



CHINA SHIPOWNERS MUTUAL ASSURANCE ASSOCIATION

CPI Underwriting 2016 No.4

Date: 18 April 2016

To all members,

Iran Trading – increased limit of fall-back cover

Members are referred to our previous circulars on the subject matter.

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.

Yours faithfully

Song Chunfeng

Managing Director

China Shipowners Mutual Assurance Association

China Shipowners Mutual Assurance Association

Add: Building No. 12, Courtyard No. 1, Wuliqiao No. 1 Street, Chaoyang District, Beijing, P. R. China. PC: 100024
Tel: 0086 10 59223521 Fax: 010 59621611 (Claims) 59621612 (U/W)