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Dear Chancellor,

**Subject:** Meeting Request: Discussion of the X-Press Pearl judgment and its impact on the UK Maritime Insurance Market

I am writing in my capacity as Chief Executive of The London P&I Club. The London P&I Club is a member of the International Group of P&I Clubs, which operates the largest marine reinsurance programme, the majority of which is placed with Lloyd's of London.

The London Club was the liability insurer for the X-Press Pearl which sank off Colombo in 2021 and is the subject of a recent Supreme Court judgement in Sri Lanka. This judgement has significant implications for the UK's maritime insurance sector.

The court's initial \$1 billion award, with greater sums to be assessed, substantially exceeds established international maritime liability limits, creating considerable uncertainty for the entire insurance industry. This precedent threatens the predictable framework that underpins global marine insurance, potentially affecting underwriting confidence and capacity within the City.

I also note that the Sri Lankan president is expected to speak at UNGA tomorrow, and may raise these issues. The timing of this speech could have significant implications for our industry, and as Chancellor, I feel it is important to raise this matter as a priority with you.

We recognise the critical importance of high-quality environmental remediation and note that vessel owners, our client X-Press Feeders, have already committed over \$150 million+ to such efforts. The risk to the UK economy is that uncapped liability exposure could fundamentally alter risk assessment across the whole marine insurance market which is substantially based in London. This would result in higher premiums globally and could discourage vessels from calling at certain ports, affecting international trade

flows. This would have downstream implications for UK financial services, and for the cost of goods shipped globally.

The UK's position as the world's leading maritime insurance hub depends on maintaining stable, internationally recognised liability frameworks. We would be grateful for your support in encouraging diplomatic dialogue with Sri Lankan authorities. The objective being to explore a resolution that balances environmental accountability with the commercial realities that underpin global trade, safeguarding the UK's economic role as a trusted global insurance market. At the same time, ensuring affected parties in Sri Lanka can expedite remaining remediation efforts and move forward.

I would welcome the opportunity to discuss this matter further and explain how the insurance industry could be better supported during this period of intense uncertainty.

Thank you for your time and consideration.

Yours sincerely,



James Bean  
CEO, The London P&I Club