

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

**20 JANUARY 2004
WJMD**

WAR RISKS RENEWALS 2004/2005 - ADVANCE CONTRIBUTION RATES

The Directors have determined that the Class III rates for the 2004 policy year will remain unchanged and accordingly the advance Contribution rates for the coming year will be as follows.

	Cruise ships	All other ships
British ships	0.066%	0.0165%
Flagged out ships	0.07095%	0.0176%

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 it trades exclusively in 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.

The advance Contributions will be payable in one instalment which will be due on 1 April 2004.

Alterations to Terms of Entry

Members will be aware that certain changes were introduced to the 2003 terms of entry in respect of nuclear devices, chemical, bio-chemical and electromagnetic weapons and computer viruses in order to comply with requirements of reinsurers. Unfortunately a further change is required for 2004 and accordingly the certificates of entry for 2004 will be endorsed with the following amendments to the Rules. The relevant wordings are quoted in full, but the only material change is the addition of the reference to biological weapons.

1. Rule 4.D.3 is deleted and replaced by the following wording.

Exclusion of Nuclear Risks and Chemical, Biological, Bio-chemical and Electromagnetic Weapons

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North Insurance Management Limited. Registered in England No. 3922841. Registered Office above. Regulated in the UK by the Financial Services Authority

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contribution to by or arising from:-

ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, with the exception of radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

any chemical, biological, bio-chemical or electromagnetic weapon,

PROVIDED ALWAYS that:-

this exclusion shall not apply to any claim in respect of losses, liabilities, costs or expenses arising out of or in consequence of the emission of ionising radiations from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of, "excepted matter" as defined under the Nuclear Installations Act 1965 or any amendments thereto or regulations made thereunder, being carried as cargo in the Entered Ship.

2. The undernoted wording will be added to the terms of entry.

Exclusion of Computer Viruses

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer virus.

Additional Premium Areas

The Additional Premium Areas with effect from noon 20 February 2004 until further notice, will be as follows.

(A) Persian or Arabian Gulf and adjacent waters including the Gulf of Oman North of 24° North.

(B) Angola (including Cabinda).

(C) Israel.

(D) Lebanon.

(E) Libya (including Gulf of Sidre/Sirte).

(F) Eritrea.

(G) Somalia.

(H) Congo, Democratic Republic of (formerly Zaire).

(I) Liberia.

(J) Sri Lanka.

(K) Sierra Leone.

(L) Gulf of Aqaba and the Red Sea.

(M) Republic of Yemen.

(N) Pakistan.

(O) Oman.

(P) Syria.

(Q) Algeria.

(R) Egypt (including Suez Canal).

(S) Indonesia excluding transiting vessels.

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(T) Ivory Coast.

(U) Nigeria and the Bakassi Peninsula.

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 same rate would apply to both Rule 2 and Rule 3 interests.

The maximum value or amount insured under Rule 2 and Rule 3 in the aggregate will continue to be £325,000,000 or equivalent any one Entered Ship.

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. If any member considers that these limits provide insufficient cover, additional cover, excess of the sums covered by this Association, may be available from his P&I Club.

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.

Any Member who intends to use an Entered Ship for accommodation purposes or passenger carrying in Greece during the period of the Olympic Games or any associated sporting event should give prior notice to the Association as restricted terms and conditions may apply.

WJM DOUGLAS

MANAGER - North Insurance Management Limited

As Managers on behalf of the North of England P&I Association Limited