



THE LONDON
STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

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3 February 2006

TO ALL TANKER MEMBERS

Dear Sirs

CLUB INSPECTION PROGRAMME – CARRIAGE OF HFO

Members will be aware that the International Group of P&I Clubs has been discussing a number of initiatives which are intended to contribute to the general drive within the marine industry to improve the quality of shipping.

One of the initiatives relates to a minimum scope of information that is derived from a Club's condition inspection and the agreement amongst the Clubs of common triggers. The Association's ship inspections already comply with the minimum scope of information and the Association has also operated for many years most of the triggers which have now been agreed. However, there is one new inspection trigger that has been agreed and, while such will not in fact affect Members of this Association in terms of necessitating additional surveys, the Association needs to introduce the agreed requirement concerning declarations. The International Group has agreed that all tankers aged 10 years or more which have carried heavy fuel oil (HFO) as cargo in the previous 12 months should be inspected as soon as is practical, unless:

- the ship has undergone an inspection during the previous 12 months; or
- the ship has undergone a Class Special Survey during the previous 6 months; or
- the ship has a current CAP 1 or CAP 2 rating issued by an IACS Classification Society.

Members will now be required to make a declaration at the February 2006 renewal as to which ships in their fleet carried HFO as cargo during the previous 12 months, that is, in the first instance, between 20 February 2005 and 20 February 2006. A similar declaration will then have to be made annually. However, in light of the International Group's late finalisation of this new requirement Members are requested to make declarations with respect to the immediate past policy year within 20 March 2006 using the attached Annual Declaration Form for Carriage of Heavy Fuel Oil.

Under this International Group agreement, if a ship continues to carry HFO as cargo over a period of successive years, the Association will not need to carry out an inspection every year but such will need to be held at least every 3 years after the first inspection has taken place. It is at the Association's discretion whether to undertake inspections on a more frequent basis but, as Members are aware, it is the Association's policy to inspect all ships aged 10 years or more on entry and thereafter at least every two years and, hence, the International Group initiative will not alter the Association's ship inspection requirements.

The definition of HFO to be used for the purpose of this annual declaration is as follows:

'A residual fuel with a kinematic viscosity of 380 centipoise or greater when measured at 50 degrees Celsius by Test Method ISO 3104.'

(This definition is intended to exclude Intermediate Fuel Oils or Heavy Crudes, as well as bitumen or tar.)

Yours faithfully
A BILBROUGH & CO LTD
(Managers)

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ANNUAL DECLARATION FORM FOR CARRIAGE OF HEAVY FUEL OIL
Period: 20 February 2005 to 20 February 2006

Members are requested to use this Form to notify the Association of the names of ships which have carried Heavy Fuel Oil (HFO)* within the above period. Members are requested to return the completed Form to the Managers within **20 March 2006**.

Member	
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Name of Vessel	IMO No	Built

Date:

 Signed by Member or authorised signatory

* By Heavy Fuel Oil (HFO) is meant a residual fuel with a kinematic viscosity of 380 centipoise or greater when measured at 50 degrees Celsius by Test Method ISO 3104. This definition is intended to exclude Intermediate Fuel Oils or Heavy Crudes, as well as bitumen or tar.