



APRIL 25, 2008

CIRCULAR NO. 10/08

TO MEMBERS OF THE ASSOCIATION

Dear Member:

VESSEL CONDITION SURVEYS AND ROUTINE DRY-DOCK SCHEDULES

Your Managers are aware that condition surveys conducted when vessels are trading are sometimes difficult to complete due to freight market pressures. The consequent failure to complete initial surveys, and the requirement thereby for follow-up inspections, frequently entails added cost to Members.

The most suitable time to conduct routine condition surveys is during a vessel's scheduled dry-docking. All areas of interest may be inspected at such time with the minimum of interference to a vessel's commercial commitments. Any deficiencies noted can be appropriately addressed so as to avoid the application of unnecessary defect warranties. As always, your Managers recommend a provisional inspection to highlight any areas of concern, to be followed by a final inspection, at which time all required testing can be completed.

Members are therefore requested to furnish a list of future dry-docking schedules for all covered vessels more than 10 years old. This information will be kept on file by your Managers who will contact Members closer to the scheduled dry-docking dates in order to coordinate condition surveys and, in the process, save Members time, trouble – and money.

Members are asked to note that, notwithstanding the foregoing, the Club still reserves the right to require condition surveys at any time where non-conformities have in any circumstances become apparent.

Should there be any questions or further elaboration required in respect to the foregoing, or generally, Members are invited to contact the Managers accordingly.

Yours faithfully,

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