

22 November 2024

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

Dear Sirs,

Calls: Class 3 – Protection and Indemnity

At their meetings on 19 November 2024 the Boards reviewed the Britannia Group's financial position and considered the requirements for the 2025/26 renewal.

The Boards reached the following decisions:

2021/22

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

2022/23

The final ETC instalment was payable in October 2024. The Boards will review the 2022/23 policy year again in 12 months' time with the expectation that it will then be closed with no further call.

2023/24

The final ETC instalment is due in October 2025. The Boards will review the position in November 2025.

2024/25

The final ETC instalment is due in October 2026. The Boards will review the position in November 2025.

2025/26

Members' current individual rates, terms and conditions will be adjusted to reflect their record and risk profile, as well as any changes in the cost of the International Group Reinsurance Programme. The Britannia Group will undertake a technical based renewal of its membership to achieve sustainable, adequately priced premiums and underwriting balance over the next 2-3 years.

The Boards have targeted a minimum of 7.5% rate increase on the expiring Britannia Group Class 3 ETC.

Capital Distribution

The Boards agreed a further Capital Distribution payable to mutual Class 3 Members' vessels that renew at 20 February 2025. The distribution amounts to 18% of net premium (approximately 12% on a gross ETC) and will be offset against the first instalment due for the 2025/26 policy year.

For the purposes of the distribution the net premium is defined as gross Estimated Total Call (ETC) less the cost of the International Group reinsurance. Premium for any additional insurances is excluded from the calculation.

On the Britannia Group's current book, this amounts to approximately USD30 million and brings the total capital distributed to mutual Class 3 Members since 2017 to USD160 million.

Deductibles

Minimum standard deductibles for crew, cargo and all other claims were last increased 2 years ago (the 2023/24 renewal). The Board agreed that to reflect significant societal and claims inflation, as from 2025/26 minimum deductibles increase as set out below.

Head of claim	Minimum standard deductible	
	Current deductible *	From 20 February 2025*
Crew	USD7,000	USD10,000
Cargo	USD19,500	USD22,500
All other	USD13,500	USD15,000

[*Deductible changes will be valued at USD equivalent at 19 November 2024 if premium is levied in another currency.]

Release calls

The Boards set the following release calls percentages:

- 2022/23 NIL
- 2023/24 5%
- 2024/25 7.5%
- 2025/26 15%

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

Class 6 – Freight, Demurrage and Defence

The Boards noted the development of the Britannia Group's USD7,500 reverse deductible (increased from USD5,000 in 2018/19) and USD150,000 Members cap on their one-third contribution to any claim (introduced in 2019/20). The Boards noted that this model is out of step with peers and increasingly difficult to adequately price for the risk assumed.

To simplify the Britannia Group's FD&D offering, the Boards therefore decided to remove the USD7,500 reverse deductible and USD150,000 cap, with Members being renewed based on their individual record.

Under the new structure there will be no deductible in place with cover commencing from the ground up but with the Member bearing one-third of the total costs and Britannia Group two-thirds up to the policy limit.

In addition, the Boards reached the following decisions.

2020/21

This year will be closed, in accordance with Rule 37(1), without any further calls.

2021/22

The Boards will review the 2021/22 policy year again in 12 months' time.

2022/23

The Boards will review the 2022/23 policy year again in 12 months' time.

2023/24

The final ETC instalment was payable in October 2024. The Boards will review the 2023/24 policy year again in 12 months' time.

2024/25

The final ETC instalment is payable in October 2025. The Boards will review the 2024/25 policy year again in 12 months' time.

2025/26

In addition to the structural changes to FD&D, Members' rates will be adjusted to reflect their individual claims records and risk profiles to achieve an improvement in pricing adequacy.

Release calls

The Boards set the following release call percentages:

- 2022/23 NIL
- 2023/24 5%
- 2024/25 10%
- 2025/26 20%

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

Yours Faithfully,

Tindall Riley Europe Sàrl / Tindall Riley (Britannia) Limited
Managers