



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

MANAGERS: STEAMSHIP MUTUAL MANAGEMENT (BERMUDA) LIMITED
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To the Members

August 2004

Dear Sirs,

FINANCIAL UPDATE

At a Board Meeting in Hamilton, Bermuda on 26th and 27th July 2004 the following developments were reported:

Claims

2003 and Prior Years

Overall all years up to and including 2003/04 continue to develop as forecast, with the 2003/04 policy year remaining in modest surplus on a pure underwriting basis;

2004/05 Policy Year

After only four months, it is too early to predict with any accuracy the likely outcome of the current year. However gross-owned claims reported to date are running more than 30% below the admittedly high levels experienced at the same stage last year;

Mutual Premium

2002/03 Policy Year - Class 2 – FD&D

The deferred instalment of 20% will be debited on 20th August 2004 in the normal way;

2003/04 Policy Year - Class 1 – P&I

The deferred instalment of Mutual Premium of 15% will be debited on 20th August 2004 in the normal way.

Directors

In addition, we are pleased to welcome to the Board of the Association three new Directors:

Mr. Ambachew Abraha of Ethiopian Shipping Lines, Addis Ababa;
Capt. John W. Murray of CP Ships, Tampa; and
Mr. Heinrich F.L. Schoeller of Columbia Shipmanagement Limited, Limassol.

Management Highlights

The Management Highlights, incorporating for the first time a set of Combined Accounts for the Association, The Steamship Mutual Underwriting Association Limited and the Steamship Mutual Trust, will be published in September. The Combined Accounts are intended to make it easier for Members to obtain an overview of the overall financial position. The Management Highlights provide analysis of all aspects of the Association's business, including a detailed breakdown of the claims for the 2003/04 policy year and up to date reports on significant maritime industry issues.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (BERMUDA) LIMITED

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