

TO ALL WAR RISKS CLASS MEMBERS

21 January 2014

Dear Sirs

2014/15 POLICY YEAR RENEWAL

1 Advance contribution rates

We wish to advise that the club's rates of advance contribution will be as follows with effect from 20 February 2014:

British ships, eligible for government reinsurance	Rule 2: 0.0048% Rule 3: 0.0024%
Flagged-out ships, not eligible for government reinsurance	Rule 2: 0.0052% Rule 3: 0.0026%

Cruise ships will be covered at rates to be agreed.

A 50% reduction will be granted for ships trading exclusively in one of the following areas:

- a) Europe (not south of Gibraltar and excluding Mediterranean and Black Sea);
- b) USA and Canada (excluding Panama Canal transits);
- c) Australasia.

Extensions to trading outside any of these areas will be covered on the basis of a minimum period of three months.

The advance contribution will be payable in one instalment which will be due on 2 April 2014.

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2 Additional Premium Areas

The additional premium areas with effect from noon 20 February 2014 will be:

- 1) **Africa**
 - a) Nigeria
 - b) Somalia
 - c) Eritrea, but only South of 15° North
 - d) Libya
 - e) Benin (see page 3)
 - f) Togo
- 2) **Indonesia/Malaysia**
 - a) North east coast of Borneo, between and including Kudat and Tarakan
 - b) Jakarta
- 3) **Middle East**
 - a) Saudi Arabia
 - b) Iraq
 - c) Israel
 - d) Lebanon
 - e) Yemen
 - f) Iran
 - g) Syria
- 4) **Philippines**
 - a) Sulu Archipelago including Jolo (see page 3)
- 5) **South America**
 - a) Venezuela
- 6) **Indian Ocean/Arabian Sea/Gulf of Aden/Gulf of Oman/Southern Red Sea** (see page 4)

The ports, places, countries, zones and areas listed above shall include all harbours, offshore installations and terminals unless otherwise stated.

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.

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

The waters enclosed by the following boundaries:-

- a) On the north-west, by the Red Sea, south of Latitude 15° North
- b) On the west of the Gulf of Oman by Longitude 58° East
- c) On the east, Longitude 78° East
- d) And on the south, Latitude 12° South

Excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

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

- a) On the northern side the coast of Benin and Nigeria°
- b) On the western side a straight line from the border, on the coast, of Benin and Togo to position Latitude 3° North, Longitude 1° 38' East
- c) On the southern side a straight line from there to position Latitude 3° North, Longitude 8° East
- d) On the eastern side a straight line from there to Latitude 4° North, Longitude 8° 31' East and then from there to the border, on the coast, of Nigeria and Cameroon.

3 Gulf of Aden/Somali basin, Indian Ocean, Nigeria and the Far East

In order to combat piracy, the Standard Club strongly recommends that all owners implement and adopt the *Best Management Practice*. This should not only be for ships transiting the Gulf of Aden and Somali basin sea areas, but also in other parts of the Indian Ocean.

Best Management Practice remains the best advice available to combat piracy when a ship transits a high risk area.

The guidelines have been developed by industry and naval forces. Using these guidelines, and with the guidance available from the MSC(HOA) web site, a ship should be better prepared to transit these sea areas.

The *Best Management Practice* document is available on the Standard Club website <http://standard-club.com/media/160743/BMP4.pdf> from the MSC(HOA) website, and from many industry bodies. A copy should be available on board all ships and form part of ships' anti-piracy contingency plans.

4 Insured values and sums insured

The maximum amount for which any one ship or the interests therein may be insured under rules 2 and 3 will be as expiry, namely £390m or US\$630m or C\$780m or €510m. Please remember that you must advise us of any changes in marine insured values

5 Protection and Indemnity cover

The limit of liability for claims under rule 2 part D will be as expiry, namely £325m or US\$500m or C\$650m or €425m each ship any one accident or series of accidents arising out of any one event. Those limits are inclusive of any claims for sue and labour. If you consider that this limit provides insufficient cover, additional cover is available from your P&I club.

6 Rules

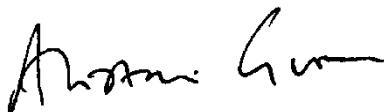
The below rule has now been changed as shown

1.4.2 ~~in no case shall~~ *unless otherwise agreed by the Managers in writing* the total Sum Insured for Rule 3 risks *shall not* exceed 50% of the Insured Value as provided for in Rule 1.3.

7 Sanctions

The club strongly recommends that members comply with the provisions of the relevant sanctions regimes in order to minimize the risk of their cover terminating or their being unable to make a recovery. Compliance will inevitably involve the exercise of due diligence by the member in relation to any trading involving Iran or other sanctioned countries or with certain designated individuals or companies. Members are referred to the information and advice available on the club's website which will be regularly updated.

Yours faithfully



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