



19 December 2024

CIRCULAR TO ALL MEMBERS

# SKULD RENEWAL UPDATE II POLICY YEAR 2025/26

## INTERNATIONAL GROUP REINSURANCE PROGRAMME

In this circular to members, we will outline the International Group's Reinsurance Programme for the Policy Year 2025/26.

### KEY FEATURES

- Club retention maintained at USD 10 million
- Pool maintained at USD 100 million
- International Group's captive, Hydra, utilised as part of the risk retention strategy
- Main General Excess of Loss has been renewed with unamended free and unlimited coverage for all risks except Malicious Cyber, Covid-19 and Pandemic
- Malicious Cyber, Covid-19 and Pandemic risks have expanded the benefit of free and unlimited cover for claims up to USD 650 million excess of USD 100 million, covering almost all Group Clubs' certificated risks. In excess of USD 750 million, there is up to USD 1.35 billion of annual aggregated cover in respect of Malicious Cyber and separate annual aggregated cover of USD 1.35 billion for Covid-19/Pandemic risks
- Following a move back towards a higher level of pool claims activity the renewal has been slightly more challenging, which is reflected in this year's rate adjustments to shipowners.

### INTERNATIONAL GROUP REINSURANCE ARRANGEMENTS FOR POLICY YEAR 2025/26

The structure of the cover reinsured through International Group and the Pool is set up as follows:

Club retention	USD 10 million
Pool retention	USD 100 million (USD 90 million excess of USD 10 million) (Part of the Pool is covered by Hydra excess USD 30 million)
General Excess cover	USD 2 billion in excess of USD 100 million
Overspill protection	USD 1 billion in excess of USD 2.1 billion

### LIMITS ON THE ASSOCIATION'S COVER 2025/26

Oil Pollution:	USD 1 billion
Passenger and crew combined:	USD 3 billion
Passenger (sub-limit):	USD 2 billion



The oil pollution limit is applicable to the aggregate of owners' and bareboat charterers' liabilities. (Skuld Rules Appendix 5)

The overall limit for passenger and crew claims is USD 3 billion for any event and any one vessel, with a sub-limit of USD 2 billion for passenger claims alone. (Skuld Rules Appendix 5A)

### **OVERSPILL PROTECTION**

In the event of a claim in excess of the cover limit of the International Group Excess Loss Contract of USD 2.1 billion, members will be liable to contribute overspill calls, which will remain subject to a limit of 2.5% of the property limitation fund for each entered vessel calculated in accordance with the 1976 Limitation Convention (Skuld Rules Appendix 3). Overspill protection has been placed for claims up to USD 1 billion in excess of USD 2.1 billion. The limit on each mutual member's liability for claims other than oil pollution and claims involving passengers will remain unchanged at 2.5% of the Convention Limit, which provides an overall limit of approximately USD 8 billion.

### **MARITIME LABOUR CONVENTION**

The market reinsurance cover will be renewed for 12 months from 20 February 2025 at competitive market terms, with the premium included within the overall reinsurance cost.

### **INTERNATIONAL GROUP GENERAL EXCESS OF LOSS REINSURANCE CONTRACT 2025/26**

The International Group RI rates (USD per GT), including Hydra premium, Collective Overspill Cover and excess war risks P&I for the year commencing 20 February 2025, are renewed as expiry and are as follows:

<b>Tonnage Category</b>	<b>2025/26 rate USD per GT</b>	<b>% change from 2024/25</b>
Tankers carrying <b>persistent</b> oil as cargo	0.6258	+1.5%
Tankers carrying <b>non-persistent</b> oil as cargo	0.4337	+8.9 %
Dry cargo vessels	0.6054	+3.3 %
Fully Cellular Container vessels	0.8903	+23.6 %
Passenger vessels	3.4390	+1.6 %

Further background on the rate changes may be found at the International Group of P&I clubs' website: [www.igpandi.org](http://www.igpandi.org) under "News & Insights."



Members having policies in currencies other than USD will have rates that are affected by the change of exchange rates between USD and the currency of the Policy. Skuld has to pay the reinsurance in USD. Thereby, this will have an impact on the reinsurance rates in other currencies: (2025/26 rates per GT and change in % from 2024/25)

Tonnage Category	NOK/GT		SEK/GT		DKK/GT		EUR/GT		GBP/GT	
	Rate	% Change	Rate	% Change	Rate	% Change	Rate	% Change	Rate	% Change
Tankers, persistent	7.016	11.10 %	6.760	8.89 %	4.382	5.66 %	0.589	5.61 %	0.494	1.54 %
Tankers, non-persistent	4.862	19.17 %	4.685	16.80 %	3.037	13.34 %	0.408	13.28 %	0.343	8.92 %
Dry cargo vessels	6.787	12.98 %	6.540	10.73 %	4.239	7.45 %	0.570	7.40 %	0.478	3.26 %
Fully Cellular Container vessels	9.981	35.22 %	9.617	32.53 %	6.234	28.60 %	0.838	28.54 %	0.703	23.59 %
Passenger vessels	38.556	11.19 %	37.150	8.98 %	24.081	5.74 %	3.236	5.69 %	2.716	1.62 %

#### US OIL POLLUTION SURCHARGE

The surcharge for 2025/26 will remain nil.

#### WAR RISKS P&I

The Association's special War Risk P&I cover in excess of Hull and Machinery War Risk P&I cover will continue. The limit of this cover remains at USD 500 million for each vessel at any one event. The minimum attachment point of the cover (where the vessel is not protected by Primary War P&I up to proper hull value) remains at USD 500 million. However, this excess War Risk P&I cover excludes any liabilities members may incur under TOPIA 2006. Due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers require Territorial Exclusion language (consistent with exclusion already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. An aggregated sub-limited cover of USD 100 million is available for affected vessels.

#### TRIA / TRIP

TRIA has been further extended by the Terrorism Risk Insurance Program Reauthorisation Act of 2015 until 31 December 2027. Cover for acts of terrorism as defined in the US Terrorism Risk Insurance Program Reauthorisation Act will be included on the same terms with the same limit. A premium of USD 0.0025 per GT will be deemed attributable to these risks and will be included within the overall premium.



## SKULD CALL HISTORY

Year	Original Supplementary Call	Final Call	General Increase	Release Call
2021/22	0%	0%	Individual adjustments	0%
2022/23	0%	0%	Minimum 10%	7.5%
2023/24	0 %	0%	Individual adjustments	10%
2024/25	0 %	0%		15%
2025/26	0%	(est 0%)		15%

Yours faithfully,  
Assuranceforeningen Skuld (Gjensidig)

Ståle Hansen  
President and CEO