



January 2023

CIRCULAR TO ALL MEMBERS

Skuld Offshore Terms & Conditions amendments for 2023/24 policy year

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

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

Skuld 2023 Offshore Terms and Conditions are published on our website.

~~1 The Assured is insured on the terms set out in these Terms and Conditions (T&Cs) and the Certificate of Insurance. 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 T&Cs 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 37 in Offshore Terms & Conditions regulates any mid-year changes.

10 The Assured shall;

9. ..ensure from commencement and throughout the period of cover that the Vessel or Unit;

- a. ~~is classed with a classification society approved by Skuld and complies with all requirements or recommendations of her classification society,~~
- b. ~~maintain valid statutory certificates issued by or on behalf of the Vessel's or Unit's flag state in relation to the ISM Code and ISPS Code,~~
comply with all statutory requirements of the state of the vessel's flag, relating to the construction, adaptation, condition, fitment, equipment, manning, operation, security and management of the entered vessel (including applicable requirements of the ISM and ISPS codes),

c) is loading or carrying cargo in compliance with the guidelines and/or requirements of the IMDG Code or any other applicable regulations or conventions,



d) is fit or suitable for the intended operation, and e) is only engaged in operations or on a voyage which is legal and safe.

10.10 44. 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 10, **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.**

11 Classification & certification

It shall be a condition precedent of the insurance cover

11.1 that the entered vessel or Unit remains fully classed with a classification society approved by the Association,

11.2 that the vessel's or Unit's classification society is not changed without the Association's prior consent, and

11.3 that the member shall maintain the validity of all statutory certificates issued by or on behalf of the state of the vessel's or Unit's flag in relation to the ISM Code and ISPS Code.

11.4 In the event of any failure to comply with any of the above requirements, the member shall not be entitled to any recovery from the Association in respect of any event occurring during the period of non-compliance.

Comments: This amendment aligns Terms & Conditions with similar provision in Skuld's Rules, ensuring that (i) it is a requirement to maintain compliance with the statutory requirements during the whole period of insurance and (ii) adding new clause 11 making classification a condition precedent.

18.2 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.

46 Wreck Removal

The standard insurance shall cover liability and costs arising out of raising, removing, destruction, lighting or marking the wreck of the Unit or any other property on board, or parts thereof, or any other Unit or vessel, or their equipment or bunkers 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 or expenses thereof 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 or Unit, **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.

Appendix I

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.

Comments: This amendment aligns Terms & Conditions with the change to our Rules by adding mining to the definition of Specialist Operations.

War Risks

Liability, losses, expenses or costs, (irrespective of being incurred or contributed to by any neglect on the part of the Assured or its servants or agents consequent **on 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 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;
- e) any person acting maliciously or from a political motive; or
- f) confiscation **nationalisation, deprivation, requisition**, or expropriation.

Comments: This change reflects the amended market and reinsurance terms in connection with war risk definition.



Appendix 3

War risks

This insurance cover is for P&I risks as set out in Part I (MOU P&I Cover) and which are otherwise excluded by virtue of the War Risk Exclusion in Article 14.15 of the Offshore Terms & Conditions. The cover is subject to the general provisions set out above (save for the exclusion in Article 14.15) and to any terms and conditions separately agreed with Assured.

Cover

The insurance shall cover liability, losses, expenses or costs (irrespective of being incurred by any neglect on the part of the Assured or agents) in respect of;

- 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 (in the event of any dispute as to whether or not any act constitutes an act of terrorism, the decision of Skuld shall be final),
- b) capture, seizure, arrest, restraint or detainment (barratry or 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,
- e) any person acting maliciously or from a political motive, or
- f) confiscation **nationalisation, deprivation, requisition**, or expropriation.

Exclusions

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

- a) 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,
- b) an Event taking place in the **L**isted **A**reas of perceived enhanced risk, as declared by Skuld
(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. updated list of "listed areas" is available on Skuld's website),
- c) Nuclear Risks,
- d) Computer Virus Risks.
- e) any event falling within Communicable Disease Exclusion Clause



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

Termination

Unless cover has otherwise ceased or terminated in accordance with these T&Cs, the insurance cover may be terminated by either the Assured or Skuld by giving **72 hours'** ~~seven days'~~ notice. The termination shall become effective on expiry of **72 hours** ~~seven days~~ from 24:00 hours GMT on the day on which notice of termination is issued.

However, the cover shall terminate automatically and with immediate effect in the event of:

- a) 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
- b) upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur.

Comments: Changes to 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.