

No. 8 - War Risk P&I Cover – Notice of Cancellation – 17th October 2001

October 2001

Dear Sirs

War Risk P&I Cover – Notice of Cancellation – 17th October 2001

We refer to our Notice to Members No 6 2001/2002 dated September 2001.

As indicated in that notice a decision was taken not to give seven days' notice of cancellation at that time notwithstanding that market underwriters had already done so.

The Notice to Members advised that the decision would be reviewed from day to day as events develop. In particular the concern was that cover provided by the Club should, if possible, continue to protect participating Members as a whole and should not be unduly exposed either at the primary level or in any particular geographical area.

Participating Members are reminded that the Club's cover is not intended as a substitute for market war risk cover but is provided on the basis that the protection is intended to pay claims only in excess of amounts recoverable under a participating Members' underlying war risk policy including P&I risks.

In view of the latest circumstances, which include the commencement of hostilities in Afghanistan, it has been decided that general notice of cancellation should now be issued. Participating Members are therefore advised that this Notice to Members constitutes notice of cancellation of their war risk cover in accordance with paragraph 6(d) of the Club's Notice to Members No 1 1996/97 dated February 1996.

This notice shall run for seven days from 2400 hours GMT on October 17th 2001.

Upon expiry of the Notice at 2400 hours GMT on October 24th 2001, cover will be automatically reinstated without, for the time being, payment of any additional premium on the condition that the Club's cover for war risk shall in every case be subject on reinstatement to an excess of:

either

the U S dollar equivalent of such insured value as the Committee determines represents the market value of the insured vessel disregarding any charter or other engagement to which she may be committed,

or

the amount recoverable from a participating Member's underlying war risk underwriters,

whichever is the greater.

However, such an excess shall not apply where an insured vessel is entered solely in the name of a charterer other than a charterer by demise or bareboat charterer, and in any case the excess shall be deemed to be no more than US\$100 million per entered vessel.

The Committee shall retain an absolute discretion to pay claims within this excess.

Yours faithfully

**The West of England Ship Owners
Insurance Services Limited**
(As Managers)

P E Spendlove
Managing Director