



January 2023

CIRCULAR TO ALL MEMBERS

Skuld Owners' Fixed P&I Terms & Conditions amendments for 2023/24 policy year

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

Skuld 2023 Owners' Fixed P&I Terms and Conditions are published on our website.

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

TERMS AND SCOPE OF COVER

1.4. ~~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 Terms & Conditions 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 40 in Owner's Fixed Terms & Conditions regulates any mid-year changes.

4. Cargo

4.2 Exceptions

However, the insurance shall not cover liabilities, losses, expenses or costs arising out of

4.2.5. the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage which,

- a) is antedated or postdated,
- b) contains a description of the cargo or its quantity or condition which the Assured or an officer of the Vessel knows is incorrect, or
- c) ~~should be clausued to show that the cargo is carried on deck and is not so clausued,~~ **unless**
 - (i) the cargo is suitable for carriage on deck of the entered Vessel, and**
 - (ii) the contract of carriage contains an appropriate liberty to carry cargo on deck; and**
 - (iii) the contract of carriage is specially clausued to the effect that the cargo is carried on deck and that either the carrier is exempted from all liability for loss or damage to such cargo howsoever caused, or that the Hague Rules or the Hague-Visby Rules apply to carriage on deck.**

Comments: This change provides a more detailed provision for deck carriage and aligns our Terms & Conditions with the prevailing market practice.



13. WRECK REMOVAL

13.1. COVER

13.1. Cover

The standard insurance shall cover liability and costs arising out of the raising, removal, destruction or marking of the wreck of the Vessel or its equipment, bunkers or cargo 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 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, **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 both for own vessel and other vessel, when such removal is compulsory by law, with similar provision in Rules by including equipment, bunkers or cargo.

24. CONDITIONS

24.7. 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 24.6, **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.

Comments: This amendment aligns Terms& Conditions with the wording in a similar provision in Skuld's Rules, ensuring that it is a requirement to maintain compliance with the statutory requirements during the whole period of insurance.

25. Exclusions

25.2. Excluded operations

The insurance shall not cover liabilities, losses, expenses or costs arising out of or during the course of Drilling or Production Operations, Waste Disposal, Subsea Activities or Specialist Operations.

25.2.1. This exclusion shall not apply to liabilities, costs or expenses incurred by the vessel used for Specialist Operations in respect of: loss of life, injury of crew and other personnel on board the vessel, the wreck removal of the vessel, or oil pollution or threat thereof from the vessel insofar as covered under this Terms& Conditions.

Comments: This change will align our Terms& Conditions with the provisions in Skuld's Rules.

26.1.5. 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.

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 definition of mining to the Specialist Operations.

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, ~~was caused by~~ **arising out of or in any way connected with 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 by any person acting maliciously or from a political motive, 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 Skuld shall be final);
- b) capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
- c) mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war, ~~provided that this exclusion shall not apply to liabilities, costs and expenses which arise solely by reason of~~
 - i) the transport of any such weapons whether on board or not, or
 - ii) the use of any such weapons, either as a result of government order or with the agreement in writing of Skuld where the reason for such use was the avoidance or mitigation of liabilities, costs or expenses which would otherwise give rise to a claim covered under this insurance.
- (d) strikers, locked-out workmen, persons taking part in labour disturbances, riots or civil commotions, or**
- (e) confiscation, nationalisation, deprivation, requisition, or expropriation.**

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