

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

1 DECEMBER 2004

POLICY YEAR 2005/2006

P&I Class

In response to the continuing high level of claims and the uncertain outlook for investment returns the Directors have decided that a General Increase of 12.5% should be applied to premium rates and deductibles for the 2005/2006 Policy Year with the Managers being instructed to seek minimum deductibles of US\$5,000 for crew claims and US\$10,000 for cargo and other claims. They believe that this decision will help to ensure that the Association maintains its financial strength and stability to the benefit of all Members.

The claims performance and risk profile of individual Members will, as always, be taken into account when assessing renewal proposals which will be sent to Members during the next few weeks.

Premiums will be collected in 4 equal instalments during the policy year on 1st April, 1st June, 1st September and 1st December 2005.

FD&D Class

Whilst the finances of the Class are satisfactory the FD&D claims environment remains potentially volatile and with the continuing uncertainty regarding investment returns the Directors have decided that a General Increase of 7.5% should be applied to premium levels. Again individual claims performance will be taken into account when formulating renewal proposals.

Premiums will be collected in 2 instalments on 1st April and 1st September 2005.

CIRCULAR

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