

# No. 7 2019/2020 - Change to the Mutual Call Structure

August 2019

Dear Sirs,

## CHANGE TO THE MUTUAL CALL STRUCTURE

Since 1992, the West of England has applied a rating methodology which separates the International Group's general excess of loss reinsurance cost for each policy year from the mutual call.

The practice was adopted when Group Reinsurance costs as a proportion of overall Club premium were increasing rapidly especially for dirty tankers, although today the reinsurance cost for most categories of vessel has reduced proportionately.

In 2018 we started a process of simplifying our invoicing by moving from a traditional estimated total call (split across an advance call and additional call) to a net mutual call, but the reinsurance is still charged separately as a fixed amount.

Following a review by the Association, it has been decided that from 20th February 2020 the Club's calling mechanism will be brought into line with the rest of the International Group by merging the reinsurance rate into the mutual call. This will further simplify the invoicing documentation as the calls will be expressed as a single figure.

Members requiring further guidance should contact the Underwriting Department.

Yours faithfully,

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

**T. Bowsher**  
Group CEO