



Update from the Board

The UK P&I Club's Board of Directors has just concluded a productive set of meetings in Singapore, culminating in a full Members' Committee meeting on 4 November 2024.

2024 Policy Year

Encouragingly, the cost of the Club's own claims for the first half of the 2024 policy year is lower than in recent years.

In contrast, we have seen a very active pool year so far, more akin to the very expensive 2020 and 2021 years. The headline loss is the "Dali" incident in Baltimore, which has received worldwide press coverage and wild speculation of the ultimate cost. Whilst it is too early to put an accurate number on the claim it is clear that it will be sizeable. We have also noticed an increase in the number of other reported pool claims, notably pollution, dock damage and wreck removal matters, with other recent high-profile incidents also likely to result in claims on the pool.

We have not seen the spike in inflation that has been evident in consumer spending over recent years. Nevertheless, general claims inflation persists and environmental pressures are anticipated to elevate claims costs further due to social inflation.

Significant uncertainty remains on the year end underwriting result, as the majority of claims tend to be notified in the second half of the year.

Investment markets have performed well during 2024. At the half year mark, the return on the Club's investments was above the forecast return for the full year and we project a positive return for the portfolio absent any major financial market upheaval.

For the 2025/6 renewal the Directors agreed a General Increase of 6.5%. In setting this figure the Directors considered the above factors, including the Club's recent performance and projected pool losses alongside expected levels of inflation. To help address attritional claim inflation the Directors also mandated an increase in all deductibles (up to \$50,000) of 10% (with a minimum increase of \$1,000).

The Directors also agreed the open year release calls at:

2022: 5%, 2023: 7.5%, 2024: 10% and set the 2025 release call at 15%

Safety & Risk Management

The Club relaunched our Loss Prevention framework early in 2024 as **Safety & Risk Management** covering five critical towers.

- Fleet Quality
- Loss Prevention
- Industry Collaboration
- Crew Wellbeing
- Environment

Some current initiatives include:

Fleet Improvement Plan

During 2024 we introduced a Fleet Improvement Plan with the aim of identifying and addressing potential sub-standard ships through analysis of PSC detention and claims records and engaging with owners to instigate appropriate remediation.

Learning from Normal Work course

We have partnered with leading behavioural psychologist Dr Marcin Nazaruk, lead author of the IOGP Guide 642 "How to learn when nothing goes wrong – a guide to Learning from Normal Work". This new in-person training course assists Members to identify where and how their next incident might happen.

Emergency Response Training & Li-ion Batteries

We have also partnered with React Emergency Response and Simwave B.V. to enhance crew training on fire-fighting risks, particularly those related to renewable energy sources like lithium-ion batteries. This initiative aims to build crew confidence in handling such emergencies. Participants engage in interactive training that included hands-on simulations and the opportunity to learn from seasoned salvage experts.

Industry Issues

We continue to administer procedures of the Russian sanctions regime, under which price attestations (for Russian origin oil and products cargoes) and SPIRE reports (for ships insured by UKC) must be provided by Members to the Club for each voyage involving a transit of Russian waters, or lifting of price capped cargo by transshipment.

UK and EU sanctions restrictions on cargoes carried to or from Russia have increased obligations on insurers and our procedures in relation to requests for assistance in respect of any form of P&I claim involving a ship trading to Russia therefore include wider enquiries as to the nature of cargoes carried.

Member & Broker Survey

A survey of members and brokers was conducted during the summer. The survey sought to establish a set of questions that could be maintained for future surveys, so to allow monitoring of progression over time. The survey was run by an independent third party to ensure confidentiality.

The results were encouraging with 99% of members and brokers reporting that they are satisfied with the Club. The Club's net promoter score of 54 is also very positive. The survey also provided a number of areas for improvement which have been incorporated into the Club's strategy.

Website

The Club will launch a new website later this month. Please keep an eye on the Club's social media channels for further information.

AGM

The Annual General Meeting of the Club was also held in Singapore on Monday 4th November 2024.

The Report and Accounts as audited and certified for the period ended 20th February 2024 were approved and adopted.

Deloitte LLP of London were appointed as auditors of the Association.

The retiring Directors who offered themselves for re-election to the Members' Committee were all re-elected.

In addition, the following new Directors were also elected to the Members' Committee:

Shaikh Khaled Ahmad Al-Sabah, KOTC, Kuwait.

Isidore Caroussis, Chios Navigation (Hellas), Greece.

Lou Dongyang, China Merchants Energy Shipping Co., Ltd, China.

Barbara Pickering, Chevron Shipping, USA.

Alexander Slee, Taylor Maritime, Hong Kong.