

**Circular ref: 2019/008**

Circulated to Insureds, Brokers and Directors

Date: 10<sup>th</sup> October 2019

**Summary of Changes Appearing in the MISL COFR Master Agreement (2019)**

The COFR Master Agreement (2019) (“Agreement”) which is now applicable to all new and renewal COFR business with Shoreline, reflects a number of changes from the prior COFR Master Agreement (2016). For ease of reference, those changes are summarized below. Capitalized terms in the below summaries have the meaning provided for them in the Agreement. This document is for informational purposes only, and is not intended to modify, define or limit the terms of the Agreement, all of which should be reviewed carefully.

**Clause 1.1**

Clause 1.1 has been amended to clarify that the representations and warranties made by Applicant in that Clause are continuing in nature from the date of the Applicant’s Request for coverage through the period of the Agreement.

**Clause 1.2**

Clause 1.2 has been revised to delete the subparagraph which required Applicant to provide Shoreline with quarterly U.S. Declarations for tank vessels that were formerly subject to such quarterly U.S. Declarations.

**Clause 2**

The last sentence of Clause 2 has been amended to clarify that the Agreement will terminate in the event that the Guaranty is or becomes unacceptable to the U.S. Coast Guard.

**Clause 4**

This Clause has been streamlined in light of the fact that the many and varied premium models available do not lend themselves to listing in the Master Agreement. This Clause also now makes express reference to the Policyholder Dividend Program and the premium reductions which may result from participation in that program.

**Clause 5.5**

This Clause has been amended to state that the subrogated claims for which Applicant must provide documentation and evidence to Shoreline shall include, but are not limited to, claims in respect of response costs incurred at the direction or approval of a Qualified Individual appointed by the Applicant.

**Clause 6.1**

Clause 6.1(d) has been amended to clarify that the Shoreline has the right to terminate the Agreement in the event of non-payment of Premium when due, if the Applicant has failed to cure such non-payment within forty-eight (48) hours of the issuance of notice of non-payment.

**Clause 6.4**

Both subparagraphs of this Clause have been streamlined to remove references to voyage fees, and to conform to the revisions to the premium provisions of Clause 4.

**Clause 8**

This Clause has been revised to remove reference to termination “by the Issuer or the Applicant” in light of the fact that termination pursuant to Clause 2 does not require action by either party.

**Clause 9.3**

A new Clause 9.3 has been added to make clear that Shoreline may from time to time amend the terms of the Agreement, and that such amendments become automatically effective from the date of issuance of any written amendment.

**Clause 12**

In light of the addition of new Clause 9.3, Clause 12 now includes a reference to Clause 9.3 as providing one means of amending the Agreement.

**Clause 14**

Clause 14 has been amended to reflect Shoreline’s new address for notices.

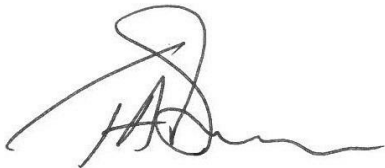
**Signing Provision**

The amended Agreement no longer concludes with a signing provision.

The revised 2019 may be downloaded from the Shoreline website at:

<https://www.shoreline.bm/solutions/cofr-guarantees/>

Yours sincerely,

A handwritten signature in black ink, appearing to be 'T. Brown', written over a horizontal line.

Captain Thomas Brown  
CEO  
Shoreline Ltd.