



PRESS RELEASE

Ratings Agency S&P Global revises UK P&I Club's rating from A (negative) to A-(Stable)

- Financial position and reserves remain robust

London, 28 October 2021 - The UK P&I Club ("The UK Club"), a leading provider of P&I insurance and other services to the international shipping community, has had its rating revised from A (negative) to A-(Stable) by the rating agency S&P Global.

The rating remains in the 'A' range, a measure regarded as healthy within the insurance sector, and the Club's financial position remains strong. It continues to comfortably meet all its regulatory capital requirements and exceeds S&P's own 'AAA' capital benchmark with free reserves of \$534 million as at 20 August 2021.

The P&I sector's unsustainable premium rates led to an average combined ratio across the sector of over 120% last year. The market now faces increasing Pool claims and reinsurance costs as well as a steady flow of COVID-19 claims. As such, rates across the sector will need to increase accordingly.

Andrew Taylor, CEO of Thomas Miller P&I says: "We are naturally disappointed S&P has taken this step to revise our rating at this time. The estimated cost of Pool claims is the largest in history; this, coupled with premium levels that have failed to keep up with rising claims, has resulted in this change of rating from S&P. The whole P&I sector has been hit by the same factors. The resulting increases in combined ratios have placed pressure on ratings across the sector and resulted in the majority of the IG Clubs being placed on negative outlook.

"The UK Club remains very strong financially and this has allowed us to take a measured approach to addressing inadequate premium rates. The combined ratio of 115% for the first half of 2021 was in line with the Club's plan and the Club remains in a strong competitive position. The Club remains focused on its key aims of returning to balanced underwriting while providing excellent service to our Members."

-Ends-

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Notes to Editors

The UK P&I Club is a leading provider of P&I insurance and other services to the international shipping community. Established in 1869 the UK P&I Club insures over 240 million tonnes of owned and chartered shipping through its international offices and claims network. 'A' rated by Standard & Poor's with free reserves in excess of \$534m, the UK P&I Club is renowned for its specialist skills and expertise which ensure 'best in class', claims handling and loss prevention services.

The UK P&I Club is managed by Thomas Miller, an independent and international insurance, professional and investment services provider.

www.ukpandi.com

Thomas Miller

Thomas Miller is an independent and international provider of insurance, professional and investment services.

Founded in 1885, Thomas Miller's origins are in the provision of management services to mutual organisations, particularly in the international transport and professional indemnity sectors; where today they manage a large percentage of the foremost insurance mutuals. Thomas Miller also manages insurance facilities for all the self-employed barristers in England & Wales, as well as trustees of pension schemes, patent agents and housing associations.

Principal activities include:

- Management services for transport and professional indemnity insurance mutuals
- Professional services including legal services, claims and captive management
- Managing General Agency

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