

## Is there real future in P&I world?

The P&I renewal period is over and another year full of discussions, changes and movement of tonnage has passed with the reasonable and known hurdle.

Owners are still facing problems because of the low market rates in all sectors and general financial conditions worldwide still do not favor them at all. Vessels' oversupply is haunting small or big owners who are concerned on future income and the right basis they should carry on their business. What may the future tell them? Will they keep their old ships still under their operation or ultimately have to decide to idle or sell them for scrap sooner or later. The whole industry is being focused on P&I Clubs this time of the year particularly, more than the rest of it, and it is remarkable that great efforts are spent by P&I insurers to maintain their members, reputation, premium levels, tonnage, relationships and, more important, increase their "income". Brokers, obviously, worldwide, play a key role during negotiations and are in the centre of the cyclone trying to please everyone and this is proved to be finally undeniable.

We have seen though movements also this year, such as big names in shipping changing Clubs irrespective of issues of release calls, long relationship and premium level. Little differences in amount of tonnage for each of the IG Clubs comparing with last year's renewals, however, is it absolutely certain that Clubs are happy after this year's renewals? Does the alleged merger, rejected by Clubs' Managers, of two big P&I Clubs mean something which will change the regime of IG as we know for the last years? Are general increases, over the time, bringing enough income to the Clubs to continue under present scheme? Discussing with insurers I sense there is an undecided feeling about this year's results in P&I world. Tough negotiations until last minute, some Clubs' decision to deny renewal of burdened fleets and certain owners' final extreme decisions to change P&I insurer after many years, do give the impression that not only are the owners considering alternatives for P&I cover of their company's fleet as the market levels, the profit earned, the future plans for their company dictate, but also, as owners are more and more keen to find a competitive, organized, beneficial solution for their vessels' insurances, equally the Clubs look for healthy, organized, well respected owners with new tonnage which will have to pay, ultimately, enough to support the vitality of IG Clubs.

Someone has to note that various "P&I Clubs" lately started operating in many countries across the globe, except Greece, and many members from that country, smaller or bigger shipping companies support their local Club. In addition, many fixed premium facilities offer almost equal service, competitive premium, increased limit of liability and no release calls to their members. China has a serious role on insurances and not only P&I Club exists for long but also other insurances started already their services, in relation to various covers in insurance field. Is therefore logical to wonder if IG Clubs and their Managers continue to get enough income from owners worldwide who are spread to many and different insurance choices? I personally have my concerns if it is to the benefit of the IG Clubs to impose and insist on the general increases each year, irrespective of the changes worldwide, the release calls as a binding rule among the IG Clubs and, of much importance, the rate of the premium as far as the old comparing to new tonnage is concerned. It seems that there is no way out for IG Clubs if members' loyalty and relationships are not carefully observed by the Clubs and undoubtedly preserved, and P&I insurance cover is not deemed as mutual benefit for the future. I do not wish to believe that Clubs prefer to cover only the big fleets and the stronger owners worldwide and refuse cover to smaller but healthy owning companies worldwide.

I feel hence that IG Clubs must seriously judge all circumstances this year and before the end of the cover period or announcements of general increases the fall of 2015, reflect on their true and realistic requests after taking into consideration the global changes and owners' mind in shipping.