

20 October 2000

TO ALL MEMBERS

Dear Sirs

CLASS 5 PROTECTING & INDEMNITY ADVANCE, SUPPLEMENTARY AND RELEASE CALLS

At its meeting in Hong Kong on 18 October 2000, the Committee reached the following decisions, which reflect the Association's continuing satisfactory financial position:

1997/98: All Supplementary Calls have been levied and the Committee has therefore resolved that the year should now be closed without further Call.

1998/99, 1999/2000 and 2000/2001:

The Committee reaffirmed the decisions reached at their meeting on 12 April 2000 which were advised in the Association's Circular of 28 April 2000 (5:293):

1998/99: The Release Call rate has been reduced to 10% until the year can be formally closed in October 2001.

1999/2000: The Supplementary Call was levied at 40% for payment in August and October 2000. No further Supplementary Call is expected and the Release Call rate will continue at 20%.

2000/2001: The Supplementary Call estimate remains at 40%, with the Release Call rate 20% higher. The Supplementary Call will be reviewed in April 2001.

Policy Year 2001/2002

In order to protect the Association's financial position for the future the Committee authorised a general Advance Call increase of 10% for this Policy Year. The Committee also agreed an initial estimated Supplementary Call of 40%, with the Release Call rate to be 20% higher.

The instalment basis for the payment of both Advance and Supplementary Calls will continue to apply for Calls due in 2001/2002.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)