



**中国船东互保协会**  
China Shipowners Mutual Assurance Association

19th December 2025

TO THE MEMBERS

**Renewal for the 2026 Policy Year**

As the renewal for the 2026 Policy Year approaches, to better deliver high-quality professional service to all Members and ensure a smooth renewal, the Managers would like to bring the following factors regarding the upcoming renewal to the Members' attention:

For the 2025 Policy Year to date, the frequency and severity of claims have remained broadly in line with those of the 2024 Policy Year, while significantly exceeding the levels in the corresponding period of both the 2022 and 2023 Policy Year, continuing to exert pressure on the claims performance of the Association.

In 2025, escalating geopolitical tension, the lingering Red Sea crisis, intensified sanctions, increasingly stringent environmental regulations, and global inflation have driven up the cost of claim settlements. Against this complex and volatile backdrop, the operating performance of P&I Clubs has been significantly impacted.

In the 2025 Policy year, the frequency of Pool Claims (i.e., claims of single event amount exceeding US\$10million) has improved slightly compared with the corresponding period of the 2024 Policy Year. However, significant uncertainty remains regarding the total severity of claims. Moreover, the 2024 Policy Year saw a significant deterioration in Pool Claims, with the total amount expected to rise further, making 2024 likely the year with the highest Pool Claim amount on record.

For the 2026 Renewal, all member clubs of the International Group announced general increases in both premiums and deductibles. Under the Association's current reinsurance arrangement, the overall reinsurance costs are expected to increase.

The rapid growth of the Association's P&I business, alongside the entry of substantial tonnages from large new-built vessels, has kept the "dilution effect" on premium levels still existing. Significant uncertainty remains as to whether the current premium rate level can match the rising claim payments.

In 2025, AM Best affirmed the Association an A- (Excellent) Financial Strength Rating which



## 中国船东互保协会

China Shipowners Mutual Assurance Association

underlines the Association's robust financial stability and strength in the insurance sector. This positive rating not only validates the Association's financial stability but also boosts its global recognition. To maintain and potentially enhance this rating, the Association must ensure operational stability and balance financial revenue and expenditure in its core insurance business.

The Board of the Association has decided that the Estimated Total Calls (ETC) Discount for the 2026 Policy Year will remain at 20%. This decision is supported by the Association's stable investment returns, which serve as a fundamental basis to continue providing this discount for the members. The ETC Discount policy, which has been implemented for 24 consecutive years, shows the advantage of mutuality of P&I clubs and helps alleviate the insurance cost burden on members.

Taking the above factors into account, approved by the Board, the renewal policy for the 2026 Policy Year has been determined by the Managers as follows:

### 1. Owners P&I Entry 2026

A general increase of 5% has been set to apply to ETC rates. A release call of 15% should apply to ETC rate. In addition, all deductibles will increase by a minimum of US\$2,000 on the existing basis.

After applying a 5% general increase, the rates and terms will be further adjusted based on individual Members' claims records and risk exposure. Members whose loss ratios exceed the acceptable level will be subject to an additional rate adjustment beyond the aforementioned minimum requirements.

The adjusted ETC rate is separately and additionally subject to an increase or decrease reflecting the adjustment to the Group Reinsurance Cost.

### 2. Charterers' Entry 2026

A general increase of 5% has been set to apply to the fixed premium rates for charterers' entry. Rates and terms will be further adjusted based on individual Members' claims records and risk exposure.

### 3. FD&D Entry 2026

A general increase of 5% has been set to apply to ETC rates for FD&D entry. A release call of 15%



## 中国船东互保协会

China Shipowners Mutual Assurance Association

should apply to the ETC rate. Rates and terms will be further adjusted based on individual Members' claims records and risk exposure.

### 4. Marine Delay Insurance Entry 2026

A general increase of 5% has been set to apply to ETC rates for Marine Delay Insurance. A release call of 15% should apply to the ETC rate. Rates and terms will be further adjusted based on individual Members' claims records and risk exposure.

### 5. No Renewal for Members with Outstanding Premium

As of 20th February 2026, where a member fails to fully pay all premiums or any other sums due to the Association, unless otherwise agreed by the Managers, any and all ships of the Member shall not be renewed.

### 6. Condition Survey

As of 20th February 2026, any ship that has failed to meet the Managers' requirement to undergo a condition survey or a follow-up condition survey, or to rectify the defects listed in the Surveyor's report, shall not be renewed unless otherwise agreed by the Managers.

### 7. Payment Arrangement

The Estimated Total Calls or fixed premium of the 2026 Policy year are to be paid in three installments as follows:

- 40% due on 20th March 2026;
- 30% due on 20th July 2026;
- 30% due on 20th November 2026

Yours faithfully,

China Shipowners Mutual Assurance Association

