

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

**20 JANUARY 2005  
WJMD/MA**

**WAR RISKS RENEWALS 2005/2006**

**Advance Contribution Rates**

The Directors have agreed to a reduction in the Class III rates for the 2005 policy year and accordingly the advance Contribution rates for the coming year will be as follows.

	<b>Cruise ships</b>	<b>All other ships</b>
British ships	0.0528%	0.0132%
Flagged out ships	0.0568%	0.0140%

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 2005.

**Alterations to Terms of Entry**

In order to comply with the requirements of the Combined Group War Risks Pool, the following additional term of entry will apply to reflect the introduction of the International Ship and Port Facility Security Code (ISPS). There is of course a similar term in the International Group P&I entries.

*Unless otherwise agreed in writing between the Insured Owner and the Association or unless the Directors in their sole discretion see fit, the Insured Owner must at all times maintain the validity of all statutory certificates as are issued by or on behalf of the Ship's flag in relation to maritime security.*

**CIRCULAR**

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The 2005 entries will also continue to be subject to the following amendments to Rule 4.D.3. as already applying to the current policy year

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

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.

#### 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 2005 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) Israel.

(C) Lebanon.

(D) Somalia.

(E) Liberia.

(F) Sri Lanka.

(G) Sierra Leone.

(H) Red Sea Coast of Saudi Arabia.

(I) Republic of Yemen.

(J) Pakistan.

- (K) Syria.
- (L) Algeria.
- (M) Egypt (excluding Suez Canal transits).
- (N) Indonesia (all Ports/Places on Sumatra, West of 98 degrees East).
- (O) Nigeria and the Bakassi Peninsula.
- (P) Ivory Coast.

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.

The limit of liability for claims under Rule 2 Part D is,

£ 325,000,000  
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 detailed in the Association's Circular to Brokers and Members of 20 October 2004, 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.

WJM DOUGLAS

MANAGER - North Insurance Management Limited

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