

Group Reinsurance Rates 2017/2018

14th December 2016

The arrangements for the renewal of the International Group General Excess of Loss (GXL) reinsurance contract and the Hydra reinsurance programmes for 2017/18 have now been finalized. These include the Collective Overspill Cover, Excess War Risks P&I cover and a new MLC cover.

For 2017 Group Reinsurance rates per GT will be as follows:

Category	2017 rate per GT	% change from 2016
DIRTY TANKERS	\$0.5955	- 9.32%
CLEAN TANKERS	\$0.2675	- 5.01%
DRY CARGO VESSELS	\$0.4114	- 9.32%
PASSENGER VESSELS	\$3.3319	- 5.00%

This represents a reduction for all categories of vessel and following our usual practice, these rates will be charged as separate fixed costs together with 2017 advance call rates, giving this Club's Members the full benefit of the reduction.

For 2017/18 the structure of the contract has been simplified through the introduction of a flat attachment point of US\$ 100 Million.

Currently, the layer from US \$80 million to US \$100 million is reinsured 75% by Hydra and 25% by the first layer of the market GXL placement. From February 2017, Hydra will absorb the 25% market share and will therefore reinsure 100% of the layer.

Hydra also currently reinsures 60% of the layer from US \$100 million to US \$120 million. This will reduce to 30% from February 2017.

In order to protect against a large exposure under the financial security provisions of the Maritime Labour Convention which will enter into force in January 2017, the Group clubs have collectively arranged a market reinsurance cover (US \$190 million excess of US \$10 million which will be included within the overall reinsurance cost allocation at 20 February 2017

Full details of the reinsurance will be set out in a Notice to Members in February as usual.

The West of England Ship Owners Mutual Insurance Association (Luxembourg)
R.C.S. Luxembourg B 8963

Managers: West of England Insurance Services (Luxembourg) S.A.
Registered Office: 31 Grand-Rue, L-1661 Luxembourg, G.D. Luxembourg
T +(352) 4700671 **F** +(352) 225253

UK Branch: Tower Bridge Court, 226 Tower Bridge Road, London SE1 2UP
T +(44) (0)20 7716 6000 **F** +(44) (0)20 7716 6100
E mail@westpandi.com **W** www.westpandi.com
