

CIRCULAR



TO ALL MEMBERS

February 2010

Skuld Renewal Update

We are pleased to announce that the 20 February 2010 renewal has been successfully completed with an increase in tonnage as well as an average achieved rate increase of 5% in line with the targeted general increase announced. The offer and acceptance policy of the club has been very strict, but has nevertheless allowed the club to grow with approximately 8 mill. gross tons of new entries over 2009 and the renewals. Skuld is considered one of the most stable P&I clubs among members, clients and business partners. The club is also well known for its excellent service and transparency in communication at all levels.

This renewal confirms the club's competitive strength in the present current volatile and difficult market conditions, as well as the importance of transparency. The achieved growth and premium increases will lead to a further strengthening of the Association, which combined with the prudent risk profile of the membership, should ensure continued sound development.

Kidnap & Ransom Insurance

As of 20 February 2010, we are able to provide to our members and clients Kidnap & Ransom (K&R) insurance. The K&R will provide a security for the assured, it will cover situations when a ship is seized by pirates all over the world. A full description of this valuable cover at a very low premium is more described in detail on our web-site under "Products and Services".

International Group Reinsurance Arrangements for policy year 2010/2011

The structure of the cover reinsured through International Group and the Pool:

Club retention	USD 8 million
Pool retention million)	USD 50 million (42 million in excess of USD 8 million)
General Excess Loss Cover	USD 2 billion
Overspill protection	USD 1 billion

Limits on the Association's cover 2010/2011

Oil Pollution:	USD 1 billion
Passenger and crew combined:	USD 3 billion
Passenger (sub-limit)	USD 2 billion

The oil pollution limit is applicable to the aggregate of owners' and bareboat charterers' liabilities.

For passenger and crew claims, the overall limit is USD 3 billion any one event any one vessel and with a sub-limit of USD 2 billion in respect of passenger claims alone.

Overspill protection has been placed for claims up to USD 1 billion in excess of USD 2.05 billion. The limit on each mutual member's liability for claims other than oil pollution and for claims involving passengers will remain unchanged at 2.5% of the Convention Limit which approximately provides an overall limit of USD 6.9 billion. A contribution for an overspill claim from a ship of 20,000 GT would be in the region of USD 130,000 and if 70,000 GT, the corresponding contribution would be in the region of USD 390,000.

US Oil Pollution Surcharge – policy year 2010/2011

The special arrangements to cover US OPA 90 pollution liabilities in respect of tankers, which are otherwise excluded under the Rules, will continue for the policy year 2010/11.

US Trading Agreement

For owner members trading vessels which are capable of carrying oil in bulk as cargo, the US trade exclusions set out in the Rules (14.2.2) will continue to apply. However, the existing US surcharge scheme for tankers will continue and cover will be reinstated if the member agrees to make declarations on a quarterly basis as per the US Voyage Quarterly Declaration Form – policy year 2010 (enclosed).

Geographic scope

Tankers carrying persistent oil as cargo and calling ports or places within the United States or the United States Exclusive Economic Zone (EEZ), as defined by OPA 1990 for loading or discharging, are subject to additional premium. The United States include the District of Columbia, Puerto Rico, Guam, American Samoa, US Virgin Islands and Northern Marianas.

The Declaration (Surcharge) Programme

Members have to declare voyages by tankers each quarter in arrears, specifying voyages to the United States and the EEZ. The declarations are to be completed by 20 July, 20 October, 20 January and 20 April and returned to the Association as specified below.

A **US voyage** is any cargo voyage involving loading or discharging at any port or place in the United States and EEZ as defined above. One cargo voyage involving loading or discharging at more than one US port or place shall be regarded as a single voyage. Discharging one cargo at a port or place and loading a new cargo at a port or place constitutes two voyages.

For those Members who already have this arrangement in place for the 2009 Policy Year, cover will be automatically reinstated with effect from 20 February 2010, unless written notice of the cancellation is given. Members, who wish to participate in the scheme for the first time, should contact your respective syndicate underwriter as soon as possible.

No lay-up returns will be allowed.

Conditions/rates are as follows:

1. Tankers of 1,000 GT or less

Owners of tankers of 1,000 GT or less have the option of paying a surcharge of USD 78 (SBT tankers USD 65) per voyage with a cap of 20 voyages or a fixed rate of USD 1,560 per annum (SBT tankers USD 1,300). Owners wishing to pay on the basis of a fixed annual rate should inform the Association in writing prior to 20 February 2010, otherwise the surcharge will be stipulated on a voyage basis. To qualify for the SBT category, a tanker must be equipped with segregated ballast tanks in accordance with the requirements of Regulation 13 of Annex 1 to MARPOL 73/78.

2. **Tankers of more than 1,000 GT**

The rate of surcharge for voyages to and from the United States by tankers of more than 1,000 GT carrying persistent oil as cargo will be USD 0.078 per GT per voyage (SBT tankers USD 0.0647). The cap will remain at 20 voyages during the year.

3. **Parcel Tankers**

A parcel tanker is defined as a ship constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk or capable of carrying at least 10 grades simultaneously, having been issued with an international certificate of fitness for the carriage of dangerous chemicals in bulk.

- a. Parcel tankers **carrying less than 5,000 metric tons (MT)** of persistent oil as cargo incur a fixed minimum contributing value based on 3,000 GT per voyage, i.e. USD 234 (SBT tankers USD 194) per voyage with a cap of 20 voyages.
- b. Parcel tankers **carrying between 5,000 and 9,999 MT** of persistent oil as cargo incur a fixed minimum contributing value based on 7,500 GT per voyage, i.e. USD 586 (SBT tankers USD 486) per voyage with a cap of 20 voyages or a fixed rate of USD 11,720 (SBT tankers USD 9,720).
- c. Parcel tankers **carrying 10,000 MT and over** of persistent oil as cargo shall pay the voyage premium based on the ship's full tonnage.

NB: Members are required for statistical reasons to make declarations even after the cap of 20 voyages is reached.

LOOP

Vessels loading and/or discharging at Louisiana Offshore Oil Port (LOOP) exclusively, or in a facility which is not designated as a port and is approved by the U S Coast Guard, will be charged at **50%** premium (USD 0.0386 per GT per voyage and SBT USD 0.0323 per GT per voyage).

War Risks

The Club's special War Risk P&I cover in excess of Hull and Machinery War Risk P&I cover will continue. The limit of this cover remains at USD 500 million each vessel any one event. However, this excess War Risk P&I cover excludes any liabilities which members may incur under TOPIA 2006. Details of the cover is set out in the Associations circular on War Risk cover February 2010

TRIA

Cover for acts of terrorism as defined in the US Terrorism Act of 2002 will be included on the same terms with the same limit. A premium of US cents 0.25 per GT will be deemed attributable to these risks and will be included within the overall premium.

Bio-Chem Pool

The limit of the supplementary pooled cover for a restricted range of risks covered by the "Bio-Chem exclusion" in war risk policies remains at USD 30 million per vessel in the aggregate. Details of these risks are set out in the Association's Circular "War P&I Risks - Agreement to pool certain Bio-Chem Claims" dated 1 April 2004.

Yours faithfully
SKULD



Douglas Jacobsohn
President & CEO

US VOYAGE QUARTERLY DECLARATION FORM – policy year 2010

- Period from 20 February to 20 May 2010
To be returned to the Club by 20 July 2010
- Period from 20 May to 20 August 2010
To be returned to the Club by 20 October 2010
- Period from 20 August to 20 November 2010
To be returned to the Club by 20 January 2011
- Period from 20 November 2010 to 20 February 2011
To be returned to the Club by 20 April 2011

Member: _____

Name of vessel: _____

Gross tonnage: _____

SBT: YES NO

Please state if the vessel has made any voyages to the USA or the US exclusive economic zone during the above period. YES NO

If "YES" – please complete the following:

Voy No:	Date of loading (L) Date of discharging (D)	Port/Location: Port name LOOP/OFFSHORE	Type of cargo: Persistent (P) Non-persistent (NP) – Please specify!	If Parcel Tanker: Cargo in TONS
Total number of voyages:				

WORLD WIDE STATEMENT CLEAN TANKERS/OBO'S

Vessel carried persistent oil as cargo
World Wide (ex US) during reported quarter? Yes No

Member's authorised signature and date: _____

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