

War Risk Insurance 2018

The terms for War Risk Insurance for 2018 are outlined in this circular. The Association will continue the process of streamlining the cover to ensure a comprehensive insurance aimed at reducing costs for Members.

Features for 2018

Sum Insured – to correspond to the Hull & Machinery insurance value and/or any ancillary interests covered. The total sum insured for all interests not to exceed USD 300,000,000 each vessel.

Conditions – most major international conditions for War Risks cover.

Liability Cover (P&I) – includes an independent limit for War Risks P&I which will indemnify Members for claims that are not recoverable from the P&I Club because of the War Risks exclusion contained therein. This is normally up to the sum insured; however a higher limit may be available upon application to The Association.

Blocking & Trapping Inclusion – Total Loss compensation after six months.

Additional Expenses – up to USD 25,000 per day are covered in excess of 7 days, but not recoverable following an agreed total loss or after 180 days has expired, whichever occurs sooner. These are unavoidable expenses following an insured peril.

Loss of Hire – available upon application to The Association with Daily Sum Insured and limit to be agreed in advance. Subject to Additional Premium for breaches of Trading Warranties.

Voyage Frustration (Piracy Loss of Hire) – as per the following wording upon application to The Association and available on an annual basis or for breaches of Trading Warranties.

This is to indemnify the original insured for their Loss of Hire up to the Daily Sum Insured to be agreed by The Association for 180 days (or to be agreed by The Association) but subject to a limit USD 17,500,000 any one accident or occurrence, in the event of the vessel insured hereunder being prevented and/or delayed from trading as a result of an act of Piracy, for a period in excess of 48 hours.

Also to pay costs or expenses incurred by the original insured in order to prevent or mitigate a claim hereunder but excluding any ransom demands absolutely.

Any subsequent recovery up to the amount of any claims paid hereunder to inure to the benefit of The Association.

Excluding any fines or penalties absolutely or claims that are recoverable from the vessels Protection and Indemnity Club and/or War Risks Insurer(s) and/or other insurance policies in place during the currency of this insurance.

Trading Warranties – see current List of Areas of Perceived Enhanced Risk on page 3-4.

All vessels – subject to Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Cyber Attack Exclusion Clause 2004-01-01 (W.1.3) and The Swedish Club Sanction Limitation and Exclusion Clause W.10.

Swedish Flagged Vessels – subject to Swedish Club Outbreak of War Clause (W.7.2).

Cyber Attack Exclusion Clause 2004-01-01 (W.1.3) may be deleted upon application.

Premium

The agreed premium to be paid on 1 January 2018 or as agreed.

List of Areas of Perceived Enhanced Risk “Listed Areas” as of 1 January 2018

The insurance is valid world-wide, however with a General Cancellation Clause of seven days as regards trading warranties, with the following areas currently excluded. Trading to Listed Areas should be reported to the Association before commencement of the voyage. An additional premium, which depends on area and current rate, may be required. A premium indication will be provided at reporting.

Definitions:

Named Countries shall include their coastal waters up to 12 nautical miles offshore, unless specifically stated below.

Named Ports shall include all facilities/terminals within areas controlled by the relevant port authority/ies (or as may be more precisely defined by Insurers) including offshore terminals/facilities, and all waters within 12 nautical miles of such but not exceeding 12 nautical miles offshore unless specifically stated.

Africa

- Benin
- Gulf of Guinea, but only in respect of the area enclosed by
 1. On the northern side the coast of Benin, Togo and Nigeria
 2. On the western side a straight line from the border, on the coast, of Ghana and Togo to position Latitude 3° North, Longitude 1° 10' East
 3. On the southern side a straight line from there to position Latitude 3° North, Longitude 8° East
 4. 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
- Somalia
- Eritrea, but only South of 15 degrees North
- Nigeria
- Libya
- Togo

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

- Waters as defined below

Indonesia/Malaysia

- The port of Jakarta

Middle East

- Iran
- Iraq, including all Iraqi offshore oil terminals
- Israel
- Lebanon
- Saudi Arabia excluding transit
- Yemen
- Syria

South America

- Venezuela, including all offshore installations in the Venezuelan EEZ.

Additional information

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

The waters enclosed by the following boundaries:

- on the north-west, by the Red Sea, south of Latitude 15° North
- on the west of the Gulf of Oman by Longitude 58° East
- on the east, Longitude 65° East
- and on the south, Latitude 12° South

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

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

Yours faithfully,
The Swedish Club



Lars Rhodin

Enclosures

- Enclosure 1: The Swedish Club Outbreak of War Clause (W.7.2)
- Enclosure 2: Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Cyber Attack Exclusion Clause (W.1.3)
- Enclosure 3: Navigational Limitations for Hull War, Strikes, Terrorism and Related Perils Endorsements (JW2005/001A)
- Enclosure 4: Hull War, Strikes, Terrorism and Related Perils Notice of Cancellation Administration Clause (JW2005/001B) (as and where applicable)
- Enclosure 5: The Swedish Club Sanction Limitation and Exclusion Clause W.10