

# BRITANNIA RENEWAL

# 2023/24 SUMMARY

BRITANNIA CONTINUES TO GROW WHILE REMAINING FINANCIALLY STRONG (A RATED BY S&P).

2022 HAS SEEN THE WORLD SLOWLY RECOVERING FROM THE PANDEMIC, BUT RECENT GLOBAL EVENTS, INCLUDING SIGNIFICANT INFLATIONARY PRESSURES, REINFORCE THE REQUIREMENT FOR SUSTAINABLE RATES.

Britannia continues to grow, with year on year increases in both owned and chartered tonnage. For the 2022/23 renewal, the Board agreed another projected underwriting deficit, with projected claims exceeding premium. This imbalance has been a feature of recent policy years. For the 2023/24 renewal Britannia will therefore continue its strategic approach of addressing the imbalance while supporting Members and securing sustainable growth.

## MARKET OUTLOOK

2022 has seen a war in Ukraine, pressure on energy supplies, global inflation rates higher than in the past 40 years and rising central bank interest rates. Together, these have resulted in significant declines across all investment classes. Inflation, both economic and social, is expected to impact future claims exposure. In late 2021, Standard & Poor's placed most of the P&I sector (including Britannia) on a negative outlook with four IG Clubs having since been downgraded. To restore a stable outlook, S&P indicated that IG Clubs have to balance their underwriting. Rising claims and a volatile investments market mean that rebalance is best achieved through increasing premium.

## RETENTION & POOL CLAIMS

Retention claims in the current year are running marginally ahead of projections and include COVID-19 related claims. Pool claims in the current policy year have been benign with none reported to date. However, Pool claims in prior policy years have continued to deteriorate.

## BRITANNIA'S CAPITAL STRENGTH

Britannia remains financially strong but further rate increases are required for the 2023/24 renewal to robustly address the underwriting deficit. Longer term this will protect Britannia's underlying capital strength, while evidencing to Britannia's regulators and S&P our commitment to sustainable rates and a balanced approach to underwriting.

# 136.1m GT

TOTAL OWNED P&I TONNAGE

# 73.5m GT

TOTAL CHARTERED TONNAGE

# 51.9m GT

TOTAL OWNED FD&D TONNAGE

## RENEWAL 2023/24

While continuing with its plan to address rates, Britannia will maintain its approach of adjusting individual Members' rates based on their individual claims record and risk profile, rather than announcing a general rate increase. However, Britannia will look to achieve an overall increase of 10% in the ETC for the 2023/24 policy year before any Group Excess of Loss (GXL) rate adjustment.

It is hoped that this robust approach to the renewal will reassure Members of Britannia's commitment to protecting its financial strength through the current challenging environment, while continuing to provide the highest levels of service.



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