

16 February 2023

**To all Members of Class 6 – Freight, Demurrage and Defence**

Dear Sirs

**Class 6 - Freight, Demurrage and Defence  
Endorsements to 2023/24 policy year Certificates of Entry – Declared Communicable Diseases,  
Rule 20(10)**

We refer to the Association's circular dated 27 January 2023 which confirmed that the resolutions to adopt changes to the Rules of Class 6 were unanimously approved by the Board at their meetings on Tuesday 10 January 2023.

Attached is the endorsement to 2023/24 Class 6 – Freight Demurrage and Defence Certificates of Entry in respect of the risk of Declared Communicable Diseases under Rule 20(10).

The Board has agreed that Members should benefit from a limited amount of write back of cover in respect of Declared Communicable Diseases in the amount of USD2,000,000 per claim or USD4,000,000 in the annual aggregate as per clause 6 of the attached endorsement. Members' cover is also limited to an annual aggregate limit of USD10,000,000 in respect of all coverages afforded by the Association in accordance with clause 7.

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

Yours faithfully

Tindall Riley (Britannia) Limited

Managers

## **Freight Demurrage & Defence – Declared Communicable Diseases Endorsement**

**Policy Year: 2023/24**

**Risks Period: noon 20 February 2023 – noon 20 February 2024**

It is hereby agreed that cover is extended to include such losses, liabilities, costs and expenses as would be covered under the Rules of the Association(s), but for the exclusions as set out in Rule 20(10). This extended Freight Demurrage & Defence (FD&D) insurance is subject to a limit in respect of such losses, liabilities, costs and expenses of USD2,000,000 any one claim or USD4,000,000 in the annual aggregate as per clause 6 below. Cover is also limited to an annual aggregate limit of USD10,000,000 in respect of all covers afforded by the Association(s) in accordance with clause 7 below.

1. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a Declared Communicable Disease), recovery under this insurance for any loss, damage, liability, cost or expense otherwise recoverable hereunder directly arising from any transmission or alleged transmission of the Declared Communicable Disease shall be limited to the amounts stated in paragraph 6.
2. The limitation in paragraph 1 of this endorsement shall not apply to any liability of the Member otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the Member proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However, irrespective of whether the requirements of paragraph 2 of this endorsement are met, there shall be no recovery under this insurance which shall still be limited in accordance with paragraph 1 for any:
  - 3.1 liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
  - 3.2 liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
  - 3.3 loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. As used in this endorsement, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where
  - 4.1 the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - 4.2 the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
  - 4.3 the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
5. This endorsement shall not extend this insurance to cover any liability which would not have been covered under this insurance had this endorsement not been attached.

6. Recovery under this endorsement shall be limited to USD2,000,000 any one claim and USD4,000,000 in the annual aggregate per Member. For the avoidance of doubt and for the purposes of this endorsement only:
- 6.1 The sublimit and annual aggregate limit in paragraph 6 shall apply per Senior Member and pursuant to Rule 8(6) (Limits of cover) where Joint Members are included in the Member stated above shall apply in the aggregate to the Senior Member and such Joint Members; and
- 6.2 the sublimit and annual aggregate limit in paragraph 6 replace the Limits of cover otherwise applicable under the terms of this entry and are not in addition to those Limits of cover; and
- 6.3 the sublimit shall not serve to increase the amount otherwise recoverable under this insurance.
7. Recovery from the Association(s) in respect of the Declared Communicable (PHEIC) Endorsement attaching to any and all coverages and/or insurances afforded by the Association(s) is limited to USD10,000,000 in the annual aggregate per Member. For the purposes of this endorsement only, 'Member' shall mean taken together as the Managers may determine:
- a Member insured under the Rules of Class 3;
  - a Member insured under the Rules of Class 6;
  - an Assured insured under the Association's Charterers' Liability Insurance;
- and 'annual' in the term 'annual aggregate' shall mean the 12-month period commencing at the inception of the first coverage or insurance to which the Declared Communicable (PHEIC) Endorsement applies. Recovery under this endorsement may therefore be further limited to the extent that the Member has previously recovered under the Declared Communicable (PHEIC) Endorsement attaching to such other insurances or coverages.
8. For the avoidance of doubt, reference to the Association(s) shall be taken as a reference to either or both The Britannia Steam Ship Insurance Association Europe (Britannia Europe) and The Britannia Steam Ship Insurance Limited (Britannia (UK)). A Member of both Britannia Europe and Britannia (UK) shall only be entitled to a single recovery from the Association(s) in respect of this Declared Communicable (PHEIC) Endorsement.