

Notices to Members

No. 5 2016/2017 - Iran Trading - Increased Limit of Fall-Back Cover

April 2016,

Dear Sirs,

Iran Trading – increased Limit of Fall-Back Cover

Members are referred to Notices to Members No.2 2016/2017 and No.3 2016/2017.

As previously notified, the International Group has bought “fall-back” cover, which is designed to respond to reinsurance recovery shortfalls that would result from the inability of US-domiciled reinsurers on the Group GXL and Hydra reinsurance programmes to make payments due to the continuing application of US primary sanctions, for the 2016/17 policy year.

The Group has now been able to obtain a higher limit of cover (€100million) compared to that which was available initially (€70million) and further secured underwriters’ agreement to a second full reinstatement of cover. All other features of the cover remain unchanged.

The Group remains of the view that because of the limitations of fall-back cover, whilst mitigated to an extent by the increase in limit and the additional reinstatement, it does not provide a long term solution to Members’ needs. The Group therefore continues to engage with the US administration and a further report will be made in due course.

All Clubs in the international Group have issued a similar circular.

Yours faithfully

For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

A Paulson
Director