

Protection & Indemnity Insurance 2023/2024 Excess War P&I Cover

Executive summary

Excess War P&I cover - Background

The International Group's Excess War P&I cover is to cover P&I risks as set out in the Association's rules which are excluded from cover through the war risks exclusion in Rule 11 Section 5.

The cover is subject to an excess of the proper value of the entered vessel, or whatever sums are recoverable from other war risks covers. In this respect, the Association wish to remind its Members that this is an excess cover only and the need to have an underlying cover equal to at least the proper value of the ship with conditions equivalent to the cover above. Members must therefore maintain a primary war risks P&I cover with a minimum limit of the value of the entered vessel or USD 500 million, whichever is the less.

As set out in circular 2691/2023 dated 17 January 2023, the Excess War P&I cover has been renewed with effect from 20th February 2023 at rates included within the overall rates for the Group cover. However, due to the current conflict between Russia and Ukraine, the Reinsurance market has introduced a limited level of cover available for vessels operating in Russian and certain other Belarusian and Ukrainian waters.

This circular shall take precedence over any limits in respect of Excess P&I War cover noted in Certificates of Entry issued for the 2023/2024 policy year.

Sublimit in respect of Russian, Ukrainian and Belarus Waters

For vessels transiting and/or calling within all Russian waters including their coastal waters up to 12 nautical miles offshore, and certain European waters as defined herein, cover is sub-limited to **USD 80 million** any one event, each vessel.

Other waters

For waters other than as defined above, cover is maintained with a limit of USD 500 million any one event each vessel as set out in our circular 2691/2023.

Excess War P&I Cover — Conditions

The War Risk cover for Policy Year 2023/2024 shall therefore be subject to the following conditions:

Limit: Where the Member and another party or other parties are insured under more than one owner's and/or charterer's entry with the Association or with any other insurers which participate in the Pooling Agreement and the International Group Reinsurance policies, the aggregate of claims brought against the Association and such other insurers under this P&I war risk cover shall be limited to USD 500 million any one event each vessel.



The limit of USD 500 million referred to above is replaced with a limit of USD 80 million, any one event, each vessel for a vessel transiting and/or calling within all Russian waters including their coastal waters up to 12 nautical miles offshore, and certain European waters as defined below. The limitation in respect to certain European waters is as follows:

- 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

If such claims exceed this limit, the liability of the Association in respect of each certificate of entry shall be limited to that proportion of that limit that claims recoverable from the Association under that certificate of entry bear to the aggregate of the said claims recoverable from the Association and other insurers.

Excess: The Excess War Risk cover will cover claims in excess of an amount recoverable under the vessel's Hull and Machinery and Crew Marine or War Risks policies, and any P&I inclusion clauses attached thereto and any other War Risk Cover arranged by the member. Such a War Risk Policy shall cover the proper value of the entered ship or USD 500,000,000 whichever is the less.

Conditions: The War Risk cover will cover P&I risks as defined in the Rules of The Swedish Club, for which cover is excluded from the vessel's entry by reason of the War Exclusion clause contained therein, Rule 11 section 5, but including the following clauses:

- Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusion Clause – Hulls
- Chemical, Bio-Chemical, Electromagnetic Weapons and Computer Virus Exclusion Clause
- Cover may be terminated by the Association giving seven days' notice. Excluding any liabilities, cost and expenses which the member may incur under TOPIA 2006



Trading: Worldwide, but liberty to cancel giving seven days' notice.

Deductible: USD 50,000 any one accident each vessel.

Premium: The premium is included in the reinsurance rates quoted, including USD 0.0025 per GT which is deemed attributable for coverage of acts of terrorism as per the terms of TRIA.

The following clause is deemed incorporated in the P&I – Excess war risk cover:

Chemical, biological, bio-chemical, electromagnetic weapons and computer virus exclusion clause

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith:

1. In no case shall this insurance cover loss, damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 any chemical, biological, biochemical or electromagnetic weapon.
 - 1.2 the use or operation, as a means for inflicting harm, of any computer virus.

The International Group, however, has decided that Bio-Chem Risks shall be covered through a special pooling facility, which is to cover members' liabilities in respect of:

- i. damages, compensation or expenses in consequence of personal injury to our illness or death of any seamen; and
- ii. for legal costs and expenses incurred solely for the purpose of avoiding or minimising any other P&I liability arising from a Bio-Chem Risk.

Limit for the special insurance against Bio-Chem risks is USD 30,000,000 per vessel in the aggregate. The detailed terms and conditions of the Bio-Chem cover are to be found in the enclosed Bio-Chem Clause.

Please note that the information in this document is a summary. For more exact and detailed information please contact the Club.

Yours faithfully,

Thomas Nordberg

Enclosures:

- Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusion Clause - Hulls, etc.
- Chemical, biological, bio-chemical, electromagnetic weapons and computer virus exclusion clause
- Bio-Chem Clause