



CIRCULAR

To the Members

International Group Reinsurance Programme for the 2026/27 Policy Year

The International Group (IG) reinsurance programme structure for the 2026/27 policy year has now been finalised.

1. Overall structure

The overall structure of the programme for the 2026/27 policy year is as follows:

- Club retention : US\$10 million
- Pool retention : US\$90 million excess of US\$10 million
- General Excess of Loss : US\$2.25 billion excess of US\$100 million
- Collective Overspill : US\$1 billion excess of US\$2.35 billion

The IG has extended the cover offered by Clubs to their shipowner members by expanding Layer 3 of the GXL from US\$600m excess of US\$1.5bn to US\$850m excess of US\$1.5bn. This in turn means that the IG's Collective Overspill cover of US\$1bn is now excess of US\$2.35bn as opposed to US\$2.1bn in 2025/26.

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 2025/26):

- 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 2026/27 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. As such the Group continues to purchase aggregated sub-limited cover from the reinsurance markets to cover the Russia/Ukraine/Belarus excluded risks but this has increased from US\$100m in 2025/26 to US\$125m for 2026/27.

4. The IG reinsurance rates for the 2026/27 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 2026/27 rates are set out below:

Category	2026 rate (US\$/GT)	% change from 2025
Persistent oil tankers	0.5758	-8.0
Clean tankers	0.4337	NIL
Dry cargo vessels	0.5751	-5.0
Fully cellular container vessels	1.0237	+15.0
Passenger vessels	3.1472	-8.5

5. Renewal overview

Following a relatively benign Pool claims environment for the 2022/23 and 2023/24 Policy Years, the 2024/25 and 2025/26 policy years have seen a move back towards a higher level of pool claims activity, more consistent with the 2019-2021 period.

The GXL allows IG Clubs to offer uniquely high levels of free and unlimited coverage for most of the risks they insure. In securing this renewal, the IG is therefore grateful for the ongoing support of its leader, AXA XL, and also to its many other longstanding reinsurance partners.

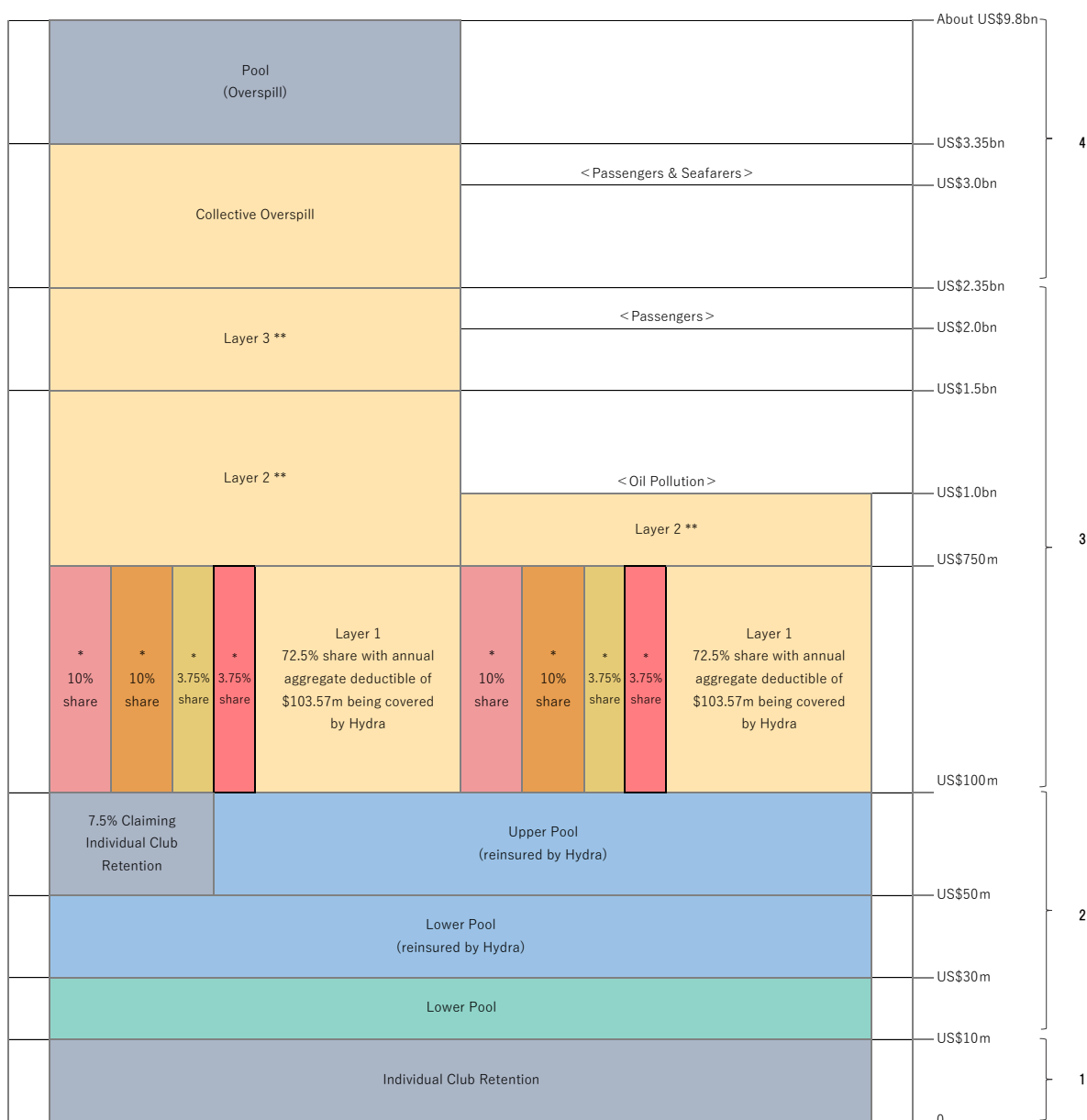
For more information, please see the IG's [press release](#).

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Diagramme of International Group Reinsurance Programme for the 2026/27 policy year

IG Pool and Reinsurance Programme (2026/27 Policy Year)



- 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.
- 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.
- from US\$100 million up to US\$2.35 billion (Market reinsurance programme)
The IG arranges market reinsurance to provide reinsurance for claims from US\$100 million up to US\$2.35 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.
* Multi-Year Fixed Placement named "Private Placement".
Layer 1: US\$650m in excess of US\$100m
Layer 2: US\$750m in excess of US\$750m
Layer 3: US\$850m in excess of US\$1.5b

** Losses arising from Malicious Cyber and losses arising from Covid-19 / other Pandemics are subject to separate annual aggregate limits totaling US\$1.6 billion respectively.
Layer 2: US\$750m (but US\$250m for Oil Pollution) as annual aggregate limit
Layer 3: US\$850m as annual aggregate limit
- from US\$2.35 billion up to about US\$9.8 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\$2.35 billion up to US\$3.35 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.