



JANUARY 17, 2018

CIRCULAR NO. 05/18

TO MEMBERS OF THE ASSOCIATION

Dear Member:

AMERICAN CLUB APPOINTS MAZARS USA LLP AS AUDITOR

As part of its general oversight of the governance of the American Club, your Board keeps its auditing needs under regular review, given the costs and heavy engagement of resources entailed in providing audit services to the Club, and their importance to the Club's interface with the New York regulator.

Having undertaken a thoroughgoing analysis of current and future needs, your Board has recently appointed Mazars USA LLP as the Club's auditor. It did so pursuant to a resolution to investigate and take further action as might be required in this respect, which was passed by the Members at their annual meeting in June, 2017.

Mazars USA LLP has a core focus on the auditing of insurance entities of all kinds, and counts many well-known underwriters both at home and abroad among its clients. Your Board has been impressed by Mazars USA LLP's capabilities in this specialist area, as well as by the cost efficiencies to be gained by their appointment, all of which will inure to the benefit of the Members over the years ahead.

Prior to the recent appointment of Mazars USA LLP, the Club's audit had been entrusted to Deloitte & Touche LLP, to whom the Board and Managers offer sincere appreciation for their contribution to the affairs of the Club over many years of diligent service.

Yours faithfully,

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