

## **Andrew Cutler – 125<sup>th</sup> anniversary speech**

Good evening and welcome,

It is a great pleasure to welcome you all this evening to celebrate 125 years of the International Group's first Pooling Agreement.

The first draft of this speech reflected on the origins of P&I Clubs – which date back to the 1850s, pre-dating the Suez and Panama canals. I then wandered through a history of sailing ships and geopolitics at that time with their many similarities to current affairs.

However, the tragic events in Baltimore on Tuesday 26 March have changed the focus of my speech, but not its critical points.

It would be inappropriate for me – either as IG Chair or Britannia P&I's CEO - to comment in detail on the DALI collision with Baltimore's Francis Scott Key bridge. Rather, I confirm that my thoughts and condolences remain with all involved and that Britannia P&I and its Member continue to work closely with, and co-operate with, the US authorities.

On a personal note, I take this public opportunity to thank my colleagues within the IG for their expressions of support and offers of assistance. Whilst recognising the challenges ahead, I feel this will be another example of the strength of the IG system and the unparalleled cover it provides to the world's shipping community.

Mutuality remains at the very heart of the P&I system, and also the IG's reinsurance programme. This is best summarised by the IG's strapline:

***Collectively stronger***

and our Mission Statement of:

***Together we enable world trade***

You will forgive a bit of history:

- 10 April 1899, 125 years ago today, saw Britannia P&I, London, Newcastle, Sunderland, Standard and UK Clubs create the first Pooling Agreement;
- inflation features in all our lives and is also present in the Pooling Agreement, which:
  - started life as a 5 page handwritten document (most of the 5 pages being signatures and stamps) but now stretches to 135 pages. Don't we all love lawyers;
  - saw those 6 grow to the now 12 Clubs that together form the International Group of P&I Clubs; and
  - has seen individual Club retention rise from £10,000 to USD10 million and – quite some time ago – a move away from the deemed ship size cap of no more than 3,000 GT for the purposes of calculating contributions.

As the industry grew, whether in type of ship or size, so did the IG and also the risks covered by the Clubs to support international trade. Inevitably there was the growing need to reinsure the highest levels of

risk, with 1951 marking the birth of the market leading International Group Excess of Loss programme (the GXL).

For an industry firmly based on renewal at noon 20 February, curiously the first GXL contract ran for 8 months: from 20 June 1951 until 20 February 1952.

P&I loves its records and the archives from Millers indicate that Dawson Miller (then senior partner at Thomas Miller, with UK Club as Group lead at that time) was against placing reinsurance. So, in true P&I style, a compromise was found, with the other Clubs meeting while Dawson was at Ascot race week and agreeing to place the programme from 20 June.

Hopefully you have all seen the first slip on display here this evening.

In 1952 the Group reinsurance contract covered vessels with a combined 27m GT. Today we are close to 1.4bn GT. Throughout, we and, dare I say, the market, have been served well both by Miller as the broker from inception and Aon, who joined as co-broker in 2018.

Continuity and long-term partnerships are vital in supporting the Group and its members. During the relatively modest 74 years of the GXL, we have only had 4 market leaders. The Group is proud and reassured that many of the syndicates and other markets who back the GXL have been on the contract since its inception. This requires trust on both sides, and I hope events like tonight reinforce that trust and the bonds that bring us together.

It is only by working together at the Group, as well as with the many other responsible industry and insurance bodies represented here tonight, that we help ensure that the maritime global supply chain continues, particularly in these volatile times. At the same time, we aim to raise standards whilst responding to casualties. We must also continue to engage with our shipowner boards, reinsurers,

governments and regulators especially at the IMO and in maritime states. The latter is to ensure that we have a fair, balanced, and harmonised regulatory framework within which all countries and shipping can operate to create a safe and sustainable shipping industry to the benefit of all.

Lastly, it has been a pleasure to speak in front of the great and the good of the maritime industry – not least of all my colleagues within the IG, including a number of former IG Chairs (one of whom was my boss) – as well as colleagues from the IG Secretariat who are invaluable in supporting the IG and pooling arrangements.

Most importantly we are joined by many Club personnel, who continue to contribute to the Group's work on a multitude of issues: not least of all sanctions compliance, claims co-operation, casualty response and the industry's movement towards net zero through the use of alternative fuels. Their work is vital to ensuring that the IG has a sustainable and relevant future.

I am honoured to be the Group Chair on such an important anniversary and I am sure that together we can continue to support our members, the maritime community and global trade.