



JANUARY 17, 2008

CIRCULAR NO. 03/08

TO MEMBERS OF THE ASSOCIATION

Dear Member:

PRE-EMPLOYMENT MEDICAL EXAMINATION (PEME) PROGRAM: MEMBER OBLIGATIONS REGARDING PEMES AND REQUIRED MEDICAL FORMS

Members are reminded that seafarers originating from Latvia, the Philippines, Poland, Romania, the Russian Federation and Ukraine are required to have their PEMEs performed at American Club approved clinics.

Recent experience suggests that not all PEMEs are being conducted to required standards. In many cases this is because the clinic has not been notified that the seafarer is to be employed upon a vessel entered in the American Club, resulting in a failure to complete the appropriate medical forms.

Reliance is placed on clinics to perform the PEME on the Club's behalf. If a clinic is not informed that the seafarer is to have a PEME conducted to American Club standards, it cannot ensure that the requisite tasks are performed and the required documentation completed.

Members are asked to note that the following amended endorsement will be attached to all Certificates of Entry for vessels insured for P&I risks with effect from February 20, 2008.

“CLAIMS IN RESPECT OF CREW – PRE-EMPLOYMENT MEDICAL EXAMINATIONS

Save to the extent that the Managers may in their absolute discretion otherwise agree, in the event that the Member intends to employ crew from a country within which the Club has established a Pre-Employment Medical Examination (PEME) program, being Latvia, the Philippines, Poland, Romania, the Russian Federation and Ukraine, the Member shall ensure that such crew shall have undergone a PEME and be in possession of a Club-approved medical form issued no more than 30 days prior to employment.

The Club-approved medical form is valid for no more than one (1) calendar year from the original date of issuance thereof.



Failure to comply with the above obligations shall entitle the Managers to apply, in the settlement of any claim in respect of such crew, a deductible twice that which would otherwise have applied to such claim in the absence of such failure.

Moreover, notwithstanding the foregoing, where a Member shall have failed to comply with either or both of the above obligations, and a claim in respect of crew shall have arisen in circumstances where the medical condition of such crew giving rise to such claims would have been discovered had the Member complied with the said obligations, the Managers shall be entitled to deny, in their absolute discretion, the reimbursement of such claim or claims either in whole or in part.

Whether or not a medical condition as aforesaid would have been discovered had the Member complied with the said obligations shall be solely and exclusively a determination of the Managers.”

An updated list of all American Club PEME program approved clinics can be found at the American Club website under Loss Prevention at www.american-club.com.

For further information regarding the Club’s PEME program, please contact Dr. William Moore, Senior Vice President of Risk Control for the Shipowners Claims Bureau, Inc. at tel: +1 212 847 4542, fax: +1 212 847 4596 or william.moore@american-club.com.

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB