



THE LONDON
P & I CLUB

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16 August 2010

TO ALL WAR RISKS MEMBERS

Dear Sirs

Trade Sanctions Legislation - Notice of Cancellation Under Rule 4.D.8.1

The Association's circular dated 12th August 2010 (No. 7:098) gave some prior notice to Members that it would have to cancel their insurances and reinstate them again with an exclusion of cover that would provide it with protection against legislation imposing sanctions. Those sanctions, some of which are in force already, are designed to deter insurers from providing insurance in respect of ships committed to carrying certain cargoes to Iran and possibly also (the expected legislation not yet being clear) carrying cargo anywhere for Iranian companies. Notice is therefore hereby given in accordance with Rule 4.D.8.1 that insurances provided by the Association under this Class will be cancelled at 00.01 hours GMT on 24 August 2010 and will then be reinstated with the additional application of the following conditions:

"There shall be no recovery in respect of any losses, liabilities, costs or expenses where the reimbursement or any payment in respect thereof exposes the Association to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any State or International Organisation which the Committee determines may materially affect the Association."

and:

"Unless the Committee in its discretion determines otherwise, the Insured Owner shall in no circumstances be entitled to recover from the Association that part of any losses, liabilities, costs and expenses which is not recovered by the Association under any reinsurance(s) arranged by the Association because of a shortfall in recovery from reinsurers thereunder by reason of any sanction, prohibition or adverse action against them by a State or International Organisation or the risk thereof if payment were to be made by such reinsurers. For the purposes of this condition, "shortfall" includes any failure or delay in recovery by the Association by reason of the reinsurers making payment into a designated account in compliance with the requirements of any State or International Organisation."

Members are invited to confirm to the Association that they wish the cover to be so reinstated.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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