

Rest assured.

Terms & Conditions as of 20 February 2024

Owners' Fixed P&I



SKULD



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Part 1 Introduction

1. Terms and scope of cover

- 1.1. The Assured is insured on the terms set out in these Terms and Conditions, the Statutes, and the Certificate of Insurance (together “this insurance”).
- 1.2. The Assured is only insured for liabilities, losses, expenses and costs which arise:
 - 1.2.1. in direct connection with the operation of the Vessel by the Assured in the Assured’s capacity as owner of the Vessel,
 - 1.2.2. in respect of the Assured’s interest in the Vessel, and
 - 1.2.3. out of an Event taking place during the period of insurance.
- 1.3. The Assured is only covered for such of those risks specified in Part 2 and any additional covers as are expressly agreed between the Assured and Skuld.

2. Duration of cover

Unless otherwise agreed, the insurance cover shall commence at 00:00 hours GMT on the date prescribed in the Certificate of Insurance and shall continue annually, unless and until cover ceases or the insurance expires or is terminated in accordance with Clause 27.

3. General provisions

Words and phrases which are defined in Appendix 1 shall have the meanings set out in that Appendix.



Part 2 Insurance cover

Unless otherwise agreed, this insurance shall cover the following specified liabilities, losses, expenses or costs:

4. Cargo

4.1. Cover

Liability for cargo loss, shortage, damage, delay or other responsibility arising in relation to the carriage of cargo on the Vessel.

4.2. Exceptions

However, the insurance shall not cover liabilities, losses, expenses or costs arising out of:

- 4.2.1. failure to arrive or late arrival of the Vessel at the port of loading, other than liabilities, costs and expenses arising under a bill of lading already issued,
- 4.2.2. loss, shortage, damage or delay occurring prior to loading, except insofar as loss, shortage or damage occurs in the port of loading within 21 days of the date on which loading of the cargo on the Vessel commences or should commence,
- 4.2.3. loss, shortage, damage or delay occurring whilst the cargo is in the custody of another carrier or during lightering operations, except insofar as lightering is approved by Skuld, or occurs in port and is customary,
- 4.2.4. failure to load or delay in loading any particular cargo in the Vessel, other than any liabilities, costs and expenses arising under a bill of lading already issued,
- 4.2.5. the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage which,
 - a) is antedated or postdated,
 - b) contains a description of the cargo or its quantity or condition which the Assured or an officer of the Vessel knows is incorrect, or
 - c) show that the cargo is carried on deck, unless
 - i) the cargo is suitable for carriage on deck of the entered Vessel, and
 - ii) the contract of carriage contains an appropriate liberty to carry cargo on deck; and
 - iii) the contract of carriage is specially claused to the effect that the cargo is carried on deck and that either the carrier is exempted from all liability for loss or damage to such cargo howsoever caused, or that the Hague Rules or the Hague-Visby Rules apply to carriage on deck.
- 4.2.6. a) carriage of cargo which would not have been incurred by the Assured if the cargo had been carried on terms no less favourable to the Assured than those laid down in the Hague or Hague-Visby Rules, save where the contract of carriage is on terms less favourable to the Assured than those laid down in the Hague or Hague-Visby Rules solely because of the relevant terms of carriage being of mandatory application, and
 - b) liabilities, costs and expenses to the extent that they would not have been incurred or borne by the Assured but for its waiver or limitation of rights of recourse that would otherwise have been available under the contract of carriage in accordance with the Hague or Hague-Visby Rules, and/or mandatorily applicable law,
- 4.2.7. carriage of cargo on terms which are contrary to terms required by Skuld,
- 4.2.8. carriage of cargo under a contract providing for carriage partly in the Vessel and partly by some other means of transport, except insofar as Skuld approves the contract,



- 4.2.9. carriage of Valuables, whether the value is declared or not, unless the Association has been notified prior to any such carriage, and any directions made by the Association have been complied with,
- 4.2.10. carriage under an ad valorem bill of lading, waybill or other document containing or evidencing the contract of carriage in which a value in excess of USD2,500 per unit, piece or package is declared or stated, except insofar as liability does not exceed USD2,500 per unit, piece or package,
- 4.2.11. deviation or 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 be available,
- 4.2.12. delay, except insofar as liability arises because of the application of the Hague or Hague-Visby Rules or compulsory law,
- 4.2.13. discharge of the cargo at a port or place other than the port or place provided for in the contract of carriage,
- 4.2.14. failure to discharge all the cargo on board, except insofar as the Assured takes all reasonable steps to discharge the cargo,
- 4.2.15. delivery of cargo carried under
 - a) a negotiable bill of lading or similar document of title (including an electronic bill of lading) without production (or equivalent 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 either on the Vessel 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, and liability arises under a negotiable bill of lading or other similar document of title issued by or on behalf of a party other than the Assured providing for carriage partly by a means of transport other than the Vessel, or under the terms of an approved Electronic Trading System and has been properly delivered to the person so entitled in accordance therewith, or
 - b) a non-negotiable bill of lading, waybill or similar document, without production of the original document by the person to whom delivery is to be 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 deliver or relinquish custody or control of the cargo without production of such document.
- 4.2.16. loss, shortage, damage or delay occurring on land after discharge, except insofar as it occurs in the port of discharge within 21 days of discharge from the Vessel,
- 4.2.17. participation in or use of an Electronic Trading System, unless such system has been approved in writing by Skuld, or
- 4.2.18. loss of or damage to cargo carried on a semi-submersible heavy-lift vessel or any other vessel designed exclusively for the carriage of heavy-lift cargo.

5. Extra cargo handling costs

5.1. Cover

Extra costs, and liability for extra costs, in connection with or as a consequence of handling and disposing of cargo, where such costs are necessarily, reasonably and solely incurred, as a direct result of,

- 5.1.1. damage to cargo on board the Vessel,
- 5.1.2. damage to the Vessel which is of a type that would be covered under a standard hull policy, or
- 5.1.3. the consignee's rejection of cargo carried on board the Vessel.

5.2. Exceptions

However, the insurance shall not cover costs, or liability for costs, which,

- 5.2.1. are claimable in general average or for which the Assured has a right of recourse against any other party,



- 5.2.2. result from the Vessel being overloaded or improperly stowed,
- 5.2.3. are incurred in order to make the Vessel seaworthy to receive the cargo,
- 5.2.4. are for work which could have been carried out by the crew or by reasonable use of the Vessel and her equipment or are normal costs of operating and trading the vessel
- 5.2.5. are in respect of packing, rebagging, sorting and other measures taken in order to comply with ordinary obligations under the contract of carriage, or
- 5.2.6. result from any of the matters referred to in Clause 4.2 (Cargo Exceptions).

6. Crew

6.1. Cover

The Assured's liability arising in respect of crew for

- 6.1.1. injury, illness or death
- 6.1.2. costs of wages, repatriation and maintenance ashore
 - a) due to illness, injury or death,
 - b) under MLC Certificates or
 - c) due to a major casualty to the vessel which renders the Vessel unseaworthy and necessitates the signing off of the crew,
- 6.1.3. costs of providing a substitute to replace a crew member repatriated under 6.1.2 (a) or (b) above,
- 6.1.4. wages to serving crew members or, if deceased, their dependants as a result of injury, illness or death,
- 6.1.5. wages and compensation payable to a crew member signed off due to a major casualty to the vessel which renders the Vessel unseaworthy and necessitates the signing off of the crew,
- 6.1.6. the costs of the funeral and sending home of the coffin or ashes, and personal effects of a deceased crew member, and
- 6.1.7. loss of or damage to personal effects other than Valuables.

6.2. Exception

However the insurance shall not cover liabilities, costs and expenses which arise under the terms of a crew contract or other agreement, unless those terms have been approved by Skuld.

7. Passengers

7.1. Cover

The Assured's liabilities, costs and expenses arising in respect of passengers carried on board the Vessel and in respect of:

- 7.1.1. injury, illness or death
- 7.1.2. costs of repatriation and maintenance ashore of embarked passengers
 - a) due to illness, injury or death,
 - b) under a deportation order,



- c) arising out of a casualty involving either collision, stranding, explosion, fire or other similar cause affecting the physical condition of the Vessel so as to render it incapable of safe navigation to its intended destination or a threat to the life, health or safety of passengers in general

7.1.3. loss of or damage to baggage and personal effects other than Valuables.

7.2. Exception

However the insurance shall not cover liabilities, costs and expenses which are in excess of the liability which would have arisen under the contract of carriage had the Assured restricted liability to the maximum extent permitted under the applicable law.

8. Personal injury

8.1. Cover

Liability for injury, illness or death of persons other than crew or passengers.

9. Stowaways, diversions and related costs

9.1. Cover

Liability to pay additional port and other costs reasonably, necessarily and solely incurred for landing or dealing with stowaways, refugees or persons saved at sea or for diverting to obtain necessary medical treatment for injured or sick persons or for assisting in the search for or rescue of persons in distress at sea, including the cost of extra fuel consumed as a result.

9.2. Exceptions

However this insurance shall not cover costs

- 9.2.1. which are recoverable from another party or insurer, or
- 9.2.2. which are incurred in respect of
 - a) the loss of freight or hire for the Vessel, or
 - b) demurrage on, detention of or delay to the Vessel.

10. Collision and contact

10.1. Cover

Liability for loss of or damage to another vessel or cargo or other property thereon arising out of a collision between the Vessel and the other vessel, or to a fixed or floating object arising out of contact between the Vessel and that object, to the extent that liability exceeds the amount recoverable under the Vessel's Hull policies solely by reason of the fact that the liability exceeds the valuation of the Vessel in those policies.

10.2.

If a collision or contact occurs involving two or more vessels belonging to the same Assured, the Sister vessel clause shall apply.

11. Property

11.1. Cover

- 11.1.1. Liability arising out of the physical loss of or damage to any property which is not specified elsewhere in this insurance and which is not owned or leased by the Assured, and



- 11.1.2. loss suffered by the Assured as a result of the loss of or damage to his own property, to the extent that the Skuld would have been obliged to indemnify the Assured in respect of liability had the property been owned by a third party.

11.2. Exceptions

However, subject to Clause 10.2, this insurance shall not cover,

- 11.2.1. loss in respect of loss of or damage to the vessel, her equipment, stores, bunkers, supplies, lashings or containers, or
- 11.2.2. loss in respect of cargo owned by the Assured or other property which could have been insured under any other customary insurance

12. Pollution

12.1. Cover

- 12.1.1. Liability arising out of the actual or threatened escape or discharge of oil or other polluting substance,
- 12.1.2. costs of measures reasonably taken for the purpose of preventing or minimising pollution, and
- 12.1.3. costs incurred in order to comply with an order of any government or authority for the purpose of preventing or minimising actual or threatened pollution.

12.2. Exceptions

However the insurance shall not cover the Assured's liability or costs in respect of pollution,

- 12.2.1. which are required as part of the normal operation, salvage or repair of the vessel,
- 12.2.2. resulting from the presence in or the threatened escape or discharge from any land based dump, site, storage or disposal facility of any substance previously carried on the Vessel as cargo, fuel, stores, waste or otherwise, or
- 12.2.3. which would be recoverable in general average if the Assured had incorporated the un-amended York-Antwerp Rules.

13. Wreck removal

13.1. Cover

The standard insurance shall cover liability and costs arising out of the raising, removal, destruction or marking of the wreck of the Vessel or its equipment, bunkers or cargo lost as a result of a casualty, insofar as the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction to navigation or the costs are legally recoverable from the Assured under a contract approved by Skuld. For the purpose of this rule, 'casualty' means collision, stranding, explosion, fire or similar fortuitous event, but excludes any wreck caused by dereliction.

The standard insurance shall also cover the Assured's liability and costs of the raising, removal, destruction or marking of the wreck of any other vessel, equipment, bunkers or cargo as far as the raising and other operations are compulsory by law.

13.2. Exceptions

However the insurance shall not cover liability, costs, or expenses

- 13.2.1. which are covered under the Vessel's Hull policies, or
- 13.2.2. where the Assured transfers his interest in the wreck or other property saved otherwise than by abandonment, or



- 13.2.3. arising out of the removal of cargo carried on a semi-submersible heavy-lift vessel or any other vessel designed exclusively for the carriage of heavy-lift cargo, unless the cargo is carried under a contract which has been approved by Skuld.

13.3. Miscellaneous

The realised value of the wreck and other property saved shall be credited to Skuld.

14. Obstruction

14.1. Cover

Liability to the owners of harbours, wharves, canals, or similar structures or to the owners of other vessels arising out of the Vessel causing an obstruction as a result of a casualty.

15. General average contributions – cargo

15.1. Cover

The Assured's loss in respect of general average expenditure, salvage and special charges which should be paid by the cargo interests or some other party to the maritime adventure but which are not legally recoverable solely by reason of a breach of the contract of carriage.

15.2. Exception

However the insurance shall not cover loss which results from any of the matters referred to in Clause 4.2 (Cargo exceptions).

16. General average contributions – hull

16.1. Cover

The Assured's loss in respect of general average expenditure, salvage and special charges which are not recoverable under the Vessel's Hull policies solely by reason of the value of the Vessel being assessed for contribution to general average or salvage in excess of her insured value.

17. Fines

17.1. Cover

The standard insurance shall cover the Assured's liability for fines or other penalties imposed

- 17.1.1. for breach of any immigration law or regulation,
- 17.1.2. for short delivery or over-delivery of cargo, or failure to comply with regulations concerning the declaration of goods on board, or documentation of cargo, provided that the Assured is covered for cargo liability under Clause 4 (other than fines or penalties arising from the smuggling of goods or cargo or any attempt thereat),
- 17.1.3. in respect of the accidental escape or discharge of oil or other polluting substance or threat thereof, provided the Assured is insured for pollution liability under Clause 12.

17.2. Exception

However the standard insurance shall not cover fines arising out of any of the matters referred to in Clause 4.2 (cargo liability exceptions).

17.3. Discretionary cover

Skuld may cover, in its absolute discretion, in whole or in part, the Assured's liability for fines



- 17.3.1. other than those set out in Clause 17.1, provided that Skuld is satisfied that the Assured took all reasonable steps to prevent the infringement of the law or regulation giving rise to the fine, or
- 17.3.2. imposed on a crew member or any other party in respect of the entered vessel
 - a) provided that the Assured is under a legal obligation to reimburse the crew member or other party, or
 - b) to the extent that Skuld determines that it was reasonable for the Assured to reimburse the crew member or other party.

18. Quarantine and disinfection requirements

18.1. Cover

Liability for extra costs necessarily, reasonably and solely incurred in order to comply with quarantine and disinfection requirements which could not have been avoided, as a result of infectious disease on board the Vessel.

18.2. Exception

However, the insurance shall not cover costs which form part of the daily running costs of the Vessel or which are incurred as a result of the Vessel being ordered to a port or loading a cargo or otherwise being employed when the Assured knows or should know that such costs would be incurred.

19. Salvage

19.1. Cover

The insurance shall cover liabilities, costs and expenses in respect of,

- 19.1.1. life salvage payable to third parties as a result of saving or attempting to save the life of a person on or from the Vessel, to the extent that payment is not recoverable from hull insurers or any other underwriters,
- 19.1.2. salvage operations conducted by the Vessel for the purpose of saving life at sea, and
- 19.1.3. special compensation payable to a salvor under Article 14 of the 1989 Salvage Convention, including when applicable by virtue of incorporation in Lloyd's Open Form of Salvage Agreement or in any other standard form salvage contract approved by Skuld, or under the Special Compensation P&I Clubs Clause (SCOPIC).

19.2. Exceptions

However, the insurance shall not cover risks which are outside the scope of cover available elsewhere in this insurance.

20. Towage

20.1. The Assured's liability arising out of towage of the Vessel

- 20.1.1. under a contract entered into in the ordinary course of trading
 - a) for the purpose of entering, leaving or manoeuvring within a port when customary; or
 - b) when the Vessel is entered as a barge or other vessel which is habitually towed from port to port or from place to place.
- 20.1.2. under a contract which has been approved by Skuld (as referred to in Appendix 4) and upon such terms Skuld may require.

20.2. The Assured's liability arising out of the towage of another vessel or floating object by the Vessel on contractual terms which have been approved by Skuld (as referred to in Appendix 4) provided that the Vessel is insured as a tug or other vessel engaged in towage in the ordinary course of business.



21. Legal and associated costs

21.1. Cover

- 21.1.1. Legal and associated costs necessarily and reasonably incurred with the consent of Skuld, in relation to any liability, loss, expense or costs for which the Assured is covered under this insurance.
- 21.1.2. Legal and associated costs necessarily and reasonably incurred with the consent of Skuld in its absolute discretion in connection with a formal inquiry into a casualty involving the Vessel,

22. Mitigation costs (sue and labour)

22.1. Cover

Extraordinary costs which are necessarily, reasonably and solely incurred by the Assured, on or after a casualty or Event liable to give rise to a claim against Skuld, in avoiding or minimising any liability, loss, expense or cost covered under this insurance.

22.2. Exceptions

However, this insurance shall not cover,

- 22.2.1. costs which are claimable in general average,
- 22.2.2. costs which result from the Vessel being overloaded or improperly stowed,
- 22.2.3. costs which are incurred in order to make the Vessel seaworthy to receive the cargo,
- 22.2.4. costs which form part of the daily running costs of the Vessel,
- 22.2.5. costs for work which could have been carried out by the crew or by reasonable use of the Vessel and her equipment, or
- 22.2.6. costs which are not approved in advance by Skuld where it is practicable to obtain such approval.

23. Directions of Skuld

23.1. Cover

Liability and costs which the Assured incurs at the direction of Skuld, given in writing and referring to this Clause.



Part 3 General provisions

Unless otherwise agreed, this insurance, including all additional covers, shall be subject to the provisions in Part 3.

24. Conditions

24.1. Disclosure and alteration of risk

The Assured shall;

- 24.1.1. make full and correct disclosure to Skuld of all circumstances which the Assured knows or should know and which would influence Skuld in deciding whether and on what terms to provide cover,
- 24.1.2. make full, correct and prompt disclosure to Skuld of every change in circumstance which the Assured knows or should know and which alter the risks covered by Skuld, failing which the Assured shall not be entitled to any recovery from Skuld in respect of any Event occurring after the time of the failure to comply with this Clause, and
- 24.1.3. the Assured shall inform Skuld of the lay-up of an entered vessel without undue delay, but not more than a maximum of 14 days from the first day of lay-up.

24.2. Premiums and other sums due

- 24.2.1. The Assured's premium is a fixed premium. The Assured shall not pay supplementary, overspill or release calls and shall not be entitled to any surplus.
- 24.2.2. The Assured shall pay without set off all premiums, deductibles and other sums to Skuld as they fall due, failing which Skuld shall be entitled to interest at such rates as Skuld may decide from time to time.
- 24.2.3. The Assured shall not be covered for any liabilities, losses, expenses or costs which arise out of an Event which occurs at a time when the Assured owes premiums and Skuld shall be entitled to cease handling all or any cases Skuld is for the time being handling for the Assured other than liabilities under 6.1.2 b).
- 24.2.4. The Assured shall pay Skuld on demand the amount of any tax or duty relating to premiums or other sums paid or payable by the Assured and for which Skuld is or may become liable.

24.3. Pay to be paid

It shall be a condition precedent of the Assured's right to claim against Skuld on that the liabilities, losses, expenses or costs (which are the subject of the claim) have actually been paid or discharged by the Assured or Co-assured out of funds belonging unconditionally to such Assured or Co-assured and not by way of loan or otherwise, and that, in the event of a liability, the liability has been discharged pursuant to:

- a) a court order or judgment, other than a default judgment,
- b) an award, other than a default award, of an arbitration tribunal appointed with the Skuld's consent or in accordance with an arbitration agreement entered into before the event giving rise to the claim arose, or
- c) a settlement approved by Skuld.

24.4. Classification and Certification

The Assured shall

- 24.4.1. ensure that the Vessel remains fully classed with a classification society approved by Skuld, and
- 24.4.2. maintain the validity of all statutory certificates issued by or on behalf of the Vessel's flag state in relation to the ISM Code and ISPS Code failing which the Assured shall not be entitled to any recovery from Skuld during the period of non-compliance.



24.5. Survey and Audit

- 24.5.1. Skuld may at any time, for its sole benefit, conduct a survey of the condition, or operation of the Vessel or an audit of the Assured's management systems.
- 24.5.2. If Vessel has been laid-up for a period of six months or more, whether entered with Skuld for the whole period or part of the lay-up the Assured shall give Skuld not less than fourteen days' notice prior to the end of the lay-up period in order to allow Skuld at their absolute discretion to survey the Vessel.
- 24.5.3. When complying with 24.5.1 or 24.5.2 the Assured shall
 - a) provide such facilities as may be required for such a survey, and
 - b) comply with any recommendations made by Skuld following the survey
- 24.5.4. If the survey or audit demonstrates that the condition or operation of the Vessel, or the Assured's management systems, are not satisfactory, the Assured shall indemnify Skuld against the cost of the survey or audit, and Skuld shall be entitled to restrict cover until the condition or operation of the Vessel, and the Assured's management systems, are satisfactory.
- 24.5.5. Where Vessel is subject to a survey, the insurance shall not cover liability, costs, or expenses in respect of any event occurring prior to the survey, except insofar as the Assured can prove that liability, loss, expense, or costs would have been incurred in any event and that it would have been covered by Skuld had such a survey taken place.

24.6. Obligations

The Assured shall,

- 24.6.1. comply with all requirements or recommendations of the classification society and flag state,
- 24.6.2. comply with all requirements (including the inclusion or exclusion of contractual terms), recommendations or requests for surveys, information or documents made by Skuld,
- 24.6.3. upon the occurrence of any Event, take all reasonable steps to avert or minimise any liabilities, losses, expenses and costs which may be covered by Skuld,
- 24.6.4. provide Skuld as soon as possible with all available information and documentation relating to any claim or to any event which might give rise to a claim,
- 24.6.5. preserve any right of recourse against third parties,
- 24.6.6. reimburse Skuld for any claims paid under certificates issued under Regulation 2.5., Standard A2.5.2. of the Maritime Labour Convention 2006 (as amended),
- 24.6.7. refrain from admitting liability, waiving rights, settling any claim or appointing any lawyers or arbitrators without the prior approval of Skuld,
- 24.6.8. allow Skuld to handle or take over the handling of any claim or legal or other proceedings in respect of any liability, loss, cost or expense for which the Assured is or may be wholly or partly covered under this insurance and to conduct such proceedings in the name of the Assured and authorise Skuld to appoint lawyers, experts, arbitrators, surveyors and other parties on behalf of the Assured,
- 24.6.9. notify Skuld promptly of any incident which may give rise to liabilities, losses, expenses or costs which may be covered by Skuld.

24.7.

The insurance shall not cover the Assured for any liabilities, losses, expenses or costs resulting from the Assured's failure to comply with any of the obligations set out in clause 24.6, except insofar as the Assured can prove that the failure has not contributed towards the claim against Skuld or has otherwise materially prejudiced Skuld's interests.



25. Exclusions

25.1.

The insurance shall not cover the Assured for any liabilities, losses, expenses or costs which arise out of or in respect of,

- 25.1.1. the Assured's deliberate breach of any contract, fraudulent act or Wilful Misconduct,
- 25.1.2. the Assured knowingly sending to sea or operating the Vessel in an unseaworthy condition,
- 25.1.3. the Vessel carrying contraband, blockade running, or being employed in a trade or on a voyage which is unlawful or which Skuld considers imprudent, unsafe, improper or unduly hazardous.
- 25.1.4. the terms of an indemnity or contract which has not been accepted or approved by Skuld, except insofar as the Assured would have been liable in any event in the absence of the indemnity or contract,
- 25.1.5. the detention, delay (except for delay incurred in order to avert or minimise any liabilities, losses, expenses and costs covered by Skuld under this insurance), loss of use of the Vessel or in respect of hire, freight or demurrage, except insofar as this is covered under Clause 4 (cargo),
- 25.1.6. failure to arrive or late arrival of the Vessel at the port of loading, or cancellation or termination of, any charterparty or other engagement,
- 25.1.7. loading or carrying cargo in breach of the guidelines or requirements of the IMDG Code or any other applicable regulations or conventions,
- 25.1.8. consequential loss, general monetary loss, or loss of time, loss through price, market or currency fluctuations, loss of market or similar loss, loss of production, depreciation, loss of opportunity, loss of profit, or similar loss, except where the Assured is legally liable to a third party for such loss and such liability is covered under this insurance.
- 25.1.9. any claim for liquidated damages,
- 25.1.10. any claim for loss of reputation or for punitive or exemplary damages,
- 25.1.11. irrecoverable debts or the insolvency of the Assured (save for Clause 6.1.2.b) or any other party, or fraud of any agents or an associated company or of employees of the Assured acting as agent,
- 25.1.12. the Assured's internal administrative costs or expenses, or the daily running costs or expenses of the Vessel,
- 25.1.13. any claim recoverable by the Assured under another insurance policy, or any deductible under another insurance, or any claim which would have been recoverable under the Vessel's Hull policies had the vessel been properly insured for her uncommitted market value on standard terms without deductible,
- 25.1.14. the loss of or damage to the Vessel or any other property owned or leased by the Assured or by any party associated with or under the same management as the Assured,
- 25.1.15. the carriage of Valuables,
- 25.1.16. War Risks
- 25.1.17. Nuclear Risks,
- 25.1.18. Chemical, Bio-Chemical, Electromagnetic Weapons and Computer Risks,
- 25.1.19. any default judgement or default award, or
- 25.1.20. any claim where payment by Skuld or the provision of cover in respect thereof may expose Skuld to the risk of being subject to a sanction, prohibition or any adverse action by a state or international organisation or competent authority.
- 25.1.21. any event falling within the Communicable Disease Exclusion Clause



25.2. Excluded operations

The insurance shall not cover liabilities, losses, expenses or costs arising out of or during the course of Drilling or Production Operations, Waste Disposal, Subsea Activities or Specialist Operations.

- 25.2.1. This exclusion shall not apply to liabilities, costs or expenses incurred by the vessel used for Specialist Operations in respect of: loss of life, injury of crew and other personnel on board the vessel, the wreck removal of the vessel, or oil -pollution or threat thereof from the vessel insofar as covered under this Terms & Conditions.

26. Limitations and deductibles

26.1. Limitation

- 26.1.1. Where an Assured or Co-assured is entitled to limit any liability covered by Skuld, there shall be no recovery in respect of such liability for more than the amount to which liability could have been limited.
- 26.1.2. There shall be no recovery under this insurance in excess of the agreed insurance amount for any one Vessel arising out of any one Event.
- 26.1.3. Where more than one limit applies, Skuld's liability shall not exceed the lowest applicable limit.
- 26.1.4. Any occurrence or occurrences arising out of an Event shall be treated as part of that Event.
- 26.1.5. The Assured shall in no circumstances be entitled to recover from Skuld that part of any liabilities, costs and expenses which is not recovered by Skuld under any reinsurance(s) arranged by Skuld because of a shortfall in recovery from reinsurers thereunder by reason of a sanction, prohibition or adverse action against them by a state, international organisation or other competent authority or the risk thereof if payment were to be made by such reinsurers and, if for any reason whatsoever Skuld discharges the liabilities of the Assured or makes any payment to the Assured in respect of which it suffers such a shortfall in recovery, the Assured shall indemnify and hold Skuld harmless to the extent thereof.

For the purposes of this provision, "shortfall" includes any failure or delay in recovery by Skuld by reason of the parties or reinsurers making payment into a designated account in compliance with the requirements of any state, international organisation or other competent authority.

26.2. Deductibles

The Assured's cover shall be subject to the deductibles set out in Appendix 3 or the Certificate of Insurance, in respect of liabilities, losses, expenses and costs arising under any one Event and one Vessel. Any policy limits shall apply to the total amount of any claim, inclusive of deductibles.

27. Termination

27.1. Automatic termination

Unless Skuld agrees otherwise, the insurance cover shall terminate automatically without notice -immediately where:

- 27.1.1. there is a change of management or ownership of the Vessel without notice to and prior written approval of Skuld,
- 27.1.2. the Assured becomes insolvent, bankrupt, is dissolved or wound up, has a receiver or liquidator appointed or commences proceedings under any bankruptcy or insolvency laws to seek protection from creditors
- 27.1.3. the Vessel becomes a total loss, or accepted by hull underwriters or deemed by Skuld as being a constructive, compromised or arranged total loss, except in respect of liability arising out of the casualty which gives rise to the total loss,
- 27.1.4. the Vessel is missing for ten days from the date it was last heard of,
- 27.1.5. the Vessel is posted at Lloyd's as missing, or



- 27.1.6. the Vessel is requisitioned by a State or Government Authority.
- 27.1.7. the Vessel having been engaged or engaging in any activity whatsoever that may expose Skuld to the risk of being or becoming subject to any applicable sanction, prohibition, or adverse action in any form whatsoever by any State, international organisation or competent authority. The cessation of cover will take effect from the date of the commencement of the aforementioned activity.

Notwithstanding the provisions of 27.1.7 above, where cover ceases or the entry is terminated, Skuld may nevertheless, in its absolute discretion, reinstate the cover with effect from such time as it considers appropriate.

27.2. Termination by Notice

- 27.2.1. The Assured may terminate the insurance cover with effect from 00:00 hours GMT on the annual renewal date by giving written 30 days' notice prior to that date.
- 27.2.2. Skuld may terminate the insurance cover by giving;
- a) immediate notice, where the Assured is in breach of his obligations under Clause 24.1 (in respect of disclosure and alteration of the risk), Clause 25.1.1 (in respect of the Assureds fraudulent acts or Wilful Misconduct) or clause 24.4 (in respect of the classification and certification of the Vessel),
 - b) three days' notice, where the Assured is in breach of his obligations under 24.2 (in respect of the payment of premiums and other sums due to Skuld),
 - c) seven days' notice, where the Vessel is unseaworthy and the Assured has not made it seaworthy without undue delay, or where the Assured has not allowed Skuld to carry out a survey in accordance with clause 24.5, or where the Assured has notified Skuld of any change of circumstance which materially alters the risk covered by Skuld,
 - d) thirty days' notice, without giving any reason, or
 - e) notwithstanding and without prejudice to provisions of 27.1.7, on such notice in writing as Skuld may decide, where, in the opinion of Skuld, the Assured has exposed or may expose Skuld to the risk of being or becoming subject to a sanction, prohibition, restriction or other adverse action by a state or international organisation or competent authority.

27.3. Effect of termination

- 27.3.1. Skuld shall be under no liability whatsoever in respect of any Event occurring after cessation or termination of cover.
- 27.3.2. Where cover terminates under clause 27.1 (automatic termination of cover) or where the cover is terminated under clauses 27.2.2 c) and d) (termination by Skuld on seven or thirty days' notice), the Assured shall be entitled to a pro rata return of premiums.
- 27.3.3. Where cover terminates, or cover is otherwise restricted or lost under this insurance, the Assured shall (subject to the reduction provided in 27.3.2) remain liable for all premiums due.



Miscellaneous

28. Time limits

Any claim against Skuld shall be waived and time barred unless the Assured,

- 28.1. gives written notice to Skuld of any event which may give rise to a claim, under this insurance within six months of the Assured becoming aware of that event; and
- 28.2. commences proceedings against Skuld in respect of a claim under this insurance within twelve months of receiving written notice from Skuld stating that the claim has been declined,

29. Provision of security

Skuld shall be under no obligation to provide security on behalf of the Assured. If the Association provides security, the applicable deductible shall be paid by the Assured, irrespective of whether any payment has been made or not.

30. Waiver and recovery

In the absence of an express written confirmation of cover by Skuld, no act (including the provision of security, certificate, payment of any sum or handling of any claim) or omission or delay by Skuld shall be treated as a waiver of Skuld's rights or acceptance of cover. If Skuld provides security, incurs costs, or makes any payment in respect of a claim or dispute which turns out not to be covered, the Assured shall indemnify Skuld.

31. Subrogation

Where Skuld makes any payment in respect of any liability or costs, it shall be subrogated to the rights of the Assured or Co-assured and any recovery shall be passed to Skuld which shall be entitled to deduct a sum up to the amount paid by Skuld before any balance is credited to the Assured.

32. Exemption of liability

Skuld, its officers and employees shall not be liable in respect of any act or omission of Skuld, its officers, employees, correspondents, agents, representatives, lawyers, experts, surveyors or other party employed or appointed by Skuld, whether or not negligence is involved.

33. Burden of proof

The Assured shall have the burden of proving that any claim against Skuld results from a risk covered under the insurance.

34. Savings by the Assured

Where the Assured as a consequence of an Event which is covered by Skuld obtains extra revenue, saves expenses or avoids liability or loss which otherwise would have been incurred and which would not have been covered by Skuld, Skuld shall be entitled to recover from the Assured or retain from any sum which would otherwise be payable to the Assured, an amount equivalent to the benefit obtained by the Assured.



35. Assignment and transfers

The Assured shall not, without the written consent of Skuld, assign or transfer any rights under this insurance, but in no circumstances, shall any assignee or transferee have a greater right than the Assured. Any assignment or transfer without Skuld's written consent shall not bind Skuld.

36. Set off

Skuld shall be entitled to set off any amount due from the Assured against any amount due to the Assured or Co-Assureds.

37. Certificates

Where liabilities arise under a CLC Certificate, Bunkers Convention Certificate, MLC Certificates, Wreck Removal Convention Certificate, Non-war Athens Convention/PLR Certificate or War Athens Convention/PLR Certificate issued by Skuld and such liabilities ("Certified Liabilities") exceed or may exceed in the aggregate the limit of cover,

- 37.1.** Skuld 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 Skuld may decide, have been discharged,
- 37.2.** if and to the extent any Certified Liabilities discharged by Skuld exceed the said limit any payment by Skuld shall be by way of loan and the Assured shall indemnify Skuld in respect of such payment, and
- 37.3.** the Assured shall indemnify Skuld 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 complied with the terms and conditions thereof.

38. Interest

In no case whatsoever shall interest be paid on any amount due from Skuld.

39. Co-assureds

The cover under this insurance maybe extended to a Co-assured on the terms set out in Appendix 2.

40. Amendments

Skuld may amend this insurance as the situation may require with effect from 00:00 hours GMT on any date by giving at least 30 days' notice prior to that date. Amendments which do not materially change existing cover, may be done without giving prior notice. Amendment notices may be posted generically on Skuld's website only.

41. Omnibus

In exceptional circumstances, Skuld may, in its absolute discretion, cover the Assured's liability, loss, expense or costs which would not otherwise be covered under this insurance, to the extent that Skuld considers that such cover would be appropriate.



42. Law and jurisdiction

- 42.1.** This insurance shall be governed by and construed in accordance with English law provided always that the sections of the UK Insurance Act 2015 as set out below shall not apply.
- 42.2.** Section 8 of the UK Insurance Act 2015 is excluded. As a result of any breach of duty of fair presentation shall entitle Skuld to avoid the contract of insurance, regardless of whether the breach of the duty of fair presentation is innocent, deliberate or reckless.
- 42.3.** Section 10 of the UK Insurance Act 2015 is excluded. As a result, if the Assured fails to comply with any warranty in this insurance Skuld shall be discharged from liability from the date of breach even if the breach is subsequently remedied.
- 42.4.** Section 11 of the UK Insurance Act 2015 is excluded. As a result, if the Assured fails to comply with any term in this insurance, Skuld's liability may be excluded, limited or discharged in accordance with these rules notwithstanding that the breach could not have increased the risk of loss which actually occurred.
- 42.5.** Section 13 of the UK Insurance Act 2015 is excluded. As a result, Skuld shall be entitled to exercise its right to terminate this insurance in respect of the Assured and any party afforded the benefit of cover by Skuld in the event that a fraudulent claim is submitted by or on behalf of the Assured or any party afforded the benefit of cover by Skuld.
- 42.6.** Section 13a of the UK Insurance Act 2015 is excluded. As a result, no claim shall be brought against Skuld for breach of the implied term that Skuld will pay to the Assured any sums due in respect of a claim within a reasonable time save where or to the extent that any breach is deliberate or reckless.
- 42.7.** Section 14 of the UK Insurance Act 2015 is excluded. As a result, this insurance, shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith by the Assured or any party afforded the benefit of cover shall entitle Skuld to avoid this insurance.
- 42.8.** All or any differences or disputes between Skuld and the Assured, Co-Assured, former Assured or Co-Assured, or any party claiming against Skuld, arising under, out of or in connection with this insurance, shall be referred to arbitration in London, with each party to appoint one arbitrator and the two arbitrators to appoint a third arbitrator. Arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association (LMAA) Terms current at the time the arbitration proceedings are commenced and the arbitrators shall all be Full Members of the LMAA.

43. Mediation

Without prejudice to Clause 42, the Assured and Skuld agree to use reasonable endeavours to resolve any dispute amicably and, if appropriate, to refer the dispute to mediation.



Appendix 1

Definitions

Ante dated or post dated bill of lading

A bill of lading, waybill or other document containing or evidencing the contract of carriage which records 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.

Assured

A member of Skuld afforded cover under this insurance as evidenced in the Certificate of Insurance.

Bunkers Convention Certificate

A certificate issued by Skuld in compliance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001.

Chemical, Bio-Chemical Electromagnetic Weapons and Computer Risks

Loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from

- i) any chemical, biological, bio-chemical or electromagnetic weapon
- ii) the use or operation, as a means of inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

Certificate of Insurance

A document issued by Skuld to the Assured evidencing the terms and conditions of cover.

CLC Certificate

A certificate issued by Skuld in compliance with Article 7 of the International Conventions on Civil liability for Oil Pollution Damage 1969 or 1992 or any amendments thereof.

Communicable Disease Exclusion Clause

1. Any and all liabilities, losses, damages, costs and expenses in excess of USD10,000,000 for one event are excluded if they are directly arising from:
 - 1.1. any transmission or alleged transmission of the below scheduled Communicable Disease(s):
 - (i) COVID-19; and
 - (ii) SARS-CoV-2; and
 - (iii) any mutation or variation of SARS-CoV-2, or
 - 1.2. 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') any transmission or alleged transmission of the Declared Communicable Disease.
2. This exclusion in paragraph 1 above will not apply to any liability otherwise covered, 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 of this exclusion are met, no cover will be provided for any:
 - A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Communicable Disease(s) scheduled in clause 1.1. or 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 Communicable Disease(s) scheduled in clause 1.1 or the Declared Communicable Disease;
 - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Communicable Disease(s) scheduled in clause 1.1 or the Declared Communicable Disease.
4. For the purpose of this exclusion, 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 exclusion shall not extend to cover any liability which would not have been covered hereunder had this exclusion not been included.

Co-assured

A party, other than the Assured, who is named on the Certificate of Insurance, to whom the Skuld has agreed (subject to restrictions) to extend the cover afforded to the Assured.

Crew

Persons, including the master, contractually obliged to serve on the Vessel, including substitutes for such persons and including such persons while proceeding to and from the vessel.

Drilling or Production Operations

Drilling or production operations in connection with oil or gas exploration or production.

A vessel shall be deemed to be carrying out production operations if (inter alia) it is a storage tanker or other vessel engaged in the storage of oil, and either:

- a) the oil is transferred directly from a producing well to the storage vessel; or
- b) the storage vessel has oil and gas separation equipment on board and gas is being separated from oil whilst on board the storage vessel other than by natural venting.

Electronic Trading System

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

- a) are documents of title, or
- b) entitle the holder to delivery or possession of the goods referred to in such documents,
or
- c) 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 this 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.

Event

Any event, including any occurrence or occurrences arising out of any such event unless Skuld elects to treat each occurrence as a separate event. An event shall be deemed to have taken place at the time of the first occurrence which results in a claim or claims.

Excluded Area

An area which is declared by Skuld. An updated list of excluded areas is available on Skuld's website.

Hague Rules

The International Convention for the Unification of Certain Rules Relating to Bills of Lading signed at Brussels on 25 August 1924.

Hague-Visby Rules

Hague Rules as amended by the Protocol signed at Brussels on 23 February 1968.

Hamburg Rules

The United Nations Convention on the Carriage of Goods by Sea done at Hamburg on 31 March 1978.

Hull policies

Policies effected on the hull and machinery of a Vessel including any excess liability policy.

IMDG Code

International Maritime Dangerous Goods Code

ISM Code

International Safety Management Code.

ISPS Code

The International Ship and Port Facility Security Code.



MLC Certificates

Certificates issued by Skuld in compliance with The Maritime Labour Convention 2006 (as amended) Regulation 2.5., Standard A2.5.2. and Regulation 4.2., Standard A4.2.1. paragraph 1(b).

Non-war Athens Convention/PLR Certificate

A non-war Certificate issued by Skuld in compliance with either Article IV bis of the Athens Convention relating to Carriage of Passengers and their Luggage by Sea 2002 and Guidelines for its implementation or Regulation (EC) No 392/2009 of the European Parliament and of the Council which gives effect thereto.

Nuclear Risks

Liabilities, costs and expenses directly or indirectly caused by or contributed to by or arising from

- a) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
- c) any weapon or device employing nuclear fission and/or fusion or other like reaction or radioactive force or matter, or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter

other than liabilities, costs and expenses arising out of carriage of "excepted matter" (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made thereunder) as cargo in the Vessel.

Owner

Any owner, owner in partnership or owner holding separate shares in severalty, part owner, trustee or bareboat or demise charterer of any Vessel, any manager or operator having control of the operation and employment of a Vessel (being such control as is customarily exercised by an owner), and any other person in possession and control of any Vessel.

Passenger

Any person carried on board an entered vessel pursuant to a ticket of passage.

Personal effects

Items of a personal and portable nature which are taken onboard the Vessel by crew or passengers.

Sister Vessel Clause

The Assured shall be entitled to recover from Skuld and Skuld shall have the same rights as if the Vessel had belonged to different owners. Unless otherwise agreed between the Assured and Skuld, if both Vessels involved in a collision are to blame, then where the liability of either or both of the Vessels in collision becomes limited by law, claims under this provision shall be settled upon the principle of single liability, but in all other cases claims under this provision shall be settled upon the principle of cross-liabilities, as if the owner of each vessel had been compelled to pay the owner of the other vessel such proportion of that owner's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

Skuld

Assuranceforeningen Skuld (Gjensidig).

Specialist Operations

Performing dredging, blasting, pile-driving, well-intervention, cable or pipelaying, construction, installation or maintenance work, core sampling, mining, depositing of spoil, power generation and decommissioning.

Statutes

The Statutes of Assuranceforeningen Skuld (Gjensidig)

Sub-Sea Activities

The operation by the Assured of submarines, mini-submarines or diving bells, or the activities of professional or commercial divers where the Assured is responsible for such activities (other than activities arising out of salvage operations being conducted by an entered vessel where the divers form part of the crew of that entered vessel (or of diving bells or other similar equipment or craft operating from the entered vessel) and where the Assured is responsible for the activities of such divers).

This insurance

These Terms and Conditions, the Certificate of Insurance and any Endorsement issued by Skuld.

Valuables

Cash, banknotes or other forms of currency, bullion, works of art, precious or rare metals or stones, plate or other objects of a rare or precious nature, specie, bonds or other negotiable instruments.

**Vessel**

The ship, boat, hydrofoil, hovercraft or other description of vessel (including a lighter, barge or similar vessel howsoever propelled but excluding

- a) a unit or vessel constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production
- b) a fixed platform or fixed rig, and
- c) a wing-in-ground craft)

used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part of such ship, boat, hydrofoil, hovercraft or other description of vessel or any proportion of the tonnage thereof or any share therein and which is named in the Certificate of Insurance.

War Athens Convention/PLR Certificate

A war Certificate issued by Skuld in compliance with either Article IV bis of the Athens Convention relating to Carriage of Passengers and their Luggage by Sea 2002 and Guidelines for its implementation or Regulation (EC) No 392/2009 of the European Parliament and of the Council which gives effect thereto.

War Risks

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 his 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, arising out of or in any way connected with one or more of the following risks:

- a) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power, or by any person acting maliciously or from a political motive, or any act of terrorism (provided that, in the event of any dispute as to whether or not, for the purposes of this paragraph (a), an act constitutes an act of terrorism, the decision of Skuld shall be final);
- b) capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
- c) mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war,
- d) strikers, locked-out workmen, persons taking part in labour disturbances, riots or civil commotions, or
- e) confiscation, nationalisation, deprivation, requisition or expropriation.

Waste Disposal

Waste incineration or disposal operations carried out by the entered vessel (other than any such operations carried out as an incidental part of other commercial activities not being specialist operations).

Wilful Misconduct

An act intentionally done, or a deliberate omission by the Assured, with knowledge that the performance or omission will probably result in injury, loss or damage, or an act done or omitted in such a way as to allow an inference of a reckless disregard of the probable consequences.

Wreck Removal Convention Certificate

A certificate issued by the Association in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.



Appendix 2

Co-assureds

1. Skuld may agree to extend the cover afforded to the Assured to a Co-assured named in the Certificate of Insurance who is:
 - a) a party interested in the operation of the Vessel,
 - b) the holding company or the beneficial owner of the Assured or any other Co-assured, or
 - c) the mortgagee of the Vessel
2. The cover afforded to a Co-assured shall extend only to risks, liabilities and expense arising out of operations and/or activities customarily carried on by or at the risk and responsibility of vessel Owners and which are within the scope of cover afforded by this insurance and any special terms set out in the Certificate of Insurance.
3. **Contractor's co-assurance**
Skuld may agree to extend the cover afforded to the Assured to a Co-assured named in the Certificate of Insurance who is a person (a "contractor") who has entered into a "knock for knock" contract (as customarily used in the offshore activity) with the Assured for the provision of services to or by the Vessel, and any of the contractor's affiliates, other contractors and co-licensees and its and their sub-contractors and any of their personnel.
4. Co-assureds shall be jointly and severally liable in respect of all premiums and other sums due to Skuld.
5. Any payment by Skuld to the Assured or any Co-assured shall be deemed to be payment to the Assured and to all Co-assureds jointly and shall fully discharge the obligations of Skuld in respect of that payment.
6. The contents of any communication between Skuld and the Assured or any Co-assured shall be deemed to be within the knowledge of the Assured and all Co-assureds.
7. Any failure by the Assured or any Co-assured to comply with any of the obligations under this insurance, shall be deemed to be a failure of the Assured and all Co-assureds.
8. Any conduct or omission by the Assured or any Co-assured which would have entitled Skuld to reject or reduce any claims shall be deemed to have been the failure of the Assured and all Co-assureds.
9. Skuld shall not cover any liability, loss, expense or costs in respect of any dispute between the Assured and any Co-assured.
10. The total liability of Skuld in respect of any one event, to the Assured and to any Co-assured shall not, in any circumstances, exceed such sum as would have been recoverable from Skuld only by the Assured
11. In the event that the total liability of Skuld is less than the total sum claimed by the Assured and by the Co-assured, Skuld shall be entitled to apportion payment in proportion to the respective amounts claimed.



Appendix 3

1. Deductibles

Unless otherwise agreed, compensation under Part 2 of this insurance shall be subject to the following deductibles per category:

1.1. For insurances other than those referred to in paragraphs 1.2 to 1.4: USD 12,500

1.2. Clause 4 (cargo liability),
Clause 5 (extra cargo handling costs),
Clause 17.1.2 (cargo fines)
Clause 11 (property)
Clauses 19, 15 and 16 (salvage & general average) and

USD 17,500 per cargo voyage for vessels above 2500GT
USD 12,500 per cargo voyage for vessels under 2500GT

The deductibles applicable to cargo claims under the Clauses referred to in this paragraph (whether for standard or separately agreed amounts) shall be doubled when the loss or liability is due to water damage resulting from leaky cargo hatches or tank hatches on account of inadequate maintenance.

1.3. Clause 10 (collision and contact liability)

USD 50,000

1.4. Clauses 21 (legal and associated costs such as correspondents' fees) and 22 (mitigation costs) shall be subject to the deductible applicable to the claim in respect of which the costs have been incurred.

2. Miscellaneous

2.1. Unless otherwise agreed or stipulated otherwise in this insurance, the applicable deductibles shall apply to any one Event (as defined in Appendix 1) any one Vessel any one category listed under paragraph 1 of this Appendix.

2.2. Where deductibles apply per port of call and the vessel is staying for an unbroken period in the same port, the deductibles shall apply for a two-month period and for coasters and vessels engaged in local trade, for a one-month period.

2.3. The deductibles may be paid in any currency at the USD rate at the date of payment.



Appendix 4

Contracts and contractual terms

1. Terms required by Skuld in contracts of carriage of cargo

- 1.1. Skuld requires the Assured to incorporate the Hague Rules or the Hague-Visby Rules or corresponding provisions in all contracts of carriage where permitted by relevant law.
- 1.2. Skuld requires the Assured to incorporate the "New Jason Clause" and "Both to Blame Collision Clause" in all contracts of carriage used in international trade.

2. Other terms

Skuld may during the policy year require the Assured to incorporate into any contract or indemnity any term which Skuld in its discretion considers should be so incorporated.

3. Towage contracts approved by Skuld

3.1. Towage of the entered vessel

It is a requirement of approval under Clause 20.2 that the contract incorporates a term to the effect that the Assured and the owner of the towing vessel shall each be responsible for any loss or damage to his own vessel and for loss of life or personal injury on his own vessel without any recourse whatsoever against the other.

3.2. Towage by the Vessel

Where the vessel is engaged in towage, Skuld approves the following contracts:

- a) Scandinavian, UK or Netherlands standard towage conditions,
- b) "Towcon" or "Towhire",
- c) Lloyd's Standard Form of Salvage Agreements, and
- d) other contracts containing similar exclusions of liability clauses to those in the contracts specified in (a), (b) and (c) or incorporating a term between (i) the Assured and (ii) the owner of the tow and the owners of any cargo or other property on board the tow, that each shall be responsible for loss of or damage to, or injury or death of, its own property and personnel and property and personnel of its affiliates and other contractors (and in the case of offshore operators, co-licensees) and its and their sub-contractors, irrespective of any fault or neglect of that party or its affiliates, contractors or co-licensees or its or their sub-contractors or of any of their personnel (i.e. a knock-for knock).

4. Heavy lift contracts approved by Skuld

The "Heavycon" charterparty is approved by Skuld provided it is not materially amended.