



EAGLE OCEAN MARINE CIRCULAR

DECEMBER 12, 2018

TO ALL INSUREDS AND BROKERS

Dear Colleagues:

EAGLE OCEAN MARINE (EOM): NEW PROSPECTUS AND PROGRESS REPORT

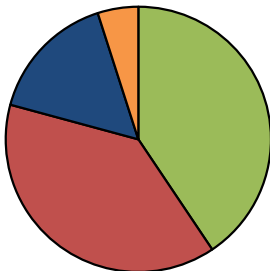
Eagle Ocean Marine (EOM), the fixed premium brand of the American P & I Club, is pleased to announce the publication of a new prospectus describing the chief features of the cover and services EOM provides. [It is attached hereto.](#)

Hard copies of the document will also be available soon. It is hoped that it will be of interest to current Insureds and their brokers, and indeed to everyone who may wish to do business with EOM in the future.

As a new year approaches, the following progress report on EOM's recent development may prove enlightening. EOM continues to pursue its business model with success, growing its market share with a careful approach to risk selection and pricing, supported by the unsurpassed service standards intrinsic to its affiliation with an International Group Protection and Indemnity club.

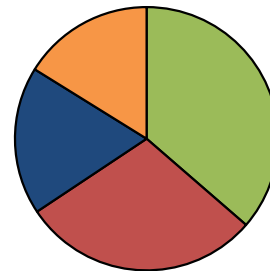
Insured tonnage by domicile and vessel type

Management Domicile



- 41% Greater China/North East Asia
- 38% South/South East Asia
- 16% EMEA
- 5% Rest of World

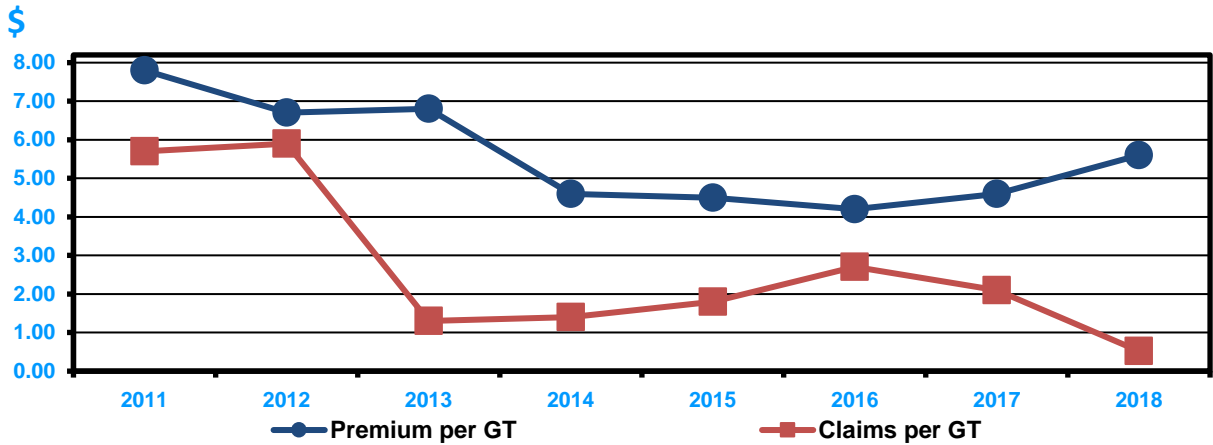
Vessel Type



- 36% General / Container / Pax / RoRo
- 29% Tugs / Barges / Small Craft
- 19% Bulk Carriers
- 16% Tankers

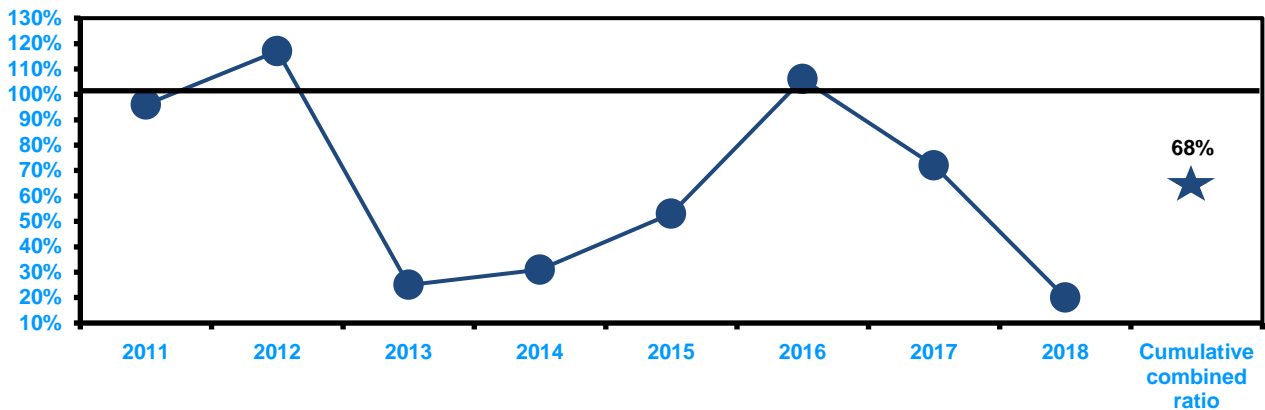
As will be seen, the spread of business insured by Eagle Ocean Marine represents a broad and balanced range of both vessel type and domicile of management. The commitment from Asian owners and operators remains strong, but tonnage from Europe, the Middle East and Africa (EMEA) has increased in recent years, and is likely to form a growing constituency in the future.

Development of premium and claims per GT



It will be seen that premium per GT has trended upward since 2016, notwithstanding a highly competitive marketplace for fixed P & I. Concurrently, claims have emerged favorably for several years. This augurs well for the future. Above all, fortified by a competitive, but sensible, approach to risk selection and pricing, EOM remains committed to the containment of its Insureds' exposures through exceptional loss prevention and claims control.

Development of combined ratio



Eagle Ocean Marine has experienced losses in only two out of its eight years of operation. Indeed, 2013 through 2015 were exceptionally positive years, while the current cumulative combined ratio of under 70% has inured substantially to the benefit of both the mutual Members of the American Club and EOM's co-venturers at Lloyd's.

The success of the facility reflects the policy of careful risk selection and premium pricing which has characterized its business since inception. Indeed, the negative results for the 2012 and 2016 facility years were generated by untypically large claims in those years. The facility now enjoys a reinsurance protection alongside its quota-share and excess-of-loss arrangements intended to obviate this over the years ahead.



The fixed premium P & I sector is undergoing rapid reorganizational change at the present time, the direction of certain parts of the market remaining uncertain. Eagle Ocean Marine, with its successful track record of steady growth underpinned by solid operating results, looks forward to a bright future of further development in the service of its Insureds, their brokers and the maritime community at large.

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO
Eagle Ocean Agencies, Inc.

Eagle Ocean Marine is an American Club fixed premium facility offering gold standard International Group club service, underpinned by the impeccable security of reinsurance at Lloyd's.