

CIRCULAR REF: 2009/003

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**27 JANUARY 2009
SSR/DHU**

WAR RISKS RENEWAL 2009/2010

Rules

The War Class Rules for the 2009/2010 Policy Year will remain unchanged from those of the 2008/2009 Policy year and are available on the Association's web-site www.nepia.com

Advance Contribution Rates

The Directors have agreed that Advance Contribution Rates for the 2009/2010 policy year shall be unchanged from the 2008/2009 policy year and accordingly will be as follows:

	<u>Cruise Ships</u>	<u>All other Ships</u>
British ships	0.0404%	0.0101%
Flagged out ships	0.0434%	0.0107%

Entered Ships which are limited to a Restricted Trading Area are entitled to pay 50% of the above rates. The Restricted Trading rate applies if the Entered Ship trades exclusively in any one of the following areas:

- (a) Europe (not south of Gibraltar and excluding the Mediterranean and Black Sea);
- (b) U.S.A. and Canada (excluding Panama Canal Transits);
- (c) Australasia.
- (d)

The Advance Contribution will be payable in one instalment which will be due on 1 April 2009.

Alterations to Terms of Entry

In light of recent developments in relation to piracy risks and the move made by a number of Marine Hull and Machinery Underwriters to exclude piracy and barratry from their policies, the Directors have decided that it is appropriate to extend the cover available under this Class to include barratry. In order to give effect to this extension of cover, the following additional Term of Entry will apply to all Entries in the 2009/2010 policy year:-

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Piracy, Barratry and Violent Theft

Rule 2.B.1.6 is deleted and replaced by the following wording

“piracy, barratry or violent theft by persons coming from outside the Entered Ship”

Rule 3.1.6 is deleted and replaced by the following wording

“piracy, barratry or violent theft by persons coming from outside the Entered Ship”

Rule 4.B.1 is deleted and replaced by the following wording

The Association shall not be liable for any losses, liabilities, costs or expenses covered by the Standard Form of English Marine Policy with the Institute Time Clauses – Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) attached and with the War Exclusion Clause, the Strikes Exclusion Clause, the Malicious Acts Exclusion Clause and the Violent Theft, Piracy and Barratry Exclusion Clause inserted therein or which would have been covered thereby if the Entered Ship had been insured under such a policy. A loss shall be deemed to be so insured notwithstanding that it is excluded in whole or in part by any deductible or franchise specified in such a policy.

Appendix D.5.2 is deleted and replaced by the following wording

PROVIDED ALWAYS that:

the Association’s liability under paragraph D.5 shall only be for such collision liability as falls within one or more of the following heads, namely:

D.5.2.1 It would have been recoverable under the Institute Time Clauses – Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) had the ship been insured on such terms, but for the War Exclusion Clause, the Strikes Exclusion Clause, the Malicious Acts Exclusion Clause and the Violent Theft, Piracy and Barratry Exclusion Clause inserted therein or, as the case may be, the Institute Time Clauses – Freight (edition of 1.8.89 or any subsequent edition or amendment thereof current at the date of the casualty) had the ship been insured on such terms, but for the War Exclusion Clause, the Strikes Exclusions Clause or the Malicious Acts Exclusion Clause inserted therein.

Additional Premium Areas

With effect from noon 20 February 2009, the Additional Premium Areas will be as follows:

1. Africa
 - a. Djibouti.
 - b. Ivory Coast.
 - c. Nigeria including Terminals.
 - d. Somalia, including waters out to 250 nautical miles from the eastern Somalia coast south of latitude 10°N.
 - e. Indian Ocean, beyond the eastern Somalia (1.d.) and Gulf of Aden (4.f.) areas out to 600 nautical miles from the coast of eastern Africa south of latitude 15°N and north of latitude 10°S, but excluding the coastal waters of Kenya and Tanzania up to 12 nautical miles offshore. The north-eastern point of the Indian Ocean area is measured from Ras Asir (11° 50’ N, 51°16.9’ E).
2. Asia
 - a. Thailand, Southern Gulf coast of, between and including Songkhla and Narathiwat.
 - b. Sri Lanka.

3. Indonesia / Malaysia
 - a. Ambon (Seram).
 - b. Balikpapan (South East Borneo).
 - c. Borneo, North East Coast of, between and including Kudat and Tarakan.
 - d. Jakarta.
 - e. Sumatera (Sumatra), North Eastern coast of, between 5° 40' N and 0°48' N.
 - f. Poso (Sulawesi).
4. Middle East
 - a. Saudi Arabia.
 - b. Iraq.
 - c. Israel.
 - d. Lebanon.
 - e. Yemen.
 - f. Gulf of Aden Transit. The area enclosed by the Bab-el-Mandeb Strait, latitude 15°N, longitude 57°E and latitude 10°N, subject to the conditions that the Entered Ship does not approach within 50 nautical miles of the north coast of Somalia, or within 100 nautical miles of the Socotra Archipelago, or within 200 nautical miles of the east coast of Somalia.
5. Philippines
 - a. Mindanao, Southern coast of, between and including Polloc Harbour and Mati.
 - b. Sulu Archipelago including Jolo. Sulu Archipelago is defined as from Tanjung Bidadari (5° 49'• 6N, 118° 21'• 0E) along the east coast of Sabah to Tanjung Bagahak Light (4° 56'• 5N, 118° 38'• 3E); thence south-eastwards to Pulau Matakang Light (4° 34'• 6N, 118° 57'• 0E); thence southwards to position 3° 32'• 0N, 118° 57'• 0E; thence north-eastwards to position 5° 50'• 0N, 122° 31'• 0E; thence northwards to position 7° 06'• 6N, 122° 31'• 0E; thence westwards to Batorampon Point Light (7° 06'• 6N, 121° 53'• 8E); thence west-south-westwards to Tanjung Bidadari.
6. Eastern Europe
 - a. Georgia

Notice must be given to the Association before an Entered Ship proceeds into an Additional Premium Area. The Association will endeavour to provide indications of Additional Premium levels at any time but firm quotations will not normally be available until the Entered Ship is within 48 hours of arrival into the Additional Premium Area.

Insured Values and Sums Insured

Members are reminded of the need to review the Insured Values and Sums Insured which should be the same as those for which the Entered Ship is insured for total loss under marine policies, normally the insured value on Hull and Machinery, plus where applicable any amount insured on Disbursements and/or Increased Value or Freight. Any interest which is insured against total loss risks only under marine policies should be declared under Rule 3 so that the War Risk insurances exactly reflect the non-War Risk insurances for the same interests.

The maximum value or amount insured under Rule 2 and Rule 3 in the aggregate will be £390,000,000 or equivalent any one Entered Ship.

The limit of liability in equivalent currencies for claims is:

US\$	600,000,000
Euros	510,000,000
Can \$	780,000,000

Members are also reminded of the provisions of Rule 11 whereby the Secretary of State for Transport may restrict the Insured Value of the Entered Ship for Queen's Enemy Risks in certain circumstances.

Protection and Indemnity risks

The Association's limit of liability for all claims under Rule 2 Part D (Protection and Indemnity risks) is to remain £325,000,000 or equivalent each Entered Ship any one accident or series of accidents arising out of any one event, except as stated below. This limit includes Members' claims for Sue and Labour. If any Member considers that these limits provide insufficient cover, additional cover in excess of the sums covered by this Association may be available from his P&I Club. The limit of liability in equivalent currencies for claims under Rule 2 Part D is

US\$	500,000,000
Euros	425,000,000
Can \$	650,000,000

according to the currency of the Insured Values and amounts declared by the Member for the purposes of Rule 2 Parts A and B and Rule 3.

Alteration of risk

Members must advise the Association prior to any change in the port of registry of an Entered Ship as this may affect rating and terms of cover.

Insurance Mediation Directive.

As applies at present, where the insurance is to be placed on behalf of the owners by a third party intermediary as defined under the EU Insurance Mediation Directive (2002/92/EC), the Association will require the intermediary's confirmation that they are authorised by the relevant authority in their place of business under the terms of this Directive. Intermediaries are reminded that this applies whether or not they are also coinsured under such insurances.

STEPHEN REBAIR
MANAGER - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited