



THE LONDON
STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

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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 decisions in respect of Deferred, Additional and Release Calls as follows:

- 2004/2005:** The year shall be closed without further call.
- 2005/2006:** The Deferred Call having been levied, no Additional Call is anticipated. The year will first be considered for closure by the Committee in October 2008.
- 2006/2007:** The Deferred Call having been levied, at 30% of the Advance Call as originally estimated, no Additional Call is anticipated. The Release Call rate has been reduced to 20% of the Advance Call.
- 2007/2008:** The estimated Deferred Call shall remain, as originally estimated, at 30% of the Advance Call.

Release Call rates for all open years other than 2006/2007 remain unchanged.

The Committee also reached a decision in respect of call requirements for the forthcoming **2008/2009** Policy Year and did so against the following background:

This time last year the Committee highlighted the adverse financial impact that a weakening US Dollar was having on a class of business which collected all of its premium income in US Dollars but incurred claims costs predominantly in Pounds Sterling. At that time the exchange rate was in the region of 1.90; since then the US Dollar has continued its slide downwards relative to Pounds Sterling, and is currently trading at around 2.06.

Accordingly the Committee has authorised a general increase in Advance Calls of 10% for the 2008/2009 Policy Year, before any adjustments in respect of individual records.

The estimated Deferred Call rate has been set at 30%. The Release Call rate is set at the Deferred Call rate plus 20% of the Advance Call rate.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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