



Circular

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OUTLINE

- General increase for the 2011 policy year set at 5 per cent plus any increase in the cost of the International Group reinsurance premium for 2011 for the mutual Members.
- The standard deductible will remain at \$5,000 for the 2011 policy year
- Detailed explanation of the financial background to the Board's decisions can be found in the "October Review 2010" which accompanies this circular

TO THE MEMBERS

Dear Sirs

REVIEW OF OPEN POLICY YEARS & 2011 POLICY YEAR GENERAL INCREASE

At its meeting on 18th October 2010, the Board reviewed the financial position of the Club, the performance of the open and closed policy years and the premium levels for 2011.

A detailed explanation of the financial background to the Board's decisions can be found in the October Review 2010 which accompanies this circular. Both these documents are published electronically in the "Club Circulars" section on the homepage of www.ukpandi.com.

2008 policy year

No further supplementary premiums will be levied. The release call is set at 5 per cent of mutual premium.

2009 policy year

There is no supplementary premium estimated for the 2009 policy year. The release call is set at 10 per cent of mutual premium. The fourth instalment of mutual premium is due for payment no later than 1st December 2010.

2010 policy year

There is no supplementary premium estimated for this policy year. The release call is set at 15 per cent of mutual premium plus any outstanding instalments of mutual premium.

2011 policy year

The Board has concluded that the premium rating of all Members shall be increased by 5 per cent, plus any increase in the cost of the 2011 International Group reinsurance for the mutual Members.

The release call is set at 20 per cent of mutual premium plus any outstanding instalments of mutual premium. As normal, mutual premium for 2011 will be payable in four instalments.

Deductibles

The standard deductible will remain at \$5,000 for the 2011 policy year (or the dollar equivalent in other currencies). Members will still be permitted to elect different deductibles from the standard at an appropriate premium adjustment, but will be encouraged to agree the standard as a minimum. The Managers may also propose higher than standard deductibles as part of the renewal terms for Members with adverse records.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD.

CONTACT

- Members requiring further information should contact their usual underwriting contact at the Club.