

Our Ref: UKWR C1-2010

15 January 2010

**TO THE MEMBERS**

Dear Sirs

**RENEWAL OF THE ASSOCIATION'S COVER  
FOR THE POLICY YEAR COMMENCING 20 FEBRUARY 2010**

We are writing to advise Members of the Directors' decisions on the rates, terms and conditions for the 2010 Policy Year.

**ADVANCE CONTRIBUTIONS**

The Directors have decided that the Advance Contribution rates applicable from Noon 20 February 2010 will be as follows:

**Entered ships qualifying for Government reinsurance - WW1**

Passenger Cruise Ships	Other Ships	Restricted trading
Worldwide trading 0.0227%	Worldwide trading 0.0094%	50% reduction of worldwide rate

**Entered ships not qualifying for Government reinsurance - WW2**

Passenger Cruise Ships	Other Ships	Restricted trading
Worldwide trading 0.0252%	Worldwide trading 0.0102%	50% reduction of worldwide rate

The Directors have also decided that the Advance Contribution rates will be discounted by 50% in respect of insurance under Rule 3 (freight, disbursements and/or increased value, premiums and/or other interests).

The Directors have also decided that the Advance Contribution rates will be discounted by 50% for ships which trade exclusively for the whole Policy Year within one of the following “restricted trading” areas:

1. USA and Canada, excluding Panama Canal transits
2. Australasia
3. Europe, not south of Gibraltar and excluding Mediterranean and Black Sea.

The Directors have decided that the Advance Contribution will be called pro rata daily and will be payable in two instalments, debited on 20 February 2010 and 20 August 2010.

The Directors will keep the level of contribution under review during the Policy Year.

## **BROKERAGE/COMMISSION**

### **Advance Contribution**

With effect from 20 February 2010, if ships are entered in the Association through a broker, brokerage of 20% will be payable on the Advance Contribution rates listed above, less any allowances for Rule 3 or restricted trading discounts. If ships are entered in the Association directly, commission of 20%, calculated on the same basis, will be payable to the Member. The Advance Contribution rates listed above include 20% brokerage / commission.

### **Additional Premiums**

Where Additional Premiums are placed on the Association’s main reinsurance contract, a discount of 30% will be payable. If the ships are entered in the Association through a broker, the discount will be payable to the broker. If the ships are entered in the Association directly, the discount will be payable to the Member.

## **THE COVER**

### **Maximum Sum Insured**

In accordance with Rule 20 the maximum amount for which any one ship or the interests therein may be insured by the Association is £390 million, or Euros 510 million or US\$800 million (or the equivalent in other acceptable currencies at an exchange rate fixed at 20 February 2010).

**Protection and Indemnity Cover**

The cover for all P&I claims including claims in respect of oil pollution shall be £325 million, Euros 425 million or US\$500 million each accident or occurrence (or the equivalent in other acceptable currencies at an exchange rate fixed at 20 February 2010). This cover is provided under Rule 2 Part C.

**ISPS Compliance Clause**

The terms and conditions of insurance of every Member shall incorporate and be subject to the following ISPS Compliance Clause:

**ISPS Code Compliance Warranty (to be read in conjunction with Rule 4E.2.3)**

Unless otherwise agreed in writing between the Insured Owner and the Managers, the Insured Owner warrants that he shall comply with all statutory requirements of the state of the Entered Ship's flag relating to the International Ship & Port Facility Security Code ("the ISPS Code")

PROVIDED ALWAYS that:-

- (i) neither this clause nor Rule 4E.2.3 shall apply if the Insured Owner shall prove that the failure to comply with any statutory requirements of the state of the Entered Ship's flag relating to the ISPS Code and/or the failure at all times to maintain the validity of any statutory certificates issued by or on behalf of the Entered Ship's flag in relation to the ISPS Code arose without the fault of the Insured Owner or the managers of the Entered Ship; and
- (ii) the Directors may authorise payment of a claim, either in whole or in part, which would otherwise be excluded by the provisions of this clause, if in all the circumstances the Directors shall in their sole discretion see fit.

**ADDITIONAL PREMIUM AREAS AND PREMIUMS**

The Additional Premium Areas, which have been determined by the Directors under Rule 19.3, are shown below. Additional Premiums to be charged for calls to Additional Premium Areas should be agreed with the Managers.

**Additional Premium Areas**

In accordance with Rule 19 the following places, countries, zones and areas (whether land or sea) shall continue to be Additional Premium Areas with effect from Noon 20 February 2010.

(note: bold headings are for ease of reference only)

The ports, places, countries, zones and areas listed shall include all harbours, offshore installations and terminals unless otherwise stated.

**AFRICA**

Djibouti  
Gulf of Aden Transits (see parameters below)  
Indian Ocean Transit (see parameters below)  
Ivory Coast  
Nigeria including terminals  
Somalia  
Somalia Transits (see parameters below)

**ASIA**

Southern Gulf Coast of Thailand, between and including Songkhla and Narathiwat  
Sri Lanka

**EUROPE**

Georgia

**INDONESIA / MALAYSIA**

Balikpapan (South East Borneo)  
North East Coast of Borneo, between and including Kudat and Tarakan  
Jakarta  
Sumatra (Sumatra), but only the North Eastern coast between 5° 40' N and 0° 48' N

**MIDDLE EAST**

Gulf of Aden Transits (see parameters below)  
Iraq  
Israel  
Lebanon  
Saudi Arabia  
Yemen

**PHILIPPINES**

Mindanao, between and including Polloc Harbour and General Santos  
Sulu Archipelago Part Calls including Jolo (see parameters below)

**SOUTH AMERICA**

Venezuela

**Sulu Archipelago**

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.

**Gulf of Aden Transits**

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.

**Somalia Transits**

Waters south of latitude 10°N and up to a distance of 250 nautical miles from the coast of Somalia, but excluding waters up to 12 nautical miles from the coast of Kenya and Tanzania, subject to the condition that the Entered Ship does not approach within 200 nautical miles of the east coast of Somalia.

**Indian Ocean Transits**

The Indian Ocean outside the Gulf of Aden Transits and Somalia Transits areas bounded by latitude 15°N then 65°E and 12°S as far as 49°E and then 11°S but excluding the coastal waters of Kenya, Tanzania and Mozambique up to 12 nautical miles offshore.

Members' attention is drawn to the terms of Rule 29 (Additional Premiums). The Owner of an Entered Ship is required to give the Association written notice before an Entered Ship proceeds to an AP area. If notice is not given as required, the Entered Ship has no cover while in the AP area. The notices required under Rule 29 should be given to the Managers either at the address above or by email to [ukwr@thomasmiller.com](mailto:ukwr@thomasmiller.com).

Yours faithfully

THOMAS MILLER WAR RISKS SERVICES LIMITED  
Managers