



The London P&I Club

All correspondence should be addressed to the Managers

A. Bilbrough & Co. Ltd

50 Leman Street London E1 8HQ

Telephone: +44 (0) 20 7772 8000

Facsimile: +44 (0) 20 7772 8200

E-mail: london@londonpandi.com

www.londonpandi.com

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TO ALL MEMBERS

Dear Sirs

IRAN TRADING – INCREASED LIMIT OF FALL-BACK COVER

Members are referred to our circulars dated 24 February 2016 [[5:525](#)] and 22 March 2016 [[5:526](#)].

As previously notified, the International Group has bought “fall-back” cover, which is designed to respond to reinsurance recovery shortfalls that would result from the inability of US- domiciled reinsurers on the Group GXL and Hydra reinsurance programmes to make payments due to the continuing application of US primary sanctions, for the 2016/17 policy year.

The Group has now been able to obtain a higher limit of cover (€100million) compared to that which was available initially (€70million) and further secured underwriters’ agreement to a second full reinstatement of cover. All other features of the cover remain unchanged.

The Group remains of the view that because of the limitations of fall-back cover, whilst mitigated to an extent by the increase in limit and the additional reinstatement, it does not provide a long term solution to Members’ needs. The Group therefore continues to engage with the US administration and a further report will be made in due course.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

All Clubs in the International Group are issuing a similar Circular on this subject.

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