

PASSENGER SOLUTIONS

Circular ref: 2020/SPS/001

Circulated to Insureds, Brokers and Directors

Date: 13th January 2020

Shoreline Passenger Solutions (SPS) – changes to 2020 War Blue Cards

We are pleased to attach for your information, a copy of our War Blue Certificate 2020, furnished as evidence of insurance pursuant to Article 4bis of the Athens Convention relating to the Carriage of Passengers and their luggage by Sea 2002. This is commonly referred to as the War Blue Card, applicable to the Athens Convention 2002 and the EU's Passenger Liability Regulation.

In advance of this year's War Blue Card renewal this circular serves to notify our insureds and their brokers of changes with respect to how we will deliver our War Blue Card coverage further to changes imposed upon Shoreline as a Bermuda based Lloyd's Coverholder, following the UK's decision to leave the European Union.

Post Brexit, non EU Lloyd's Coverholders are no longer permitted to route EU domiciled risk into Lloyd's of London: EU risk must now be routed into Lloyd's Brussels from a company itself domiciled in the EU.

In the last 12 months, since the 2019 SPS renewal, Shoreline has explored the financial viability of opening a subsidiary office in the EU. Further to these extensive investigations, it has become apparent that the significant costs in establishing an EU presence, coupled with the further premium increases required by our capacity providers at this renewal would negate the financial viability of our Lloyd's Coverholder facility going forward.

Consequently Shoreline has worked hard to deliver an alternative route to market for its clients, via a regulated insurance facility from its base in Bermuda, thereby maintaining the continuity of coverage from the same Lloyd's market capacity that supported its Lloyd's binding contract; without the additional cost burden of a subsidiary office in the EU which would have been assumed in part by its clients.

Shoreline Ltd (Shoreline) acting as Agent on behalf of Maritime Insurance Solutions Ltd. (MISL), a segregated account company based in Bermuda and regulated as a Class 2 Insurance Company by the Bermuda Monetary Authority, will be the named War Blue Card insurer from 20th February 2020. MISL is fully reinsured under a 100% quota share reinsurance contract by a panel of Lloyd's syndicates and A rated Company's Market reinsurers, which forms the Reinsurer Panel for War Blue Cards issued by MISL directly to Shoreline's clients.

This insurance structure is tried and tested, as Shoreline and MISL have been acting in the same capacity since 2014, when Shoreline received agreement from the US Administration for MISL to act as an approved insurer for the provision of US OPA COFRs on behalf of Shoreline's shipowner clients.

Contained within MISL's SPS reinsurance contract is a claims cut through clause which provides its insureds with direct access to its reinsurance capacity for the purpose of claims settlement. A copy of the cut through clause can be provided on request and will be included in the insurance slip wording.

In the event of a claim notified to MISL via Shoreline, the same will be simultaneously notified to MISL's panel of reinsurers for adjustment and settlement directly to the claimants as dictated by the circumstances of the case.

Post Brexit, Shoreline is most pleased, to be in a position to provide continuation of cover when acting as our client's War Blue Card provider of choice, moreover, Shoreline is most appreciative of the continued support from its A rated panel of re-insurers.

Should you have any questions relating to this new insurance structure and / or the format of our 2020 War Blue Card please do not hesitate to address the same to the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'T. Brown', written in a cursive style.

Captain Thomas Brown
CEO
Shoreline Ltd.

January 13, 2020

Blue Card No: **SPS/XXXXXXX/2020**

To:

Blue Card Issued by War Insurers

NOT TRANSFERRABLE:

Certificate furnished as evidence of insurance pursuant to Article 4bis of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 2002.

Name of Ship:

Distinctive Number or Letters:

IMO ship identification number:

Port of registry:

Name and full address of principal
Place of business of the carrier (s)
who actually perform the carriage:

This is to certify that there is in force in respect of the above named ship while in the above ownership a policy of insurance satisfying the requirements of Article 4bis of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 2002, subject to all exceptions and limitations allowed for compulsory war insurance under the Convention and the implementation guidelines adopted by the Legal Committee of the International Maritime Organization in October 2006, including in particular the following clauses:

War insurance shall cover liability, if any; for the loss suffered as a result of death or personal injury to passenger caused by:

- war, civil war, revolution, rebellion, insurrection, or civil strife arising there from, or any hostile act by or against a belligerent power,
- capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat,
- derelict mines, torpedoes, bombs or other derelict weapons of war,
- act of any terrorist or any person acting maliciously or from a political motive and any action taken to prevent or counter any such risk,
- confiscation and expropriation.

and may be subject to the following exemptions, limitations and requirements:

- War Automatic Termination and Exclusion Clause
- In the event the claims of individual passengers exceed in the aggregate the sum of 340 million units of account overall per ship on any distinct occasion, the carrier shall be entitled to invoke limitation of his liability in the amount of 340 million units of account, always provided that:
 - this amount should be distributed amongst claimants in proportion to their established claims,
 - the distribution of this amount may be made in one or more portions to claimants known at the time of the distribution, and
 - the distribution of this amount may be made by the insurer, or by the Court of other competent authority seized by the insurer in any State Party in which legal proceedings are instituted in respect of claims allegedly covered by the insurance.

- 30 days' notice clause in cases not covered by War Automatic Termination and Exclusion Clause.

Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Institute of London Underwriters Clause No 370)

Institute Cyber Attack Exclusion Clause (Institute of London Underwriters Clause No 380)

The defences and limitations of a provider of compulsory financial security under the Convention as modified by these guidelines, in particular the limit of 250,000 units of account per passenger on each distinct occasion;

The insurance shall only cover liabilities subject to the Convention as modified by the Reservation and Guidelines for implementation of the Convention adopted by the Legal Committee of the International Maritime Organisation on 19 October 2006.

The proviso that any amounts settled under the Convention shall serve to reduce the outstanding liability of the carrier and/or its insurer under Article 4bis of the Convention even if they are not paid by or claimed from the respective war or non-war insurers.

Period of insurance from: **Noon Greenwich Mean Time xxxxxx**

to: **Noon Greenwich Mean Time xxxxxx**

Provided always that the insurer may cancel this certificate by giving 30 days written notice to the above Authority whereupon the liability of the insurer hereunder shall cease as from the date of the expiry of the said period of notice but only as regards incidents arising thereafter.

This certificate has been issued by Shoreline Ltd. as agents for the insurer, Maritime Insurance Solutions Ltd. The insurance contract evidenced herein is reinsured on the basis of a 100% quota share reinsurance contract underwritten by the subscribing Lloyd's and Company reinsurers in the attached schedule. Under the terms of the reinsurance contract, claims may be presented against Maritime Insurance Solutions Ltd. and simultaneously and directly against reinsurers.

Signed on behalf of Shoreline Ltd.

Date:

The subscribing reinsurer's obligations under contracts of reinsurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing reinsurers are not responsible for the subscription of any co-subscribing reinsurer who for any reason does not satisfy all or part of its obligations.

Any incidents that might give rise to a claim under this Certificate to be advised to Shoreline Ltd and simultaneously to Lloyd's Syndicate CNP 4444/CNP1861 (claimshelpdesk@canopus.com) in their capacity as lead reinsurer.

Percentage	Reinsurer
3.8235%	Lloyd's Syndicate CNP 4444, Lloyd's of London, 1 Lime Street, London EC3M 7HA
2.0588%	Lloyd's Syndicate CNP 1861, Lloyd's of London, 1 Lime Street, London EC3M 7HA
2.7735%	Lloyd's Syndicate AFB 2623, Lloyd's of London, 1 Lime Street, London EC3M 7HA
0.6088%	Lloyd's Syndicate AFB 623, Lloyd's of London, 1 Lime Street, London EC3M 7HA
9.1091%	Lloyd's Syndicate XLC 2003, Lloyd's of London, 1 Lime Street, London EC3M 7HA
5.8824%	Lloyd's Syndicate AML 2001, Lloyd's of London, 1 Lime Street, London EC3M 7HA
2.6792%	Lloyd's Syndicate CSL 1084, Lloyd's of London, 1 Lime Street, London EC3M 7HA
5.0000%	Lloyd's Syndicate HDU 382, Lloyd's of London, 1 Lime Street, London EC3M 7HA
1.7415%	Lloyd's Syndicate ARK 4020, Lloyd's of London, 1 Lime Street, London EC3M 7HA
3.6437%	Lloyd's Syndicate ENH 5151, Lloyd's of London, 1 Lime Street, London EC3M 7HA
4.5546%	Lloyd's Syndicate MKL 3000, Lloyd's of London, 1 Lime Street, London EC3M 7HA
5.2244%	Lloyd's Syndicate BRT 2987, Lloyd's of London, 1 Lime Street, London EC3M 7HA
1.8218%	Lloyd's Syndicate HIS 00333, Lloyd's of London, 1 Lime Street, London EC3M 7HA
2.9412%	Lloyd's Syndicate AUL 1274, Lloyd's of London, 1 Lime Street, London EC3M 7HA
13.8235%	Lloyd's Syndicate AXS 1686, Lloyd's of London, 1 Lime Street, London EC3M 7HA
4.7794%	Lloyd's Syndicate AES 1225, Lloyd's of London, 1 Lime Street, London EC3M 7HA
4.3938%	Lloyd's Syndicate LIB 4472, Lloyd's of London, 1 Lime Street, London EC3M 7HA
5.3583%	Lloyd's Syndicate APL 1969, Lloyd's of London, 1 Lime Street, London EC3M 7HA
1.8529%	Lloyd's Syndicate HCC 4141, Lloyd's of London, 1 Lime Street, London EC3M 7HA
2.7327%	Lloyd's Syndicate MRS 457, Lloyd's of London, 1 Lime Street, London EC3M 7HA
3.6765%	Lloyd's Syndicate TRV 5000, Lloyd's of London, 1 Lime Street, London EC3M 7HA
4.8225%	Lloyd's Syndicate SCC 1301, Lloyd's of London, 1 Lime Street, London EC3M 7HA
6.6979%	Royal and Sun Alliance Insurance Plc, 20 Fenchurch Street, London. EC3M 3AU
100.0000%	