

## Special Circular to fixed premium P&I Members

### Fixed premium P&I covers reinsured outside the International Group's Pooling Agreement - special extension of cover for Covid-19 risks

We refer to [Member Circular No. 15/2020](#) regarding the amendments to the Rules for 2021.

To harmonize standard terms of cover for fixed premium P&I entries with the governing reinsurance arrangement,<sup>1</sup> it was necessary to include, *inter alia*, the Coronavirus Exclusion Clause (LMA 5395) and the Cyber Endorsement (LMA 5403) in the Rules for Mobile Offshore Units (MOUs); the Additional Covers -Terms and Condition; and in the individual Certificates of Entry for Charterers' P&I risks<sup>2</sup> with effect for the 2021 policy year commencing on 20 February 2021.

However, to meet the needs for protection against the Coronavirus risk within the fixed P&I segment, Gard P. & I. (Bermuda) Ltd and Assuranceforeningen Gard – gjensidig (hereinafter collectively referred to as the 'Associations') will offer Members and clients in respect of the categories of covers listed below a special extension of cover. The extension of cover (hereinafter referred to as the 'Special Covid-19 Extension') shall comprise liabilities, losses, costs and expenses falling within the scope of terms of entry agreed but for the Coronavirus Exclusion Clause (LMA 5395) and subject to a sub-limit of USD 10 million per ship or vessel per event. (No extension of cover is offered in respect of risks excluded pursuant to the Cyber Endorsement).

The Special Covid-19 Extension shall apply for the following categories of fixed premium covers offered by the Associations:

- Comprehensive Charterers' liability cover
- P&I for Mobile Offshore Units (MOUs)
- Crew cover
- Comprehensive Carriers cover
- Extended Crew Cover
- Comprehensive general liability cover for offshore and specialist vessels (CGL)
- Comprehensive general liability cover for MOUs (CGL)
- Divers' cover

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<sup>1</sup> Fixed premium P&I covers are reinsured outside the International Group's Pooling Agreement.

<sup>2</sup> The Coronavirus Exclusion is not included in the Rules for Ships based on the International Group's Pooling Agreement. For that reason, it is necessary to include the Coronavirus Exclusion (LMA 5395) in each certificate of entry for Charterers P&I reinsured outside the International Group's Pooling Agreement.

Certificates of entry and/or cover notes and/or insurance policies issued for the 2021 policy year in respect of the above covers shall be deemed to include the following clause:

*SPECIAL COVID-19 EXTENSION CLAUSE*

*The contract of insurance evidenced by this Certificate of Entry/Cover Note/Insurance Policy is extended to include liabilities, losses, costs and expenses falling within the scope of cover pursuant to terms of entry agreed as specified in this Certificate of Entry/Cover Note/Insurance Policy but for the Coronavirus Exclusion clause. The Association's liability under this COVID-19 EXTENSION CLAUSE shall be limited to USD 10 million per Ship or Vessel per event. All other terms, conditions and limitations of the insurance remain the same.*

No additional premium will be levied in respect of the Special Covid-19 Extension for the 2021 policy year.

If you have any questions about the Special Covid-19 Extension for fixed premium P&I products, please contact [Bjørnar A. Andresen](#), Group Chief Underwriting Officer, Arendal.

Yours faithfully,  
**GARD AS**



Rolf Thore Roppestad  
Chief Executive Officer