

P&I BULLETIN

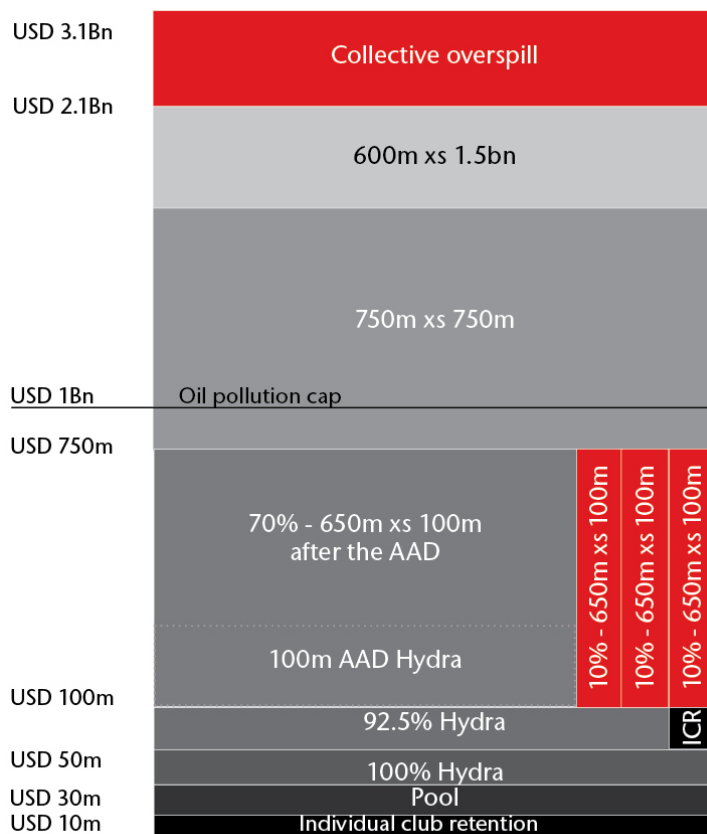
International Group Reinsurance Programme
2021

The International Group Finalises Reinsurance Programme

The Group’s reinsurance (GXL) of USD 2 billion in excess of USD 100 million has been renewed and, as previously advised, remains unchanged, being the second of a two-year deal. However, the overspill layer of USD 1 billion in excess of the GXL has seen an increase of 15%.

In addition, Hydra, the Group captive, which plays a major part in the excess loss programme with claims between USD 30 million and USD 100 million, along with an annual aggregate deductible (AAD) of USD 100 million, has seen several high-profile losses. The “GOLDEN RAY” and more recently “WAKASHIO” have exhausted the AAD. This, coupled with the increase in pool claims, has prompted Hydra to increase premium levels by about 7% for 2021.

International Group Reinsurance Structure



Naturally, any increase in premiums will be unwelcome. Few have escaped the ravages of these uncertain times, and insurers are not alone in seeing heavy losses. The increases average out at +1.4%, which, whilst a modest figure, is yet another burden on the shipping community, themselves struggling in these torrid conditions.

A significant change to the GXL rates is the new category for fully cellular container carriers (FCC). Here the increase from last year’s dry cargo rate is substantial at +7%. The Group cites the number of heavy losses container vessels have posted in recent years as the reason behind this move. With container vessels responsible for something like 20% of the Group’s tonnage, it was felt a separate category was justified.

The only category to receive some good news was 'dirty' tankers with renewal rates at -2.12%.

The Group has renewed the GXL, Overspill and Hydra without a COVID-19 exclusion.

Below are the Group Excess Reinsurance rates for 2021/22

\$/GT	TANKER (DIRTY)	TANKER (CLEAN)	DRY	FCC	PASSENGER
2020	0.5747	0.2582	0.3971		3.2161
2021	0.5625	0.2619	0.4028	0.4249	3.2624
Change in Rate	-0.0122	+0.0037	+0.0057	+0.0278	+0.0463
	-2.1%	+1.4%	+1.4%	+7%	+1.4%

Should you have any further questions please do not hesitate to contact a member of your Aon P&I Team.

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