Enclosure 2
Club Clauses for
War Risk Insurance 2020

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W.1.4

Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Computer Virus Exclusion Clause
(M.M. Clause No. 2250(b) TSC 2020)
2020-01-01

1. Cancellation

Cover hereunder in respect of the risks of war, etc. may be cancelled by either the Underwriters or the Assured giving 7 days’ notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate cover subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

2. Automatic Termination of Cover

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc. shall TERMINATE AUTOMATICALLY

2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China;

2.2 in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

3. Five Powers War and Nuclear etc. Exclusions

This insurance excludes

3.1 loss damage liability or expense arising from

3.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China;

3.1.2 requisition either for title or use, provided always that if the owner of a requisitioned vessel shall continue to have an insurable interest in that vessel after the date of such requisition and shall thereafter sustain some further loss damage liability or expense (such loss damage liability or expense not being the direct consequence of the requisition and not being proximately caused thereby) then such further loss damage liability or expense shall not be excluded from this reinsurance

3.2 This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
3.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

3.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

3.2.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

3.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

3.2.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

4. Computer Virus Exclusion Clause

This clause is only to apply once claims on the Association, which would otherwise have been excluded by this clause, have exceeded USD 150,000,000 in the aggregate.

4.1 In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer virus.

4.2 Clause 1.1 shall not operate to exclude or limit losses (which would otherwise be covered under the terms of this policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

5. Law and Practice

This clause is subject to English law and practice.

Cover in respect of the risks of war, etc. shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.
**W.10 Sanction limitation and exclusion clause**

2014-09-30

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer or any of its reinsurers to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America, France, the Russian Federation, the People’s Republic of China or any State where the insurer or any of its reinsurers has its registered office or permanent place of business.
W.7.2

The following Clause is deemed to form part of any Policy in respect of War and War Interest covers relating to a Swedish flagged vessel.

The Swedish Club outbreak of war clause (War risks)
1982-01-01

Should during the currency of this insurance such a war break out, whereby - in accordance with an Agreement authorized by the Swedish Government and entered into between the National War Risks Insurance Board (hereinafter referred to as the Board) and the Insurer - the Board assumes the liability for the Insurer’s war risks insurances in force at the outbreak of this war, then the Insurer’s liability for war risks according to this policy will be transferred to the Board. The war risks insurance shall be subject to insurance conditions adopted by the Board.

In so far as the Board is not entitled by the Law on Government War Risks Insurance to assume part or parts of the war risks insurance liability according to the above conditions, the liability of the Insurer for that part will continue during the remaining period of this insurance.

A war casualty affecting the interest covered by this insurance prior to the above-mentioned Agreement having become operative and within a period indicated by the Board, shall fall under the liability of the Government provided it has occurred in consequence of preparations application of the Agreement. The aforementioned provisions regarding the liability of the Government shall also apply if the war risks insurance, being in force at the time the casualty occurred, has terminated as a result of the casualty.

At an outbreak of war such as described above the Assured shall notify the Insurer without delay of the position or the current voyage of the vessel. The Assured shall follow the instructions which the Board may issue.

The Assured shall furthermore - both as regards insurances effected for time and as regards voyage insurances - after the outbreak of such a war as said above pay the premium as may be determined by the Board.

Should the war risks liability be transferred to the Board, the Assured is entitled to obtain from the insurer a return of any separate war risks premium, paid to Insurer in respect of the period of time during which, in accordance with the foregoing provisions, the Insurer will not be at risk. However, no right to return of premium shall exist where the war risks insurance is effected for a specific voyage only.