



CIRCULAR

To the Members

International Group Reinsurance Programme for the 2025/26 Policy Year

The International Group (IG) reinsurance programme structure for the 2025/26 policy year has now been concluded.

1. Overall structure

The overall structure of the programme for the 2025/26 policy year is as follows (unchanged from 2024/25):

- Club retention : US\$10 million
- Pool retention : US\$100 million (US\$90 million excess of US\$10 million)
- General Excess Loss (GXL) cover : US\$2 billion excess of US\$100 million
- Collective Overspill cover : US\$1 billion excess of US\$2.1 billion

For more details, please refer to the attached diagramme.

2. Limits on the cover

Owner's P&I cover is subject to the following particular limits as set out in the rules (unchanged from 2024/25):

- Oil pollution : US\$1 billion
- Passenger and crew combined : US\$3 billion
- Passenger (sub-limit) : US\$2 billion

3. Excess War P&I cover

The excess War P&I cover will be renewed for 2025/26 for a period of 12 months. This will be included in the total rates charged to shipowners. However, due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers have maintained their requirement for Territorial Exclusion language (consistent with exclusionary language already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. For 2025/26 the Group has purchased aggregated sublimited cover of US\$100m (increased from US\$80m from 2024/25) from the reinsurance markets to cover the Russia/Ukraine/Belarus excluded risks.

4. The IG reinsurance rates for the 2025/26 policy year

To ensure the fairness of cost allocation between different vessel types, each year the IG's Reinsurance Committee considers the vessel categories used. Having given due consideration to possible variations, the conclusions are that there should be no change in the number of categories at this time, but that there should be some adjustments to the relative rate changes having regard to each category's historical claims performance against the GXL.

The 2025/26 rates are set out below:

Category	2025 rate (US\$/GT)	rate change from 2024 (US\$/GT)	% change from 2024
Persistent oil tankers	0.6258	+0.0095	+1.5
Clean tankers	0.4337	+0.0355	+8.9
Dry cargo vessels	0.6054	+0.0191	+3.3
Fully cellular container vessels	0.8903	+0.1699	+23.6
Passenger vessels	3.4390	+0.0548	+1.6

5. Renewal overview

Following a relatively benign Pool claims environment for the 2022/23 and 2023/24 Policy Years, the 2024/25 policy year has so far seen a move back towards a higher level of pool claims activity, more consistent with the 2019-2021 period, as well as the Baltimore Bridge incident. It has also been a slightly more difficult year for the Group's reinsurance partners with an active hurricane season. Thanks to constructive engagement with our leader Axa XL and the rest of our panel of reinsurers we have achieved a fair renewal outcome for all parties.

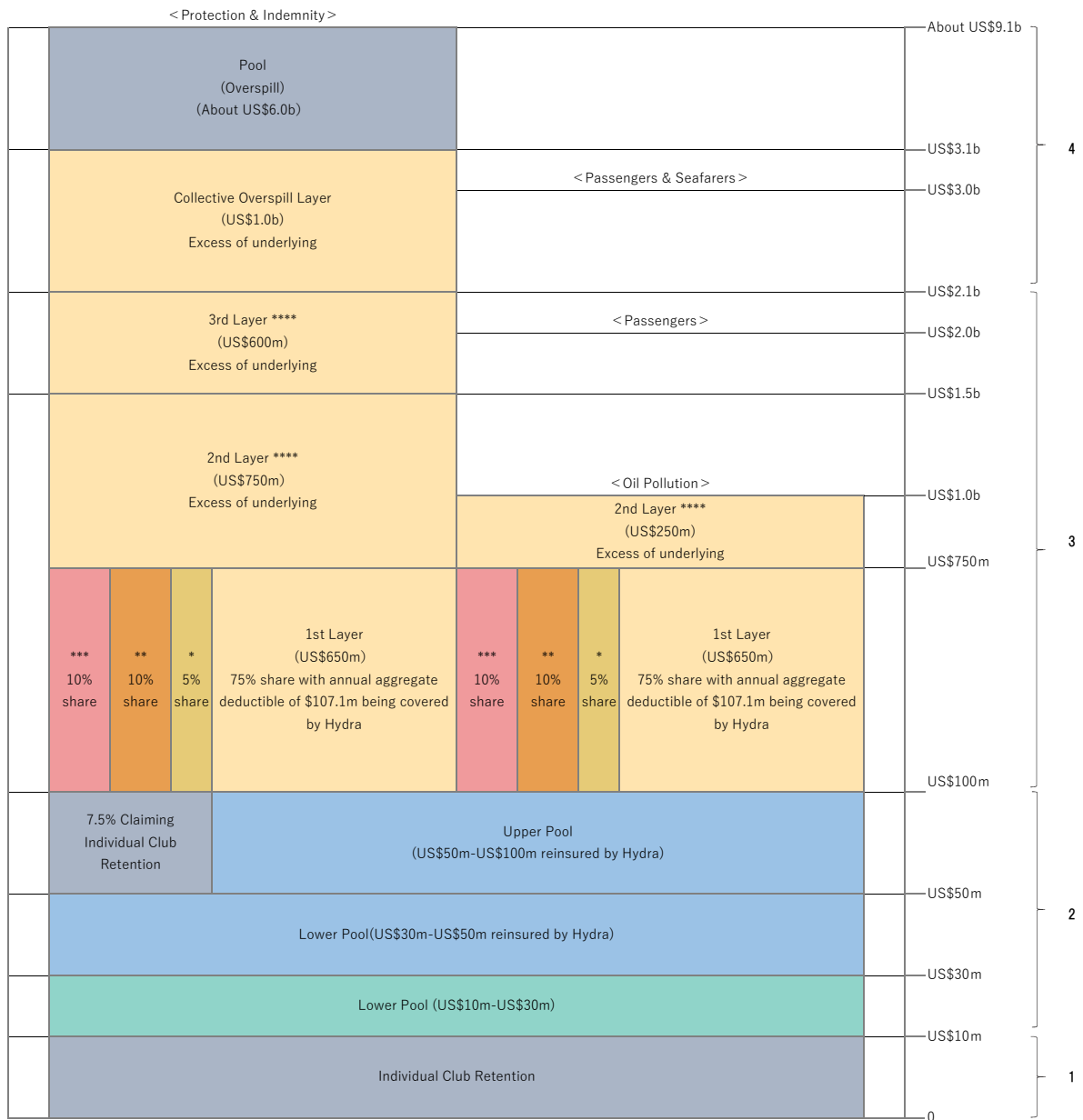
For more information, please see the IG's [press release](#).

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Diagramme of International Group Reinsurance Programme for the 2025/26 policy year

IG Pool and Reinsurance Programme (2025/26 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\$9 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.