

TO ALL WAR RISKS CLASS MEMBERS

3 February 2020

Dear Sirs

2020/21 POLICY YEAR RENEWAL

1. Advance contribution rates

We wish to advise that the club's rates of advance contribution have been set with effect from 20 February 2020.

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

- Europe (but including the Mediterranean and Black Sea)
- USA and Canada (excluding Panama Canal transits)
- Australasia

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

The advance contribution will be payable in one instalment which will be due on 3 April 2020.

Please contact War.Class@ctplc.com for a quotation.

2. Additional Premium Areas

The additional premium areas with effect from noon 20 February 2020 will be:

Africa

- Benin
- Eritrea, but only South of 15° N
- Gulf of Guinea, but only the waters of the Togolese, Beninese and Nigerian Exclusive Economic Zones north of Latitude 3° N.
- Libya
- Nigeria
- Somalia
- Togo



Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea

Waters as defined below:

Middle East

- Iran
- Iraq, including all Iraqi offshore oil terminals
- Israel
- Lebanon
- Oman
- Persian or Arabian Gulf and adjacent waters including the Gulf of Oman west of Longitude 58°E
- Saudi Arabia (Gulf coast)
- Saudi Arabia (Red Sea coast) excluding transits
- Syria
- United Arab Emirates
- Yemen

South America

Venezuela, including all offshore installations in the Venezuelan EEZ

Definitions:

Named Countries shall include their coastal waters up to 12 nautical miles offshore, unless specifically varied above.

Named Ports shall include all facilities/terminals within areas controlled by the relevant port authority/ies (or as may be more precisely defined by insurers) including offshore terminals/facilities, and all waters within 12 nautical miles of such but not exceeding 12 nautical miles offshore unless specifically stated.

Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / 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 west of the Gulf of Oman by Longitude 58° E
- c) on the east, Longitude 65° E
- d) and on the south, Latitude 12° S

excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.



3. Nuclear and Cyber Risks

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.

Standard arranges reinsurance of this War Risks Class through The Combined Group of War Risks Associations (the Group) and is pleased to advise that for the forthcoming Policy Year commencing Noon GMT on 20 February 2020, 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 USD 50,000,000 any one event and in the aggregate of all claims by members of all associations within the Group occurring during the Policy Year. The USD 50,000,000 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.

As a consequence, with effect from Noon GMT on 20 February 2020 the member's terms of entry will include the following additional terms:

4. Nuclear and Bio Chem Risks

(a) Rule 4.D.3 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD 50,000,000 in the aggregate as below.

(b) Subject to (c) below, the Association's liability for claims recoverable by virtue of (a) above arising under any one entry and under all entries in the Association during the Policy Year shall not exceed USD 50,000,000.

(c) 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 USD 50,000,000 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 (a) above under entries in this Association and any other association which participates in The Combined Group of War Risks Associations during the Policy Year.

(d) 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.*

(e) This extended cover is reinsured by the Association in accordance with Rule 12.1.

Subject otherwise to the Rules of the Association and the Member's terms of entry.



5. Computer Virus/Cyber Risks

(a) Rule 4.D.7 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD 50,000,000 in the aggregate as below.

(b) Subject to (c) below, the Association's liability for claims recoverable by virtue of (a) above arising under any one entry and under all entries in the Association during the Policy Year shall not exceed USD 50,000,000.

(c) 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 USD 50,000,000 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 (a) above under entries in this Association and any other association which participates in The Combined Group of War Risks Associations during the Policy Year.

(d) 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.*

(e) This extended cover is reinsured by the Association in accordance with Rule 12.1.

Subject otherwise to the Rules of the Association and the member's terms of entry.

6. Insured values and sums insured

For the 2020/2021 Policy Year, the maximum amount for which any one ship or the interests therein may be insured under rules 2 and 3 in the aggregate will be the following, namely £325m or US\$500m or C\$650m or €425m. Please remember that you must advise us of any changes in marine insured values.

7. Protection and Indemnity cover

The limit of liability for claims under rule 2 part D will be as expiry, namely £325m or US\$500m or C\$650m or €425m each ship any one accident or series of accidents arising out of any one event. Those limits are inclusive of any claims for sue and labour. If you consider that this limit provides insufficient cover, additional cover is available from your P&I club.

8. 183 day rule

In the event of the detention of the Entered Ship, the 183 day rule is unchanged.



9. Acquisition of Charles Taylor

In his letter of 19 September 2019, the club's chairman notified members that funds advised by Lovell Minnick Partners, a US investment manager, had made a takeover bid for Charles Taylor plc. The sale completed on 21 January 2020 following the necessary regulatory approvals.

If you have any questions regarding the above, please do not hesitate to contact your usual club contact.

Yours faithfully

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