

7 March 2025

## **TO ALL CLASS 7 (WAR RISKS) MEMBERS**

Dear Sir or Madam

### **WAR RISKS RENEWALS – POLICY YEAR 2025/26**

#### **Advance Contribution Rates**

Advance Contribution rates were set with effect from 20 February 2025 and have been notified to Members individually.

A reduction may be granted for ships engaged in restricted trading areas and Members should contact the Association for further details.

#### **Nuclear and Cyber Risks – limited reinstatement**

Members will be aware that the current Terms of Entry contain an exclusion of Nuclear and Bio Chem risks, Rule 4.D.3, and Computer Virus (or Cyber) risks, Rule 4.D.7. Members have no cover for the risks excluded by Rules 4.D.3.1 to 4.D.3.5 (other than in Rule 4.D.3.6), or Rule 4.D.7.

The Association arranges reinsurance of this War Risks Class through The Combined Group of War Risks Associations (the Group) and is pleased to advise that for the 2025/26 Policy Year the Group's reinsurers have agreed to provide limited cover for claims which would otherwise have been excluded by each of these Rules 4.D.3 and 4.D.7 subject to a limit of USD50,000,000 any one event and in the aggregate of all claims by Members of all Associations within the Group occurring during the Policy Year. The USD50,000,000 aggregate limit will apply separately to claims under 4.D.3 and 4.D.7.

In order to allow for calculation of aggregated claims, it is necessary to limit the time for such claims to be presented – all claims must therefore be notified within 30 days of the end of the Policy Year and, as a consequence, it will only be possible to settle claims after this time.

The Member's Terms of Entry continue to include the following additional terms:

#### **Nuclear and Bio Chem Risks**

- (i) Rule 4.D.3 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD50,000,000 in the aggregate as below.*
- (ii) Subject to (iii) below, the Association's liability for claims recoverable by virtue of (i) above arising under any one Entry and under all Entries in Class 7 of the Association during the Policy Year shall not exceed USD50,000,000.*
- (iii) In the event that there is more than one such claim under an Entry in this Association or in any*

*other Association which participates in The Combined Group of War Risks Associations, the aggregate recovery from all Associations shall not exceed USD50,000,000 and the Insured Owner shall be entitled to recover only such proportion as the amount of the claim or claims under his Entry bears to the aggregate of all such claims recoverable pursuant to paragraph (i) above under Entries in this Association and any other Association which participates in The Combined Group of War Risks Associations during the Policy Year.*

- (iv) In addition to the Insured Owner's obligation to promptly notify the Association in accordance with rule 4.E.12.1, the Association shall have no liability for any claim or claims arising by virtue of (a) above unless the casualty, event or matter liable to give rise to such a claim is notified to the Association by the Insured Owner within 30 days from the end of the Policy Year, whether or not the Insured Owner is aware of the casualty, event or matter at that time.*
- (v) This extended cover is reinsured by the Association. In accordance with Rule 4.E.15.2 the Insured Owner shall be entitled to recover from the funds of the Association only the net amount actually recovered under this reinsurance.*

Subject otherwise to the Rules of the Association and the Terms of Entry of the Insured Owner.

### **Computer Virus/Cyber Risks**

- (i) Rule 4.D.7 shall not apply unless and until claims which would otherwise have been excluded by this Rule have exceeded USD50,000,000 in the aggregate as below.*
- (ii) Subject to (iii) below, the Association's liability for claims recoverable by virtue of (i) above arising under any one Entry and under all Entries in Class 7 of the Association during the Policy Year shall not exceed USD50,000,000.*
- (iii) In the event that there is more than one such claim under an Entry in this Association or in any other Association which participates in The Combined Group of War Risks Associations, the aggregate recovery from all Associations shall not exceed USD50,000,000 and the Insured Owner shall be entitled to recover only such proportion as the amount of the claim or claims under his Entry bears to the aggregate of all such claims recoverable pursuant to paragraph (i) above under Entries in this Association and any other Association which participates in The Combined Group of War Risks Associations during the Policy Year.*
- (iv) In addition to the Insured Owner's obligation to promptly notify the Association in accordance with rule 4.E.12.1, the Association shall have no liability for any claim or claims arising by virtue of (i) above unless the casualty, event or matter liable to give rise to such a claim is notified to the Association by the Insured Owner within 30 days from the end of the Policy Year, whether or not the Insured Owner is aware of the casualty, event or matter at that time.*
- (v) This extended cover is reinsured by the Association. In accordance with Rule 4.E.15.2 the Insured Owner shall be entitled to recover from the funds of the Association only the net amount actually recovered under this reinsurance.*

Subject otherwise to the Rules of the Association and the Terms of Entry of the Insured Owner.

### **Insured Values and Sums Insured**

The maximum amount for which any one ship, or the interests therein, may be insured by the Association, under Rule 1.5.1, Rule 2 and Rule 3 in the aggregate (but excluding Rule 2 Part D) any one accident or series of accidents arising out of one event will be GBP325,000,000 or USD500,000,000 or EUR425,000,000 depending on the currency used for the insured value of the entered ship on the Certificate of Entry.

If another currency is used for the vessel's insured value, then an exchange rate for that currency is to be fixed before the commencement of the insurance and entered on the Certificate of Entry; and this exchange rate will be applicable for the duration of the insurance.

Members are reminded that they should check to ensure that any alterations to the insured values have been notified to the Association and that the insured values and sums insured are exactly the same, both in terms of value and allocation between Hull and Machinery and Freight, Disbursements, Premiums, Increased Value and /or other interests, as those for which the ship is insured under marine policies.

Members are also reminded of the provisions of Rule 11 whereby the Secretary of State for Transport may restrict the insured value of the entered ship for King's Enemy Risks in certain circumstances.

### **Protection and Indemnity Cover (Rule 2 Part D)**

In addition, there shall be a separate and independent combined single limit in respect of Rule 2 Part D (Protection & Indemnity Risks) of GBP325,000,000 or USD500,000,000 or EUR425,000,000 (whichever is the greater) any one accident or series of accidents arising out of one event and irrespective of the insured values or sums insured.

### **Sublimit for RUB claims**

Please note that cover in respect of Rule 1.5.1, Rule 2 and Rule 3 risks will be limited to a combined single sub-limit of USD112,500,000 or GBP73,125,000 or EUR95,625,000 (depending on the currency used for the insured value of the Entered Ship on the Certificate of Entry) per Entered Ship any accident or series of accidents arising out of one event for claims arising in the areas of Russia, Ukraine, Belarus and the Black Sea as defined in the attached schedule and as amended from time to time.

However there shall be a separate and independent combined single sub limit in respect of Rule 2D risks of USD112,500,000 or GBP73,125,000 or EUR95,625,000 (depending on the currency used for the insured value of the Entered Ship on the Certificate of Entry) per Entered Ship any accident or series of accidents arising out of one event for claims arising in these areas.

### **Additional Premium Areas**

In accordance with Rule 19.3, the additional premium areas with effect from Noon GMT on 20 February 2025 are shown in the attached schedule.

### **Maritime Security**

The Association strongly recommends that all Members implement and adopt the Best Management Practices to Deter Piracy in the Gulf of Aden & relevant parts of Indian Ocean, including the registering requirements specified. These practices have been developed by industry and naval forces and should be particularly useful in the preparation of ships' antipiracy contingency plans.

The London Club web site contains more information regarding maritime security:

<https://www.londonpandi.com/knowledge/news-alerts/maritime-security-new-comprehensive-website/>

## **Sanctions**

The Rules of the 2025/26 Policy Year incorporate the Sanctions Limitation and Exclusion provisions broadly as identified within the Association's Circular of 2 March 2011. The full text is shown below.

### **4.E.15 Sanctions Limitation and Exclusion**

**4.E.15.1** *There shall be no recovery by an Insured Owner for any losses, liabilities, costs and expenses where the provision of cover or any payment in respect thereof exposes or may expose the Association or the Managers to being or becoming or to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any state, international organisation or other authority which sanction, prohibition or adverse action the Members' Committee in its sole discretion determines may materially affect the Association in any way whatsoever.*

**4.E.15.2** *Unless the Members' Committee in its sole discretion determines otherwise, an Insured Owner shall not be entitled to recovery in respect of that part of any losses, liabilities, costs and expenses which is not recovered by the Association either under any reinsurance(s) arranged by the Association or under any pooling agreement in respect of this Class entered into by the Association because of a shortfall in recovery from reinsurers or other pool members by reason of a sanction, prohibition or adverse action against such reinsurers, pool members or the insurers of such pool members by a state, international organisation or other authority or the risk thereof if payment were to be made by such reinsurers, pool members or the insurers of such pool members. For the purposes of this Rule 4.E.15.2, "shortfall" includes any failure or delay in recovery by the Association by reason of the reinsurers, pool members or insurers of pool members making payment into a designated account in compliance with the requirements of any state, international organisation or other authority. The provisions of this Rule 4.E.15.2 shall cease to apply in respect of any shortfall to the extent the same is subsequently recovered by the Association under any reinsurance(s) arranged by the Association or under any pooling agreement in respect of this Class entered into by the Association.*

An Insured Owner's insurance may be prejudiced in the event that the Entered Ship is employed in a manner that has or will expose the Association to the risk of sanctions which the Members' Committee in its sole discretion determines may materially affect the Association in any way whatsoever.

In addition, liabilities, costs and expenses that are not recovered under the pooling and/or reinsurance arrangements of the Class by reason of the fact that payment of such claims would expose the other parties to the Pool and/or reinsurers to sanctions are excluded unless the Members' Committee in its sole discretion determines otherwise.

The Association strongly recommends that Members comply with the provisions of the relevant sanctions regimes in order to minimise the risk of their cover being prejudiced or being unable to make a recovery. Compliance will inevitably involve the exercise of due diligence by the Member in relation to any trading involving Iran, Syria or other sanctioned countries or with certain designated individuals or companies. Members are referred to the further information and advice available on the Association's website:

<https://www.londonpandi.com/knowledge/sanctions/>

## **Rules**

Members are reminded that the Class 7 Rules for the 2025/26 Policy Year can be accessed [here](#).

## **Evaluation of Policy Years**

The Class 7 Committee has reached the following decisions:

### Open Policy Years

2021/2022: This Policy Year shall be closed.

2022/2023: No Supplementary Contributions are anticipated. The year will be considered for closure by the Class 7 Committee in July 2025, in the usual way.

2022/2023: No Supplementary Contributions are anticipated.

2023/2024: No Supplementary Contributions are anticipated.

2024/2025: No Supplementary Contributions are anticipated.

Yours faithfully

A BILBROUGH & CO LTD

(MANAGERS)

### **Additional Premium Areas**

The current Additional Premium Areas, which are set out below, will continue to apply until further notice.

#### **Africa**

Benin  
Cabo Delgado  
Gulf of Guinea  
Libya  
Nigeria  
Somalia  
Sudan  
Togo

#### **Indian Ocean, Gulf of Aden and Southern Red Sea**

#### **Middle East**

Iran  
Iraq  
Israel  
Lebanon  
Oman (Musandam Governorate)  
Persian or Arabian Gulf  
Saudi Arabia (Gulf coast)  
Saudi Arabia (Red Sea coast) excluding transits  
Syria  
United Arab Emirates  
Yemen

#### **South America**

Guyana, but only calls to offshore installations in the Guyanese EEZ beyond territorial waters  
Venezuela

#### **Russia**

#### **Europe**

##### **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

##### **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**

**DEFINED WATERS**

**Cabo Delgado**

The territorial sea of Mozambique and Tanzania enclosed by the following boundaries:

- a) To the north, from Mnazi Bay at 10°19.6'S, 40°18.9'E to high seas point at 10° 10.3' S, 40° 34.44' E.
- b) To the south, from Baía do Lúrio at 13°30'S, 40°31.6'E to high seas point 13° 29.97' S, 40° 49.7' E.

**Indian Ocean, Gulf of Aden and Southern Red Sea**

The waters enclosed by the following boundaries:

- a) On the north-west, by the Red Sea, south of Latitude 18° N
- b) on the northeast, from the Yemen border at 16°38.5'N, 53°6.5'E to high seas point 14°55'N, 53°50'E
- c) on the east, by a line from high seas point 14°55'N, 53°50'E to high seas point 10°48'N, 60°15'E, thence to high seas point 6°45'S, 48°45'E
- d) and on the southwest, by the Somalia border at 1°40'S, 41°34'E, to high seas point 6°45'S, 48°45'E

**Persian or Arabian Gulf**

Persian or Arabian Gulf and adjacent waters including the Gulf of Oman and waters west of the line from Oman's territorial limit off Cape al-Hadd at 22°42.5'N, 59°54.5'E northeast to the Iran-Pakistan border at 25°10.5'N, 61°37.5'E excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

**Gulf of Guinea**

The waters enclosed by the following boundaries:

- a) On the west, from the coast of Togo 6° 06' 45" N, 1°12'E, south to
- b) high seas point 0° 40' S, 3° 00' E
- c) and then east to Cape Lopez Peninsula, Gabon 0°40'S, 8° 42'E.

excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

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

All other terms and conditions remaining unaltered.