

RENEWAL UPDATE I

policy year
2017/18

SERVICE
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22 November 2016

RENEWAL UPDATE I – POLICY YEAR 2017/18

Skuld continues to pursue its strategy of diversification following the acquisition of the SMA/ Gerling Norway team and its portfolio of marine hull business with effect from 1 January 2017. The new operation will be called Skuld Marine Agency (SMA).

Skuld's Board of Directors met in Bermuda on 9 and 10 November to discuss 2017 renewals. It was noted that the underwriting performance for 2016 was in balance. The Board was keen to continue supporting its mutual ship owning Members in their own challenging markets with the Members' Credit scheme that was introduced last year resulting in a 2.5% credit on individual mutual premiums.

As has been the case now for many years, the P&I renewals for the policy year starting 20 February 2017 will be decided by individual assessments and the Members' own statistical records for the past five years with no general increase. There will be no change in standard deductibles. Skuld continues to advocate market low levels in relation to release calls.

The International Group Excess Reinsurance will be adjusted after new reinsurance rates have been agreed. A circular will be issued when decision has been taken by the International Group of P&I Clubs.

GENERAL INCREASE

Skuld has waived a general increase since policy year 2011/12 and will not impose a general increase for 2017/18. Renewals will be based on individual assessment and Members' records.

DEDUCTIBLES

Skuld standard deductibles will remain unchanged for policy year 2017/18.

MEMBERS' CREDIT

The Board was positive to continue with the Members' Credit scheme also for next year and will make a recommendation in the spring 2017 when the 2016 financial year is closed.

RELEASE CALL 2017/18

The release call for policy year 2017/18 was set to 5%.

S&P RATING

Skuld has a S&P rating of 'A' (stable outlook) as of 15 August 2016.

SKULD CALL HISTORY

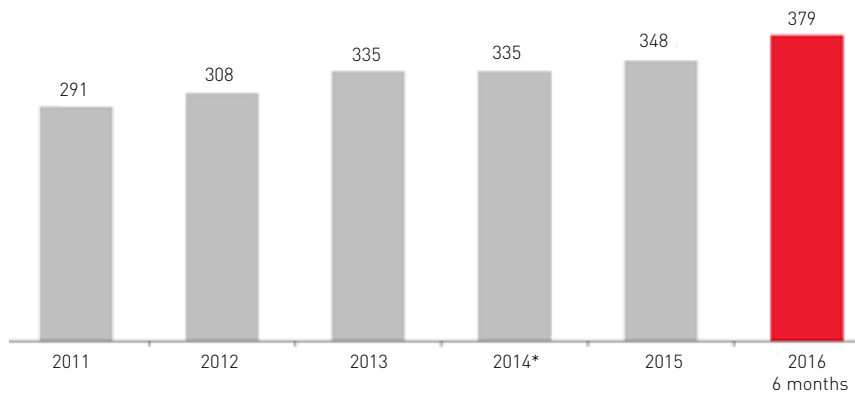
For mutual P&I and mutual FD&D

YEAR	ORIGINAL SUPPLEMENTARY CALL	FINAL CALL	GENERAL INCREASE	RELEASE CALL
2013/14	0%	0%	Individual adjustments	Closed
2014/15	0%	(est 0%)		0%
2015/16	0%	(est 0%)		3%
2016/17	0%	(est 0%)		4%
2017/18*	0%	(est 0%)		5%

* As decided by the Skuld Board of Directors 9-10 November 2016

SKULD CONTINGENCY RESERVES

USD mill.



* With adaption to IFRS standards, contingency reserves in FY2014 have been restated to recognise actuarial loss on pension liabilities of USD 12.5 M.

Yours faithfully,
Skuld

Ståle Hansen
President and CEO

MAIN PRODUCTS AND SERVICES

SKULD P&I

Skuld was founded as a P&I club, and Protection and Indemnity insurance is still our largest line of business with a continuing growth. Our in-house lawyers and claims handlers work closely with customers to provide fast and professional claims handling with a focus to reduce costs and delays for entered vessels. P&I is offered mutual or fixed, with a special class for superyachts.

SKULD FD&D

Our Defence insurance provides customers with access to Skuld's lawyers and their comprehensive legal assistance in non P&I matters. This insurance is available both to Shipowners and Charterers/Traders.

SKULD CHARTERERS AND TRADERS

Skuld provides a comprehensive cover for Charterers' and Traders' liability which is tailored to the individual client's requirements. Our experienced in-house lawyers and claims staff is well prepared to assist Charterers and Traders in all matters and will offer help and advice when needed.

SKULD OFFSHORE

Based on a clear understanding of the offshore and energy industry, Skuld Offshore has become a leading provider specialising in liability for offshore contractors. In addition, Skuld offers FD&D, Energy, specialised cover for Mobile Offshore Units, Operators Risks, Subsea and Offshore Equipment, and more.

SKULD 1897 AT LLOYD'S

Our Lloyd's syndicate provides a number of marine products, such as Hull and Machinery, Cargo, Energy, Ports and Terminals and other Marine Liabilities not provided by Skuld P&I. A number of Skuld's P&I members place a share of their Hull and Machinery and associated products with the syndicate. Increasingly more customers also elect our syndicate as claims lead.

SKULD HULL

To facilitate for our P&I customers, Skuld has full service outfit within the P&I club to offer products for the Lloyd's syndicate as well as handling all claims. The claims team has a long experience and specialising in hull claims with a direct service approach.

SKULD MARINE AGENCY (SMA)

From 1 January 2017, Skuld will also include SMA/Gerling Norway in the group, to be named Skuld Marine Agency (SMA). SMA will continue to offer their well-known high service to their clients but also be involved in any claims lead service as provided by Skuld. SMA will be a first class hull provider and improve Skuld's position as a world leading marine insurance provider.

ABOUT SKULD

Skuld is a world leading marine insurance provider with a strong financial position and an 'A' rating with Standard & Poor's. We cater to the needs of shipowners, the offshore and energy sector, charterers and traders, ports and terminals operators, cargo owners and the superyacht community.

Skuld was established in 1897 as a P&I club for Scandinavian shipowners. Since then, we have grown into a diversified marine insurer and now offer bespoke covers through Skuld P&I, Skuld 1897, a syndicate at Lloyd's and from 1 January 2017 also through Skuld Marine Agency (SMA). Today Skuld is the third biggest P&I club based on the premium income due to Skuld's diversification.

With headquarters in Oslo and a worldwide office network of around 260 highly skilled employees, we provide our customers with service and competence they can rely on, 24 hours a day.