

14 February 2024

TO ALL MEMBERS AND FIXED PREMIUM ASSURED

Dear Sir or Madam

2024/2025 - Policy Year arrangements

This Circular provides a summary of the following arrangements for the 2024/25 Policy Year.

(1) Members

(i) Rules

As previously notified, Meetings of the Members of Class 5 (P&I) and Class 8 (FD&D) were held on 31 January 2024. Details of the Rules changes approved for the 2024/25 Policy Year can be seen here: [P&I changes](#), and [FD&D changes](#).

The Club's Rules for 2024/25, 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 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 2024/25 can be accessed [here](#).

For Malicious Cyber & Covid-19/ Pandemic risks there is now free and unlimited cover for claims up to US\$650 million excess of US\$100 million. Excess of US\$750m there is up to US\$1.35billion of annual aggregated cover in respect of Malicious Cyber cover and separate annual aggregated cover of USD 1.35billion in respect of COVID19/Pandemic risks. Excess of that the IG continues to pool the un-reinsured risks, resulting in no change to Members' cover.

(iv) Sub limits for Consortium and Charterers' cover (on a mutual entry)

The previous sublimit of US\$350 million in the aggregate per occurrence has increased to US\$500 million in respect of consortium claims covered under Rule 11.7, claims covered under

Rule 10 on a charterers' entry and claims covered under Rule 9 in respect of a charterer co-assured on an owners' entry.

(v) Excess War Risks P&I Cover

The Excess War P&I cover has been renewed with effect from 20th February 2024, with shipowner rates included within the overall reinsurance rates charged for 2024/25.

The sub-limit of US\$80 million introduced by the Reinsurers for the last policy year remains in place. As a consequence, 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 US\$80m any one event, each vessel. The limitation in respect to certain European waters has been re defined (but without change to the actual area) and is as follows:

- 1) Sea of Azov and Black Sea 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
 - f) All inland waters of Ukraine, including inland waters within Crimea and other Ukrainian territories under Russian control
- 2) Inland waters of Russia within the following areas:
 - a) River Don, from Sea of Azov to vertical line at 41° E
 - b) River Donets, from River Don to Ukraine border
- 3) All inland waters of Belarus south of horizontal line at 52° 30' N

Cover is maintained with a limit of US\$500m 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](#).

(vi) Bio-Chem Claims

The excess war risks P&I cover for 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 2024/25 Club retention of US\$10 million. Full details can be accessed [here](#).

(vii) 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 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.

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

Since February 2006, 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 2024/25, 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 2024 is set out in the Terms and Conditions (February 2024) which can be accessed [here](#). Details of the changes can be found [here](#).

(ii) Owners' Fixed Premium P&I Cover

The coverage which will apply to new or renewing business from 20 February 2024 is set out in the Terms and Conditions (February 2024) which can be accessed [here](#). Details of the changes can be found [here](#).

(iii) War Risks cover for all Fixed Premium Assureds

Fixed Premium Assureds (including extensions or ancillary cover to mutual covers against a fixed premium) are reminded that for certain geographical areas, (currently those set out in the RUB clause (Section 1 C Clause 1.5 for Owners' Fixed Premium P&I and Section III A Clause 4.3 for Charterers' CSL Cover), and the areas in the Indian Ocean, Gulf of Aden and Southern Red Sea set out in the Association's Circular of 13 February 2024), War Risks cover is excluded unless reinstated against a prior agreed additional premium and any other additional terms.

(3) Circulars – Members and Fixed Premium Assureds

Members and Fixed Premium Assureds are reminded of the provisions in Rule 5.6 and equivalent for Fixed Premium Assureds (Section D.1 for Owners' Fixed Premium P&I and Section IV A 1.5 for Charterers' CSL) that they should use best endeavors to comply with any recommendation as the Club may make in Circulars about the carriage of a particular cargo, any trade or other operational matter.

Copies of all Circulars are available on our website and can be accessed [here](#).

Yours faithfully

A BILBROUGH & CO LTD (MANAGERS)