

January 2021

CIRCULAR TO ALL MEMBERS

Skuld Offshore Terms and Conditions – Amendments for 2021/22 policy year

The following changes were made to Offshore Terms and Conditions for 2021/22 policy year and approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2020.

Skuld 2021 Offshore Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

U.S. OWNED, FLAGGED, OPERATED OR MANAGED UNITS

614-Where the Unit is U.S. owned, flagged, operated or managed, the insurance shall not cover liability, loss, cost or expense of any description howsoever arising out of or relating to;

64.1 any liability resulting from personal injury or bodily injury or occupational disease in respect of any employee (including without limitation “borrowed employees” of the Assured) that may arise under any worker’s compensation law, unemployment compensation or disability benefit laws, United States Longshoremen and Harborworkers Compensation Act, and any other form of maritime employers’ liability (other than Jones Act, general maritime law remedies of the United States and any claims under the Death on the High Seas Act) or any similar laws, and/or by reason of the relationship of master and servant, nor to any employee of the Assured in respect of injury to or the death of another employee of the Assured injured in the course of such employment,

614.2 any liability to the spouse, child, parent, brother or sister, or dependent of any employee as referred to in clause 614.1, or

614.3 any liability which any director, officer, partner, principal, employee or stockholder of the Assured may have to any employee of the Assured (other than liability that may arise under Jones Act, general maritime law remedies of the United States and any claims under the Death on the High Seas Act).

614.4 The exclusions from cover under clauses 614.2 and 614.3 apply; a) whether the Assured may be liable as an employer or in any other capacity, and b) to any obligation of the Assured to share damages with or repay any party who is required to pay damages because of the injury.

Comment: editorial change following amendments done to clauses 62 and 63 (see changes proposed to Loss Part 3 below).

LOSS PART 3 EXCLUSIONS

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

~~LOSS OF OR DAMAGE TO HOLE, WELL OR RESERVOIR 61~~ 14.20 loss or damage to the hole, well or reservoir, where that loss or damage arises in connection with the hole or well which is being drilled or worked over or serviced by the **Vessel or Unit**.

~~LOSS OF OR DAMAGE TO PROPERTY CAUSED BY BLOW-OUT ETC. 62~~ 14.21 loss of or damage to property belonging to any person chartering the Vessel or Unit by way of a charterparty or other contract for the employment of the **Vessel or Unit** and any other party having an owning interest in the field being serviced by the **Vessel or Unit**, caused by blow-out, crating, seepage or any other uncontrolled flow of oil, gas or water from the well or reservoir, provided that the liability arises in connection with the well which is being drilled or worked over or serviced by the **Vessel or Unit**.

~~CLEAN-UP COSTS 63~~ 14.22 clean-up of debris lost or deposited on the seabed during operations, except insofar as such costs are recoverable under **the Assured's P&I policy provisions dealing with clauses 46 and 47** (wreck removal and obstruction), provided that in no circumstances shall cover extend to any costs relating to clean-up of drilling equipment being used in the sea below the rotary table or in the well.

Comment: expanding exclusion (previously only applied to MoUs) to general exclusions. This amendment allows the exclusions relating to damage to well/hole, etc. to also apply to the specialist operations cover that we provide.

14.23 any event falling within the **Coronavirus Exclusion Clause**

Comment: see comment to Coronavirus Exclusion Clause below.

Appendix 1

Definitions

CHEMICAL, BIO-CHEMICAL ELECTROMAGNETICAL WEAPONS AND COMPUTER VIRUS 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**.

Comment: to expand definition of computer (cyber) risks in line with the market requirements. This change is implemented across all non-mutual products.

Coronavirus Exclusion Clause

Liabilities, losses, damages, costs and expenses in excess of USD10,000,000 for one event

- 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: to exclude cover in excess USD10,000,000.00 (ten million US Dollars) for all losses and liabilities arising from coronavirus and other diseases listed above. This change is implemented across all non-mutual products.

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.

Comment: to clarify the scope of cover provided by Skuld.