

17 February 2023

TO ALL MUTUAL MEMBERS AND FIXED PREMIUM ASSURED

Dear Sir or Madam

2023/2024 - Policy Year arrangements

This Circular provides a summary of the following arrangements for the 2023/24 Policy Year.

(1) Mutual Members

(i) Rules

As previously notified, a Meeting of the Members of Class 5 (P&I), Class 7 (War Risks) and Class 8 (FD&D) were held on 1 February 2023. Details of the Rules changes approved for the 2023/24 Policy Year can be seen here: [P&I changes](#), [War Risks changes](#) and [FD&D changes](#).

The Club's Rules for 2023/24 incorporating these changes are available on our website and can be accessed here: [P&I Rules](#), [War Risks Rules](#) and [FD&D Rules](#).

(ii) Mutual P&I Cover – Limits and Overspill

Full details are set out in the Class 5 (P&I) Rules including Rules 11 and 33, and as may appear in individual Certificates of Entry. The Group Reinsurance Limit is US\$2 billion (in excess of US\$100 million) and the International Group has once again purchased reinsurance for claims up to US\$1 billion in excess of that limit, to protect Mutual Members against the risk of an Overspill Call pursuant to Rule 33.5 for the purpose of providing funds to pay part of an Overspill Claim of up to US\$3.1 billion.

For all liabilities in respect of oil pollution, the limit of the Club's aggregate liability will continue to be US\$1 billion for any one occurrence. For Passenger/Seamen claims, its aggregate liability for any one occurrence will continue to be limited to US\$2 billion in respect of liability to Passengers; and to US\$3 billion in respect of liability to Passengers and Seamen.

(iii) International Group (IG) - Pooling and Reinsurance Arrangements

Full details on the IG's pooling and reinsurance arrangements for 2023/24 can be accessed [here](#).

For Malicious Cyber, Covid and Pandemic risks there is now free and unlimited cover for claims up to US\$650 million excess of US\$100 million. Excess of US\$750 million there is up to US\$1.35 billion of annual aggregated cover in respect of these three risks. Excess of that the IG continues to pool between IG Clubs the unreinsured risks, resulting in no change to Members' cover.

(iv) Excess War Risks P&I Cover

The Excess War P&I cover has been renewed with effect from 20th February 2023, with shipowner rates included within the overall rates published on 16 January 2023. However, as a consequence of a contraction of cover available from Reinsurers, there is an amendment to the level of cover available for vessels operating in Russian and certain other Belarusian and Ukrainian waters due to the current conflict.

We can confirm that 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 below, cover is sub-limited to USD80m any one event, each vessel. 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

Cover is maintained with a limit of USD500m for all vessels whilst trading in waters other than those as defined. For additional information please see the Excess War Risks P&I Clause (20 February 2023) [here](#).

Bio-Chem Claims

The excess war risks P&I cover for mutual Members referred to above is subject to the exclusion of bio-chem risks. However, some limited cover in respect of such risks will, once again, be provided by the Club and pooled with the other IG Clubs in excess of the 2023/24 Club retention of US\$10 million. Full details can be accessed [here](#).

(v) Terrorism Insurance for US ships

Any Members entering ships in the Club that qualify for the Terrorism Risk Insurance Act of 2002, as amended, and which has been updated and further extended up to 2027, are reminded that amongst other things it requires their property and casualty insurers to provide cover for acts of terrorism. Such cover is given by the Club by way of the said Excess War Risks P&I Cover and the proportion of the annual call attributable to its provision is US\$0.0025 per gross ton entered. This information is given in compliance with the legislation.

(vi) Carriage of Heavy Fuel Oil (HFO) as cargo

Since February 2006, mutual Members, where applicable, have provided the Club with annual declarations of ships in their fleet which had carried HFO as cargo during the preceding 12 months. The Club's Circular on this subject, with the declaration form for 2022/23, will be issued in March in the usual way.

(2) Fixed Premium Assureds

(i) Charterers' CSL Cover

The coverage which will apply to new or renewing business from 20 February 2023 is set out in the Terms and Conditions (Version 6.01) which can be accessed [here](#). These contain the amendments in line with the changes to the P&I Rules mentioned above and a number of amendments specific for the CSL cover. They are both summarised [here](#).

(ii) Owners' Fixed Premium P&I Cover

The coverage which will apply to new or renewing business from 20 February 2023 is set out in the Terms and Conditions (Version 9.01) which can be accessed [here](#). These contain the amendments in line with the changes to the P&I Rules mentioned above and a number of amendment specific for the Fixed Premium P&I Cover. They are both summarised [here](#).

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)