

REVIEW OF THE YEAR
20 FEBRUARY 2019



BRITANNIA P&I
TRUSTED SINCE 1855

KEY STATISTICS

240

MEMBERS

30

COUNTRIES

3,260

SHIPS

112m

OWNED TONNAGE

19m

CHARTERED TONNAGE

ENTERED TONNAGE BY AREA OF MANAGEMENT CLASS 3 (% OF TOTAL)

44.5 ASIA

33.9 EUROPE

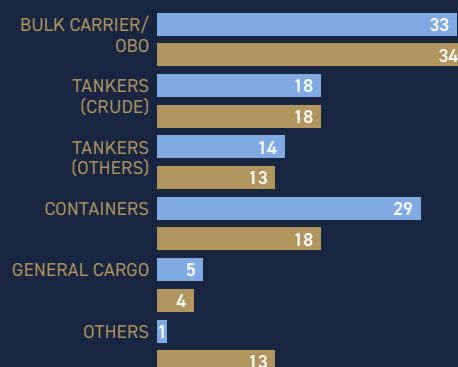
15.5 SCANDINAVIA

3.7 AMERICAS

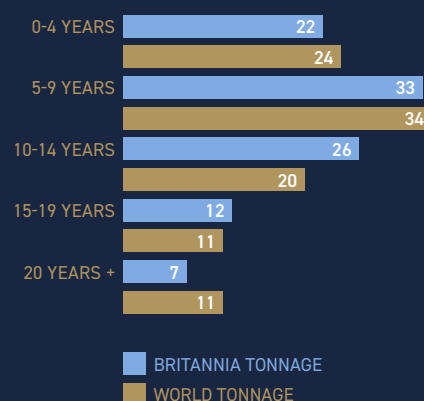
2.0 MIDDLE EAST

0.4 AUSTRALASIA

SHIPS BY TYPE (% OF TOTAL)



AGE OF SHIPS (% OF TOTAL)



	20 FEB 2019 (m gt)	20 FEB 2018 (m gt)	20 FEB 2017 (m gt)
ENTERED TONNAGE (OWNED)	111.9	107.0	100.9
ENTERED TONNAGE (CHARTERED)	19.0	20.0	15.0

KEY FINANCIAL DATA

	USD(000)	USD(000)	USD(000)
CALLS AND PREMIUMS	204,415	208,147	225,854
NET CLAIMS INCURRED	(119,599)	(93,552)	(130,268)
INVESTMENT INCOME	(2,643)	48,626	28,716
NET OPERATING EXPENSES	(28,649)	(25,666)	(25,719)
NET INCOME AFTER TAXATION	(9,296)	80,615	32,946
FREE RESERVES*	390,661	429,957	379,342
NET LOSS RATIO	83.8%	61.4%	80.9%
AVERAGE EXPENSE RATIO	10.90%	9.73%	9.42%
STANDARD & POOR'S RATING	A (stable)	A (stable)	A (stable)

*The Association also retains the benefit of its reinsurance contract with Boudicca Insurance Company Limited (see note 3 to the financial statements).

	USD(000)	USD(000)	USD(000)
SURPLUS ASSETS IN BOUDICCA	196,900	211,600	221,700

Surplus investment assets in Boudicca available to meet future claims by the Association.

HIGHLIGHTS

- A (Strong) with a Stable outlook credit rating re-affirmed by S&P for 2019.
- Another USD30m capital distribution to our Members, bringing the total to USD60m since May 2017.
- A satisfactory underwriting result with a surplus of USD24.4m.
- A small investment loss of USD2.6m following a difficult 2018 for equity markets.
- 5% growth in owned tonnage to 112m gt, with notable growth in Greece.
- Enhanced terms for our FD&D cover.
- A third successive year of a zero general increase for P&I calls.
- Licences obtained for our Branches in Hong Kong and Singapore, with the acquisition by the Managers of our long-standing exclusive correspondents in these two countries.
- New claims hub opened in Greece and new exclusive correspondent established in Denmark.
- Successful planning for Brexit, with the establishment of Britannia Europe in Luxembourg.

OUR MISSION STATEMENT REMAINS:

TO BE THE FINEST PROVIDER OF P&I AND FD&D INSURANCE BY;

- OFFERING OUR MEMBERS THE HIGHEST LEVEL OF SERVICE
- MAINTAINING OUR FINANCIAL STRENGTH
- SUPPORTING MUTUALITY

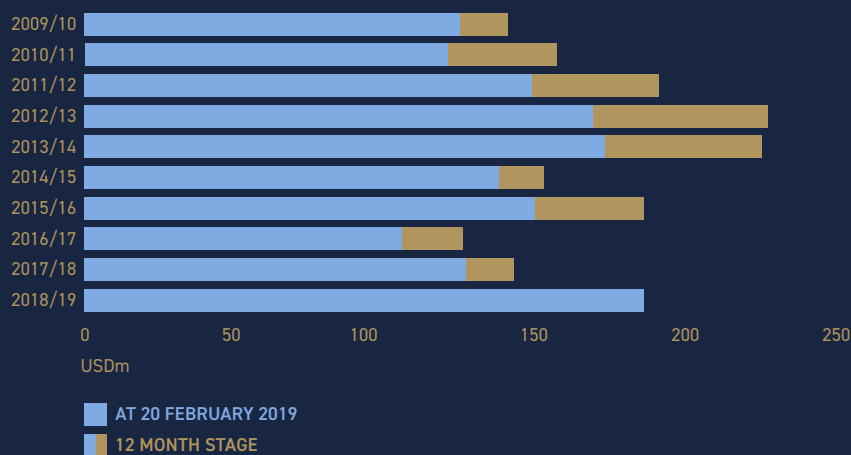
'A' (STRONG)

- Britannia has an 'A' rating (Strong) from Standard & Poor's.
- S&P has confirmed our 'extremely strong capitalisation', with capital in excess of the AAA level.
- Our Solvency II SCR capital ratio remains above the 200% level.
- S&P assess our outlook as Stable, confirming a sustainable business model for the foreseeable future, even after making capital distributions of USD60m over the past two years.

'OUR FINANCIAL STRENGTH HAS ONCE AGAIN ENABLED THE BOARD TO MAKE ROBUST CALL DECISIONS WHILST CONTINUING THE PROCESS OF ENHANCED MEMBER SERVICES'

CLAIMS

- Claims incurred in the 2018/19 policy year are ahead of the equivalent position last year.
- Total number of claims was 4,382 (4,052 in 2017/18 and 4,298 in 2016/17).
- 18 claims are currently estimated at over USD1m, with an aggregate value of USD84m.
- Reported Pool claims have been heavy in 2018/19, with 18 claims notified at an aggregate estimated cost of USD304m.
- The graph shows the net retained claims for recent policy years at the 12 months stage and at 20 February 2019 and illustrates the volatility in our P&I claims. This reinforces the need for a strong capital base.



THE GOLD SECTION OF THE BARS SHOW THE IMPROVEMENT TO RETAINED CLAIMS OVER TIME.



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Registered in England and Wales No.10340
Authorised by the Prudential Regulation Authority
Regulated by the Financial Conduct Authority and the Prudential Regulation Authority

PROTECTION  INDEMNITY

