

CIRCULAR REF: 2010/005

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**5 FEBRUARY 2010
SSR/MA**

WAR RISKS RENEWAL 2010/2011

Rules

The War Class Rules for the 2010/2011 Policy Year will remain unchanged from those of the 2009/2010 Policy Year and are available on the Association's web-site, www.nepia.com

Advance Contribution Rates The Directors have agreed that Advance Contribution Rates for the 2010/2011 Policy Year shall be unchanged from the 2009/2010 Policy Year and accordingly will be as follows:

	Cruise Ships	All other Ships
British ships	0.0404%	0.0101%
Flagged out ships	0.0434%	0.0107%

Entered Ships which are limited to a Restricted Trading Area are entitled to pay 50% of the above rates. The Restricted Trading rate applies if the Entered Ship trades exclusively in any one of the following areas:

- a) Europe (not south of Gibraltar and excluding the Mediterranean and Black Sea);
- b) U.S.A. and Canada (excluding Panama Canal Transits);
- c) Australasia.

The Advance Contribution will be payable in one instalment which will be due on 1 April 2010.

CIRCULAR

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Terms of Entry

As in the 2009/2010 Policy Year, cover under this Class will continue to include barratry, and the "Piracy, Barratry and Violent Theft" Clause that applied to all 2009/2010 Entries will apply to all 2010/2011 Entries.

Additional Premium Areas

We hereby give notice that the following Additional Premium Areas shall be amended.

The following Areas are deleted:

3. Indonesia / Malaysia

- a. Ambon (Seram).
- f. Poso (Sulawesi).

The following Area is amended:

5. Philippines

- a. Mindanao, Southern coast of, between and including Polloc Harbour and Mati.

Amended to read:

5. Philippines

- a. Mindanao, between the ports of Polloc Harbour and General Santos inclusive.

Therefore from noon GMT 20 February 2010, the Additional Premium Areas will be as follows:

1. Africa

- a. Djibouti.
- b. Ivory Coast.
- c. Nigeria including Terminals.
- d. Somalia, including waters out to 250 nautical miles from the eastern Somalia coast south of latitude 10°N.
- e. Indian Ocean, beyond the eastern Somalia (1.d) and Gulf of Aden (4.f) areas out to 65°E, south of latitude 15°N with the southern boundary being 11°S but at 49°E, the boundary shall extend due south then east along the latitude 12°S but excluding the coastal waters of Mozambique, Kenya and Tanzania up to 12 nautical miles offshore.

2. Asia

- a. Thailand, Southern Gulf coast of, between and including Songkhla and Narathiwat.
- b. Sri Lanka.

3. Indonesia / Malaysia

- a. Balikpapan (South East Borneo).
- b. Borneo, North East Coast of, between and including Kudat and Tarakan.
- c. Jakarta.
- d. Sumatera (Sumatra), North Eastern Coast of, between 5°40'N and 0°48'N.

4. Middle East

- a. Saudi Arabia.
- b. Iraq.
- c. Israel.
- d. Lebanon.

e. Yemen. f. Gulf of Aden Transit. The area enclosed by the Bab-el-Mandeb Strait, latitude 15° N, longitude 57°E and latitude 10°N.

5. Philippines

- a. Mindanao, between the ports of Polloc Harbour and General Santos inclusive.
- b. Sulu Archipelago including Jolo. Sulu Archipelago is defined as from Tanjung Bidadari (5° 49'• 6N, 118° 21'• 0E) along the east coast of Sabah to Tanjung Bagahak Light (4° 56'• 5N, 118° 38'• 3E); thence south-eastwards to Palau Matakang Light (4° 34'• 6N, 118° 57'• 0E); thence southwards to position 3° 32'• 0N, 118° 57'• 0E; thence north-eastwards to position 5° 50'• 0N, 122° 31'• 0E; thence northwards to position 7° 06'• 6N, 122° 31'• 0E; thence westwards to Batorampon Point Light (7° 06'• 6N, 121° 53'• 8E); thence west- south-westwards to Tanjung Bidadari.

6. Eastern Europe

- a. Georgia

7. South America

- a. Venezuela

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

Notice must be given to the Association before an Entered Ship proceeds into an Additional Premium Area. The Association will endeavour to provide indications of Additional Premium levels at any time but firm quotations will not normally be available until the Entered Ship is within 48 hours of arrival into the Additional Premium Area.

Insured Values and Sums Insured

Members are reminded of the need to review the Insured Values and Sums Insured which should be the same as those for which the Entered Ship is insured for total loss under marine policies, normally the insured value on Hull and Machinery, plus where applicable any amount insured on Disbursements and/or Increased Value or Freight. Any interest which is insured against total loss risks only under marine policies should be declared under Rule 3 so that the War Risk insurances exactly reflect the non-War Risk insurances for the same interests.

The maximum value or amount insured under Rule 2 and Rule 3 in the aggregate will be £390,000,000 or equivalent any one Entered Ship.

The limit of liability in equivalent currencies for claims is:

- US\$ 600,000,000
- Euros 510,000,000
- Can \$ 780,000,000

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 Queen's Enemy Risks in certain circumstances.

Protection and Indemnity Risks

The Association's limit of liability for all claims under Rule 2 Part D (Protection and Indemnity Risks) is to remain £325,000,000 or equivalent each Entered Ship any one accident or series of accidents arising out of any one event, except as stated below. This limit includes Members' claims for Sue and Labour. If any Member considers that these limits provide insufficient cover, additional cover in excess of the sums covered by this Association may be available from his P&I Club. The limit of liability in equivalent currencies for claims under Rule 2 Part D is

- US\$ 500,000,000
- Euros 425,000,000
- Can \$ 650,000,000

according to the currency of the Insured Values and amounts declared by the Member for the purposes of Rule 2 Parts A and B and Rule 3. Alteration of Risk Members must advise the Association prior to any change in the port of registry of an Entered Ship as this may affect rating and terms of cover.

Gulf of Aden and Somalia Security

Members are referred to the Best Management Practices to combat piracy in the Gulf of Aden and off the coast of Somalia which have been developed by industry and naval forces for all ships transiting the Gulf of Aden and Somalia Areas and in other parts of the Indian Ocean. The Association's advice in this regard is available on its website as follows:

<http://www.nepia.com/news/industry-news/>

The Best Management Practice document is available through the link to be found there or direct from the MSC (HOA) website. The Association strongly recommends that this guidance be adopted by Members and copies should be made available on all ships forming part of Members' anti-piracy contingency plans.

Insurance Mediation Directive

As applies at present, where the insurance is to be placed on behalf of the owners by a third party intermediary as defined under the EU Insurance Mediation Directive (2002/92/EC), the Association will require the intermediary's confirmation that they are authorised by the relevant authority in their place of business under the terms of this Directive. Intermediaries are reminded that this applies whether or not they are also coinsured under such insurances.

SS REBAIR

MANAGER - North Insurance Management Limited

As Managers on behalf of the North of England P&I Association Limited

