

# CIRCULAR

14 April 2016

## **Iran trading – increased limit of fall-back cover**

Members are referred to our circulars dated 22 February 2016 and 18 March 2016:

<https://britanniapandi.com/wp-content/uploads/2017/09/Iran-trading-PandI-cover-02-2016.pdf>

<https://britanniapandi.com/wp-content/uploads/2017/09/Iran-trading-PandI-cover-update-03-2016.pdf>

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 International 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 International 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 International 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.**