



# Circular

January 2022

CIRCULAR TO ALL MEMBERS

## Skuld Optional Covers Terms and Conditions – Amendments for 2022/23 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.

Skuld 2022 Optional Covers Terms and Conditions are published on our website.

All amendments to Skuld 2022 Optional Covers are listed below. Deleted text is ~~crossed out~~; added text is marked **in red**.

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

3.4.1. Optional Cover shall not cover the Assured for any liabilities, losses, expenses or costs in excess of USD10,000,000 for one event **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.

3.4.2. 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.



3.4.3. 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.

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

~~3.4.1. 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;~~

~~3.4.2 any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;~~

~~3.4.3. 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.*