AIMU has released the 5 Powers War Exclusion Clause (January 31, 2023), which has been drafted by the Committees at the request of its members. This new clause addresses war risk insurance and can be used with various marine lines of coverage. It is intended to exclude any loss, damage, liability, or expense arising from the outbreak of war (declared or not) between the following countries: United States of America, United Kingdom, France, the Russian Federation, the People’s Republic of China.

The “5 Powers War Exclusion” has long been included in Hull War Risk Policies. Given recently developing and increasing exposures, the inclusion of a “5 Powers War Exclusion” may now be added to other Marine War Insurance Policies. The clause should attach to the war risk insurance coverage form, clause, or policy provided by the insurance contract.

The outbreak of War between two of the “5 Powers” could result in claims that are potentially beyond the resources of any insurer or indeed the industry to pay, and therefore could cause an insured loss that likely would impair the solvency of an (re)insurance company and potentially the industry overall. It not being possible to assess such exposures, (re)insurers therefore may wish to exclude them from coverage.

As is the case with all AIMU clauses, this clause is made available for voluntary use by underwriters, and underwriters should determine the appropriateness of any specific clause in relation to the policy or policy section to which it may be attached.

As a result, this Clause was approved by the AIMU Management Committee on 01/31/2023.