

Financial highlights

For the year ended 31 December 2024

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Chairman's Report



I am delighted to tell you that the Club received outstanding satisfaction scores from Members and brokers for its service.

I write to you following my first full year as Chairman of the TT Club Board. It was another challenging year for all in the transport and logistics industry, with continued instability, conflict and a uniquely changing political landscape.

In addition to managing the Club in this volatile macro-economic background, the Board has been active in managing the Club's own exposures and as a result of this work, I write to you confident both in the Club's approach in continuing to meet Members' needs from a position of strength, and in delivering its mission to make the transport and logistics industry safer, more secure and more sustainable.

In 2024, I am delighted to tell you that the Club received outstanding satisfaction scores from Members and brokers for its service. The Board assess this every three or so years through the customer satisfaction survey and in addition to a score, the survey also yields valuable insights into how the Club can develop to better serve the needs of its Members. A plan is in place to address the feedback and you will see enhanced local engagement, more loss prevention guidance, a more streamlined digital offering from your Club and the speed of service that this should enable. Indeed, a key driver for the Club throughout 2024 has been its drive towards new technology, data and change and while it has been a focus for some time, the Club has taken further strides this year in developing this area at pace.

Financial performance

The Club's net result for 2024 is US\$ 4.8 million (2023 US\$ 15.9 million). The underlying performance of the Club in the year was in line with previous years, with the net result impacted by what is the final tranche of costs of implementing the project to transform the Club's underwriting system, together with strengthening of the Club's claims reserves to ensure Members' exposures to bodily injury claims in the United States are prudently managed. The wider insurance industry has been reporting for some time now the increasing exposures presented by risks from this source and the Club Board has taken action in the year to ensure the Club can manage this volatile but important risk well.

Gross earned premium for 2024 was US\$ 284 million which was similar to 2023. To a large part the changes in premium between years is a function of the trading volumes that Members report to the Club and in 2024 these volumes were largely flat across the year. In addition, action was taken to ensure the Club's book of business continued to be of the highest quality.

The Club's investments performed well in the year with a return of 5.6% (2023 6.3%). The portfolio is managed to a conservative benchmark with a relatively low exposure to equities.

Bodily injury

You will have read in previous statements that bodily injury risk, especially in the US, has been a particular focus of the Club and its Managers in recent years, running across the claims, underwriting, actuarial, and loss prevention functions. Those who read the insurance industry press will have seen a trend of US bodily injury claims reserve strengthening across the industry with some of the larger global insurers impacted to a far greater degree than the Club.

In mitigating this volatility, the Club's approach is manifold: strengthen reserves, diversify risk, bolster our world-class claims teams and focus on industry leading loss prevention guidance. Human safety is now clearly established as the Club's top priority. While Members face these challenges, the Club will continue to support them. More detail on these efforts with respect to human safety, as well as security and sustainability, is provided in the loss prevention item following my report.

Chairman's Report

(continued)

The Managers continue to demonstrate their commitment to leading the Club towards a digital, data-driven and Member-led future.

Positioning the Club's systems for the future

As previously communicated, the Club has, in recent years, undertaken a large-scale project to upgrade its underwriting systems. The project has required considerable investment both of funds and the Managers' time, and indeed has faced delays that increased the expenditures of both. I am pleased to report that the system successfully launched in June 2024 and the programme is now concluding in line with timelines and budgets revised in early 2024. As with any ambitious system upgrade, there are still hurdles to clear to finetune functionality, however through the extraordinary efforts of the Managers' change team and operational staff, the "case for change" has been delivered, with benefits already clear to see and still more firmly on the horizon.

The Managers continue to demonstrate their commitment to leading the Club towards a digital, data-driven and Member-led future. The plans are ambitious and place the Club where it needs to be to serve a changing and adapting industry and membership. A key step (and learning through the project) in achieving its digital goals has been the Managers' establishment of a dedicated permanent technology and change function, which is now showing benefits in rigour and efficiency of innovation.

Brexit

You will know from previous communications that, after a period of fronting by UK P&I Club N.V. (UKNV), the Club made the decision to establish its own subsidiary in Rotterdam to insure its EEA risks. TT Club Mutual Insurance N.V. (TTNV) was established and began writing insurance risks from 1 September 2024. The project involved both commercial and technological challenges and was delivered on time and under budget with no impact on affected insureds. The Club is confident that this solution will ensure that its Members and brokers in the EEA continue to receive the highest levels of service from the Club. Of course, the Club continues to rely on its vast network of global, on-the-ground expertise from its Network Partners and Members in the EEA should see no change in this regard.

I have full confidence in the Manager's decision to strengthen reserves, despite its impact on the net result for the year, and understand it to be the right decision for the membership. There is in place a robust plan to diversify risk and build a portfolio that balances the bodily injury risks faced in the US. It acknowledges that the Club's risk appetite must remain in line with the needs of the industry, that it must be bold and address issues head on, to remain relevant for the membership it serves.

Directors and Board Committees

The Boards and Committees continued to meet according to their usual schedules in 2024, with the Board meeting in Seoul, Rome and New York. I was delighted to meet many of our Members and brokers at the events held in Seoul and New York and thank you for your commitment to the Club.

During the year we welcomed Wendy Chien, Nosiphesihle Mbongwa and Frans Calje to the Board. We also welcomed Kevin King as a Director following his appointment as the Club's CEO in August 2024, taking over from Charles Fenton. Prior to this appointment, Mr King had been Deputy CEO and COO. Previously he led the Club's Europe, Middle East and Africa regional team, and has worked for the Club's Managers, Thomas Miller, since 1996. I must also, of course, offer my sincere thanks to Mr Fenton for his steady guidance of the Club since 2009 and I am pleased to say that he continues to serve as a Director. My Board colleagues and I look forward to working with our new Directors and welcome their varied and extensive expertise.

Chairman's Report

(continued)

I am grateful for the Club's robust guiding principles and mission, which govern all that it does. It means that when we approach these challenges, we do so for the benefit of the membership and the industry as a whole.

Directors and Board Committees (Continued)

A key consequence of such geopolitical upheaval will be adapting to new government approaches to sustainability and the climate crisis. The climate crisis is well documented and 2024, like 2023, did not fail to show us the dire consequences of inaction. It replaced 2023 as the hottest year on record and weather catastrophes dominated insured losses, with 97% of insured losses weather-related. The most destructive disasters of the year were hurricanes Helene and Milton, striking the US in quick succession in September and October respectively. Indeed, North America had an even higher proportion of losses than usual. Europe, China and the Middle East all saw cases of extreme flooding, which alongside other non-peak perils such as wildfires and severe thunderstorms, seems to be fuelling the trend of rising losses over the long term.

There has been no change to the Directors' fees paid in the year, with the next periodic review due to be carried out in 2026.

This year, the Club Board will meet in Sydney in March, Zurich in June and Bermuda in November. Member events will be held alongside these meetings and I look forward to seeing some of you there

Conclusion

2024, my first full year as the Club's Chairman, certainly presented challenges to overcome. We continue to experience turbulence since the pandemic, with inflation, climate catastrophes, cyber risk and bodily injury exposures causing headaches for most insurers. I am grateful therefore for the Club's robust guiding principles and mission, which govern all that it does. It means that when we approach these challenges, we do so for the benefit of the membership and the industry as a whole.

I would like to once again thank you, our Members and brokers, for taking the time to complete our satisfaction survey and give the Club your feedback. While it is hugely gratifying to see such positive results, it is without doubt the insight into your own challenges and concerns for the future that is most valuable in guiding the Club and its decisions.

We are approaching a new world, where disruption and volatility seem set to be the norm. It is only with agility, integrity and solidarity that we will continue to move forwards, and I say with confidence that your Club is well-positioned to continue to serve you and the industry as a whole.



M Engelstoff
Chairman

27 March 2025

Financial Highlights

for the year ended 31 December 2024

A-
(excellent)

AM Best financial strength rating

Balance sheet strength at "very strong"
as measured by the AM Best capital
adequacy model

106%

Financial year combined ratio / %

(2023 = 101) Total claims and expenses
divided by net earned premiums, excluding
exchange movements, quota share
reinsurance and exceptional items

151.0

Gross paid claims / US\$ million

(2023 = 121.1)

284.2

Gross earned premiums / US\$ million

(2023 = 284.3)

5.6%

Underlying investment return / %

(2023 = 6.3)

4.8

Net result / US\$ million

(2023 = 15.9)

282.2

Total surplus and reserves / US\$ million

(2023 = 277.4)

93%

Member retention / %

(2023 = 95) Based on gross written premium

Five-year Summary

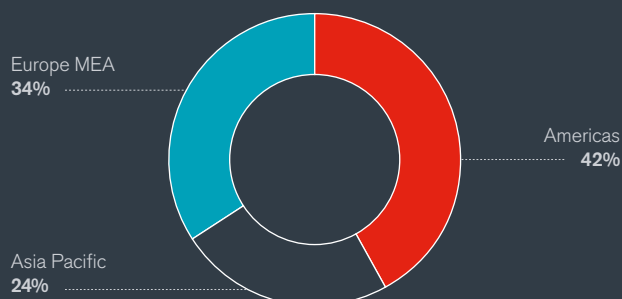
	2020 US\$000s	2021 US\$000s	2022 US\$000s	2023 US\$000s	2024 US\$000s
Gross earned premiums	220,431	248,208	276,538	284,257	284,238
Brokerage and commission	(26,680)	(26,890)	(31,331)	(31,102)	(29,736)
Gross earned premiums, net of brokerage and commission	193,751	221,318	245,207	253,155	254,502
Reinsurance premiums ceded	(55,303)	(64,584)	(70,035)	(64,617)	(63,928)
Net claims incurred	(87,125)	(121,628)	(125,217)	(160,579)	(164,771)
Net operating expenses	(41,495)	(39,983)	(31,666)	(47,212)	(53,475)
Investment return	12,770	16,313	(10,892)	35,978	34,227
Exchange gains/(losses)	(87)	(1,344)	30	(36)	(1,231)
Interest payable	(442)	(479)	(473)	(361)	–
Taxation	(552)	(809)	(1,318)	(398)	(549)
Surplus for the year	21,517	8,804	5,636	15,930	4,775

Summary balance sheets

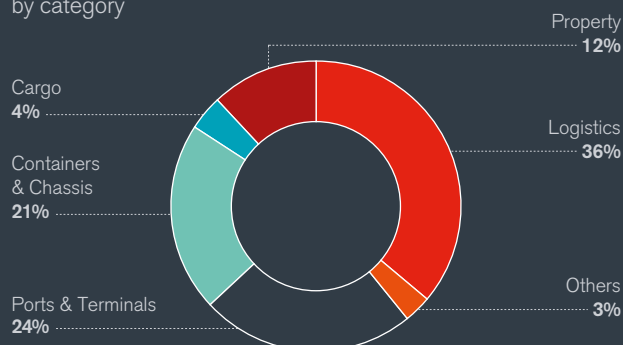
Total cash and investments	523,495	568,523	587,033	673,581	729,179
Other assets	161,808	187,019	223,415	228,136	234,425
Total assets	685,303	755,542	810,448	901,717	963,604
Gross unearned premiums and claims reserves	(405,587)	(468,647)	(532,350)	(602,288)	(648,425)
Other liabilities	(32,658)	(31,033)	(16,600)	(22,001)	(32,976)
Total surplus and reserves	247,058	255,862	261,498	277,428	282,203

Comparative Figures

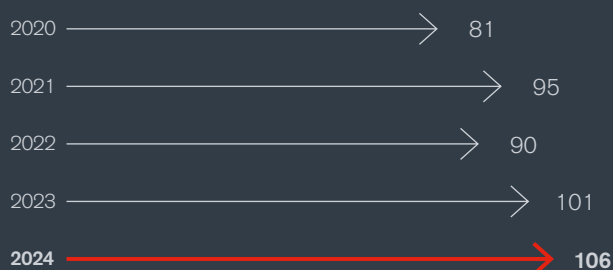
Gross written premiums
by region



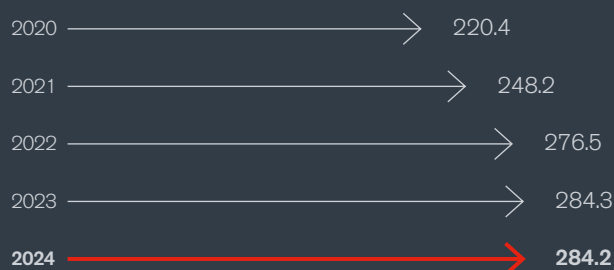
Gross written premiums
by category



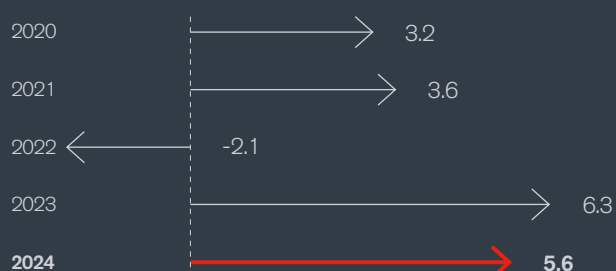
106% Combined ratio / %
(excluding exceptional items)



284.2 Gross earned premiums
US \$ millions



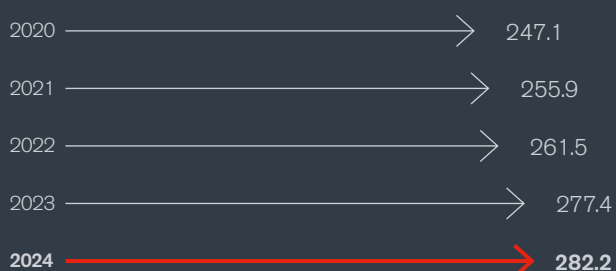
5.6% Investment return / %
(before investment management fees)



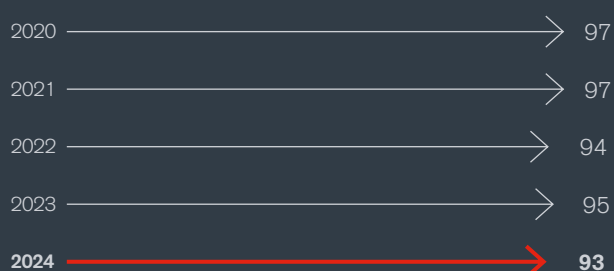
4.8 Net result
US \$ millions



282.2 Surplus and reserves
US \$ millions



93% Member retention / %
(based on gross written premium)



Board of Directors

As of 30 April 2025

CHAIRMAN



M Engelstoft**
Genoa



J Küttel*
Luzern



N Smedegaard**
DFDS Group,
Copenhagen

DIRECTORS



A Abbott*
Atlantic
Container Line,
New York



G Benelli*
Specialist
Director
(Investment)



H-J Bertschi*
Bertschi Group,
Dürrenäsch



M Calfas*
NSW Ports,
Sydney



F Calje*
PD Ports,
Middlesbrough



J Chambers**
Specialist
Director
(Insurance/
Underwriting)



Chang Yen-I*
Evergreen
Group,
Taipei



W Chien*
Dimerco
Express Group,
Taipei



J Chowdhury**
Through
Transport Mutual
Services (UK) Ltd,
London



S Edwards*
Virginia Port
Authority,
Norfolk



T Faries*
Bermuda



C Fenton*
Through
Transport Mutual
Services (UK) Ltd,
London



A Fullbrook*
OEC Group,
New York



M Hine**
Specialist
Director
(Finance)



K King**
Through
Transport Mutual
Services (UK) Ltd,
London



N Mbongwa*
Bidvest Freight,
Durban



R Murchison*
Murchison
Group,
Argentina



J Nixon*
Ocean Network
Express,
Singapore



M d'Orey**
Orey Shipping,
Lisbon



R Owens*
Nautilus
International
Holdings,
Long Beach



K Svendsen*
A P Møller-
Maersk,
Copenhagen



S Tranantasin*
RCL Group,
Bangkok

* Directors of Through Transport Mutual Insurance Association Ltd (TTB)

Directors of TT Club Mutual Insurance Ltd (TTI)

