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TO MEMBERS OF THE ASSOCIATION

Dear Member:

STATEMENT ON PRESS COVERAGE REGARDING SANCTIONS

Considering recent press inquiries relating to the issues of entered vessels and sanctions, the Managers believe that there is a need for education addressing these matters.

The American P&I Club as a not-for-profit marine liability mutual insurer is proud to play a vital role in US national security and to support both the US and global merchant marine.

The Club has focused relentlessly on business operations to demonstrate the highest standards of insurance stewardship and is well versed at identifying and managing the legal and regulatory risks associated with sanctions, including the risk of entered vessels breaking sanctions. It has a history of working closely with the U.S. State Department, the U.S. Department of Justice, the Department of Homeland Security, the Office of Naval Intelligence, and the U.S. Treasury Department's Office of Foreign Assets Control to ensure that lines of communications remain open, frequent, and positive. The Club shares the common goal of protecting the industry from those who wish to violate its rules and laws.

It is against this background that the Managers address the ongoing misunderstandings regarding insurance and sanctioned trade. As a third-party liability insurer for ocean-going vessels, the American P&I Club does not insure the ship itself nor does it insure the cargo. It insures the legal liability that the ship may have to innocent third parties that may suffer damages or loss due to a maritime accident as a result of negligence on the part of the ship. As an insurance company, the Club does not serve as a real-time surveillance state for all entered vessels but rather employs tools and processes to ensure that entered vessels have been properly vetted and are regularly reviewed for compliance. This misunderstanding around monitoring would be akin to assuming that an auto insurer has first-hand real-time knowledge of the whereabouts, activities and purposes of all vehicles insured every minute of every day, 7 days a week, 52 weeks of the year.

There are also frequent misunderstandings of the role that vessels play in the chain of global trade, where it is the shipper of cargo - and not the vessel owner or operator - who dictates the source, type, and trade of the cargo to be carried. The ship is like a vehicle for hire and not a party to the trade transaction itself.

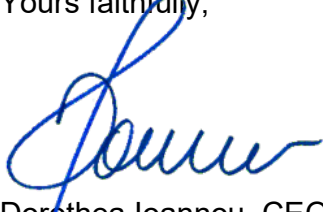
The American P&I Club has a robust compliance program that is integrated with key and renowned third-party vendors around the world who provide platforms and services that support

the ability to monitor and check vessel movements, cargoes, vessel logs, and ownership or management changes, among other things. Applicants for insurance are fully vetted at the outset using industry-standard databases, searches of sanctions lists produced by sanctions regulators, and by investigating the ownership of entities and the past activities of prospective covered vessels, among other safeguards. After a vigorous initial pre-entry vetting, the policies are for one-year periods, with worldwide sailing conditions, subject to absolute exclusions for sanctioned or illegal trade.

During the period of entry, vessels are subject to warranties of legality, periodic monitoring, and notice requirements for potential sanctioned trade. If information is learned, or comes to light, of a vessel acting in a manner not consistent with the Club's compliance program, an investigation procedure is followed which entails thorough research and communication between all parties involved. No cover exists, in other words coverage automatically ceases, when a vessel is in violation of sanctions, including, but not limited, to carriage of Iranian and/or Russian origin oil and petroleum products (the latter, in violation of the price cap regime agreed to by the United States and its partners).

The American P&I Club takes its responsibilities in respect of economic sanctions seriously and is committed to the highest levels of integrity and regulatory compliance. It is committed to conducting its global activities respecting its regulatory responsibilities to support governments, regulators, and law enforcement in wider economic crime prevention. Through its Managers, the Club identifies and manages the legal and regulatory risks associated with sanctions, including the risk of its services appearing to be used to contravene sanctions. To achieve this, the Club's compliance program sets out a framework of systems and controls, including monitoring services, to ensure its adherence to all applicable sanctions regulations in all the American P&I Club's businesses and legal entities throughout the world.

Yours faithfully,



Dorothea Ioannou, CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB