

CIRCULAR

19/22 **DECEMBER 2022**

OUTLINE

- Due to the impact of losses from the Russian/Ukrainian situation affecting the availability of global insurance and reinsurance capacity, the Club's reinsurers are no longer able to secure reinsurance for war risk exposure to Russian, Ukrainian or Belarus territorial risks.
- The Club's own reinsurances renew on January 1st and reinsurers have advised the Club that as a consequence they will no longer be able to support the Club for this exposure. As a result the Club is forced to alter the scope of coverage afforded to Members for Charterers Liability and ship owners' extended and ancillary covers.
- Notice is hereby given that, with effect from January 1st 2023, the following coverage changes will be implemented in respect of War Risks coverage on all non-mutual business including but not limited to Charterer's Liability Cover, Non-Poolable extended and ancillary covers to Mutual entries and Fixed Premium P&I Cover. Coverage changes do not apply to mutual entries for P&I and PLR war covers.

TO THE MEMBERS

NOTICE OF CANCELLATION IN RESPECT OF WAR RISKS

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This policy excludes all loss, damage, liability, cost or expense:

- (a) caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or
- (b) in any area or territory or territorial waters where Russian armed forces, Russian-backed forces, and/or Russian authorities, are engaged in conflict within the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

(c) arising from capture, seizure, arrest, detainment, confiscation, nationalisation, expropriation, deprivation or requisition for title or use, or the restraint of movement of vessels and cargo in the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

Notice of Cancellation (“Notice”)

Where this policy insures liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:

- 1.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- 1.2 capture, seizure, arrest, restraint, or detainment, and the consequences thereof or any attempt thereat;
- 1.3 derelict mines, torpedoes, bombs, or other derelict weapons of war;
- 1.4 strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 1.5 terrorism, or any person acting maliciously or from a political motive;
- 1.6 confiscation, nationalisation, expropriation, deprivation or requisition.

This policy may be cancelled in respect of these risks only by the Club giving 72 hours’ notice of cancellation (hereinafter “Notice”) with Notice being effective from midnight Greenwich Mean Time on the day Notice is given by the Club.

The Club may subsequently agree to reinstate cover, if required, at terms to be agreed by the Club. Any reinstatement of cover shall occur at a time to be agreed by the Underwriters.

Automatic Termination

2.1 Whether or not the notice of cancellation described in clause 1 has been given, this insurance shall TERMINATE AUTOMATICALLY:

- 2.1.1 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and/or;
- 2.1.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China.

This Notice of Cancellation shall apply to all persons or companies named as Assureds and/or Co-assureds.

Yours faithfully

THE MANAGERS

For more information

Members requiring further information should contact their usual underwriting contact at the Club.