

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