

Reinsurance arrangements for the 2026 policy year arranged through the International Group of P&I Clubs

Member Circular No. 15/2025

December 2025

The International Group (IG) Pooling and Group Excess of Loss Reinsurance contract (GXL) structure for the 2026/27 Policy Year has now been finalised. Reinsurance arrangements for the 2026 policy year for P&I entries with Gard P. & I. (Bermuda) Ltd and Assuranceforeningen Gard - gjensidig - (hereinafter individually referred to as the “Association” and collectively as the “Associations”) are outlined below.

Mike Hall, Chairman of the IG’s Reinsurance Committee, said: “The International Group’s successful completion of the 2026 reinsurance renewal underscores the strengths and resilience of the mutual system. The ability to provide the high levels of cover that our shipowner members require at competitive terms reflects the effectiveness of collective negotiations and the long-standing relationships with our reinsurance partners.

I am also pleased to announce that Bjornar Andresen will be succeeding me as the Committee Chair for the 2026/27 renewal. Bjornar, the Chief Underwriting Officer at Gard, is already well known to the reinsurance markets and has been a member of the Reinsurance Committee since 2018. Having worked closely with Bjornar during the present renewal discussions I have no doubt that I am leaving the Committee and the IG in very good hands. ”

Summary

- Club’s retention: USD 10 million
- Pool retention: USD 90 million (in excess USD 10 million);
- Excess USD 100 million, the GXL applies as follows:
 - Layer 1 USD 650 million excess USD 100 million;
 - Layer 2 USD 750 million excess USD 750 million;
 - Layer 3 USD 850 million excess USD 1,500 million;
 - 72.5% of Layer 1 and 100% of Layers 2 and 3 are placed with the open market on a free and unlimited basis.
 - Malicious cyber, COVID-19 and Pandemic: Free and unlimited cover for claims up to USD 650 million excess of USD 100 million.
 - 27.5% of Layer 1 is covered by four private market placements, which are renewed independently of the open market element of the GXL;
 - Hydra continues to retain an Annual Aggregate Deductible (“AAD”) in Layer 1, which in 100% terms has moved down in value from USD 107.1m to US\$103.6m for the 2026/27 policy year, reflecting the reduced market share in Layer 1.
- Collective Overspill (USD 1,000 million excess of USD 2,350 million) and ancillary covers are being renewed with premiums included within the overall rate per GT.

Gard P&I Member Circular No. 13/2024, December 2024

The IG's Bermudan based reinsurance captive Hydra continues to support the IG through its risk retention. This enhances stability in pricing. The use of private placements has also continued to give shipowners greater stability. The GXL continues to allow the broadest cover for shipowners, with reductions for all vessel categories as outlined later in this paper.

Individual Club retention and GXL programme attachment

Following a comprehensive review of the retention structure it has been decided to maintain the Individual Club Retention unchanged for the 2026/27 policy year at USD 10 million, as does the structure of the Pool and the attachment point for the GXL at USD 100 million.

MLC cover

The MLC market reinsurance cover is being renewed for 2026/27 at competitive market terms, with the premium included in the overall reinsurance rates charged to shipowners.

War cover

The excess War P&I cover will be renewed for 2026/27 for a period of 12 months. Again, this will be included in the total rates charged to shipowners.

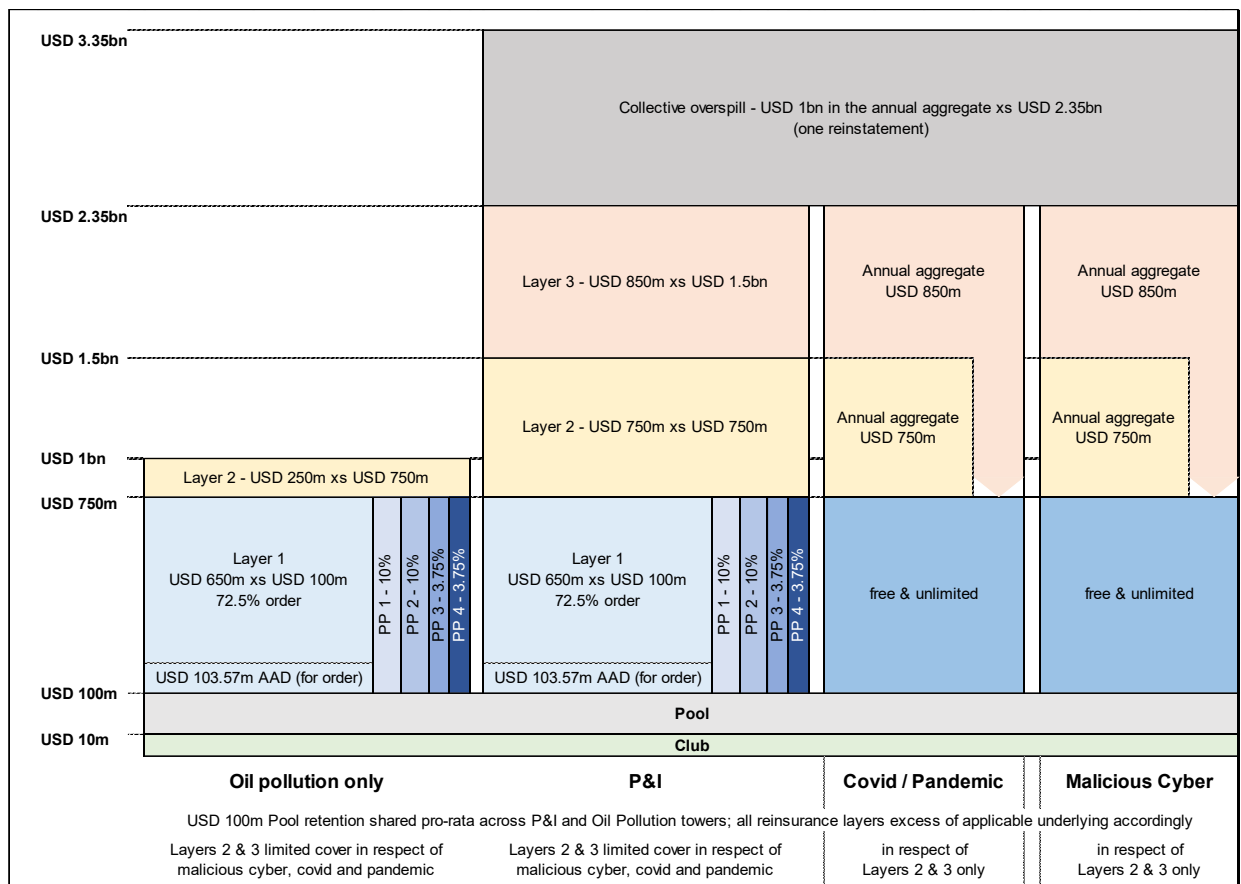
However, due to the ongoing active war between Russia and Ukraine, the IG's Excess War reinsurers have maintained their requirement for Territorial Exclusion language (consistent with exclusionary language already applied by reinsurers for Primary War P&I coverage) for vessels trading in these waters. As such the Group continues to purchase aggregated sublimited cover from the reinsurance markets to cover the Russia/Ukraine/Belarus excluded risks but this has increased from USD 100 million to USD 125 million in the previous year.

Passengers

Despite the changes to Layer 3 of the GXL and to the Collective Overspill limits, the limits for Passengers and Crew remain unchanged for the 2026 renewal.

2026/7 GXL programme structure

The diagram below illustrates the layer and participation structure of the GXL programme for 2026/7.



Reinsurance cost allocation 2026/7

As part of its annual analysis and in addition to reviewing premiums, the IG's Reinsurance Committee has, as referred to above, been looking at vessel categories.

The conclusions are that there should be no change in the number of categories at this time, but that there should be some adjustments to the relative rate changes having regard to each category's historical claims performance against the GXL.

The 2026/27 rates are set out below:

Tonnage Category	2026 rate per g.t.	% change from 2025
Persistent Oil tankers	\$0.5758	-8.0%
Clean Tankers	\$0.4337	NIL
Dry	\$0.5751	-5.0%
FCC	\$1.0237	+15.0%
Passenger	\$3.1472	-8.5%

We further refer to the [International Group of P&I Club's press release](#). If you have any questions, please contact the underwriting department in Gard.

Yours faithfully,
GARD AS

A handwritten signature in blue ink that reads 'Rolf Thore Roppestad'.

Rolf Thore Roppestad
Chief Executive Officer