

Notice of Alteration to Terms and Conditions of Insurance

Following recent, well-documented attacks on commercial shipping transiting the Red Sea, various changes in reinsurance coverage relating to war risks for the region will become effective on 20 February 2024 via a Notice of Cancellation issued by reinsurers. The changes apply an exclusion from cover for war risks based on geographical limits that are deemed to be key high risk areas for such attacks.

Via the attached Notice of Alteration to Terms and Conditions, the Association's own extension to cover for such war risks will from 20 February 2024 mirror the exclusion, as applicable to our non-mutual, fixed premium (i.e. non-pooled and non-poolable) covers. Pooled cover remains unaffected (with the exception of any non-poolable extensions that may apply, for example the Association's Core and Enhanced Offshore packages, etc).

For the purposes of the attached Notice:

- the term "*Rules-based*" means fixed premium cover that falls outside of the standard, poolable cover of the Association, but that incorporates all of the terms and conditions of those Rules unless they cease to apply by virtue of the provisions of that additional cover;
- the term "*plain language policies*" refers to the fixed premium alternatives to standard P&I offered by the Association in respect of certain vessel types including: Fishing, Inland, Passenger, Yachts, Autonomous Vessels and Dive Boats.

Attached Notice of Alteration to Terms and Conditions dated 12 February 2024:

TO ALL MEMBERS

12 February 2024

NOTICE IS HEREBY GIVEN that for all Rules based entries with a fixed limit, which include the War Risk Extension Clause, the liabilities covered under these clauses will exclude all loss, damage, liability, cost or expense relating to:

(a) *Indian Ocean, Gulf of Aden and Southern Red Sea*

The waters enclosed by the following boundaries:

- a) *on the northwest, 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

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

Cover remains available for war risks that fall outside of this exclusion, subject to the other exclusions set out in your insurance policy. Cover under the War Risk Extension Clause may be cancelled by the Association on giving 72 hours' notice (such cancellation becoming effective on the expiry of 72 hours from midnight on the day on which notice of cancellation is issued by the Association).

NOTICE IS HEREBY GIVEN that for all plain language entries with the Association, the "War risks" section under the heading "Your cover" in your liability insurance policy applies, but excluding all loss, damage, liability, cost or expense relating to:

(a) Indian Ocean, Gulf of Aden and Southern Red Sea

The waters enclosed by the following boundaries:

a) on the northwest, 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

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

Cover remains available for War risks that fall outside of this exclusion, subject to the other exclusions set out in your insurance policy. We may terminate cover for war risks upon written notice by Us to You to discontinue war risks cover, with cancellation becoming effective on no less than the expiry of 72 hours from midnight on the day on which We issue notice of cancellation.

NOTICE IS HEREBY GIVEN that for all Rules based entries subject to the limits of cover stipulated in the Rules of the Association, the cover provided under the War Risk Extension Clause remains available subject to other exclusions set out in your insurance policy.

For Members with non-poolable extensions to their cover that are subject to sub-limits the "Red Sea Exclusion" contained in the above Notice to Rules based entries with a fixed limit will apply to those extensions of cover.

*This amendment will be effective from **20 February 2024***