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Group Reinsurance Rates 2026/27

Francis Corrigan
Chief Financial Officer

The arrangements for the renewal of the International Group General Excess of Loss (GXL) reinsurance contract and the Hydra reinsurance programme for 2026/27 have now been finalised. These include the Collective Overspill Cover; Excess War Risks P&I cover and MLC cover.

Following a relatively benign Pool claims environment for the 2022/23 and 2023/24 Policy Years, the 2024/25 and 2025/26 Policy Years have seen a move back towards a higher level of pool claims activity, more consistent with the 2019/20 – 2021/22 period.

There are several changes to the GXL programme for the coming year:

- As part of the GXL, the IG has extended to four private placements amounting to 27.5% of Layer 1 of the programme (USD 650m xs USD 100m) reducing the market share of Layer 1 from 75% to 72.5%.

- The IG has also extended the cover offered by Clubs to their shipowner members by expanding Layer 3 of the GXL from USD 600m excess of USD 1.5bn to USD 850m excess of USD 1.5bn. This in turn means that the IG's Collective Overspill cover of USD 1bn is now excess of USD 2.35bn as opposed to USD 2.1bn in 2025/26.

For Layers 2 and 3 the COVID-19 / Pandemic risk aggregated cover and Malicious Cyber aggregated cover continue to be split. For both these risks there continues to be free and unlimited cover for all claims up to USD 650m xs USD 100m and two towers of separate aggregated cover for claims above USD 750m up to USD 2.35 billion.

Renewal Overview

The main GXL placement (Layers 1-3, USD 2.25 billion excess of USD 100m) has been maintained as three layers. There continues to be the USD 1 billion Collective Overspill cover excess of the GXL but there has been a move to four private placements in Layer 1 amounting to 27.5% (compared with three private placements of 25% in 2025/26).

An overview of the entire GXL for 2026/27 is as follows:

- The Individual Club retention on any claim remains at USD 10m.

- Excess of this, claims are pooled between Group Clubs for USD 90m excess USD 10m.

- Excess USD 100m, the GXL applies as follows:

    - Layer 1 USD 650m excess USD 100m; Layer 2 USD 750m excess USD 750m; Layer 3 USD 850m excess USD 1.5bn.

    - 72.5% of Layer 1 and 100% of Layers 2 and 3 are placed with the open market on a free and unlimited basis, except for risks in respect of malicious cyber, COVID-19 and Pandemic. For those risks, for the 2026/27 Policy Year, there remains free and unlimited cover for claims up to USD 650m excess of USD 100m. This covers almost all Clubs' certificated risks. Excess of USD 750m there is up to USD 1.6bn of annual aggregated cover in respect of Malicious Cyber cover and separate annual aggregated cover of USD 1.6bn in respect of Pandemic/ COVID-19 risks. Excess of that aggregated cover, the IG continues to pool any reinsurance shortfall, resulting in no change to shipowners' cover.

    - 27.5% of Layer 1 is covered by four private market placements, which are renewed independently of the open market element of the GXL.

    - Hydra continues to retain an Annual Aggregate Deductible ("AAD") in Layer 1, which in 100% terms has moved down in value from USD 107.1m to USD 103.6m for the 2026/27 policy year, reflecting the reduced market share in Layer 1.

Other placements:

The Collective Overspill (USD 1bn excess of USD 2.35 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 2026/27 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 2026/27 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 continues to purchase aggregated sub-limited cover from the reinsurance markets to cover the Russia / Ukraine / Belarus excluded risks but this has increased to USD 125m from USD 100m in the previous year.

Passengers

Despite the changes to Layer 3 of the GXL and to the Collective Overspill limits, the limits for Passengers and Crew remain unchanged for the 2026 renewal.

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Reinsurance cost allocation 2026/27

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 at this time, but that there should be some adjustments to the relative rate changes having regard to each category's historical claims performance against the GXL.

The 2026/27 rates are set out below:

Tonnage category	2026 rate per GT	% change in rate per GT from 2025
Persistent Oil Tankers	USD 0.5758	-8.0%
Clean Tankers	USD 0.4337	NIL
Dry	USD 0.5751	-5.0%
FCC	USD 1.0237	+15.0%
Passenger	USD 3.1472	-8.5%

As is customary, the 2026/27 Mutual call will be adjusted to reflect these rates and split evenly across all instalments.