

Notices to Members

No. 17 - Class 2 FD&D Cover for New Buildings 2005/2006

February 2005

Dear Sirs

CLASS 2 FD&D COVER FOR NEW BUILDINGS 2005/2006

At their meeting earlier this month the Board considered whether or not changes to Class 2 cover for disputes arising from contracts for the building of new vessels which are to be entered for Class 2 risks on or after 20 February 2005 should be introduced.

The Board decided that for such new building entries the following special terms shall apply with effect from noon on 20 February 2005:-

1. The **limit of cover** set out in Part II, Rule 3 e) (\$5 million) shall be \$2 million, or such sum between \$2 million and \$5 million as may be agreed by the Managers in writing.

and

2. The **deductible** set out in Part III Rule 11 (1) shall be 25% of the recoverable costs and expenses set out in Part II Rule 3 (a) - (c), subject to a minimum deductible for such costs and expenses of \$5,000.

All other terms and conditions for such new building entries shall be in accordance with the Class 2 Rules as shall apply for 2005 and from policy year to policy year thereafter.

For new buildings already entered before the commencement of the 2005 policy, the terms and conditions set out in the Class 2 Rules shall continue to apply from policy year to policy year as before together with any other special terms or conditions which an individual Member may have agreed or agree in writing from time to time with the Managers.

Yours faithfully

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

P E Spendlove
Managing Director