



JUNE 22, 2017

CIRCULAR NO. 16/17

TO MEMBERS OF THE ASSOCIATION

Dear Member:

**THE AMERICAN CLUB'S ANNUAL REPORT AND ACCOUNTS FOR 2016.
CLOSING OF THE 2014 POLICY YEAR.
RELEASE CALLS.**

Your Managers are pleased to attach the [American Club's Annual Report and Accounts](#) for the year ended December 31, 2016. As will be seen, they are in an electronic format. They were formally approved at the one hundredth Annual Meeting of the Members of the Club which took place in New York earlier today. Hard copies of this document will also be available from the Managers over the forthcoming period.

At the regular Board Meeting which took place shortly after the Annual Meeting of the Members, it was resolved formally to close the 2014 policy year without contribution in excess of the originally estimated total premium for the year.

Your Board's decision was based upon figures as of March 31, 2017 which disclosed a deficit of \$5 million for the 2014 year. This deficit will be absorbed by the Club's contingency fund which, as of the aforementioned date, stood at \$66.9 million.

In addition, your Board reviewed the Club's requirements in regard to release calls for open policy years. It was resolved to reduce the release call margin for the 2015 policy year from the current figure of 15% to 10% of estimated total premium, in light of the continuingly benign development of claims for that year. The margins for 2016 (20%), and 2017 (20%) will remain as currently mandated, but be subject to review once again in November of this year.

Members are asked to note their records accordingly. If there are any questions in regard to the foregoing, or generally, your Managers will be pleased to respond to them.

Yours faithfully,

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

THE AMERICAN CLUB