

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**18 NOVEMBER 2005
JPC/DW**

POLICY YEAR 2006-2007

P&I Class

The adverse claims environment and the uncertain outlook for investment returns reported last year remain unchanged and consequently the Association's Directors have decided that a 7.5% increase should be applied to premium rates and to deductibles with a minimum rise of US\$250 for the latter. The outcome of the International Group's reinsurance contract renewal is not yet known but, as is customary, any adjustment in rates will also be applied to member's premiums. The Directors believe that these changes will help to ensure that the Association's financial strength and stability remain secure.

As always the individual claims experience and risk profile of members will be taken into account when formulating renewal proposals which will be sent out in the next few weeks.

Premiums will be collected in 4 equal instalments during the policy year on 3 April, 1 June, 1 September and 1 December 2006.

FD&D CLASS

The recent experience of this Class has been satisfactory and whilst a change in shipping market conditions might have an adverse impact on future claims the Directors believe that a 2.5% increase in premium levels will be sufficient to maintain the financial stability of the Class. Again individual claims experience and risk profile will be taken into account when assessing member's renewal proposals.

Premiums will be collected in 2 equal instalments on 3 April and 1 September 2006.

PETER CRICHTON

JOINT MANAGING DIRECTOR - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited

CIRCULAR

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