

Iran Trading – increased limit of fall-back cover

Dear Sirs,

Members are referred to our circulars [Circular 1/2016](#) and [Circular 2/2016](#).

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 (€100 million) compared to that which was available initially (€70 million) 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.

All clubs in the International Group have issued a similar circular.

Any questions with regard to the above may be addressed to [Kjetil Eivindstad](#) or [Tore Svinøy](#), Gard, Arendal.

Yours faithfully,

GARD AS



Rolf Thore Roppestad
Chief Executive Officer