

27 October 2020

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

Calls: Class 3 – Protection And Indemnity

At its meeting on 20 October 2020, Britannia's Board reviewed the Association's financial position and considered its requirements for the 2021/22 Renewal.

The Board reached the following decisions:

2017/18

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

2018/19

The originally notified deferred call of 45% to be collected in full.

25% of the 45% deferred call was collected in October 2019. The remaining 20% will be collected immediately. The Board will review the 2018/19 policy year again in 12 months' time with the expectation that it will then be closed with no further call.

2019/20

The originally notified deferred call of 45% to be collected in full.

25% will be collected immediately and the remaining 20% in 12 months' time. The Board will review the position further in 12 months' time.

2020/21

Following the move from advance/deferred calls to an estimated total call (ETC), the final instalment of the originally budgeted ETC will be collected in October 2022.

2021/22

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. The Association will undertake a technical-based renewal of the membership to achieve sustainable premiums and restore underwriting balance. Members will continue to be underwritten individually to achieve an increase in the Association's current ETC, but there will be no declared general increase.

Deductibles

The Board agreed that minimum deductibles will be increased as follows:

Crew	USD 5,000
Cargo	USD 16,000
All Others	USD 10,000

or the USD equivalent at 20 October 2020 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:

• 2018/19	NIL
• 2019/20	5%
• 2020/21	7.5%
• 2021/22	15%

These percentages will be reviewed further in 12 months' time

Calls: Class 6 – Freight, Demurrage and Defence

There has been no increase in premium since 2013/14.

At renewal 2018/19, the initial cost absorbed by the Association 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.

With increased claims exposure, Members' rates will be adjusted to reflect their individual claims records and risk profiles.

In addition, the Board reached the following call decisions.

2016/17

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

2017/18

There are no recommendations at this stage in respect of this policy year.

The Policy year has continued its positive development and the Board will review the position in October 2021.

2018/19

There are no recommendations at this stage in respect of this policy year.

At present, claims remain within projection and again, the Board will review the position in October 2021.

2019/20

The originally budgeted deferred call of 30% is to be collected immediately.

2020/21

Following the move from advance/deferred calls to an ETC, the final instalment of the originally budgeted ETC will be collected in October 2021.

2021/22

Members' rates will be adjusted to reflect individual claims records and risk profiles. Members will continue to be underwritten individually to achieve an increase on the Association's current ETC, but there will be no declared general increase.

Release Calls

The Board set the following release call percentages:

- 2017/18 NIL
- 2018/19 NIL
- 2019/20 5%
- 2020/21 10%
- 2021/22 20%

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