



# THE LONDON

STEAM-SHIP OWNERS'  
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

**A. BILBROUGH & CO. LTD**  
50 Lemn Street London E1 8HQ  
Telephone: 020 7772 8000  
Facsimile: 020 7772 8200  
E-mail: london@a-bilbrough.com  
[www.lssso.com](http://www.lssso.com)

18 November 2005

## TO ALL MEMBERS

Dear Sirs

### CALLS - CLASS 5 - PROTECTING AND INDEMNITY

The Committee has recently reviewed the position in respect of open Policy Years and reached the following decisions in respect of Deferred and Supplementary Calls as follows:

- 2002/2003:** The year shall be closed without further call.  
**2003/2004:** The estimated Supplementary Call having been levied, no further call is anticipated.  
**2004/2005:** The estimated Deferred Call having been levied, no Additional call is anticipated.  
**2005/2006:** The estimated Deferred Call rate shall remain, as originally estimated, at 40% of the Advance call.

Release Call rates for open years remain unchanged.

The Committee also reached a decision in respect of call requirements for the forthcoming **2006/2007** Policy Year and did so against the following background:

Overall claims costs, including the cost of claims brought by other Associations on the International Group Pool, have grown considerably. This phenomenon is represented by an increase in the cost of individual claims rather than in their number, but it does not appear that the trend can be expected to abate.

The prospects for the investment markets in the remainder of the current year, and looking further ahead, are not especially favourable, due to well publicised factors such as geopolitics, oil prices, and interest rate forecasts. The Association cannot rely on its investment portfolio to support its financial results to the extent that it did in the past.

The Committee also remains mindful of the need for the Association to continue to meet and indeed comfortably exceed the ever more demanding capital requirements of its Regulator.

The Committee has therefore authorised a general increase in Advance Calls of 12.5% for the 2006/2007 Policy Year, before adjustments in respect of individual records. Any adjustment to the cost of the Association's share of the Group's excess loss reinsurance programme, which has not yet been determined, will also be applied.

The estimated Deferred Call rate for 2006/2007 has been set at 40% of the Advance Call.

Yours faithfully  
**A BILBROUGH & CO LTD**  
(MANAGERS)

5:353

