

Notices to Members

No. 17 2017/2018 - Class 1 (P&I) and Class 2 (FD&D) Renewals 2018/2019

September 2017

Dear Sirs,

CLASS 1 (P and I) AND CLASS 2 (FD and D) RENEWALS 2018/2019

At their meeting on 20 September 2017, the Board considered the level at which calls and fixed premium rates should be set for Policy Year 2018.

A further Notice to Members will be issued during the autumn in line with the Club's usual practice to advise any detailed changes, for example, to Group reinsurance and limits of cover.

However, the Board's key decisions are as follows:

- For both Class 1 (P&I) and Class 2 (FD&D) entries a Nil standard surcharge has been set to apply to all mutual and fixed premium rates. Group reinsurance costs for owned mutual entries shall continue to be charged as fixed costs per GT in accordance with the Club's usual practice. This decision reflects the fact that for the majority of the Club's Members individual loss ratios continue to be positive and so do not currently merit an overall standard increase.
- For Members whose records are adverse, rates and terms will be increased and adjusted as appropriate to reflect record and/or risk exposure.
- The Rules Deductible for Class 1 entries will be increased from \$11,000 to \$12,000, and where individual deductibles are below this level, they shall be increased by 10% or by \$1,000, whichever is the higher.
- For Class 2 entries no change will be made to the one fourth deductible formula.
- For both Class 1 and Class 2 risks the basis of charging for mutual risks shall be modified so that for 2018 and subsequent policy years the Club's estimated total mutual call, which hitherto has been expressed as a net advance call plus an additional call (35% of the net advance call), shall be re-expressed simply as a total mutual call to be payable in 5 equal instalments (each of 20% of the total mutual call). Four instalments shall be paid during the policy year with the fifth in August the following year.

Group reinsurance costs per GT for owned mutual entries will continue to be charged separately as a fixed cost in equal instalments together with each total mutual call instalment.

In practice, this simplification will make no material difference to the timing of or amounts payable by mutual Members.

- For time charter and other fixed premium rates, no change will be made to current practice; premium shall be payable in up to 4 equal instalments during the policy year.

Yours faithfully

For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

T J Bowsher
Managing Director