



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

Member Circular No.31/2021

16 June 2021

To the Members,

Dear Sirs:

Closing of the 2018 Policy Year and Supplementary Calls & Release Calls for Open Years

At their meeting held on 25 May 2021 in Chongqing China, the Board of this Association reviewed the latest P&I, FD&D and H&M figures, the club's financial position and made the following resolution:

Protection and Indemnity

2018 Policy Year

At the autumn Board Meeting in 2019, the Board decided to collect the full 20% budgeted supplementary call by 20 March 2020. Meanwhile, the release call was maintained at 15% of the advance call.

As at 20 February 2021, the Association has produced a moderate underwriting surplus for the 2018 policy year. The Board has decided to transfer the surplus to the P&I Reserves of the Association and has now confirmed that the year be formally closed without further call.

2019 Policy Year

The latest figures for 2019 indicate that there is a minor deficit within the projected range. The Board has accordingly confirmed that the original release call 15% of advance call remains unchanged and will further review the balance of the year at the next Board Meeting.

2020 Policy Year

Although at an early stage of development, preliminary indications for the 2020 policy year indicate that ultimate claims costs will be within the initial projected. The Board has therefore confirmed that the original release call of a 12.5% of Estimated Total Call (ETC) remains unchanged.

In summary, the present status of the closed and open policy years for P&I insurance are as follows:

Closed Policy Year

The 2018 policy year and all the previous policy years have been closed.

Open Policy Years

2019 Policy Year	The budgeted supplementary call 20% of advance call was collected by 20 March 2021 and the release call remains at 15% of advance call.
2020 Policy Year	Member's call shifted to "Estimated Total Call" (ETC) basis and the release call is 12.5% of ETC.
2021 Policy Year	Member's call is charged on "Estimated Total Call" (ETC) basis and the release call is 12.5% of ETC.



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Freight, Demurrage and Defence

2018 Policy Year

The Board has confirmed to close the policy year after to collect budgeted supplementary call 20% by 20 November 2021 and as such to transfer the produced surplus to the FD&D Reserves of the Association.

2019 Policy Year

The estimated supplementary call is 20% of the advance call with a further release call at 15% of the advance call. The development of claim situation is still within the projected and will be further reviewed at the next Board Meeting.

2020 Policy Year

Member's call shifted to "Estimated Total Call" (ETC) basis and the release call is 12.5% of ETC. The development of claim situation is still within the projected and will be further reviewed at the next Board Meeting.

In summary, the present status of the closed and open policy years for FD&D insurance are as follows:

Closed Policy Year

2017 and all the previous policy years have been closed.

Open Policy Year

2018 Policy Year	The budgeted supplementary call 20% of advance call shall be paid by 20 November 2021 and then the policy year shall be closed.
2019 Policy Year	There is no change of the budgeted supplementary call 20% of advance call with a further release call at 15% of advance call.
2020 Policy Year	Member's call shifted to "Estimated Total Call" (ETC) basis and the release call is 12.5% of ETC.
2021 Policy Year	Member's call is levied on "Estimated Total Call" (ETC) basis with a release call at 12.5% of ETC

Mutual Hull and Machinery

2018 Policy Year

As always, the Board has decided not to charge any supplementary calls for this policy year and the underwriting deficit occurred shall be balanced by credit from the Hull & Machinery Reserves of the Association and then the 2018 policy year is closed accordingly.

2019 Policy Year

The 2019 policy year is expected to be in deficit based on the underwriting result, but the Board will consider any balance measures after reviewing the claim developments next year and the policy year remains open as usual.

2020 Policy Year

The underwriting result for the 2020 policy year is currently in surplus and the Board will further review the claim development at the next Board Meeting.



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In summary, the present status of the closed and open policy years for Hull & Machinery insurance are as follows:

Closed Policy Year

2018 and all the previous policy years have been closed.

Open Policy Years

2019 Policy Year	Remains open.
2020 Policy Year	Remains open.
2021 Policy Year	Remains open.

Yours faithfully,

Song Chunfeng
Managing Director
China Shipowners Mutual Assurance Association