

January 2021

CIRCULAR TO ALL MEMBERS

Skuld Owners' Fixed P&I Terms and Conditions – Amendments for 2021/22 policy year

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

Skuld Owners' Fixed P&I Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

25.1.21. any event falling within the Coronavirus Exclusion Clause

Comment: see comment to Coronavirus Exclusion Clause below.

37. CERTIFICATES

Where liabilities arise under a CLC Certificate, Bunkers Convention Certificate, MLC Certificates, Wreck Removal Convention Certificate, Non-war Athens Convention/PLR Certificate or War Athens Convention/PLR Certificate issued by Skuld and such liabilities ("Certified Liabilities") exceed or may exceed in the aggregate the limit of cover,

37.1. Skuld may in its absolute discretion defer payment of a claim in respect of those liabilities or any part thereof until the Certified Liabilities, or such part of the Certified Liabilities as Skuld may decide, have been discharged, ~~and~~

37.2. if and to the extent any Certified Liabilities discharged by Skuld exceed the said limit any payment by Skuld shall be by way of loan and the Assured shall indemnify Skuld in respect of such payment, ~~and~~

37.3. the Assured shall indemnify Skuld to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Assured complied with the terms and conditions thereof.

Comment: to clarify that war risks are excluded even when liability arises out of a certificate/Blue Card issued by Skuld. This change also aligns Fixed Terms with the Rules.

42. LAW AND JURISDICTION

~~42.8. This insurance shall be subject to the exclusive jurisdiction of the Courts of England and Wales.~~

All or any differences or disputes between Skuld and the Assured, Co-Assured, former Assured or Co-Assured, or any party claiming against Skuld, arising under, out of or in connection with this insurance, shall be referred to arbitration in London, with each party to appoint one arbitrator and the two arbitrators to appoint a third arbitrator. Arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association (LMAA) Terms current at the time the arbitration proceedings are commenced and the arbitrators shall all be Full Members of the LMAA.

Comment: to ensure enforceability of the clause after Brexit.

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.