



STEAMSHIP MUTUAL

To the Members

July 2006

Dear Sirs,

ADDITIONAL CLUB COVER FOR NON-POOLABLE PROTECTION & INDEMNITY RISKS

Members of the Club are insured for protection and indemnity risks in accordance with the standard terms of entry, set out in the Rules. These reflect the terms of the International Group's Pooling Agreement, which, amongst other things, makes provision for what claims may be pooled amongst the Group Clubs, and what liabilities and expenses are excluded and thus non-poolable.

Claims which are excluded under the Pooling Agreement are also excluded under the normal terms of Club entry and can only be insured, separately, by special agreement, and with lower limits than for poolable risks.

The Association has now arranged a general reinsurance facility which enables the Club to provide cover for a wide range of non-poolable liabilities and costs for ship operators, with limits ranging from several hundred thousand dollars to up to US\$50m each accident or occurrence. Higher limits can also be arranged on an individual basis. This facility enables the Club to provide extensive additional insurance to Members who wish to be protected against non-poolable risks of many kinds, including the following claims and liabilities when they are not otherwise insured under the Rules:

- contractual liability in respect of cargo, including ad valorem bills
- insured bills of lading
- deviation, delivery and handling risks in respect of cargo
- towage
- transshipment and non marine carriage of cargo
- containers and NVOCC risks
- indemnities to various organisations including port authorities, and to individuals
- towage risks
- specialist operations including drilling, construction and production operations
- diving risks
- warehousing and storage risks
- non approved contracts with specialist contractors
- shoreside and other excursions from passenger vessels, including tour operators
- co-assured charterers and other parties
- concessionaires, and others not qualifying for entry as owners or charterers
- negligence of agents
- medical malpractice.

Members should contact the Managers to discuss their requirements for cover in respect of these and other risks which are outside the general scope of the Rules.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

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