JUNE 21, 2018

CIRCULAR NO. 22/18

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE AMERICAN CLUB'S ANNUAL REPORT AND ACCOUNTS FOR 2017.
CLOSING OF THE 2015 POLICY YEAR.
RELEASE CALLS.

Your Managers are pleased to attach the **American Club's Annual Report and Accounts** for the year ended December 31, 2017. As will be seen, they are in an electronic format. They were formally approved at the one hundred and first Annual Meeting of the Members of the Club which took place in New York earlier today. Hard copies of this document will also be available from the Managers over the forthcoming period.

At the regular Board Meeting which took place shortly after the Annual Meeting of the Members, it was resolved formally to close the 2015 policy year without contribution in excess of the originally estimated total premium for the year.

Your Board's decision was based upon figures as of March 31, 2018 which disclosed a surplus of nearly $12 million for the 2015 year. This surplus will be transferred on closing to the Club's contingency account.

In addition, your Board reviewed the Club's requirements in regard to release calls for open policy years. It was resolved to reduce the release call margin for the 2016 policy year from the current figure of 15% to 10% of estimated total premium, in light of the improving development of claims for that year. The margins for 2017 (20%), and 2018 (20%), will remain as currently mandated, but be subject to review once again in November of this year.

Members are asked to note their records accordingly. If there are any questions in regard to the foregoing, or generally, your Managers will be pleased to respond to them.

Yours faithfully,

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