

# CIRCULAR

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## OUTLINE

- **The International Group has purchased €100 million of “fall-back” cover to respond to any reinsurance recovery shortfalls.**
- “Fall-back” does not provide a long term solution to Members’ needs.
- The Group continues to engage with the US administration.

TO THE MEMBERS

## IRAN TRADING – INCREASED LIMIT OF FALL-BACK COVER

Members are referred to our circulars dated 5/16 and 3/16.

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

Yours faithfully

**THE MANAGERS**

## For more information

Members with any questions regarding this circular are requested to contact Nigel Carden ([nigel.carden@thomasmiller.com](mailto:nigel.carden@thomasmiller.com))