



15 February 2023

OWNERS' FIXED PREMIUM P&I COVER TERMS & CONDITIONS – VERSION 9.01 – (FEBRUARY 2023)

The following amendments have been made to the Association's Owners' Fixed Premium P&I Terms & Conditions, reflected in the updated Version 9.01, which shall apply to new or renewing business from 20 February 2023.

Quarantine [Section A Clause 12]

Drawing from the experience of the recent pandemic, the amendments clarify the scope of the cover available for additional costs and the net loss to the Assured following an outbreak on board, as well as the exclusions applicable to operational expenses.

Property not on board the Insured Ship [Section A Clause 14]

The amendment aligns the cover under this Clause with that under Clause 12.

Towage [Section A Clause 16]

The list of contracts which are deemed acceptable is extended to include Bimco SUPPLYTIME terms.

The minimum requirements for a towage contract to be accepted by the Association on knock for knock terms have been simplified. As a result, for a contract to be so accepted, there is no longer a requirement that liabilities for loss of life and personal injury on the ships of the parties be allocated on a knock for knock basis.

Cargo [Section A Clause 19]

The amendments in Section 1.3.2 and Section 1.3.3 clarify the extent of cover available for additional cargo handling costs and expenses

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Confiscation [Section A Clause 24]

The amendments clarify that this discretionary cover is only available where the Assured has been permanently deprived of his interest in the insured Ship. Cover also requires the Assured to have taken all reasonable steps to prevent the events that gave rise to the confiscation.

Sue & Labour [Section A Clause 27]

The amendments clarify the scope of cover afforded and the Assured's duty to account.

Excluded Risks [Section B Clause 1.8]

The amendments in Clause 1.8 clarify the extent of cover available for additional cargo handling costs and expenses.

Exclusion of certain specialist risks [Section B Clause 2]

Mining at sea has been added to the list of excluded specialist operations.

Illegal, Hazardous & Improper Adventures [Section B Clause 3]

The amendments clarify the respective responsibilities and authority of the Assured and Association with regard to the exclusions under this Clause.

Excess P&I War Risks [Section C Clause 1]

The changes imposed by the Association's re-insurers during the 22/23 Policy Year and implemented by way of the Association's Circular dated 23 December 2022 have been incorporated in the cover terms. The changes involve a shortened notice period of 72 hours for cancelling the extension and the extension for P&I War risks excluding war risks relating to the Russian-Ukrainian conflict.

Duty of Disclosure [Section D Clause 1]

The Associations' rights in case of a material change in the risks insured for an Assured during the Policy year now expressly include the option to exclude cover to the extent a claim was caused or increased by such material change.

Right to Recover and Subrogation [Section D Clause 4]

The amendments reflect existing practice for the allocation of recoveries from third parties between the Assured and the Association, and for the application of deductibles when a single incident gives rise to a number of claims with different deductibles

Unreasonable conduct [Section D Clause 8]

The amendments clarify the respective responsibilities and authority of the Assured and Association with regard to the exclusion under this Clause.

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Amendments of Terms & Conditions [Section D Clause 9]

Amendments of the Term & Conditions may now be made during the Policy Year if there occurs or may occur a material change in the risks to the Association, in addition to those resulting from the implementation of sanctions & other prohibitions.

Reinsurances [Section D Clause 11]

In a scenario where the Association discharges a liability of the Assured and there is a shortfall in recovery from its reinsurers due to sanctions, the Association may now seek an indemnity from the Assured to the extent of such shortfall.

Obligations of the Assured in respect of Claims [Section E Clause 1 & 4]

The amendments clarify that compliance with Obligations of the Assured under this Clause are conditions precedent to the right of recovery.

Settlement of Claims [Section E Clause 5]

The amendments in Clause 5.4 clarify the claims settlements in respect of which the Association's Members' Committee and Managers may take decisions.

Contract Continuity [Section F Clause 16]

The provisions around how Brexit applies to the cover have been updated.