

27th March 1997

TO ALL MEMBERS

EXCESS OIL POLLUTION INSURANCE US\$200,000,000 EACH VESSEL ANY ONE ACCIDENT EXCESS OF US\$500,000,000 EACH VESSEL ANY ONE ACCIDENT

As in previous years, an open cover facility has been arranged from Noon GMT, 20th February 1997, for acceptance of declarations by Members or their Brokers subject to the following conditions and rates:

To cover the Assured's legal liability for oil pollution claims as per underlying policy or certificate of entry and to follow settlements of the underlying policies in all respects. The facility is subject to the OPA non-certification clause which reads as follows:

"Notwithstanding any other provision of this policy or of any underlying insurance, this policy of insurance is not evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar federal or state laws. Any showing or offering of this policy by the assured as evidence of insurance shall not be taken as any indication that the Underwriters consent to act as guarantor or to be sued directly in any jurisdiction whatsoever. The Underwriters do not consent to be guarantors or to be sued directly."

This is a direct insurance in the London Market, and is **not** a reinsurance of the London Steam-Ship Owners' Mutual Insurance Association Ltd.

RATES

- (1) Dry Cargo vessels and gas carriers (not carrying oil as cargo): US\$0.051 per GT p.a. for worldwide trading, minimum 3,000 GT.
- (2) Clean tankers (defined as carrying other than persistent oil as cargo): US\$0.102 per GT p.a. for worldwide trading, minimum 3,000 GT.
- (3) Dirty tankers (defined as carrying persistent oil as cargo) other than (4) below:
Basic premium per GT p.a. excluding cargo voyages to the USA as underlying Club entry (minimum 3,000 GT).

Year Built	Rate (per GT)
1993-97	US\$0.1487
1988-92	US\$0.1581
1983-87	US\$0.1811
1978-82	US\$0.2040
1973-77	US\$0.2423
1972 & earlier	US\$0.2805

Vessels are deemed to have been built in the year in which they are shown as completed in Lloyd's Register of Shipping.

P.T.O.

PLUS voyages to the USA, at an additional premium of US\$0.1205 per GT per voyage (minimum 3,000 GT).

All features of the underlying Club premium calculation apply to this additional voyage premium, including the 20 voyage maximum and 50% tonnage for LOOP and transshipment.

- (4) Dirty tankers under 3,000 GT continuously trading in the USA will pay a flat premium of US\$9,164 in full.

Adjustments in premium may be made as follows:

- I. Regardless of short periods, all declarations will be charged at the full annual rate, except for the following:
 - a) Vessels for which the underlying certificate of entry is cancelled or endorsed to cancel, may be deleted from cover at pro rata return premium.
 - b) Vessels for which a new underlying certificate of entry is issued or a current certificate of entry is endorsed to add, may be added from date request for cover is made to the Association or to Miller Marine Ltd., at pro rata premium from date of attachment with the Association.
- II. OBO's changing from rating basis (1) to basis (3), or Tankers from basis (2) to (3) will pay the difference between the two annual rates in full, and become liable for USA voyage A.P.'s.
- III. No cover is available under this facility for charterers other than bareboat charterers and charterers named as Co-Assured on the underlying Owners' entry. Cover is always subject to the limits any one vessel arising out of any one event.
- IV. All premium developed under (1), (2), (3) **Basic premium** and (4) above, is payable at inception. Voyage additional premiums under (3) are payable quarterly.
- V. No laid-up returns.
- VI. In respect of the U.S. voyage surcharge for parcel tankers to follow the underlying Club entry and charge as follows:
 - a) where 5,000 tonnes or less of persistent oil are carried:
US\$0.1205 per GT per voyage calculated on 3,000 GT;
 - b) where more than 5,000 tonnes of persistent oil are carried:
US\$0.1205 per GT per voyage calculated on actual GT of the vessel.
- VII. It is agreed to allow a 12.5% discount from the above rates in respect of tankers equipped with segregated ballast tanks in accordance with the requirements of regulation 13 of Annex 1 to MARPOL 73/78.
Information: A parcel tanker is defined as a ship constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk, and capable of carrying at least 10 grades simultaneously, having been issued with an international certificate of fitness for the carriage of dangerous chemicals in bulk.
- VIII. 10% discount is available from all rates.

Yours faithfully,
A. BILBROUGH & CO. LTD.
(Managers)