

## Appendix I Additional insurances

### 1 **Introduction**

Additional insurances set out in this Appendix shall be subject to the Rules for P&I and Defence cover of Ships and other floating structures ("the Rules") save to the extent to which any of such Rules are inconsistent with the terms and conditions expressly agreed between the Member and the Association.

### 2 **Excess War Risks Cover**

~~The Association has arranged an additional war risk insurance for the benefit of its Members. Unless otherwise specified in the Certificate of Entry, Members with a mutual P&I entry with the Association under these Rules shall be covered for excess P&I war risks in accordance with Section 2 of this Appendix ("Excess War Risk Cover"). The Excess War Risk Cover shall not be available to fixed premium entries.~~

#### 2.1 **Scope of cover**

- 1 ~~The special war risk P&I insurance will cover~~ The Excess War Risk Cover covers P&I risks set out in Part II, Chapter 1, of the Rules for Ships, caused by war risks as described in Rule 58 of the Rules for Ships which would have been covered under the P&I cover but for the exclusion in Rule 58. The Excess War Risk Cover is subject to all other terms and conditions, including exclusions, in the Rules, and but subject always to special terms of entry agreed between the individual Association and the individual Member attached to or included in the Ship's Certificate of Entry.
- 2 ~~Further, the cover~~ The Excess War Risk Cover includes liabilities arising from acts of terrorism as defined in the US Terrorism Risk Insurance Act 2002 as amended which now has been extended to 2027. Details about additional premium for such liabilities will be sent out in a separate circular.
- 3 The Excess War Risk Cover is subject to a minimum deductible of USD 50,000 any one event each Ship.

#### 2.2 **Excess**

- 1 The Excess War Risk Cover shall apply, any one event, in excess of the greater of:
  - a ~~in excess of the proper value of the entered Ship or any amounts recoverable under any other P&I war risks cover which the Member has arranged, whichever is greater. The minimum excess is the proper value of the Ship determined in accordance with Rule 71.1.(a) of the Rules for Ships or USD 500 million, whichever is the lesser.~~; or
  - b ~~the amount recoverable under any other policy of insurance, whether war risks or otherwise.~~

#### *Notice of cancellation, automatic termination of cover and war and nuclear exclusion*

~~1 The cover afforded is subject to Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusion Clause, as set out below. The cover may be cancelled by the Association giving seven days' notice (such cancellation becoming effective on the expiry of seven days from midnight on the day on which notice of cancellation is issued by the Association).~~

~~Whether or not such notice of cancellation has been given, cover shall terminate automatically:~~

- ~~i upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:~~

~~United Kingdom, United States of America, France, The Russian Federation, the People's Republic of China and this insurance excludes loss, damage, liability or expense arising from such outbreak of war;~~

- ~~ii in the event of the Entered Ship being requisitioned either for title or use and this insurance excludes loss, damage, liability or expense arising from such requisition;~~

#### 2.3 **Limitation of cover**

- 1 ~~Except and only to the extent provided in 6 below, the cover for Members Unless otherwise follows from paragraph 2 or 3 below, the Excess War Risk Cover is limited to USD 500 million any one event each Ship.~~
- 2 The limit of USD 500 million referred to in ~~paragraph 1~~ 5 above is replaced with a limit of

USD 100125 million for a Ship transiting and/or calling within all Russian waters, including Russian coastal waters up to 12 nautical miles offshore, and the waters defined below:

- a** Sea of Azov and Black Sea waters plus inland waters enclosed by the following boundaries
  - i On the west, around Romanian waters, from the Ukraine-Romania border at 45° 10.858'N, 29° 45.929'E to high seas point 45° 11.235'N, 29° 51.140'E
  - ii thence to high seas point 45° 11.474'N, 29° 59.563'E and on to high seas point 45° 5.354'N, 30° 2.408'E
  - iii thence to high seas point 44° 46.625'N, 30° 58.722'E and on to high seas point 44° 44.244'N, 31° 10.497'E
  - iv thence to high seas point 44° 2.877'N, 31° 24.602'E and on to high seas point 43° 27.091'N, 31° 19.954'E
  - v and then east to the Russia-Georgia border at 43° 23.126'N, 40° 0.599'E
- b** All inland waters of Ukraine
- c** Inland waters of Russia within the following areas:
  - i Crimean Peninsula
  - ii River Don, from Sea of Azov to vertical line at 41° E
  - iii River Donets, from River Don to Ukraine border
- d** All inland waters of Belarus south of horizontal line at 52° 30' N

3 Where there is more than one Owner's Entry or Charterer's Entry in respect of an Entered Ship entered with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims following an event brought against the Association and/or such other Association shall be limited to USD 500 million or, for Ships subject to the limit in paragraph 2 above, USD 100125 million (for Ships subject to the limit in 6 above) respectively. In these circumstances, the limit of liability shall be such proportion of USD 500 million or USD 100125 million respectively as the claims recoverable under an Owner's Entry or Charterer's Entry in the Association bear to the aggregate of all the said claims recoverable under all Owner's Entries and Charterer's Entries in respect of that Ship with this or any other Association.

*Institute notice of cancellation, automatic termination of cover and war and nuclear exclusions clause – hulls*

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

#### 2.4 Notice of Cancellation

~~Cover hereunder in respect of the risks of war, etc. The Excess War Risk Cover may be cancelled by either the Underwriters or the Assured the Association giving 7 days' notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters Association). The Underwriters Association may agree however to reinstate cover subject to agreement between the Underwriters and the Assured with the Member prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.~~

#### 2.5 Automatic Termination of Cover

- 1 Whether or not such notice of cancellation has been given, ~~the Excess War Risk Cover cover hereunder in respect of the risks of war, etc, shall TERMINATE AUTOMATICALLY a~~ 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;
  - b in respect of any Ship, in connection with which cover is granted hereunder, in the event of such Ship being requisitioned either for title or use.
- 2 ~~The Excess War Risk Cover shall not become effective if, subsequent to acceptance by the Association and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this Rule paragraph 1 above.~~

#### 2.6 Five Powers War and Nuclear Exclusions

- 1 ~~This insurance The Excess War Risk Cover excludes 4.1 loss damage liability or expense arising from:~~
  - a 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;
  - b requisition either for title or use.
  - ~~loss damage liability or expense directly or indirectly caused by or arising from~~
- 2 ~~In no case shall this insurance cover liabilities, losses, costs or expenses (irrespective of whether a contributory cause of same being incurred was any neglect on the part of the Member(s) or its servants or agents) when the loss or damage, injury, illness or death or other accident in respect of such liability arises or loss or cost or expense is incurred, was directly or indirectly caused by or arises from:~~
  - a ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - b the radioactive, toxic, explosive or other hazardous or contaminating properties of any

nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- c any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter,  
other than liabilities, costs or expenses arising out of carriage of "excepted matter", (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made thereunder) as cargo in a Ship.

## 2 Law and Practice

This clause is subject to English law and practice.

### 2.7 TOPIA Exclusion

~~The cover excludes loss, damage or expense arising from an act of terrorism which the Member may incur or for which the Member may be liable under TOPIA 2006.~~

~~The Excess War Risk Cover shall not provide cover for any losses, liabilities, costs or expenses if the provision of such cover would create a liability for the Member under the TOPIA 2006 to contribute to the IOPC supplementary fund in respect of pollution damage caused by terrorism.~~

### 2.8 Bio-chem and computer virus Chemical, Biological, Bio-Chemical, Electromagnetic Weapons and Computer Virus Exclusion Clause

- 1 The Association shall not be liable for any In no case shall this insurance cover losses, damage, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:
  - a any chemical, biological, bio-chemical or electromagnetic weapon;
  - b the use or operation, as a means for inflicting harm, of any computer virus;
- 2 ~~iii Clause 4.ii Paragraph 1.b above will shall not operate to exclude losses (which would otherwise be covered under the terms of this policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.~~

~~However, the International Group has decided that the Bio-Chem Risks shall be covered through a special pooling facility, covering the Member's liability in respect of:~~

- i ~~damages, compensation or expenses in consequence of personal injury to or illness or death of any seafarers; and~~
- ii ~~for legal costs and expenses incurred solely for the purpose of avoiding or minimising any other P&I liability arising from a Bio-Chem Risk.~~

~~The limit of cover for the special insurance against the Bio-Chem risks is USD 30 million per Ship in the aggregate. The detailed terms and conditions of the Bio-Chem cover are available in the special Bio-Chem and computer virus clause, as set out below.~~

### 2.9 Excluded Areas

~~At any time or times before, or at the commencement of, or during the currency of any Policy Year, the Association may in its sole discretion determine that any ports, places, countries, zones or areas (whether of land or sea) be excluded from the insurance provided by this Excess War Risk Cover.~~

~~Save as otherwise determined by the Association in its sole discretion, this Excess War Risk Cover shall cease in respect of such ports, places, countries, zones or areas at midnight on the seventh day following the issue to the Members of notice of such determination. Unless and to the extent that the Association in its sole discretion otherwise decides, there shall be no recovery from the Association under this Excess War Risk Cover in respect of any liabilities, costs, losses or expenses directly or indirectly caused by or contributed to by or arising out of any event, accident or occurrence within the said area after such date.~~

### 3 Bio Chem Risks Cover

~~Notwithstanding the Chemical, Biological, Bio-Chemical, Electromagnetic Weapons and Computer Virus Exclusion Clause contained in section 2.8 in the Excess War Risk Cover, Members with a mutual P&I entry with the Association under these Rules shall be covered for Bio Chem risks in accordance with Section 3 of this Appendix ("Bio Chem Risks Cover"), unless otherwise specified in the Certificate of Entry. The Bio Chem Risks Cover shall not be available to fixed premium entries.~~

#### 3.1 Bio-chem and computer virus clause

- 1 Subject to the terms and conditions and exclusions set out herein, cover is extended to include the liability of the Member:
  - a to pay damages, compensation or expenses in consequence of the personal injury to or illness or death of any seafarer (including diversion expenses, repatriation and substitute expense and ~~shipwreck~~ unemployment indemnity),
  - b for the legal costs and expenses incurred solely for the purpose of avoiding or minimising any liability or risk insured by the Association (other than under the Omnibus Rule).
- 2 where such liability would be recoverable under either
  - a cover provided by the Association for such liabilities, costs, losses and expenses as would be covered under the Rules for Ships but for the exclusion of war risks in Rule 58 of the Rules for Ships; or
  - b any other policy of insurance providing equivalent cover.
- 3 save only for the operation of an exclusion of liabilities, costs, losses and expenses directly or indirectly caused by or contributed to by or arising from
  - a any chemical, biological, biochemical or electromagnetic weapon
  - b the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system,
  - c Clause 1.3.b shall not operate to exclude losses (which would otherwise be covered under the terms of this policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
- 4 other than liabilities, costs, losses and expenses arising from
  - a explosives or the methods of the detonation or attachment thereof

- b** the use of the entered Ship or its cargo as a means for inflicting harm, unless such cargo is a chemical or bio-chemical weapon
- c** the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**3.2 Excluded Areas**

- 1 Unless and to the extent the Association may in their discretion otherwise decide, there shall be no recovery in respect of any liabilities, costs, losses and expenses directly or indirectly caused by or contributed to by or arising out of any event, accident or occurrence within the ports, places, countries, zones or areas or during such period as are may be specified below: from time to time.
- 2 At any time or times before, or at the commencement of, or during the Policy Year, the Association may by notice to the Member change, vary, extend, add to or otherwise alter the ports, places, countries, zones and periods specified in Clause 2.1 paragraph 1 above from a date and time specified by the Association not being less than 24 hours from midnight on the day the notice is given to the Member.

**3.3 Cancellation**

The Bio Chem Risks Cover hereunder may by notice to the Member be cancelled by the Association from a date and time specified by the Association, not being less than 24 hours from midnight on the day notice of cancellation is given to the Member.

**3.4 Limit of Liability**

- 1 Subject to paragraph 2 below the limit of the liability of the Association under this Bio Chem Risks Cover in respect of all claims shall be in the aggregate USD 30 million each Ship any one accident or occurrence or series thereof arising from any one event.
- 2 In the event that there is more than one entry by any person for cover against Bio Chem risks as provided herein in respect of the same ship with the Association and/or any other insurer which participates in the Pooling Agreement or General Excess Loss Reinsurance Contract, the aggregate recovery in respect of all liabilities, costs, losses and expenses arising under such entries shall not exceed the amount stipulated in paragraph 1 above and the liability of the Association under each such entry shall be limited to such proportion of that amount as the claims arising under that entry bear to the aggregate of all such claims recoverable from the Association and any such other insurer.

**3.5 Deductible**

The deductible shall be the deductible applicable to the relevant cover set out in the Certificate of Entry.

**4 Other additional insurances**

The Association may on terms and conditions expressly agreed between the Member and the Association provide or assist in arranging other additional insurances for a number of liabilities or risks not covered under the Rules. The Terms and Conditions for Additional Covers contains a catalogue of various additional insurance products designed to supplement the standard P&I cover with a view to meet special needs. Further information about other additional insurances is available on [www.gard.no](http://www.gard.no) or from the Association's underwriting department