

CIRCULAR

To the Members

Alterations to the P&I War Risks Clause

As described in our circular [No.22-025-1](#) dated 8 February 2023 (“[Revised] Excess War P&I reinsurance for 2023/24 Policy Year”), there is an amendment to the level of the Excess War P&I cover for 2023/24 Policy Year available for vessels operating in Russian and certain other Belarusian and Ukrainian waters due to the current conflict. For vessels transiting and/or calling within the waters defined below, cover is sub-limited to USD 80m any one event, each vessel. In accordance with this change, the P&I War Risks Clause is amended as attached with effect from 12 noon GMT on 20 February 2023.

1. All Russian waters, including their coastal waters up to 12 nautical miles offshore
 - * In respect of an Entered Ship insured with Japanese war risks underwriters, for the waters of the Sōya Strait and/or the waters surrounding the Chishima Islands (Kuril Islands), less than 12 nautical miles offshore of islands claimed by Russia, the Excess War Risks P&I insurance will follow the terms of the Japanese war risks insurance.
2. Europe
 - 1) Sea of Azov and Black Sea waters plus inland waters enclosed by the following boundaries
 - a) On the west, around Romanian waters, from the Ukraine-Romania border at 45°10.858'N, 29°45.929'E to high seas point 45°11.235'N, 29°51.140'E
 - b) thence to high seas point 45°11.474'N, 29°59.563'E and on to high seas point 45°5.354'N, 30°2.408'E
 - c) thence to high seas point 44°46.625'N, 30°58.722'E and on to high seas point 44°44.244'N, 31°10.497'E
 - d) thence to high seas point 44°2.877'N, 31°24.602'E and on to high seas point 43°27.091'N, 31°19.954'E
 - e) and then east to the Russia-Georgia border at 43°23.126'N, 40°0.599'E
 - 2) All inland waters of Ukraine
 - 3) Inland waters of Russia within the following areas:
 - a) Crimean Peninsula
 - b) River Don, from Sea of Azov to vertical line at 41°E
 - c) River Donets, from River Don to Ukraine border
 - 4) All inland waters of Belarus south of horizontal line at 52°30'N

Cover is maintained with a limit of USD 500m for all vessels whilst trading in waters other than those as defined above.

Yours faithfully,

Attachment: Text of amendments to the P&I War Risks Clause
Map of the waters subject to the sub-limit

Changes to Special Clause(s) for the 2023 Policy Year

(The underlined parts are to be changed.)

P&I WAR RISKS CLAUSE

Existing Clause(s)	New Clause(s)
<p>1 In respect of an insurance contract with no fixed sum insured or the Special Cover for Charterers the Association shall indemnify a Member for such liabilities, costs or expenses, excluding any liabilities which the Member may incur under Tanker Oil Pollution Indemnification Agreement 2006 (as amended 2017), as would be covered under the Rules of the Association and the terms and conditions as set out in the relevant Certificate of Entry for the Entered Ship but for exclusion of war risks set out in Rule 35.1(2) for which the Member has become liable to pay and has paid, subject to the following terms and conditions.</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 US\$500 million, the proper value will be deemed to be US\$500 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>3 (1) The limit applying to this cover shall be US\$500 million each ship, any one accident or occurrence or the amount insured as specified in the relevant Certificate of Entry for the Entered Ship, whichever shall be the lesser.</p> <p>(2) Where a ship entered in the Association by any person is also separately insured in the name of the same or any other person by the Association or by any other Association which participates in the Pooling Agreement and/or the General Excess Loss Reinsurance Contract for losses, liabilities, or the costs and expenses incidental thereto covered under this cover of the Association and/or the equivalent cover of such other Association, the aggregate of claims in respect of such losses, liabilities, or the costs and expenses incidental thereto, shall be limited to US\$500 million each ship, any</p>	<p>1 In respect of an insurance contract with no fixed sum insured or the Special Cover for Charterers the Association shall indemnify a Member for such liabilities, costs or expenses, excluding any liabilities which the Member may incur under Tanker Oil Pollution Indemnification Agreement 2006 (as amended 2017), as would be covered under the Rules of the Association and the terms and conditions as set out in the relevant Certificate of Entry for the Entered Ship but for exclusion of war risks set out in Rule 35.1(2) for which the Member has become liable to pay and has paid, subject to the following terms and conditions.</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 US\$500 million, the proper value will be deemed to be US\$500 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>3 (1) The limit applying to this cover shall be US\$500 million each ship, any one accident or occurrence or the amount insured as specified in the relevant Certificate of Entry for the Entered Ship, whichever shall be the lesser.</p> <p><u>(2) Notwithstanding clause 3(1) above, the limit of US\$500 million is replaced with a limit of US\$80 million for a ship transiting and/or calling within all Russian waters, including Russian coastal waters up to 12 nautical miles offshore, and the waters defined below:</u></p> <p><u>1) Sea of Azov and Black Sea waters plus inland waters enclosed by the following boundaries</u></p> <p><u>a) On the west, around Romanian waters, from the Ukraine-Romania border at 45° 10.858'N, 29° 45.929'E to high</u></p>

one accident or occurrence. If such claims exceed this limit, the liability of the Association to each such person shall be limited to such proportion of that limit as maximum claim otherwise recoverable by such person from the Association bear to the aggregate of all such claims otherwise recoverable from the Association and from all such Associations, or the amount insured as specified in the relevant Certificate of Entry for the Entered Ship if less.

4 At any time or times before, or at the commencement of, or during the currency of any Policy Year of the Association, the Association may in its discretion determine that any ports, places, countries, zones or areas (whether of land or sea) be excluded from this cover, and also may cancel this cover, giving 7 days' notice to the Members (such determination/cancellation becoming effective on the expiry of 7 days from midnight GMT of the day on which notice of determination/cancellation is issued by the Association). The Association may at any time after the issue of notice of such cancellation resolve to reinstate this cover on such terms and conditions and subject to such limit as the Association in its discretion may determine.

5 Whether or not notice has been given under clause 4 above, this cover shall terminate automatically:

- (1) 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 and this insurance excludes loss, damage, liability or expense arising from such outbreak of war;
- (2) in the event of the Entered Ship being requisitioned either for title or use and this insurance excludes loss, damage, liability or expense arising from such requisition.

6 This cover shall exclude loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- (1) any chemical, biological, bio-chemical or electromagnetic weapon;
- (2) the use or operation, as a means for inflicting harm, of any computer virus.

seas point 45° 11.235'N, 29° 51.140'E

b) thence to high seas point 45° 11.474'N, 29° 59.563'E and on to high seas point 45° 5.354'N, 30° 2.408'E

c) thence to high seas point 44° 46.625'N, 30° 58.722'E and on to high seas point 44° 44.244'N, 31° 10.497'E

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e) and then east to the Russia-Georgia border at 43° 23.126'N, 40° 0.599'E

2) All inland waters of Ukraine

3) Inland waters of Russia within the following areas:

a) Crimean Peninsula

b) River Don, from Sea of Azov to vertical line at 41° E

c) River Donets, from River Don to Ukraine border

4) All inland waters of Belarus south of horizontal line at 52° 30' N

(3) Where a ship entered in the Association by any person is also separately insured in the name of the same or any other person by the Association or by any other Association which participates in the Pooling Agreement and/or the General Excess Loss Reinsurance Contract for losses, liabilities, or the costs and expenses incidental thereto covered under this cover of the Association and/or the equivalent cover of such other Association, the aggregate of claims in respect of such losses, liabilities, or the costs and expenses incidental thereto, shall be limited to US\$500 million each ship, any one accident or occurrence or US\$80 million each ship, any one accident or occurrence for ships subject to the limit in clause 3(2) above respectively. If such claims exceed this limit, the liability of the Association to each such person shall be limited to such proportion of that limit as maximum claim otherwise recoverable by such person from the Association bear to the aggregate of all such claims otherwise recoverable from the Association and from all such Associations, ~~or the amount insured as specified in the relevant Certificate of Entry for the Entered Ship if less.~~

4 At any time or times before, or at the commencement of, or during the currency of any Policy Year of the Association, the Association

	<p>may in its discretion determine that any ports, places, countries, zones or areas (whether of land or sea) be excluded from this cover, and also may cancel this cover, giving 7 days' notice to the Members (such determination/cancellation becoming effective on the expiry of 7 days from midnight GMT of the day on which notice of determination/cancellation is issued by the Association). The Association may at any time after the issue of notice of such cancellation resolve to reinstate this cover on such terms and conditions and subject to such limit as the Association in its discretion may determine.</p> <p>5 Whether or not notice has been given under clause 4 above, this cover shall terminate automatically:</p> <p>(1) 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 and this insurance excludes loss, damage, liability or expense arising from such outbreak of war;</p> <p>(2) in the event of the Entered Ship being requisitioned either for title or use and this insurance excludes loss, damage, liability or expense arising from such requisition.</p> <p>6 This cover shall exclude loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:</p> <p>(1) any chemical, biological, bio-chemical or electromagnetic weapon;</p> <p>(2) the use or operation, as a means for inflicting harm, of any computer virus.</p> <p><u>(3) Clause 6(2) above shall not operate to exclude losses which would otherwise be covered arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.</u></p>
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Explanation:

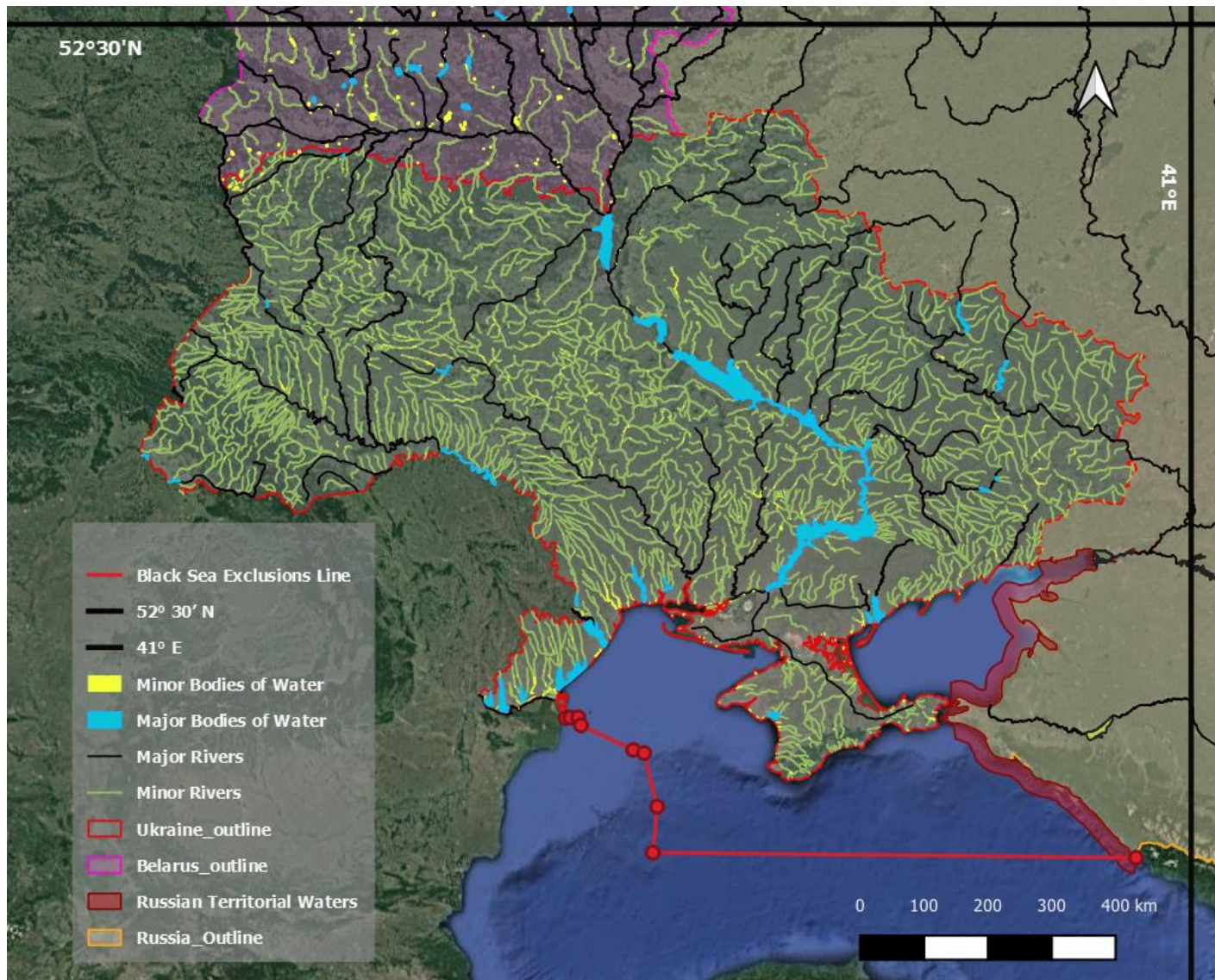
The amendments are (1) to be in line with the amended arrangement of the reinsurance programme, reducing the level of cover available for vessels operating in Russian and certain other Belarusian and Ukrainian waters due to the current conflict, and (2) to exclude the application of this clause to the Special Cover for Charterers.

Russia



The image is for illustrative purposes only. For exact listed areas subject to sublimit of coverage, please see 3(2) of P&I War Risks Clause.

Europe



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