



CIRCULAR

To the Members

2026 Renewal and Open Policy Years

At their meeting in Tokyo on 25 November 2025, the Association's Board of Directors reviewed open policy years and decided on the 2026 renewal.

1. Introduction

With the continued support of the Members, as of 31 October 2025, the Association's total entered fleet comprised 3,537 vessels, aggregating 85.0 million gross tons across Owners' Entries and Naiko Class (Japanese Coastal Vessels) Entries.

The Association dedicates significant effort to enhancing underwriting results and establishing a resilient financial foundation. The result of this effort was that, at the end of the 2024 business year, the Association had increased the reserve fund to JPY41.1 billion. Consequently, our credit rating by S&P Global Ratings was upgraded to "BBB+ (Outlook: Stable)."

Turning to the business environment surrounding the Association, it is anticipated that the upward trend in claim payments will be sustained, driven by the impact of global inflation. Furthermore, reinsurance premiums are expected to remain at a high level due to the prolongation of geopolitical risks, such as the Russia-Ukraine war and the situation in the Middle East.

Moreover, there is an increasing burden on the Association related to the continued occurrence of pool claims from other P&I Clubs, claims which are shared between all the Clubs in the International Group. Coupled with this, there is a continuous impact of the so-called "churn effect", where the overall premium volume shrinks as older vessels with relatively high premiums are withdrawn (e.g., sale), while newly entered vessels enter at lower premium levels.

Although underwriting results are improving as a result of the measures we have taken, the Association has considered the afore-mentioned business environment and believes that a further overall increase in premiums is essential to continue providing stable underwriting services to Members. The Association has therefore decided on the following Premium (including Deductible for Owner's Entries) for the 2026 Policy Year and the Additional Premium & Release Call for Open Policy Years.

2. Owners' Entries

Policy Year	Original Supplementary Call Estimate	Supplementary Call charged	Board's Decision	Release Call
2022	40%	40%	Closed	Closed
2023	-	-	The position remains unchanged.	3.5%
2024	-	-	The position remains unchanged.	3.5%
2025	-	-	The position remains unchanged.	15%
2026	-	-	A 5% general increase to be applied to mutual premium rates	15%

The details of the above decisions are as follows:

2026 Policy Year - Premium

There will be a 5% general increase in mutual premiums for owners' entries, including additional covers. In addition, Members' rates will be adjusted as appropriate to reflect their individual claims record, as well as any changes in the cost of the International Group reinsurance programme.

Release Call

The release call is set at 15% of mutual premiums (please see details in paragraph 6 below).

Open Policy Years - Additional Premium & Release Call

2022 Policy Year

The supplementary call for the policy year was paid at 40% of the advance call as originally anticipated. As two and a half years have passed since the end of the policy year, this year is hereby closed without a further supplementary call.

2023 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 3.5% for this year.

2024 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 3.5% for this year.

2025 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 15% for this year.

2026 Policy Year - Deductibles

For the 2026 Policy Year, all deductibles below USD50,000 will be increased by 10%, subject to a minimum increase of USD1,000. Accordingly, the standard deductibles will be changed as follows:

Crew Claim: USD6,000 per accident (Current: USD5,000)

Cargo Claim: USD16,500 per voyage (Current: USD15,000)

Other Claim*: USD11,000 per accident (Current: USD10,000)

* Where individual deductibles are set for 1/4 RDC, etc. (including 4/4 RDC), these will be increased by 10%, subject to a minimum increase of USD1,000.

3. Naiko Class (Japanese Coastal Vessels) Entries

2026 Policy Year - Premium

There will be a 10% general increase in premiums for Naiko Class entries, including additional covers. In addition, Members' rates will be adjusted as appropriate to reflect their individual claims record.

4. Charterers' Entries

2026 Policy Year - Premium

There will be a 5% general increase in premiums for charterers' entries, including additional covers. In addition, Members' rates will be adjusted as appropriate to reflect their individual claims record.

5. FD&D Cover

2026 Policy Year - Premium

There will be a 5% general increase in mutual premiums for FD&D cover. In addition, Members' rates will be adjusted as appropriate to reflect their individual claims record.

The release call is set at 15% of mutual premiums (please see details in paragraph 6 below).

Open Policy Years - Additional Premium & Release Call

2022 Policy Year

The original supplementary call estimate was 20%. This year is hereby closed without making the estimated supplementary call of 20%.

2023 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 3.5% for this year.

2024 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 3.5% for this year.

2025 Policy Year

At this stage there is no change in the mutual premium rate and the release call rate of 15% for this year.

6. Release Call Rates

Release call rates under Owners' entries and FD&D cover are set for each open policy year, considering various risk factors, such as premium risk, reserve risk, catastrophe risk, market risk, counterparty default risk, and operational risk. The release call rate for the 2023 and 2024 policy years is set at 3.5% of mutual premiums. The release call rate for the 2025 and 2026 policy year is set at 15% of mutual premiums, which will be reviewed annually, taking into consideration current highly volatile risks, such as geopolitical and catastrophic risks, as well as fairness among the Members.

7. Laid-up Returns

This provision is for owners' entries, charterers' entries, and Naiko Class entries. If the ship, completely free from cargo, is laid-up in any safe port/place for a period of 30 or more consecutive days after finally mooring there, the Members are entitled to 40% return of premiums paid attributable to the period of lay-up (the period shall be computed from the day of arrival to the day of departure, one day only being excluded).

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association