

These clauses are for illustrative purposes only and different terms and conditions may be agreed in particular where any clause excludes losses or makes cover subject to certain conditions.

# **MARINE HULL INSURANCE CONDITIONS COVERING WAR, PIRACY, TERRORISM AND SIMILAR RISKS**

(French Form dated July 1<sup>st</sup>, 2010)

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Cover under these War Conditions is provided on the terms set out below, and is expressly subject to the terms (except articles 1.1 – 1.2.3 – 1.3.2 – 1.4.2 – 1.4.4 – 1.4.5 and 1.4.6) of the “All Risks Marine Hull and Machinery Insurance Policy, French Form dated July 1<sup>st</sup>, 2010” (referred to below as the “Marine Conditions”) and to the Particular Conditions of the contract for the war risks.

## SECTION I – SCOPE OF THE COVER

### 1 Risks covered

Subject to the terms, conditions, restrictions and exclusions herein, these War Conditions cover physical loss of or damage to the Insured Vessel (as defined in the Marine Conditions), and third party liabilities, costs and expenses caused by:

- a) War, civil war, revolution, rebellion, insurrection and civil strife resulting therefrom;
- b) Torpedoes, mines and all weapons of war whether derelict or not;
- c) Capture, taking at sea, arrest, seizure, restraint or detainment by any government or other authority;
- d) Confiscation or expropriation by any government or other authority;
- e) Riots, civil commotions, strikes, lockouts and other similar labour disturbances;
- f) Piracy;
- g) Malicious acts or vandalism in each case of a political motive or related to war;
- h) Acts of sabotage or terrorism in each case of a political motive or related to war.

#### 1.1 – Physical loss of or damage cover, loss of use or deprivation cover

When caused by one of the above risks and subject to the provisions and exclusions of these War Conditions, are covered:

- 1.1.1 Physical loss of or damage to the Insured Vessel (as described in Article 1.1.1 A, B and C of the Marine Conditions) even when resulting from:  
scuttling, deliberate fire or destruction or deliberate damage ordered by:
  - The Authorities of the State where the Assured’s head Office or the Insured Vessel’s Owner is registered, or
  - The Authorities of the vessel’s flag State or of the State where the vessel is registered, or
  - The Authorities of any other State to prevent or mitigate either a pollution hazard, damage to the environment or other damage to its territorial waters.

1.1.2 Loss of use or deprivation of the Insured Vessel caused by inability to sail from any port, harbour, canal, river or other similar restricted navigable waters, namely "Blocking and trapping", even when there is no physical loss of or damage to the Insured Vessel. Such loss of use or deprivation shall entitle the Assured to elect to abandon the Insured Vessel in accordance with Article 4 below.

The indemnity payable by the Insurers per accident under this Article 1.1 shall not exceed the Agreed Value of the Insured Vessel.

### **1.2 - 4/4 THS collision liability or contact with fixed or floating objects**

Subject to the terms, conditions, restrictions and exclusions herein, these War Conditions cover liability incurred by the Insured Vessel when resulting from or caused by one of the risks listed in Article 1.1 above and which is:

- a) in consequence of her collision with a seagoing vessel or inland craft, or contact with a fixed or floating object or structure,
- b) in respect of damage caused by the hawsers, anchors, chains or annexes of the Insured Vessel while attached to the Insured Vessel or being handled or used in connection with the operation of the Insured Vessel.

The indemnity payable by the Insurers per accident under this Article 1.2 shall not exceed the Agreed Value of the Insured Vessel.

### **1.3 - Cover for salvage, general average, sue and labour, legal costs**

Subject to the terms, conditions, restrictions and exclusions herein, these War Conditions cover the following when resulting from or caused by one of the risks listed in Article 1.1 above:

- a) The Insured Vessel's contribution to General Average;
- b) The Insured Vessel's contribution to Salvage and salvage charges;
- c) Sue and labour expenses reasonably incurred to prevent loss of or damage to the Insured Vessel caused by an insured risk or to minimize a loss which would be recoverable under this policy;
- d) Legal costs incurred in respect of above items a), b), c) and in respect of insured third party liability.

In paragraph 1.3, legal costs shall mean only such costs as are incurred with Insurers' prior agreement.

The indemnity including the legal costs payable by the Insurers per accident under this Article 1.3 shall not exceed the Agreed Value of the Insured Vessel.

## **2 Exclusions**

In addition to the exclusions listed in Article 1.2.1 and 1.2.2 of the Marine Conditions, these War Conditions exclude loss, damage, liability or expense caused by or arising from:

- a) capture, taking at sea, arrest, seizure, restraint, detainment, confiscation or expropriation when ordered by:
  - The Authorities of the State where the head office of the Assured or the Insured Vessel's Owner is registered;
  - The Authorities of the Insured Vessel's Flag State or of the State where the Insured Vessel is registered;
- b) the outbreak of war (whether there is a declaration of war or not) between any of the following countries: France, the People's Republic of China, the Russian Federation, United Kingdom, United States of America.

## **3 Insurers total limit of liability**

Insurers' total limit of liability for all cover granted under these War Conditions is limited per accident to an aggregate total of three times the Agreed Value of the Insured Vessel.

## SECTION II – GENERAL PROVISIONS

### 4 Abandonment

In addition to the right of abandonment set out in Article 4.1.6 of the "Marine Conditions", where there is a continuous loss of use or deprivation of the Insured Vessel as per Article 1.1.2 above, including loss of use or deprivation caused by capture, taking at sea, arrest, seizure, restraint, detainment, confiscation, expropriation or piracy, the Assured may on the terms set out herein elect to abandon the Insured Vessel to Insurers.

The Insurers to whom the Insured Vessel has been abandoned are entitled to accept abandonment or to settle the claim as a total loss without transfer of ownership. Abandonment must be notified to the Insurers within three months from the date on which such loss of use or deprivation first occurs.

On the expiry of nine months as from the date of such notice of abandonment, the Assured shall be entitled to the payment of a constructive total loss, unless the Insured Vessel has in the meantime been recovered by the Assured or by his representatives.

### 5 Cause of the accident

Where it is impossible to establish whether accidental loss of or damage to the Insured Vessel is caused by a risk covered under these War Conditions or a risk covered under the Marine Conditions, then such loss or damage shall be deemed to have been caused by a risk covered under the Marine Conditions.

### 6 Navigation limitations

This insurance covers the Insured Vessel whilst within the geographical limits specified in the Particular Conditions.

The Insured Vessel shall not enter, navigate, be moored or laid-up or located in the Areas of Enhanced Risk specified in the Particular Conditions which are applicable as from inception of the policy.

To secure continuation of cover in such Areas, the Insured must comply with the breach of navigation provisions in Article 7 below.

### 7 Breach of navigation provisions

**7.1** To secure continuation of coverage under this policy in case of breach of Article 6 above the Assured must:

- Notify the Insurers before the Insured Vessel enters any Area of Enhanced Risk; and
- Accept such amended terms and conditions, including any additional premium as may be required by Insurers.

**7.2** The Insurers will not be liable for any loss, damage, liability or expense arising out or resulting from an accident whilst the Insured Vessel is in breach of Article 6 if the Insurers have not received such prior notification.

**7.3** Notwithstanding clause 7.2, the Assured shall be covered under these War Conditions if he can establish that failure to notify Insurers was made in good faith. In particular if the Assured was covered under these War Conditions for all previous breaches of Article 6 with Insurers on this policy, then the absence of prior notice for any single new breach shall not prejudice coverage hereon. In this case, the Assured remains obliged to notify any such breaches as soon as he becomes aware of them.

## 8 Amendment to areas of enhanced risk

The List of Areas of Enhanced Risk will be attached to the policy on the date of issuance of this policy.

Any addition, deletion, revision, amendment to the List of Areas of Enhanced Risk during the course of the policy will be effected as follows:

- 8.1** The Leading Insurers will address to the Assured or his broker an amended List of Areas of Enhanced Risk together with notice of cancellation in accordance with Article 9 below.
- 8.2** The Assured shall advise Insurers of his acceptance or refusal of the amended List before expiry of the notice of cancellation.
- 8.3** If the Assured declines to accept the amended List, cover under these War Conditions will be terminated upon expiry of the notice of cancellation.
- 8.4** Where the Assured does not expressly decline to accept the List, then upon expiry of the notice of cancellation, the policy will be automatically reinstated, incorporating the List of Areas of Enhanced Risk as amended.
- 8.5** As from the date of automatic reinstatement, the provisions of Article 7 above will apply to all Areas mentioned in the amended List of Areas of Enhanced Risk.
- 8.6** Should the Insured Vessel be in any new area of Enhanced Risks at the time of receiving notice of cancellation, as per Article 8.1 above if the Assured wishes the cover to remain in force, he must comply before expiry of the notice of cancellation with the provisions of Article 7.1 above.

## 9 Cancellation

The Assured and the Insurers have the right to cancel cover under these War Conditions at any time by giving notice.

Cancellation shall be notified by registered letter or electronic message and will take effect at 00:00 GMT seven (7) days from the date of sending of the said notice by either the Assured or Insurers.

Where the notice is given through a broker, the notice shall be deferred by three working days to enable the broker to transmit the notice to the Assured(s), mortgagee(s) and other parties to whom the broker has an obligation to transmit the notice.

The Insurers agree, however, to reinstate this insurance subject to agreement between the Insurers and the Assured prior to the expiry of such notice of cancellation as to any new rate, premium, terms and conditions.

However, if the Insured Vessel is at sea at the time when cancellation is likely to occur, the Insured Vessel will remain covered under these War Conditions until she can reach the nearest suitable port, on condition that the Assured shall pay such additional premium as may be fixed by the Insurers.

Where cover under these War Conditions is cancelled, a pro rata net return of premium will be paid to the Assured.

Any terms, conditions and/or exceptions as may have been agreed with the Assured at the time of first concluding this policy such as deletion, limitation or restriction concerning Areas of Enhanced Risk will remain applicable but shall not apply to the Areas newly added by the amended List.

## 10 Automatic termination

Whether or not a notice of cancellation has been given, this insurance shall TERMINATE AUTOMATICALLY:

- Upon the outbreak of war (whether there is a declaration of war or not) between any of the following countries : France, the People's Republic of China, the Russian Federation, United Kingdom, United States of America;
- In the event of the Vessel being requisitioned, either for title or use.

Where cover under these War Conditions is automatically terminated, a pro rata net return of premium will be paid to the Assured.