

Britannia P&I looks to a sustainable future and strives to minimize its Members' risk exposure

Despite the challenges presented by the conflict in Ukraine and increasingly difficult global economic conditions, as well as the ongoing need to address its underwriting deficit, Britannia remains competitive and agile with a strong capital base for the benefit of its Members.

In the interview that follows Mr. Konstantinos Samaritis, Head of Britannia's Greek Office and Divisional Director, describes the Club's approach to achieving a more sustainable future and addressing ESG (Environmental, Social and Governance) issues as well as Britannia's loss prevention services to support Members' safe and effective operations.



Konstantinos Samaritis, Head of Britannia's Greek Office and Divisional Director

- Describe your company's landmarks in shipping. Have you embedded a culture of innovation and continuous adoption of the latest marine insurance developments?

- Founded in 1855, Britannia is the world's oldest P&I club. In 1871 Tindall Riley became managers of a club exclusively for iron steamships. Britannia Japan was established in 1989 and Britannia now has further regional hubs across the world in Denmark, Greece, Hong Kong, Luxembourg and Singapore, as well as Exclusive Correspondents in Korea, Spain, Taiwan and the US. Britannia's loss

prevention department strives to be recognised as a centre of excellence, providing loss prevention services and advice to Members. The department monitors and analyses the latest marine P&I developments to help prevent losses, while supporting safe and effective operations. It continually monitors Britannia's risk exposure and loss trends within the Club and the industry at large, whilst also looking forwards at potential future risks.

- Have you embraced ESG standards in the services of your company? To what extent have you implemented sustainability criteria in calculating the premium of a marine risk?

- Britannia is committed to working towards a more sustainable future to the benefit of our Membership and society as a whole. Therefore, we have aligned our strategy with a number of the United Nation's Sustainable Development Goals (SDGs) and embedded these across our organisation as part of our business model and conduct. Annually we issue our sustainability report, which is aligned with the requirements of internationally-recognised ESG reporting standards, provides an update on the proactive actions Britannia has taken to date in addressing Environmental, Social and Governance (ESG) issues and those it is committing to in the future. Furthermore, as part of our commitment to promote sustainability and support our Membership on their sustainability journey, we have also produced a sustainability report template for our Members and other third parties to use. The template is designed to be generic recognising that each company will have a different approach to sustainability which reflects their unique commercial and regulatory needs.

- What are your company's initiatives to attract new talented people in the field of marine insurance? Do you offer the opportunity to the personnel of your company to improve their

skills?

- At Tindall Riley, Managers of Britannia, we offer potential employees all the opportunities of working for an international company while also supporting employees to work flexibly with hybrid working, and thereby ensuring a good work/life balance. We believe strongly in providing employees with all the training and development support they require to do their jobs effectively and also to progress at both a professional and personal level. We are supportive of employees seeking experience in different departments and in our regional hubs across the world. As a company we are growing, so it is an exciting time to join us and be part of our journey. We offer competitive salaries and generous benefits packages as well as a friendly, collaborative working environment.

- What is the impact on the marine insurance activities by the Ukraine conflict and sanctions landscape? Have you exercised due diligence in your Members' compliance process?

- The conflict in Ukraine and the changing sanctions landscape has had a significant impact on all trading to and from Russia. Shipowners and charterers are obliged in any event to carry out their own due diligence to determine whether a voyage is lawful taking into account what sanctions apply, the nature of the voyage in question, the parties involved and the particular cargo in question. The Club through the provision of FDD cover can provide assistance to Members in this process, usually by obtaining advice from third party lawyers in the relevant jurisdiction. All P&I Clubs and their reinsurers have sanctions exclusion clauses in their rules which provide that cover can only be provided where a trade is lawful and not in breach of any applicable sanction. As most Clubs (and therefore the IG Pool) and their reinsurers are also variously subject to UK, EU and US sanctions that will apply to the provision of insurance to shipowners and charterers, the Club will also conduct its own due diligence to assess whether the provision of insurance and payment of any claim is lawful for a particular voyage on a case by case basis.

- Will P&I Clubs continue to suffer technical underwriting losses? Are you confident that the ocean hull sector will maintain its upward trajectory?

- The simple answer to the question of whether P&I Clubs will continue to suffer technical underwriting losses is 'yes'. The Clubs appear to be several years away from breakeven underwriting. It will require some further renewal adjustments in the years ahead, although there is a collective will among all the Clubs to address the imbalance between premium and claims costs. The challenges around achieving that balance are highlighted by the backdrop to this 2023/24 renewal, in particular managing the fallout from the conflict in Ukraine, energy supplies, global high inflation and rising interest rates.

- What are your plans to expand and diversify your company's activities in order to stay competitive and agile?

-The Britannia shipowner Board regularly reviews the overall strategy of the Club including the merits or otherwise of expansion and diversity. The Board remain open to both but only in the context of a sound business plan, a good sense of timing and a return that benefits the membership. Over recent years Britannia has demonstrated that it can remain competitive and agile without the need to diversify into areas the might put the Club's strong capital base at risk.