

17 January 2003

## **TO ALL WAR RISKS MEMBERS**

Dear Sirs

### **WAR RISKS RENEWALS – POLICY YEAR 2003/2004**

#### **1. Advance Contribution Rates**

Members are advised that the Advance Contribution Rates have been set at the same rates as apply for the current year as follows:

- (a) Cruise vessels British Flag 0.06000%;
- (b) Cruise vessels Flagged out 0.06450%;
- (c) All other vessels types British Flag 0.01415%;
- (d) All other vessels types Flagged out 0.01525%;
- (e) Rates for restricted trading and/or laid-up vessels limited to not less than 50% of the above;

#### **2. Limits of Liability**

The following limits shall apply for the year commencing 20<sup>th</sup> February 2003;

- (a) For all Rule 2 and Rule 3 interests up to GBP325,000,000 or USD500,000,000 each vessel; and
- (b) Separately and independently in respect of Liability risks up to GBP325,000,000 or USD500,000,000 each vessel.

Limits in other currencies at rates of exchange fixed as at Noon 20<sup>th</sup> February 2003.

#### **3. Additional Premium Areas**

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

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| (a) Persian or Arabian Gulf and adjacent waters, including the Gulf of Oman, North of 24° North. | (j) Liberia   |
| (b) Angola (including Cabinda).  | (k) Sierra Leone  |
| (c) Israel.  | (l) Yugoslavia, Federal Republic of (Serbia & Montenegro)   |
| (d) Lebanon  | (m) Gulf of Agaba and the Red Sea                           |
| (e) Libya (including Gulf of Sidra/ Syria.   | (n) Yemen /Peoples Republic of Yemen (North & South Yemen). |
| (f) Eritrea.   | (o) Pakistan  |
| (g) Somalia  | (p) Oman  |
| (h) Congo, Democratic Republic of (formerly Zaire)   | (q) Syria   |
| (i) Liberia  | (r) Algeria   |
|  | (s) Egypt (including Suez Canal)                            |
|  | (t) Indonesian Ports  |

Trading to these areas must be notified before the date of entry into the area. During the currency of the Policy year, indications or quotations for rates of additional premiums may be obtained from the Association.

#### 4. Insured Values

Members are reminded that they should check to ensure that any alterations to the insured values have been notified to the Association. The maximum amount for which any one ship, or the interests therein, may be insured by the Association, being the total of the value insured by Hull and Machinery (Rule 2(B) and Freight, Disbursements, Premiums, Increased Values and/or Other Interests (Rule 3) will be GBP350,000,000 or USD500,000,000 or the equivalent in the currency of the Insured Value exchanged at the fixed rate with effect from the commencement of the Policy Year.

It should be borne in mind that under the terms of the Reinsurance Agreement between this Association and Her Majesty's Government, the Insured Value of Queen's Enemy Risks purposes (Rule 2(A) will usually be the total loss value under Members' marine policies.

#### 5. Port of Registry

Members are also reminded that they should advise the Managers of any change of port of registry.

#### 6. Rule Changes

In common with other War Risks Insurers, the Association is having imposed on it, by reinsurers, additional exclusions in relation to radioactive contamination and losses caused as a result of the use of chemical, bio-chemical or electromagnetic weapons and computer viruses. These exclusions will therefore have to be reflected in Members' cover and until the Rules are changed, Certificates of Entry will carry the following endorsements (emboldened words being additional to the existing Rule 4.D.3).

### ENDORSEMENT 1

Rule 4.D.3 in the current Rule Book shall no longer apply and the following shall apply in its stead:

#### **4.D.3 Exclusion of Nuclear Risks**

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The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by **or contributed to by** or arising from:-

- 4.D.3.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 4.D.3.2 the radioactive, ~~toxic~~, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 4.D.3.3 any weapon **or device** employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 4.D.3.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, with the exception of radioactive

isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes,

4.D.3.5 PROVIDED ALWAYS that:-

this exclusion shall not apply to any claim under Rule 2 Part D in respect of losses, liabilities, costs or expenses arising out of or in consequence of the emission of ionising radiations from, **or the radioactive**, toxic, explosive or other hazardous **or contaminating** properties of, "excepted matter" as defined under the Nuclear Installations Act 1965 **or any amendments thereto** or regulations made thereunder, being carried as cargo in the Entered Ship.

## ENDORSEMENT 2

### CHEMICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND COMPUTER VIRUS EXCLUSION CLAUSE

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from any chemical, bio-chemical or electromagnetic weapon and the use or operation, as a means for inflicting harm, of any computer virus.

Yours faithfully  
A BILBROUGH & CO LTD  
(MANAGERS)