



MARCH 30, 2011

CIRCULAR NO. 13/11

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE PROVISION AND CONDUCT OF P&I CONDITION SURVEYS: FURTHER DEVELOPMENTS

Reference is made to Circular No. 10/11 of February 24, 2011. Further developments as to the provision and conduct of surveys have taken place since the time the above Circular was issued. They are described below.

During the course of its recent meeting in New York, your Board expressed a general concern as to the continually high cost of P&I condition surveys. Indeed, for 2010, the average cost per survey, calculated on a world-wide basis, was about \$5,000.

Following extensive discussion, it was decided to reinstate a fixed, globally-applicable fee of \$3,500 per survey. This fee will be charged in respect of the initial survey and further fees of \$3,500 will apply to each and every follow up survey. The invoice will be issued by the Association for the initial survey and further invoices will be issued in the event that follow up surveys are required. The fixed fee will include travel time and expenses.

The fee is predicated on the surveyor's ability to gain proper access to a vessel, in order to complete all required inspections and testing, within an acceptable time frame.

As always, it is a Member's responsibility to present the vessel in suitable condition, and to allow the surveyor on board at an appropriate time. Your Managers may charge an additional fee (at cost) where extra time has been needed to complete a survey owing to delays not attributable to the Club surveyor.

It should be noted that this fee does not extend to enhanced condition surveys (ECS). Fees associated with such surveys will be quoted on a case-by-case basis.

Your Board also decided that, in order to provide complete conformity of approach and optimum cost effectiveness, the Club's P&I condition survey program would be managed and arranged through Atlantic Marine Associates, Inc. (AMA). AMA will invoice the Club at the agreed fixed rate. The Club will pay the survey fee in the first instance and subsequently bill the Member the same \$3,500 fee, payable in full within 30 days.

These new arrangements are intended to improve the Club's service to the membership, in this important area. This will also provide considerable savings to the Members based on 2010 figures.

Further information

For further information, please contact Captain Richard Gayton, Vice President, Principal Surveyor, Survey Compliance Department for Shipowners Claims Bureau, Inc. at tel: +1 212 847 4508, fax: +1 212 847 4596 or email: surveys@american-club.com.

Yours faithfully,


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