

Hull & Machinery Insurance 2025

The terms for 2025 Hull & Machinery Insurance are outlined in this circular. The Association will continue to make comprehensive insurance cover available to suit the needs of individual members at rating and deductible levels reflecting exposure.

Update

Business Outlook

The Hull & Machinery market in 2024 has seen continued inflow of new market capacity stemming from regained appetite among established providers as well as Managing General Agents set ups. This increase in market capacity is driving competition and pressure on premium rates. In spite of this, the underwriting discipline among incumbents in the marine hull market has been reasonably maintained.

The H&M sector continues to face challenges due to external factors such as inflation and geopolitical risks, particularly in areas like the Red Sea. High-profile incidents and sanctions are adding complexity to underwriting decisions. Although some marginal surpluses have been reported, partially due to ancillary covers like war insurance, overall profitability in the sector remains constrained. The upcoming renewal season is likely to see continued competitive pressure on premiums as new capacity seek to capture market share.

Business Development

The Swedish Club's marine portfolio has seen both outflow and inflow of risks in 2024 with minor overall effects in terms of premium and volume. The continuous changes in portfolio composition is however steering towards a younger overall fleet and anticipated higher quality tonnage. Currently the Club insures around 6,500 vessels on Hull & Machinery plus an additional 1,000 in captive insurance solutions. Focus remains on quality with continued work on improving the overall profitability of our marine book of business.

Renewals 2025

The Club will offer all members renewal terms tailored to individual performance and exposure.



Terms for Hull & Machinery Insurance 2025

Hull Premium

The premium will be based on the type of vessel, management, value, risk exposure and loss records, in addition to the information stated above. In particular, the Association will ensure and prioritize that the premium fully covers the risk exposure.

Claims lead

The Association will have the claims lead at all times unless otherwise agreed in writing. For all policies where the Association has the claims lead, "The Swedish Club Claims Lead Clause" (A.4) shall apply.

Members are recommended to arrange for procedures to provide counter-security from co-underwriters to the satisfaction of the Association, in cases where the Association decides to issue a Guarantee or a Letter of Undertaking for the full amount.

Claims – Adjustments – Adjusters

Claims must be reported immediately to the Association by the member. Emergency, office, mobile telephone numbers, email addresses and other contact details are available on the Association's website. All claims are adjusted by the Association's in-house Adjusters. Adjusters for General Average shall be appointed in co-operation with the Association.

Renewals

Each member, or its broker, will be contacted individually for renewal discussions. Statistical records used for the 2025 renewals will reflect the results for 2019, 2020, 2021, 2022 and 2023. Claims development for 2024, if adverse, will also be taken into consideration when deciding renewal terms. Records are presented in SCOL (Swedish Club OnLine), available through the Association's website.

Lay-up returns

Lay-up conditions and application form for lay-up returns can be found in this circular at the Club's website.

Club Clauses

Mandatory Club Clauses will be based on the underlying Hull & Machinery conditions. For Nordic Marine Insurance Plan, German Hull Conditions, Institute Time Clauses and American Institute Hull Clauses, applicable clauses will at all times be published on the Club's website under Hull Insurance Conditions.

Policies should contain the full set of Mandatory Club Clauses as outlined in the respective attachments.

Yours faithfully,

Thomas Nordberg