



STEAMSHIP MUTUAL

To the Members

February 2013

Dear Sirs,

Vessel Trading and Rating Issues

New system for charging International Group reinsurance costs applicable to tankers and OBOs

From 20th February 2013, if a vessel carries non-persistent oil for a period of at least 30 consecutive days, it can be rated as a "clean" tanker for that period for International Group reinsurance costs purposes. For these purposes, "clean" means actually carrying clean cargoes; it does not include any period in ballast between "dirty" (persistent oil) voyages or whilst awaiting orders. The same principle will apply to OBOs changing from "wet" to "dry".

For vessels entered on a "clean" basis but carrying "dirty" cargo, and for OBOs entered on a "wet" basis but carrying "dry" cargo, a declaration to this effect must be made to the Club promptly.

For vessels entered on a "dirty" basis but carrying "clean" cargo, and for OBOs entered on a "dry" basis but carrying "wet" cargo, a declaration to this effect must be made to the Club within three months of the end of the policy year in question.

For these purposes, "persistent oil" includes all persistent hydro-carbon mineral oils other than those falling within the definition of "non-persistent oil" set out below.

"Non-persistent oil" is oil which consists of hydro-carbon fractions:-

- a) at least 50% of which, by volume, distils at a temperature of 340 degrees C and:
- b) at least 95% of which distils at a temperature at 370 degrees C when tested by the ASTM Method D 86/78 or any subsequent revision thereof."

Declarations must be made in writing but there is no specific format for these.

Laid up return applications deadline

Members are reminded that declarations in respect of the 2012 policy year must be made within 3 months of the end of that policy year. A declaration form is available on the Club's website.

US voyage declarations

Members are reminded that declarations must be made within 2 months of the end of the quarter in question. A declaration form is available on the Club's website.

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THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

Registered Office: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Authorised and Regulated by the Bermuda Monetary Authority and the United Kingdom Financial Services Authority
(FSA registration number 202762)

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HFO

As in previous years, Members are asked to make a declaration to the Club in respect of any sea going tankers in their fleets aged 10 years or more which have carried heavy fuel oil (HFO) as cargo during the previous 12 months, ie. between 20th February 2012 and 20th February 2013.

The definition of HFO to be used for the purpose of the annual declaration is as follows:

“a residual fuel with a kinematic viscosity of 380 centipoise when measured at 50 degrees celsius by Test Method ISO 3104.”

(This definition is intended to exclude intermediate fuel oils or heavy crudes, as well as bitumen or tar.)

A declaration form is available on the Club's website.

Yours faithfully,

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ASSOCIATION (BERMUDA) LIMITED

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