

FIATA

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FIATA US Group Bond Program

At the 2005 FIATA World Congress in Moscow an official announcement was made confirming that FIATA's US Group Bond Program is moving to a new provider, Avalon Risk Management Inc. Avalon and their sister company, Lincoln General Insurance Company, have a unique relationship and will be able to provide FIATA, our National Associations, your local and our Individual Members with the highest quality program. This program delivers the following key benefits:

Ease of Participation

- Current Group Bond Program participants will automatically be transitioned to the new bond
- Information packets were distributed to all current participants to confirm their renewal, verify the accuracy of the information on file with the FMC, and to provide details regarding the new program
- Any member of FIATA (direct or via National Associations) can be added to the Group Bond at any time during the year
- Avalon is available to provide information and regulatory guidance regarding FMC and U.S. Customs bonding requirements

Financial supporting

- Pricing is extremely competitive based on overall participation in the program
- Avalon is committed to continue providing FIATA Group Bond participants with the best pricing on an ongoing basis (this year's pricing is not a short-term inducement)
- FIATA National Associations will receive a direct financial benefit in consideration of their role in helping to manage and promote this program. This is designed to help reduce the administrative costs which ultimately affect membership dues.

Underwriting Support

- Avalon's underwriting process will provide flexibility based on the professional nature of FIATA and its Members, today and in the future
- No financial statements are required for participants with limits of USD 250'000 or less
- Avalon will also provide flexibility regarding other U.S. bond needs for participants
- All Program participants will be added to Avalon's Quest Newsletter which provides regular updates of industry changes impacting trade to and from the United States
- Claim information will be accessible through Avalon's internet-based web portal

Future Growth

- Avalon and Lincoln General are part of a publicly traded group of insurance companies committed to the transport industry
- The surety's U.S. Treasury Listing will support a much larger bond should the Federal Maritime Commission require one in the future

There is only one Group Bond Program endorsed by FIATA! Other insurance vendors may be interested in working with FIATA members, but only the program written through Avalon and Lincoln General is officially supported by FIATA and provides the benefits described above.

FIATA therefore proposes to our National Association members to inform their local members about this FIATA US Group Bond program, and to recommend to them to sign the new contract offered by Avalon as this is the only Group Bond Program endorsed by FIATA.

If you have any questions please contact Avalon at fiatabond@avalonrisk.com or the FIATA Secretariat in Glattbrugg/Switzerland.