

TO ALL MEMBERS AND BROKERS OF THE STANDARD LONDON CLASS

29 November 2012

Dear Sirs

OPEN POLICY YEARS AND RENEWAL 2013

The committee reviewed the class's financial position, the open policy years, and the requirements for the 2013 renewal at its meeting on 16 November 2012.

OPEN POLICY YEARS

2010/11 policy year

There has been a small deterioration in the claims cost for this policy year and the policy year is expected to generate a small deficit. The committee has determined that the deficit should be covered from the class's free reserves without the need for a supplementary call.

The committee reviewed the release call for the policy year which was set at 5% of the estimated total premium.

2011/12 policy year

There has been a small increase in the projected gross claims cost forecast for the policy year, but the year is still expected to generate an underwriting surplus.

The committee reviewed the release call for the policy year which was set at 5% of the estimated total premium.

2012/13 policy year

The higher claims trend has continued and the policy year is projected to generate a small underwriting deficit. However, the committee does not anticipate that there will be any supplementary call for this policy year.

The committee reviewed the release calls for the policy year which was set at 10% of the estimated total premium.

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RENEWAL 20 FEBRUARY 2013

The committee reviewed the premium requirements for the class for the 2013/14 policy year.

In determining the renewal requirements, the committee took into consideration the projected cost of claims, reinsurance costs and other outgoings. Investment income, if any, is credited directly to the class reserves.

There has been deterioration in the cost of claims across all open policy years and the combined loss ratio for the current financial year is forecast to be 103%.

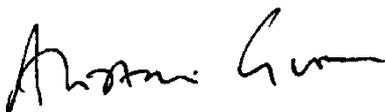
Accordingly, the committee has set the renewal requirements as follows:

- No general increase
- Any increase in the cost of the International Group Reinsurance Contract cost will be charged to the members, but any such increase will be capped at 5% of the ship's estimated total premium
- Special consideration for accounts with adverse records
- Release call of 10% of the estimated total premium

The committee further decided that the estimated total premium should be payable in one instalment at 20 February 2013. Members are advised that they are allowed a credit period of 42 days from the date of debiting for the payment of premiums. Where it has been agreed with members that premiums may be paid in more than one instalment, payments (other than the first instalment) are due on the dates specified without any further credit period. Late payment of premiums may prejudice cover and also give rise to interest charges.

As usual, renewal will be subject to there being no sums due and outstanding to the class as at 20 February 2013. In the event that renewal terms have been agreed but there are sums outstanding and due to the class, cover will be suspended from 20 February 2013 pending receipt of the outstanding sums.

Yours faithfully



Alistair Groom
Chief Executive
Charles Taylor & Co. Limited