
Notice of Cancellation in respect of War Risks – Red Sea

February 2024

To the Members

The Association's reinsurers have regrettably decided to issue the Club with notice of cancellation in respect of war risks relating to vessels transiting the Red Sea. This new wording excludes all war risk claims arising within the geographical limits set out below. The Association therefore needs to issue notice of cancellation in respect of War Risks to ensure its coverage is back-to-back with the reinsurance available. This new exclusion does not apply to mutual entries for Protection & Indemnity and Freight, Demurrage & Defence cover, nor to the Association's Hull War, Kidnap & Ransom or PLR War covers. The notice will apply to all Charterers covers, fixed premium P&I entries reinsured outside of the International Group programme and any owners' or charterers' ancillary or cover extensions, which include war risks.

Notice is hereby given to all Members of the Associations in respect of the exclusion of all War Risk claims occurring or arising in the area below, which will take effect at Noon GMT, 20 February 2024.

Exclusion of War Risks - Indian Ocean, Gulf of Aden and Southern Red Sea

The waters enclosed by the following boundaries:

- a) on the northwest, by the Red Sea, south of Latitude 18°N
- b) 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
- c) 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
- d) 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.

1 Notice of Cancellation ("Notice")

Where this policy insures liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:

- 1.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- 1.2 capture, seizure, arrest, restraint, or detention, and the consequences thereof or any attempt thereat;
- 1.3 derelict mines, torpedoes, bombs, or other derelict weapons of war;
- 1.4 strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 1.5 terrorism, or any person acting maliciously or from a political motive;
- 1.6 confiscation, nationalisation, expropriation, deprivation or requisition,

this policy may be cancelled in respect of these risks only by the Underwriters giving 72 hours' notice of cancellation (hereinafter "Notice") in the way described in clause 3 below, with Notice being effective from midnight Greenwich Mean Time on the day Notice is given by the Underwriters.

The Underwriters may subsequently agree to reinstate cover, if required, at terms to be agreed by the Underwriters each for their own share. Any reinstatement of cover shall occur at a time to be agreed by the Underwriters.

2 Automatic Termination

2.1 Whether or not the notice of cancellation described in clause 1 has been given, this insurance shall TERMINATE AUTOMATICALLY:

2.1.1 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and/or

2.1.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.

All other terms and conditions remain unchanged.

Coverage may be reinstated at terms to be agreed by the Association.

The Association is currently creating a facility to allow Members to buyback this exclusion if they need to do so. Please contact the Underwriting Department for details.

Club Circular: E.94

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (EUROPE) LIMITED