

19 January 2010



TO ALL MEMBERS

The Britannia Steam Ship
Insurance Association Limited

Managers
Tindall Riley (Britannia) Limited
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Dear Sirs

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**Class 3 - Protection and Indemnity
Endorsements to 2010 policy year Certificates of Entry**

Attached are endorsements to Class 3 - Protection and Indemnity Certificates of Entry in respect of War Risks P&I cover and United States Oil Pollution cover.

These endorsements will be applicable where the Member's Certificate of Entry so specifies.

Yours faithfully
Tindall Riley (Britannia) Limited
Managers

This circular should not be placed in the binder

Protection & Indemnity - War Risks Clause Endorsement

Policy Year: 2010

Risks Period: 20 February 2010 – 20 February 2011

It is hereby agreed in accordance with the provisions of Rule 25 that cover is extended to include such losses, liabilities, costs and expenses as would be covered under the Rules of the Association, but for the exclusion of War Risks as set out in Rule 25(1). This extended Protection & Indemnity War Risks insurance is subject to a limit in respect of such losses, liabilities, costs and expenses of US\$500,000,000 any one ship any one event. (See clause 4 below).

This insurance is to pay claims in excess of amounts recoverable under the Ship's or crew war risk P&I policies, subject to a minimum excess of the proper value (see clause 5 below) of the entered ship or US\$100,000,000 whichever is the lesser any one event. Provided that this condition shall not apply where the entry of the ship is solely in the name of or on behalf of a charterer other than a charterer by demise or bareboat charterer and provided that the Committee may authorise the payment, in whole or in part, of any claim or part of a claim which falls within such excess if, in its discretion and without having to give any reasons for its decision, it decides that the Member should recover from the Association.

- 1) This insurance for War Risks under Rule 25(2) shall be subject to the following:
 - A. CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND COMPUTER VIRUS EXCLUSION CLAUSE:

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith, and shall be interpreted in accordance with

the Association's circular dated 27 March 2003 - International Group of P&I Clubs War Risks P&I Cover.

In no case shall this insurance cover any loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- i) any chemical, biological, bio-chemical or electromagnetic weapon;
- ii) the use or operation, as a means for inflicting harm, of any computer virus.

B. TOPIA 2006 EXCLUSION CLAUSE

This insurance shall not provide cover for any losses, liabilities, costs or expenses if the provision of such insurance would create a liability for the insured owner under the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 to contribute to the IOPC Supplementary Fund in respect of pollution damage caused by terrorism.

- 2) At any time or times before, or at the commencement of, or during the currency of any Policy Year of the Association, the Association may in its discretion determine that any ports, places, countries, zones or areas (whether on land or sea) be excluded from the insurance provided by this insurance for War Risks under Rule 25(2) ("Prohibited Areas"). Save as otherwise provided by the Association this insurance shall cease in respect of Prohibited Areas at midnight on the seventh day following the issue of notice of such determination in accordance with Rule 25(2) of the Association's Rules. Unless and to the extent that the Committee in its discretion otherwise decides there shall be no recovery from the Association under this insurance in respect of any losses, liabilities, costs and expenses howsoever arising out of any event, accident or occurrence within the Prohibited Areas after such date.
- 3) Notwithstanding any other term or condition of this insurance, this cover for War Risks under Rule 25(2) may be cancelled by the Association giving seven days' notice (such cancellation becoming effective on the expiry of seven days from midnight of the day on which notice of cancellation is issued by the Association) and the Association may at any time after the issue of notice of such cancellation resolve to reinstate this cover pursuant to Rule 25(2) on such terms and conditions and subject to such limit as the Association in its discretion may determine. Without prejudice to the provisions of Rule 25 (2) this insurance is subject to the Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause – Hulls, etc. as shown in Appendix 1.
- 4) When either a demise, time, voyage, space or slot charterer and/or the owner of the Entered Ship are separately insured for any losses, liabilities, costs and expenses incidental thereto covered under Rule 25(2) of the Association and/or the equivalent Rule of any other association which participates in the Pooling Agreement and General Excess Loss Reinsurance Contract, the aggregate of

claims in respect of such losses, liabilities, costs and expenses incidental thereto insured under Rule 25(2) of the Association and/or the equivalent Rule of such other association(s), shall be limited to USD500,000,000 any one ship any one event. If such losses, liabilities, costs and expenses exceed this limit, the liability of the Association in respect of each Certificate of Entry shall be limited to that proportion of the limit that claims recoverable from the Association under that Certificate bear to the aggregate of the said claims recoverable from the Association and from such other association(s), if any.

- 5) The Committee shall determine whether the Entered Ship was insured for a proper value under the Ship's or crew war risks P&I policies on that Ship. If the Committee determines the amount actually insured to be less than the proper value, the Member shall only be entitled to recover the excess of such proper value.

(Note: In determining whether the Ship was insured for a proper value the Committee will need to be satisfied that the said Ship's or crew war risks P&I policies have been the subject of periodic review in the light of proper advice on market conditions. A proper value will be a figure which is reasonably close to the equivalent of the free uncommitted market value of the Ship at the time of the incident).

Appendix 1

Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause – Hulls etc.

1) Cancellation

Cover hereunder in respect of the risks of war, etc may be cancelled by the Association giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued to the Member (Insured Owner)). The Association agrees however that they may reinstate cover subject to agreement between the Association and the Insured Owner prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

2) Automatic Termination of Cover

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc. shall TERMINATE AUTOMATICALLY

2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.

2.2 in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

3) Five Powers War and Nuclear Exclusions

This insurance excludes

3.1 loss damage liability or expense arising from

3.1.1. the outbreak of war (whether there be a declaration of war or not) between any of the following :

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China:

3.1.2. requisition either for title or use.

3.2 In no case shall this insurance cover liabilities, losses, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Insured Owner or his servants or agents)

when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or loss or cost or expense is incurred, was directly or indirectly caused by or arises from:

a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,

b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,

c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,

d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter,

other than liabilities, losses, costs or expenses arising out of carriage of "excepted matter", (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made thereunder), as cargo in an Insured vessel.

4) Law and Practice

This clause shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the exclusive jurisdiction of the Courts of England and Wales.

Cover in respect of the risks of war, etc shall not become effective if, subsequent to acceptance by reinsuring underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

Protection and Indemnity - United States Oil Pollution Cover Endorsement

Policy Year: 2010

Risks Period: 20 February 2010 – 20 February 2011

It is noted and agreed that cover is extended to include the provisions of Rule 19 (12) proviso (vi) subject to Members complying with the requirements of that Rule and by payment of the appropriate premiums as set out below: -

Additional Fixed Premiums (not subject to Deferred, Exceptional or Overspill calls) under Rule 19 (12) proviso (vi)(b) in respect of each relevant voyage are as follows: -

USD 0.0647 per GT per relevant voyage for vessels equipped with segregated ballast tanks in accordance with the requirements of Regulation 18 of Annex 1 to MARPOL 73/78.

USD 0.078 per GT per relevant voyage for all other vessels.

The above additional premiums are subject to: -

- a) a maximum of 20 relevant voyages per vessel
- b) a minimum contributing tonnage of 1,000 GT per vessel
- c) a reduction of 50% for loading / discharging solely at LOOP and for ship to ship transfers solely at an offshore location approved by the US Coast Guard.

Vessels of 1,000 GT or under have the option to pay a lump sum premium for all relevant voyages equivalent to 20 additional premiums.