

# Offshore Terms & Conditions 2023



## Emergency & out of hours contact

If you need emergency assistance out of office hours and at weekends, please call one of the following numbers to speak to an experienced duty claims executive, available 24 hours a day:

**Europe, Middle East and Africa**

+44 7768 143 884 or +30 6946 68 54 91

**Far East and Australasia**

+852 9195 5459

**North and South America**

+1 201 315 1755

**Japan**

+81 70 2493 8785

To enable the swiftest response to an incident, Members are recommended to call the regional number which is closest to the time zone in which the incident has occurred.

For non-emergency assistance out of office hours, please advise your usual contact  
<https://www.ukpandi.com/contact/emergency-contacts/>



### Correspondent Connect – the app

Linked with TM Connect, the app provides quick access to online services and information 24/7 from your mobile device. It even works offline and is regularly updated so the information stays up-to-date. Access key Club services:

- Correspondent contact information
- Ship Search functionality
- TM Connect
- The Club's electronic Terms and Conditions 2023
- The Club's emergency contact telephone numbers
- The Club's publications, circulars and website

The app is available on iPhone, Android or Blackberry. Visit the UK Club website for more information on the app at [www.ukpandi.com](http://www.ukpandi.com)

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## Foreword

(Effective from noon Greenwich Mean Time on 20th February, 2023 to noon Greenwich Mean Time on 20th February 2024).

The UK P&I Club is a mutual protection and indemnity association, which operates through The United Kingdom Mutual Steam Ship Assurance Association Limited and UK P&I Club N.V.

These Terms and Conditions were adopted in accordance with the powers conferred by the Articles and Offshore Terms & Conditions of The United Kingdom Mutual Steam Ship Assurance Association Limited and of UK P&I Club N.V, respectively.

For the avoidance of doubt, for the purpose of Clause 12 no contract of insurance or reinsurance with The United Kingdom Mutual Steam Ship Assurance Association Limited or UK P&I Club N.V. shall entitle any person to be or become a member of UK P&I Club N.V.

The notes to the Terms and Conditions are for guidance only and do not form part of the Terms and Conditions.

**Clause 1**

## Introductory

1. The cover afforded by the Club to an Assured who has entered its unit in the Club for risks is set out in Clause 2.
2. The risks specified in Clause 2 are always subject to the conditions, exceptions, limitations and other terms set out in Clause 5 and in the remainder of these Terms and Conditions.
3. The cover set out in these Terms and Conditions may be excluded, limited, modified or otherwise altered by any special terms which have been agreed in writing between an Assured and the Managers.
4. By virtue of Clauses 3 and 4, an Assured may be insured against risks other than those set out in Clause 2 where such special terms have been agreed in writing between the Assured and the Managers. Unless otherwise expressly agreed such special insurance shall be subject to the conditions, exceptions, limitations and other terms set out in Clause 5 and in the remainder of these Terms and Conditions.
5. An Assured is only insured against loss, damage, liability or expense incurred by it which arises:
  - i. out of events occurring during the period of entry of a unit in the Club;
  - ii. in respect of the Assured's interest in the entered unit; and
  - iii. in connection with the operation of the unit by or on behalf of the Assured.
6. An Assured who has entered its unit in the Club for insurance against any of the aforesaid risks is bound to pay a Premium to the Club in accordance with Clause 8.
7. Save as provided in Clause 1(8), the cover provided by the Club as set out in these Terms and Conditions is solely for the benefit of the Assured, and any Joint Assured, Group Affiliate, other Club or insurer, or permitted assign, to the extent allowed by Clauses 10 and 11. It is not intended, save as provided in Clause 1(8), that rights should be acquired by any third party, through the operation of the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom or similar legislation.
8. Notwithstanding the provisions of Clause 5A, where an Assured has failed to discharge a legal liability to pay damages or compensation for illness, personal injury or death of a seafarer, the Club shall discharge or pay such claim on the Assured's behalf directly to such seafarer or dependant thereof.

PROVIDED ALWAYS that:

  - i. the seafarer or dependant has no enforceable right of recovery against any other party and would otherwise be uncompensated,
  - ii. subject to (iii) below, the amount payable by the Club shall under no circumstances exceed the amount which the Assured would otherwise have been able to recover from the Club under the Terms and Conditions and the Assured's terms of entry,
  - iii. where the Club is under no liability to the Assured in respect of such claim in accordance with Clause 23B(ii)(a) and (d) by reason of cancellation for non-payment of amounts due to the Club, the Club shall nevertheless discharge or pay that claim to the extent only that it arises from an event occurring prior to the date of cancellation, but as agent only of the Assured, and the Assured shall be liable to reimburse the Club for the full amount of such claim.

**Clause 2**

## Risks Covered

Unless otherwise agreed between an Assured and the Managers, the risks covered by the Club are as set out in Sections 1 to 26 below,

PROVIDED ALWAYS that:

- i. Unless and to the extent that the Directors otherwise decide, an Assured is only insured in respect of such sums as it has paid to discharge the liabilities or to pay the losses, costs or expenses referred to in those Sections;
- ii. The maximum amount recoverable by an Assured in respect of any one event is limited as set out in Clause 5B;
- iii. Unless otherwise agreed in writing between an Assured and the Managers, an Assured's recovery from the Club shall be subject to the deductibles as the Directors shall decide before each policy year commences.

## Section 1

### Liability to persons other than seafarers

Liability to pay damages or compensation for personal injury, illness or death of any person (other than the persons specified Sections 1, 2 and 3) and hospital, medical or funeral expenses incurred in relation to such injury, illness or death.

PROVIDED ALWAYS that:

- a) Cover under this Section is limited to liabilities arising out of a negligent act or omission on board or in relation to an entered unit or in relation to the handling of cargo from the time of receipt of that cargo from the shipper or pre-carrier at the port of shipment until delivery of that cargo to the consignee or onward carrier at the port of discharge.
- b) Where the liability arises under the terms of any contract or indemnity and would not have arisen but for those terms, that liability is not covered under this Section but may be covered under and in accordance with Section 14 of this Clause.
- c) Where the liability is in respect of a person on another unit or ship, and arises out of a collision between that unit or ship and the entered unit, that liability is not covered under this Section but may be recoverable under and in accordance with Section 10B of this Clause.

## Section 2

### Injury and death of seafarers

Liability to pay damages or compensation for personal injury or death of any seafarer, and hospital, medical, funeral and other expenses necessarily incurred in relation to such injury or death, including expenses of repatriating the seafarer and sending abroad a substitute to replace the seafarer.

PROVIDED ALWAYS that:

Where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment and would not have arisen but for those terms, that liability is not covered by the Club unless and to the extent that those terms shall have been previously approved by the Managers in writing.

**Clause 2**

## Section 3

### Illness and death of seafarers

Liability to pay damages or compensation for illness and death resulting from illness of any seafarer, and hospital, medical, funeral or other expenses necessarily incurred in relation to such illness or such death including expenses of repatriating the seafarer and sending abroad a substitute to replace the seafarer.

PROVIDED ALWAYS that:

Where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment and would not have arisen but for those terms, that liability is not covered by the Club unless and to the extent that those terms shall have been previously approved by the Managers in writing.

## Section 4

### Repatriation and substitute expenses

A. Repatriation and substitute expenses which are not recoverable under Sections 2 and 3 of this Clause and which are incurred in sending abroad a substitute to replace a seafarer of an entered unit who has been left ashore, or incurred under statutory obligation in repatriating any seafarer of the entered unit.

PROVIDED ALWAYS that:

This paragraph A of Section 4 does not cover expenses which arise out of or are the consequence of:

- i. the expiry of a seafarer's period of service on the entered unit either in accordance with the terms of a crew agreement or other contract of service or employment or by mutual consent of the parties to it, or
- ii. breach by the Assured of any agreement or other contract of service or employment, or
- iii. sale of the unit, or
- iv. any other act of the Assured in respect of the entered unit.

B. Repatriation and substitute expenses incurred in compliance with Guideline B2.5 of Regulation 2.5 of the 2006 Maritime Labour Convention (MLC 2006) or domestic legislation by a State Party implementing MLC 2006 unless costs are otherwise recoverable under Clause 2, Sections 2, 3 or 4A.

C. Notwithstanding Clause 5A, where an Assured has failed to discharge or pay the liabilities referred to in Section 4B above, the Club shall discharge or pay such claim on the Assured's behalf directly to such seafarer.

PROVIDED ALWAYS that:

- a) where the Club is under no liability in respect of the claim by reason of a cesser under Clause 22 or cancellation under Clause 23, the Club shall nevertheless discharge or pay a claim under Section 4C incurred within the earlier of three months of the date of cesser or cancellation, or the expiry of the policy, but only as agent of the Assured and the Assured shall reimburse the Club in full for such claim; and
- b) the Assured shall reimburse the Club in full for any claim paid under Section 4B of Clause 2.

**Clause 2**

## Section 5

### Loss of and damage to the effects of seafarers and others

Liability to pay damages or compensation for loss of or damage to the effects of:

- A. Any seafarer,
- B. Any other person, on board an entered unit.  
PROVIDED ALWAYS that:
  - a) Unless and to the extent that the Assured has obtained appropriate special cover by agreement with the Managers, there shall be no recovery from the Club in respect of claims relating to cash, negotiable instruments, precious or rare metals or stones, valuables or objects of a rare or precious nature.
  - b) Where the liability arises under the terms of a contract and would not have arisen but for those terms, that liability is not covered by the Club unless and to the extent that those terms shall have been previously approved by the Managers in writing.

## Section 6

### Shipwreck unemployment indemnity

Liability to compensate any seafarer for the loss of employment caused in consequence of the actual or constructive total loss of an entered unit, where the wages or compensation are payable under statutory or other legal obligation or under the terms of any crew agreement or other contract of service or employment if and to the extent that those terms have previously been approved by the Managers.

## Section 7

### Diversion expenses

Expenses of diversion of an entered unit where and to the extent that those expenses (i) represent the net loss to the Assured (over and above such expenses as would have been incurred but for the diversion) in respect of the cost of fuel, insurance, wages, stores, provisions and port charges; and (ii) are incurred solely for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person or for the purpose of landing stowaways or refugees, or (with the Managers' agreement) a deceased person, or for the purpose of saving life at sea.

## Section 8

### Stowaways and refugees

Expenses, other than those covered under Section 7 of this Clause, incurred by the Assured in discharging its obligations towards or making necessary arrangements for stowaways or refugees, but only if and to the extent that the Assured is legally liable for the expenses or they are incurred with the approval and agreement of the Managers.

**Clause 2**

## Section 9

### Life salvage

Sums legally due to third parties by reason of the fact that they have saved or attempted to save the life of any person on or from an entered unit but only if and to the extent that such payments are not recoverable under the Hull policies of the entered unit or from other underwriters.

## Section 10

### Collision with other ships or units

The liabilities, set out in paragraphs A, B and C below, to pay costs and damages to any other person as a consequence of a collision between an entered unit and any other ship or unit, but only if and to the extent that such liabilities are not recoverable under the collision liability clause contained in the Hull policies of the entered unit:

- A. One fourth, or such other proportion as may have been agreed in writing by the Managers, of the liabilities arising out of the collision other than the liabilities listed in paragraph B of this Section.
- B. Four fourths of the liabilities arising out of the collision for or relating to:
  - i. removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever,
  - ii. any real or personal property or anything whatsoever except other ships or units or property on other ships or units,
  - iii. the cargo or other property on the entered unit, or general average contributions, special charges or salvage paid by the owners of that cargo or property,
  - iv. loss of life, personal injury, illness, repatriation or substitute expenses,
  - v. an escape or discharge (other than from the entered unit), of oil or any other substance, or the threat thereof, but excluding damage to other ships or units with which the entered unit is in collision and property on such other ships and units.
  - vi. remuneration paid, pursuant to the Special Compensation P&I Club (SCOPIC) Clause, or any revision thereof, in respect of the salvage of a ship or unit with which the entered unit is in collision.
- C. That part of the Assured's liabilities arising out of the collision, other than the liabilities listed in paragraphs A and B of this Section, which exceeds the sum recoverable under the Hull policies of the entered unit solely by reason of the fact that the sum of the liabilities arising out of the collision exceeds the valuation of the unit in those policies.

PROVIDED ALWAYS that:

  - a) Unless and to the extent that the Members' Committee in its discretion otherwise decides, recovery from the Club under paragraph C of this Section shall be limited to the excess (if any) of the amount which would have been recoverable under the Hull policies of the entered unit if that unit had been insured thereunder at the proper value in accordance with Clause 5D.
  - b) Unless otherwise agreed by the Managers at the time of entry or of subsequent annual renewal, an Assured shall not be entitled to recover from the Club any franchise or deductible borne by it under the Hull policies of the entered unit.
  - c) If a claim arises under this Section in respect of a collision involving units or ships belonging wholly or partly to the same Assured, it shall be entitled to recover from the Club, and the Club shall have the same rights, as if the units or ships had belonged to different owners.

**Clause 2**

- d) Unless otherwise agreed between the Assured and the Managers as a term of the unit's entry in the Club, if both units or ships are to blame, then where the liability of either or both of the units or ships in collision becomes limited by law, claims under this Section shall be settled upon the principle of single liability, but in all other cases, claims under this Section shall be settled upon the principle of cross-liabilities, as if the owner of each unit or ship had been compelled to pay the owner of the other unit or ship such proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured of the entered unit in consequence of the collision.
- e) Unless otherwise agreed between the Assured and the Managers as a term of the unit's entry in the Club, there will be no recovery from the Club insofar as such collision liabilities are not recoverable under the Hull policies by reason of any breach of such policies.

## Section 11

### Loss or damage to property

Liability to pay damages or compensation for any loss of or damage to any property (including infringement of rights) whether on land or water and whether fixed or moveable.

PROVIDED ALWAYS that:

- a) There shall be no recovery by an Assured under this Section in respect of:
  - i. Liability which arises under the terms of any contract or indemnity to the extent that it would not have arisen but for those terms.
  - ii. Liability which is within the scope of the following Sections of this Clause, or within any proviso, limit, exclusion or deductible applicable to those Sections:
    - Section 1 Liability to persons other than seafarers.
    - Section 5 Loss of and damage to the effects of seafarers and others.
    - Section 10 Collision with other ships or units.
    - Section 12 Pollution risks.
    - Section 13 Liability arising out of towage of or by an entered unit.
    - Section 15 Wreck liabilities.
    - Section 17 Property on the entered unit.
  - iii. Any franchise or deductible borne by the Assured under the Hull policies of the entered unit.
- b) If an entered unit causes loss or damage to property or infringes rights belonging wholly or in part to the Assured of the entered unit, the Assured shall have the same rights of recovery from the Club as if such property or rights belonged wholly to different owners.

## Section 12

### Pollution risks

The liabilities, losses, damages, costs and expenses set out in paragraphs A to E below when and to the extent that they are caused by or incurred in consequence of the discharge or escape from an entered unit of oil or any other substance, or the threat of such discharge or escape:

PROVIDED ALWAYS that:

- (a) There shall be no recovery from the Club in respect of any liability, loss, damage, cost or expense arising as a consequence of the presence in, or the escape or discharge or threat of escape or discharge from, any land-based dump, storage or disposal facility, of any substance previously carried on the entered unit, whether or not as cargo, fuel, stores or waste, except to the extent that the Members' Committee in its discretion, and without having to give any reasons for its decision, otherwise determines.

**Clause 2**

- (b) There shall be no recovery from the Club in respect of any liability, loss, damage, cost or expense arising out of:
- i. pollution from the hole or well or subsea or subsurface operation in respect of which the unit is employed or utilised other than pollution from the unit and measures taken to avert or minimise such liabilities;
  - ii. subsea or subsurface or underground pollution other than pollution from the unit;
  - iii. the discharge or escape of any substance from any riser, flowline, umbilical, floating hose, buoyancy float or tank or mooring system connected to the unit or out of measures to avert or minimise such liabilities unless such riser, flowline, umbilical, floating hose, buoyancy float or tank or mooring system is part of the unit as defined.
- A. Liability for loss, damage or contamination.
  - B. Any loss, damage or expense which the Assured incurs, or for which it is liable, as a party to any agreement approved by the Members' Committee including the costs and expenses incurred by the Assured in performing its obligations under such agreements.
  - C. The costs of any measures reasonably taken for the purpose of avoiding or minimising pollution or any resulting loss or damage together with any liability for loss of or damage to property caused by measures so taken.
  - D. The costs of any measures reasonably taken to prevent an imminent danger of the discharge or escape from the entered unit of oil or any substance which may cause pollution.
  - E. The costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority, for the purpose of preventing or reducing pollution or the risk of pollution.  
PROVIDED ALWAYS that:
    - a) such compliance is not a requirement for the normal operation or salvage or repair of the entered unit; and
    - b) such costs or liabilities are not recoverable under the Hull Policies of the entered unit.

## Section 13

### Liability arising out of towage of or by an entered unit

#### A. Customary towage of an entered unit

Liability, other than for the cost of the contracted services, arising out of, or under the terms of a contract for the customary towage of an entered unit, when entered as a barge or other similar vessel, that is to say:

- i. towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of the normal operation of the unit, or
- ii. towage of such entered units as are habitually towed in the ordinary course of the normal operation of the unit from port to port or from place to place, to the extent that the Assured is not insured against such liability under the Hull policies of the entered unit.

#### B. Towage of an entered unit other than customary towage

Liability arising out of, or under the terms of a contract for towage of an entered unit other than the customary towage covered under paragraph A of this Section but only if and to the extent that:

- i. cover for such liability has been agreed in writing with the Managers upon such terms as the Managers may require; and
- ii. such liability is not recoverable under the Hull policies of the entered unit.

*Note: For the purpose of this paragraph B, the Managers will approve contracts for towage of an entered unit on terms not less favourable to the entered unit than:*

**Clause 2**

- i. *The Lloyd's Standard Form of Salvage Agreement (1980, 1990, 1995, 2000, 2011 or 2020 whether or not incorporating SCOPIIC), or*
- ii. *a contract that contains a term that the parties to the towage contract, and any parties on whose behalf they contract, shall be responsible for any loss of or damage to or wreck removal of their own unit, ship, cargo or property, without recourse against the other and will indemnify the other against any such liability*

**C. Towage by an entered unit**

Liability arising out of the towage of another unit or ship or object by an entered unit

PROVIDED ALWAYS that:

There shall be no recovery by an Assured for loss of or damage to or wreck removal of a unit or ship or other object towed by the entered unit or the cargo or other property on such tow (together with costs and expenses associated therewith) save in so far as:

- i. the towage or attempt thereat is made for the purpose of saving or attempting to save life or property at sea, or
- ii. the entered unit is towing under a contract approved in writing by the Managers or on such terms as the Managers may require.

*Note: The Managers will ordinarily only approve contracts for towage by an entered unit on terms not less favourable to the towing unit than:*

- a) *United Kingdom, Netherlands and Scandinavian Standard Towage Conditions;*
- b) *Towcon and Towhire*
- c) *The Lloyd's Standard Form of Salvage Agreement (1980, 1990, 1995, 2000, 2011 or 2020 whether or not incorporating SCOPIIC) – no cure no pay;*
- d) *Supplytime*
- e) *a other acceptable contracts under which towage occurs that contain a term that the parties to the towage contract, and any parties on whose behalf they contract, shall be responsible for any loss or damage to or wreck removal of their own unit, ship, cargo or property and for loss of life or personal injury thereon, without recourse against the other and will indemnify the other against any such liability;*
- f) *other contracts where:*
  - i. *A term or terms of the contract complying with e) above is or is likely to be unlawful or unenforceable in whole or in part; and*
  - ii. *The contract does not impose on the Assured any liability to any person arising out of any act, neglect or default of the owner of the tow or any other person; and*
  - iii. *The contract limits the liability of the Assured under the contract or otherwise to the maximum extent possible by law.*
- g) *Supply Boat Charters*  
*If the entered unit is working under a time charter and there is no contract between the Assured and the owner of the tow, then liability for loss of or damage to or wreck removal of a towed object and/or property on board shall only be covered where the Managers have approved the charter in writing and the charter contains:*
  - i. *a clause in the terms set out in e) above covering the property of sub-contractors of the charterers as well as the property of the charterers themselves, or*
  - ii. *a separate clause requiring that all towage be carried out on terms no worse than as provided in e) above; or*
  - iii. *it otherwise complies with the requirements of f) above.*
- h) *In addition, when cargo is carried on board the towed vessel the Managers will expect that:*
  - i. *a Himalaya clause or similar provision is incorporated in the towage or other contract under which the entered unit is hired to perform towage services, to protect the tug owner's own employees, servants and sub-contractors from being sued in tort by the hirer or charterer of the tug; and*

**Clause 2**

- ii. *the towage or other contract under which the entered unit is hired to perform towage services should include a requirement that any other contract entered into by the hirer or charterer of the tug with any third party should contain a Himalaya clause, under which the tug is afforded the same defences as the hirer or charterer.*

## Section 14

### Liability arising under certain indemnities and contracts

Liabilities, costs and expenses arising under the terms of an indemnity or contract given or made by or on behalf of the Assured relating to facilities or services provided or to be provided to or in connection with an entered unit, but only if and to the extent that:

- i. the terms have previously been approved by the Managers and cover for the liability has been agreed between the Assured and the Managers on such terms as the Managers may require, or
- ii. the indemnity or contract contains terms to the effect that:
  - a) the Assured and the Assured's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or
  - b) if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Assured and the Assured's contract principal shall each indemnify, protect, defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other.

## Section 15

### Wreck liabilities

- A. Costs or expenses relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit, when such raising, removal, destruction, lighting or marking is compulsory by law or the costs thereof are legally recoverable from the Assured.
- B. Costs or expenses relating to the raising, removal or destruction of any property being carried or having been carried on an entered unit, not being oil or any other substance within the scope of Section 12 of this Clause, when such raising, removal or destruction is compulsory by law or the costs thereof are legally recoverable from the Assured.
- C. Liabilities incurred by an Assured as the result of any such raising, removal or destruction of the wreck of an entered unit or any property as is referred to in paragraphs A and B of this Section, or any attempt thereat.
- D. Liabilities incurred by an Assured as the result of the presence or involuntary shifting of the wreck of an entered unit or as a result of the Assured's failure to remove, destroy, light or mark such wreck, including liability arising from the discharge or escape from such wreck of oil or any other substance.  
PROVIDED ALWAYS that:
  - a) The entered unit became a wreck as the result of a casualty occurring during the period of that unit's entry in the Club, in which case the Club shall continue to be liable for the claim notwithstanding that in other respects the liability of the Club shall have terminated pursuant to Clause 21C.

**Clause 2**

- b) In respect of a claim under paragraph A of this Section, the value of all stores and materials saved, as well as the wreck itself, shall first be deducted from such costs or expenses and only the balance thereof, if any, shall be recoverable from the Club.
- c) Nothing shall be recoverable from the Club under this Section if the Assured shall, without the consent of the Managers in writing, have transferred its interest in the wreck, otherwise than by abandonment, prior to the raising, removal, destruction, lighting or marking of the wreck or prior to the incident giving rise to the liabilities, costs and expenses referred to in this Section.
- d) Where the liability arises under the terms of an indemnity or contract, and would not have arisen but for those terms, such costs and expenses are only recoverable under this Section if and to the extent that:
  - i. the terms of the indemnity or contract have previously been approved by the Managers and cover has been agreed between the Assured and the Managers on such terms as the Managers may require, or
  - ii. the Members' Committee in its discretion decides that the Assured should be reimbursed.
- e) There shall be no recovery for any liabilities for or relating to cleanup of debris, tools, machinery or equipment lost or deposited on the seabed during operations,
- f) Unless the Members' Committee otherwise determines, there shall be no recovery in respect of any liability incurred more than two years after the unit and/or property on board became a wreck.
- g) There shall be no recovery in respect of loss of or damage to any property belonging to or the legal responsibility of any person employing the unit pursuant to any contract and any other party having an owning interest in the concession, prospect or field in respect of which the unit is employed or utilised where the liability arises in connection with a hole or well or subsea or subsurface operation in respect of which the unit is employed or utilised.
- h) For the purpose of this Clause only, "casualty" means collision, stranding, explosion, fire or similar fortuitous event, but excludes any wreck caused by dereliction or neglect.

## Section 16

### Quarantine expenses

Additional expenses necessarily and solely incurred by the Assured of an entered unit as a direct consequence of an outbreak of infectious disease on that unit, including quarantine and disinfection expenses and the net loss to the Assured (over and above such expenses as would have been incurred but for the outbreak) in respect of the cost of fuel, insurance, wages, stores, provisions, port charges and cargo handling/loading/discharging.

## Section 17

### Cargo liabilities

The liabilities and costs set out in paragraphs A to D below when and to the extent that they relate to cargo intended to be or being or having been carried in an entered unit:

- A. Loss, shortage, damage or other responsibility**  
Liability for loss, shortage, damage or other responsibility arising out of any breach by the Assured, or by any person for whose acts, neglect or default the Assured may be legally liable, of its obligation properly to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or out of unseaworthiness or unfitness of the entered unit.

**Clause 2****B. Disposing of damaged cargo or sound cargo from a damaged unit**

The additional costs (over and above those which would have been incurred by the Assured if the cargo or the entered unit had not been damaged) incurred by the Assured in discharging or disposing of damaged cargo or sound cargo following damage to an entered unit, always excepting such costs as are claimable in general average or for which the Assured has a right of recourse against any other party.

**C. Failure of consignee to remove cargo**

The liabilities and additional costs (over and above the costs which would have been incurred by it if the cargo had been collected or removed) incurred by an Assured solely by reason of the total failure of a consignee to collect or remove cargo at the port of discharge or place of delivery, but only if and to the extent that such liabilities or costs exceed the proceeds of sale of the cargo and the Assured has no recourse to recover those liabilities or costs from any other party.

**D. Through or transshipment bills of lading**

Liability for loss, shortage, damage or other responsibility to cargo carried by a means of transport other than the entered unit, when the liability arises under a through or transshipment bill of lading, or other form of contract, approved by the Managers, providing for carriage partly to be performed by the entered unit, provided that the Assured has contracted on terms that seek to preserve rights of recourse against others involved in the performance of the contract of carriage.

*Note: For the purpose of paragraph D, a contract is deemed to be approved if it incorporates the ICC Rules or the internationally accepted conventions such as CMR 1956 (Convention relative au Contrat de transport international de Marchandises par Route), CIM 1980 (Les règles uniformes concernant le Contrat de transport International ferroviaire de Marchandises), or the Warsaw Convention 1929 or 1955, as appropriate.*

PROVIDED ALWAYS that:

**a) Standard Terms of Contracts of Carriage**

Unless and to the extent that the Members' Committee in its discretion otherwise decides, or special cover has been agreed in writing by the Managers, there shall be no recovery from the Club in respect of liabilities which would not have been incurred or sums which would not have been payable by the Assured if the cargo (including cargo on deck) had been carried under a contract incorporating terms no less favourable to the Assured than the Club's recommended standard terms of carriage which shall be the Hague Visby Rules and/or such other rules and/or conventions as the Members' Committee may from time to time determine.

*Note: For the 2023 Policy year the Standard Terms of Contracts of Carriage are the Hague Visby Rules, i.e. the Rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August, 1924, as amended by the Protocol to that Convention signed at Brussels on 23rd February, 1968.*

**b) Deviation**

Unless and to the extent that the Members' Committee in its discretion otherwise decides, or cover has been confirmed in writing by the Managers prior to the deviation, there shall be no recovery from the Club in respect of liabilities, costs and expenses which arise out of or which are incurred as a consequence of a deviation, in the sense of a departure from the contractually agreed voyage or adventure which deprives the Assured of the right to rely on defences or rights of limitation which would otherwise have been available to it on the basis of the standard terms of carriage referred to in proviso (a) above to reduce or eliminate its liability.

**Clause 2****c) Claims payable only at the discretion of the Members' Committee**

Unless and to the extent that the Members' Committee in its discretion otherwise decides there shall be no recovery from the Club in respect of liabilities, costs or expenses arising out of:

- i) Discharge of cargo at a port or place other than the port or place provided in the contract of carriage;
- ii) Delivery of cargo carried under a non-negotiable bill of lading, waybill or similar document without production of such document by the person to whom delivery is made, where such production is required by the express terms of that document or the law to which that document, or the contract of carriage contained in or evidenced by it, is subject, except where the Assured is required by any other law to which the carrier is subject to deliver, or relinquish custody or control of, the cargo, without production of such document;
- iii) Delivery of cargo carried under a negotiable bill of lading or similar document of title (including an electronic bill of lading) without production (or the equivalent thereof in the case of an electronic bill of lading) of that bill of lading or document by the person to whom delivery is made, except where cargo has been carried on the entered unit:
  - a) under the terms of a non-negotiable bill of lading, waybill or other non-negotiable document, and has been properly delivered as required by that document, notwithstanding that the Assured of that entered unit may be liable under the terms of a negotiable bill of lading or other similar document of title issued by or on behalf of a party other than that Assured providing for carriage partly by a means of transport other than the entered unit;
  - b) and has been properly delivered to the person so entitled in accordance therewith.

*Note: Proper delivery is required in the case of an electronic bill of lading as with a conventional bill of lading. See also Paperless Trading Endorsement.*

- iv) The issue of an ante dated or post dated bill of lading, waybill or other document containing or evidencing the contract of carriage, that is to say a bill of lading, waybill or other document recording the loading or shipment or receipt for shipment on a date prior or subsequent to the date on which the cargo was in fact loaded, shipped or received as the case may be;
- v) A bill of lading, waybill or other document containing or evidencing the contract of carriage, issued with the knowledge of the Assured or the Master of the entered unit with an incorrect description of the cargo or its quantity or its condition;
- vi) Either the failure to arrive or late arrival of the entered unit at a port of loading, or the failure to load any particular cargo or cargoes in an entered unit other than liabilities, loss and expenses arising under a bill of lading already issued.

**d) Ad Valorem Bills of Lading**

Unless and to the extent that special cover has been agreed in writing by the Managers, the Club shall not pay for liability arising from carriage under an ad valorem bill of lading or other document of title, waybill or other contract of carriage in which a value of more than US\$2,500 (or the equivalent in any other currency) is declared and/or inserted by reference to a piece, package or otherwise, where the effect of such a declaration/insertion is to deprive the carrier of any right or rights of limitation to which it would otherwise have been entitled and cause it to incur a greater liability than it would have done but for such declaration/insertion, to the extent that such liability thereby exceeds US\$2,500 (or the equivalent in any other currency) in respect of any such piece or package.

**Clause 2****e) Rare and valuable cargo**

Unless and to the extent that the Managers of the Club have been notified prior to any such carriage, and any directions made by the Managers have been complied with, there shall be no recovery from the Club in respect of claims relating to the carriage of specie, bullion, precious or rare metals or stone, plate or other objects of a rare or precious nature, bank notes or other forms of currency, bonds or other negotiable instruments.

**f) Property of the Assured**

In the event that any cargo lost or damaged on board the entered unit shall be the property of the Assured, such Assured shall be entitled to recover from the Club the same amount as would have been recoverable from it if the cargo had belonged to a third party and that third party had concluded a contract of carriage of the cargo with the Assured on the terms of the Club's recommended standard terms of carriage.

**g) Electronic Trading Systems**

There shall be no recovery from the Club in respect of liabilities, losses, costs and expenses arising from the use of any electronic trading system, other than an electronic trading system approved by the Club in writing, to the extent that such liabilities, losses, costs and expenses would not (save insofar as the Club in its sole discretion otherwise determines) have arisen under a paper trading system.

## Section 18

### Property on the entered unit

Liability of an Assured for loss of or damage to any containers, equipment, fuel or other property on board the entered unit.

PROVIDED ALWAYS that:

- a) Such property is not within the scope of Section 5 of this Clause (the effects of seafarers and others) or within any proviso, exclusion, limit or deductible applicable to that Section;
- b) Unless and to the extent that the Assured has obtained appropriate special cover by agreement with the Managers, the Club shall not reimburse an Assured to the extent that any liability arises under a contract or indemnity entered into by the Assured and would not have arisen but for such contract or indemnity.

## Section 19

### Unrecoverable general average contributions

The proportion of general average, special charges or salvage which an Assured may be entitled to claim from cargo or from some other party to the marine adventure and which is not legally recoverable solely by reason of a breach of the contract of carriage.

PROVIDED ALWAYS that:

proviso (a) (Standard terms of carriage), proviso (b) (Deviation) and proviso (c) (Claims payable only at the discretion of the Members' Committee) of Section 17 of this Clause shall apply to any claim under this Section.

**Clause 2**

## Section 20

### Unit's proportion of general average

The entered unit's proportion of general average, special charges or salvage not recoverable under the Hull policies by reason of the value of the unit being assessed for contribution to general average or salvage at a sound value in excess of the insured value under the Hull policies.

PROVIDED ALWAYS that:

Unless and to the extent that the Members' Committee in its discretion otherwise decides, recovery from the Club under this Section shall be limited to the amount (if any) of the unit's proportion which would not have been recoverable under the Hull policies if the unit had been insured thereunder at the proper value in accordance with Clause 5D.

## Section 21

### Special compensation to salvors

Liability of an Assured to pay special compensation to a salvor of an entered unit, but only to the extent that such liability:

- i. is imposed on the Assured pursuant to Article 14 of the International Convention on Salvage, 1989, or is assumed by the Assured under the terms of a standard form of salvage agreement approved by the Members' Committee, and
- ii. is not payable by those interested in the salvaged property.

*Note: At 2023, the Members' Committee has approved Lloyd's Standard Forms of Salvage Agreement LOF 90, LOF 95, LOF 2000, LOF 2011, LOF 2020 and any other standard form of salvage contract incorporating the provisions of the International Convention on Salvage 1989, to the extent of the liability of the owner to pay special compensation pursuant to Article 14 of the Convention or to pay remuneration pursuant to the Special Compensation P&I Clause (SCOPIC) or its revision (SCOPIC 2000), if incorporated in such contract, and Lloyd's Standard Form of Salvage Agreement, 1980, to the extent of the liability of the owner of a tanker to reimburse a salvor for its "reasonably incurred expenses" (together with any increment awarded thereon) under the exception to the principle of "no cure-no pay" contained in clause 1(a) of that Agreement.*

## Section 22

### Fines

- A. Fines as set out in paragraph B below when and to the extent that they are imposed in respect of an entered unit by any court, tribunal or authority and are imposed:
  - i. upon the Assured, or
  - ii. upon any person whom the Assured may be legally liable to reimburse (other than under the terms of a contract or indemnity) or reasonably reimburses with the approval of the Managers, or
  - iii. upon any person whom the Assured may be legally liable to reimburse under the terms of a contract or indemnity, but only if and to the extent that such terms have previously been approved by the Managers in writing;
- B. Fines for short or overlanding or over delivery of cargo, or for failure to comply with regulations relating to declaration of goods or to documentation of the entered unit in respect of cargo (other than fines or penalties arising from the smuggling of goods or cargo or any attempt thereof);

**Clause 2**

- C [not used]
- D. Fines for contravention of any law or regulation relating to immigration;
- E. Fines in respect of an accidental discharge or escape of oil or other substance, or the threat thereof; PROVIDED ALWAYS that:
- There shall be no recovery from the Club in respect of fines arising out of:
- a) the overloading of an entered unit, or
  - b) infringements or violations of or non-compliance with the provisions regarding construction, adaptation and equipment of units contained in the International Convention for the Prevention of Pollution from Ships, 1973, as modified or amended by the Protocol of 1978 and any subsequent Protocol, or such of those aforesaid provisions as are contained in the laws of any State giving effect to that Convention or to such Protocol.
- F. Any fine to the extent that:
- i. the Assured has satisfied the Members' Committee that it took such steps as appear to the Members' Committee to be reasonable to avoid the event giving rise to such fine, and
  - ii. the Members' Committee in its discretion and without having to give any reasons for its decision, decides that the Assured should recover.

## Section 23

### Enquiry expenses

Costs and expenses incurred by an Assured in defending itself or in protecting its interests before a formal enquiry into the loss of or into a casualty involving the entered unit but only to the extent and on such conditions as the Members' Committee in its discretion may determine.

## Section 24

### Expenses incidental to the operation of units

Liabilities, costs and expenses incidental to the business of owning, operating or managing units which in the opinion of the Members' Committee fall within the scope of the Club;

PROVIDED ALWAYS that:

- a) Subject to paragraph (b) of this proviso there shall be no recovery under this Section in respect of liabilities, costs and expenses, which are expressly excluded by other provisions of these Terms and Conditions;
- b) The Members' Committee may authorise payment of claims which are excluded by Clause 5G of these Terms and Conditions but only if a majority of three-quarters of those Members of the Members' Committee present when the claim is considered so decide;
- c) Any amount claimed under this Section shall be recoverable to such extent only as the Members' Committee in its discretion may determine without having to give any reasons for its decision.

## Section 25

### Sue and labour and legal costs

- A. Extraordinary costs and expenses (other than those set out in paragraph B of this Section) reasonably incurred on or after the occurrence of any casualty, event or matter liable to give rise to a claim upon the Club and incurred solely for the purpose of avoiding or minimising any liability or expenditure against which the Assured is wholly or, by reason of a deductible, partly

**Clause 2**

insured by the Club, but only to the extent that those costs and expenses have been incurred with the agreement of the Managers or to the extent that the Members' Committee in its discretion decides that the Assured should recover from the Club.

- B. Legal costs and expenses relating to any liability or expenditure against which the Assured is wholly, or, by reason of a deductible, partly insured by the Club, but only to the extent that those costs and expenses have been incurred with the agreement of the Managers or to the extent that the Members' Committee in its discretion decides that the Assured should recover from the Club.

## Section 26

### **Expenses incurred by direction of the Club**

Costs, expenses and losses which an Assured may incur either (i) by reason of a special direction of the Members' Committee in cases in which the Members' Committee decides that it is in the interests of the Club that the direction be given, or (ii) in the absence of such special direction, as a result of action which it has taken or refrained from taking if the Members' Committee in its discretion decides that such action was in the interests of the Club and that the Assured should recover from the Club.

**Clause 3**

## Special Covers

- A. Subject to the Articles, the Managers may accept entries of units on terms which afford cover to an Assured against any special or additional risks not set out in Clause 2. The nature and extent of the risks and the terms of the cover shall be as agreed in writing between the Assured and the Managers.
- B. Notwithstanding Clause 1(5), an Assured may be insured on the special term that the risks insured may arise otherwise than in respect of the entered unit or otherwise than in connection with the operation of the entered unit provided always that this shall have been expressly agreed in writing between the Assured and the Managers.
- C. The Managers may reinsure in whole or in part the risk or risks of the Club insured under Clauses 2, 3, and Clause 4, and where such reinsurance is arranged, the Assured shall be entitled to recover only the net amount actually recovered under such reinsurance arrangements, together with that portion (if any) of the risk or risks retained by the Club.

*Note: The additional covers provided to entered units are set out in Appendix I.*

**Clause 4**

## Additional Offshore Covers

Without prejudice to the generality of Clause 3, an Assured may be insured against such of the risks set out below as may be appropriate to its interest in an entered unit or to its operations as an Assured, but only by special agreement in writing with the Managers and upon such terms and conditions as the Managers may require.

An Assured may be insured against any of the liabilities, fines, losses, costs or expenses which arise out of or during any of those operations in respect of which cover is excluded or restricted either under Clause 5H or otherwise upon such terms and conditions as may be expressly agreed in writing between the Assured and the Managers.

*Note: The terms and conditions which the Managers will normally require to be agreed in respect of the risks referred to in Clause 4 are set out in Appendix II.*

**Clause 5**

## Conditions, Exceptions and Limitations

**A. Payment first by the Assured**

Unless the Directors in their discretion otherwise decide, it is a condition precedent of an Assured's right to recover from the funds of the Club in respect of any liabilities, costs or expenses that it shall first have discharged or paid the same out of funds belonging to it unconditionally and not by way of loan or otherwise.

**B. Limitation of the Club's liability**

## i. General

Subject to these Terms and Conditions and to any special terms and conditions upon which a unit may be entered, the Club insures the liability of the Assured in respect of an entered unit as this liability may be determined and fixed by law including any laws pertaining to limitation of liability. The Club shall in no circumstances be liable for any sum in excess of such legal liability. If less than the full tonnage of a unit is entered in the Club, the Assured shall, unless the entry of the unit has been accepted on special terms which otherwise provide, be entitled only to recover such proportion of its claim as the entered tonnage bears to the full tonnage. Such proportion shall, if the Assured's claim is subject to any other limits under these Terms and Conditions, be applied after the application of such limits.

## ii. Limit

- a) Without prejudice to the generality in paragraph i above, the Club's liability for any and all claims by the Assured, Joint Assured and Group Affiliate, Contractor Co-assured and other Co-assureds arising out of any one event shall be limited to the amount set out in the Certificate of Entry.
- b) There shall be no recovery under Clause 2, Section 22 (Fines) of these Terms and Conditions in excess of USD 50 million arising out of any one event.

**C. Set-off**

Without prejudice to anything elsewhere contained in these Terms and Conditions the Club shall be entitled to set off any amount due from an Assured against any amount due to such Assured from the Club.

**D. Exclusion of sums insurable under Hull policies**

Unless and to the extent that the Members' Committee in its discretion otherwise decides, or the Managers agree in writing as a term of entry, the Club shall not indemnify the Assured of an entered unit against any liabilities, costs or expenses against which that Assured would have been insured if at the time of the incident giving rise to those liabilities, costs or expenses the unit had been fully insured for its proper value under Hull policies on terms equivalent to those of the Lloyd's Marine Policy MAR form 1/1/82 with the Institute Time Clauses Hulls 1/10/83 attached. For the purposes of these Terms and Conditions "proper value" shall mean the market value of the unit, without commitment, at the date of the incident referred to above.

*Note: When considering the proper value for which an entered unit should be insured or deemed to be insured for the purposes of claims under Clause 2 Sections 10 and 20, the Members' Committee will require to be satisfied that the hull and/or excess liability policies of the Assured concerned have been the subject of periodic review as market conditions may require, so that the total amount of liability coverage contained in those policies is maintained at levels approximating to the market value of the unit without commitment. Assureds are recommended to consult their brokers and/or unit valuers to assess periodically in the light of the above, the proper amount for which insurances should be effected to cover against collision and general average or salvage liabilities. Provided the necessary insurances are placed on the basis of the advice received, the Members' Committee will give every consideration to a claim if, as may transpire, the values and amounts upon which the insurances have been placed are lower than the values which may have been assessed by a Court or Tribunal for general average or salvage purposes.*

**Clause 5****E. Exclusion of war risks**

1. The Club shall not indemnify an Assured against any liabilities, loss, damage, cost or expense (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Assured or on the part of the Assured's servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability, loss, damage, cost or expense is incurred, caused by, arises out of or is in any way connected with one or more of the following risks:
  - i. war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
  - ii. capture, seizure, arrest, restraint, or detainment, and the consequences thereof or any attempt thereat;
  - iii. derelict mines, torpedoes, bombs, or other derelict weapons of war;
  - iv. strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
  - v. terrorism, or any person acting maliciously or from a political motive;
  - vi. confiscation, nationalisation, expropriation, deprivation or requisition.

PROVIDED ALWAYS that:

  - a) In the event of any dispute as to whether or not an act constitutes an act of terrorism, the decision of the Directors shall be final.
  - b) Ransom shall not be recoverable unless and to the extent that the Members' Committee in its discretion shall otherwise decide.

*Note: When deciding whether to exercise its discretion, the Committee will consider the merits of each case individually including but not limited to whether the Assured had taken such precautions as appear to the Committee to be reasonable to avoid the event that gave rise to the ransom.*

- c) Special cover may be provided to the Assured against any or all of the risks set out in Clause 2 notwithstanding that those liabilities, losses, damages, costs or expenses would otherwise be excluded by this paragraph E(1), but such special cover is subject always to the prior agreement of the Club and shall always be limited to the amount set out in the Certificate of Entry. The terms & conditions of that reinstatement of cover is set out in Appendix I.
2. The Club shall not indemnify an Assured in respect of any loss, damage, liability, cost or expense:
  - i. caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or
  - ii. 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; or
  - iii. 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.

**F. Exclusion of nuclear risks**

- The Club shall not indemnify an Assured against any liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Assured or on the part of the Assured's servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises 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;

**Clause 5**

- 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 or device 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. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

**G. Exclusion of damage to entered unit, loss of hire, etc.**

Subject to paragraph B of Section 24 of Clause 2, the Club shall not, except as otherwise provided in this paragraph, pay for:

- i. Loss of or damage to the entered unit or any part thereof;
- ii. Loss of or damage to any equipment on board the entered unit or to any containers, lashings, stores or fuel thereon, to the extent that the same are owned or leased by the Assured or by any company associated with or under the same management as the Assured;
- iii. The cost of repairs to the entered unit or any charges or expenses in connection therewith;
- iv. Claims by or against the Assured relating to loss of freight or hire of an entered unit or any proportion thereof unless such loss of freight or hire forms part of a claim recoverable from the Assured for liabilities in respect of cargo or is, with the consent of the Managers, included in the settlement of such a claim;
- v. Salvage or services in the nature of salvage and any costs and expenses in connection therewith;
- vi. Loss arising out of cancellation of a charter or other engagement of an entered unit;
- vii. Loss arising out of irrecoverable debts or out of the insolvency of any person, including insolvency of agents;
- viii. Claims by or against the Assured relating to demurrage on, detention of or delay to an entered unit unless such demurrage, detention or delay forms part of a claim recoverable from the Assured for liabilities in respect of cargo within the scope of these Clauses or is, with the consent of the Managers, included in the settlement of such a claim.

PROVIDED ALWAYS that:

The foregoing exceptions shall not apply to claims under the following Sections of Clause 2:

- Section 9 Life Salvage,
- Section 19 Unrecoverable general average contributions,
- Section 20 Unit's proportion of general average,
- Section 21 Special compensation to Salvors,
- Section 25 Sue and labour and legal costs,
- Section 26 Expenses incurred by direction of the Club.

**H. Exclusion of certain activities and liabilities**

Unless and to the extent that special cover shall have been agreed between the Assured and the Managers in accordance with the provisions of Clauses 3 and 4, the Club shall not be liable for any claim relating to liabilities, costs and expenses incurred by the Assured in connection with or arising from:

- a) an entered unit which is used for the operations of dredging, blasting, piledriving, well-stimulation, laying, maintaining or removing cables or pipes, core sampling, depositing of spoil, mining, power generation, decommissioning or such other operations as may be determined by the Managers from time to time, when the claim arises as a consequence of:
  - i) claims brought by any party for whose benefit the work has been performed, or by any third party (which connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations;
  - ii) the failure by the Assured to perform any work or the fitness for purpose or quality of the Assured's work, products or services;

**Clause 5**

- iii) any loss or damage to the Contract Work;
- b) an entered unit which is used for or in connection with the operations of submarines, mini-submarines, diving bells or remotely operated vehicles or equipment etc, or an entered unit which is used for or in connection with professional or commercial diving operations, when the claim arises out of those operations;
- c) an entered unit which is used as an accommodation vessel, when the claim is in respect of personnel (other than marine crew) on board such unit employed otherwise than by the Assured, where either:
  - i) Such vessel is providing accommodation to such personnel in relation to their employment on or about an oil or gas production or exploration facility; or
  - ii) there has been a contractual allocation of risk on terms less favourable to the Assured than Knock for Knock as between the Assured and the employer of the personnel which has been approved by the Managers;
- d) an entered unit which is a semi-submersible heavy lift vessel or which is designed exclusively for the carriage of heavy lift cargo, when the claim is in respect of loss of or damage to or wreck removal of cargo, save where the cargo is carried under a contract on unamended HeavyCon terms or any other terms approved in writing by the Managers;
- e) loss of or loss of use of or damage to the hole and/or well;
- f) re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore;
- g) loss of, damage to, delay in or increased expense of production or development of underground resources;
- h) subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Assured;
- i) loss of or loss of use of or damage to or salvage, retrieval or recovery of any drill string, casing, tubing, cementing or well intervention and any other in-hole or down-hole equipment whether or not in the sea, which is in or connected to any hole or well in respect of which the unit is operating or which is owned by the Assured, and the consequences thereof;
- j) physical loss or damage to any property which is or could be the subject of a Contractor's All Risks policy, unless and to the extent that such property has been identified and special cover as set out in Appendix II has been agreed in writing between the Assured and the Managers;
- k) liabilities relating to Completed Operations performed by the entered unit.
- l) blow-out, cratering, seepage or any uncontrolled flow, discharge or escape of oil or gas and/or pollution and/or clean-up and/ or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well;
- m) any measures taken to control or regain control of the hole and/or well;
- n) Seepage or an uncontrolled flow of oil or any other substance from any riser, flowline, umbilical, floating hose, buoyancy float or tank or mooring system connected to the unit or out of measures to avert or minimise such liability, loss, damage, cost or expense unless such riser, flowline, umbilical, floating hose, buoyancy float or tank or mooring system is part of the entered unit;
- o) the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities;
- p) Workers' Compensation Exclusions
  - i. United States
 

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour

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Workers' Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

ii. **Other Jurisdictions**

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers' compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

*For the purposes of this paragraph H, the expression "hole and/or well" refers to any hole and/or well being created by or which is the subject of operations carried out by or on behalf of the Assured or by or on behalf of any person for whom the Assured is, was, may be or may have been responsible and any other hole and/or well lost, damaged, suffering a loss of control or otherwise giving rise to a claim as a direct result of an occurrence.*

**I. Double insurance**

The Club shall not, unless and to the extent that the Members' Committee in its discretion otherwise decides, be liable for any liabilities, costs or expenses recoverable under any other insurance or which would have been so recoverable: apart from any terms in such other insurance excluding or limiting liability on the ground of double insurance; and if the unit had not been entered in the Club with cover against the risks set out in these Terms and Conditions.

**J. Contraband, blockade running, unlawful trade, imprudent or hazardous operations**

No claim shall be recoverable from the Club if it arises out of or is consequent upon an entered unit carrying contraband, blockade running or being employed in an unlawful trade or if the Members' Committee, having regard to all the circumstances, shall be of the opinion that the carriage, trade or voyage was imprudent, unsafe, unduly hazardous or improper.

**K. Classification and statutory requirements**

Unless otherwise agreed in writing between the Assured and the Managers, the following conditions are terms of the insurance of every entered unit:

- i. The unit must be and remain throughout the period of entry classed with a Classification Society approved by the Managers, or remain fully approved by the government authority responsible for unit certification for the trade in question;
- ii. and any incident or condition in respect of which that Classification Society or authority might make recommendations as to repairs or other action to be taken by the Assured must be promptly reported to that Classification Society or authority.
- iii. The Assured must comply with all the Rules, recommendations and requirements of the Classification Society or authority relating to the entered unit within the time or times specified by the Society or authority.
- iv. The Assured authorises the Managers to inspect any information, relating to the maintenance of class of the entered unit in the possession of any Classification Society or authority with which that unit is or at any time has been Classed or approved, and will where necessary authorise such Classification Society or authority to disclose and make available that information to the Managers upon request by the Managers and for whatsoever purposes the Managers may consider necessary.
- v. The Assured must comply with all statutory requirements of the state of the unit's flag and/or any other state exercising jurisdiction over the unit in relation to the construction, adaptation, condition, fitment, equipment and manning of the entered unit and must at all times maintain the validity of such statutory certificates as are issued by or on behalf

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of the state of the unit's flag and/or any other state exercising jurisdiction over the unit in relation to such requirements and in relation to the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code.

Unless and to the extent that the Members' Committee otherwise decides, an Assured shall not be entitled to any recovery from the Club in respect of any claim arising during a period when that Assured is not fulfilling or has not fulfilled those conditions.

PROVIDED ALWAYS that:

Where the entry of a unit is solely in the name of or on behalf of a charterer other than a demise or bareboat charterer the rights of recovery of such charterer shall not be dependent on the fulfilment of conditions (ii), (iii), (iv), (v), or (vi) of this paragraph K.

Notwithstanding, and without prejudice to, any other provisions of these Terms and Condition, the Club may in its discretion, in the event of any breach by the Assured of the obligations referred to (i), (ii) and (iii) above, terminate the insurance of the Assured's entry by giving 7 days' notice to the Assured (such cancellation becoming effective on the expiry of 7 days from midnight Greenwich Mean Time of the day on which notice of cancellation is issued by the Club), whereupon the Assured shall cease to be insured in respect of the entered unit.

**L. Marine Insurance Act 1906 and Insurance Act 2015**

These Terms and Conditions and all contracts of insurance made by the Club shall be subject to and incorporate the provisions of the Marine Insurance Act, 1906 and, upon its entry into force, the Insurance Act 2015 of the United Kingdom and any statutory modifications thereof except insofar as such Acts or modifications may have been excluded by these Terms and Conditions or by any term of such contracts. The following provisions of the Insurance Act 2015 ("the Act") are excluded from the Terms and Conditions and any contract of insurance as follows:

- a) Section 8 of the Act is excluded. As a result, any breach of the duty of fair presentation shall entitle the Club to avoid the policy, regardless of whether the breach of the duty of fair presentation is innocent, deliberate or reckless.
- b) Section 10 of the Act is excluded. As a result all warranties in these Terms and Conditions or any contract of insurance must be strictly complied with and if the Assured fails to comply with any warranty, the Club shall be discharged from liability from the date of the breach, regardless of whether the breach is subsequently remedied.
- c) Section 11 of the Act is excluded. As a result, the Terms and Conditions and all terms of the contract of insurance between the Club and the Assured, including terms which tend to reduce the risk of loss of a particular kind, loss at a particular location and/ or loss at a particular time, must be strictly complied with and if the Assured fails to comply with any such term, the Club's liability may be excluded, limited or discharged in accordance with these Terms and Conditions, notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
- d) Section 13 of the Act is excluded. As a result, the Club shall be entitled to exercise its right to terminate the contract of insurance in respect of the Assured and all insureds in the event that a fraudulent claim is submitted by or on behalf of the Assured and/or any Group Affiliate.
- e) Section 13A of the Act is excluded: As a result the Terms and Conditions and all terms of the contract of insurance between the Club and the Assured shall not be subject to nor shall the Club be in breach of any implied term that it will pay any sums due in respect of a claim within a reasonable time save where the breach is deliberate or reckless and Section 13A of the Act is excluded to this extent.
- f) Section 14 of the Act is excluded. As a result, the contract of insurance between the Club and the Assured shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Club to avoid the contract of insurance.

**Clause 5****M. Obligation to sue and labour**

Upon the occurrence of any casualty, event or matter liable to give rise to a claim by an Assured upon the Club, it shall be the duty of the Assured and its agents to take and to continue to take all such steps as may be reasonable for the purpose of averting or minimising any expense or liability in respect whereof it may be insured by the Club. In the event that an Assured commits any breach of this obligation, the Members' Committee may in its discretion reject any claim by the Assured against the Club arising out of the casualty, event or matter, or reduce the sum payable by the Club in respect thereof by such amount as they may determine.

**N. Obligations with regard to claims**

- i. An Assured must promptly notify the Managers of every casualty, event or claim upon it which is liable to give rise to a claim upon the Club, and of every event or matter which is liable to cause the Assured to incur liabilities, costs or expenses for which it may be insured by the Club.
- ii. An Assured must promptly notify the Managers of every survey or opportunity for survey in connection with a matter referred to under (i).
- iii. An Assured must at all times promptly notify the Managers of any information, documents or reports in its or its agents' possession, power or knowledge relevant to such casualty, event or matter as is referred to under (i) and shall further, whenever so requested by the Managers, promptly produce to the Club and/or allow the Club or its agents to inspect, copy or photograph, all relevant documents of whatsoever nature in its or its agents' possession or power and shall further permit the Club or its agents to interview any servant, agent or other person who may have been employed by the Assured at the material time or at any time thereafter or whom the Club may consider likely to have any direct or indirect knowledge of the matter or who may have been under a duty at any time to report to the Assured in connection therewith.
- iv. An Assured shall not settle or admit liability for any claim for which it may be insured by the Club without prior written consent of the Managers.
- v. In the event that an Assured commits any breach of its obligations referred to in (i) to (iv) above, the Members' Committee may in its discretion reject any claim by the Assured against the Club arising out of the casualty, event or matter, or reduce the sum payable by the Club in respect thereof by such amount as it may determine.

**O. Time bar**

In the event that:

- i. an Assured fails to notify the Managers of any casualty, event or claim referred to in paragraph N(i) of this Clause within one year after it has knowledge thereof; or
- ii. an Assured fails to submit a claim to the Managers for reimbursement of any liabilities, costs or expenses within one year after discharging or settling the same; the Assured's claim against the Club shall be discharged and the Club shall be under no further liability in respect thereof unless the Members' Committee in its discretion shall otherwise determine.

**P. Recoveries, savings and no waiver by the Assured and subrogation**

- i. Unless otherwise agreed in writing by the Managers, where the Club has paid a claim to or on behalf of an Assured, the whole of any recovery from a third party in respect of that claim shall be credited and paid to the Club up to an amount corresponding with the sum paid by the Club together with any interest element on that sum comprised in the recovery, provided however that where, because of a deductible in its terms of entry, the Assured has contributed to settlement of the claim, any such interest element shall be apportioned between the Assured and the Club taking into account the payments made by each and the dates on which those payments were made.
- ii. Unless otherwise agreed in writing by the Managers, where the Assured, as a result of an event for which it is covered by the Club, has obtained extra revenue or saved costs or expenses which would otherwise have been incurred and which would not have

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been covered by the Club, the Club may deduct from the sum otherwise payable to the Assured an amount corresponding to the benefit obtained.

- iii. Unless otherwise agreed in writing by the Managers, the Assured must not waive in any manner whatsoever the right to exclude, defend or limit liability and/or any rights of recourse against any party otherwise available to the Assured.
- iv. Unless otherwise agreed in writing by the Managers, where the Club has paid a claim to or on behalf of an Assured, the Club shall be subrogated to the rights of the Assured in respect of the claim to the extent of that payment, including the right to any interest accruing on that amount prior to its recovery and the right to recover any costs incurred in relation to the exercise of such rights.

**Q. Surveys of units**

The Managers at any time in their discretion may appoint a surveyor or such other person as they may think fit to inspect an entered unit on behalf of the Club. The Assured:

- i. shall afford such facilities as may be required for such inspection, and
- ii. shall comply with such recommendations as the Managers may make following such inspection.

In light of the findings of such inspection or in the event of any breach of the obligations referred to in (i) and (ii) above, the Managers may in their discretion amend or vary or impose conditions of any kind on the terms of entry as they see fit including, without limitation, the exclusion of all and any risks specified in Clause 2 unless and until the Assured has to the satisfaction of the Managers complied with any recommendation made by the Managers within such time as may be prescribed.

Unless and to the extent that the Members' Committee in its discretion otherwise decides, an Assured who commits any breach of its obligations referred to in (i) to (ii) above shall not be entitled, in relation to any casualty, event or matter occurring during the period of the breach, to any recovery from the Club in respect of any claim arising out of such casualty, event or matter. Notwithstanding the above and in addition thereto, the Members' Committee, in its discretion, may, in the light of such inspection or in the event of any breach of the obligations referred to in (i) to (ii) above, terminate the Assured's entry forthwith whereupon the Assured shall cease to be insured in respect of the entered unit.

**R. Surveys of units after lay-up**

- i. If an entered unit has been laid-up for a period of six months or more, whether the unit has been entered in the Club for all or part of the period of lay-up and whether or not laid-up returns have been claimed or paid in accordance with Clause 19, the Assured shall give the Managers notice that the unit is to be recommissioned not less than seven days before the unit leaves the place of lay-up.
- ii. Upon receipt of such notice, the Managers in their discretion may appoint a surveyor or such other person as they may think fit to inspect the unit on behalf of the Club and the Assured shall afford such facilities as may be required for such inspection.
- iii. The Assured shall comply with such recommendations as the Managers may make following such inspection.

Unless and to the extent that the Members' Committee in its discretion otherwise decides, an Assured who commits any breach of its obligations referred to in (i) to (iii) above shall not be entitled, in relation to any casualty, event or matter occurring during the period of the breach, to any recovery from the Club in respect of any claim arising out of such casualty, event or matter. A breach of the obligation in (i) above shall be deemed to have ended at such time as the Assured has complied with its obligations referred to in (ii) above.

Notwithstanding the above and in addition thereto, the Members' Committee may, in the light of such inspection or in the event of any breach of the obligations referred to in (ii) to (iii) above, terminate the Assured's entry forthwith where-upon the Assured shall cease to be insured in respect of the entered unit.

**Clause 5****S. Electronic communication**

The Club's logs and records of any electronic communication sent or received by the Club shall, in the absence of manifest error, be conclusive evidence of such communication and of its despatch or receipt.

**T. Interest**

In no case shall interest be paid upon sums due from the Club.

**U. Certificates and undertakings**

The Club shall discharge on behalf of the Assured liabilities, costs, expenses arising under a demand made pursuant to the issue by the Club on behalf of the Assured of:

- i. a guarantee or other undertaking given by the Club to the Federal Maritime Commission under Section 2 of US Public Law 89-777, or
- ii. a certificate issued by the Club in compliance with Article VII of the International Conventions on Civil Liability for Oil Pollution Damage 1969 or 1992 or any amendments thereof, or
- iii. a certificate issued by the Club in compliance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001
- iv. a certificate issued by the Club in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.
- v. subject always to the MLC Extension Clause 2016, certificates issued by the Club in compliance with Regulation 4.2, Standard A4.2, paragraph 1(b) and Regulation 2.5.2, Standard A2.5.2 of the Maritime Labour Convention 2006, as amended (MLC 2006).

*Note: The text of the MLC Extension Clause 2016 is contained in Appendix I*

PROVIDED ALWAYS that:

- a) Where liabilities arise under the Federal Maritime Commission Laws, a CLC Certificate, Bunkers Convention Certificate, Wreck Removal Convention Certificate, or MLC Certificates issued by the Club and such liabilities ("Certified Liabilities") exceed or may exceed in the aggregate the limit of cover in accordance with Clause 5B(ii) and as specified in the Certificate of Entry, the Club may in its absolute discretion defer payment of a claim in respect of those liabilities or any part thereof until the Certified Liabilities, or such part of the Certified Liabilities as the Club may decide, have been discharged, and
- b) The Assured shall indemnify the Club to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Assured entered into such policy and complied with the terms and conditions thereof, and
- c) The Assured agrees that where:
  - i. the Club has issued any guarantee, undertaking or certificate as referred to under this Clause, or other bail or security by which it undertakes to directly meet or guarantee any relevant liabilities, (together the "Direct Liabilities"); and
  - ii. claims in respect of Direct Liabilities alone or in combination with other claims may in the sole opinion of the Club exceed any limit(s) on the cover provided by the Club as set out in Clause 5B(ii) and as specified in the Certificate of Entry; the Club may in its absolute discretion defer payment of any such other claims or any part thereof until the Direct Liabilities or such parts of the Direct Liabilities as the Club may in its absolute discretion decide, have been discharged.
- d) To the extent that any claims or liabilities (including any Direct Liabilities) are discharged by the Club any payment in respect thereof shall be by way of loan and

**Clause 5**

the Assured shall indemnify the Club promptly upon demand in respect of such payment and shall assign to the Club to the extent and on the terms that the Club determines in its discretion to be practicable all the rights of the Assured under any insurance and against any third party.

For the purpose of this Clause 5U, the Members' Committee shall have the sole discretion to determine what constitutes a standard war risk policy.

**V. Sanctions**

- i. The Club shall not indemnify an Assured against any liabilities, costs or expenses where the provision of cover, the payment of any claim or the provision of any benefit in respect of the risk of those liabilities, costs or expenses may expose the Club to the risk of any sanction, prohibition, restriction or adverse action by any competent authority or government.
- ii. The Assured shall in no circumstances be entitled to recover from the Club that part of any liabilities, costs or expenses which is not recovered by the Club from any reinsurer because of a shortfall in recovery from such party or reinsurer by reason of any sanction, prohibition or adverse action by a competent authority or government or the risk thereof if payment were to be made by such party or reinsurer. For the purposes of this paragraph, "shortfall" includes, but is not limited to, any failure or delay in recovery by the Club by reason of the said party or reinsurer delaying payment or making payment into a designated account in compliance with the requirements of any competent authority or government.
- iii. Notwithstanding, and without prejudice to, any other provisions of these Terms and Conditions, the Directors may terminate forthwith the insurance of an Assured in respect of any and all units entered by it where, in the opinion of the Directors, the Assured has exposed or will expose the Club to a material risk of being or becoming subject to a sanction, prohibition, restriction or other adverse action by a competent authority or government, which may materially affect the Club.
- iv. The Directors and the Managers may in their discretion and without notifying the Assured provide such co-operation and information they consider necessary and appropriate to respond to any enquiry, investigation or proceedings conducted by any competent authority, regulator or government in relation to the activities of the Assured which are alleged or reasonably suspected to be in breach of any sanction laws.

**W. Regulations by the Club**

The Club may make regulations prescribing the conditions or forms of contracts, such as contracts of carriage or other contracts, either generally or for use in any particular trade or at any particular port or place, as the situation may require. Such regulation shall take effect forthwith upon issuance of the regulation unless otherwise decided by the Managers in writing and shall be deemed to be incorporated in these Terms and Conditions from the beginning of the Policy year next following the time and date of the taking effect of such regulation. Notice of issuance of regulation made pursuant to this Clause shall be sent to every Assured by post or by electronic transmission. If any Assured shall commit a breach of any regulation, the Directors may reject or reduce any claim made by the Assured to the extent to which it would not have arisen if it had complied with the regulation and may further impose such terms upon it as they may think fit as a condition of the continuance of the entry of the Assured's unit or units in the Club.

**X. Marine Cyber Endorsement LMA5403**

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the

**Clause 5**

use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) 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.

**Y. Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)**

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

1. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
2. The exclusion in paragraph 1 above will not apply to any liability of the Assured otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the Assured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However even if the requirements of paragraph 2 above are met, no coverage will be provided under this insurance for any:
  - A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
  - B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
  - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. For the purpose of this Clause, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
  - A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
  - C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
5. This endorsement shall not extend this insurance to cover any liability which would not have been covered under this insurance had this endorsement not been attached.

All other terms, conditions and limitations of the insurance remain the same.

**Clause 6**

## Assureds and Successors bound by Terms and Conditions

- A All contracts of insurance affected by the Club in respect of offshore risks shall, save and insofar as they contain any special terms inconsistent herewith, be deemed to incorporate and shall incorporate all the provisions of these Terms and Conditions.
- B An Assured or other person by whom or on whose behalf an application is made for insurance or reinsurance by the Club shall be deemed to have agreed not only on its own behalf but also on behalf of its successors and each of them that both it and they will in every respect be subject to and bound by the provisions of these Terms and Conditions and by any contract of insurance with the Club.

**Clause 7**

## Applications for Insurance

- A. Any applicant Assured who desires to enter a unit for insurance in the Club shall make application for such entry in such form as may from time to time be required by the Managers.
- B. The applicant Assured and any agent must make to the Managers a fair presentation of the risk by providing the Managers with all material particulars and information together with any additional particulars and information as the Managers may require.
- C. The applicant Assured and any agent will ensure that every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.
- D. In accordance with Clause 5L of these Terms and Conditions, Section 8 of the Insurance Act 2015 is excluded. Any breach of paragraphs B and C shall entitle the Club to avoid the contract of insurance, regardless of whether the breach is innocent, deliberate or reckless.
- E. The Assured is obliged to disclose any change in any material information relating to an entry including, but not limited to, change of: management, flag, classification society, government authority responsible for unit certification for the trade in question, nationality of crew, trading or operating area or nature of trade or operation. Upon such disclosure, or failure to disclose, the Managers may amend the Assured's Premium or terms of entry, or terminate the entry in respect of such unit with effect from the time of disclosure or failure to disclose.
- F. The Managers shall be entitled, in their discretion and without assigning any reason, to refuse any application for the entry of a unit for insurance in the Club whether or not the applicant Assured of such unit is a Member.

**Clause 8**

## Premium

- A. Before an application is accepted for the entry of a unit, the applicant Assured and the Managers shall agree the amount of the Premium and the time or times at which it is payable.
- B. If its application is accepted, the Assured shall be bound to pay and shall pay to the Club the Premium agreed with the Managers and at such time or times as the Managers shall have specified.
- C. No claim of any kind whatsoever by an Assured against the Club shall constitute any set-off against premium or other sums of whatsoever nature due to the Club or shall entitle an Assured to withhold or delay payment of any such sum.

**Clause 9**

## Joint Entries and Co-assureds

### A. Joint Assureds

- i. If a unit shall be entered in the names of or on behalf of more persons than one (hereinafter referred to as "Joint Assureds") the terms upon which each Joint Assured shall be entitled to recover losses from the Club and upon which the Club shall be entitled to recover Premium from the Joint Assureds shall be such as may be agreed in writing between the Joint Assureds and the Managers.
- ii. Unless otherwise agreed in writing by the Managers all Joint Assureds shall be jointly and severally liable to pay all Premium or other sums due to the Club in respect of such entry, and the receipt by any one of such persons for any sums payable by the Club in respect of such entry shall be a sufficient discharge of the Club for the same.
- iii. For the purpose of this Clause, the liability of Joint Assured to each other shall not be excluded or discharged by reason of co-assurance and any payment to one of the Joint Assured in respect of any liabilities, losses, costs and expenses shall operate only as satisfaction but not exclusion or discharge of the liability of Joint Assured to each other.

PROVIDED ALWAYS that:

The cover afforded under Clause 9A shall extend only to risks, liabilities and expenses arising out of operations and/or activities customarily carried on by or at the risk and responsibility of owners of units and which are within the scope of the cover afforded by the Clauses and any special terms set out in the Certificate of Entry.

### B. Co-assureds

The Managers may accept the addition to the entry of a unit by an Assured of the following person or persons as a Co-assured:

- (i) Subject to Clause 5B(ii), a charterer, other than a bareboat charterer, which is affiliated to or associated with the Assured.

PROVIDED ALWAYS that:

- a) such charterer shall only be covered for the risks, liabilities, costs and expenses for which that the Assured has cover in accordance with the terms of entry of the unit with the Club;
- b) for the purposes of this Clause 9B
  - (i) a charterer shall only be affiliated to or associated with the Assured if (i) both the Assured and the charterer have the same parent or
  - (ii) one of the Assured and charterer is the parent of the other; and
  - (iii) a parent is a company which owns at least 50% of the shares in and voting rights of another or owns a minority of the shares in the other and the ability to procure that it is managed and operated in accordance with its wishes.
- (ii) A contractor (including a charterer) of the Assured for the provision of services by or to the entered unit and, if so requested by the contractor, any persons in the contractor's group.

PROVIDED ALWAYS that:

- (a) the contract has been approved by the Club; and
- (b) the contract is on knock for knock terms in respect of any and all persons in the contractor's group; and
- (c) the Co-assured contractor shall only be covered for liabilities and costs and expenses which are to be borne by the Assured under the terms of the contract and to the extent they would, if borne by the Assured, be recoverable from the Club in accordance with the terms of entry of the unit in the Club.

- (iii) Other persons (except charterers other than bareboat charterers)

PROVIDED ALWAYS that:

the liability of the Club to such persons only extends insofar as it may be found liable to pay in the first instance for loss or damage which is properly the responsibility of the Assured under

**Clause 9**

the same entry and nothing herein contained shall be construed as extending cover in respect of any amount to the extent such amount would not have been recoverable from the Club by the Assured under the same entry had the claim in respect of such loss or damage been made or enforced against it. Once the Club has made indemnification under such cover it shall not be under any further liability and shall not make any further payment to any person whatsoever, including the Assured, Joint Assured or Co-assured insured under the same entry in respect of that loss or damage.

**C. GENERAL TERMS**

In relation to the Assured, Joint Assured and Co-assureds in respect of an entry (hereafter in this Clause 9C referred to individually as an "Insured Party" and collectively as "Insured Parties"):

- (i) the Club shall not be bound to issue any Certificate of Entry or any Endorsement Slip to more than one Insured Party; delivery to one Insured Party shall be deemed sufficient delivery to all the Insured Parties;
- (ii) payment to any one Insured Party of any sums payable by the Club shall be a sufficient discharge of the Club for the same in respect of all the Insured Parties;
- (iii) the failure by any Insured Party to disclose material information within its knowledge shall be deemed to have been failure of all the Insured Parties;
- (iv) notice served on one Insured Party by the Club pursuant to Clause 30 shall be deemed to be served on all the Insured Parties;
- (v) the conduct of any Insured Party which would have entitled the Club to decline to indemnify it shall be deemed the conduct of all the Insured Parties;
- (vi) any provision of these Clauses which would entitle the Club to reject or reduce recovery in respect of one Insured Party shall be deemed to apply to all the Insured Parties;
- (vii) unless the Managers have otherwise agreed in writing, the contents of any communication from or on behalf of the Club to any Insured Party shall be deemed to be within its knowledge of all the Insured Parties, and any communication from any Insured Party to the Club, the Managers or their agents shall be deemed to have been made with the full approval and authority of all the Insured Parties;
- (viii) there shall be no reimbursement from the Club of claims relating to any liabilities, costs, expenses or disputes among the Insured Parties.

**Clause 10**

## Group Affiliate Cover

- A. The Managers may accept the insurance of any unit upon terms that within the limits and upon the conditions set out in paragraphs B, C, and D of this Clause, the benefit of the cover afforded by the Club to the Assured in respect of that unit shall be extended to persons or companies affiliated or associated with that Assured. The rights and obligations as between the Club and any such persons or companies (both referred to hereafter in this Clause as Group Affiliates) shall, subject always to paragraphs B, C, and D of this Clause, be such as may be agreed between the Assured and the Managers.
- B. The benefit of the cover extended to Group Affiliates in accordance with paragraphs A of this Clause shall be limited to reimbursement of claims relating to liabilities, costs or expenses incurred by them to the extent that the Assured (i) would have incurred the same liabilities, costs and expenses if the same claims had been pursued against it and (ii) would thereafter have been entitled to obtain reimbursement from the Club in accordance with the terms of entry of the unit in the Club.
- C. The total liability of the Club in respect of any one event to the Assured and to all Co-assureds to whom the benefit of that Assured's cover has been extended in accordance with this Clause shall not exceed such sum as would have been recoverable from the Club in respect of such event by that Assured, and the receipt by any one of the Assured and any such Co-assured of that sum or of separate payments by the Club amounting in aggregate to that sum shall be a full and sufficient discharge of the Club's liability.
- D. Conduct of any one of the parties insured under this Clause which would have entitled the Club to decline to indemnify it shall be deemed the conduct of all Assureds and Co-assureds under the same entry.

**Clause 11**

## Certificate of Entry and Endorsement Slip

- A. As soon as reasonably practical after accepting an application for the entry of a unit for insurance in the Club and at the commencement of each subsequent Policy year during which such entry continues, the Managers shall issue to the Assured of such unit a Certificate of Entry in such form as may from time to time be prescribed by the Managers but so that such Certificate of Entry shall state the date of the commencement of the period of insurance or the Policy year as the case may be and the terms and conditions on which the unit has been accepted for insurance.
- B. If at any other time or from time to time the Managers and the Assured of any unit entered for insurance shall agree to vary the terms relating to the entered unit, the Managers shall, as soon as reasonably practical thereafter, issue to the Assured of such unit an Endorsement Slip stating the terms of such variation and the date from which such variation is to be effective.
- C. Every Certificate of Entry and every Endorsement Slip issued as aforesaid shall be conclusive evidence and binding for all purposes as to the commencement of the period of insurance, as to the terms and conditions on which the unit has been entered for insurance, and as to the terms of any variation and the date from which such variation is to be effective; provided that in the event that any Certificate of Entry or any Endorsement Slip shall in the opinion of the Managers contain any error or omission, the Managers may in their discretion issue a new Certificate of Entry or a new Endorsement Slip which shall be conclusive evidence and binding as aforesaid.

**Clause 12**

## Reinsurance

- A. Subject to the Articles, and save insofar as expressly prohibited by these Terms and Conditions, the Managers may enter into contracts of reinsurance on behalf of the Club whereby the Club agrees to reinsure the risks arising in connection with any one or more units insured by another Club or insurer or else agrees to reinsure the whole or any part or proportion of the insurance business of any other Club or insurer. The consideration payable to the Club and the terms and conditions on which the reinsurance is accepted by the Club shall be such as are agreed between the Managers and such other Club or insurer shall be in every respect subject to and bound by the provisions of these Terms and Conditions and its contract with the Club shall for all purposes take effect as though it were the Assured of any unit or units in connection with which the relevant risks may arise and had as Assured entered the unit or units in the Club for insurance.
- B. The Managers shall have the right in their discretion to effect on behalf of the Club the reinsurance or ceding of any risks insured by the Club (including any risk which may fall on the Club by reason of a reinsurance referred to in paragraphs A of this Clause) with such reinsurers and on such terms as the Managers shall consider appropriate.

**Clause 13**

## Membership

- A. If the Club accepts an application from an Assured who is not already a Member for a unit to be entered, then such Assured shall, as from the date of the acceptance of such entry, be and becomes a Member and its name shall be entered in the register of Members.
- B. An Assured shall cease to be a Member if for any reason whatsoever the period of insurance shall have terminated in respect of all units entered in the Clubs in its name. Whenever the period of any reinsurance shall have terminated the insurer reinsured by the Club and the Assured insured by such insurer, if previously a Member, shall cease to be one.

**Clause 14**

## Assignment

- A. No insurance given by the Club and no interest under these Terms and Conditions or under any contract between the Club and any Assured may be assigned without the written consent of the Managers who shall have the right in their discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as they may think fit. Any purported assignment made without such consent or without there being due compliance with any such terms and conditions as the Managers may impose shall, unless the Managers in their discretion otherwise decide, be void and of no effect.
- B. Whether or not the Managers shall expressly so stipulate as a condition for giving their consent to any assignment, the Club shall be entitled in settling any claim presented by the assignee to deduct or retain such amount as the Managers may then estimate to be sufficient to discharge any liabilities of the assignor to the Club, whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.

**Clause 15**

## Period of Insurance

- A. Subject as otherwise provided in these Terms and Conditions, the insurance by the Club of a unit entered in the Club otherwise than for a fixed period shall commence at the time and date specified in the Certificate of Entry and shall continue until noon Greenwich Mean Time of the 20th February next ensuing and thereafter, unless terminated in accordance with these Terms and Conditions, from Policy year to Policy year.
- B. The insurance by the Club of each unit entered for insurance for a fixed period shall, subject as otherwise provided in these Terms and Conditions, cease at the expiry of such fixed period.

**Clause 16**

## Amendments of the Terms & Conditions

The Club may amend these Terms and Conditions as the situation may require with effect from noon Greenwich Mean Time on any date by giving at least 30 days' notice prior to that date. Notice of amendments made pursuant to this Clause shall be sent to every Assured by post or by electronic transmission.

**Clause 17**

## Notice of Termination

- A. Without prejudice to paragraph Q and R of Clause 5, the insurance of any unit entered in the Club (otherwise than for a fixed period) may be terminated in the following manner:
  - i. The Directors in their discretion and without giving any reason may give a written notice of termination to any Assured not later than noon Greenwich Mean Time on the 20th January in any Policy year.
  - ii. An Assured in its discretion and without giving any reason may give a written notice of termination to the Club not later than noon Greenwich Mean Time on the 20th January in any Policy year.
- B. If a notice shall have been given pursuant to paragraph A of this Clause the insurance shall terminate at noon Greenwich Mean Time on 20th February immediately following such notice. Save with the agreement of the Managers a unit may not be withdrawn from the Club nor may any notice of termination be given by the Assured at any other time.
- C. Without prejudice to paragraph A and B of this Section, the Club may at any time and without giving any reason terminate the insurance on 30 days' written notice, given not later than 30 days before the expiry of the period of insurance specified in Section 15.

**Clause 18**

## Reserves

- A. The Directors may establish and maintain such reserve funds or other accounts for such contingencies or purposes as they think fit.
- B. The Directors may apply the sums standing to the credit of any reserve for any of the purposes for which the reserve was maintained even though the sum be paid in respect of any different Policy year or years from that from which the funds originated. The Directors may also apply the sums standing to the credit of any reserve for any other or different purposes whenever the Directors consider this to be in the interests of the Members or the Clubs. The Directors may also at any time transfer sums from one reserve to another including between the reserves of the Clubs.

**Clause 19**

## Investment

- A. The funds of the Club may be invested as the Directors (or the Managers subject to the supervision of the Directors) may think fit.
- B. Unless the Directors otherwise decide, all the funds standing to the credit of any Policy year or of any reserve or account shall be pooled and invested as one fund.
- C. When funds are pooled as provided in paragraph B above, the investment income arising on the pooled funds shall be apportioned among and between the different Policy years, reserves and accounts as the Directors may think fit.

**Clause 20**

## Laid-up Returns

Subject to any terms and conditions which may have been agreed, if an entered unit shall be laid-up in any safe port or place for a period of thirty or more consecutive days after finally mooring there, (such period being computed from the day of arrival to the day of departure, one only being excluded) the Assured shall be allowed a return of Premium payable in respect of such unit for the period of lay-up, calculated at such rate and after deduction of such allowance for reinsurance, administrative expenses and other outgoings as the Managers may from time to time determine, save that there shall be no laid-up returns in respect of any period during which the entered unit is undergoing any repairs, any works, refit or maintenance other than routine maintenance required for the necessary safety and security of the unit.

For the purposes of this Clause,

- a) the Managers shall have sole discretion in deciding whether the port or place involved is a safe port or place within the meaning of this Clause, and
- b) no claim for laid-up returns relating to any Policy year shall be recoverable from the Club unless written notice thereof has been given to the Club within three months of the end of the Policy year concerned.

**Clause 21**

## Termination and its Effects

- A. Upon an Assured ceasing to be insured by the Club in respect of any unit by virtue of a notice given (whether by the Assured or the Directors) in accordance with Clause 16 or Clause 17 and without prejudice to the effects of cancellation of insurance pursuant to Clause 23, then:
- i. such Assured and its successors shall be and remain liable for all Premium and other sums payable in respect of the whole of the Policy year in which such notice was given, and in respect of previous Policy years, and
  - ii. Subject to the other provisions of these Terms and Conditions and to the terms of entry the Club shall remain liable in respect of such entered unit for all claims under these Terms and Conditions arising by reason of any event which had occurred prior to noon Greenwich Mean Time on 20th February immediately following the giving of such notice, but shall not otherwise be under any liability whatsoever by reason of anything occurring at or after that date and time.
- B. Upon an Assured ceasing to be insured by the Club in respect of any unit pursuant to paragraph Q, R or V of Clause 5 or otherwise than in accordance with Clause 16, Clause 17, Clause 22A, B or C, or Clause 23A, then:
- i. such Assured and its successors shall be and remain liable in relation to Premium and other sums payable:
    - a) in respect of the Policy year in which such cessation occurs, on a pro rata basis, namely for the proportion of such sums applicable to the period beginning at the commencement of that Policy year (or, in the case of a unit entered during that Policy year, the date of entry) and ending at noon Greenwich Mean Time on the date of such cessation, and
    - b) in respect of previous Policy years, for the whole of those Policy years, and
  - ii. Subject to the other provisions of these Terms and Conditions and to the terms of entry, the Club shall remain liable in respect of such entered unit for all claims under these Terms and Conditions arising by reason of any event which had occurred prior to noon Greenwich Mean Time on the day of such cessation, but shall not otherwise be under any liability whatsoever by reason of anything occurring at or after that date and time,
- PROVIDED ALWAYS that:  
nothing in paragraph B of this Clause shall be taken to confer validity on any notice purporting to terminate the entry of any unit given otherwise than in accordance with Clause 16, Clause 17 or Clause 23A.

**Clause 22**

## Cesser of Insurance and its Effects

- A. An Assured shall forthwith cease to be insured by the Club in respect of any and all units entered by it or on its behalf upon the happening of any of the following events:
- i. Where the Assured is an individual,
    - a) upon death,
    - b) if a receiving order is made against the Assured,
    - c) if the Assured becomes bankrupt,
    - d) if the Assured makes any composition or arrangement with its creditors generally,
    - e) if the Assured becomes incapable by reason of mental disorder of managing or administering its property and affairs;
  - ii. Where the Assured is a corporation,
    - a) upon the passing of any resolution for its voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation),
    - b) upon an order being made for its compulsory winding up,
    - c) upon its dissolution,
    - d) upon a receiver or manager being appointed of all or part of its business or undertaking,
    - e) upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or reorganisation or rehabilitation pursuant to any applicable law, or if a creditor takes uncontested possession of any of its assets pursuant to any security interest therein.

And for the purposes of this Clause 22Aii. the Assured shall include the parent company of the Assured.

PROVIDED ALWAYS that:

if an Assured ceases to be insured by the Club in accordance with any provision in this Section 22A, the entry and insurance of any other Joint Assured entered pursuant to Section 9A shall continue unless the Managers in their discretion decide to terminate such entry and insurance with effect from the date the Assured ceases to be insured or on such other date as the Managers may chose.

- B. Unless otherwise agreed in writing by the Managers, an Assured shall forthwith cease to be insured by the Club in respect of any unit entered by it or on its behalf upon the happening of any of the following events in relation to such unit:
- i. upon the Assured parting with or assigning the whole or any part of its interest in the unit whether by bill of sale or other formal document or agreement or in any other way whatsoever;
  - ii. upon the mortgaging or hypothecation of the unit or of any part of the Assured's interest in that unit;
  - iii. upon the managers of the unit being changed by the appointment of new managers;
  - iv. upon undisputed possession being taken of the unit by or on behalf of a secured party;
  - v. upon the Assured, as at noon Greenwich Mean Time on 20th February in any Policy year, failing to pay in respect of the unit any amounts due from it to the Club.
  - vi. upon the Assured, as at noon Greenwich Mean Time on 20th February in any Policy year, being in breach of, or otherwise failing to fulfil, its obligations in respect of the unit under Clauses 5K, 5Q or 5R.
- C. Unless otherwise agreed in writing by the Managers, an Assured shall forthwith cease to be insured by the Club in respect of any unit entered by it or on its behalf upon the happening of whichever shall be the earliest of the following events:
- i. upon the unit being missing for ten days from the date when it was last heard of;
  - ii. upon the unit being posted at Lloyd's as missing;
  - iii. upon the unit becoming an actual total loss;
  - iv. upon acceptance by hull underwriters (whether of marine or war risks) that the unit is a constructive total loss;

**Clause 22**

- v. upon agreement by hull underwriters (whether of marine or war risks) to pay to the Assured of the unit an unrepaired damage claim which exceeds the market value of the unit without commitment immediately prior to the casualty which gave rise to such claim;
- vi. upon a compromise or settlement with hull underwriters (whether of marine or war risks) on the basis of which the unit is considered or deemed to be an actual or constructive total loss;
- vii. upon a decision by the Managers that the unit is to be considered or deemed to be an actual or constructive total loss or otherwise commercially lost.

**PROVIDED ALWAYS that:**

- a) Notwithstanding the cesser of the insurance under Clause 22C the Club shall, subject always to the Terms and Conditions and to the terms and conditions of the entry of the unit in the Club, remain liable as regards liabilities flowing directly from the casualty which has given rise to the actual or constructive loss of the unit.
  - b) If the Managers agree that the insurance of the unit shall continue after the happening of any of the events listed in paragraph B and C of this Clause they may in their discretion impose such terms and conditions as they think fit for the continuation of the insurance.
- D. On the occurrence of any of the events specified in paragraphs A to C inclusive of this Clause in respect of an entered unit, the Assured shall give notice in writing of such event to the Managers within one month after the date thereof.
- E. Upon an Assured ceasing to be insured by virtue of paragraph A of this Clause, and upon an Assured ceasing to be insured in respect of any unit by virtue of paragraphs B or C of this Clause, and without prejudice to the effects of cancellation of insurance pursuant to Clause 23A then:
- i. such Assured and its successors shall be and remain liable in relation to Premium and other sums payable:
    - a) in respect of the Policy year in which such cessation occurs, on a pro rata basis, namely for the proportion of such sums applicable to the period beginning at the commencement of that Policy year (or, in the case of a unit entered during that Policy year, the date of entry) and ending at noon Greenwich Mean Time on the date of such cessation; provided that, if the Assured fails to give notice of the event in accordance with paragraph D of this Clause, such period shall end at noon Greenwich Mean Time on such later date as the Managers in their discretion shall decide, and
    - b) in respect of previous Policy years, for the whole of those Policy years, and
  - ii. Subject to the other provisions of these Terms and Conditions and to the terms of entry the Club shall remain liable in respect of any unit entered by such Assured or in respect of such entered unit (as the case may be) for all claims under these Terms and Conditions arising by reason of any event which had occurred prior to the date of such cessation, but shall not otherwise be under any liability whatsoever by reason of anything occurring after that date.

**Clause 23**

## Cancellation of Insurance and its Effects

- A. Where an Assured has failed to pay Premium, either in whole or in part, or any other amount due from it to the Club, the Managers may give it notice in writing requiring it to pay such amount by any date specified in such notice, not being less than seven days from the date on which such notice is given. Further, unless and to the extent that the Members' Committee in its discretion otherwise decides, an Assured shall not be entitled to recover from the Club any liabilities, cost and expenses in respect of any claim arising from the date of such failure until the date such sum owing to the Club is paid in full.

If the Assured fails to make such a payment in full on or before the date so specified, the insurance of the Assured (whether the insurance is current on such date or has ceased by virtue of paragraphs A, B, or C of Clause 22 or in accordance with any other provisions of these Terms and Conditions) in respect of any and all units referred to in such notice and entered in the Club by it or on its behalf shall be cancelled forthwith without further notice or other formality.

- B. When the insurance of an Assured is cancelled in accordance with paragraph A of this Clause (which time is hereinafter in this Clause 23 referred to as "the date of cancellation") then:
- i. such Assured and its successors shall be and remain liable in relation Premium and other sums payable:
    - a) in respect of the Policy year in which the date of cancellation falls, on a pro rata basis, namely for the proportion of such sums applicable to the period beginning at the commencement of that Policy year (or, in the case of a unit entered during that Policy year, the date of entry) and ending on the date of cancellation or such earlier date as the Managers in their discretion decide and agree in writing, and
    - b) in respect of previous Policy years, for the whole of those Policy years, and
  - ii. The Club shall with effect from the date of cancellation cease to be liable for any claims of whatsoever kind under these Terms and Conditions in respect of any and all units in relation to which the insurance of the Assured has been cancelled.
    - a) irrespective of whether such claims have occurred or arisen or may arise by reason of any event which has occurred at any time prior to the date of cancellation, including during previous years;
    - b) irrespective of whether such claims arise by reason of any event occurring after the date of cancellation;
    - c) irrespective of whether the Club may have admitted liability for or appointed lawyers, surveyors or any other person to deal with such claims;
    - d) irrespective of whether the Club at the date of or prior to the date of cancellation knew that such claims might or would arise, and as from the date of cancellation any liability of the Club for such claims shall terminate retrospectively and the Club shall be under no liability to such Assured for any such claims or on any account whatsoever.

**PROVIDED ALWAYS** that:

The Directors may in their discretion and upon such terms as they think fit, including but not restricted to terms as to payment of Premium or other sums, admit either in whole or in part any claim in respect of any unit entered by an Assured for which the Club is under no liability by virtue of paragraph A or B of this Clause, whether such claim has arisen before or arises after the date of cessation or the date of cancellation as the case may be, or remit wholly or partly any payment of contribution, premiums or other sums due to the Club.

**Clause 24**

## Sums due to the Club for the purpose of applying the right of Cancellation

- A. For the purpose of determining whether any (and, if so, what) sum is due for the purposes of Clause 23A or otherwise under these Terms and Conditions, no account shall be taken of any amount due or alleged to be due by the Clubs to the Assured on any ground whatever, and no set-off of any kind (including set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Assured) shall be allowed against such sum (whether or not any set-off against Premium or other sums payable has been allowed at any time in the past), except to the extent (if any) to which any sum demanded by the Managers as due, and required to be paid in a notice served under the said sub-paragraph, may (in the Managers' discretion) in itself have already allowed for a set-off or credit in favour of the Assured.
- B. Without prejudice to the generality of Clause 28, no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Club nor the granting of time, or the acceptance by the Club (whether express or implied) of liability for, nor the recognition of, any claim, and whether occurring before or after any date of cessation or date of cancellation as hereinbefore referred to shall derogate from the effect of Clauses 21 to 24 inclusive or be treated as any waiver of any of the Club's rights thereunder.

**Clause 25**

## Claims

- A. Without prejudice to any other provision of these Terms and Conditions and without waiving any of the Club's rights hereunder, the Managers may at any and all times appoint and employ on behalf of the Assured upon such terms as the Managers may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter liable to give rise to a claim by an Assured upon the Club, including investigating or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.
- B. All lawyers, surveyors and other persons appointed by the Managers on behalf of the Assured or appointed by the Assured with the prior consent of the Managers shall at all times be and be deemed to be appointed and employed on the terms that they have been instructed by the Assured at all times (both while so acting and after having retired from the matter) to give advice and to report to the Club in connection with the matter without prior reference to the Assured and to produce to the Club without prior reference to the Assured any documents or information in its possession or power relating to such matter, all as if such person had been appointed to act and had at all times been acting on behalf of the Club.
- C. The Assured shall provide to all lawyers, surveyors and other persons appointed by the Managers on behalf of the Assured any information or documentation relevant to any matter liable to give rise to a claim by the Assured upon the Club of which it is aware or is in its power, custody or control and make available for interview any employee or agent of the Assured whom the lawyers, surveyors or the Club believe may have any knowledge of the matter. The Assured shall not withhold or conceal any documents or other evidence which may be relevant to disclose or make any false statements and where such evidence is withheld or concealed or a false statement made, any liabilities, costs and expenses incurred or reimbursed by the Club shall be repaid by the Assured.

**Clause 26**

## Powers of the Managers relating to the handling and settlement of claims

- A. The Managers shall have the right if they so decide to control or direct the conduct of any claim or legal or other proceedings relating to any liability, loss or damage in respect whereof the Assured is or may be insured in whole or in part, and to require the Assured to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.
- B. If the Assured does not settle, compromise or dispose of a claim or of proceedings after being required to do so by the Managers in accordance with paragraph A of this Section, any eventual recovery by the Assured from the Club in respect of such claim or proceedings shall be limited to the amount it would have recovered if it had acted as required by the Managers.
- C. The Club is under no obligation to provide bail or other security on behalf of any Assured, but where the same is provided, it shall be on such terms as the Managers may consider appropriate and shall not constitute any admission of liability by the Club for the claim in respect of which the bail or other security is given. It shall be a condition of the provision of bail or other security that the Assured shall indemnify the Club for any costs or liability arising therefrom or associated therewith, save to the extent that such costs or liability would have been recoverable from the Club if the Assured had incurred them directly.

**Clause 27**

## Meetings of the Members' Committee

The Members' Committee shall meet as often as it may consider necessary for the settlement of claims which shall be paid by the Club as the Members' Committee may determine in accordance with these Terms and Conditions and the Members' Committee shall have power from time to time to authorise the Managers, without prior reference to the Members' Committee, to effect payment of claims of such types and up to such sums as the Members' Committee may determine. No Member of the Members' Committee shall act as such in the settlement of any claim in which it is interested.

**Clause 28**

## Forbearance and Reimbursement

- A. No act, omission, course of dealing, forbearance, delay or indulgence by the Club in enforcing any of these Terms and Conditions or any of the terms or conditions of its contracts with Assureds nor any granting of time by the Club shall prejudice or affect the rights and remedies of the Club under these Terms and Conditions or under such contracts, and no such matter shall be treated as any evidence of waiver of the Club's rights thereunder, nor shall any waiver of a breach by an Assured of such Terms and Conditions or contracts operate as a waiver of any subsequent breach thereof. The Club shall at all times and without notice be entitled to insist on the strict application of these Terms and Conditions and on the strict enforcement of its contracts with Assureds.
- B. The Assured shall reimburse to the Club on demand the amount of any payment made to any third party by the Club on behalf of or as guarantor for such Assured to the extent that such payment is in respect of any amount which in the opinion of the Managers is not recoverable from the Club.

**Clause 29**

## Disputes

- A. The Assured hereby submits to the jurisdiction of the High Court of Justice of England in respect of any action brought by the Club to recover sums which the Club may consider to be due to it from the Assured. Without prejudice to the foregoing the Club shall be entitled to commence and maintain in any jurisdiction any action to recover sums which the Club may consider to be due to it from the Assured.
- B. If any other difference or dispute shall arise between an Assured or any other person and the Club out of or in connection with these Terms and Conditions or any contract between the Assured and the Club or as to the rights or obligations of the Club or the Assured or any other person thereunder or in connection therewith, such difference or dispute shall in the first instance be referred to and adjudicated upon by the Directors, unless the Directors elect to waive such adjudication, whereupon the Assured or such other person concerned shall be entitled to refer the difference or dispute to arbitration in accordance with the provisions of paragraph C of this Clause. Such reference and adjudication shall be on written submissions only.
- C. If the Assured or such other person concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of three Arbitrators (one to be appointed by the Club and the other by such Assured or such other person and the third by the two arbitrators so appointed), and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act, 1996, and any statutory modification or re-enactment thereof.
- D. No Assured nor such other person shall be entitled to maintain any action, suit or other legal proceedings against the Club upon any such difference or dispute
- i. unless and until the same has been so referred to the Directors for adjudication under paragraph B of this Clause and the Directors shall have given their decision thereon or the reference to such adjudication shall have been waived in accordance with the proviso to paragraph B of this Clause, and
  - ii. if such decision is not accepted by such Assured or such other person or if the reference to such adjudication shall have been waived, unless and until such difference or dispute shall have been referred to arbitration as provided in paragraph C of this Clause and the Award in such reference shall have been published, and
  - iii. then only for such sum (if any) as the Award may direct to be paid by the Club, and
  - iv. the sole obligation of the Club to such Assured or such other person under these Terms and Conditions and any contract between the Club and the Assured or otherwise howsoever in respect of any such dispute or difference shall be to pay such sum as may be directed by such an Award.
- E. If any difference or dispute shall arise between an Assured or any other person and the Managers or their servants or agents (collectively the Managers' Group), out of or in connection with these Terms and Conditions or any contract between the Assured and the Club or as to the rights or obligations of anyone of the Manager's Group or the Assured in any other way in connection therewith, such difference or dispute shall be referred to arbitration in London of three Arbitrators (one to be appointed by the Manager's Group and the other by such Assured or other person and the third by the two arbitrators so appointed), and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act, 1996, and any statutory modification or re-enactment thereof.

**Clause 30**

## Notices

- A. A notice or other document required under these Terms and Conditions to be served on the Club may be served by sending it by electronic transmission (email) addressed to the Club at the Club's registered office for the time being.
- B. A notice or other document required under these Terms and Conditions to be served on an Assured may be served by sending it by courier or through the post in a pre-paid letter or by sending it by electronic transmission (email) addressed to such Assured:
- i. at the address which shall have been expressly furnished by it to the Club as the address at which notices from the Club may be served upon it, or,
  - ii. if no such address shall have been furnished, at its address as appearing in the Register of Members, or,
  - iii. if such Assured is not and was not a Member at the address which is its last known address to the knowledge of the Managers. In the case of Joint Assureds all such notices or other documents shall be served upon the Joint Assured whose address has been furnished in accordance with sub-paragraph (i) above, or, if no such address has been furnished, upon the senior of the Joint Assureds and such service shall be sufficient service on all the Joint Assureds. For this purpose seniority as between Joint Assureds shall be determined by the order in which the names stand as Joint Assureds in the Register of Members.

Any such notice or other document if served by courier or by post shall be deemed to have been served on the day following the day on which the letter containing the same was handed to the courier or put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and handed to the courier or put into the post as a prepaid letter. Any such notice or other document if served by electronic transmission (email) shall be deemed to have been served on the day on which it was despatched, and in proving such service it shall be sufficient to prove that such notice or other document by such electronic transmissions (email) was duly despatched. Where any such notice is served on an Assured by one or more forms of communication, the earliest date such notice is proved or deemed to have been served shall be treated as the date of service for all purposes.

- C. Any such notice or other document may be sent or supplied to an Assured by making it available on the Club's website ([www.ukpandi.com](http://www.ukpandi.com)), and it is deemed served or delivered when the Assured is notified by electronic transmission (email) that it is available on such website.
- D. The successors of anyone who is or was at any time an Assured of an entered unit shall be bound by a notice or other document served as aforesaid if sent to the last such address of such Assured notwithstanding that the Club may have notice of the Assured's death, disability, mental incapacity, bankruptcy or liquidation.

**Clause 31**

## Law of contract

Any contract of insurance howsoever made between the Club and an Assured and these Terms and Conditions shall be governed by and construed in accordance with English law.

**Clause 32**

## Delegation

- A. Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of these Terms and Conditions, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Terms and Conditions, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.
- B. Whenever any power, duty or discretion is stated in these Terms and Conditions to be vested in the Directors, such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any Committee of the Directors or to the Managers or to the Members' Committee in accordance with the provisions as regards delegation contained in the Articles, in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

**Clause 33**

## Definitions

In these Terms and Conditions the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

<b>Applicant Assured</b>	In relation to a unit which is desired or intended to be entered for insurance in the Club for offshore risks, means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, bareboat charterer, operator, manager or builder of such unit and any other person (not being an insurer seeking reinsurance), by or on whose behalf an application has been, is being or is to be made for the entry of the same in the Club for insurance whether it be or is to be a Member of the Club or not.
<b>Articles</b>	The articles for the time being of the United Kingdom Mutual Steam Ship Assurance Association Limited.
<b>Assured</b>	In relation to an entered unit means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, bareboat charterer, operator, manager or builder of such unit and any other person named in the certificate of entry or endorsement slip, by or on whose behalf the same has been entered in the Club whether it be a Member or not.
<b>Cargo</b>	Goods, including anything used or intended to be used to pack or secure goods, in respect of which an Assured enters into a contract of carriage, but excluding containers or other equipment owned or leased by the Assured.
<b>Club</b>	The United Kingdom Mutual Steam Ship Assurance Association Limited or UK P&I Club N.V., as applicable.
<b>Contract Work</b>	Includes but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.
<b>Directors</b>	The Board of Directors for the time being of the Club.
<b>Electronic Trading System</b>	An electronic trading system is any system which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport and which are documents of title, or entitle the holder to delivery or possession of the goods referred to in such documents, or evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party. For the purpose of the definition, a "document" shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.
<b>Entered unit</b>	A unit which has been entered in the Club for insurance for offshore risks.
<b>Fines</b>	Includes penalties and other impositions similar in nature to fines.

**Clause 33**

<b>Hull policy</b>	A policy effected on the hull and machinery of a unit including an Excess Liability Policy.
<b>Insurance</b>	Any insurance or reinsurance.
<b>In writing</b>	Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.
<b>Knock for Knock</b>	A provision or provisions stipulating that <ol style="list-style-type: none"> <li>(1) each party to a contract shall be similarly responsible for             <ol style="list-style-type: none"> <li>(a) loss of or damage to, and/or death of or injury to, any of its own property or personnel, and/or the property or personnel of its contractors and/or of its and their sub-contractors and/or of other parties and/or;</li> <li>(b) liability arising out of the ownership or operation of its own property, and that</li> </ol> </li> <li>(2) such responsibility shall be without recourse to the other party and arise notwithstanding any fault or neglect of any party and that</li> <li>(3) each party shall, in respect of those losses, damages or liabilities for which it has assumed responsibility, correspondingly indemnify the other against any liability that that party shall incur in relation thereto.</li> </ol>
<b>Managers</b>	The Managers for the time being of the Club.
<b>Member</b>	A Member for the time being of The United Kingdom Mutual Steam Ship Assurance Association Limited.
<b>Members' Committee</b>	A committee of the Members.
<b>Policy year</b>	A year from noon GMT on any 20th February to noon GMT on the next following 20th February.
<b>Premium</b>	A premium payable to the Club in respect of an entered unit pursuant to Clause 8.
<b>Seafarer</b>	Any person (including the Master and apprentices) employed as part of a unit's complement under the terms of a crew agreement or other contract of service or employment to serve on board an entered unit, whether or not on board that unit.
<b>Ship</b>	Any Ship, boat, hovercraft, mobile craft or other description of vessel, other than an entered unit, used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein.
<b>Statutory obligation</b>	Any obligation, liability or direction imposed by any legislative enactment, decree order or regulation having the force of law in any country.
<b>Successors</b>	In relation to all the persons hereinbefore specified in connection with "Assured" and "Applicant Assured" and in relation to any other person whatsoever by whom or on whose behalf a unit shall have been entered for insurance or reinsurance in the Club, shall include their heirs, executors, administrators, personal representatives, assigns (when permitted under these Terms and Conditions), receiver, curator or other person authorised to act on behalf of one who becomes incapable by reason of mental disorder of managing its property or affairs, trustee in bankruptcy, liquidator and other successors whatsoever.

**Clause 33**

<b>Terms and Conditions</b>	These Terms and Conditions as originally framed or as from time to time altered, abrogated or added to and for the time being in force.
<b>Ton</b>	The unit of tonnage.
<b>Tonnage</b>	The register tonnage of a unit as certified in the Certificate of Registry of such unit or in any other official document relating to the registration of such unit.
<b>Unit</b>	<ol style="list-style-type: none"> <li>(1) a mobile offshore drilling unit (whether jack-up, semi-submersible or of monohull design) but always excluding any wellhead, well control equipment, downhole equipment, or any part thereof and any property below the drill floor or rotary table; or</li> <li>(2) a mobile offshore storage and/or production unit including the riser, flowlines and umbilicals (provided such risers, flowlines and umbilicals are not separated from the unit by any wellhead, secondary manifold or structure or well control equipment), floating hoses, buoyancy floats or tanks and mooring systems, but always excluding any wellhead, well control equipment, downhole equipment, or any part thereof whether or not on board or connected to the mobile offshore storage or production unit; or</li> <li>(3) any other description of unit or vessel noted in the certificate of entry issued by the Managers.</li> </ol>
<b>Well</b>	Includes wellheads and well control equipment.
<b>Wellhead</b>	Any wellhead, Christmas Tree, template, flowbase, manifold or any other wellhead structure, wherever situated.
<b>Well control</b>	Any blow-out preventer, blow-out preventer stack, equipment diverter, control device, subsurface isolation valve or any other equipment used for control of well, wherever situated.

Words importing the singular number only shall include the plural number and vice versa. Words importing persons shall include corporations.

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**Appendix I**

## Additional Insurances (pursuant to Clause 3)

This Appendix contains full wordings of clauses which may be incorporated, where contractually agreed, in the terms and conditions on which a unit is entered in the Club by, or on behalf of, the Assured, in the Certificate of Entry or in an Endorsement Slip.

Attention is drawn to Clause 5L & Clause 7 concerning the exclusion of the Insurance Act 2015.

### Extended Cargo Cover

*[Note: the terms and conditions for this cover can be obtained from the Managers]*

### Passengers Extension Cover

*[Note: the terms and conditions for this cover can be obtained from the Managers]*

### War Risks Cover

- A. Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5E(1) only.

Unless otherwise agreed in writing, such cover shall be subject to all other terms contained in the Certificate of Entry of the entered unit and shall be subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

1. Cancellation  
This extension of cover may be cancelled by either the Club or the Assured giving 72 hours' notice (such cancellation becoming effective on the expiry of 72 hours from midnight Greenwich Mean Time of the day on which notice of cancellation is issued by or to the Club). The Club may agree however to reinstate cover, if required, at terms to be agreed between the Club and the Assured. Any reinstatement of cover shall occur at a time to be agreed by the Club.
  2. Automatic Termination of Cover  
Whether or not notice of cancellation, set out under (1) above, has been given this extension of cover shall terminate automatically
    - 2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur; and/or
    - 2.2 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; and/or
    - 2.3 in respect of any unit in the event of such unit being requisitioned either for title or use.
  3. Five Powers War Exclusion  
This extension of cover excludes loss, damage, liability, or expense arising from:
    - 3.1. 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;
    - 3.2 requisition either for title or use.
- B. Save as set out in Clause 5E(2), this special extension of cover is not subject to the current navigation limitations for Hull War, Piracy, Terrorism and Related Perils, but cover may be cancelled by either the Club or the Assured giving 72 hours' notice (such cancellation becoming effective on the expiry of 72 hours from midnight Greenwich Mean Time on the day on which Notice of Cancellation is issued by or to the Managers).

**Appendix I**

- C. This special extension of cover shall only apply and be subject to claims in excess of either:
- i. the “proper value” of the entered unit as defined in Clause 5D, or
  - ii. the amount recoverable in respect of the claim under any other policy of insurance, whether of war risks or otherwise,
- whichever shall be the greater, provided that the Club may authorise the payment, in whole or in part, of any claim or part of a claim which falls within such excess, if in its discretion and without having to give any reasons for its decision it decides that the Assured should recover from the Association.
- D. The limit applying to this special cover shall be such limit and on terms as may be applicable to the claim under the Assured’s individual terms and conditions of entry.
- E. In no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, biochemical or electromagnetic weapon.

**Maritime Labour Convention Extension Clause 2016**

1. Subject only to the other provisions of this MLC Extension (“the Extension”), the Club shall discharge and pay on the Assured’s behalf under the 2006 Maritime Labour Convention as amended (MLC 2006) or domestic legislation by a State Party implementing MLC 2006:
  - (a) Liabilities in respect of outstanding wages and repatriation of a seafarer together with costs and expenses incidental thereto in accordance with Regulation 2.5, Standard A2.5 and Guideline B2.5; and
  - (b) Liabilities in respect of compensating a seafarer for death or long-term disability in accordance with Regulation 4.2, Standard A4.2 and Guideline B4.2.
2. The Assured shall reimburse the Club in full:
  - (a) any claim paid under paragraph 1(a) save to the extent that such claim is in respect of liabilities, costs or expenses recoverable under Clause 2, Sections 2, 3, 4A, or 6, and
  - (b) any claim paid under paragraph 1(b) save to the extent that such claim is in respect of liabilities, costs or expenses recoverable under Clause 2, Sections 2 or 3.
3. There shall be no payment under paragraph 1(a) or paragraph 1(b) if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.
4. The Club shall not discharge or pay any liabilities, costs or expenses under paragraph 1(a) or paragraph 1(b), irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Assured or the Assured’s servants or agents, where such liabilities, costs or expenses were directly or indirectly caused by or contributed to by or arise from:
  - (a) Any chemical, biological, biochemical or electromagnetic weapon
  - (b) The use or operation, as a means for inflicting harm, of any computer system, computer software programme, computer virus or process, or any other electronic system.
5.
  - (a) The Extension may be cancelled in respect of War Risks by the Club on 30 days’ notice to the Assured (such cancellation becoming effective on the expiry of 30 days from midnight Greenwich Mean Time of the day on which notice of cancellation is issued).
  - (b) Whether or not such notice of cancellation has been given the Extension hereunder shall terminate automatically in respect of the War Risks:
    - (i) 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;
    - (ii) In respect of any unit, in connection with which cover is granted hereunder, in the event of such unit being requisitioned either for title or use.

**Appendix I**

- (c) The Extension excludes loss, damage, liability or expense arising from:
  - (i) The outbreak of war (whether there be a declaration of war or not) between any of the following: the UK, the USA, France, The Russian Federation, the People's Republic of China;
  - (ii) Requisition for title or use.
- 6. The Extension shall be subject to Clauses 5F and 5V.
- 7. Without prejudice to paragraph 5, cover under the Extension shall cease 30 days after notice of termination in accordance with Regulation 2.5, Standard A2.5.2.11 or Regulation 4.2, Standard A4.2.12.
- 8. Any dispute arising out of or in connection with the Extension shall be resolved in accordance with Clause 31.
- 9. For the purpose of the Extension:
  - "Assured" means any insured party who is liable for the payment of calls, contributions, premium or other sums due under the terms of entry. "Seafarer" shall have the same meaning as in MLC 2006.
  - "War Risks" means the risks set out in Clause 5E

## Additional Insurances (pursuant to Clause 4)

Additional covers as set out in the following Sections below relating to offshore specialist operations and related risks (referred to in clause 4) may be provided where contractually agreed, in the terms and conditions on which a unit is entered in the Club by, or on behalf of, the Assured, in the Certificate of Entry or in an Endorsement Slip:

- Section 1: Salvor's Extension Cover
- Section 2: Drilling and Production Operations Cover
- Section 3: Offshore Specialist Operations
- Section 4: Offshore Underwater Operations
- Section 5: Supply / Towing and Others

The topics covered in this Appendix include but are not limited to, the following:

- Anchor Handling
- Drilling
- Geotechnical coring
- Well Workover
- Well plug and abandonment
- Hydrocarbon processing and throughput
- Heavy lift offshore installation / decommissioning
- Vessel based lay (S-lay / J-lay / Reel lay)
- Air and Saturation Diving
- Trenching / deburial / reburial
- Unexploded Ordinance disposal
- Offshore light construction
- Offshore heavy construction
- Nitrogen generation and pumping (as part of pre-commissioning / commissioning)
- Compressor and Generator spreads
- Inspection / Repair / Maintenance activities
- ROV / AUV
- Seismic data acquisition (via streamers or seabed based node assemblies)

## Section 1

### Salvor's Extension Cover

#### 1.1 Salvor's Liability

##### A. General Conditions

Pursuant to Clause 4 of the Club's Terms and Conditions, cover is afforded to the Owner of an entered unit which is or is intended to be used as a salvage unit for which cover is restricted or excluded under Clause 5H(i) in respect of the risks set out in Subsection B below, but subject always to the terms and conditions contained in Subsection C below.

##### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Owner of an entered unit which is used for operations in respect of the risks, liabilities, costs or expenses set out below:

- a) Liabilities and expenses arising in respect of risks covered under Clause 2 which an Assured, being a professional salvor, may incur arising out of salvage operations performed by him where the unit is a salvage tug or other unit intended to be used in salvage operations, but only where such cover has been first agreed by the Managers.
- b) Liabilities and expenses in respect of oil pollution arising out of salvage operations where such liabilities do not arise in relation to the unit but arise in connection with the Assured's business as a professional salvor.
- c) Liabilities and expenses not covered under paragraph a) or b) above arising out of salvage operations where such liabilities do not arise in relation to the unit but arise in connection with the Assured's business as a professional salvor as specifically agreed by the Managers in writing and endorsed on the Certificate of Entry.

##### C. Terms and Conditions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above.

Unless otherwise agreed by the Managers, it is a condition precedent of any insurance under Subsection B above that the Assured and any subsidiary, holding or associated company shall, at the time when the insurance is given, and thereafter within 30 days before the beginning of each policy year, apply to enter in the Club every unit intended to be used in connection with salvage operations of which it is then the owner or operator.

The applicable deductible and Club's liability for any and all claims under this cover in respect of any one salvage operation shall be subject to a combined single limit, such limit being the limit endorsed upon the Certificate of Entry.

The following exclusions as set out under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- vi) Exclusion of Communicable Disease risks following a Public Health Emergency International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- xvi) War Risks Extension

## Section 2

### Drilling and Production Operations Cover

#### 2.1 Extended Contractual Liability Cover

##### A. General Conditions

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

##### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim:

- a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons where this is required by a written agreement.
- b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any person other than an employee of the Assured or in respect of loss of or loss of use of or damage to the property of any such person.
- c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

##### Endorsements

- i. Where any proceedings are commenced or claims are made by any additional Assured or the Assured against the Assured or any other additional Assured, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured. Where any proceedings are commenced or claims are made against the Assured and/or any additional Assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- ii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom it is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional Assureds provided that any additional Assured claiming the benefit of this provision is not privy to any such acts or omissions.
- iii. This cover is not prejudiced by the fact that the Assured or any additional Assured has waived its rights or is otherwise not entitled to limit its liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- iv. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

**Appendix II****C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- iii) Control of Well Operations Exclusion
- iv) Down-hole Equipment Exclusion
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xii) Underground Resources Exclusion
- xv) Work and Services Exclusions
- xvi) War Risks Extension

**2.2 Care, Custody or Control Cover****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

- a) Liabilities for personal injury, illness or death of any person, other than employees of the Assured, when they are authorised to be present or working on a unit under the care, custody or control of the Assured.
- b) Liability for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in its care, custody or control.
- c) Liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in its care, custody or control.

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- iii) Control of Well Operations Exclusion
- iv) Down-hole Equipment Exclusion
- vii) Marine Cyber Endorsement LMA5403

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- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xii) Underground Resources Exclusion
- xiv) Workers' Compensation Exclusions
- xv) Work and Services Exclusions
- xvi) War Risks Extension

**2.3 Seepage and Pollution Cover****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below:

- a) liabilities at law or under the terms of any oil and/or gas and/or thermal energy lease and/or license for loss of life, personal injury or illness and/or loss of or loss of use of or damage to property caused directly by any seeping, polluting or contaminating substances emanating from the hole and/or well, or
- b) liabilities, costs and expenses incurred by the Assured in removing, nullifying, cleaning up, containing, diverting or preventing from reaching any shore any substances so emanating from the hole and/or well,
- c) costs and expenses incurred by an Assured in defending himself against claims resulting actual or alleged seepage, pollution or contamination emanating from the hole and/or well for which cover is provided hereunder, as a result of the emanation of substances from the hole and/or well as a direct result of a loss of control over the hole and/or well or as a direct result of a sudden and accidental, unintended and unexpected occurrence in respect of the hole and/or well.

For the purposes of the risks covered under this Subsection B hole and/or well shall mean any oil and/or gas and/or thermal energy wells while being drilled, deepened, serviced, worked over, completed and/or reconditioned until completion or abandonment or while producing or while shut-in or while plugged and abandoned, by or for the account of the Assured.

**C. Conditions and Exclusions**

- i. There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those agreed between the Assured and the Managers.
- ii. There shall be no recovery for any claim, liability, loss or expense arising directly or indirectly from seepage, pollution or contamination if such seepage, pollution or contamination results either from a deliberate act of the Assured or any other person or organisation acting for or on behalf of the Assured or from any condition which is in violation of or non-compliance with any government rule, regulation or law applicable thereto; and
- iii. There shall be no recovery for any and/or all liabilities, costs and expenses arising out of:
  - a. any loss of or damage to any hole or well;
  - b. any loss or damage caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure.

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- iv. There shall be no recovery for any claim, liability, loss or expense in respect of any hole and/or well in which the Assured has any financial, proprietary or other interest or which is the subject of a turnkey or completed well drilling contract.
- v. There shall be no recovery in respect of any liabilities, costs and expenses where a hole and/or well is being drilled, deepened, serviced, worked over, completed and/or reconditioned unless a blowout preventer of standard make has in accordance with all regulations, requirements and normal and customary practices in the industry, been set on surface casing, or on the wellhead and installed and tested in accordance with usual practice.

The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- iv) Down-hole Equipment Exclusion
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ixi) Penalty Clause Exclusion
- xi) Underwater Operations Exclusion
- xii) Underground Resources Exclusion
- xiv) Work, Products and Services Exclusions
- xvi) War Risks Extension

## **2.4 Marine Employers' Liability Cover**

### **A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

### **B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Notwithstanding Clause 1 Section 5, cover is provided in respect of the liabilities, costs and expenses specified in Clause 2 Sections 2 to 5A, 6 and 9 to the extent that such liabilities, costs and expenses are incurred in relation to any employee of the Assured within the categories set out in paragraphs (a), (b) and (c) below, notwithstanding that such employee may not be a seafarer within the scope of the Offshore Terms & Conditions, PROVIDED ALWAYS that the Assured and any company which is a subsidiary or holding company of the Assured or a subsidiary of the Assured's holding company shall, at the time when the insurance is given and thereafter within thirty days before the beginning of each policy year, apply to enter for insurance in the Club every unit intended to be used in connection with drilling or oil or gas production operations of which it is then the owner or charterer (on terms that every such application may be accepted in respect of such one or more units as the Club in its discretion may determine):

- a) Employees of the Assured who are seafarers habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations other than on, in or from an entered unit.
- b) Employees of the Assured who are not seafarers habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations on, in or from an entered unit.
- c) Any other employee of the Assured not being an employee within the categories set out in (a) or (b), who is deemed to be a seafarer by a court having jurisdiction in respect of the claim.

**Appendix II****C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- iii) Control of Well Operations Exclusion
- v) Employee Benefits Exclusions
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xvi) War Risks Extension

**2.5 Excess Liability Cover (bespoke)****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Bespoke Risks: *(to be agreed in writing between the Assured and the Managers).*

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xii) Underground Resources Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xv) Work and Services Exclusions
- xvi) War Risks Extension

## Section 3

### Offshore Specialist Operations Cover

#### 3.1 Extended P&I In Respect Of Specialist Operations

##### A. General Conditions

Pursuant to Clauses 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(a) in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

##### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Assured of an entered unit which is used for specialist operations in respect of the risks, liabilities, costs or expenses set out below:

a) the Assured of an entered unit which is used for the operations of dredging, blasting, pile driving, well-stimulation, laying, maintaining or removing cables or pipes, core sampling, depositing of spoil, mining, power generation, decommissioning or such other specialist operations (together "Specialist Operations") as the Managers may determine from time to time is insured against the risks set out in Clause 2 if and to the extent liabilities, costs and expenses are incurred by the Assured as a consequence of claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations.

b) Clause 2, Section 14 – Liability arising under certain Indemnities and Contracts

For the purposes of Clause 2 Section 14, contractually assumed liabilities within the scope of the risks set out in Clause 2 are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim and which contains terms to the effect that:

- i. the Assured and the Assured's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or
- ii. if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Assured and the Assured's contract principal shall each indemnify, protect, defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and
- iii. the indemnity or contract preserves the Assured's right to limit liability.

##### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under Clause 2 Section 14. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403

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- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions (excepting sub-paragraph a))
- xvi) War Risks Extension

**3.2 Extended Contractual Liability Cover****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(a) or otherwise under Clause 2, Section 14 in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim:

- a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of or loss of use of or damage to the property of third parties.
- c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

**Endorsements**

- i. Where any proceedings are commenced or claims are made by any additional Assured or the Assured against the Assured or any other additional Assured, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured.
- ii. Where any proceedings are commenced or claims are made against the Assured and/ or any additional Assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom it is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional Assureds provided that any additional Assured claiming the benefit of this provision is not privy to any such acts or omissions.
- iv. This cover is not prejudiced by the fact that the Assured or any additional Assured has waived its rights or is otherwise not entitled to limit its liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.

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- v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xvi) War Risks Extension

## 3.3 Care, Custody or Control Cover

### A. General Conditions

Pursuant to Clauses 3 and 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(a) or otherwise under Clause 2, Section 14 in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim:

- a) Liabilities for personal injury, illness or death of any person, other than employees of the Assured.
- b) Liability for loss of or loss of use of or damage to by property owned by persons other than the Assured howsoever deemed to be in its care, custody or control.
- c) Liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in its care, custody or control.

### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)

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- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xv) Work and Services Exclusions
- xvi) War Risks Extension

**3.4 Marine Employers' Liability Cover****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(a) in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Notwithstanding Clause 1 Section 5 of the Club's Clauses, cover is provided in respect of the liabilities, costs and expenses specified in Clause 2 Sections 2 to 5A, 6 and 9 to the extent that such liabilities, costs and expenses are incurred in relation to any employee of the Assured within the categories set out in paragraphs (a), (b) and (c) below, notwithstanding that such employee may not be a seafarer within the scope of the Clauses.

- a) Employees of the Assured who are seafarers habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations other than on, in or from an entered unit.
- b) Employees of the Assured who are not seafarers habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations on, in or from an entered unit.
- c) Any other employee of the Assured not being an employee within the categories set out in (a) or (b), who is deemed to be a seafarer by a court having jurisdiction in respect of the claim.

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion

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- xii) Workers' Compensation Exclusions
- xiii) Work, Products and Services Exclusions
- xvi) War Risks Extension

**3.5 Excess Liability Cover (bespoke)****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(a) in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below:

Bespoke Risks: *(to be agreed in writing between the Assured and the Managers).*

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. Unless otherwise agreed in writing between the Assured and the Managers, the following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xvi) War Risks Extension

## Section 4

### Offshore Underwater Operations Cover

#### 4.1 Extended P&I In Respect Of Underwater Operations

##### A. General Conditions

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(b) in respect of one or more of the risks set out in Subsection B but subject always to the conditions and exclusions contained in Subsection C below.

##### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Assured of an entered unit which is used for underwater operations in respect of the risks, liabilities, costs or expenses set out below:

- a) The Assured of an entered unit which is used for or in connection with the operations of submarines or underwater vessels or equipment, or for or in connection with professional or commercial diving operations (together "Underwater Operations") is insured against the risks set out in Clause 2 for liabilities, costs and expenses arising out of or in connection with the Underwater Operations.
- b) Clause 2, Section 14 – Liabilities arising under certain Indemnities and Contracts  
For the purposes of Clause 2 Section 14, contractually assumed liabilities are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim and which contains terms to the effect that:
  - i. the Assured and the Assured's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused; or
  - ii. if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Assured and the Assured's contract principal shall each indemnify, protect defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and
  - iii. the indemnity or contract preserves the Assured's right to limit liability.

##### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions (excepting sub-paragraph a))
- xvi) War Risks Extension

## 4.2 Extended Contractual Liability Cover

### A. General Conditions

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(b) or otherwise under Clause 2, Section 14 in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Assured of an entered unit which is used for Underwater Operations in respect of the risks, liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim:

- a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of, or loss of use of, or damage to the property of any third party.
- c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

### Endorsements

- i. Where any proceedings are commenced or claims are made by any additional Assured or the Assured against the Assured or any other additional Assured, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured.
- ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional Assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom it is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional Assureds provided that any additional Assured claiming the benefit of this provision is not privy to any such acts or omissions.
- iv. This cover is not prejudiced by the fact that the Assured or any additional Assured has waived its rights or is otherwise not entitled to limit its liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the party or parties other to the written agreement.

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### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions (excepting sub-paragraph a))
- xvi) War Risks Extension

## 4.3 Excess Liability Cover (bespoke)

### A. General Conditions

Pursuant to Clauses 3 and 4, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5H(b) in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Bespoke Risks: *(to be agreed in writing between the Assured and the Managers).*

### C. Conditions and Exclusions

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. Unless otherwise agreed in writing between the Assured and the Managers, the following exclusions as set out under Conditions, Exceptions and Limitations above also apply to all and any of the Risk(s) Covered in Subsection B below, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions (excepting sub-paragraph a))
- xvi) War Risks Extension

## Section 5

### Supply and Towing Cover

#### 5.1(a) TOWAGE OF AN ENTERED UNIT – EXTENDED CONTRACTUAL LIABILITY COVER

##### A. General Conditions

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for liability in connection with towage of an entered unit or otherwise under Clause 2, Section 14, in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

##### B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured of an entered unit being towed to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

- a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.
- c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.
- d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered unit and the proportion of general average which the Assured cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Assured than the Club's standard terms of carriage as set out in proviso (a) to Clause 2, Section 17.
- e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of the unit or object towing the entered unit or any property on board that unit or object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, Section 13B.
- f) Liability, costs and expenses for personal injury, illness or death arising out of towage of the entered unit to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, Section 13B.
- g) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement, in respect of loss of, or loss of use of, or damage to the property of any third party other than such property as is referred to in paragraph (d) above.
- h) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

**Appendix II****Endorsements**

- i. Where any proceedings are commenced or claims are made by any additional Assured or the Assured against the Assured or any other additional Assured, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured.
- ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional Assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom it is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional Assureds provided that any additional Assured claiming the benefit of this provision is not privy to any such acts or omissions.
- iv. This cover is not prejudiced by the fact that the Assured or any additional Assured has waived its rights or is otherwise not entitled to limit its liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s)

Covered in Subsection B above, namely:

- i) Limit
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xvi) War Risks Extension

### **5.1(b) Towage By An Entered Unit - Extended Contractual Liability Cover**

**A. General Conditions**

Pursuant to Clauses 3 and 4, cover is afforded to the Assured of an entered unit for liability in connection with towage by, or supply by, an entered unit or otherwise under Clause 2, Section 14, in respect of one or more of the risks set out in Subsection B below, but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured of an entered unit which is used for supplying and/or towing to include, liabilities,

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costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement or arise out of the towage of another unit or ship or object by the entered unit. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

- a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.
- c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered unit and the proportion of general average which the Assured cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Assured than the Club's standard terms of carriage as set out in proviso (a) to Clause 2, Section 17.
- e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of a towed object or any property on board the towed object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, Section 13C.
- f) Liabilities, costs and expenses for personal injury, illness or death arising out of towage by the entered unit to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, Section 13C.
- g) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement, in respect of loss of, or loss of use of, or damage to the property of any third party other than such property as is referred to in paragraphs (d) above.
- h) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.
- i) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of the discharge or escape of oil or any other substance, or the threat of such discharge or escape arising out of the towage operations performed by an entered unit to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, Section 12.

**Endorsements**

- i. Where any proceedings are commenced or claims are made by any additional Assured or the Assured against the Assured or any other additional Assured, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured.
- ii. Where any proceedings are commenced or claims are made against the Assured and/ or any additional Assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each Assured, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom it is, was, may be or may have been responsible. This cover shall subsist for the

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benefit of any person or persons named as additional Assurees provided that any additional Assured claiming the benefit of this provision is not privy to any such acts or omissions.

- iv. This cover is not prejudiced by the fact that the Assured or any additional Assured has waived its rights or is otherwise not entitled to limit its liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Club endorsed upon the Certificate of Entry.
- v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions
- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xi) Underwater Operations Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions
- xvi) War Risks Extension

**5.2 Excess Liability Cover (bespoke)****A. General Conditions**

Pursuant to Clause 4, cover is afforded to the Assured of an entered unit for liability arising out of towage by, or supply by, an entered unit, in respect of one or more of the risks set out in Subsection B below but subject always to the conditions and exclusions contained in Subsection C below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Bespoke Risks: *(to be agreed in writing between the Assured and the Managers).*

**C. Conditions and Exclusions**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in Subsection B above. The following exclusions as set out in full under Conditions, Exceptions and Limitations below also apply to all and any of the Risk(s) Covered in Subsection B above, namely:

- i) Limit
- ii) Care, Custody, Control Exclusion
- iv) Down-hole Equipment Exclusion
- v) Employee Benefits Exclusions

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- vi) Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)
- vii) Marine Cyber Endorsement LMA5403
- viii) Marine Insurance Act 1906 and Insurance Act 2015
- ix) Penalty Clause Exclusion
- x) Seabed Structures Exclusion
- xiii) Workers' Compensation Exclusions
- xiv) Work, Products and Services Exclusions (excepting sub-paragraph a))
- xvi) War Risks Extension

**Conditions, Exceptions and Limitations**

Unless otherwise agreed in writing between the Assured and the Managers, the following conditions, exceptions and limitations will apply as expressly stated under Subsection C of each Section of additional cover above, in addition to the terms set out in these Terms and Conditions and the Certificate of Entry or in an Endorsement Slip.

- i) **Limit**  
The Club's liability for any and all claims under this insurance shall be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
- ii) **Care, Custody, Control Exclusion**  
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in its care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in its care, custody or control.
- iii) **Control of Well Operations Exclusion**  
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of or during the drilling of any relief well and/or control of well operations in respect of any well which is not the subject of operations being carried out by or on behalf of the Assured at the time the loss of control occurred, or held covered at a rate to be agreed.
- iv) **Down-hole Equipment Exclusion**  
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to, down-hole equipment, including but not limited to drilling and production.
- v) **Employee Benefits Exclusions**  
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.
- vi) **Exclusion of Communicable Disease risks following a Public Health Emergency of International Concern (PHEIC) (based on market cover JL2021-014)**  
This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.
  1. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this insurance

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for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.

2. The exclusion in paragraph 1 above will not apply to any liability of the Assured otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the Assured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However even if the requirements of paragraph 2 above are met, no coverage will be provided under this insurance for any:
  - A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
  - B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
  - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. For the purpose of this Clause, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
  - A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
  - C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
5. This endorsement shall not extend this insurance to cover any liability which would not have been covered under this insurance had this endorsement not been attached.

All other terms, conditions and limitations of the insurance remain the same.

**vii) Marine Cyber Endorsement LMA5403**

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other

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electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**viii) Marine Insurance Act 1906 and Insurance Act 2015**

Clause 5L & Clause 7 concerning the exclusion of the Insurance Act 2015 apply.

**ix) Penalty Clause Exclusion**

There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

**x) Seabed Structures Exclusion**

There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**xi) Underwater Operations Exclusion**

Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

**xii) Underground Resources Exclusion**

There shall be no recovery for any and/or all liabilities, costs and expenses arising out of any loss of, damage to or delay in or increased expense of production or development of underground resources

**xiii) Workers' Compensation Exclusions**

*United States* – There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour Workers' Compensation Act, or any other similar Act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

*Other Jurisdictions* – There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers' compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**xiv) Work, Products and Services Exclusions**

There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

- a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or
- b) the failure to perform such Specialist Operations by the Assured or the fitness for purpose and quality of the Assured's work, products or services, including any defect or latent defect in the Assured's work, products or services; or
- c) any loss of or damage to the Contract Work.

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*[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]*

**xv) Work and Services Exclusions**

There shall be no recovery for any and/or all

- a) liabilities, costs and expenses in respect of loss of or loss of use of or damage to the hole and/or well;
- b) costs and expenses in respect of re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore;
- c) liabilities, costs and expenses in respect of loss of, damage to, delay in or increased expense of production or development of underground resources;
- d) liabilities, costs and expenses in respect of subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Assured;
- e) liabilities in respect of loss of or loss of use of or damage to or salvage, retrieval or recovery of down-hole equipment;
- f) liabilities costs and expenses in respect of seepage and/or pollution and/or clean-up and/or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well;
- g) costs and expenses in respect of any measures taken to regain control of the hole and/or well;
- h) liabilities in respect of physical loss or damage to any property which is or could be the subject of a Contractor's All Risks policy, unless and to the extent that such property has been identified and cover has been agreed in writing between the Assured and the Managers;
- i) liabilities in respect of the fitness for purpose and/or quality of the Assured's work, products or services or in respect of any defect or latent defect in the Assured's work, products or services or in respect of any obligation on the part of the Assured to ensure that work or services carried out by or on behalf of the Assured will be performed with reasonable care and skill and/or in an otherwise workmanlike manner; and
- j) liabilities arising out of the completed operations of the entered unit.

**xvi) War Risks Extension**

- A. Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5E(1) only.
- B. Unless otherwise agreed in writing, such cover shall be subject to all other terms contained in the Certificate of Entry of the entered unit and shall be subject to the Notice of Cancellation, Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
  - a) Cancellation
 

This extension of cover may be cancelled by either the Club or the Assured giving 72 hours notice (such cancellation becoming effective on the expiry of 72 hours from midnight Greenwich Mean Time of the day on which notice of cancellation is issued by or to the Club). The Club may subsequently agree to reinstate cover, if required, at terms to be agreed between the Club and the Assured. Any reinstatement of cover shall occur at a time to be agreed by the Club.
  - b) Automatic Termination of Cover
 

Whether or not notice of cancellation set out under (a) above has been given this extension of cover shall terminate automatically

    - i. upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur; and/or
    - ii. 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; and/or

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- iii. in respect of any unit in the event of such unit being requisitioned either for title or use.
  - c) Five Powers War Exclusion

This extension of cover excludes loss, damage, liability or expense arising from:

    - i. 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;
    - ii. requisition either for title or use.
- C. Save as set out in Clause 5E(2), this special extension of cover is not subject to the current navigation limitations for Hull War, Piracy, Terrorism and Related Perils, but cover may be cancelled by either the Club or the Assured giving 72 hours notice (such cancellation becoming effective on the expiry of 72 hours from midnight Greenwich Mean Time on the day on which Notice of Cancellation is issued by or to the Managers).
- D. This special extension of cover shall only apply and be subject to claims in excess of either:
  - i. the "proper value" of the entered unit as defined in Clause 5D, or
  - ii. the amount recoverable in respect of the claim under any other policy of insurance, whether of war risks or otherwise,whichever shall be the greater, provided that the Club may authorise the payment, in whole or in part, of any claim or part of a claim which falls within such excess, if in its discretion and without having to give any reasons for its decision it decides that the Assured should recover from the Club.
- E. The limit applying to this special cover shall be such limit and on terms as may be applicable to the claim under the Assured's individual terms and conditions of entry.
- F. In no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, biochemical or electromagnetic weapon.

**Appendix II**

## Offshore – Additional Insurances

Overview of Conditions, Exceptions and Limitations applicable to each respective additional insurance cover, subject always to the Offshore Terms and Conditions

### Section 1

#### Salvor's Extension Cover

	1.1 Salvor's Liability
Exclusion of Communicable Diseases	Yes
Marine Cyber Exclusion	Yes
Marine Insurance Acts	Yes
War Risks Extension	Yes

### Section 2

#### Drilling and Production Operations Cover

	2.1 Extended Contractual Liability Cover	2.2 Care Custody or Control	2.3 Seepage & Pollution Cover	2.4 Marine Employers' Liability Cover	2.5 Excess Liability Cover (bespoke)
Limit	Yes	Yes	Yes	Yes	Yes
Care, Custody, Control Exclusion					Yes
Control of Well Operations Exclusion	Yes	Yes		Yes	
Down-hole Equipment Exclusion	Yes	Yes	Yes		Yes
Employee Benefits Exclusions				Yes	Yes
Exclusion of Communicable Diseases	Yes	Yes	Yes	Yes	Yes
Marine Cyber Exclusion	Yes	Yes	Yes	Yes	Yes
Marine Insurance Acts	Yes	Yes	Yes	Yes	Yes
Penalty Clause Exclusion	Yes	Yes	Yes	Yes	Yes
Seabed Structures Exclusion	Yes	Yes			Yes
Underwater Operations Exclusion	Yes	Yes	Yes	Yes	Yes
Underground Resources Exclusion	Yes	Yes	Yes		Yes
Workers' Compensation Exclusions		Yes		Yes	Yes
Work, Products and Services Exclusions			Yes		Yes
Work and Services Exclusions	Yes	Yes			Yes
War Risks Extension	Yes	Yes	Yes	Yes	Yes

## Appendix II

## Section 3

## Offshore Specialist Operations Cover

	3.1 Extended P&I In Respect Of Specialist Operations	3.2 Extended Contractual Liability Cover	3.3 Care, Custody or Control Cover	3.4 Marine Employers' Liability Cover	3.5 Excess Liability Cover (bespoke)
Limit	Yes	Yes	Yes	Yes	Yes
Care, Custody, Control Exclusion		Yes		Yes	Yes
Down-hole Equipment Exclusion					Yes
Employee Benefits Exclusions				Yes	Yes
Exclusion of Communicable Diseases	Yes	Yes	Yes	Yes	Yes
Marine Cyber Exclusion	Yes	Yes	Yes	Yes	Yes
Marine Insurance Acts	Yes	Yes	Yes	Yes	Yes
Penalty Clause Exclusion	Yes	Yes	Yes	Yes	Yes
Seabed Structures Exclusion			Yes	Yes	Yes
Underwater Operations Exclusion	Yes	Yes	Yes	Yes	Yes
Workers' Compensation Exclusions	Yes	Yes	Yes	Yes	Yes
Work, Products and Services Exclusions	Yes (excepting sub-paragraph a))	Yes	Yes	Yes	Yes
War Risks Extension	Yes	Yes	Yes	Yes	Yes

## Section 4

## Offshore Underwater Operations Cover

	4.1 Extended P&I In Respect Of Underwater Operations	4.2 Extended Contractual Liability Cover	4.3 Excess Liability Cover (bespoke)
Limit	Yes	Yes	Yes
Care, Custody, Control Exclusion			Yes
Down-hole Equipment Exclusion			Yes
Employee Benefits Exclusions (divers)	Yes	Yes	Yes
Exclusion of Communicable Diseases	Yes	Yes	Yes
Marine Cyber Exclusion	Yes	Yes	Yes
Marine Insurance Acts	Yes	Yes	Yes
Penalty Clause Exclusion	Yes	Yes	Yes
Seabed Structures Exclusion			Yes
Workers' Compensation Exclusions	Yes	Yes	Yes
Work, Products and Services Exclusions	Yes (excepting sub-paragraph a))	Yes (excepting sub-paragraph a))	Yes
War Risks Extension	Yes	Yes	Yes

**Appendix II**

## Section 5

### Supply and Towing Cover

	5.1(a) Towage Of An Entered Unit – Extended Contractual Liability Cover	5.1(b) Towage By An Entered Unit - Extended Contractual Liability Cover	5.2 Excess Liability Cover (bespoke)
Limit	Yes	Yes	Yes
Care, Custody, Control Exclusion			Yes
Down-hole Equipment Exclusion	Yes	Yes	Yes
Employee Benefits Exclusions	Yes	Yes	Yes
Exclusion of Communicable Diseases	Yes	Yes	Yes
Marine Cyber Exclusion	Yes	Yes	Yes
Marine Insurance Acts	Yes	Yes	Yes
Penalty Clause Exclusion	Yes	Yes	Yes
Seabed Structures Exclusion	Yes	Yes	Yes
Underwater Operations Exclusion	Yes	Yes	
Workers' Compensation Exclusions	Yes	Yes	Yes
Work, Products and Services Exclusions	Yes	Yes	Yes (excepting sub-paragraph a))
War Risks Extension	Yes	Yes	Yes

## Managers

### Thomas Miller P&I Ltd

90 Fenchurch Street  
London EC3M 4ST  
United Kingdom  
Tel: +44 20 7283 4646

### Thomas Miller (Isle of Man) Ltd

Level 2 Samuel Harris House  
5-11 St Georges Street Douglas  
Isle of Man IM1 1AJ  
United Kingdom  
Tel: +44 1624 645200

### Thomas Miller BV

#### Greek Branch

5th Floor  
93 Akti Miaouli  
Piraeus 185 38  
Greece  
Tel: +30 210 429 1200

### Thomas Miller B.V.

Wilhelminakade 953A Rotterdam  
3072 AP Rotterdam  
Netherlands  
Tel: +31 10 7503400

### Thomas Miller (Americas) Inc

Harborside 5  
185 Hudson St.  
Suite 2710  
Jersey City  
NJ 07311 USA  
Tel: +1 201 557 7300

### Thomas Miller Insurance Services

Four Embarcadero Center  
Suite 2650  
San Francisco CA 94111 USA  
Tel: +1 415 956 6537

### Thomas Miller KK / UK P&I Club Japan Branch

3rd Floor  
Hamamatsu-cho Building 1-1-1  
Shibaura  
Minato-Ku  
Tokyo 105-0023  
Japan  
Thomas Miller KK  
Tel: +81 3 5442 6113  
Japan Branch  
Tel: +81 3 5442 6110

5F, Sampo Japan Imabari Building  
1-6-4, Minamidaimon  
Imabari  
Ehime  
794-0027  
Japan  
Tel: +81 898 35 3471

### Thomas Miller (Hong Kong) Ltd

Suite 01-04  
12/F Sino Plaza  
255-257 Gloucester Road  
Causeway Bay  
Hong Kong  
Tel: +852 2832 9301

### Thomas Miller & Co Ltd

Shanghai representative office  
Unit 808  
Cross Tower  
318 Fuzhou Road  
Huangpu District  
Shanghai 200001  
People's Republic of China  
Tel: +86 21 6321 7001

### Thomas Miller

(South East Asia) Pte Ltd  
61 Robinson Road  
11-01A Robinson Centre  
Singapore 068893  
Tel: +65 6323 6577