

CIRCULAR

By your side

TO ALL WAR RISKS CLASS MEMBERS

19 January 2021

Dear Sir / Madam

2021/22 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 2021.

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 2021.

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

2. Additional Premium Areas

The additional premium areas with effect from noon 20 February 2021 will be:

Africa

- Benin
- Gulf of Guinea, as defined below
- 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.



Gulf of Guinea, but only in respect of the area enclosed by:

- 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.

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 2021, 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 2021 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. Rule Changes

Cyber risks

This change ensures that the non-malicious use of a computer, computer system, computer software programme or any other electronic system is not excluded and is being made as a result of a corresponding amendment that will be made to the club's war risks class reinsurance at renewal.

Insert new rule 4.D.7.2 as follows:

"To the extent not excluded by Rule 4.D.7 any losses, liabilities, costs or expenses otherwise covered under these Rules will not be prejudiced by the involvement of the use or operation of any computer, computer system or computer software programme or any other electronic system."



Coronavirus exclusion

This amendment excludes cover for losses, liabilities, costs and expenses directly arising from the transmission or alleged transmission of COVID-19, SARS-CoV-2 or any mutation or variation of SARS-CoV-2 and is being made as a result of a corresponding amendment that will be required by reinsurers to be made to the club's war risks class reinsurance at renewal.

Insert new rule 4.E.15 as follows:

'4.E.15 *Coronavirus exclusion*

4.E.15.1 *This insurance shall exclude coverage for:*

4.E.15.1.1 *any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:*

- a) *Coronavirus disease (COVID-19);*
- b) *Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or*
- c) *any mutation or variation of SARS-CoV-2;*

or from any fear or threat of a), b) or c) above;

4.E.15.1.2 *any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;*

4.E.15.1.3 *any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of a), b) or c) above or the fear or the threat thereof."*

7. Insured values and sums insured

For the 2021/2022 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.

8. 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.



9. 183 day rule

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

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

Yours faithfully

A handwritten signature in black ink, which appears to read 'Jeremy Grose', written in a cursive style.

Jeremy Grose
Chief Executive
Standard Club

Direct Line: +44 20 3320 8835
Email: jeremy.grose@standard-club.com