



Update

To: All Clients
From: Neil Clemens, President

Date: July 1, 1998
Pages: 1 of 1

Status Report

The COFR market has undergone a period of intense competition this year and it is gratifying to report that in spite of this, SIGCo continues to go from strength to strength in building and servicing its client base. The latest USCG figures (below) demonstrate a further increase in market share in a period where more COFR facilities were available in the market. Our responsive service and the long term benefits offered to SIGCo's shipowner clients of ownership and control have been a key feature in the choice of the majority of shipowners trading to the United States. These benefits are more important when opportunist capital is being attracted to COFR facilities in the hope of short term profits and may disappear equally fast.

Insurers providing evidence of Financial Responsibility in support of OPA/CERCLA COFRs issued by the USCG as at 1st July, 1998						
	--- Dry Cargo ---		--- Tanker ---		--- Total * ---	
First Line	-	0.0%	-	0.0%	-	0.0%
SIGCo	4,331	58.9%	844	54.8%	5,175	58.2%
	4,331	58.9%	844	54.8%	5,175	58.2%
Shoreline Mutual	1,913	26.0%	532	34.5%	2,445	27.5%
WQIS	451	6.1%	13	0.8%	464	5.2%
Arvak	277	3.8%	120	7.8%	397	4.5%
Other Guarantors **	375	5.2%	32	2.1%	407	4.6%
	7,347	100%	1,541	100%	8,888	100%

* excludes Tank Barge, MODU, Passenger, Fishing and Utility vessels
 ** includes OMM, Lloyds, Cofsure, HIH, Gyosen Chuokai, CU, Heddington Highland, Sphere Drake and Travelers

Other factors of note over the period include:

1. All of the guaranties issued under the old First Line programme expired during early 1998.
2. Significant reductions in premiums were available on renewal during 1998.
3. The surety bonding scheme arranged by International Sureties Ltd. for dry cargo vessels at a fixed price per vessel has been withdrawn, no doubt owing to the low premium generated compared to aggregate liabilities underwritten.
4. SIGCo's new service in processing CG5585 applications on behalf of clients has been utilised in over 1,300 applications.

Following the expansion of our services to include CG5585 application on behalf of our clients, many clients have requested advice on COFR inception/expiry dates and the USCG control numbers for operators and vessels. In

addition to being available from us, this information can now be accessed directly on a special USCG COFR web site at www.cofr.npfc.gov which the USCG has set up at our suggestion to facilitate direct access to this information 24 hours a day.

Finally I would like to thank all of you for your continued contribution to the success of SIGCo.



The Shipowners Insurance and Guaranty Company Ltd.
P.O. Box HM 3398, Hamilton HM PX, Bermuda. Telephone: 1-441-298-0600; Fax: 1-441-298-0610