

**Ref:2019/3**

**TO: ALL MEMBERS**

**November, 2019**

## **THE ASSOCIATION'S CALL FOR THE 2020/21 POLICY YEAR**

At their meeting on 14th November, 2019 the Directors considered the Association's future premium requirements. In recent years premium has come under some pressure due to the soft insurance market. Claims are also extremely likely to increase as a result of issues relating to the implementation of IMO 2020. Taking these factors into account some upward adjustment in future premium levels is necessary.

For the 2020 policy year, the Directors have elected not to announce a General Increase, but have instructed the Managers to focus on each Member's premium rating in light of their risk profile and loss record, with reference to the overall financial requirements of the Association.

### **Continuity credits**

Members will also be aware that in 2014 the Association implemented a capital distribution programme by way of continuity credits which has returned in the order of \$10 million to Members over this period. The levels of continuity credits are reviewed and adjusted where necessary on an annual basis.

For the forthcoming policy year the Directors have agreed to maintain the 2.5% full fleet credit and defer consideration of the balance of continuity credits until the close of the policy year. An announcement of the final credits will therefore be made by the Board at its meeting in April, 2020 setting them against the backdrop of the Association's year-end results.

Should any Member have any questions please do not hesitate to contact the Managers.

Yours faithfully,

**THOMAS MILLER DEFENCE LTD.**  
Managers

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