

Britannia continues to be one of the most competitive Clubs in the IG

Following a measured conservative approach to growth writing business on a basis of a fair rating for each member Britannia has achieved to provide its members a high enough level of security and maintain strong balance eliminating unbudgeted calls. With a measured approach to growth, writing business based on a fair rating for each member, Britannia is able to offer its members a high level of financial security eliminating the potential for unbudgeted calls. In the following interview Konstantinos Samaritis, Head of Britannia P&I Club's Greek Office, outlines the strategy of the Club which includes a focus on underwriting its core P&I and FD&D business as well as explaining the pricing policy of Britannia P&I based on a long term understanding of its members.



Konstantinos Samaritis, Head of Britannia P&I Club's Greek Office

- Do you agree that the Covid-19 pandemic has put digitalization on the fast track in the marine insurance sector?

- Certainly. Technology and new data sources are changing our economy and society fundamentally, and promise to transform the marine insurance industry as well. Digitalization is a necessity and not an option and, the marine insurance sector needs to keep pace. The current pandemic has accelerated this process and marine insurers and underwriters need to embrace digitalisation. Marine insurers and underwriters are

increasingly looking for cost-effective ways to use data, enabling the optimization of their operations while maximizing the use of available resources. Until recently, insurance companies relied on limited risk data and manual processes, which, in many instances, resulted in inadequate risk assessment. However, digitalization may change the role of insurance, with more emphasis on predicting and preventing risks as well as providing protection against risks. The risks insurers cover and the ways we underwrite, distribute, and manage claims are also changing. In an increasingly digitalized world some risks may become less frequent, while others, like those resulting from cyber incidents, may become more important. Part of Britannia's response to this has been the ongoing development of our IT systems with the main aim being to enhance the level of service that we provide to members by, for example, giving them quick and easy access to their records. The new system also significantly improves the quality of data that we are able to collect, which enables us to better identify information about risk trends. This is shared with members through our Loss Prevention team and built into our pricing models.

- Describe the range of your company's H&M - P&I insurance services. Have you developed innovative insurance facilities and terms that your competitors are not able to match?

- We provide Protection and Indemnity (P&I) insurance to ship owners and charterers as well as cover for Freight, Demurrage and Defence (FD&D) legal costs. It is our belief that Britannia will maintain our competitive position and best protect our members interests by keeping our underwriting focus on our core P&I and FD&D business. One of the main

reasons that Britannia's financial position is and will remain strong over the next few years is our conservative approach across the organization to risk tolerance. Although some Clubs have been successful in diversification, we feel that expansion into areas such as hull and machinery insurance and fixed premium carry too much of a risk. We believe that safer investments are available and Clubs that have diversified have not always gained an advantage over those that have not diversified. The start-up or acquisition costs of diversification can be considerable, so the timing and the business plan have to be spot on. Whilst the cover provided by the Association is broad, situations may arise that require extra commercial insurance. Through an extensive non poolable reinsurance arrangement that we have in place, we can offer a broad range of additional insurances to suit a member's particular operating/trading needs. Britannia's FD&D product is unique in that the first USD7,500 of costs is absorbed by the Association with no cost to members up to this value.

- Do you agree that the increasing need for greener and sustainable shipping operations will lead to the rise of premiums and complexity of risks in the years to come?

- There are many current challenges for the marine insurance industry that continue to impact with us in future years. Fast-evolving advances in technology, ever-increasing regulation and the volatile landscape of international agreements and conventions pose great challenges because they all affect trade patterns — thereby affecting risk and possibly price.

- Over the recent past years the H&M and P&I market have experienced considerable turbulence. What is your company's business model for achieving steady growth and sustained profitability in a world of continuing uncertainty?

- Our strategy is as straightforward as it is simple. We make sure that we hold enough capital to provide our members with a high enough level of security to meet their claims. A strong balance of capital also offers greater certainty of what costs might be, not least because it all but eliminates unbudgeted calls. In fact, we haven't had to make an unbudgeted call in over 40 years.

Britannia takes a measured conservative approach to growth in an effort to attract high quality owners and charterers compatible with the existing membership. We are able to write all our business on the basis of a fair rating for each member, by realistic balancing of the member's claims record over a ten-year period, thereby getting a long term understanding of our members' business. This also makes it easier to adapt the services we provide to meet our members' needs.

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THINKING GLOBALLY
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S&P noted the difficult trading conditions experienced in 2020/21, with significant earnings volatility, but they also recognised Britannia's 'large capital cushion' available to 'soften the blow' and they expect that the Club will return to a profitable underwriting and investment performance in 2021/22. Although there is no doubt that Britannia remains financially very robust, a disciplined approach to underwriting will be necessary at the 2021/22 renewal in order to maintain the right balance of premiums to claims.

- Are you involved in synergies and other cooperative actions to increase your market share?

- Britannia is always open to appropriate opportunities for meaningful collaborations.

As an example, on 5th December 2019, Britannia and The Korea Shipowners' Mutual Protection and Indemnity Association ("KP&I") established a new collaborative agreement known as Korea-Britannia P&I Collaboration ('KBC'). This new facility, which is exclusively available to Korean shipowners and operators, provides cover on a mutual basis excess of a primary USD 500,000 layer insured by KP&I. Shipowners with vessels entered in KBC become members of both Britannia P&I and KP&I.

On an entirely different note, Britannia has become the first P&I club to be accepted as a member of the Maritime Anti-Corruption Network (MACN). The organization was set up in 2011 by a group of maritime companies committed to eradicating the industry of all forms of corruption and it has more than 100 members, repre-

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Britannia is often called for support whenever a member resists unlawful demands and the liberty of the ship or crew is threatened. P&I Clubs play a vital role in supporting their members when they stand up to corrupt demands. The idea is for Britannia to provide the network with valuable input from an insurance sector perspective.

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- Are you involved in CSR (Corporate Social Responsibility) activities and what are your future plans?

- Britannia considers Corporate Social Responsibility to be an important part of its inward and outward facing objectives and strategy. We are committed to encouraging and enforcing high ethical standards of behaviour within the workplace and to meeting our business objectives in a fair and equitable manner.

We provide employees with opportunities to support local and business-related charities in a financial and, where possible, practical way.

We also take our impact on the environment very seriously. We are committed to conserving resources and mitigating the firm's impact on the environment through a combination of recycling, responsible use of paper and monitoring our energy consumption. Britannia sponsors the Sailors' Society and Apostleship of the Sea (Stella Maris), and is an Associate Member of IMRF (International Maritime Rescue Federation).

Britannia is managed by the Tindall Riley Group of companies. The Tindall Riley Charity Committee considers requests for financial support or sponsorship from charities according to their locality, relevance to employees and/or business relationships on an ad hoc basis.