

TO ALL MEMBERS

Ref: 2013/7

November, 2013

THE ASSOCIATION'S CALL FOR THE YEAR 20TH FEBRUARY, 2014/15

At their meeting on 14th November, 2013 the Directors considered the Association's premium requirements for the 2014/15 policy year.

Your Board is acutely conscious of the uncertainty that currently exists in shipping markets and as a mutual it should and must be cognisant of this when considering future premium requirements. The Association must of course remain financially strong, so that it can continue to support Members with the cost of litigation and meet its regulatory solvency requirements.

The claims environment for many Members remains uncertain and it is clear that the complexity and value of claims means that the cost of litigation, whichever forum or jurisdiction Members choose, will remain high for the foreseeable future.

The Association's capital position remains on a sound footing. It will not have escaped Members' attention that, unlike many of its competitors, the Association has not in recent year altered the underlying terms of its cover nor has it levied significant general increases in past policy years. That approach and ethos remains unchanged for 2014/15.

Having taken all of the above in to account, the Board has decided that there should be a General Increase of 5% in the coming year and this will be applied to the premium rating of Members for the 2014 policy year prior to any adjustment in the premium rating based on a Members loss record.

Yours faithfully

THOMAS MILLER DEFENCE LTD
Managers