

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

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TO ALL MEMBERS

Dear Sirs

CALLS - CLASS 8 – FREIGHT, DEMURRAGE & DEFENCE

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

- 2003/2004:** The year shall be closed without further call.
- 2004/2005:** The Deferred Call having been levied, no Additional Call is anticipated.
- 2005/2006:** The estimated Deferred Call having been levied, no Additional Call is anticipated.
- 2006/2007:** The estimated Deferred Call shall remain, as originally estimated, at 30% 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 **2007/2008** Policy Year and did so against the following background:

Free reserves have been growing since the Committee began raising calls in 2005 on account of substantial increases in the cost of employing lawyers in London. However, weakening of the US Dollar against the Pound Sterling is again increasing the cost of claims.

It is with the aim of compensating for that trend and consolidating the improvements in the financial position of the FD&D Class that the Committee has authorised a general increase in Advance Calls of 10% for the 2007/2008 Policy Year, before any adjustments in respect of individual records.

The estimated Deferred Call rate has been set at 30%.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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