

26 September 2001



TO ALL MEMBERS

The Britannia Steam Ship
Insurance Association Limited

Managers
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Dear Sirs

War Risk P&I Cover

As a consequence of the World Trade Center tragedy on 11 September, we would like to remind Members of the terms of the cover for war risks P&I which has been made available by Group Clubs to Members since 1986.

Although a number of market war risks underwriters have given seven days' notice of cancellation in respect of their war risks hull and P&I policies, International Group Clubs have not as yet issued seven days' notice of cancellation for the Group's war risks P&I cover, nor given notice of the exclusion of any specific trading areas, although the issue is under review from day to day as events develop.

Members are however reminded that the Group's war risks P&I cover is provided on the basis that the protection is intended to pay claims only in excess of amounts recoverable under a Member's existing war risks policy including but not limited to Hull and Machinery and Crew, marine or war risks and any Protection and Indemnity Clauses attached thereto. It is not intended as a substitute for traditional market war risks cover.

Members are therefore expected to maintain their existing war risks cover, including for P&I war risks, to the maximum extent available from their war risks underwriters. Under the terms of the special war risks P&I cover, the Directors have the power to exclude trading areas or cancel the cover entirely upon seven days' notice. The Directors will continue to keep the position closely under review, with a view to ensuring that the cover protects the membership as a whole and is not unduly exposed either at the primary level or in any particular area.

The terms and conditions of the Group's war risks P&I cover will in any event be subject to review for 2002.

Yours faithfully
Tindall Riley (Britannia) Limited
Managers