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5 February 2021

TO ALL MUTUAL MEMBERS AND FIXED PREMIUM ASSUREDS

Dear Sir or Madam

2021/2022 - Policy Year arrangements

This Circular provides a summary of the following arrangements for the 2021/22 Policy Year.

(1) Mutual Members

Rules

As previously notified, Meetings of the Members of Class 5 (P&I), Class 7 (War Risks) and Class 8 (FD&D) were held on 27 January 2021. The proposed amendments to the Rules of each Class were approved and will take effect from noon G.M.T. on 20 February 2021. The Club's Rules for 2021/22 are available on our website and can be accessed here: [P&I](#), [FD&D](#) and [War Risks](#).

International Group (IG) - Pooling and Reinsurance Arrangements

Information on the IG's pooling and reinsurance arrangements for 2021/22 can be accessed [here](#).

Mutual P&I Cover – Limits and Overspill Reinsurance

For oil pollution claims, 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.

The overall limit of the IG's excess of loss contract is US\$2 billion (in excess of US\$100 million). The IG 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 overspill calls arising from any catastrophe claims up to US\$3.1 billion.

The London P&I Club is the trading name of The London Steam-Ship Owners' Mutual Insurance Association Limited and its subsidiary The London P&I Insurance Company (Europe) Limited.

The London Steam-Ship Owners' Mutual Insurance Association Limited. Registered in England No 10341.

Registered Office: 50 Lemman Street, London, E1 8HQ.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The London P&I Insurance Company (Europe) Limited, a private limited liability company registered in Cyprus, No HE410091.

Registered Office: Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia.

Supervised by the Superintendent of Insurance. Insurance licence No 183.

IGP&I



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.

Excess War Risks P&I Cover

Excess war risks P&I cover will be provided to mutual Members in 2021/22, pursuant to Rule 15.3. Details of the cover including the excess and limit to which it is subject are contained in the excess war risks P&I clause (20 February 2020) which can be accessed [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 2021/22 Club retention of US\$10 million. Full details can be accessed [here](#).

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 clause 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.

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 2020/21, will be issued in March in the usual way.

(2) Fixed Premium Assureds

Cyber and Coronavirus exclusions

The reinsurance arrangements for the Club's fixed premium lines of business will be subject to two market exclusions: LMA5403 Marine Cyber Endorsement and LMA5395 Coronavirus Exclusion (for use on marine and energy policies). These two exclusions will be incorporated into the Terms and Conditions of the Club's fixed premium products, Charterers' CSL and Owners' Fixed Premium P&I Cover, to apply to new or renewing business from 20 February 2021. Notwithstanding the incorporation of the LMA5395 Coronavirus Exclusion, these Terms and Conditions extend cover in respect of loss, damage, liability, cost or expense that would otherwise cease to be recoverable by virtue of the exclusion up to a limit of US\$1 million any one accident or occurrence or series of accidents or occurrences arising out of one event.

Charterers' CSL Cover

The coverage which will apply to new or renewing business from 20 February 2021 is set out in the Terms and Conditions (Version 4.01) which can be accessed [here](#). These contain the Cyber and Coronavirus exclusions noted above as well as amendments in line with the changes to the P&I Rules and summarised [here](#).

Owners' Fixed Premium P&I Cover

The coverage which will apply to new or renewing business from 20 February 2021 is set out in the Terms and Conditions (Version 7.01) which can be accessed [here](#). These contain the Cyber and Coronavirus exclusions noted above as well as amendments in line with the changes to the P&I Rules and summarised [here](#).

Yours faithfully

A BILBROUGH & CO LTD
(MANAGERS)