

TO THE MEMBERS

Our Ref: HWRB/C5/2023

24 November 2023

RATES AND TERMS FOR THE 2024 POLICY YEAR

Dear Sirs

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 2024 Policy Year.

Key points:

- **No change to Advance Contribution rates for 2024.**
- **Optional War Loss of Hire cover has been expanded.**
Non-physical damage War Loss of Hire Cover (Section B) will now also respond when a ship is detained or diverted by reason of war or analogous situations. Any sums paid by the Association will also no longer be deducted from a CTL. See pages 3-4 and 12-14 of this Circular for further details and explanation of this cover.
- **Exemptions to the Venezuela prohibition have been widened.**
This will include oil trades pursuant to OFAC General Licence 44, and "innocuous" bulk cargoes that are not subject to a licence. The Exemption for GL41 (Chevron trades) remains.
- **Optional Contraband Loss of Hire cover will continue to be offered.**
This optional insurance covers loss of hire when a ship is detained or seized when drugs or other contraband are discovered on board. See pages 4-5 and 15-16 of this Circular for further details.
- **The Chemical, Biological, Bio-Chemical and Electromagnetic Weapon and Radioactive Contamination and Nuclear Risks Exclusion Clauses will not apply to the first US\$50 million of claims in the annual aggregate across the membership.**
- **The Computer Virus Exclusion Clause will not apply to the first US\$150 million of claims in the annual aggregate across the membership.**
- **A Covid Exclusion Clause will apply.**
See pages 10-11 of this Circular for the full wording of this clause.
- **Rule Changes agreed at AGM on 18 September 2023**
See pages 5-6 and 17-18 of this Circular for the rule changes in full.

Advance Contribution Rates

The Directors have decided that the gross rates of Advance Contribution charged for 2024 will remain unchanged from 2023.

For the 2024 Policy Year, Advance Contribution rates will therefore be as follows:

Passenger ferries:	0.00412%
Cruise ships:	0.00823%
Other ships:	0.00171%

The Directors have also decided that the 2024 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:	0.00206%
Cruise ships:	0.00412%
Other ships:	0.00086%

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(s), but in no case may Hull Interests exceed 50% of the Agreed Value under the Rules.

The Advance Contribution will be payable in one instalment on 1 February 2024.

Commission on Advance Contribution

As in previous years, in the 2024 Policy Year a sliding scale commission on the gross Advance Contribution rates set out above will be allowed to all Members as follows:

Fleet Total Entered Value as at 1 January 2024	Commission
Up to US\$100 million	20%
Between US\$100 million and US\$250 million	25%
Between US\$250 million and US\$500 million	30%
Between US\$500 million and US\$1 billion	40%
Above US\$1 billion	50%

Members are asked to note that the amount of commission will be determined by reference to total entered value as at 0001 hours Greenwich Mean Time on 1 January 2024 and will apply to the whole fleet for the duration of the 2024 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.

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 Appendix A to this Circular.

Owners' obligation to declare or suspend Additional Premium Area calls and ship tracking

Owners are reminded of their obligation under the Association's Rule 25 either to give prior written notice to the Association before their ship enters any Additional Premium Area or to give prior written notice to the Association to suspend cover. If an Owner elects to suspend cover, confirmation must be provided in writing that the mortgaging bank (if applicable) has been advised of the suspension. If notice is not given in accordance with Rule 25.1, or, where applicable, Rule 25.2, the Owner shall not be entitled to any recovery from the Association in respect of any claim arising out of events occurring whilst the Entered Ship is in the Additional Premium Area, unless and except to the extent that the Directors decide otherwise. The Association reserves the right to track ships.

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 2024 Policy Year set out above include cover for all P&I (war) 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 Appendix A to this Circular.

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

The Directors have decided that, in accordance with Rule 3.15.2, for the 2024 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 US\$30,000.

War Risks Loss of Hire Insurance

The Association will continue to offer War Loss of Hire Insurance for the 2024 Policy Year on an expanded basis as per [Circular C3/2023](#) dated 14 July 2023.

This is an optional additional insurance, which Members will specifically need to request. It is offered under Rule 2F and subject to the wording set out in Appendix B to this Circular, the Rules otherwise remaining unchanged.

Members are asked to note that the Association's War Loss of Hire coverage has two sections:

Section A: War Loss of Hire from Physical Damage. This responds in the event of physical damage from a covered war peril; *and*

Section B: War Loss of Hire - Special Risks. This responds without the need for physical damage but only to **capture, seizure, arrest, restraint or detainment** (or attempt thereof) **by:**

- (a) any **terrorist** or any **person acting maliciously or from a political motive;**
- (b) **piracy, barratry or violent theft** by persons from outside the Entered Ship; or
- (c) **detention or diversion** 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.

‘Section B: War Loss of Hire – Special Risks’ now responds to ships captured, seized, arrested, restrained or detained due to a **war**. The Association’s **Detention and Diversion** cover under **Rule 2B** will also continue to respond in these circumstances but recovery under both heads of cover is not permitted.

The section which formerly stated that there would have been no recovery under Section B: War Loss of Hire – Special Risks if the claim also resulted in the Entered Ship becoming an actual or constructive total loss under the Rules of the Association **has been removed**.

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

A 14 day deductible applies to Section A: War Loss of Hire from Physical Damage (0 days for Section B: War Loss of Hire – Special Risks).

Non-Additional Premium Area War Loss of Hire

Premium rates will be the same as the gross Advance Contribution rates set out earlier in 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 with longer periods available on application. In non-Additional Premium areas, cover extends to Section B: War Loss of Hire – Special Risks, whether or not a ship has suffered damage necessitating time off-hire for repairs.

Additional Premium Area War Loss of Hire

For loss of hire Additional Premium, Members can elect whether to maintain this cover or exclude Section B: War Loss of Hire – Special Risks at a lower rate. Depending on the area, Additional Premium declarations which include Section B risks will be charged at either the ship’s hull value or a rate 2.5 times that levied on the ship’s hull value. Should Members wish the Additional Premium declarations to exclude Section B risks then the rate will be the same rate as that levied on the ship’s hull value. Annual cover must be purchased for Additional Premium cover to be available.

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\$125m for hull, hull interests and loss of hire amounts for calls to the Russia, Ukraine and Belarus Additional Premium areas).

Contraband Loss of Hire cover

The Association will continue to offer insurance which covers hire lost when a ship is detained or seized when drugs, or other contraband, are discovered on board. This is an optional additional insurance, offered under Rule 2F. The cover is available on a stand-alone basis and Members do not have to purchase war loss of hire cover to purchase this additional cover. Cover is provided on an annual premium basis with the rate being unaffected by calls to, or transits of, Additional Premium areas. No deductible is applicable to this cover.

Annual Rates for 2024 are as follows:

Passenger ferries:	0.0412%
Cruise ships:	0.0823%
Other ships:	0.0171%

(Rates are charged on insured loss of hire amounts)

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 Appendix C attached to this Circular, effective on and from 0001 hours Greenwich Mean Time on 1 January 2024.

Sanctions Limitation and Exclusion

Owners are asked to note that Rule 3.9 (Sanctions Limitation and Exclusion) will strictly apply whether the ship is in an Additional Premium Area or not in the event that the provision of insurance services by the Association would result in the Association being in breach of any sanction, prohibition or restriction made under any resolution of the United Nations or under any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom of Great Britain and Northern Ireland, Bermuda, Isle of Man or the United States of America.

Venezuela Prohibition

Pursuant to Rule 14.1, the Directors of the Association with effect from 23 September 2020 prohibited any Owner from conducting any trade with Venezuela, whether or not subject to an OFAC Special or General Licence. By Circular [HWRB/C4/2023](#) the following activities were exempted from the Venezuela Trade Prohibition with effect from 0000 hrs on 6 November 2023:

1. That an Owner conducts activities in accordance with GENERAL LICENSE NO. 44 Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela. GENERAL LICENSE NO. 44 has been issued for six months and, unless the U.S. Government extends it further, is currently set to expire on 18 April 2024 (12:01 a.m. Eastern Daylight Time).
2. That an Owner conducts activities in the carriage of lawful and innocuous bulk cargoes that are not otherwise subject to sanctions, whether subject to a relevant license or not including steel, scrap and iron ore from Venezuela which are not subject to a relevant licence and food stuffs to Venezuela which are pursuant to GENERAL LICENSE NO. 4C.

Owners are also directed to the exemption under Circular [HWRB/C1/2023](#) exempting activities under GENERAL LICENSE NO. 41 Authorizing Certain Transactions Related to Chevron Corporation's Joint Ventures in Venezuela.

This Prohibition and Exemptions remains in force until further notice. Please see Circular [HWRB/C4/2023](#) for further information.

Amendments to the Association's Rules

Members are asked to note that the following changes to the Association's Rules were adopted at the Annual General Meeting on 18 September 2023. All amendments in **bold underlined**:

Increased Value cover

(a) A new Definition of Increased Value is inserted at Rule 48 - Interpretation as follows:

“Increased Value: an amount or percentage agreed by the Managers by which the insured value of the Entered Ship is increased”;

and

(b) Where appropriate, adding after Freight and Disbursements where that defined term appears **“and (if any) Increased Value”** or an equivalent expression.

The consequential amendments are particularised in Appendix D.

Changes to Rule 2B – bunkers etc. recoverable from the Association when a ship is diverted pursuant to Rule 2B but not when the ship is detained.

It has always been the Association’s position that Rule 2B covers all running costs whatsoever and represents the totality of an Owner’s recovery for the same when a ship is detained and the below Rule change clarifies that position. Bunker fuel and lubricating oils are now though recoverable if a ship is diverted.

“In the case of detention or diversion:

(a) **Fuel, lubricating oil, stores, other necessities consumed and all running costs whatsoever when the Entered Ship is detained shall not be recoverable by the Owner in addition to the sum payable under Rule 2B.4.1 and Rule 2B.4.2.**

(b) **All necessities and running costs whatsoever shall not be recoverable with the exception of fuel and lubricating oil consumed when the Entered Ship is diverted and by reason thereof which shall be recoverable by the Owner in addition to the sum payable under Rule 2B.4.3.”**

Changes to Rule 2B - Treatment of Additional Premium:

“In the case of detention of the ship, and in addition to any amounts recoverable under Rules 2B.4.1 and 2B.4.2, such proportion of any Additional Premium in respect **of the insurance** of the Entered Ship under Rules 2A, 2B and 2C as is payable **in accordance with Rule 25** in respect of the period of detention from and including the eighth day of such detention.”

Rule 3.17 (Obligations with regard to claims)

“An Owner shall promptly notify the Managers of every survey or opportunity for survey in connection with an event or a matter referred to in Rule 3.17.1 **and, if the Managers so request, shall make the Entered Ship available for survey on behalf of the Association or a third party.”**

Where the terms “Member(s)” and “Owner(s)” appear above and in the Appendices to this Circular they are understood to have the same meaning as “Owner” as defined in Rule 48.

Yours faithfully,

THOMAS MILLER (BERMUDA) LTD
Managers

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

*Thomas Miller (Isle of Man) Limited
2nd Floor, Samuel Harris House
St George's Street, Douglas
Isle of Man, IM1 1AJ*

*Telephone: +44 (0)1624 645 210
E-mail: hwr@thomasmiller.com*

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 A TO THE ASSOCIATION'S CIRCULAR C5/2023
dated 24 November 2023**

The following decisions were made by the Directors of the Association at their meeting on Tuesday 21 November 2023 to take effect from 0001 hours Greenwich Mean Time on 1 January 2024:

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 (Note: The **bold** headings are for ease of reference only):

Africa

Benin

Cabo Delgado – the waters within 50 nautical miles of Mozambique and Tanzania enclosed by the following boundaries:

To the north, from Mnazi Bay at 10°19.6'S, 40°18.9'E to high seas point at 9°50.7'S, 41°07.6'E.

To the south, from Baía do Lúrio at 13°30'S, 40°31.6'E to high seas point 13°30'S, 41°28.8'E.

Gulf of Guinea, but only in respect of the area enclosed by:

On the west, from the coast of Togo 6° 06'45" N, 1°12'E, south to High seas point 0° 40'S, 3°00' E

And then east to Cape Lopez Peninsula, Gabon 0°40'S, 8° 42'E.

Libya

Nigeria

Somalia

Togo

Europe

Sea of Azov and Black Sea waters plus inland waters as defined below:

1) Sea of Azov and Black Sea waters enclosed by the following boundaries:

- a) On the west, around Romanian waters, from the Ukraine-Romania border at 45° 10.858'N, 29° 45.929'E to high seas point 45° 11.235'N, 29° 51.140'E
- b) thence to high seas point 45° 11.474'N, 29° 59.563'E and on to high seas point 45° 5.354'N, 30° 2.408'E
- c) thence to high seas point 44° 46.625'N, 30° 58.722'E and on to high seas point 44° 44.244'N, 31° 10.497'E
- d) thence to high seas point 44° 2.877'N, 31° 24.602'E and on to high seas point 43° 27.091'N, 31° 19.954'E
- e) and then east to the Russia-Georgia border at 43° 23.126'N, 40° 0.599'E

2) All inland waters of Ukraine, including inland waters within Crimea and other Ukrainian territories under Russian control

3) Inland waters of Russia within the following areas:

- a. River Don, from Sea of Azov to vertical line at 41° E
- b. River Donets, from River Don to Ukraine border

4) All inland waters of Belarus south of horizontal line at 52° 30' N

Middle East

Iran

Iraq

Israel

Lebanon

Oman (Musandam Governorate)

Persian or Arabian Gulf and adjacent waters including the Gulf of Oman and waters west of the line from Oman's territorial limit off Cape al-Ḥadd at 22°42.5'N, 59°54.5'E northeast to the Iran-Pakistan border at 25°10.5'N, 61°37.5'E excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

Saudi Arabia (Gulf Coast)

Saudi Arabia (Red Sea Coast) excluding transits

Sudan

Syria

United Arab Emirates

Yemen

Russia

Russia

South America

Venezuela

Pursuant to Rule 14.1, the Directors of the Association with effect from 23 September 2020 prohibited any Owner from conducting any trade with Venezuela, whether or not subject to an OFAC Special or General Licence. By Circular [HWRB/C4/2023](#) the following activities were exempted from the Venezuela Trade Prohibition with effect from 0000 hrs on 6 November 2023:

1. That an Owner conducts activities in accordance with GENERAL LICENSE NO. 44 Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela. GENERAL LICENSE NO. 44 has been issued for six months and, unless the U.S. Government extends it further, is currently set to expire on 18 April 2024 (12:01 a.m. Eastern Daylight Time).
2. That an Owner conducts activities in the carriage of lawful and innocuous bulk cargoes that are not otherwise subject to sanctions, whether subject to a relevant license or not including steel, scrap and iron ore from Venezuela which are not subject to a relevant licence and food stuffs to Venezuela which are pursuant to GENERAL LICENSE NO. 4C.

Owners are also directed to the exemption under Circular [HWRB/C1/2023](#) exempting activities under GENERAL LICENSE NO. 41 Authorizing Certain Transactions Related to Chevron Corporation's Joint Ventures in Venezuela.

This Prohibition and Exemptions remains in force until further notice. Please see Circular [HWRB/C4/2023](#) for further information.

Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea Transits

The waters enclosed by the following boundaries:

On the north-west, by the Red Sea, south of Latitude 15° N

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

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

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.

All areas above excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided, and 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.

The named countries shall include their coastal waters up to 12 nautical miles offshore, unless specifically varied above. The named ports shall include all facilities/terminals within areas controlled by the relevant port authority/ies (as or may be more precisely defined) including offshore terminals/facilities and all waters within 12 nautical miles of such but not exceeding 12 nautical miles offshore unless specifically stated.

Members' attention is drawn to the terms of Rule 25 (Additional Premium). The notices required under Rule 25 should be given to the Managers' Agents.

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 US\$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.

Covid Exclusion Clause

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith, however shall not apply if any Officer or Crew member is affected by the exclusions outlined hereunder.

This insurance excludes coverage for:

1) any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:

- a) Coronavirus disease (COVID-19);
- b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
- c) any mutation or variation of SARS-CoV-2; or

from any fear or threat of a), b) or c) above;

2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;

All other terms, conditions and limitations of the insurance remain the same.

Exclusion of Radioactive Contamination and Nuclear Risks (Rule 3.2) and the Chemical, Biological, Bio-chemical and Electromagnetic Exclusion Clause are both subject to the following provisions for the 2024 Policy Year:

The above referenced exclusions are only to apply once claims on the Association which would otherwise have been excluded by these clauses have exceeded US\$50,000,000 in the aggregate across the membership, and provided always that the exclusions in the Radioactive Contamination and Nuclear Risks Clause shall not apply to any loss, damage, liability, costs or expenses arising out of or in consequence of the emission of ionising radiations from, or the radioactive, toxic explosive or other hazardous or contaminating properties of “excepted matter”, as defined in the Nuclear Installations Act 1965 or any amendments thereto or regulations made thereunder, being carried as cargo on the entered vessel.

Chemical, Biological, Bio-chemical and Electromagnetic 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 any chemical, biological, bio-chemical, or electromagnetic weapon.

Computer Virus Exclusion Clause

This clause is only to apply once claims on the Association, which would otherwise have been excluded by this clause, have exceeded US\$150,000,000 in the aggregate across the membership. In the event that the limit is breached with multiple claimant Owners, then claims recoveries up to US\$150,000,000 in the aggregate will be prorated across those claimant Owners. If the limit is exceeded by the claim or claims of one claimant Owner then US\$150,000,000 will be the totality of their recovery.

- 1.1 In no case shall this insurance cover 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.
- 1.2 Clause 1.1 shall not operate to exclude or limit losses (which would otherwise be covered by the Association) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
- 1.3 To the extent not excluded by this clause any loss otherwise covered by this policy will not be prejudiced by the involvement of the use or operation of any computer, computer system, computer software programme or any other electronic system.

**APPENDIX B TO THE ASSOCIATION'S CIRCULAR C5/2023
dated 24 November 2023**

**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 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 thereat 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 2024.
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.

**APPENDIX C TO THE ASSOCIATION'S CIRCULAR C5/2023
dated 24 November 2023**

Contraband Loss of Hire Insurance

Under Rule 2 Part F Optional Additional Insurance

1. The cover provided by this insurance is subject to the terms and conditions set out in paragraphs 1 to 18 inclusive. Cover is provided on a worldwide basis and, for this insurance only, includes cover in Additional Premium Areas within the annual premium chargeable hereunder.
2. If, in consequence of the discovery or suspicion of the presence on board of Contraband but excluding illegal or unlicensed military, security and paramilitary goods, equipment, arms, ammunition and related material belonging to, or in the possession of, armed security engaged by the Owner or charterer, the Entered Ship is delayed during the period covered by this insurance by reason of seizure, arrest, restraint, detainment or confiscation, or any attempt thereat, by any:
 - (i) Government, public or local authority, or
 - (ii) port or customs authority;

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.
3. Subject to the Managers' agreement, the daily sum recoverable under this insurance shall be US\$ [*to be agreed*] per day whether the Entered Ship is on charter or not.
4. The insurance shall cover a maximum of 90 days' delay, or such other period as the Managers agree, resulting from any one occurrence or in the aggregate during the period of this insurance.
5. Where an Owner is entitled to recover a daily sum by reason of events set out in clause 2 he shall, in addition, be entitled to recover any costs or expenses which are directly caused by such events up to an amount equivalent to the maximum limit of cover provided in respect of delay, such expenses to include but not be limited to the costs of transshipment, crewing (including repatriation and substitution expenses), bunkers, demurrage, warehousing, substitute chartering, cargo liabilities, legal expenses, port expenses and the cost of providing security (such as letter of credit charges) to obtain the release of a vessel but excluding:
 - (i) any fines, penalties or other impositions,
 - (ii) any sum paid in consideration of or for the release of the Entered Ship, and
 - (iii) any cost or expense which is recoverable from any other insurance or would be recoverable in circumstances set out in Rules 3.11.1 (a) and (b).
6. Where the Entered Ship is under time charter the period covered by this 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.

7. The Association will be entitled to any charter hire in respect of the period for which a claim has been paid by the Association under this insurance in respect of delay which is received by the Owner after payment of the claim by the Association.
8. If an Owner is entitled to claim charter hire from any time charterer for the period in respect of which the claim is made under this insurance, the Association shall be entitled to exercise rights of subrogation in respect of such hire and the Owner shall assign its rights thereto to the Association.
9. This insurance may be reinstated subject to the approval of the Managers.
10. There shall be no recovery under this insurance if the event in respect of which a claim would otherwise arise also results in the Entered Ship becoming an actual or constructive total loss under the Rules of the Association. In the event that a claim under this insurance has been paid prior to the Entered Ship becoming an actual or constructive total loss there shall be deducted from any claim in respect of the actual or constructive total loss a sum equivalent to any claim paid under this insurance.
11. There shall be no recovery under this insurance if the Owner, or any of the Owner's managers, superintendents or shore management knew of, or is successfully prosecuted as being knowingly involved in, the carriage of Contraband which led to the seizure, arrest, restraint, detainment or confiscation referred to in paragraph 2 above. In the event that a claim under this insurance has been paid prior to the establishment of such knowledge or prior to the successful prosecution, the amount paid by the Association will be repayable by the Owner.
12. It is warranted that where the Entered Ship is newly acquired, newly bareboat chartered or redelivered, the Owner will search the ship for Contraband immediately on acquisition, delivery or redelivery.
13. It is warranted that the Owner shall take all reasonable steps to prevent the Entered Ship or its cargo being used for the purpose of carrying Contraband.
14. It is warranted that the Owner is signatory either to the Sea Carrier Initiative Agreement or the Customs-Trade Partnership Against Terrorism agreement with the United States of America's Customs Authorities unless the Managers otherwise agree.
15. The provisions of Rules 3.3, 3.5, 3.6 and 25 shall not apply to this part of the insurance.
16. 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.
17. 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 GMT on 31 December 2024.
18. In this document "insurance" shall mean the insurance as set out in paragraphs 1 to 18 inclusive; "Contraband" shall mean any object, including drugs, which is unlawful to import, export, produce or possess; and the words "Owner", "Entered Ship", "Association", "Managers" and "Policy Year" shall bear the meanings set out in Rule 48 of the Association's Rules and "Additional Premium Area" shall bear the meaning set out in Rule 15 of the Association's Rules.

**APPENDIX D TO THE ASSOCIATION'S CIRCULAR C5/2023
dated 24 November 2023**

Consequential Rule Amendments

All amendments in **bold underlined**

Rule 2A.1.2:

If the Terms of Entry expressly so provide (but not otherwise), the Owner of the Entered Ship is insured against loss of Freight and Disbursements **and Increased Value** when caused as specified in Rule 2A.2. provided, in the case of the causes specified in Rules 2A.2.4 to 2A.2.9, that the loss arises from loss of or damage to the Entered Ship.

Rule 2A.4.5.3(b):

The Association shall not be liable in respect of unrepaired damage for more than the aggregate of:

- (a) the value on which the insurance is based in accordance with Rule 2A.4.1, and
- (b) the sum (if any) insured in respect of Freight and Disbursements **and (if any) Increased Value.**

Rule 2A.5:

Additional terms and conditions applicable only to insurance under Part A against loss of Freight and Disbursements relating to an Entered Ship and Increased Value.

Rule 2A.5.1.3:

The maximum liability of the Association in respect of any claim for loss of Freight and Disbursements **and Increased Value** shall be an amount equivalent to the sum insured.

Rule 2A.5.1.4:

If an Entered Ship becomes, or under Rule 3.13.5 is treated as, an actual or constructive total loss, the amount recoverable shall be the sum insured in respect of Freight and Disbursements **and Increased Value** whether the ship be fully or partly loaded or in ballast, chartered or unchartered. If, however, an Entered Ship becomes a constructive total loss but the Owner's claim against the Association be settled as a claim for partial loss, this provision shall not apply.

Rule 2B.4.1(b):

In the case of detention of the ship a sum calculated at the rate of 10% per annum of the aggregate of:

- (a) the value on which the insurance is based in accordance with Rule 2A.4.1; and
- (b) the amount (if any) insured in respect of Freight and Disbursements **and (if any) Increased Value.**

that sum being applied pro rata to the whole period of the detention (subject to the exclusions in Rule 2B.3).

Rule 2B.4.2(b):

in the event of detention of the ship lasting for a continuous period exceeding 90 days, a sum calculated at the rate of 5% per annum of the aggregate of:

- (a) the value on which the insurance is based in accordance with Rule 2A.4.1; and
- (b) the amount (if any) insured in respect of Freight and Disbursements **and (if any) Increased Value.**

that sum being applied pro rata to the whole period of the detention (subject to the exclusions in Rule 2B.3) and being recoverable in addition to any amounts recoverable under Rule 2B.4.1.

Rule 2B.4.3(b):

in the case of diversion of the ship a sum calculated at the rate of 10% per annum of the aggregate of:

- (a) the value on which the insurance is based in accordance with Rule 2A.4.1; and
- (b) the amount (if any) insured in respect of Freight and Disbursements **and (if any) Increased Value.**

that sum being applied pro rata to the length of time by (subject to the exclusions in Rule 2B.3) which the voyage of the Entered Ship during which the diversion takes place is prolonged as a consequence of the diversion.

Rule 3.15.4(b):

Where the Entered Ship becomes, or under Rule 3.13.5 is treated as, an actual or constructive loss as a result of such piracy or violent theft, the liability of the Association in respect of the loss of the ship and the loss of cash referred to in Rule 3.15.3 shall not exceed the aggregate of:

- (a) the sum insured recoverable in accordance with Rule 2A.4; and
- (b) the sum (if any) insured in respect of Freight and Disbursements **and (if any) Increased Value.**

Rule 20.1.2:

The sum to be paid by each Owner by way of Advanced Contribution shall be expressed as a percentage of the total sum insured in respect of each of the Owner's Entered Ships. For this purpose the total sum insured shall be aggregate of:

20.1.1 the value on which the insurance against loss of or damage to the Entered Ship's Hull and Machinery is based in accordance with Rule 2A.4.1; and

20.1.2 where the Owner is insured against loss of Freight and Disbursements **or Increased Value**, the sum insured in relation to those risks in accordance with Rule 2A.5.1.