



THE LONDON

STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

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TO ALL WAR RISKS MEMBERS

Dear Sirs

WAR RISKS RENEWALS – POLICY YEAR 2005/2006

1. Advance Contribution Rates

Members are advised that Advance Contributions have been set at the following rates. The rate applicable to risks covered under Rule 3 will be 50% of the Rate applicable to risks covered under Rule 2.

- (A) All vessels (except cruise ships) British Flag – Rule 2 - 0.0106%
- (B) All vessels (except cruise ships) British Flag – Rule 3 - 0.0053%
- (C) All vessels (except cruise ships) Flagged out – Rule 2 - 0.0119%
- (D) All vessels (except cruise ships) Flagged out – Rule 3 - 0.00595%

Rates for restricted trading and/or laid-up vessels limited to not less than 50% of the above.

The Estimated Supplementary Call Rate is Zero.

A 50% reduction will be granted for ships trading exclusively in one of the following areas:

- (i) Europe (not south of Gibraltar and excluding Mediterranean and Black Sea);
- (ii) USA and Canada (excluding Panama Canal transits);
- (iii) Australasia.

Extensions to trading outside of any of these areas will be covered on the basis of a minimum period of three months.

The Association does not underwrite cruise ships, but in view of the additional risk which they present, Members may find it of interest to know that if they were to be accepted into the Class, the Rates which they would pay are:

- (a) British Flag – Rule 2 - 0.0466%
- (b) British Flag – Rule 3 - 0.0233%
- (c) Flagged out – Rule 2 - 0.0518%
- (d) Flagged out – Rule 3 - 0.0259%

2. Insured Values and Sums Insured

The maximum amount for which any one ship, or the interests therein, may be insured by the Association, being the total of the value insured by Hull and Machinery (Rule 2(B)) and Freight, Disbursements, Premiums, Increased Values and/or Other Interests (Rule 3) will be GBP350,000,000 or USD500,000,000 or the equivalent in the currency of the Insured Value exchanged at the fixed rate with effect from the commencement of the Policy Year. Members are reminded that, particularly in the current market environment, they should check to ensure that any alterations to the insured values have been notified to the Association.

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It should be borne in mind that under the terms of the Reinsurance Agreement between this Association and Her Majesty's Government, the Insured Value for Queen's Enemy Risks purposes (Rule 2(A)) will usually be the total loss value under Members' marine policies.

3. Protection and Indemnity Cover (Rule 2 Part D)

The limit of liability for claims under Rule 2 Part D will be GBP325,000,000 each ship any one accident or series of accidents arising out of one event, or USD500,000,000 if that is the currency of the ship's insured value and any sum insured.

4. Additional Premium Areas

The current Additional Premium Areas, which are set out below, will continue to apply until further notice:

- (a) Persian or Arabian Gulf and adjacent water including the Gulf of Oman North of 24 degrees North.
- (b) Israel.
- (c) Lebanon.
- (d) Somalia.
- (e) Liberia.
- (f) Sri Lanka.
- (g) Sierra Leone.
- (h) Red Sea coast of Saudi Arabia.
- (i) Republic of Yemen.
- (j) Pakistan.
- (k) Syria.
- (l) Algeria.
- (m) Egypt (excluding Suez Canal transits).
- (n) Indonesia (all ports/places on Sumatra, West of 98 degrees East).
- (o) Nigeria and the Bakassi Peninsula.
- (p) Ivory Coast.

Trading to these areas must be notified before the date of entry into the area. During the currency of the Policy Year, indications or quotations for rates of additional premiums may be obtained from the Association.

5. Port of Registry

Members are also reminded that they should advise the Managers of any change of port of registry.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)