

18 October 2018

To all Members of Class 3 – Protection and Indemnity

Dear Sirs

Calls : Class 3 - Protection and Indemnity

At its meeting on 16 October 2018, your Board reached the following call decisions:

2015/16

The year will be closed, in accordance with the provisions of Rule 37(1), with no further call being made.

Members will recall that at its October 2017 meeting the Board approved a reduced deferred call of 40% rather than the originally budgeted 45%, with the 5% balance having been waived.

2016/17

The originally notified deferred call of 45% to be collected in full.

25% of the 45% deferred call was collected in October 2017. The remaining 20% will be collected immediately. The Board will review the 2016/17 policy year again in 12 months' time with the expectation that it will then be closed with no further call.

2017/18

The originally notified deferred call of 45% to be collected in full.

25% will be collected immediately and the remaining 20% in 12 months' time. The Board will review the position further in 12 months' time.

2018/19

Members are advised to continue to budget for a 45% deferred call.

The Board will review the position in 12 months' time

2019/20

There will be no general increase in the advance call with Members being 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

Minimum deductibles were last increased in 2017/18. The Board agreed the following adjustments to minimum deductibles as from 2019/20:

	2018/19 USD	2019/20* USD
Cargo claims	12,500	14,000
Crew claims	3,000	4,000
All other claims	7,000	8,000

(*or the USD equivalent at 16 October 2018 if premium is levied in another currency.)

Members will have the option to vary their deductibles in return for an appropriate rate adjustment.

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 policy years and the 2019/20 policy year. In summary, the Board set the following release call percentages:

• 2016/17	NIL
• 2017/18	NIL
• 2018/19	NIL
• 2019/20	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 at midnight (BST) on 16 October 2018 (using the same method of calculation for each Members' share as for prior distributions). This brings the total of capital distributed to Members since 2017 to USD60 million.

Since October 2016 Members have benefitted from deferred call waivers and capital distributions totalling USD75 million.

Members will receive additional information on the capital distribution shortly.

Yours Faithfully
Tindall Riley (Britannia) Limited
Managers

18 October 2018

To all Members of Class 6 – Freight, Demurrage and Defence

Dear Sirs

Calls : Class 6 – Freight, Demurrage and Defence

At its meeting on 16 October 2018, 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).

2015/16

There are no recommendations at this stage in respect of this policy year.

There has been a very slight deterioration in the claims position compared to last year and the Board will review the position in October 2019.

2016/17

There are no recommendations at this stage in respect of this policy year.

This policy year has continued its positive development and the Board will review the position in October 2019.

2017/18

The originally budgeted deferred call of 30% is to be collected immediately.

At present, claims remain within projection

2018/19

Members are advised to budget for the 30% deferred call originally advised to them.

2019/20

There will be no general increase in the advance call, with mutual Members being advised to budget for a 30% deferred call.

This is sixth consecutive year (and the eighth year out of the past nine) that there has been no general increase. In the same period, deferred calls have been reduced from 50% to 30%.

Cap to Members' one-third contribution to costs

The Association bears the first USD7,500 costs of any FD&D matter (increased from USD5,000 in 2018/19). Thereafter the Association bears two-thirds of additional costs and Members one-third.

From 2019/20, the Board agreed that Members' one-third contribution to all costs in excess of USD7,500 should be capped at USD150,000 per claim. The Association will bear all of the costs in excess of that cap.

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 policy years and the 2019/20 policy year. In summary, the Board set the following release call percentages:

- 2015/16 NIL
- 2016/17 NIL
- 2017/18 NIL
- 2018/19 NIL
- 2019/20 NIL

These percentages will be reviewed further in 12 months' time

Yours faithfully

Tindall Riley (Britannia) Limited
Managers