

October 2009

**TO ALL MEMBERS OF CLASS 6
FREIGHT, DEMURRAGE AND DEFENCE**

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Dear Sirs

Calls – Class 6 – Freight, Demurrage and Defence

At its meeting on 13 October 2009, your Committee reached the following call decisions:-

2005/06

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

2006/07 and 2007/08

No further calls in respect of these years will be made at this time.

The position of these years will again be reviewed by the Committee in October 2010.

2008/09

The Committee approved the 20% deferred call.

The earlier indications that this year was experiencing a very high level of claims has been borne out by subsequent developments. The Committee has therefore approved the 20% deferred call for which mutual Members were advised to budget. This will be collected immediately.

The Committee will review the position in October 2010.

2009/10

Mutual Members are advised to continue to budget for a deferred call of 20%.

Although at a very early stage of development, the level of claims incurred to date is similar to 2008/09 at the same stage of development. In the light of this, the Committee advise mutual Members to continue to budget for a deferred call of 20%.

The Committee will review the position in October 2010.

2010/11

Advance call rates for Members with tonnage entered on a mutual basis will increase by 20%, with a deferred call set at 50%. Rates for tonnage entered on fixed premium terms will increase by 80%.

The extremely high level of claims over the last 12 months – driven largely by the shipping downturn – has significantly reduced the level of free reserves of Class 6. This situation, together with the uncertainty over how claims will develop during the 2010/11 policy year, has prompted the Committee to increase advance calls by 20% and 80% for mutual and fixed premium tonnage respectively. The setting of a 50% deferred call for mutual tonnage gives the Committee scope for flexibility should the claims experience in the 2010/11 policy year prove better than expected.

Unless you receive notification to the contrary, this circular constitutes notice that, with effect from 20 February 2010, advance call rates for tonnage entered on a mutual basis will increase by 20%, and for tonnage entered on a fixed premium terms, by 80%.

Yours faithfully
Tindall Riley (Britannia) Limited
Managers

This Circular should not be placed in the Binder.