

2021

CIRCULAR TO ALL MEMBERS

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

The following changes to Yacht 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 2021 Yacht Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

28.22 any event falling within the *Coronavirus Exclusion Clause*

Comment: see comment to *Coronavirus Exclusion Clause* below.

Clauses 28.21.2 (*war risk exclusion*) and 56 (*additional war risk P&I cover*) are deleted and numbering of current clauses 28.1.3-28.21.6 is updated to 28.21.2-28.21.5 and clauses 57-59 updated to 56-58 respectively.

Comment: editorial changes following amendments done to new clause 15 (see also separate comment to new clause 15 below).

Clauses: 14. (WRECK REMOVAL) and 15 (OBSTRUCTION) are combined as follows:

14. WRECK REMOVAL AND OBSTRUCTION

- 14.1 Liability for costs arising out of the raising, removal, destruction, marking or lighting of the wreck of the Yacht or its equipment lost as a result of a casualty, provided that:
- 14.1.1 the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction;
 - 14.1.2. no claim for liability, costs or expenses covered by the Yacht's Hull or Increased Value or War Risks policies shall be recoverable under this insurance;
 - 14.1.3. where the Assured transfers his/its interest in the wreck or other property saved otherwise than by abandonment to other underwriters, no claim will be recoverable under this insurance; and
 - 14.1.4. the realised value of the wreck and other property saved shall be

credited to Skuld.

14.2. Liability to third parties in respect of their interest in harbours, wharves, canals or similar structures or vessels arising directly from the Yacht causing an obstruction as a result of a casualty.

Comment: editorial change following amendments done to clauses 28.21.2 and 15 (see also separate comment to new clause 15 below).

New clause 15 is added:

15. WAR RISKS:

Cover for the Assured's liabilities, costs and expenses for war risks provided that:

15.1 cover under this Clause may be cancelled by Skuld giving the Assured or the Assured's agent seven (7) days' notice of cancellation in writing;

15.2 cover under this Clause shall exclude liabilities, costs and expenses for or arising directly or indirectly from chemical, bio-chemical, electromagnetic weapons and computer risks;

15.3 cover under this Clause shall exclude liabilities, costs and expenses arising out of the outbreak of war (whether declared or not) between any of the following countries: The United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation;

15.4 cover under this Clause will terminate automatically without notice to the Assured should war (whether declared or not) break out between any of the following countries: The United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation.

Comment: Changes in clauses 28.1.2; 15 and 56 are made in order to provide "from the ground-up" War Risk cover as part of the main P&I cover.

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.