

20 October 2017

To all Members of Class 3 – Protection and Indemnity

Dear Sirs

Calls : Class 3 - Protection and Indemnity

At its meeting on 17 October 2017, your Board reached the following call decisions:

2014/15

No further call will be made and the year will be closed in accordance with the provisions of Rule 37(1).

At its meeting in 2016, the Board decided to review the position in October 2017, with the expectation that the year would then be closed. The Board has now decided that no further call will be made and the year will be closed.

2015/16

The Board approved the collection of the remaining 20% of deferred call.

This time last year, the Board approved a deferred call of 40% against a budgeted deferred call of 45%, the 5% balance to be waived. Of the reduced 40% deferred call, 20% was collected in October 2016 (giving a benefit to Members).

The Board has decided that the remaining 20% will be collected immediately and that it will review the 2015/16 policy year again in 12 months' time with the expectation that it will then be closed.

2016/17

The Board approved the deferred call of 45%.

The Board decided to approve the originally notified full 45% of deferred call, 25% to be collected immediately and the remaining 20% in 12 months' time. The position will be further reviewed in 12 months' time.

2017/18

Members are advised to budget for the 45% deferred call originally advised to them.

The Board decided that Members should be advised to continue to budget for the original deferred call of 45% and the position will be reviewed in 12 months' time.

2018/19

There will be no general increase in the advance call. Members are advised to budget for a 45% deferred call.

The Board also agreed that Members' individual rates will be adjusted to reflect any changes in the cost of the International Group Reinsurance Programme, as well as their individual claims' records and risk profiles.

Deductibles

The Board agreed that there will be no changes to deductibles and that they will remain at the levels set for 2017/18.

Release calls

Given the capital strength of the Association and with reference to the factors relevant when setting release calls the Board decided that, for present, release calls be set at nil for all open years and the 2018/19 policy year. In summary, the Board set the following release call percentages:

- 2015/16 NIL
- 2016/17 NIL
- 2017/18 NIL
- 2018/19 NIL

These percentages will be reviewed further in 12 months' time

Capital Distribution

The Board agreed a further Capital Distribution of USD10 million to Members with ships on risk as at midnight (BST) on 17 October 2017 (using the same method for calculating each Members' share as for the May 2017 distribution). This brings the total of capital distributed to Members during 2017 to USD30 million.

Since October 2016 Members have benefitted from deferred call waivers and capital distributions totalling approximately USD45 million.

Members will receive additional information on the distribution shortly.

Yours Faithfully
Tindall Riley (Britannia) Limited
Managers