



# Circular

January 2022

CIRCULAR TO ALL MEMBERS

## Skuld Charterers' Terms and Conditions – Amendments for 2022/23 policy year

The following changes to Charterers' Terms and Conditions for 2022/23 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2021.

Skuld 2022 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 allow Skuld to introduce amendments to Terms & Conditions in the middle of the policy year in case of a special need. All amendments will be approved by the Board and published with 2 months' notice on Skuld's website.**

### 14. WRECK REMOVAL

The standard insurance shall cover liability and for costs arising out of the raising, removal, destruction or marking of the wreck of the **entered** Vessel ~~or any other vessel~~, or **its** ~~their~~ equipment, bunkers or cargo lost as a result of a casualty, provided that,

14.1.1. the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction **or the costs are legally recoverable from the Assured under a contract approved by Skuld**, and

14.1.2. the Assured has used best efforts to have the wreck removed by the owners or their underwriters.



For the purpose of this clause, '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 as far as the raising and other operations are compulsory by law.

#### 14.2 Exceptions

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

14.2.1 which are covered under the vessel's hull policies, or

14.2.2 arising out of 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 the Skuld.

**Comments: This change aligns wreck removal terms with that in our Rules.**

### 17. FINES

#### 17.1. COVER

Liability for fines for,

17.1.1. breach of any immigration law or regulation,

17.1.2. 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 6 (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, and

~~17.1.4. smuggling or any infringement of any customs law or customs regulation other than in relation to cargo carried on the Vessel.~~

#### 17.2. EXCEPTION

However, the insurance shall not cover fines arising out of any of the matters referred to in Clause 6.2 (Cargo Exceptions).

#### 17.3. DISCRETIONARY COVER

Skuld may in its absolute discretion cover, in whole or in part, the Assured's liability for fines other than those set out in clause 17.1.1-17.1.3, provided that Skuld is satisfied that the Assured took all reasonable steps to prevent the infringement of the law or regulations giving rise to the fine.

**Comments: This change aligns Fines wording with that in our Rules.**

### 23.6. OBLIGATIONS

The Assured shall,

23.6.8. notify Skuld promptly of any incident which may give rise to liabilities, losses, expenses or costs which may be covered by Skuld.



23.6.9. 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.

**Comments: This change introduces a clear obligation to the Assured to provide Skuld with all documentation related to a claim.**

## 24. EXCLUSIONS

24.1.19 any event falling within the ~~Communicable Disease~~ **Coronavirus Exclusion Clause**

**Comment:** see comment to Appendix 1 definition below.

## 26. TERMINATION

26.1. CESSATION Unless Skuld agrees otherwise, the insurance cover shall cease **without notice** immediately where,

26.1.4 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 26.1.4 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.

**Comments: This change will allow Skuld to terminate the policy immediately where the vessel's activity may expose Skuld to sanctions. This amendment also aligns this clause with that in our Rules.**

## 26.3. TERMINATION BY SKULD

Skuld may terminate the insurance cover;

26.3.5 **notwithstanding and without prejudice to provisions of 26.1.4** 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.

**Comments: We refer to change in Clause 26.1.4 above. This amendment will protect the right of termination and cessation as alternatives to each other where Skuld may be exposed to sanctions.**

## 27. TIME LIMITS

**Notwithstanding Clause 23.6.8**, any claim against Skuld shall be waived and time barred unless,

27.1. the Assured gives notice to Skuld of any Event which may give rise to a claim on Skuld within six months of the Assured becoming aware of that Event, and



27.2. the Assured commences proceedings against Skuld in respect of that claim, a) within six months of receiving written notice from Skuld stating that the claim has been rejected, b) within three years of the end of the calendar year during which the Assured first received sufficient information to enable Assured to submit a claim to Skuld, or c) in the absence of such information, within ten years of the date of the Event giving rise to the claim unless the claim is dependent upon litigation or a general average adjustment still in progress at the expiry of the ten-year period, in which case that period will be extended until one year after the issue of the final judgment or adjustment, whichever first occurs.

**Comments: This amendment clarifies the Assured's obligation to notify Skuld of claim within the agreed time period.**

### 35. SET OFF

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

**Comments: This amendment extends Skuld's right to set-off any outstanding amounts to co-assureds and also aligns it with the provision in Rules.**

### Appendix 1 Definitions

#### **Communicable Disease** ~~Coronavirus~~ **Exclusion Clause**

1. **Any and all** liabilities, losses, damages, costs and expenses in excess of USD10,000,000 for one event directly **arising from any transmission or alleged transmission of the Declared Communicable Disease 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')** are excluded.

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.

2. However even if the requirements of paragraph 1 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 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.

3. 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.

4. This exclusion shall not extend to cover any liability which would not have been covered hereunder had this exclusion not been included.

~~1) directly arising from the transmission or alleged transmission of:~~

~~a) Coronavirus disease (COVID-19);~~

~~b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or~~

~~c) any mutation or variation of SARS-CoV-2; or from any fear or threat of a), b) or c) above;~~

~~2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;~~

~~3) any 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 any of a), b) or c) above or the fear or the threat thereof.~~

**Comment:** *This change reflects the updated wording adopted in the wider insurance market in respect of liabilities arising out of Communicable Disease and excludes cover in excess USD10,000,000.00 (ten million US Dollars) for all losses and liabilities arising from Declared Communicable Diseases as defined above. This change is implemented across all non-mutual products.*