



THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION

SPECIAL CIRCULAR

No. 16-001
15 April 2016

To the Members

Dear Sirs,

Iran Trading – P&I cover – Further Update
Increased limit of fall-back cover

Members are referred to our Special Circular [No.15-020](#) dated 22nd March 2016.

As previously notified, the International Group has bought “fall-back” cover for the 2016/17 policy year, which is designed to respond to reinsurance recovery shortfalls that would result from the inability of US-domiciled reinsurers on the Group General Excess Loss reinsurance programme and Hydra reinsurance programme to make payments due to the continuing application of US primary sanctions.

The Group has now been able to obtain a higher limit of cover (EUR100 million) compared to that which was available initially (EUR70 million) and further secured underwriters’ agreement to a second full reinstatement of cover. All other features of the cover remain unchanged.

The Group remains of the view that the limitations of the fall-back cover, whilst mitigated to an extent by the increase in limit and the additional reinstatement, mean that it does not provide a long term solution to Members’ needs. The Group therefore continues to engage with the US administration to find a solution to the ramifications for P&I insurance of continuing application of US primary sanctions, and a further report will be made in due course.

All clubs in the International Group have issued a similar Circular.

Yours faithfully,

The Japan Ship Owners’ Mutual Protection & Indemnity Association