

**Circular ref: 2020/SPS/002**

Circulated to Direct SPS Insureds and their Brokers

Date: 20<sup>th</sup> March 2020

**COVID-19 - Change to War Blue Card Premium Payment Terms**

This circular serves to notify our War Blue Card clients of a change we have made to the premium payment terms which apply to your War Blue Card insurance.

In recognition of the disruption to our clients' normal trading activity as a consequence of measures taken by governments around the World to arrest the spread of the COVID-19 virus, Shoreline has taken the decision to extend the premium payment terms for their War Blue Card insurance which expire today, from 30 to 60 days after inception, thereby doubling the payment credit period under your policy of insurance. We hope this change will be of assistance to our clients at this difficult time

Whilst many of our client's vessels may be destined for lay-up and/or re-deployment at the time of writing, we anticipate virtually all vessels will have already traded and the majority will anticipate a return to full trading at some point during the term of the 2020 War Blue Card cover. As such we deem all vessels to be on risk and the annual premium will be due for payment within 60 days of inception. We trust that our clients will settle premiums as originally invoiced for their annual cover within the restated premium payment term as failure to do so may regrettably result in the cancellation of the War Blue Card.

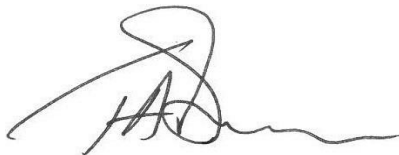
Whilst the current pandemic has created unprecedented disruption to world trade for passenger and cruise vessels alike, the continued availability of Shoreline's War Blue Card insurance is predicated on its ability to collect the full trading premiums as quoted and agreed with its clients. It is only on this basis that Shoreline can pay its reinsurers for the cost of the capital they have provided to enable it to offer the maximum limits of 340 million SDR required under the Athens Convention and EU PLR.

The cancelation and / or suspension of War Blue Card cover by the insured in these circumstances is not contemplated under the terms and conditions of the War Blue Card policy of insurance and to do so would cast doubt on the viability and availability of the cover now and into the future.

We sympathise with the difficulties faced by our clients in the face of this unprecedented and unforeseen pandemic. By extending the premium payment term we hope we can assist with cash flow management issues even in a small way at this difficult time.

Should you have any questions please do not hesitate to contact the undersigned.

Yours sincerely,



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