



January 2023

CIRCULAR TO ALL MEMBERS

Skuld Charterers' Terms & Conditions amendments for 2023/24 policy year

The following changes to Charterers' Terms and Conditions for 2023/24 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2022.

Skuld 2023 Charterers' Terms and Conditions are published on our website.

New text appears **in red** and deletions are ~~struck through~~.

1. TERMS AND SCOPE OF COVER

~~1.4. If, in the opinion of Skuld, there is a substantial change of risk, as a result of new legislation or for any other reason, Skuld may make such amendments to these Terms & Conditions as the situation may require, giving at least two months' notice in writing of the amendment.~~

Comments: This change will align Terms & Conditions with the provisions in Skuld's Rules. Clause 38 in Charterers Terms & Conditions regulates any mid-year changes.

6. Cargo

6.2. Exceptions

6.2.5. 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) ~~should be clause~~ to show that the cargo is carried on deck ~~and is not so clause~~, **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 clause 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.**

Comments: This change aligns Charterers Terms & Conditions with the same provision in Rules by providing a more detailed provision for deck carriage and aligns it with the prevailing market practice.



8. Extra bunker handling costs

8.1. Cover

Extra costs, and liability for extra costs, in connection with the removal, storage, processing and disposal of bunkers supplied for the Assured's account where such costs are necessarily, reasonably and solely incurred by the Assured in order to avoid or minimise the Assured's liability for physical damage to the entered vessel, its engines or other equipment. **The cover extends to cleaning the entered ship's engines, tanks, pipelines and/or other similar affected areas.**

Comments: This change clarifies the types of costs covered and aligns our Terms & Conditions with the prevailing market practice.

14. WRECK REMOVAL

14.1. 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.

Comments: This change will align our cover for wreck removal for both own vessel and other vessel, when such removal is compulsory by law, with similar provision in Rules by including equipment, bunkers or cargo.

14.2 Exceptions

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

14.2.1 ~~which~~ **where the charterers' liability for wreck removal is also** covered under the vessel's hull policies, or

Comments: This change aligns our Terms & Conditions with the prevailing market practice, clarifying that we do not automatically exclude cover for a recourse claim from owners and/or H&M insurers.

23. CONDITIONS

23.6. Obligations

23.7. 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 23.6, **except insofar as the Assured can prove to the extent** that the failure has **not** contributed towards the claim against Skuld or has otherwise materially prejudiced Skuld's interests.

Comments: This amendment aligns Terms & Conditions with the wording in a similar provision in Skuld's Rules, ensuring that it is a requirement to maintain compliance with the statutory requirements during the whole period of insurance.

24. Exclusions

24.1.14. War Risks, insofar as

24.1.14.1. the Vessel trading **in** a Listed Area ~~for Charterers;~~ **and/or**



24.1.14.2. there is an outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, The Russian Federation or The People's Republic of China;

24.1.14.3. they are excluded by the Territorial and Conflict Exclusion Clause

25.1.6 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 Member 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.

Comments: This change allows Skuld to request indemnification of any payment made to the Assured, if it is not recoverable under reinsurance arrangements due to shortfall.

26.4. War Risks Cover in respect of War Risks

26.4.1. shall terminate automatically on the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, The Russian Federation or The People's Republic of China, and/or

26.4.2. upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and

26.4.3. may be cancelled by Skuld or the Assured on giving 72 hours' ~~seven days'~~ written notice. The cancellation shall become effective on expiry of 72 hours ~~seven days~~ from 24:00 hours GMT on the day on which notice is given,

26.4.4. in respect of the Listed Areas shall cease upon the expiry of seven days from the date the notice of such determination is published on www.skuld.com.

Comments: Comments: Changes to clauses 24 and 26 reflect the amended market and reinsurance terms in connection with war risks: (i) reducing notice of cancellation term to 72 hours; (ii) expanding war risk definition and exclusions, including the declaration of listed areas.

Appendix 1 Definitions

Listed Area for Charterers

Any area declared by Skuld to be an area of perceived enhanced risk for the purposes of the insurance provided under Parts 2 and 3 of these T&Cs. [NOTE: ~~There were no Listed Areas for Charterers' Insurance provided under Parts 2 and 3 of these T&Cs as at 20 January 2023.~~



At any time or times before, or at the commencement of, or during the policy year, Skuld may in its sole discretion declare any ports, places, countries, zones or areas (whether of land or sea) as Listed Areas. Any declarations of Listed Areas for Charterers will be notified to all Assureds and by publication appear on www.skuld.com.]

War Risks' liabilities, costs or expenses

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, ~~was caused by~~ 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 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 the directors 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, ~~provided that this exclusion shall not apply to liabilities, costs and expenses which arise solely by reason~~
- (i) ~~the transport of any such weapons whether on board or not, or~~
- (ii) ~~the use of any such weapons, either as a result of government order or with the agreement in writing of Skuld where the reason for such use was the avoidance or mitigation of liabilities, costs or expenses which would otherwise give rise to a claim covered under these T&Cs.~~
- (d) strikers, locked-out workmen, persons taking part in labour disturbances, riots or civil commotions
- (e) any person acting maliciously or from a political motive; or
- (f) confiscation, **nationalisation, deprivation, requisition**, or expropriation.

Territorial and Conflict Exclusion Clause

Losses, damages, liabilities, costs or expenses:

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

Comments: Please refer to comments to changes for clauses 24 and 26 above.