

5 November 2003

TO ALL MEMBERS

Dear Sirs

CALLS - CLASS 8 - FREIGHT, DEMURRAGE & DEFENCE

The Committee has recently reviewed the position in relation to open years and reached the following decisions:

2000/2001: The year should be closed without further call and the surplus transferred to the Closed Year Fund.

2001/2002: The Release Call rate should remain at 20%.

2002/2003: The Release Call rate should remain at 20%.

2003/2004: The estimated Supplementary Call should remain at 30% with the Release Call uplift remaining at a further 20%, as for all recent years.

2004/2005: The standard Advance Call rate will remain at USD12,500 per ship, subject to the normal 25% deductible. Cover can continue to be offered without this deductible, subject to an appropriate increase in the Advance Call rate.

The estimated Supplementary Call rate has been set at 30% with the Release Call uplift being a further 20%, as for all recent years.

The Committee also decided that the collection of Advance Call should revert to two instalments, the first being payable at the end of March 2004 and the second on 20 August 2004. The Supplementary Call will be levied on 20 October 2005. However, the Committee determined that for the 2004/05 Policy year and thereafter, the estimated Supplementary Call, as determined at the outset of each year, will be known as the "Deferred Call", thereby more clearly signifying that it represents a part of the Estimated Total Call as originally budgeted.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)