

Our Ref: HWRB/C3/2023

14 July 2023

TO THE MEMBERS

Dear Sirs

WAR RISKS LOSS OF HIRE INSURANCE – EXPANSION OF COVER AND AMENDMENT TO ADDITIONAL PREMIUM RATING BASIS

The Association currently offers War Loss of Hire Insurance as an optional additional insurance under Rule F of the Rates and Terms for the 2023 Policy Year. We are writing to advise Members that with immediate effect the cover provided under Section B: War Loss of Hire – Special Risks (hereafter referred to as “Section B”) is being expanded.

Section B will now also respond when a ship is detained or diverted by reason of war, warlike operations, civil war, revolution, rebellion, insurrection, civil strife, any hostile act by or against a belligerent power, or by conditions brought about as a result of the foregoing.

This new cover is provided in addition to the cover already included under Section B and the cover provided under War Loss of Hire Section A – Physical Damage (hereafter referred to as “Section A”).

The revised War Loss of Hire insurance is provided subject to the wording set out in Appendix A to this Circular. This will continue to be an optional additional insurance, which must be specifically requested by Members.

Annual premium rates charged for War Loss of Hire Insurance will continue to be the same as the Advance Contribution rates set out in [Circular C4/2022](#) – Rates and Terms for the 2023 Policy Year, and will continue to be calculated on the total sum insured for loss of hire.

The previous basis for recovery under Section A was on an indemnity basis only, with Section B on the basis of an agreed daily rate, whether on charter or not. The Managers are pleased to advise that Both Section A and Section B have now been aligned for such recoveries by Owners from the Association to be on the basis of an agreed daily rate, whether on charter or not. The Association always retains the right to any hire or other reward received by Owners. The Association also always retains the right to exercise rights of subrogation over a claim that Owners may have for hire or other sums due.

In non-Additional Premium Areas, the War Loss of Hire cover extends to both Section A and Section B.

In Additional Premium areas, Members can elect whether to maintain both sections or to exclude Section B at a lower rate.

For some time now Additional Premium declarations to certain Additional Premium areas have been charged at a rate 2.5 times that levied on the ship's hull value, with the option for the Member to exclude Section B in order to reduce the rate. This option to exclude Section B will remain available to Members.

With immediate effect, the areas where War Loss of Hire including Section B: War Loss of Hire – Special Risks will be charged at a rate 2.5 times that that levied on the ship's hull value are as follows, with changes highlighted in **bold underlined**:

- Benin
- Gulf of Guinea
- Nigeria
- Somalia
- Togo
- Venezuela
- Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea
- **Russia**
- **Ukraine**
- **Belarus**

Full descriptions and coordinates of all Additional Premium areas are as per [Circular C2/2023](#).

Additional Premium declarations, including Section B: War Loss of Hire, for areas other than as listed above will be charged at the same rate as the ship's hull value, and Section B War Loss of Hire will be included at no extra premium.

Members who wish to purchase this additional coverage should contact the Managers' Agents advising the number of days' cover required and the daily indemnity rate. There will be a combined single limit of US\$400 million for hull, hull interests and loss of hire amounts (or a combined single limit of US\$90m for hull, hull interests and loss of hire amounts for calls to the Russia, Ukraine and Belarus Additional Premium areas).

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 Managers would be pleased to answer any questions that may arise.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD
Managers

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

War Risks Loss of Hire Insurance
under Rule 2 Part 2F Optional Additional
Insurance

1. The cover provided by the Insurance is subject to the terms and conditions set out in paragraphs 1 to 20 inclusive and is divided into two sections, section A and section B.

Section A: War Loss of Hire from Physical Damage

2. If, in consequence of damage to the Entered Ship covered under the Rules of the Association, the Entered Ship be wholly or partly deprived or prevented from earning hire or reward for a period in excess of 14 consecutive periods of 24 hours or part thereof in respect of any one occurrence provided that:-
 - a) such damage to the Entered Ship occurs during the period of entry of the ship in the Association; and
 - b) repairs if actually carried out in respect of damage are completed within twelve months of the expiry of this Insurance.

this insurance shall pay the Owner for each 24 hour period or part thereof during which the Entered Ship is so deprived or prevented as per (i) and (ii) as follows:

- (i) Subject to the Managers' agreement, the daily sum recoverable under this part of the Insurance shall be US\$ [*to be agreed*] per day whether the Entered Ship is on charter or not.
 - (ii) This part of the Insurance shall cover a maximum of 90 days, or such other period as the Managers agree, resulting from any one occurrence or in the aggregate during the period of this Insurance.
3. There shall be no recovery under this part of the Insurance in respect of any period during which the Entered Ship is captured, seized, arrested, restrained or detained as a result of any terrorist or any person acting maliciously or from a political motive, piracy or violent theft by persons from outside the Entered Ship or detained or diverted by reason of war, warlike operations, civil war, revolution, rebellion, insurrection, civil strife, any hostile act by or against a belligerent power, or by conditions brought about as a result of the foregoing.
4. The Owner shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. The Association shall have the right to require the Owner to incur any expense which would reduce the Association's liability under this part of the Insurance, provided such expense is for the Association's account.

5. The Association will be entitled to any Charter Hire or other contractual reward or payment in respect of the period for which a claim has been paid by the Association under this part of the Insurance whenever such payment is received by the Owner.
6. If an Owner is entitled to claim Charter Hire from any time charterer or claim any contractual reward or payment from any other charterer for the period in respect of which the claim is made under this part of the Insurance the Association shall be entitled to exercise rights of subrogation in respect of such hire or other sums and the Owner shall assign its rights thereto to the Association.

Section B: War Loss of Hire

7. If, during the period covered by this Insurance, the Entered Ship is:
 - (a) delayed by reason of capture, seizure, arrest, restraint or detainment, or any attempt thereof by:
 - (i) any terrorist or any person acting maliciously, or from a political motive, or
 - (ii) piracy, barratry or violent theft by persons from outside the Entered Ship
 - (b) detained or diverted by reason of war, warlike operations, civil war, revolution, rebellion, insurrection, civil strife, any hostile act by or against a belligerent power, or by conditions brought about as a result of the foregoing;

this Insurance will pay, subject to the terms which follow, the amounts set out below in respect of any delay caused by such an event.

8. Subject to the Managers' agreement, the daily sum recoverable under this part of the Insurance shall be US\$ [*to be agreed*] per day whether the Entered Ship is on charter or not.
9. This part of the Insurance shall cover a maximum of 90 days, or such other period as the Managers agree, resulting from any one occurrence or in the aggregate during the period of this Insurance.
10. Where the Entered Ship undergoes repairs necessitated by any of the events set out in paragraph 7 above and the period of cover set out in paragraph 9 has been exhausted prior to such repairs taking place, the Owner may, to the extent that the Directors in their discretion decide, also recover under this part of the Insurance at the rate set out in paragraph 8 for the period during which the Entered Ship undergoes such repairs but this period shall not exceed 30 days.
11. Where the Entered Ship is under time charter the period covered by this part of the Insurance shall commence at the time and date of the period for which Charter Hire ceases to be paid by the Entered Ship's time charterers.

12. The Association will be entitled to any Charter Hire or other contractual reward or payment in respect of the period for which a claim has been paid by the Association under this part of the Insurance whenever such payment is received by the Owner.
13. If an Owner is entitled to claim Charter Hire from any time charterer or claim any contractual reward or payment from any other charterer for the period in respect of which the claim is made under this part of the Insurance the Association shall be entitled to exercise rights of subrogation in respect of such hire or other sums and the Owner shall assign its rights thereto to the Association.
14. In the event the Entered Ship is delayed, detained or diverted in accordance with paragraphs 7(a) and (b) for a period exceeding 90 days, or such other period as the Managers agree under this Section B, and the Owner seeks further recovery in respect thereof under Rule 2B (Detention and Diversion Losses and Expenses) the Rule 2B claim:
 - a) shall not be subject to any deductible under Rule 2B.5.1; and
 - b) in the case of Detention any recovery shall be calculated in accordance with Rule 2B.4.2.
15. This part of the Insurance may be reinstated subject to the approval of the Managers.
16. The provisions of Rule 3.15 shall not apply to this part of the Insurance.

Terms applicable to both Section A and Section B Cover

17. This Insurance is subject to the Association's Rules, unless expressly stated otherwise in this document, including, but not limited to, the submission by the parties to the jurisdiction of the English High Court of Justice in accordance with the terms of Rule 44 in respect of any dispute or difference between the Owner and the Association.
18. In the event the Entered Ship is detained or diverted in accordance with Rule 2B (Detention and Diversion Losses and Expenses) and the Owner seeks recovery in respect thereof, any Additional Premiums due to the Association, including but not limited to premium due for the period of such detention or diversion in respect of any cover under Section A and Section B, shall be payable to the Association in full and no proportion of that Additional Premium will be recoverable by the Owners under Rules 2B.4.4 and 2B.4.6.
19. The Association hereby gives notice under Rule 13 that the Insurance shall not continue from Policy Year to Policy Year but shall terminate at 2400 hours on 31 December 2023.
20. In this document "Insurance" shall mean the insurance as set out in paragraphs 1 to 20 inclusive; and the words "Owner", "Entered Ship", "Association" and "Policy Year" shall bear the meanings set out in Rule 48 of the Association's Rules.

Explanatory Note – not forming part of the terms of the War Risks Loss of Hire Insurance

The insurance provided by this additional insurance is subject to the Rules of the Association including those relating to the declaration of Additional Premium Areas. Where an Additional Premium Area is declared, the Association is likely to impose different Additional Premiums for Section A and Section B cover. Members may, in accordance with the Rules of the Association, give notice of suspension of insurance in respect of either Section A or Section B cover and pay the Additional Premium to maintain whichever Section of the additional insurance they wish to preserve. Notice of suspension could also be given for both Sections if Members wish.