Facilitating a better future

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12 June 2026

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Arabella Ramage
Legal and Regulatory Director
LMA

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Committee structure

LMA Board		
Chief Underwriting Officers Committee		Chief Risk Officers Committee
Operations Committee		Claims Committee
Finance Committee	Legal Committee	Delegated Authority Committee
Regulatory Committee	Sustainability Committee	Third Party Capital Committee
Wordings Committee		Joint War Committee

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Media highlights – March – Iran War

Bloomberg
War Cover Is Available for Ships Crossing Hormuz, LMA Says

sky news
1,000 ships worth $25bn in or around Persian Gulf, trade body says

THE WALL STREET JOURNAL.
Ship Insurers Willing to Work With Trump on Hormuz Cover

THE INSURER from Reuters
Joint War Committee extends listed areas around Arabian Peninsula
Neil Roberts, the LMA's head of marine and aviation, and JWC secretary, said the revisions hac been made "in light of recent events".

FINANCIAL TIMES
Sheila Cameron, chief executive at the London Market Group, which represents insurers in the Lloyd's of London market, said a crucial worry was whether Iran will move to close the Strait of Hormuz, which she said would probably lead to a significant insurance claim.

Reuters
Lloyd's market engaging with US government over Gulf maritime plan, officials say

THE STANDARD
The Lloyd's Market Association (LMA), which represents the interests of all underwriting businesses in the Lloyd's market, welcomed the engagement of US President Donald Trump, its CEO Sheila Cameron said separately in a statement on Thursday.

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Media highlights – March – Iran War

FINANCIAL TIMES

Insurance coverage 'remains available' for Strait of Hormuz

The reason for the near halt in traffic through the waterway was "not a lack of insurance", but because "ship masters and owners" felt "the risk to crew and vessel safety [is] too high", said Neil Roberts, head of marine and aviation at the Lloyd's Market Association.

insurance insider

London market 'open for business' on Middle East marine war

LMA CEO Sheila Cameron said: "The LMA welcomes the engagement of President Trump and the US DFC to support the movement of non-sanctioned vessels and their commodities through the Strait of Hormuz in order to facilitate global trade and economic stability."

ALJAZEERA

Despite these sovereign guarantees, the gap between financial intervention and security reality remains: Sheila Cameron, chief executive of the Lloyd's Market Association (LMA), confirms that consultations with Washington are ongoing, warning that financial instruments are not a substitute for the stability of the security environment.

FRANCE 24

Ship insurers juggle war risks for perilous Gulf route

"Safety concerns, not insurance availability, (are) driving reduced vessel traffic," headlined the Lloyd's Market Association (LMA), a trade body for the London ship insurance industry, in a report.

TIMES RADIO

BBC WORLD SERVICE

POLITICO

LAW360

UK Insurers Hold Cover For Persian Gulf Shipping, At A Price

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LMA3100A – Sanctions Limitation Clause

- No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

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LMA3200 – Sanctions Suspension Clause

- It is a condition of this (re)insurance, and the (re)insured agrees, that the provision of any cover, the payment of any claim and the provision of any benefit hereunder shall be suspended, to the extent that the provision of such cover, payment of such claim or provision of such benefit by the (re)insurer would expose that (re)insurer to any sanction, prohibition or restriction under any:
  - a) United Nations' resolution(s); or
  - b) the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- Such suspension shall continue until such time as the (re)insurer would no longer be exposed to any such sanction, prohibition or restriction.

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JC2023-024 – Five Powers War Clause

- Where any war risks coverage is provided by underwriters, this(re)insurance excludes loss damage liability or expense arising from the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.

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Automatic Termination Clause

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc. shall TERMINATE AUTOMATICALLY

1. upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

   United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

2. in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

LMA Proposal: Independent Panel

- Decisions to be made by a 4:1 majority.

- Panel may be convened by the LMA, IUA or LIIBA (or other parties to be discussed). Panel may be convened multiple times as circumstances evolve.

- Key features:
  - Contractual, binding mechanism incorporated into existing contracts without any need to change any other provision in the contract. Existing ATC is retained.
  - Determination ties directly to policy wording: ATC / exclusion triggered by reference to the date and time set by the Panel.
  - Clear yes / no decision, delivered rapidly.
  - Determination made within 24 hours of convening with back dating of decision limited to time the Panel is first called together.
  - No right of appeal.

A – Actions triggering ATC

Provisions A1-4 below are examples but not an exhaustive list of where the Five Powers Panel are likely to make a positive determination of war. The Five Powers Panel will use these examples as guidance for the level of activity which will meet the level required to give a positive determination.

A1 A formal declaration war by any of the Five Powers against one or more of the other Five Powers.

A2 An armed response, triggered by an armed attack within the meaning of Article 51 of the Charter of the United Nations, leading to armed conflict between any of the Five Powers.

A3 Deployed forces of one Five Powers country directly engaging in armed conflict with those of another Five Power country in an international operation, whether or not in a third country.

A4 Hostile action by any Five Power country (whether physical or non-physical) against another Five Power country resulting in damage to critical infrastructure at a level sufficient to impact the functioning of another Five Power country.

B - Actions not triggering ATC

It is understood that the Five Powers Panel that the following will not by themselves result in a positive determination. The Five Powers Panel will use these examples as guidance for the level of activity which will not meet the level required to give a positive determination:

B1 Deployment of advisers by a Five Power country to a third country.

B2 Supply of armaments by a Five Power country to a third country.

B3 Aerial incursion by a Five Power country across another Five Power country's border without release of weapons against the country affected.

B4 Incursion by a Five Power country into another Five Power country's Territorial waters without release of weapons against the country affected.

B5 Action taken by armed forces of a Five Power country to neutralise an uncrewed aircraft or vessel of another Five Power country in the circumstances described in B3 and B4.

B - Actions not triggering ATC (cont'd)

B6 Damage to undersea or offshore infrastructure of a Five Power country unless resulting in casualties equivalent to those sustained in an armed attack.

B7 Cyber-attack against a Five Power country unless the circumstances in A4 occur.

B8 Terrorist action within the territory of a Five Power unless one of the Five Powers alleges that the terrorist action was supported by one of the other Five Powers.

B9 Any action where all of the Five Power countries allegedly involved in a war against another Five Power country give a statement that they are not at war.

LMA5567A – War and Cyber Operation Exclusion No.4

1. Notwithstanding any provision to the contrary in this insurance, this insurance does not cover that part of any loss, damage, liability, cost, or expense, of any kind:
   1. directly or indirectly arising from a **war**, and/or
   2. arising from a **cyber operation** that is carried out as part of a **war**, or the immediate preparation for a **war**, and/or
   3. arising from a **cyber operation** that causes a state to become an **impacted state**.

   Paragraph 1.3 shall not apply to the direct or indirect effect of a cyber operation on a computer system used by the insured or its third-party service providers that is not physically located in an impacted state but is affected by a cyber operation.

   <u>Attribution of a **cyber operation** to a state</u>

2. Notwithstanding the insurer's burden of proof, which shall remain unchanged by this clause, in determining attribution of a **cyber operation** to a **state**, the insured and insurer will consider such objectively reasonable evidence that is available to them. This may include formal or official attribution by the government of the **state** in which the **computer system** affected by the **cyber operation** is physically located to another **state** or those acting at its direction or under its control.

LMA5567A – War and Cyber Operation Exclusion No.4 Continued

Definitions

3. **Computer system** means any computer, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility. If there is any inconsistency between definitions of computer system in this exclusion and the contract of insurance, the definition in the contract of insurance shall apply.
4. **Cyber operation** means the use of a **computer system** by, at the direction of, or under the control of a **state** to:
    1. disrupt, deny access to or, degrade functionality of a **computer system**, and/or
    2. copy, remove, manipulate deny access to or destroy information in a computer system.
5. **Essential service** means a service that is essential for the maintenance of vital functions of a state including, but not limited to, financial institutions and associated financial market infrastructure, health services or utility services.

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LMA5567A – War and Cyber Operation Exclusion No.4 Continued

6. **Impacted state** means any **state** where a **cyber operation** has had a major detrimental impact on:
    1. the functioning of that **state** due to disruption to the availability, integrity or delivery of an **essential service** in that **state**, and/or
    2. the security or defence of that **state**.
7. **State** means sovereign state.
8. **War** means armed conflict involving physical force:
    1. by a **state** against another **state**, or
    2. as part of a civil war, rebellion, revolution, insurrection, military action or usurpation of power,

    whether war be declared or not.

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JL2022-019 – JLC Territorial and Conflict Exclusion Clause

1. This policy excludes all loss, damage, liability, cost or expense:
    a) caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or
    b) in any area or territory or territorial waters where Russian armed forces, Russian backed forces, and/or Russian authorities, are engaged in conflict within the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.
    c) arising from capture, seizure, arrest, detainment, confiscation, nationalisation, expropriation, deprivation or requisition for title or use, or the restraint of movement of vessels and cargo in the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

JL2022-018 – JLC Notice of Cancellation

1. Notice of Cancellation ("Notice")

Where this policy insures liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:

1. war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
2. capture, seizure, arrest, restraint, or detainment, and the consequences thereof or any attempt thereat;
3. derelict mines, torpedoes, bombs, or other derelict weapons of war;
4. strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
5. terrorism, or any person acting maliciously or from a political motive;
6. confiscation, nationalisation, expropriation, deprivation or requisition,

this policy may be cancelled by the Underwriters giving 72 hours' notice of cancellation (hereinafter "Notice") in the way described in clause 3 below, with cancellation being effective from midnight Greenwich Mean Time on the day Notice is given by the Underwriters.

The Underwriters may subsequently agree to reinstate cover, if required, at terms to be agreed by the Underwriters each for their own share. Any reinstatement of cover shall occur at a time to be agreed by the Underwriters.

Proposed SoH transit Fee condition

1. Notwithstanding any other provision in this (re)insurance, including any sanctions clause, it is a condition of this (re)insurance that no transit fee, toll or other charge levied upon any vessel(s) insured under this (re)insurance to pass through the territorial waters of the Islamic Republic of Iran or otherwise to transit the Strait of Hormuz shall be paid, by whatever means, directly or indirectly. This clause shall not apply to charges levied as payment only for specific maritime or navigational services rendered to the vessel(s).
2. In the event of any failure to comply with the requirements of this clause, in addition to any other remedies under any other provision in this contract, including any sanctions clause:
   a. (re)insurers shall be irrevocably discharged of all obligations under this (re)insurance in connection with any such transit fee, toll or other charge which has been paid and shall have no liability to indemnify the (re)insured or any other person with respect to the same; and
   b. (re)insurers shall be irrevocably discharged of all obligations under this (re)insurance in connection with any vessel(s) in respect of which any such transit fee, toll or other charge has been paid and shall have no liability to indemnify the (re)insured or any other person with respect to the same.

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Blocking and trapping

Market split emerges over Hormuz blocking and trapping

By George Abbott

Published: Mon 8 Jun 2026

Hundreds of vessels that were in the Gulf when Iran announced the closure of the Strait of Hormuz on March 4 could lead to some of the largest marine war losses on record, depending on how the blocking and trapping clause is interpreted.

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