

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

**1 JANUARY 2002
WJMD/MA**

WAR RISKS RENEWALS 2002/2003

Advance Contribution Rates

For the coming year the Directors have decided to apply the following advance Contribution rates, which reflect the requirement of the reinsurance market that passenger cruise ships should pay a higher rate.

Cruise ships All other ships

British ships 0.06% 0.015%

Flagged out ships 0.0645% 0.016%

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 it trades exclusively in 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 Contributions will be payable in one instalment which will be due on 2 April 2002.

Additional Premium Areas

The Additional Premium Areas will effect from noon 20 February 2002 until further notice, will be as follows.

- (A) Persian or Arabian Gulf and adjacent waters including the Gulf of Oman North of 24degrees North.
- (B) Angola (including Cabinda).
- (C) Israel.
- (D) Lebanon.
- (E) Libya (including Gulf of Sidre/Sirte).
- (F) Eritrea.
- (G) Somalia.
- (H) Congo, Democratic Republic of (formerly Zaire).

CIRCULAR

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- (I) Liberia.
- (J) Sri Lanka.
- (K) Sierra Leone.
- (L) Yugoslavia, Federal Republic of (Serbia and Montenegro).
- (M) Gulf of Aqaba and the Red Sea.
- (N) Yemen/Peoples Republic of Yemen (North and South Yemen).
- (O) Pakistan.
- (P) Oman.
- (Q) Syria.
- (R) Algeria.
- (S) Egypt.

Notice must be given to the Association before an Entered Ship proceeds into an Additional Premium Area. The Association will be pleased 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 same rate would apply to both Rule 2 and Rule 3 interests.

The maximum value or amount insured under Rule 2 and Rule 3 in the aggregate will continue to be £325,000,000 or equivalent any one Entered Ship.

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 Directors have agreed that cover will be extended to include losses, liabilities, costs and expenses caused by any act of terrorism.

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. If any member considers that these limits provide insufficient cover, additional cover, excess of the sums covered by this Association, may be available from his P&I Club.

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.

WJM DOUGLAS
MANAGER - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited