

TO THE MEMBERS

Our Ref: HWRB/C6/2009

7 December 2009

Dear Sirs

RATES AND TERMS FOR THE 2010 POLICY YEAR

We are writing to advise Members of the rates which will be charged and the terms and conditions of cover which will apply for the Association's 2010 Policy Year.

Advance Contribution Rates

The Directors have decided that there will be no change to the gross rates for Advance Contribution. For the 2010 Policy Year, Advance Contribution rates will therefore be as follows:

Passenger ferries:	0.02892%
Cruise ships:	0.05783%
Other ships:	0.01205%

The Directors have also decided that these gross Advance Contribution rates will be discounted by 50% in respect of Hull Interests (Increased Value, Freight and Disbursements). The rates for Hull Interests will be:

Passenger ferries:	0.01446%
Cruise ships:	0.02892%
Other ships:	0.00602%

Members are reminded that they should review the entered value of each ship regularly. The entered value must mirror the value under the Entered Ship's marine policy, but in no case may Hull Interests exceed 50% of the Agreed Value under the Rules.

The Advance Contribution will be payable pro-rata daily in two instalments: on 1 February 2010 for the period 1 January 2010 to 30 June 2010 inclusive and on 1 July 2010 for the period 1 July 2010 to 31 December 2010 inclusive.

Commission on Advance Contribution

As in previous years, in the 2010 Policy Year a commission of 20% will be allowed to all Members on the gross Advance Contribution rates set out above.

Members with fleets whose total entered value on renewal is \$100 million or more will be allowed additional commission, the amount of which will be determined by reference to total entered value. Fleets with a total entered value of \$100 million or more but less than \$250 million will be allowed additional commission of 5%; fleets with a total entered value of \$250 million or more but less than \$500 million will be allowed additional commission of 10%; fleets with a total entered value of \$500 million or more but less than \$1 billion will be allowed additional commission of 20%; and fleets with a total entered value of \$1 billion or more will be allowed additional commission of 30%.

Members are asked to note that the amount of additional commission, if any, will be determined by reference to total entered value as at 0001 hours Greenwich Mean Time on 1 January 2010 and will apply to the whole fleet for the whole of the 2010 Policy Year, regardless of any changes in the total entered value during the year.

Members whose ships trade in the Western Hemisphere only, namely the Americas including the Hawaiian Islands, or whose ships are laid up, are requested to contact the Managers' Agents, Thomas Miller (Isle of Man) Limited, for information on the reduced rates which are available. The Advance Contribution for these ships will be payable pro-rata daily in two instalments on 1 February 2010 and 1 July 2010 as above.

Additional Premium Areas

Members are asked to note the Additional Premium Areas determined by the Directors under their powers at Rule 15. These are set out in the Appendix to this circular.

Members' attention is drawn to the provisions of Rule 25 in respect of Additional Premium Areas.

The Directors have determined that no return of contribution shall be made for any period of suspension of cover of an Entered Ship in an Additional Premium Area.

Premium for Protection and Indemnity Risks

The rates of Advance Contribution for the 2010 Policy Year set out on page 1 include cover for all P&I risks including crew cover under Rule 2 Part C. Members are asked to note the limit on recovery in respect of all risks insured under Rule 2 Part C, which is set out in the Appendix to this circular.

Deductible to be applied to claims for loss caused by Piracy or by Violent Theft

The Directors have decided that for the 2010 Policy Year, each and every claim relating to loss caused by piracy or by violent theft by persons from outside an Entered Ship shall be subject to a deductible of \$30,000.

War Risks Loss of Hire Insurance

The Association will continue to offer War Loss of Hire Insurance for the 2010 Policy Year.

Premium rates will be the same as the gross Advance Contribution rates set out on Page 1 of this Circular and will be calculated on the total sum insured for loss of hire. Coverage will normally be for 90 days at the declared daily rate any one occurrence, limited to 90 days in any one Policy Year. Cover now extends to piracy risks, whether or not a ship has suffered damage necessitating time off-hire for repairs. For loss of hire Additional Premium, Members can elect whether to maintain this cover or exclude piracy risks at a lower rate. See separate Circular C5 for further details, or contact the Managers' Agents. A 14 day deductible will apply. (0 days for piracy risks).

There will be a combined single limit of \$400m for hull, hull interests and loss of hire amounts.

Members are asked to note that no commissions will be allowed on loss of hire premiums, whether on Advance Contribution amounts, or for Additional Premiums.

The Directors have decided that the terms and conditions of insurance of every Member shall incorporate and be subject to all the clauses set out in the Appendix attached to this Circular, including the Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause and Computer Virus Exclusion Clause, effective on and from 0001 hours Greenwich Mean Time on 1 January 2010.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD
Managers

Copies of this Circular and other publications, including the Association's Rules, can be viewed on and downloaded from the Association's website at www.hellenicwarrisks.com.

**APPENDIX TO THE ASSOCIATION'S CIRCULAR C6
dated 7 December 2009**

The following decisions were made by the Directors of the Association at their meeting on Monday, 30 November 2009, to take effect from 0001 hours Greenwich Mean Time on 1 January 2010:

Laid Up Returns, Rule 30

- (1) The minimum period during which an Entered Ship must be and remain unemployed and laid up (other than for the purposes of repair and maintenance) in any safe port or place outside Additional Premium Areas before the Owner shall be entitled to a return of the Contributions payable by him shall be 90 consecutive days.
- (2) If any Entered Ship shall be so laid up the Owner shall be entitled to a return of Contributions in such amount as reduces his Contributions in respect of the laid up period to 65% of the net world-wide trading rate (including commission).

Such return of Contributions shall be allowed for the whole period that the Entered Ship is so laid up.

Additional Premium Areas, Rule 15

The following ports, places, countries, zones or areas (whether of land or sea) shall be Additional Premium Areas:

Africa

Djibouti

Ivory Coast

Nigeria including Terminals

Somalia

Somalia Transits

Indian Ocean, the area beyond the Gulf of Aden and Somalia Transit 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.

Asia

Southern Gulf coast of Thailand, between and including Songkhla and Narathiwat

Sri Lanka

Indonesia / Malaysia

Balikpapan (South East Borneo)

North east coast of Borneo, between and including Kudat and Tarakan

Jakarta

Sumatera (Sumatra), but only the North Eastern coast between 5° 40' N and 0°48' N

Middle East

Saudi Arabia

Iraq

Israel

Lebanon

Yemen

Gulf of Aden Transits as per the attached definition.

Philippines

Mindanao, between the ports of Polloc Harbour and General Santos inclusive
Sulu Archipelago including Jolo

Europe

Georgia

South America

Venezuela

Information

UKHO have provided parameters for the Sulu Archipelago as follows:-

Sulu Archipelago

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 Pulau 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.

Gulf of Aden Transits

The area enclosed by the Bab-el-Mandeb Strait, latitude 15°N, longitude 57°E and latitude 10°N, subject to the conditions that the Entered Ship does not approach within 50 nautical miles of the north coast of Somalia, or within 100 nautical miles of the Socotra Archipelago, or within 200 nautical miles of the east coast of Somalia.

Somalia Transits

Waters south of latitude 10°N up to a distance of 250 nautical miles from the coast of Somalia, but excluding the territorial waters of other countries.

The bold headings above are for ease of reference only. The ports, places, countries, zones and areas listed shall include all harbours, offshore installations and terminals unless otherwise stated.

Commissions on Additional Premiums

Where Additional Premiums are placed on the main reinsurance contract, a commission of 20% will continue to be paid to Members on Additional Premiums in respect of ships that proceed to, are in, or remain within Additional Premium Areas, excluding loss of hire additional premiums, where no commission is payable.

Limit on Recovery under the P&I cover

The limit on recovery in respect of all risks insured under Rule 2 Part C (the P&I section of the Rules), shall be \$400 million each Entered Ship. In respect of passenger liability cover for cruise ships, this limit will apply in respect of any one accident or series of accidents arising out of one event.

Piracy and Violent Theft

In accordance with Rule 3.14.2 a deductible of \$30,000 will apply to each and every claim.

Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause

An Owner is not insured for any loss, damage, liability or expense directly or indirectly caused by, or contributed to by, or arising from:

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

Computer Virus Exclusion Clause

An Owner is not insured for any loss, damage, liability or expense directly or indirectly caused by, or contributed to by, or arising from the use or operation, as a means for inflicting harm, of any computer virus.

Members are asked to note the following details of the office of the Managers' Agents in the Isle of Man

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