

Changes to the Special Clause for the 2020 Policy Year

(The underlined parts are to be changed.)

P&I WAR RISKS CLAUSE

Existing Rules	New Rules
<p>2 This cover shall respond to claims in excess of the US dollar equivalent of the proper value of the Entered Ship as referred to in Rule 35.3(2) or the amount recoverable from the Entered Ship's war risks underwriters, whichever shall be the greater, save that such excess shall not apply where the ship is entered with the Association for the Special Cover for Charterers. For the purpose of this cover, where the proper value exceeds <u>US\$100</u> million, the proper value will be deemed to be <u>US\$100</u> million. The Association may authorise the payment, in whole or in part, of any claim or part of a claim which falls within such excess, if in its discretion and without having to give any reasons for its decision it decides that the Member should recover from the Association.</p>	<p>2 This cover shall respond to claims in excess of the US dollar equivalent of the proper value of the Entered Ship as referred to in Rule 35.3(2) or the amount recoverable from the Entered Ship's war risks underwriters, whichever shall be the greater, save that such excess shall not apply where the ship is entered with the Association for the Special Cover for Charterers. For the purpose of this cover, where the proper value exceeds <u>US\$500</u> million, the proper value will be deemed to be <u>US\$500</u> million. The Association may authorise the payment, in whole or in part, of any claim or part of a claim which falls within such excess, if in its discretion and without having to give any reasons for its decision it decides that the Member should recover from the Association.</p>

Explanation:

This amendment is to reflect a change made in the IG's excess War Risks P&I Cover. The terms on which the excess War Risks P&I Cover will be provided for the 2020 policy year are in most respects the same as for the 2019 policy year, including the limit of cover of USD500 million. However, for the 2020 policy year there is a change to the definition of the excess, which in past years has been the greater of either (a) the 'proper value' of the entered ship up to a maximum of USD100 million or (b) the amount recoverable in respect of the claim from primary war P&I risks underwriters. For the 2020 policy year, the deemed maximum 'proper value' will be changed from USD100 million to USD500 million.