



MARCH 18, 2014

CIRCULAR NO. 10/14

TO MEMBERS OF THE ASSOCIATION

Dear Member:

MANAGEMENT NEWS

After more than 40 years' distinguished service within the P&I industry, Stuart Todd will be retiring from full-time employment with Shipowners Claims Bureau, Inc. (SCB) as of June 30, 2014.

Stuart joined SCB in the fall of 2001, having previously held senior positions with another International Group P&I club and at Lloyd's of London. He moved to head office in New York in early 2002 to assume chief responsibility for the American Club's underwriting operations.

Commanding great respect within both the shipping and insurance communities, Stuart has made a conspicuous contribution to the Club's strategy of growth and diversification. He leaves a legacy of considerable achievement, not only by reference to the growth in premium and tonnage, and diversity of membership, which gained impetus during his tenure, but also by reference to the strength of the team he has been instrumental in building to enhance the Club's underwriting capabilities both now and for the future.

Although we will shortly be bidding farewell to Stuart as a full-time member of the management team, we are very pleased to say that he has agreed to remain as a consultant to SCB. Stuart and his wife Teresa will be returning to the United Kingdom later in the summer, following which Stuart will be attached to the Managers' London office from which he will embark upon his new role.

Stuart's withdrawal from his full-time commitments will entail certain changes to the way in which SCB manages its underwriting and business development activities on behalf of the American Club. Indeed, a number of changes have already been made in anticipation of Stuart's departure. They were implemented toward the end of 2013, and informed the manner in which the Club conducted the 2014 renewal.

To recapitulate the main features of these changes, the Club's underwriting and business development functions are now operated on a regional basis. The four regions in question correspond to the four main constituencies of the Club's membership, being North America, EMEA (Europe, Middle East and Africa), Greater China and North Asia, and South and Southeast Asia.

The overarching aims in adopting this structure have been to move the Club's risk assessment, technical underwriting and business development activity much closer to the local needs of Members and their brokers, to attend in a focused way to the special characteristics and expectations of regional shipping communities and, thereby, to enhance the overall delivery of Member service.

This decentralization of the insurance function has worked well. The underwriting directors responsible for each region have been given substantial authority, subject to overall metrics as to risk analysis and selection, to manage their portfolios, and to pursue new opportunities for the Club in partnership with the business development directors for those regions. The favorable results of the most recent renewal testify to the effectiveness with which this initiative has been progressed.



Accordingly, taking all this into account, the new structure requires only relatively slight modification to cater for Stuart's different circumstances going forward. The changes in question are described below.

With effect from July 1, 2014, Tom Hamilton will assume the role of Director - Global Underwriting Services. Tom is well known to many of the Club's Members and their brokers, both at home and overseas, and has for several years worked closely with Stuart and his other colleagues in servicing Members' day-to-day insurance needs.

In his new role, Tom will be responsible for coordinating general policy in regard to the assessment, selection and pricing of the insurances offered by the Club, the terms and conditions upon which they attach, and all other matters relevant to technical underwriting.

With effect from the same date, Michael Hansen will assume the role of Director – Global Business Development and Risk Management Services. In this position, in addition to his current duties, Michael will also take responsibility for coordinating the metrication, modeling and management of risk as part of the larger underwriting function. In doing so, Michael will draw upon experience derived from his long career as risk manager for AP Moller-Maersk, one of the most prestigious names in the shipping industry.

In pursuit of their respective roles, Tom and Michael will be working closely together as they will, of course, with their colleagues throughout the regions. The goal is to produce exceptional underwriting service and energetic new business development through an operating design which promotes regional accountability supported by a robust collegial culture. In these capacities they will report to the office of SCB's CEO/COO.

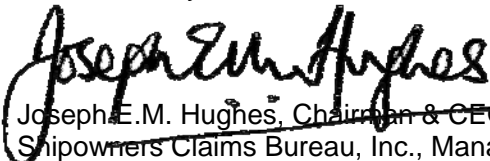
In conjunction with these changes, Steve Ogullukian will assume the role of Director - Reinsurance Services. The increasingly specialist and complex nature of both International Group reinsurance arrangements, and those pertaining to the protection of the Club's retained exposure, has now made necessary a designated role for the conduct of these activities, for which Steve has already proved himself to be eminently suited. This function will also report to the office of SCB's CEO/COO.

Other than the foregoing, the existing regionalized structure originally implemented in 2013 will remain in effect. Members and their intermediaries are already familiar with the personnel responsible for the Club's underwriting and business development activity in the Managers' offices throughout the world. A listing of the team, and their individual responsibilities under the new arrangements, is attached hereto. Given the breadth of functions embraced by the structure described above, the department will henceforth be named the Underwriting, Reinsurance and Business Development Department.

Both shipowners and their P&I insurers are going through the most challenging of times. New approaches to often familiar problems, characterized by imaginative thinking and versatility in the application of resources, are essential to ensure continuing success.

The changes described above are designed to rise to the challenges of the years ahead. While your Managers say goodbye to Stuart Todd as a full-time colleague and hello to him as a consultant, the team to which he provided strength in the past will go forward with undiminished vigor, professionalism and effectiveness, single-mindedly determined to provide a continuity of service excellence to Members.

Yours faithfully,


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

APPENDIX TO CIRCULAR NO. 10/14 OF MARCH 18, 2014

UNDERWRITING, REINSURANCE AND BUSINESS DEVELOPMENT DEPARTMENT

Global

- Global Underwriting Services
 - Director – Tom Hamilton
- Global Business Development and Risk Management Services
 - Director – Michael Hansen
- Reinsurance Services
 - Director – Steve Ogullukian

Regional

- Americas
 - Underwriting Director – Colin Snell
 - Business Development Director – Jack O’Kane
- Europe/Middle East/Africa
 - Underwriting Director – Tom Hamilton
 - Business Development Director – Dorothea Ioannou
- South and Southeast Asia
 - Underwriting Director – Steve Ogullukian (liaison – Chris Hall)
 - Business Development Director – Chris Hall (liaison – Brian Davies)
- Greater China and North Asia
 - Underwriting Director – Dr. William Moore
 - Business Development Director – Raymond Sun