



August 1, 2002

CIRCULAR NO. 15/02

TO MEMBERS OF THE ASSOCIATION

Dear Member:

PRE-EXISTENT MEDICAL CONDITIONS

Members will be aware that from time to time they may be presented with claims arising from pre-existent medical conditions in regard to sick or deceased seafarers. Such claims can be substantial and are often time consuming to settle. They also represent a not inconsiderable proportion of the Club's loss exposures.

While Club Rules do not exclude liability for claims arising from pre-existent medical conditions, it is clearly in all Members' interests that proper steps are taken to reduce claims of this type to a minimum by adopting effective pre-employment procedures. Members are therefore encouraged to satisfy themselves as far as possible that:

- their crewing contracts require seafarers to make full disclosure of their medical history, with disqualification from benefit in the event of misrepresentation. (See the current Philippines Crew Employment Agreement, for example);
- the crewing agencies they have retained are reputable;
- the clinics used by their crewing agencies and seafarers for pre-employment medical checks and the provision of medical certificates are reputable.

By following these procedures Members can also expect to benefit from a higher standard of fitness and general performance from their seafarers and reduce the risk of employing sub-standard crews.

Any Members requiring additional information regarding their legal obligations in respect of crewing contracts and related medical matter are welcome, as always, to contact the Managers for advice.

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