

16 February 2023

To all Members of Class 3 – Protection and Indemnity & Class 6 – Freight, Demurrage and Defence

Dear Sirs

Calls: Class 3 – Protection and Indemnity

At its meeting on 25 October 2022 Britannia's Board reviewed the financial position and considered its requirements for the 2023/24.

The Board reached the following decisions:

2019/20

The year will be closed, in accordance with the provisions of Rule 37(1), with no further call being made.

2020/21

Following the move from deferred calls to an estimated total call (ETC) the final instalment will be payable in October 2022. The board will review the 2020/21 policy year again in 12 months' time with the expectation that it will then be closed with no future call.

2021/22

Following the move from deferred calls to an estimated total call (ETC) the final instalment will fall due in October 2023. The Board will review the position in October 2023.

2022/23

The final instalment of the ETC will fall due in October 2024. The Board will review the position in October 2023.

2023/24

Members' individual rates will be adjusted to reflect their claims record and risk profile, as well as any changes in the cost of the International Group Reinsurance Programme. Britannia will undertake a technical based renewal of its membership to promote sustainable premiums and restore underwriting balance. Whilst there is no declared general increase with Members continuing to be underwritten individually, the Board has targeted a 10% increase on Britannia's ETC.

Deductibles

Therefore the Board agreed that all minimum deductibles will be increased to the following levels.

- Crew USD 7,000
- Cargo USD 19,500
- All Others USD 13,500

or the USD equivalent at 25 October 2022 if premium is levied in another currency.

Members will have the option to vary their deductibles in return for an appropriate rate adjustment.

Release calls

The Board set the following release calls percentages:

- 2020/21 NIL
- 2021/22 5%
- 2022/23 7.5%
- 2023/24 15%

These percentages will be reviewed further in 12 months' time.

Class 6 – Freight, Demurrage and Defence

At renewal 2018/19 the initial cost absorbed by Britannia of USD5,000 per claim was increased to USD7,500. In addition, at renewal 2019/20 Members' one-third contribution to all costs in excess of USD7,500 was limited to a maximum of USD150,000 per claim.

The 2022/23 rate increase was only the second increase since 2013/14. An additional adjustment to premium rate for 2023/24 is required to address the continuing underwriting deficit.

The Board reached the following decisions.

2018/19

No further call will be made, and the year will be closed in accordance with the provisions of Rule 37(1).

There are no recommendations at this stage in respect of the remaining open policy years. The Board will review the position in October 2023.

2023/24

Members' rates will be adjusted to reflect their individual claims records and risk profiles to achieve a 15% increase on Britannia's ETC but there will be no declared general increase.

Release calls

The Board set the following release call percentages:

- 2020/21 NIL
- 2021/22 5%
- 2022/23 10%
- 2023/24 20%

These percentages will be reviewed further in 12 months' time.

Yours Faithfully

Tindall Riley (Britannia) Limited
Managers