



EAGLE OCEAN MARINE

CIRCULAR

OCTOBER 26, 2015

TO ALL INSUREDS AND BROKERS

Dear Colleague :

UKRAINE/RUSSIA RELATED ECONOMIC SANCTIONS: CRIMEA REGION OF UKRAINE

The attention of Insureds, and other concerned persons, is drawn to US economic sanctions with respect to the Crimea region of Ukraine generally, and to highlight their impact on the Insureds. These sanctions were imposed on December 19, 2014.

Brief summary of the Crimea sanctions

The US sanctions with respect to Crimea contain provisions concerning the designation of blocked persons or SDNs. This means that transactions with such designated persons (including payments to, or from, them through US banking channels) are prohibited. The SDNs appear on the US Treasury Department, Office of Foreign Assets Control List of SDNs and Blocked Persons. This list may be searched at:

<https://sdnsearch.ofac.treas.gov/>

The sanctions also prohibit the following:

- (i) new investment in the Crimea region of Ukraine by a United States person, wherever located;
- (ii) the importation into the United States, directly or indirectly, of any goods, services, or technology from the Crimea region of Ukraine;
- (iii) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, services, or technology to the Crimea region of Ukraine; and
- (iv) any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited if performed by a United States person or within the United States.

Impact of the sanctions on cover from Eagle Ocean Marine

Current US economic sanctions prohibit Eagle Ocean Marine from:

- a. dealing with or engaging in any transaction involving persons blocked by the sanctions with respect to Crimea (SDNs) (see the OFAC SDN List specified above); and
- b. from providing cover for or other support for Insureds trade with the Crimea region of Ukraine. This includes a prohibition on handling claims involving trade with Crimea.

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A copy of the Executive Order imposing US sanctions with respect to Crimea is attached.

There exists a general license authorizing the exportation or re-exportation, from the United States or by a US person, wherever located, of agricultural commodities, medicine, and medical supplies to Crimea, or to persons in third countries purchasing specifically for resale to Crimea, and the conduct of related transactions, including the making of shipping and cargo inspection arrangements, the obtaining of insurance, the arrangement of financing and payment, shipping of the goods, receipt of payment, and the entry into contracts (including executory contracts). A copy of this general license is also attached.

Impact of the US sanctions on Insureds

Non-US person Insureds

While the US sanctions with respect to Crimea do not apply to the activities of non-US EOM Insureds as long as their trade with Crimea or SDNs does not involve a US person and the United States, they will not have cover from Eagle Ocean Marine for such trade unless it falls within the above-mentioned general license.

The above-mentioned general license related to exports of agricultural commodities, medicine, and medical supplies to Crimea, authorizing transactions such as insurance cover related to such exports does not apply to permit Eagle Ocean Marine to provide cover for agricultural commodity, medicine and medical supply exports to Crimea from countries other than the United States.

The European Union also maintains sanctions with respect to, *inter alia*, trade with Crimea and insurance therefor. The prohibitions of these sanctions impact Eagle Ocean Marine non-US persons who are subject to EU laws and regulations.

Given the US as well as EU sanctions with respect to Ukraine, Insureds are urged to conduct due diligence to determine what sanctions prohibitions may apply to their activities involving the Crimea region of Ukraine.

If Insureds have any questions, they should contact Mr. Charles Cuccia, Senior Vice President at +1 212 847 4539 or by e-mail at charles.cuccia@american-club.com.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Eagle Ocean Agencies

Eagle Ocean Marine is an American Club fixed premium facility offering gold standard International Group club service, underpinned by the impeccable security of reinsurance at Lloyd's.

