

CIRCULAR

To the Members

International Group Reinsurance Programme for 2024/25 Policy Year

Please be advised that the International Group (IG) Reinsurance Programme for 2024/25 policy year has now been concluded.

1. General Structure

The general structure of the IG Reinsurance Programme for 2024/25 policy year is as follows (Four categories shown remain unchanged):

- Club retention : US\$10 million
- Group retention : US\$100 million
- General Excess Loss (GXL) Cover : US\$2 billion (US\$2 billion in excess of US\$100 million)
- Collective Overspill Cover : US\$1 billion (US\$1 billion in excess of US\$2.1 billion)

2. Limits on the Cover

The following special limits on the Club covers for 2024/25 policy year are applied to the Owners' entry (Three categories shown remain unchanged):

- Oil Pollution : US\$1 billion
- Passenger : US\$2 billion
- Passenger and Crew combined : US\$3 billion

3. Losses arising from Malicious Cyber, COVID-19 and other Pandemics

Although for the 2023/24 reinsurance program, the Malicious Cyber, COVID-19 and the other Pandemics risks in excess of US\$750 million for these losses, were capped at a total of US\$1.35 billion (annual aggregate limit), for the 2024/25 reinsurance program the Malicious Cyber risks are separated from the COVID-19/the other Pandemics risks, each of which have an annual aggregate limit of US\$1.35 billion.

- Layer 1 (US\$650 million in excess of US\$100 million) : Free and unlimited cover
- Layer 2 and 3 (US\$1.35 billion in excess of US\$750 million) : Each layer has an annual aggregate limit in place, totalling US\$1.35 billion for Malicious Cyber risk and another US\$1.35 billion for COVID-19/Pandemics risks.

The IG agreed to pool losses that exceed the annual aggregate limit and therefore could not be recoverable from reinsurers. Accordingly, there is no change to Member cover.

Please see the attached diagramme for further details of the programme.

4. Excess War Reinsurance

Due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers have maintained Territorial Exclusion language (consistent with exclusionary language already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. As such the Group has purchased aggregated sub-limited cover of US\$ 80 million from the reinsurance markets to cover the Russia/Ukraine/Belarus excluded risks.

5. The IG Reinsurance rates for 2024/25 policy year

The IG concluded that there should be no change in the number of categories but that there should be some adjustments to the relative rate changes having regard to historical claims performance.

The IG Reinsurance rates per GT for 2024/25 policy year, including the excess war risks cover and MLC reinsurance cover, are as follows:

Category	2024 PY rate (US\$/GT)	rate change from 2023 PY (US\$/GT)	% change from 2023 PY
Persistent Oil Tankers	0.6163	-0.0500	-7.5
Clean Tankers	0.3982	-0.0069	-1.7
Dry Cargo Vessels	0.5863	-0.0128	-2.1
Fully Cellular Containerships	0.7204	-0.0073	-1.0
Passenger Vessels	3.3842	-0.4835	-12.5

6. Renewal overview

Following a relatively benign Pool claims environment for the 2022/23 Policy Year, 2023/24 has also started well. Whilst there has been some deterioration for prior years' claims within the Pool, the overall impact on the Group's reinsurance partners has not been significant and the hurricane season was less impactful than in the previous year with other non-marine losses. As a result, the IG has been able to renew its reinsurance programme for 2024/25 with all vessel types seeing rate reductions.

The IG's Bermudan based reinsurance captive Hydra continues to support the IG through its risk retention. The use of private placements has also continued to reduce the volatility of reinsurance rates for our members.

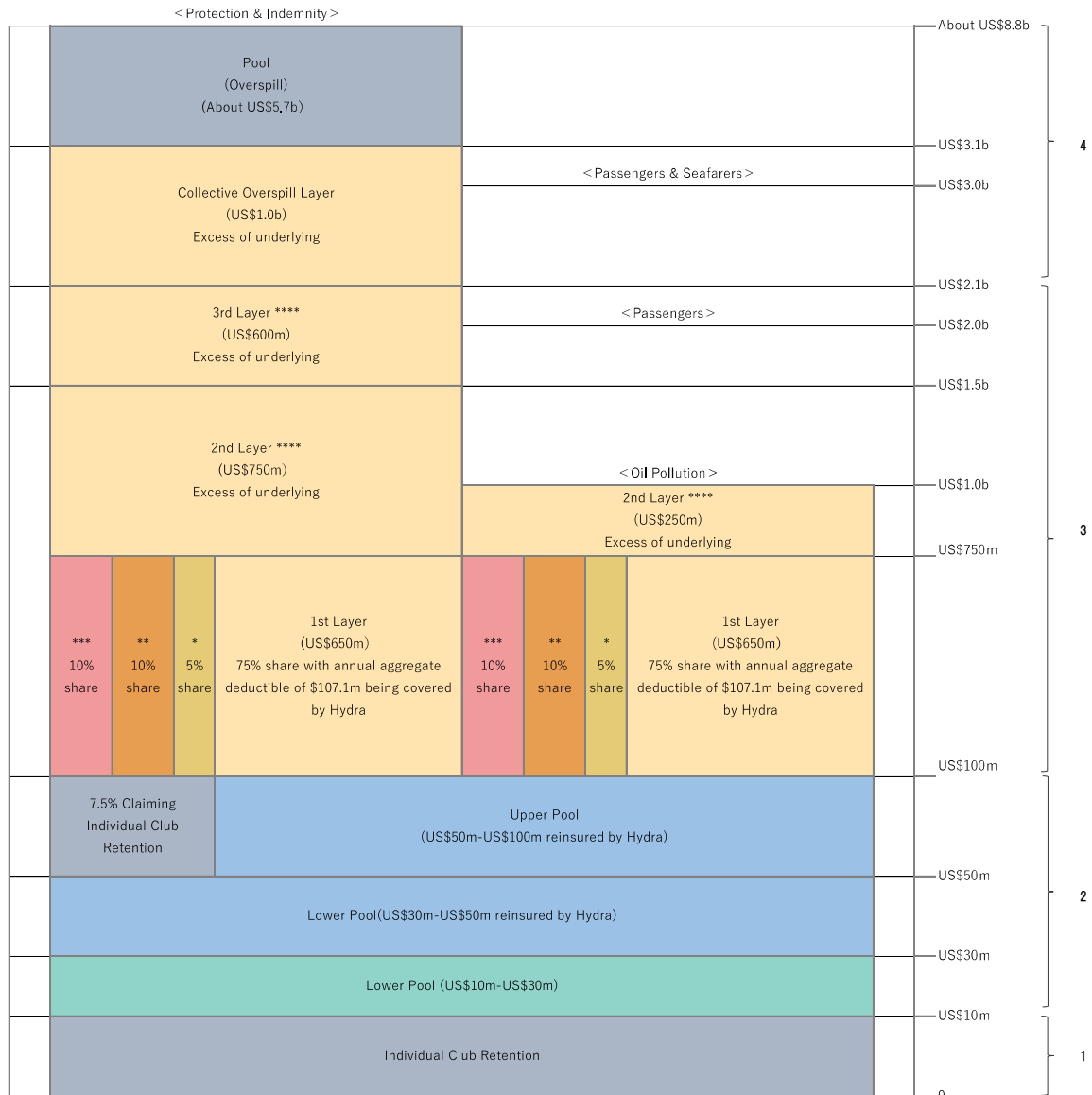
For more information, please see [Press Release](#) published by the IG.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Diagramme of International Group Reinsurance Programme for 2024/25 policy year

IG Pool and Reinsurance Programme (2024/25 Policy Year)



1. up to US\$10 million (Individual Club Retention)
Each Club retains the first US\$10 million per claim in excess of its member's deductible.
2. from US\$10 million up to US\$100 million (Pool)
Claims in excess of each Club's retention are shared by the Pool up to a limit of US\$100 million. Within the Pool, claims from US\$30 million up to US\$100 million are reinsured by the IG's Bermuda-based captive insurer Hydra.
3. from US\$100 million up to US\$2.1 billion (Market reinsurance programme)
The IG arranges market reinsurance to provide reinsurance for claims from US\$100 million up to US\$2.1 billion any one claim (US\$1.0 billion for oil pollution claims, see further below). This market reinsurance programme is divided into three layers and each layer is underwritten by different reinsurers.
* , ** & *** are Multi-Year Fixed Placement named "Private Placement".
1st layer: US\$650m in excess of US\$100m
2nd layer: US\$750m in excess of US\$750m
3rd layer: US\$600m in excess of US\$1.5b

**** Losses arising from Malicious Cyber and lossess arising from Covid-19 / other Pandemics are subject to separate annual aggregate limits totaling US\$1.35 billion respectively.
2nd layer: US\$750m (but US\$250m for Oil Pollution) as annual aggregate limit
3rd layer: US\$600m as annual aggregate limit
4. from US\$2.1 billion up to about US\$8.8 billion (Overspill)
Claims which exceed the IG reinsurance limit (called "Overspill Claims") are shared by all IG Clubs. The Clubs levy calls (Overspill Calls) for contributions on their members for the purpose of providing funds to meet the Clubs' liability to contribute their Overspill Share to an Overspill Claim. Nonetheless, the IG arranges Overspill Protection for its members of US\$1.0 billion. Thus, claims from US\$2.1 billion up to US\$3.1 billion are reinsured by the market reinsurance cover.

Reinsurance for oil pollution claims is purchased as a separate cover with a limit of US\$1.0 billion. Reinsurance for passengers and seafarers claims is subject to a limit of US\$2.0 billion for liability for passengers, or of US\$3.0 billion for liability for passengers and seafarers claims combined.