



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

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

February 2004

Dear Sirs,

Policy Year 2004/5

Excess Loss Renewal

Renewal for the forthcoming year was offered with a modest overall reduction in rates per gross ton. Underwriters also provided an alternative quotation with a deductible of \$50m each vessel any one event, instead of \$30m, which has, for many years, represented the upper limit of the International Group Pool. The Group decided to accept this alternative quotation, but to retain the savings in premium to fund the claim costs of the new \$20m layer. It is proposed that the premium will, in due course, be paid into a Group Captive in Bermuda to be called the Hydra Insurance Company. Rates charged to Members will, therefore, continue to be those that would have applied had the deductible remained at \$30m. Within this global result there are some divergences for individual vessel types as a result of differing record or exposure. The Club Excess cover for War Risks has also been renewed at somewhat lower premium, albeit with some restrictions (see below). The rates for these two covers will be consolidated, as they have been for the current year, and are set out below:

Dirty Tankers	63.99	US cents per gross ton
Other Tankers	31.28	US cents per gross ton
Dry Cargo	27.52	US cents per gross ton
Passenger	73.29	US cents per gross ton

US Oil Pollution Surcharge

The system of surcharges for voyages by tankers carrying persistent oil cargoes to the United States will continue. However, the rates of surcharge for such voyages will be reduced by approximately 4.84%

War Risks

War Risks continue to be excluded from the regular cover provided under the Rules, though Certificates will make clear that liabilities solely arising from certain guarantees to FMC and/or from CLC certificates will be covered. The Club will, however, continue to provide a special extension of cover for War Risks in excess of the War Risk P&I cover provided in most Hull & Machinery War Risk policies. This cover will again have a limit of US\$400 million each vessel any one event, but with a special limit of US\$50 million each vessel any one event for vessels acting as accommodation units for the Athens Olympic Games.

Yours faithfully,

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