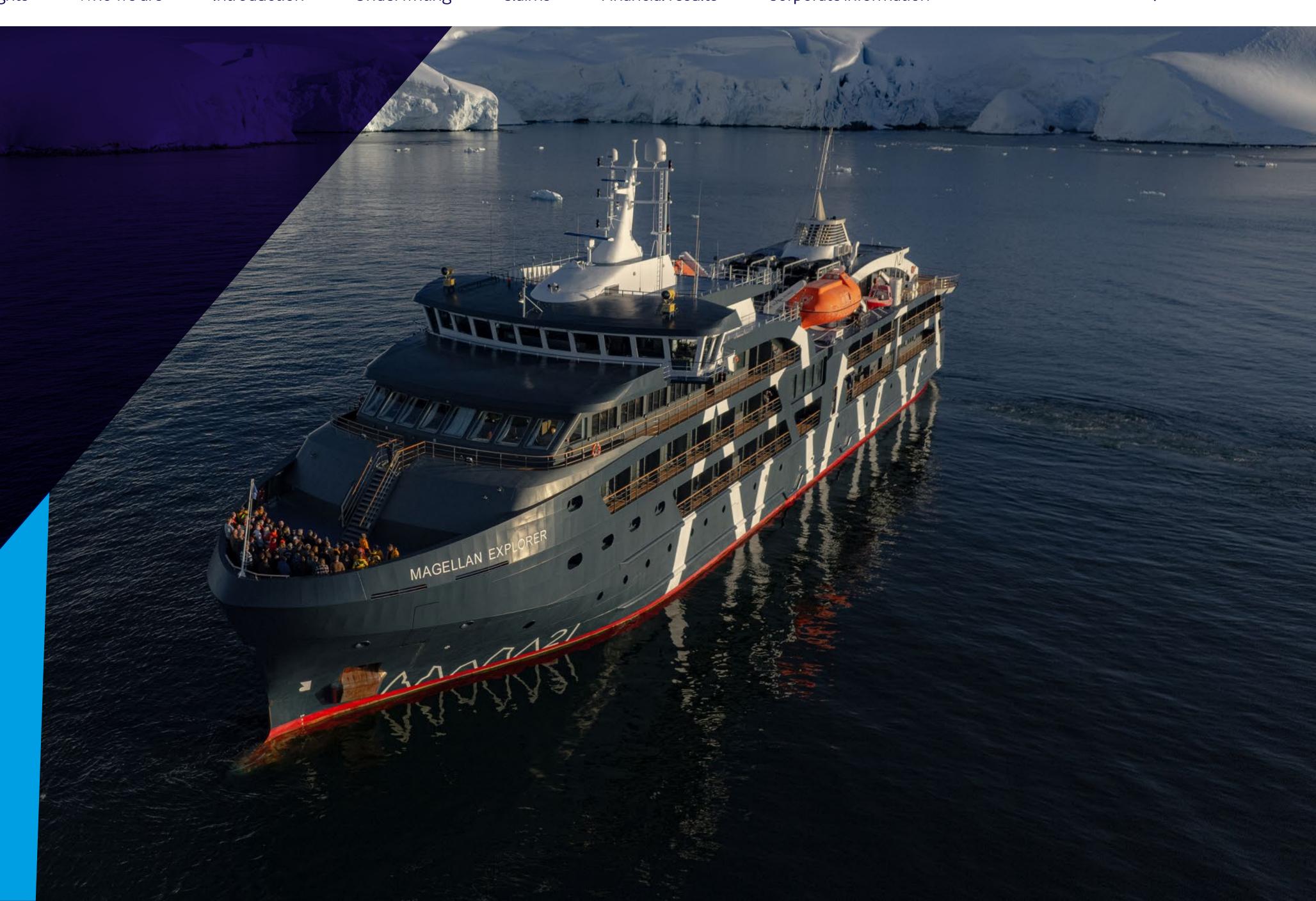


# 2024 Half Year Report



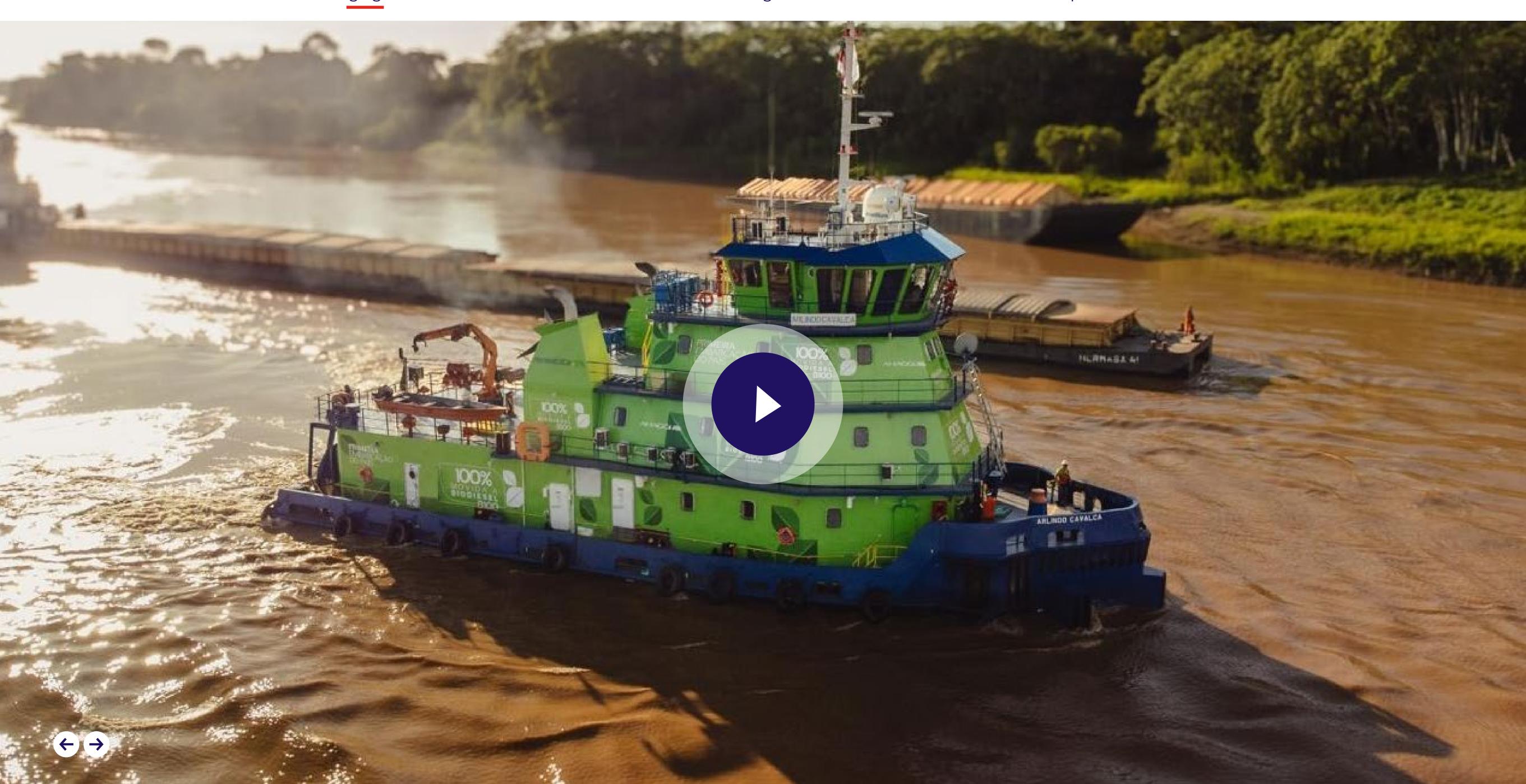
## HIGHLIGHTS

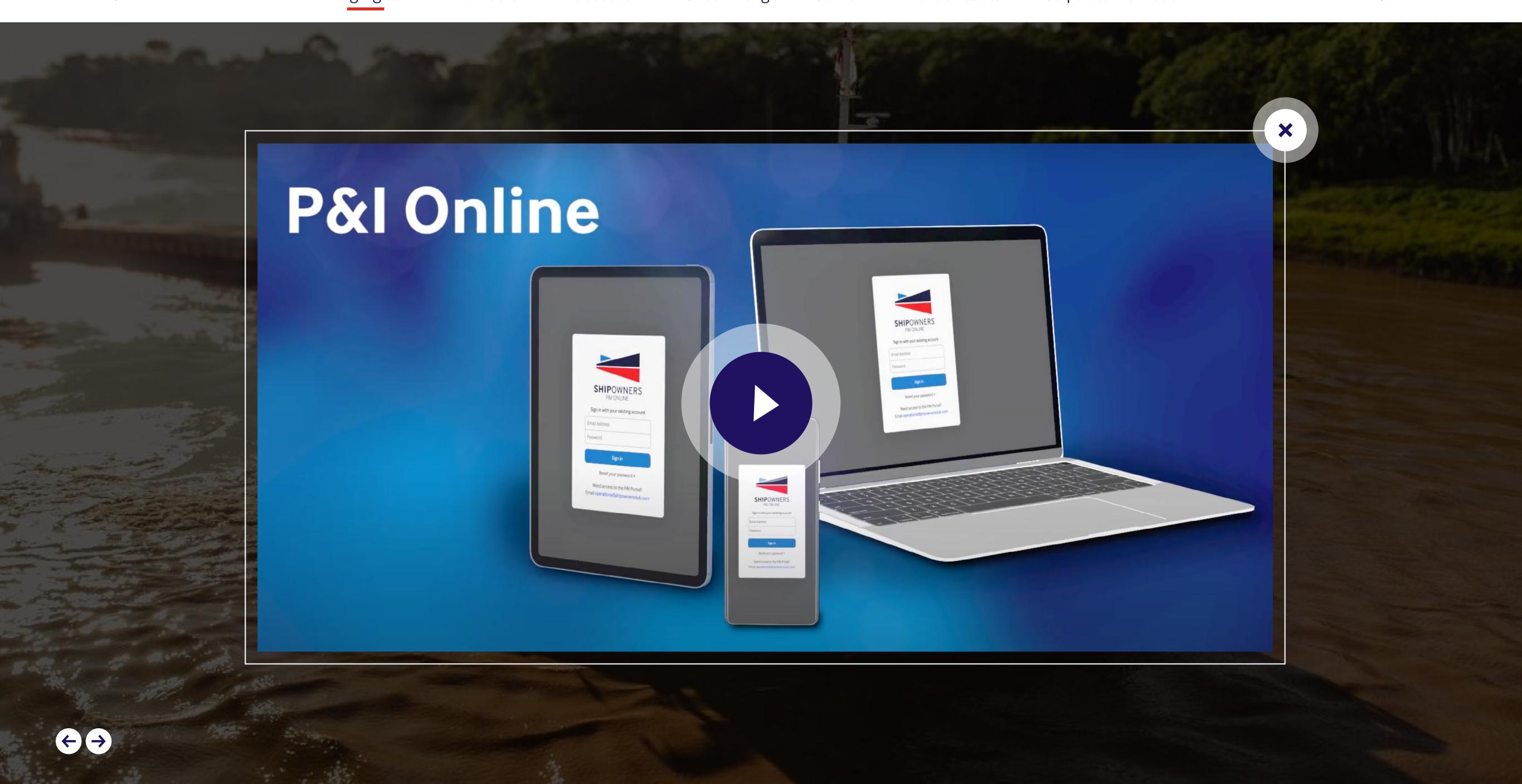












Half Year Report 2024 Highlights Who we are Introduction Underwriting Claims Financial results Corporate information www.shipownersclub.com

## WHO WE ARE

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.









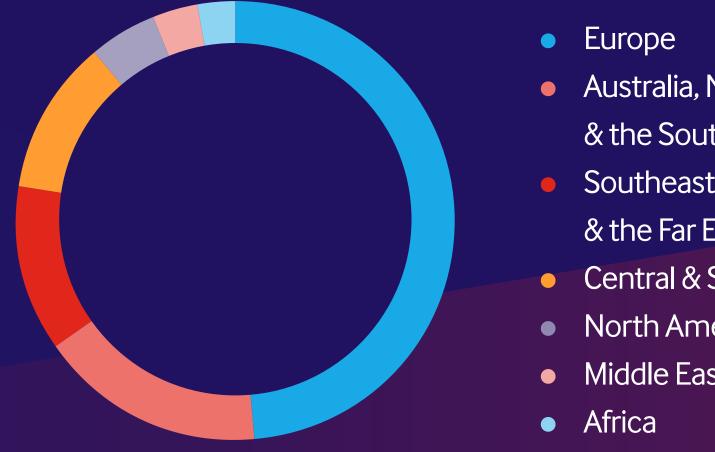
### WHERE WE OPERATE



#### **TOTAL MEMBERS BY REGION**

48.3%

of Members are based in Europe







Half Year Report 2024 Highlights Who we are Introduction Underwriting Claims Financial results Corporate information www.shipownersclub.com

## WHO WE ARE

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



#### **TOTAL TONNAGE BY TRADING AREA**

51.8%

of GT traded in Southeast Asia & the Far East





Claims Corporate information Highlights Who we are Introduction Underwriting Financial results Half Year Report 2024 www.shipownersclub.com

## WHO WE ARE

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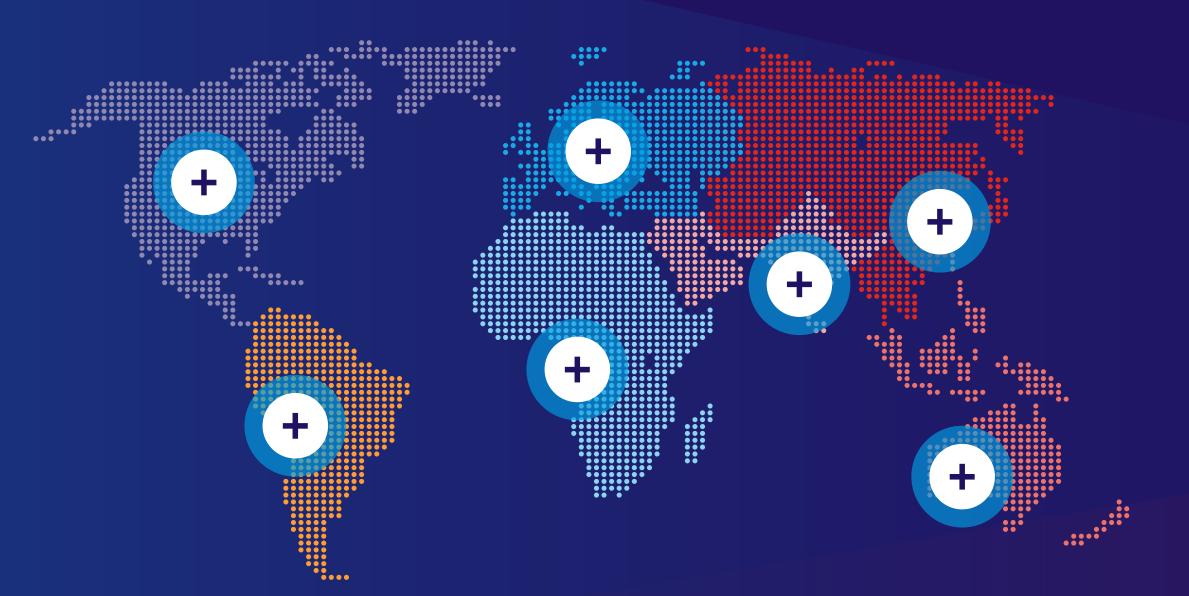








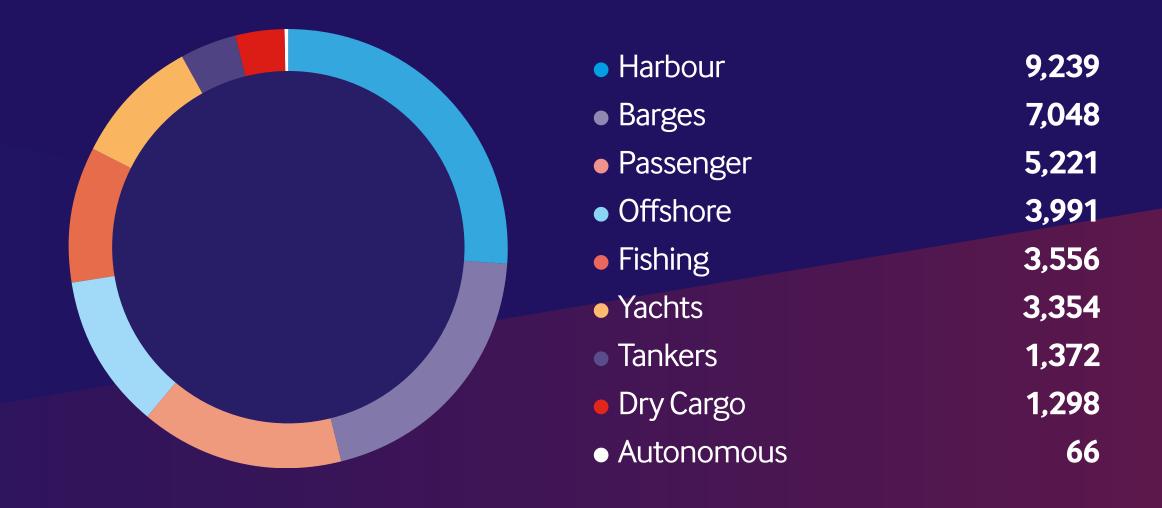
### WHERE WE OPERATE



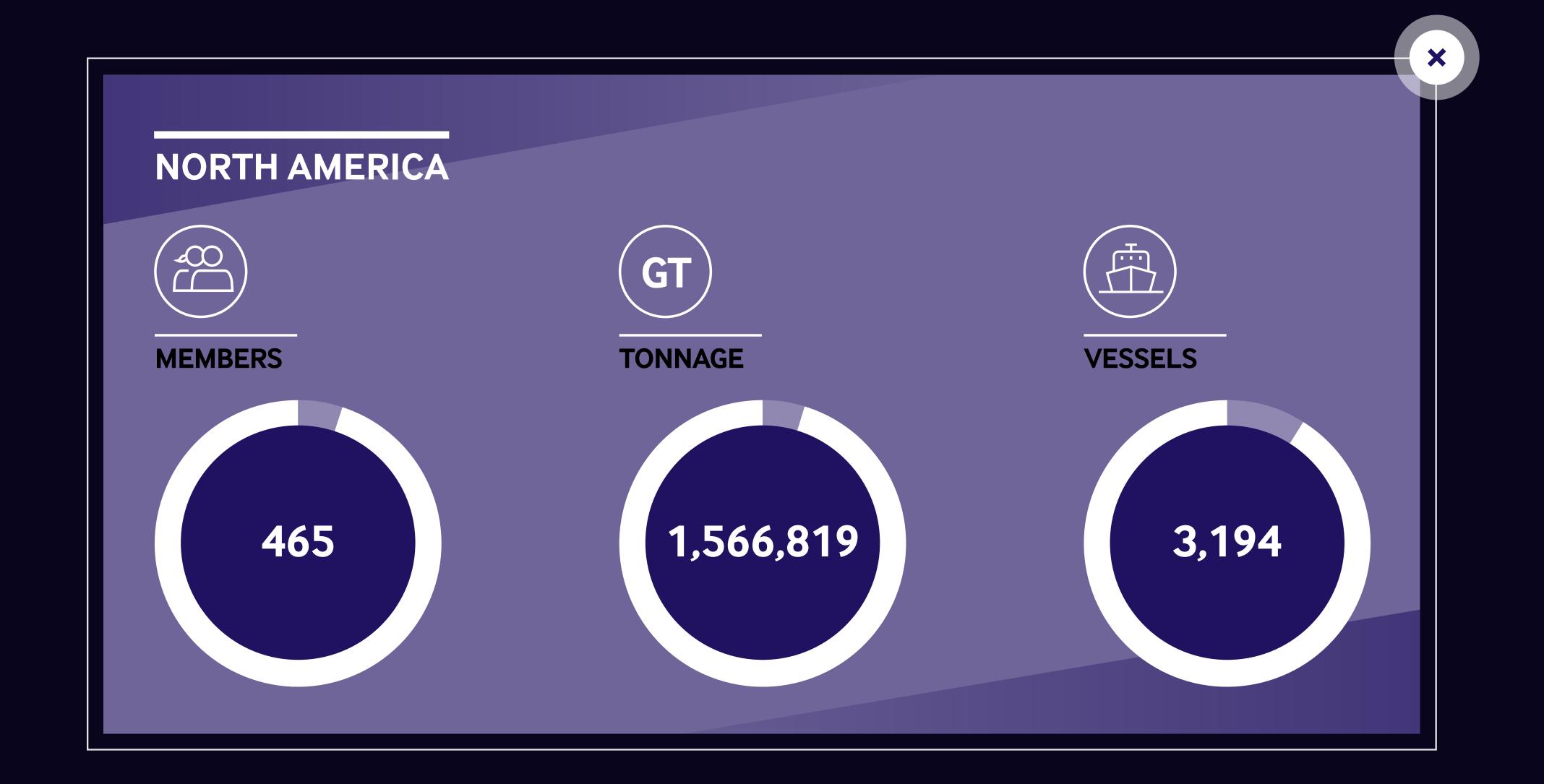
#### **TOTAL VESSELS BY SECTOR**

26.3%

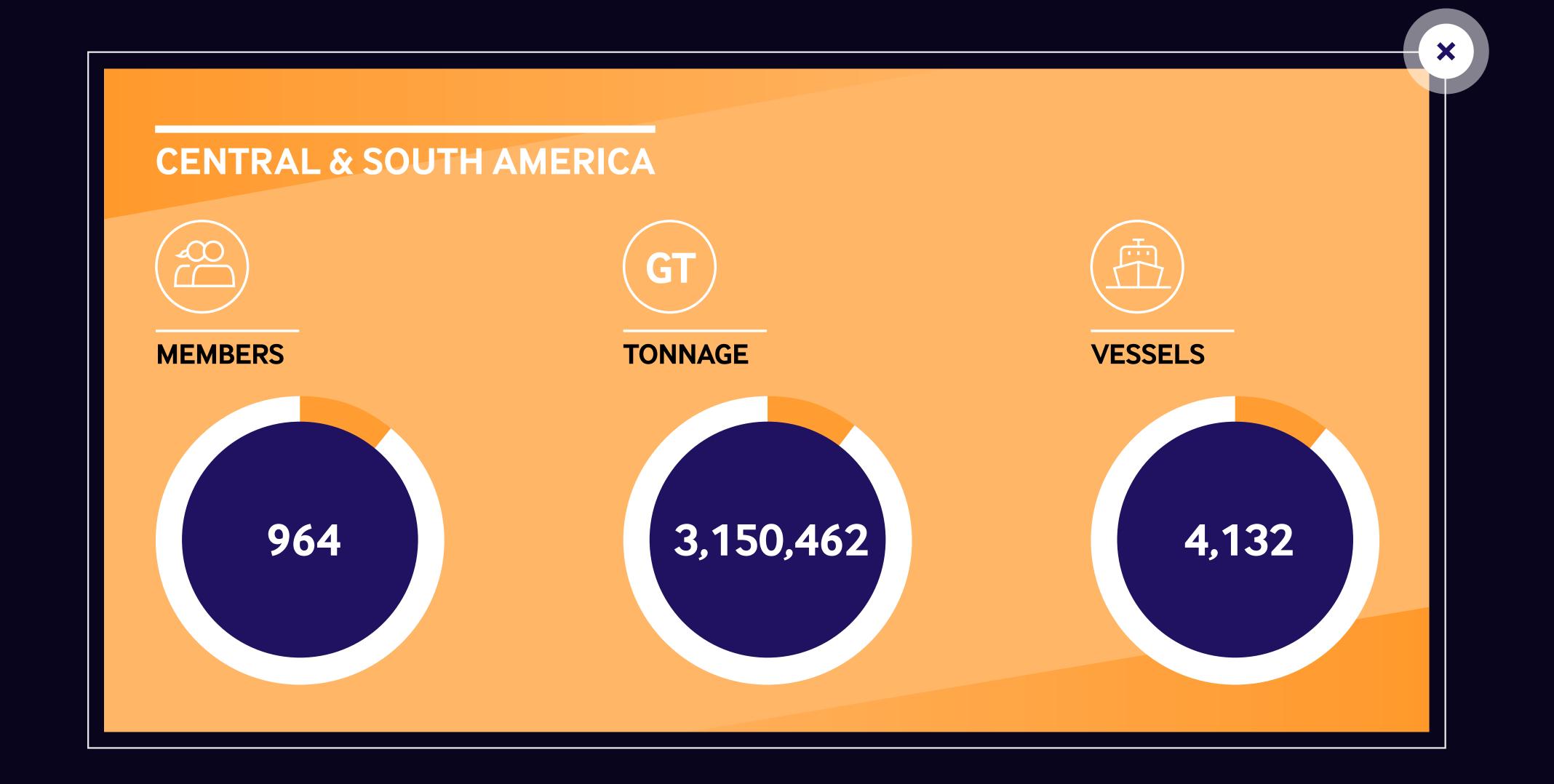
of vessels in the Harbour sector



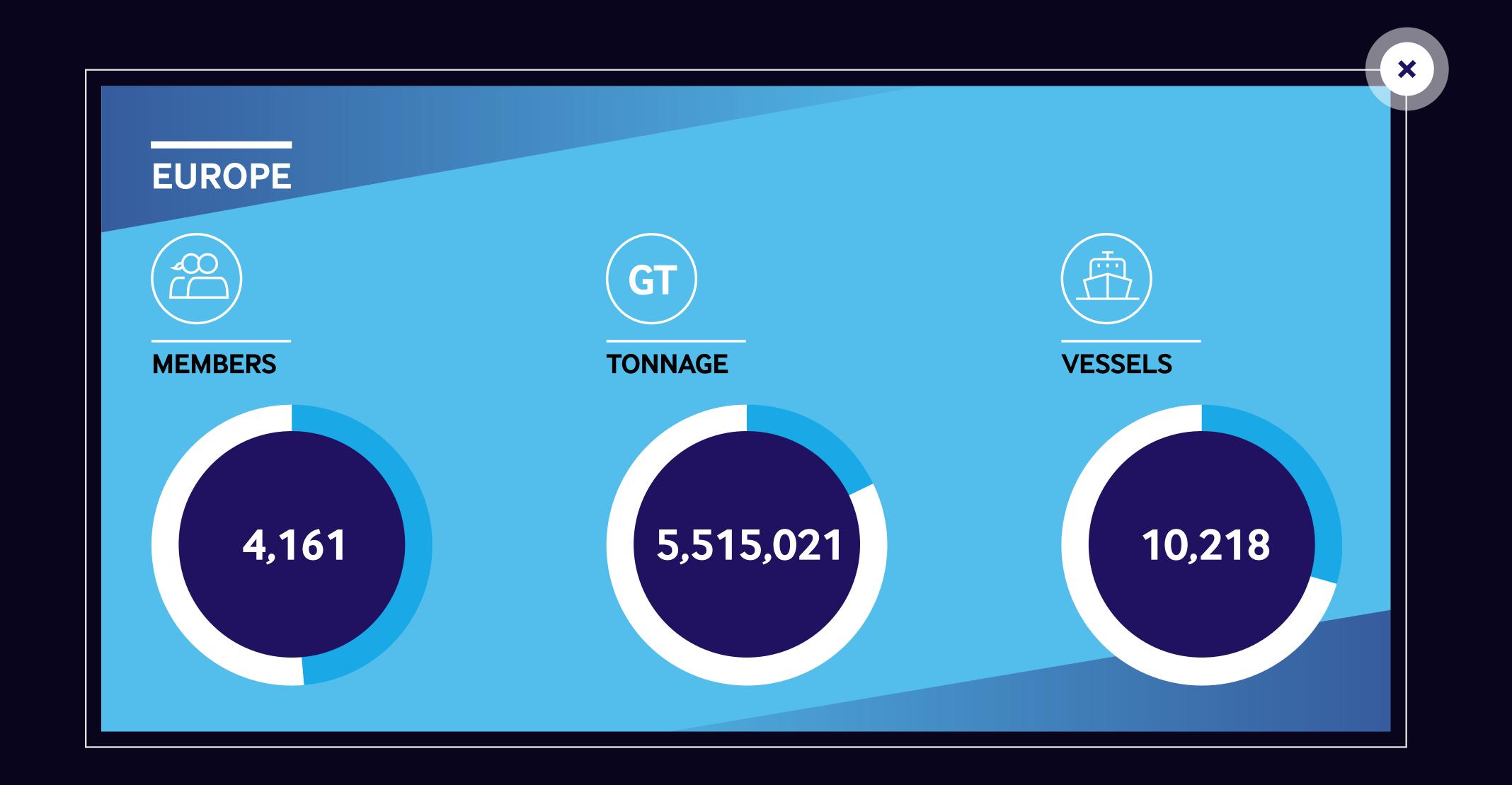




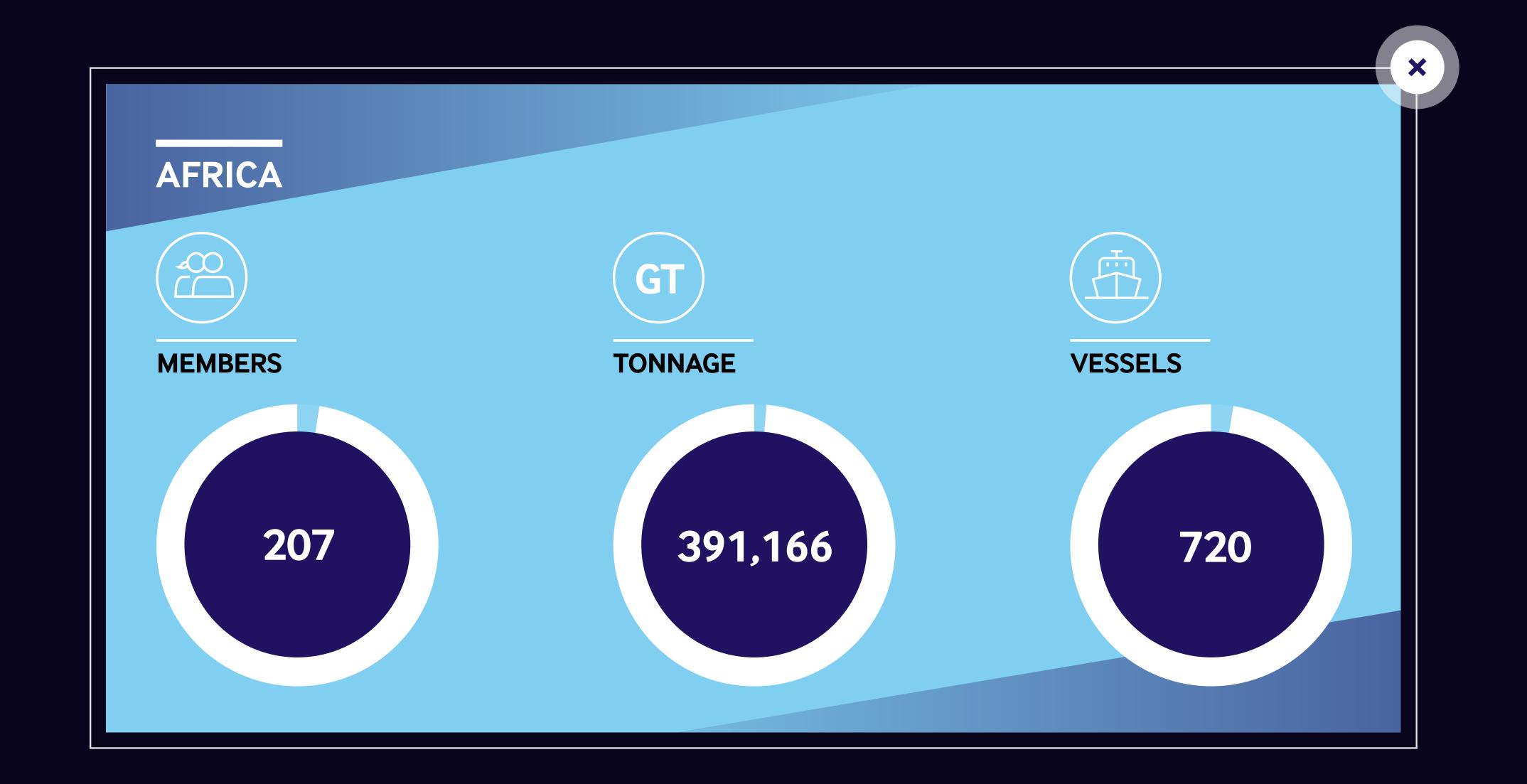




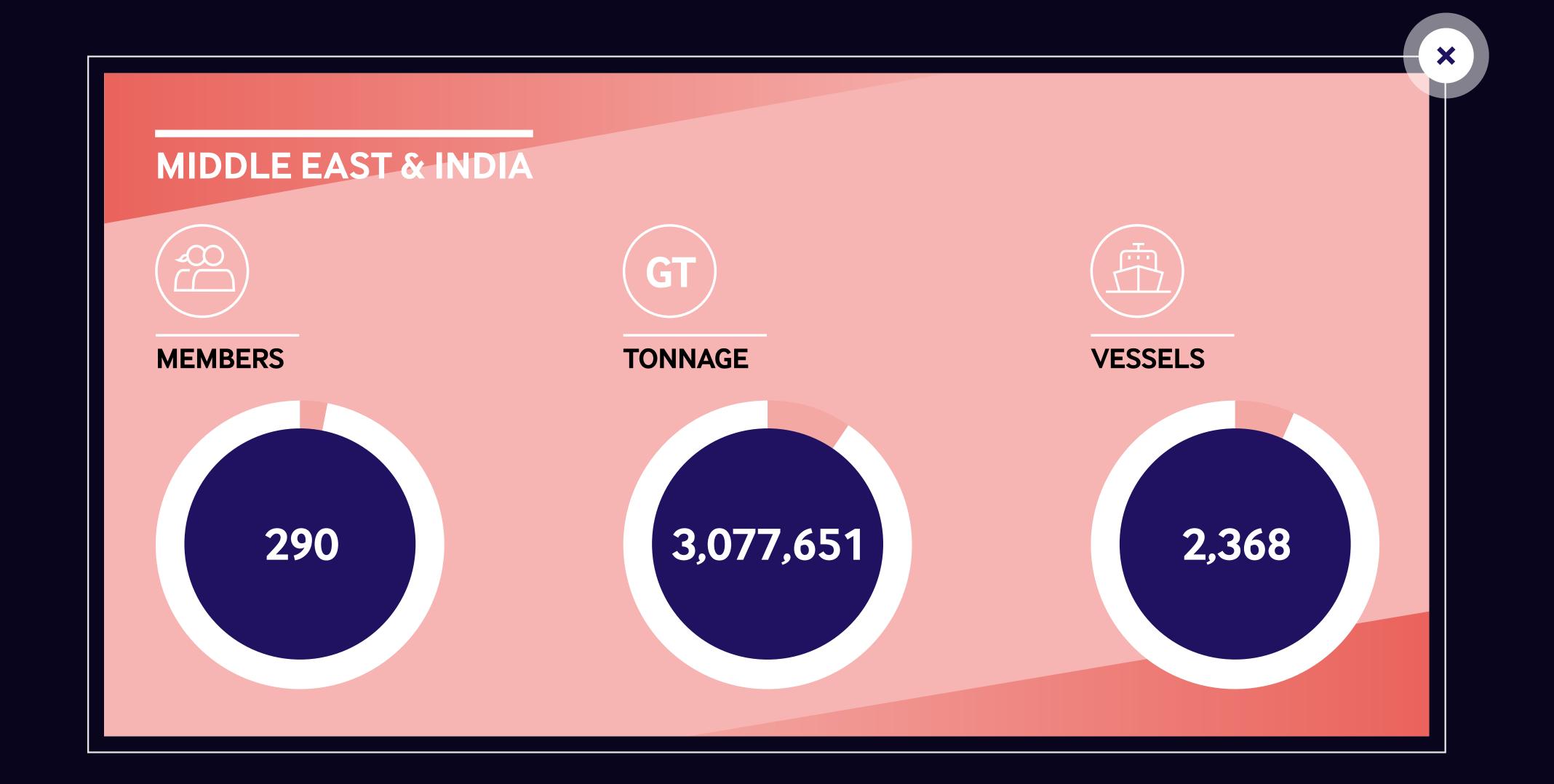




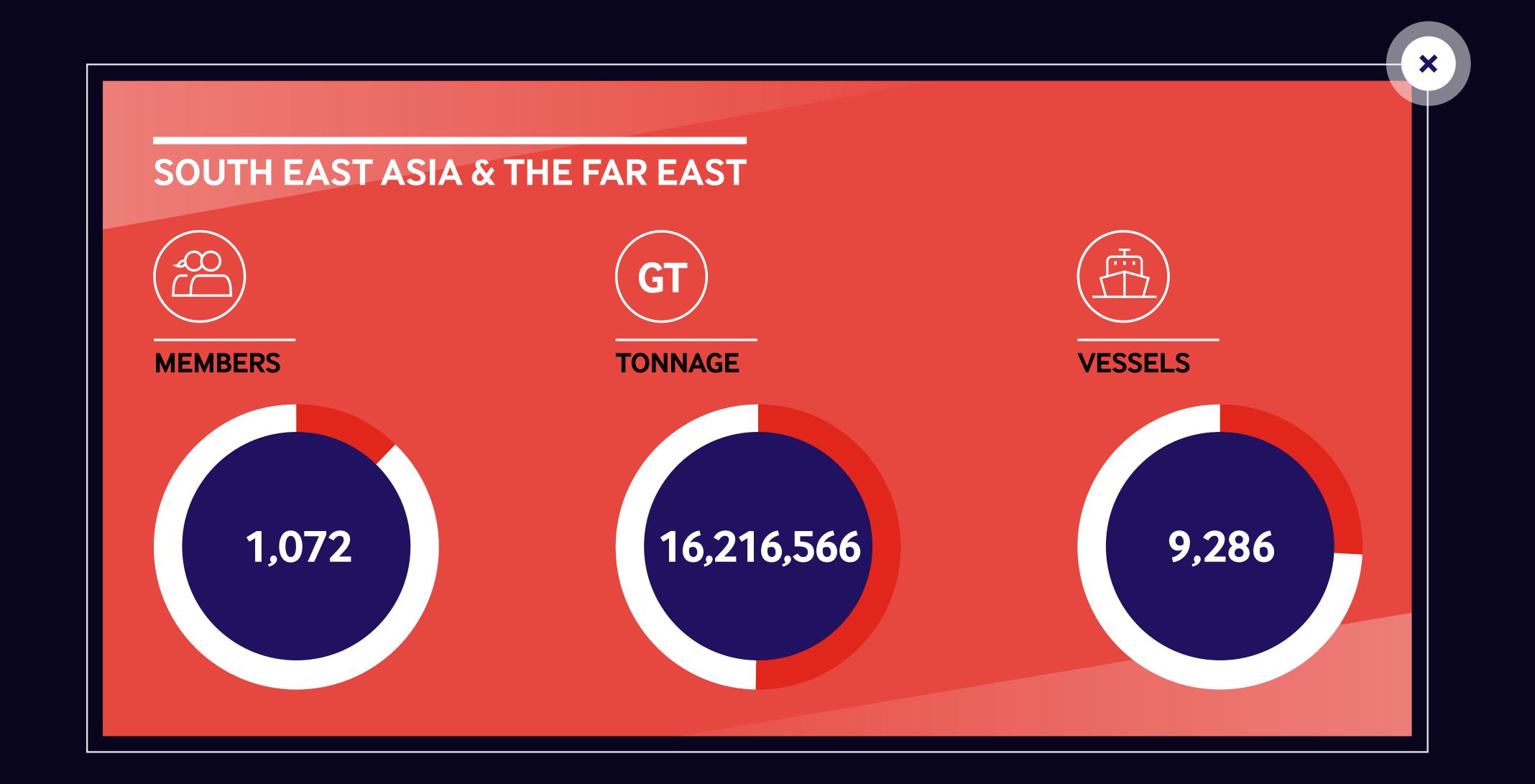




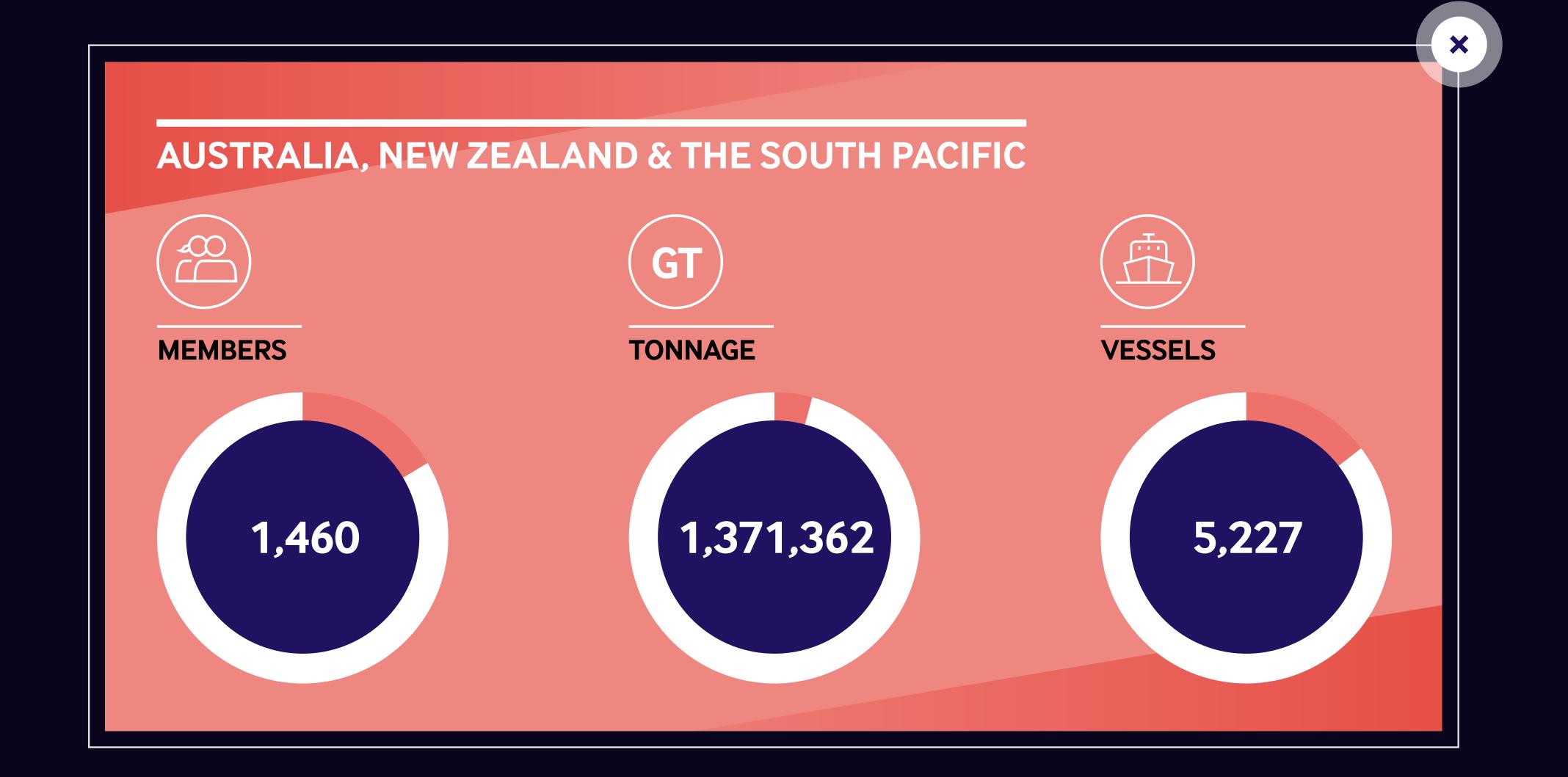














# Introduction



Our Members and their brokers choose to place their P&I risks with us due to our fair pricing and our claims ethos. We thank Members and the broking community for their continued trust."

**SIMON PEACOCK**Chief Executive Officer





## INTRODUCTION

For almost 170 years the Shipowners' Club has been a mutual provider of protection and indemnity marine insurance to our Members. This mutuality, which sees us providing insurance 'at cost', benefits our 8,619 Members throughout the globe.

With a 95.8% combined ratio for the first six months of 2024 and a five-year average combined ratio of 99.6%, we are pleased to report that we continue to strike the right balance between collecting premium from our Members and covering the costs of running their Club. As is reported below, the cost of supporting Member claims remains the largest of these costs and we are always proud that our claims ethos seeks to ensure peace of mind for Members whenever and wherever possible.

Our Members and their brokers choose to place their P&I risks with us due to our fair pricing and our claims ethos, as well as for our loss prevention and other Member support services. They recognise that incidents and accidents can occur at any time, and they want to be assured that the risks they undertake in supporting global shipping are well covered, both as to breadth and depth of cover.

We thank Members and the broking community for their continued trust. We live in turbulent and unpredictable times; in such a volatile world we are grateful for the loyalty shown by existing Members and of the trust that new Members show in us when they place their P&I risks with us.

#### **TOTAL MEMBERS**



#### MEMBER RETENTION RATE





# Underwriting



From an operational perspective we are also pleased to see increasingly enthusiastic uptake of the Club's P&I Online broker portal."

#### IAN EDWARDS

Director – Underwriting





## UNDERWRITING

The Club is pleased to report that with the application of a 5% General Increase from 20 February 2024 and relatively high levels of new business, primarily from our existing Membership, gross earned premium income at the half year point is some US\$ 9.5m up compared to the same period in 2023.

Growth in the offshore, passenger and dry cargo sectors has been particularly encouraging. This increased premium income coupled with our overall claims developing in line with budget has driven a combined ratio of 95.8%. It is notable, however, that claims to the International Group pool in the first half of the year appear to have increased from the relatively benign experience in 2022 and 2023.

From an operational perspective we are also pleased to see increasingly enthusiastic uptake of the Club's P&I Online broker portal, which allows binding of renewals as well as generation and downloading of policy documentation, trading certificates and loss ratio reports.

Development of further portal functionality is progressing well.





# COMBINED RATIO



### **GROSS EARNED PREMIUMS**









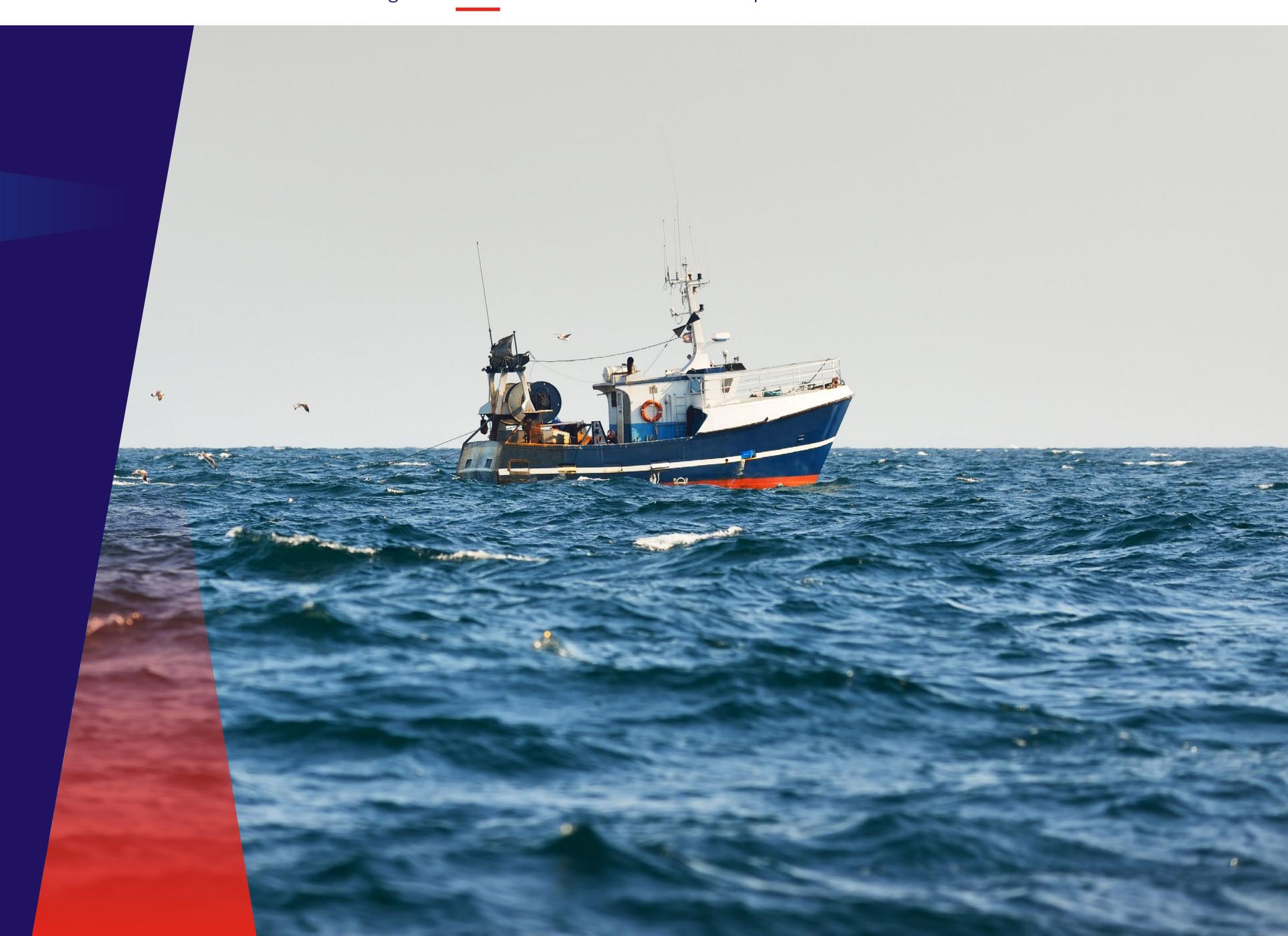
## Claims



The Club is pleased to once again report stability in overall claims frequency, with the number of claims reported during the first half of 2024 being in line with 2023 and within the historic five-year range of frequency."

#### **BRITT PICKERING**

Director – Claims & Legal





### **CLAIMS**

The Club is pleased to once again report stability in overall claims frequency, with the number of claims reported during the first half of 2024 being in line with 2023 and within the historic five-year range of frequency.

Whilst our claims frequency typically remains stable, the same cannot always be said for quantum. It is well understood that claims quantum can be impacted by small changes in claims frequency across the highest quantum bands and this year is no exception. As in previous years, this is most apparent in claims falling within the band from US\$ 1-5m and claims above US\$ 7m. This year we have two reported claims falling within the US\$ 1-5m range compared to 2023, where there were eight such claims.

Additionally, whilst both 2023 and 2024 had one claim in excess of US\$ 7m, the size of these claims is starkly different, with this year's claim being significantly lower. When considering our top five claims it is worth noting that two of these claims are

the Club's contribution to International Group pool claims. The reduction in claims frequency across these higher bands has resulted in gross Club claims at the half year stage comparing very favourably with 2023.

Whilst analysis of our largest quantum claims has not revealed a causal link with jurisdiction or vessel type, we continue to monitor a range of causative factors including the increased severity and unpredictability of global storms; storms and rough seas could be more challenging for smaller vessels used to plying coastal waters. Aligned to this we are also alive to the possibility that a lack of infrastructure and shortage of assets required to handle environmental claims in remote areas can increase the cost of claims significantly.

In relation to claims falling within smaller bands, we continue to monitor the costs of service providers including lawyers, surveyors, and consultants to ensure that inflation is understood and managed as much as possible.



TOTAL INCURRED VALUE OF CLAIMS

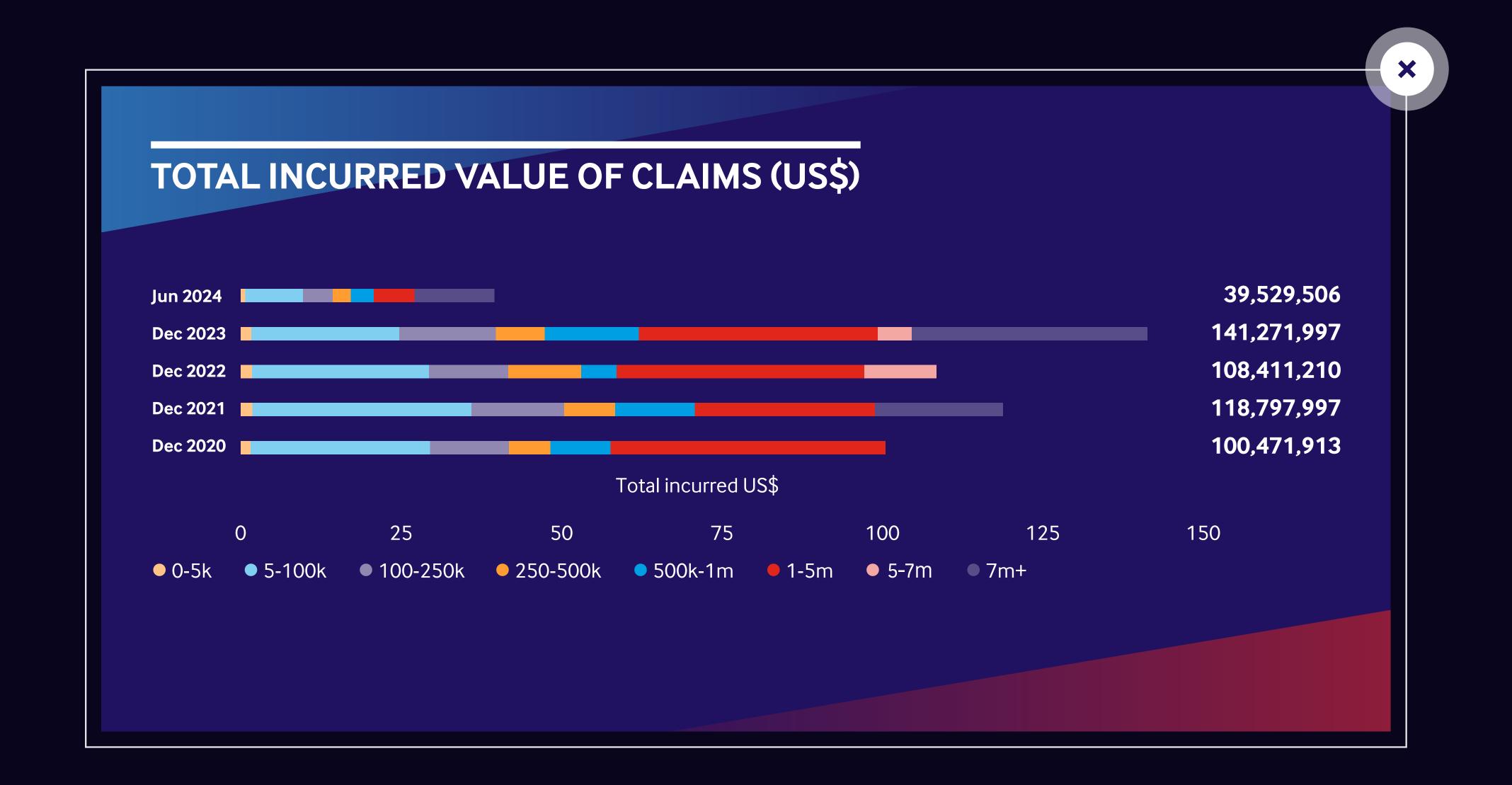
30 June 2024



**FILES OPENED COUNT** 

30 June 2024











# Financial results



For many years the Club has pursued a long-term investment strategy which has served Members well in delivering improved capital strength."

MARCUS TARRANT
Chief Financial Officer





## FINANCIAL RESULTS

## The Club's financial result can be considered in two key parts.

#### **UNDERWRITING**

The underwriting result of a US\$ 5.4m surplus (95.8% combined ratio) has been driven by an increase of 7% in earned income compared to the first half of 2023. This positive variance has been sufficient to more than absorb claim costs from the first six months of the year, which were partly driven by a large loss in the South China Sea during the second quarter, as well as increased expenses due to a higher inflationary environment.

It is very pleasing to report that, consistent with our historic track record, this underwriting result achieves the Club's goal of delivering P&I insurance 'at cost' to Members.

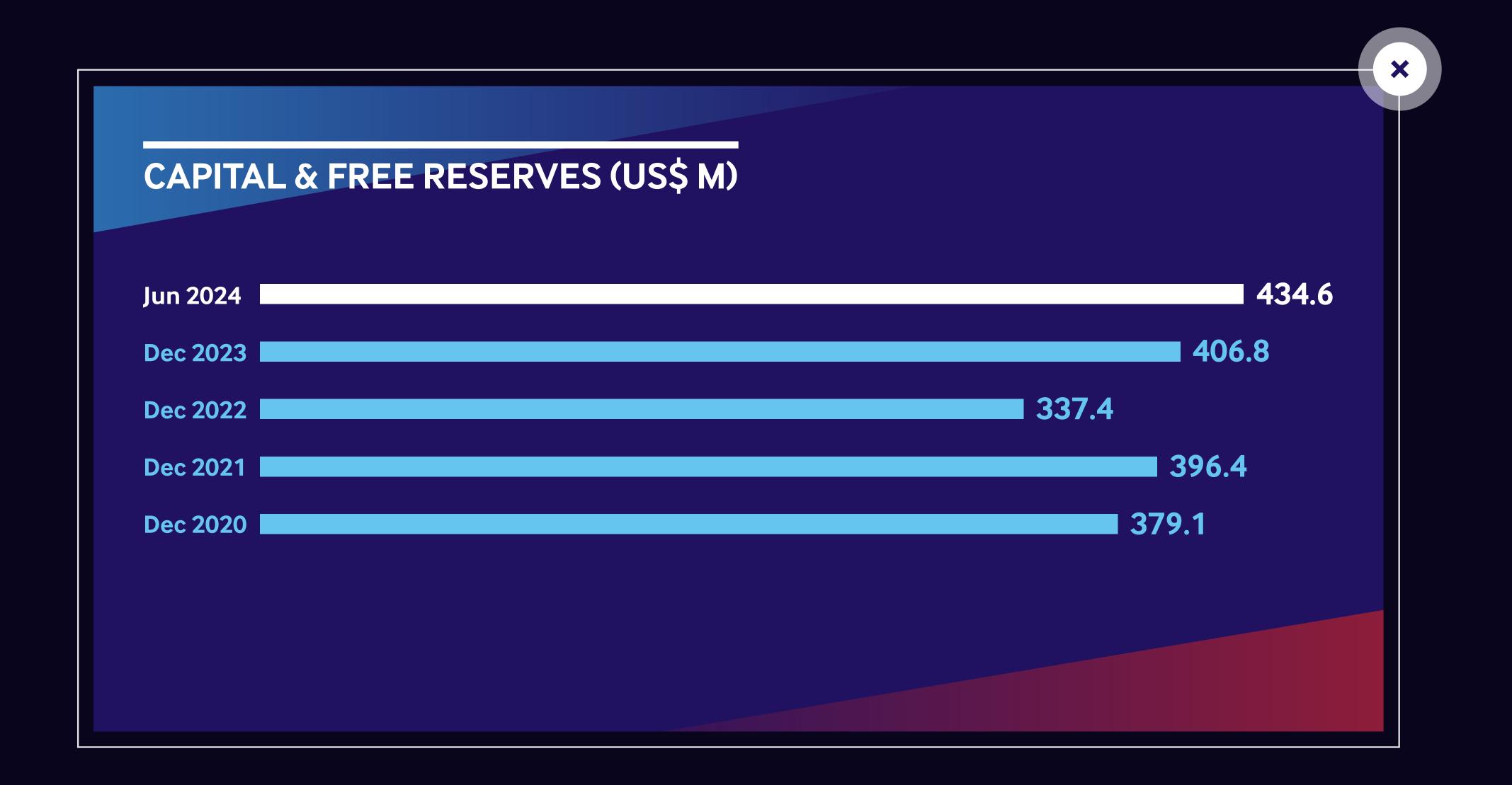
#### **INVESTMENTS**

For the other half of the income statement, the Club has seen a solid performance from its investment portfolio over the first six months of the year.

For many years the Club has pursued a long-term investment strategy which has served Members well in delivering improved capital strength. For the six months ended 30 June 2024 the Club saw this strength increase further, with a gain on the portfolio of 3.9%. The portfolio is invested in long positions across fixed income and equities and across all major sectors and geographies. The first half of 2024 has seen all segments of the portfolio contribute to the gain, led by the Club's equity holdings.









## FINANCIAL RESULTS

### INTERIM CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Six months to 30 June 2024 (unaudited) US \$'000	Six months to 30 June 2023 (unaudited) US \$'000	Year to 31 December 2023 (audited) US \$'000
Gross premium earned	146,449	136,982	281,260
Outward reinsurance premiums	(16,202)	(16,151)	(32,389)
	130,247	120,831	248,871
Ultimate claims net of reinsurance	(88,492)	(85,131)	(173,785)
Net operating expenses			
Acquisition costs	(20,384)	(19,086)	(39,432)
Administration expenses	(15,948)	(14,844)	(31,568)
	(36,332)	(33,930)	(71,000)
Underwriting account balance	5,423	1,770	4,086
Investment return*	20,714	28,917	65,734
Taxation	(360)	15	(405)
Other income/(expenses)	1,987	799	54
Result for the period	27,764	31,501	69,469
Combined Ratio	95.8%	98.5%	98.4%
Capital and free reserves	434,601	368,868	406,838

<sup>\*</sup> Net of charges



## FINANCIAL RESULTS

### INTERIM CONSOLIDATED BALANCE SHEET

	30 June 2024 (unaudited) US \$'000	30 June 2023 (unaudited) US \$'000	31 December 2023 (audited) US \$'000
Investments	772,373	688,107	740,883
Reinsurers' share of technical provisions	87,275	96,224	92,775
Debtors	124,667	141,462	65,325
Other assets (including cash)	153,687	127,618	149,474
Prepayments and accrued income	51,621	49,593	24,616
Total assets	1,189,623	1,103,004	1,073,073
Capital and reserves	434,601	368,868	406,838
Gross technical provision	541,176	507,273	529,737
Provision for unearned premium	180,950	170,909	90,975
Creditors and other liabilities	27,380	51,311	39,069
Accruals and deferred income	5,516	4,643	6,454
Total liabilities	1,189,623	1,103,004	1,073,073



## **CORPORATE INFORMATION**

#### **CONTACT US**

#### **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. Swallow, United Kingdom

P. Sydenham, United Kingdom

Dr Y. Wagner, Luxembourg

J.M. Whitaker, United Kingdom

#### **Chairman Emeritus**

W. Everard CBE, United Kingdom

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E-mail: info@shipowners.lu

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#### **MANAGERS**

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E-mail: info@shipownersclub.com



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## The Shipowners' Club

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With thanks to Piet Sinke for the two images on our highlights page. www.maasmondmaritime.com

