

**TO: THE MEMBERS**

**Ref: 2012/06**

**November, 2012**

**THE ASSOCIATION'S CALL FOR THE YEAR 20TH FEBRUARY, 2013/14**

At their meeting on 8th November, 2012 the Directors considered the Association's premium requirements for the 2013/14 policy year.

The Directors are very mindful of the difficult trading conditions currently being experienced by Members. These conditions have meant that claims costs continue to be at historically high levels and are likely to remain so for the foreseeable future.

Having taken this into account the Directors decided that a General Increase of 7.5% should be applied to the premium rating of Members for the 2013/14 policy year.

The Directors have noted the increasing costs of litigation in different jurisdictions, particularly London and Singapore, in the past few years. The Directors will be working closely with the Managers in order to consider options to improve the cost efficiency of the litigation process.

Members will also be aware from Circular 2012/03 that the costs of IPT and other parafiscal taxes on Member premiums, which for the last few years have been met by the Association, will be borne by those Members concerned. Debit notes for the 2013/14 policy year for those Members in the jurisdictions where such taxes apply will be adjusted to take account of these taxes. Members who are not in those jurisdictions will not see any change in the way in which premium is debited.

Yours faithfully,  
**THOMAS MILLER DEFENCE LTD**  
Managers