

US Sanctions – Why They Matter

Arias Spring Conference

May 11, 2022



Scope of Current US Sanctions

- **List – Based Sanctions Programs**
 - 30+
- **Comprehensive Sanctions Programs**
 - Iran
 - Cuba
 - Syria/North Korea
 - Crimea, Luhansk, Donetsk regions of Ukraine
- **Hybrid**
 - China
 - Venezuela
 - Russia

US-Russia Sanctions – 2014 to 2021

- 2014 Crimea – 4 Executive Order (blocking sanctions; Crimea embargo)
- 2017 CAATSA – strengthened 2014 sanctions
- 2018 CAATSA – oligarch designations
- 2019 – PEESA (Russian energy pipelines)
- 2021 - Russian Harmful Foreign Activities (blocking sanctions)
- 2021 – Implementation of PEESA sanctions

US-Russia Sanctions - 2022

- February 21, 2022 – Donetsk and Luhansk Regions embargo
- February 23, 2022 – Blocking sanctions on NS2 AG
- March 8, 2022 – Prohibits importation into the US of Russian energy products and new investment in Russian energy sector
- March 11, 2022 – Prohibits importation into the US of Russia fish, seafood, alcoholic beverages and non-industrial diamonds and other Russian products TBD; and sale to Russia of luxury goods to Russia of luxury and other goods TBD
- April 6, 2022 – Prohibits new investment in Russia (commitment of funds) and provision of services TBD
- May 8, 2022 – Prohibits provision of accounting, trust and corporate formation, or management consulting services to any person in Russia
- Designation of more than 1,000 SDNs

Related US-Russia Measures in 2022

- Prohibition on exports to Russia of US controlled commodities, technology and software without a BIS license
- Russian aircraft denied access to US airspace
- Russian vessels denied entry to US ports

Application of US Sanctions to Insurance and Reinsurance

- Explicitly target provision of insurance / reinsurance
- Prohibition of “services” applies to insurance / reinsurance
- “Prohibit” vs. “Target”

Sanctions Clauses in Insurance/Reinsurance Policies

- Why are they needed?
- How do they work?
- The LMA3100 Sanctions and Limitations 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 the United States of America.

Sanctions-related Insurance Disputes

- Do sanctions apply?
- Does a sanctions clause apply?
- Will the sanctions clause be enforced?

US Sanctions – Why They Matter

Arias Spring Conference

May 12, 2022

