

War Circular

No. 434/2021



Gothenburg : **10 December 2021**

**War Risk
Insurance Terms
2022**

War Risk Insurance 2022

The terms for War Risk Insurance for 2022 are outlined in this circular.

Features for 2022

Sum Insured – to correspond to the Hull & Machinery insurance value and/or any ancillary interests covered. The total sum insured for all interests not to exceed USD 300,000,000 each vessel.

Conditions – most major international conditions for War Risks cover.

Liability Cover (P&I) – includes an independent limit for War Risks P&I, which will indemnify Members for claims that are not recoverable from the P&I Club because of the War Risks exclusion contained therein. This is normally up to the sum insured; however, a higher limit may be available upon application to The Association.

Blocking & Trapping Inclusion – total Loss compensation after six months, however in respect of all War Risks breach of trading warranty calls/transits total Loss compensation shall remain at 12 months.

Detention Risks - total Loss compensation after six months, however in respect of all War Risks breach of trading warranty calls/transits total Loss compensation shall remain at 12 months.

Additional Expenses – up to USD 25,000 per day are covered in excess of 7 days, but not recoverable following an agreed total loss or after 180 days has expired, whichever occurs sooner. These are unavoidable expenses following an insured peril.

Loss of Hire – available upon application to The Association with Daily Sum Insured and limit to be agreed in advance. Subject to Additional Premium for breaches of Trading Warranties.

Trading Warranties – see current List of Areas of Perceived Enhanced Risk 1 January 2022 as attached.

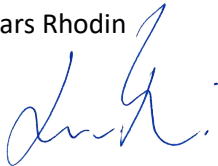
Cyber Risks Cover – all vessels entered with the Association for War risks for policy year 2022 will be covered for Cyber Risks in accordance with the Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Computer Virus Exclusion Clause 2022-01-01 (W.1.4). Any loss, damage liability or expense caused by harmful use or operation of Computer Virus shall only be excluded once claims on the Association, that would otherwise have been excluded by the clause, exceed USD 150,000,000 in the aggregate per annum in the 2022 policy year. The limit will apply across the membership as a whole and any claims will be settled on a pro rata basis should incurred losses in the 2022 Policy Year exceed the aggregate limit set out above.

Mandatory Club Clauses – the Association wishes to highlight changes in the Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Computer Virus Exclusion Clause (W.1.4). Please find attached the new wording outlining the changes.

All vessels – subject to The Swedish Club Sanction Limitation and Exclusion Clause W.10.

Premium – the agreed premium to be paid on 1 January 2022 or as agreed.

Yours faithfully,
The Swedish Club
Lars Rhodin



Enclosures

Enclosure 1: List of Areas of Perceived Enhanced Risk 1 January 2022

- “Listed Areas” as of 1 January 2022
- Navigational Limitations for Hull War, Strikes, Terrorism and Related Perils Endorsements (JW2005/001A)
- Hull War, Strikes, Terrorism and Related Perils Notice of Cancellation Administration Clause (JW2005/001B) (as and where applicable)

Enclosure 2: Club Clauses for War Risk Insurance 2022

- Notice of Cancellation, Automatic Termination of Cover, War, Nuclear etc. and Computer Virus Exclusion Clause W.1.4 2022-01-01
- Sanction limitation and exclusion clause W.10 2014-09-30
- The Swedish Club outbreak of war clause (HULLS, etc.) W.7.1 1982-01-01 (For Swedish flagged vessels only)



About The Swedish Club

The Swedish Club is a leading marine mutual insurer, headquartered in Gothenburg, Sweden, with offices in Piraeus, Hong Kong, Tokyo, Oslo and London.

The Club, established by shipowners in 1872, is owned, self-managed and under the direct control of its members. We are a true mutual organisation with a focus on marine safety and loss prevention, with a commitment to furthering an enhanced safety culture at sea.

The All-in-One Club

Protection & Indemnity

The Swedish Club is a member of the International Group of P&I Clubs and offers full mutual cover on a Group basis. Having handled complex P&I matters for more than a century the Club has gained extensive experience in large casualty response.

Hull & Machinery

Offering good relationships and close cooperation with our members, we can provide on-site assistance from our in-house surveyors and technical experts. Our team of in-house adjusters offers time and cost benefits to both our members and the Club.

Other Insurance Products

The Swedish Club offers a full range of insurance solutions for every area of your business. These include Freight Demurrage & Defence and Energy & Offshore insurance, in addition to specialist products such as Kidnap & Ransom and War Risks.

Loss Prevention

Loss prevention is at the heart of everything we do. We deliver a wide range of loss prevention initiatives, training and information, including the Club's Emergency Response Training, Loss Prevention Guides, benchmarking and campaigns. More information can be found at www.swedishclub.com/lossprevention.

The Swedish Club Academy

In conjunction with The Swedish Club Academy we offer our members the benefits of the Maritime Resource Management (MRM) course. Designed to minimise the risk of incidents by encouraging safe and responsible attitudes, the Academy specialises in human factors training and related services for those who have marine safety, efficiency and job satisfaction as their main priorities.

Marine Insurance Courses

Our popular Marine Insurance Course and Marine Insurance Seminars are offered yearly to members around the world and cover the essential aspects of marine insurance, ranging from terms and conditions to the practical handling of claims and loss prevention.

SCOL - Swedish Club OnLine

Supporting you 24 hours a day, SCOL is a modern intelligence platform which adapts to your needs and helps inform decision making. Your gateway to The Swedish Club, it provides a comprehensive overview of your insurances and claims records at the touch of a button.

www.swedishclub.com

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 2022)
2022-01-01

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.

The exclusion contained within 3.2 shall not apply to liabilities arising from the Athens Convention relating to Carriage of Passengers and their Luggage by Sea, 2002 and Guidelines for its implementation or Regulation (EC) No 392/2009 of the European Parliament and of the Council which gives effect thereto, and any amendments thereof, and/or any other Conventions and/or Protocols subsequently entering into force and adopted by the International Maritime Organisation (IMO) relevant to this Insurance Contract.

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 per annum.

- 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 4.1 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.
- 4.3 To the extent not excluded by this clause any loss otherwise covered by this policy will not be prejudiced by the involvement of the use or operation of any computer, computer system, computer software programme or any other electronic system.

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.