



January 2023

CIRCULAR TO ALL MEMBERS

Skuld Optional covers Terms & Conditions amendments for 2023/24 policy year

Optional Covers Terms & Conditions are designed for insurance of risks falling outside of the scope of traditional P&I cover. It is a pre-condition for purchasing an optional cover that the vessel is entered /insured with Skuld. Optional covers remain discretionary and are only offered with Skuld's consent.

All amendments to Skuld 2023 Optional Covers are listed below.
Deleted text is ~~crossed out~~; added text is marked in red.

Skuld's 2023 Optional Covers Terms and Conditions are now published on our website.

Part 1 Definitions

Listed Area

Any area declared by Skuld to be an area of perceived enhanced risk for the purposes of this insurance.

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 will be notified by publication on www.skuld.com. The cover shall cease in respect of the Listed Areas upon the expiry of seven days from the date the notice of such determination is published on www.skuld.com.

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 resultant civil strife or any hostile act by or against a belligerent power or by any person acting maliciously or from a political motive or by 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, detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;

(c) mines, torpedoes, bombs, rockets, shells, explosions 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.

3.3. Five Powers War

The Optional Cover shall not cover the Assured in respect of those liabilities costs and expenses arising from the following:

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

3.3.2 requisition either for title or use or pre-emption;

3.3.3. vessel operating in Listed Areas;

3.3.4. caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or

3.3.5. 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.

3.3.6. 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.

Part 4 War risks cancellation and automatic termination

4.1 The Optional Cover in respect of War Risks may be cancelled by either the Assured or the Association:

4.1.1. by giving **72 hours** ~~7 days~~' notice. Such cancellation shall become effective on the expiry of **72 hours** ~~7 days~~ from 24:00:00 hours GMT on the day on which notice of cancellation is issued. However, the Association may agree to reinstate this Optional Cover subject to reaching agreement with the Assured prior to the expiry of the notice period as to any new premium terms conditions and warranties that are to apply.

4.2 Whether or not such notice of cancellation has been given this insurance shall terminate automatically in the following circumstances



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

4.2.2 in the event of the vessel being requisitioned either for title or use and/or

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

4.3 The Optional Cover in respect of the War Risks shall not become effective if prior to the intended time of commencement of insurance any event has occurred which would have automatically terminated cover under the provisions of this Clause.

Comments: Changes above 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.