

**CIRCULAR NO.: 2013/14 kpi/001**

CIRCULATED TO ALL FIXED RATE ENTERIES

At 2013 / 14 RENEWAL

We are writing to provide Assureds with an up-date on a number of Exclusions applying to 2013/14 Policy Year for Fixed Rate Entrant as below:

**Joint Excess Loss Committee Terrorism Exclusion Clause 16/11/01 XL 2001/002:**

This Agreement excludes any loss, damage, liability or expense arising from:

- a) terrorism; and or
- b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, “terrorism” means any act(s) of any person(s) or organization(s) involving:

- i. the causing, occasioning or threatening of harm or whatever nature and by whatever means;
- ii. putting the public or any section of the public in fear,

In circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

If any Reinsurer asserts that any loss, damage, liability or expense is not covered by reason of this clause it shall be for the Reinsured to prove the contrary.

The Joint Excess Loss Committee Exclusion Clause (XL 2001/002) shall not apply to the following:

However, this exclusion will not apply to any loss, damage, liability or expense arising

- 1.0 whilst the vessel is in the ordinary course of transit as described in the Cargo Termination of Transit Clause (Terrorism).
- 2.0 in respect of personal collections whilst in private residence.

**Nuclear Energy Risks Exclusion Clause 01.01.89:**

This Agreement excludes nuclear energy risks whether written directly or by way of reinsurance or via pools or associations. Under this contract the term “nuclear energy risks” means any first or third party insurance (other than workers’ compensation or employers’ liability) in respect of:

- nuclear reactors and nuclear power stations or plant;
- any other premises or facilities concerned with the production of nuclear energy or the production or storage or handling of nuclear fuels or nuclear waste;
- any other premises or facilities eligible for insurance by any local nuclear pool or association but only to the extent of the requirements of the local pool or association;
- nuclear or radioactive fuel, or nuclear or radioactive waste.

However, this exclusion shall not apply

- 1) to any insurance or reinsurance in respect of construction, erection or installation of buildings, plant and other property (including contractor’s plant and equipment used in connection therewith);  
for the storage of nuclear fuel – prior to the commencement of storage  
as regards reactor installations – prior to the commencement of loading of nuclear fuel into the reactor, or prior to the initial criticality, depending on the commencement of the insurance or reinsurance of the relevant local nuclear pool or association
- 2) to any machinery breakdown or other engineering insurance or reinsurance not coming within the scope of 1 above, not affording coverage in the “high radioactivity” zone;
- 3) to any insurance or reinsurance in respect of the hulls of ships, aircraft or other conveyances;
- 4) to any insurance or reinsurance in respect of loss of or damage to (including any expenses incurred therewith) nuclear or radioactive fuel or nuclear or radioactive waste while in transit or storage as cargo, other than while being processed or while in storage at the reactor installation or any other final destination concerned with production, storage or handling of nuclear fuel or nuclear waste.

However, this exclusion shall not apply:

To any insurance or reinsurance in respect of loss of or damage to (including any expenses incurred therewith) nuclear or radioactive fuel or nuclear or radioactive waste while in transit or storage as cargo, other than while being processed or while in storage at the reactor installation or any other final destination concerned with production, storage or handling of nuclear fuel or nuclear waste.

**Japanese Amendment:**

Notwithstanding the provisions of this Clause, Certain Liabilities the type of which by Market practice and custom has not been declared to the Japanese Nuclear Pool are covered hereunder.

**Institute Radioactive Contamination, Chemical, Biological, Biochemical, and Electromagnetic Weapons exclusion Clause (CI 370):**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

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:
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 1.4 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
  - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

**Institute Extensive Radioactive Contamination Exclusion Clause (U.S.A. endorsement)  
USEN91 amended:**

This Agreement is subject to the Institute Extended Radioactive Contamination Exclusion Clause 01/11/02 CL 356 A provided that

If fire is an insured peril

and

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1 and 1.2 of the Institute Extended Radioactive Contamination Exclusion Clause 01/11/02 CL 356 A any loss or damage arising directly from that fire shall, subject to the provisions of this Agreement, be covered, excluding however any loss damage liability or expense caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

**Institute Cyber Attack Exclusion Clause CL 380 10.11.03:**

- 1.1 Subject only to clause 1.2 below, 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 of operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

### 1.3 Joint Excess Loss Committee Electronic Date Recognition Endorsement - C

This endorsement shall prevail notwithstanding any provision whether written typed or printed in this contract inconsistent herewith.

1. This contract does not cover loss, damage, liability or expense arising from or in any way connected, whether directly or indirectly, with;
  - (a) the actual or anticipated failure or inability of any computer or electronic device or component or system or software or embedded programming, whether or not belonging to or in the possession of the direct Assured;
    - (i) correctly and unambiguously to assign any date to the correct day, week, year or century,
    - (ii) correctly to recognise sequence or compute any date which is or is intended to be beyond 31 December 1998,
    - (iii) to continue to operate as it would have done had its current date, the true date and any other date relevant to any function being carried out by it been prior to 1 January 1999;
  - (b) the use of any arbitrary, ambiguous or incompletely defined date or date-like code in any data, software or embedded programming;
  - (c) any measures taken whether preventative, remedial or otherwise with the intention of averting or minimising any of the above.
2. Notwithstanding 1.(a) and 1.(b) above, this contract shall be extended to include;
  - (a) loss or damage arising from physical loss of or physical damage to tangible property;
  - (b) liability for actual or alleged bodily injury;
  - (c) liability for physical loss of or physical damage to tangible property owned by another person and resulting loss of use of such physically lost or physically damaged property;

provided that such loss, damage or liability above is within the terms, conditions and exclusions of the original policy(ies) or contract(s).

3. For the purposes of 2. above, tangible property shall not include;
  - (a) any data or embedded programming however stored or conveyed;
  - (b) any computer or electronic device or component or system or software, other than where such property forms part of an insured cargo or ship's machinery, which is in any way connected whether directly or indirectly with loss or damage claimed or from which such loss or damage arises.
4. This endorsement shall not include loss, damage, liability or expense arising from any contract solely designed to cover losses arising from any matter referred to in 1. above.
5. In calculating the net loss under this contract the reassured shall not treat any matter referred to in this endorsement as a basis for aggregation or in itself as an event or cause for the purpose of aggregation.

For and on Behalf of  
Kish P&I Club  
M.M. Banaei  
20<sup>th</sup> February 2013