

Group Reinsurance Rates 2025/26



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The arrangements for the renewal of the International Group General Excess of Loss (GXL) reinsurance contract and the Hydra reinsurance programme for 2025/26 have now been finalised. These include the Collective Overspill Cover; Excess War Risks P&I cover and MLC cover.

The 2024/25 policy year has, so far, demonstrated a higher level of claims development which is more consistent with the 2019-2021 period. The renewal of the contract has been challenging, given the high profile Baltimore Bridge incident and in addition, the wider reinsurance markets have seen a more active 2024 hurricane season.

This has resulted in an overall premium increase on the International Group (IG) reinsurance contract for 2025/26 across all categories of vessel.

The main GXL placement (Layers 1-3, US\$ 2 billion excess of US\$ 100m) has been maintained as three layers. There continues to be the US\$ 1 billion Collective Overspill cover excess of the GXL together with three private placements in Layer 1 (maintaining their 25% overall share).

The Individual Club's retention on any claim remains at US\$ 10 m and excess of this, claims are pooled between Group Clubs for US\$ 90 m excess US\$ 10 m;

The entire Group reinsurance placement, excess of US\$ 100 million can be summarised as follows:

Layer 1 – US\$ 650 m excess US\$ 100 m

Layer 2 – US\$ 750 m excess US\$ 750 m

Layer 3 – US\$ 600 m excess US\$ 1.5 bn;

75% of Layer 1 and 100% of Layers 2 and 3 are placed with the open market on a free and unlimited basis, except for malicious cyber, COVID-19 and Pandemic liabilities. For those risks, cover remains on a free and unlimited cover within layer 1, which covers almost all Clubs' certificated risks. For 2025/26, excess of USD 750m there is up to US\$1.35bn of annual aggregated cover in respect of Malicious Cyber cover and separate annual aggregated cover of USD1.35bn in respect of COVID-19/Pandemic risks. Excess of that aggregated cover, the IG continues to pool any reinsurance shortfall, resulting in no change to shipowners' cover.

25% of Layer 1 remains covered by three private market placements, which are renewed independently of the open market element of the GXL.

Hydra retains an Annual Aggregate Deductible ("AAD") in Layer 1, which remains at the same value as for the 2025/26 policy year in 100% terms. With the open market layer at 75%, the value of this AAD remains at USD 107.1m for the 2025/26 policy year.

Individual Club retention and GXL programme attachment

Following a comprehensive review of the retention structure it has been decided to maintain the Individual Club Retention unchanged for the 2025/26 policy year at USD 10 million, as does the structure of the Pool and the attachment point for the GXL.

Other placements:

The Collective Overspill (USD 1bn excess of USD 2.1 bn) and ancillary covers are being renewed with premiums included within the overall rate per GT.

MLC cover

The MLC market reinsurance cover is being renewed for 2025/26 at competitive market terms, with the premium included in the overall reinsurance rates charged to shipowners.

Excess War cover

The excess War P&I cover will be renewed for 2025/26 for a period of 12 months. Again, this will be included in the total rates charged to shipowners.

However, due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers have maintained their requirement for Territorial Exclusion language (consistent with exclusionary language already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. As such the Group has purchased aggregated sub-limited cover of USD 100m from the reinsurance markets to cover the Russia/Ukraine/Belarus excluded risks.

Reinsurance cost allocation 2025/26

As part of its annual analysis to ensure the fairness of cost allocation between different vessel types, the Reinsurance Committee (RIC) has also considered its current vessel categories.

The conclusions of the RIC are that there should be no change in the number of categories but that there should be some adjustments to the relative rate changes having regard to historical claims performance.

The 2025/26 rates are set out below:

Tonnage category	2025 rate in US cents per GT	% change in rate per GT
Persistent Oil Tankers	62.58	+1.5%
Clean Tankers	43.37	+8.9%
Dry	60.54	+3.3%
FCC	89.03	+23.6%
Passenger	343.90	+1.6%

As is customary, the 2025/26 Mutual call will be adjusted to reflect these rates and split evenly across all instalments