



**THE STEAMSHIP MUTUAL  
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED**

MANAGERS: STEAMSHIP MUTUAL MANAGEMENT (BERMUDA) LIMITED  
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To The Members And Their Brokers

05 February 2003

Dear Sirs,

**POLICY YEAR UPDATE**

**2003/2004 Policy Year**

The following is a progress report on a number of issues relating to the renewal for the forthcoming policy year.

1) **International Group Reinsurance Costs**

In our Circular B.378 of October 2002, Members were advised that, in addition to a standard increase of 25%, increases in the premium for the International Group's Excess Loss programme would be passed on. These have now been quantified as follows:

- Dirty Tankers 67.23¢ per GT (Increase 18.64¢)
- Other Tankers 33.24¢ per GT (Increase 9.6¢)
- Dry Cargo 28.57¢ per GT (Increase 8.73¢)
- Passenger 68.41¢ per GT (Increase 30.59¢)

The ratings include the cost of reinsurance for the War Risk Extension Clause at an increased limit of \$400m. The wording of the extension will differ from that of the existing cover and Members will be advised of the new terms as soon as possible.

2) **US Oil Pollution Surcharge**

The surcharge for tankers trading to the United States with persistent oil as cargo will increase by 40%.

**2001/2002 Policy Year**

In circular B367 in December 2001 it was reported that the Directors had authorised additional premium of 40% for the 2001 policy year. The calculation of that premium was based on a conservative assessment of the Club's financial position. The circular also stated that the additional premium would be reviewed in the light of market conditions. Members will be aware that the investment markets have continued to be unfavourable during 2002 and that the Directors' conservative approach has proven to be prudent. With regret therefore the Directors, at their meeting in Amsterdam on 28<sup>th</sup> January 2003, confirmed that the first instalment of the additional premium of 20% be debited on 20<sup>th</sup> February 2003 and that the second instalment of 20% be debited on 20<sup>th</sup> May 2003.

**Open Years – Release Calls**

At their meeting on 28<sup>th</sup> January 2003 The Directors confirmed that the release call margin remains at 25% of Mutual Premium for all open years.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING  
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