



AUGUST 2, 2007

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TO MEMBERS OF THE ASSOCIATION

Dear Member:

CONFIRMATION OF ENTRY OF VESSELS: INTERNATIONAL GROUP POLICY

Shipowners are sometimes required to demonstrate to outside parties such as governments, port authorities and charterers that they have insurance cover in place and, in certain cases, that such insurance covers particular heads of claim.

Consequently, clubs in the International Group (IG) receive requests for confirmation that a shipowner member has an insurance policy which meets the particular needs of the requesting party. This evidence of insurance is already provided by the clubs in the IG through the issue of certificates of entry. IG clubs issue certificates of entry to all entered vessels, which are carried on board, as evidence of the fact that the vessel is entered with an IG club. Individual clubs can, if they consider it appropriate, also supplement certificates of entry by naming particular types of cover, such as pollution, personal injury, dock damage or wreck removal.

By giving direct confirmation of cover to a third party, a club may in some jurisdictions be thought to assume obligations of that party, giving him rights directly against the club and surrendering policy defences available under the terms of a member's entry. IG clubs cannot issue confirmations which refer to national or local laws or regulations. This would be impossible in practice in view of the fact that IG clubs insure the liabilities of approximately 92% of the world's ocean going tonnage.

Such requests must therefore be treated with care by the clubs in the International Group.

All clubs maintain up-to-date lists of entered vessels on their websites. The data underlying these search facilities is updated at least once every 24 hours i.e. to reflect any changes to the list as quickly as possible. Requests for confirmation of entry of cover should, therefore, also be referred to the list of entered vessels on club websites. These contain a necessary disclaimer in order to avoid the suggestion that access to the website could be construed as a representation directly by the club to a third party.

Access to this information and the member's certificate of entry should be sufficient to satisfy all third party enquiries.

Yours faithfully,

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

THE AMERICAN CLUB