

## The Shipowners' Club doesn't like surprises

"Shipowners' Club is now the most boring Club to review, although this is for all the right reasons" read this year's report from P&I insurance broker, Tysers. "High praise!" according to the Club CEO, Simon Swallow. "If boring means stability, continuity and ensuring peace of mind for our Membership, then we are all doing our jobs properly".

When the Club's Board met on 31 October 2022, it was noted that the Club was in a market leading underwriting position, but potentially faced some headwinds by virtue of inflation running at higher than historic levels. "The big unknown is inflation and given that it has been a relatively benign year for claims, especially to the International Group Pool, we haven't seen the impact of inflation. This may change, but the key thing is that we only ever ask Members for what we need" explained the Club's Director – Underwriting, Ian Edwards. "We don't like surprises and neither do our Members and their brokers". Sticking to that promise and mindful of increases in premium requested through General Increases in recent years, [the Board resolved that no General Increase would be applied](#) across the Membership for policy year 2023.

With the exception of a 10% increase in the Yacht sector and increases for some Members operating Dry Cargo vessels, the decision meant the Club was one of the only Clubs in the International Group (IG) Clubs not to apply a General Increase.

## A disciplined underwriting approach

How do they do it? Edwards believes experience is key "Between myself, Simon [Swallow] and Steve [Randall, CEO of the Club's Singapore Branch] we have over 100 years of industry experience in the small and specialist vessel sector... we like to think we know what we're doing!"

Whilst steady growth remains a key strategic goal, the Club is committed to doing so without compromising on their underwriting discipline, "We want to grow steadily like everyone else" explains Edwards "...but we don't seek to write new business for anything other than what we believe is the right premium, as after all we are all sharing risks together". This is something that impressed the Club's Chief Financial Officer, Simon Peacock, when he joined the organisation in 2016: "It has stood us in such good stead. That underwriting discipline has paid dividends and has not led to those high combined ratios others have suffered."

The Club's Members also have the benefit of a much larger spread of risk with over 34,000 vessels underwritten, the Club has the largest Membership of any IG Club with over 8,000 Members. However, Edwards recognises that the Club cannot afford to rely on their reputation as the go-to Club for smaller and specialist vessels "Renewal is never easy, it's an open

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opportunity for people to shop around. Particularly with our smaller clientele there has historically been a lot of options for them. We're the only Club that doesn't apply release calls so they're free to shop around." Yet consistently the Club has reported retention numbers in excess of 95%.

## **Relationships built on honesty and integrity**

"The role of the broker is hugely important", explains Swallow: "They are our business partners. The building of trust between insurer and assured is essential and that is achieved through the broker who remains at the heart of our relationships with so many of our Members." Testament to their commitment to their broking partners is their network of over 600 brokers. In [recent research conducted by the Club](#), 98% of brokers surveyed said they would recommend the Club to clients, and 96% said they were satisfied with all aspects of the Club's service.

## **Providing 24/7 high quality service**

Maintaining those levels of service is no mean feat for a Club with such a large Membership particularly when it comes to renewal. "We need to make sure renewal is as efficient as possible" confirms Edwards "...hence our investments in technology. We know how important it is for Members to receive their documentation accurately and on time".

Perhaps the best example of this investment is the Club's new [P&I Online Portal](#). A one stop shop for brokers evolving needs, the portal provides 24/7 access to crucial information and documentation. "Our goal remains to make it easier for the broker to work with the Club and we believe that ongoing investment in system solutions will help deliver against this goal" confirms Swallow.

## **To Protect and Indemnify**

As the Club looks towards the opportunity and challenges of 2023, their fundamental focus remains on servicing their existing Membership through the broker network, maintaining underwriting discipline and striving to offer a supportive approach to claims. The Club will continue to focus on helping Members mitigate the ever-evolving risks that they face, through Loss Prevention advice and innovative insurance solutions, which helps to offset the increasing cost of claims.

Inflation will continue to be influential in terms of overall claims costs and we also expect to face modest increases in reinsurance costs for next year. But what will always remain is the commitment and enthusiasm across the Club to do the right thing by its Membership and their brokers. As Peacock summarises, "Shipowners' Club has been successful, is successful and will continue to be successful by doing the same things it has recently done and has always done."