

17 February 2023

TO ALL CLASS 7 (WAR RISKS) MEMBERS

Dear Sir or Madam

WAR RISKS RENEWALS – POLICY YEAR 2023/24

Advance Contribution Rates

Advance Contribution rates were set with effect from 20 February 2023 and have been notified to Members individually.

A 50% reduction in rates will be granted for Entered Ships trading exclusively in one of the following areas:

- (i) Europe (but including the Mediterranean and Black Sea);
- (ii) USA and Canada (excluding Panama Canal transits);
- (iii) Australasia.

Extensions to trading outside of any of these areas will be covered on the basis of a minimum period of three months.

Nuclear and Cyber Risks – limited reinstatement

Members will be aware that the current Terms of Entry contain an exclusion of Nuclear and Bio Chem risks, Rule 4.D.3, and Computer Virus (or Cyber) risks, Rule 4.D.7. Members have no cover for the risks excluded by Rules 4.D.3.1 to 4.D.3.5 (other than in Rule 4.D.3.6), or Rule 4.D.7.

The Association arranges reinsurance of this War Risks Class through The Combined Group of War Risks Associations (the Group) and is pleased to advise that also for the 2023/24 Policy Year the Group's reinsurers have agreed to provide limited cover for claims which would otherwise have been excluded by each of these Rules 4.D.3 and 4.D.7 subject to a limit of USD50,000,000 any one event and in the aggregate of all claims by Members of all Associations within the Group occurring during the Policy Year. The USD50,000,000 aggregate limit will apply separately to claims under 4.D.3 and 4.D.7.

In order to allow for calculation of aggregated claims, it is necessary to limit the time for such claims to be presented – all claims must therefore be notified within 30 days of the end of the Policy Year and, as a consequence, it will only be possible to settle claims after this time.

The Member's Terms of Entry continue to include the following additional terms:

Nuclear and Bio Chem Risks

- (i) Rule 4.D.3 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD50,000,000 in the aggregate as below.
- (ii) Subject to (iii) below, the Association's liability for claims recoverable by virtue of (i) above arising under any one Entry and under all Entries in Class 7 of the Association during the Policy Year shall not exceed USD50,000,000.
- (iii) In the event that there is more than one such claim under an Entry in this Association or in any other Association which participates in The Combined Group of War Risks Associations, the aggregate recovery from all Associations shall not exceed USD50,000,000 and the Insured Owner shall be entitled to recover only such proportion as the amount of the claim or claims under his Entry bears to the aggregate of all such claims recoverable pursuant to paragraph (i) above under Entries in this Association and any other Association which participates in The Combined Group of War Risks Associations during the Policy Year.
- (iv) In addition to the Insured Owner's obligation to promptly notify the Association in accordance with rule 4.E.12.1, the Association shall have no liability for any claim or claims arising by virtue of (a) above unless the casualty, event or matter liable to give rise to such a claim is notified to the Association by the Insured Owner within 30 days from the end of the Policy Year, whether or not the Insured Owner is aware of the casualty, event or matter at that time.
- (v) This extended cover is reinsured by the Association. In accordance with Rule 4.E.15.2 the Insured Owner shall be entitled to recover from the funds of the Association only the net amount actually recovered under this reinsurance.

Subject otherwise to the Rules of the Association and the Terms of Entry of the Insured Owner.

Computer Virus/Cyber Risks

- (i) Rule 4.D.7 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD50,000,000 in the aggregate as below.
- (ii) Subject to (iii) below, the Association's liability for claims recoverable by virtue of (i) above arising under any one Entry and under all Entries in Class 7 of the Association during the Policy Year shall not exceed USD50,000,000.
- (iii) In the event that there is more than one such claim under an Entry in this Association or in any other Association which participates in The Combined Group of War Risks Associations, the aggregate recovery from all Associations

shall not exceed USD50,000,000 and the Insured Owner shall be entitled to recover only such proportion as the amount of the claim or claims under his Entry bears to the aggregate of all such claims recoverable pursuant to paragraph (i) above under Entries in this Association and any other Association which participates in The Combined Group of War Risks Associations during the Policy Year.

- (iv) In addition to the Insured Owner's obligation to promptly notify the Association in accordance with rule 4.E.12.1, the Association shall have no liability for any claim or claims arising by virtue of (i) above unless the casualty, event or matter liable to give rise to such a claim is notified to the Association by the Insured Owner within 30 days from the end of the Policy Year, whether or not the Insured Owner is aware of the casualty, event or matter at that time.
- (v) This extended cover is reinsured by the Association. In accordance with Rule 4.E.15.2 the Insured Owner shall be entitled to recover from the funds of the Association only the net amount actually recovered under this reinsurance.

Subject otherwise to the Rules of the Association and the Terms of Entry of the Insured Owner.

Insured Values and Sums Insured

The maximum amount for which any one ship, or the interests therein, may be insured by the Association, under Rule 1.5.1, Rule 2 and Rule 3 in the aggregate (but excluding Rule 2 Part D) any one accident or series of accidents arising out of one event will be GBP325,000,000 or USD500,000,000 or EUR425,000,000 depending on the currency used for the insured value of the entered ship on the Certificate of Entry.

If another currency is used for the vessel's insured value, then an exchange rate for that currency is to be fixed before the commencement of the insurance and entered on the Certificate of Entry; and this exchange rate will be applicable for the duration of the insurance.

Members are reminded that they should check to ensure that any alterations to the insured values have been notified to the Association and that the insured values and sums insured are exactly the same, both in terms of value and allocation between Hull and Machinery and Freight, Disbursements, Premiums, Increased Value and /or other interests, as those for which the ship is insured under marine policies.

Protection and Indemnity Cover (Rule 2 Part D)

In addition, there shall be a separate and independent combined single limit in respect of Rule 2 Part D (Protection & Indemnity Risks) of GBP325,000,000 or USD500,000,000 or EUR425,000,000 (whichever is the greater) any one accident or series of accidents arising out of one event and irrespective of the insured values or sums insured.

Additional Premium Areas

In accordance with Rule 19.3, the additional premium areas with effect from Noon GMT on 20 February 2023 are shown in the attached schedule.

Aggregate Limit for Calls to Russia/Ukraine/Belarus

Members should be aware that any calls to Russia, Ukraine, Belarus and the Black Sea/Sea of Azov areas defined in the attached schedule of Additional Premium Areas may be subject to an aggregate limit. Such limits or other restrictions will be advised at the time of quoting any Additional Premium for the call.

Indian Ocean, Gulf of Aden and Somalia maritime security

The Association strongly recommends that all Members implement and adopt the Best Management Practices to Deter Piracy in the Gulf of Aden & relevant parts of Indian Ocean, including the registering requirements specified. These practices have been developed by industry and naval forces and should be particularly useful in the preparation of ships' antipiracy contingency plans.

Sanctions

The Rules for the 2023/2024 Policy Year incorporate in Rule 4 E 15 provisions in relation to limitation & exceptions to cover arising out of applicable sanctions programmes.

As further set out in the Certificates of Entry for the 2023/2024 Policy Year, Members are reminded that it is a condition of the Ship's entry to comply with applicable Sanctions programmes and for each entered Ship to maintain an effective AIS signal unless excepted under SOLAS.

Members are also reminded that they must undertake their own due diligence to comply with applicable Sanctions programmes. Members are referred to the further information and advice available on the Association's website:

<https://www.londonpandi.com/knowledge/sanctions/> . However any information provided by the Association in connection with any Sanctions program should not be construed as legal advice or a determination of cover given in particular circumstances by the Association.

The Association also cannot make a determination of cover in advance for claims arising out of or in connection with countries or counterparties targeted by Sanctions. Cover (including the provision of security or any payment) will depend on the particular circumstances at the relevant time and, in any event, even if there is no breach of applicable sanctions by the Member or the Association:

- (i) any reinsurance shortfall occasioned by or connected with sanctions (or the risk thereof) is for the Member to bear, and
- (ii) any payment or other financial assistance to be made by the Association may be subject to agreement by any financial institution of the Association.

Port of Registry

Members are reminded that they must advise the Managers of any change of port of registry of an Entered Ship as this may affect rating and terms of cover.

Rules

Circular 7:132 dated 17 January 2023 sets out the changes to the Rules of this Class for the 2023/24 Policy Year. The Rules for the 2023/24 Policy Year can be accessed at the Association's website or click [here](#).

Evaluation of Policy Years

The Class 7 Committee has reached the following decisions:

Open Policy Years

2019/2020: This Policy Year shall be closed.

2020/2021: No Supplementary Contributions are anticipated. The year will be considered for closure by the Class 7 Committee in July 2023, in the usual way. 2021/2022: No Supplementary Contributions are anticipated.

2022/2023: No Supplementary Contributions are anticipated.

Yours faithfully

A BILBROUGH & CO LTD

(MANAGERS)

SCHEDULE OF ADDITIONAL PREMIUM AREAS

The current Additional Premium Areas, which are set out below, will continue to apply until further notice.

Africa

Benin
Cabo Delgado
Gulf of Guinea
Libya
Nigeria
Somalia
Togo
Indian Ocean, Gulf of Aden and Southern Red Sea

Middle East

Iran
Iraq
Israel
Lebanon
Oman (Musandam Governorate)
Persian or Arabian Gulf
Saudi Arabia (Gulf coast)
Saudi Arabia (Red Sea coast) excluding transits
Syria
United Arab Emirates
Yemen

South America

Venezuela

Russia

Europe

- 1) Sea of Azov and Black Sea waters enclosed by the following boundaries
 - a) On the west, around Romanian waters, from the Ukraine-Romania border at 45° 10.858'N, 29° 45.929'E to high seas point 45° 11.235'N, 29° 51.140'E
 - b) thence to high seas point 45° 11.474'N, 29° 59.563'E and on to high seas point 45° 5.354'N, 30° 2.408'E
 - c) thence to high seas point 44° 46.625'N, 30° 58.722'E and on to high seas point 44° 44.244'N, 31° 10.497'E
 - d) thence to high seas point 44° 2.877'N, 31° 24.602'E and on to high seas point 43° 27.091'N, 31° 19.954'E
 - e) and then east to the Russia-Georgia border at 43° 23.126'N, 40° 0.599'E
- 2) All inland waters of Ukraine
- 3) Inland waters of Russia within the following areas:

- a) Crimean Peninsula
 - b) River Don, from Sea of Azov to vertical line at 41° E
 - c) River Donets, from River Don to Ukraine border
- 4) All inland waters of Belarus south of horizontal line at 52° 30' N

DEFINED WATERS

Cabo Delgado

The waters within 50 nautical miles of Mozambique and Tanzania enclosed by the following boundaries:

- a) To the north, from Mnazi Bay at 10°19.6'S, 40°18.9'E to high seas point at 9°50.7'S, 41°7.6'E.
- b) To the south, from Baía do Lúrio at 13°30'S, 40°31.6'E to high seas point 13°30'S, 41°28.8'E.

Indian Ocean, Gulf of Aden and Southern Red Sea

The waters enclosed by the following boundaries:

- a) On the north-west, by the Red Sea, south of Latitude 15° N
- b) on the northeast, from the Yemen border at 16°38.5'N, 53°6.5'E to high seas point 14°55'N, 53°50'E
- c) on the east, by a line from high seas point 14°55'N, 53°50'E to high seas point 10°48'N, 60°15'E, thence to high seas point 6°45'S, 48°45'E
- d) and on the southwest, by the Somalia border at 1°40'S, 41°34'E, to high seas point 6°45'S, 48°45'E

Persian or Arabian Gulf

Persian or Arabian Gulf and adjacent waters including the Gulf of Oman and waters west of the line from Oman's territorial limit off Cape al-Hadd at 22°42.5'N, 59°54.5'E northeast to the Iran-Pakistan border at 25°10.5'N, 61°37.5'E excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

Gulf of Guinea

The waters enclosed by the following boundaries:

- a) On the west, from the coast of Togo 6° 06' 45" N, 1°12'E, south to
- b) high seas point 0° 40' S, 3° 00' E
- c) and then east to Cape Lopez Peninsula, Gabon 0°40'S, 8° 42'E. excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

The ports, places, countries, zones and areas listed shall include all harbours, offshore installations and terminals unless otherwise agreed.