



JULY 18, 2013

CIRCULAR NO. 21/13

TO MEMBERS OF THE ASSOCIATION

Dear Member:

STANDARD AND POOR'S (S&P): AMERICAN CLUB RATING RAISED TO INVESTMENT GRADE

Your Managers are pleased to advise that Standard & Poor's Ratings Services has recently raised the American Club's financial strength rating a full notch from BB+ to BBB-, an investment grade, with a stable outlook.

This action follows a comprehensive review of the Club's current and prospective circumstances by reference to S&P's new criteria for the rating of insurance companies.

In their rationale for increasing the Club's rating to an investment grade, S&P referred, *inter alia*, to its improved view of the Club's prospective capital adequacy, its business risk profile and competitive position. The agency also referred to the Club's enhanced underwriting risk controls which, among other things, have caused the Club's average loss ratios to experience a downward trend in recent years.

The increase in the American Club's financial strength rating to an investment grade is a very positive development. Given the significance sometimes attached to an S&P investment grade rating in certain sectors, it will amplify the American Club's continuing outreach in service of the global maritime community.

Yours faithfully,

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

THE AMERICAN CLUB