



## Update from the board.

The UK P&I Club's Board of Directors has just concluded a productive set of meetings in New York, culminating in a full Members' Committee meeting on 13 May 2024.

### Financial Strength

The Board reviewed the performance of the Club over the previous financial year, noting the Club's strong result and meaningful increase in capital strength. Overall free reserves increased by \$53m to \$483m, driven by a 7.5% investment return.

The Directors also discussed the overall capital strength of the Club. The Directors noted a significantly improved Solvency Ratio of 222% (200% at 20th February 2023) which is well in excess of the Club's solvency and rating agency risk appetite.

Although the Club has achieved a broadly breakeven underwriting result on mutual business, the full year combined ratio of 106.6% was affected by larger than expected losses in the Club's fixed premium and charterers' portfolios. The Directors agreed to close the 2021 policy year with no further adjustment to premium. The 2022 and 2023 policy years are both currently in surplus.

### Renewal

The Directors reviewed changes to the mutual portfolio, which saw gains from the core membership and an overall year-on-year growth in entered tonnage of 2.5m GT. This brings the Club's mutual owned tonnage to 156m GT. The chartered fleet remains strong at around 110m GT. Importantly these changes are expected to drive improved long-term performance in both the mutual and charterers' portfolios.

## Claims

The Board reviewed the claims experience underlying the underwriting result. The Directors were particularly interested in the recent development of significant incidents, especially personal injury and charterers' liability claims where the Club has seen an increase in activity over the past 12 months.

## Safety & Risk Management

The Board warmly welcomed the launch of the Club's Safety & Risk Management division. Particular areas of interest included the Club's Fleet Quality Improvement Plan, further development of the market leading loss prevention services and strong industry collaboration. Crew wellbeing remains a key area of focus and the Directors were pleased to support an increase in the Club's charitable giving which predominantly supports crew health focused initiatives. The Board also received an update on the latest Together in Safety initiatives which the Club continues to support.

## IT / Cyber / AI

The Directors were updated on the Club's plans for future IT development, including further enhancements to its long-standing and market leading member portal. The Board reviewed the Club's cyber security resilience noting its prudent approach and compliance with regulatory standards.

The Directors also participated in a workshop covering the Club's ongoing and future AI initiatives. The Club will continue to explore and implement AI supported solutions to improve the business.

## Other business

The Board discussed recent developments to the sanctions regime including the enhanced voyage attestation requirements. The Directors also reviewed the Club's operational sustainability, carbon footprint and progress towards achieving net zero.

Finally, the Board looks forward to reviewing the results of the recently distributed Member Survey. Members and Brokers are encouraged to submit their response by the end of May.