

**Institute Yacht Clauses (1/1/85)**

**Contracts (Rights of Third Parties) Act 1999 Exclusion Clause**

Neither this policy nor any document issued pursuant to this policy shall confer any benefits on any third parties. No third party may enforce any term of this policy or of any provision contained in any document issued under this policy. The Contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from this policy, including the Schedule or any other document issued pursuant thereto.

This clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.  
(JH 2000/007 13 June 2000)

**Hurricane clause (Warranty)**

It is hereby understood that damage or loss caused by a tropical storm or hurricane, for which a public warning was issued, is excluded if:

1. the insured vessel has not been anchored in a sheltered or protected harbour.
2. no precautions and preparations were taken in order to prevent or limit loss or damage to the vessel.

It is further noted that the policy excludes damage or loss caused by a tropical storm or hurricane above 13 degrees North Latitude between June 1st and November 30th.

**Excluding piracy claims absolutely**

In contrary to the stipulation in Clause 9 Perils art. 9.1.4 of The Institute Yacht Clauses absolutely no claim shall be allowed in respect of any piracy claim.

**Excluding damage to the vessel by overload/overwork**

Loss and/or damage caused by and/or resulting from overload and/or overwork of the vessel is excluded from this insurance.

**12 Months claims notification clause**

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or loss or damage.

**Survey clause/inspection clause**

The certificate of the Curaçao Ports Authorities (CPA) and/or home port registration safety demands to be valid at all times. If the certificate expires during the policy period the Underwriters will have the right to adjust premium and deductibles as per moment of expiry of this certificate.

**Claims surveyors clause**

All claims are to be inspected by DEKRA Caribbean N.V. to be appointed in consultation with leading Underwriters. However, Assured has the liberty to appoint DEKRA Caribbean N.V. prior to consulting leading Underwriters in case of emergencies. Other surveyors are to be agreed by leading Underwriters.

**Claims handling fee**

In case of indemnification under this Insurance Inter-Assure Insurance brokers at WILLEMSTAD, CURACAO, are entitled to a claims handling fee of 1% of the claims amount paid

**Premium Payment Clause**

The Insured undertakes that premium will be paid in full to Underwriters with 45 (forty-five) days of inception of this policy.

If the premium due under this policy has not been so paid to Underwriters by the forty fifth day from the inception of this policy Underwriters shall have the right to cancel this policy by notifying via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 (fifteen) days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the leading Underwriter is authorized to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provision of this clause which will remain in full force and effect.

**Jurisdiction**

This insurance is subject to English Law and Practise.

**INSTITUTE YACHT CLAUSES (1/185)**

**1. VESSEL**

Vessel means the hull, Machinery, boat(s), gear and equipment, such as would normally be sold with her if she changed hands.

**2. IN COMMISSION AND LAID UP**

**2.1.** The Vessel is covered subject to the provisions of this insurance.

**2.1.1.** While in commission at sea or on inland waters or in port, docks, marinas, on ways, gridirons, pontoons, or on the hard or mud or at place of storage ashore including lifting or hauling out and launching, with leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or crafts in distress, or as is customary, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners, Masters, Managers, or Charterers.

**2.1.2.** While laid up out of commission as provided for in Clause 4 below, including lifting or hauling out and launching, while being moved in shipyard or marina, dismantling, fitting out, overhauling, normal maintenance or while under survey, (also to include docking and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her layup berth but not outside the limits of the port or place in which the vessel is laid up) but excluding, unless notice to be given to the Underwriters and any additional premium required by them agreed, any period for which the Vessel is used as a Houseboat or is under major repair or undergoing alteration.

**2.2.** Notwithstanding Clause 2.1 above the gear and equipment, including outboard motors, are covered subject to the provisions of this insurance while in place of storage or repair ashore.

**3. NAVIGATING AND CHARTER HIRE WARRANTIES**

**3.1.** Warranted not navigating outside the limits stated in the Schedule to the policy or, provided previous notice to be given to the Underwriters, held covered on terms to be agreed

**3.2.** Warranted to be used solely for private pleasure purposes and not for hire charter or reward, unless specially agreed by the Underwriters.

**4. LAID UP WARRANTY**

Warranted laid up out of commission as stated in the schedule to the policy, or held covered on terms to be agreed provided previous notice to be given to the Underwriters.

**5. SPEED WARRANTY**

**5.1.** Warranted that the maximum designed speed of the Vessel, or the parent Vessel in the case of a Vessel with boat(s), does not exceed 17 knots.

**5.2.** Where the Underwriters have agreed to delete this warranty, the conditions of the speedboat Clause 19 below shall also apply.

**6. CONTINUATION**

Should the Vessel at the expiration this insurance be at sea or in distress or at a port of place of refuge or of call, she shall, provided prompt notice be given to the Underwriters, be held covered at a premium to be agreed until anchored or moored at her next port of call in good safety.

**7. ASSIGNMENT**

No assignment of or interest in this insurance or in any moneys which may be or become payable there under is to be binding on or recognized by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assign subsequent assignment, is endorsed on the policy and the policy with such endorsement produced before payment of any claim or return of premium there under.

**8. CHANGE OF OWNERSHIP**

This Clause 8 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent herewith.

**8.1.** Should the Vessel be sold or transferred to new ownership, or where the Vessel is owned by a company, should there be a change in the controlling interest(s) of the company, then, unless the Underwriters agree in writing to continue the insurance, this insurance shall become cancelled from the time of such sale, transfer, or change, and a pro rata daily net return of premium be made calculated on the premium charged for the in commission and/or laid up period.

**8.2.** If however, the Vessel shall have left her moorings or be at sea at the time of sale or transfer such cancellation shall if required by the Assured, be suspended until arrival at port or place of destination.

**9. PERILS**

Subject always to the exclusions in this insurance.

**9.1.** This insurance covers loss of or damage to the subject matter insured caused by:

- perils of the seas, rivers, lakes, or other navigable waters;
- fire;
- jettison;
- piracy;
- contact with dock or harbour equipment of installation, land conveyance, aircraft or similar objects or objects falling there from;
- earthquake, volcanic eruption or lightning.

**9.2.** and, provided such loss or damage has not resulted from want of due diligence by the assured Owners or Managers, this insurance covers loss of or damage to the subject matter insured caused by:

- accidents in loading, discharging or moving stores, gear, equipment, machinery or fuel;
- explosions;
- malicious acts;
- theft of the entire Vessel or her boat(s) or outboard motor(s) provided it is securely locked to the vessel or her boat(s) by an anti-theft device in addition to its normal method of attachment, or following upon forcible entry into the Vessel or place of storage or repair, theft of machinery including outboard motor(s), gear or equipment;

**9.3.** Loss of or damage to the subject matter insured, excepting motor and connections (but not strut, shaft or propeller), electrical equipment and batteries and connections, caused by:

- latent defects in hull or machinery, breakage of shafts or bursting of boilers (excluding the cost and expense of replacing or repairing the defective part broken shaft or burst boiler);
- the negligence of any person whatsoever, but excluding the cost of making good any defect resulting from either negligence or breach of contract in respect of any repair or alteration work carried out for the account of the assured and/or the Owners or in respect of the maintenance of the Vessel.
- This insurance covers the expense of sighting the bottom after stranding, if reasonable incurred especially for that purpose, even if no damage is found.

**10. EXCLUSIONS**

No claim shall be allowed in respect of any;

- outboard motor dropping off or falling overboard;
- ship's boat having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the speedboat Clause 19 below, or is on the parent Vessel or laid up ashore;
- ship's boat not permanently marked with the name of the parent Vessel;
- sails and protective covers split by the wind or blown away while set, unless in consequence of damage to the spars to which sails are bent, or occasioned by the Vessel being stranded or in collision or contact with any external substance (ice included) other than water;
- sails, masts, spars or standing and running rigging while the Vessel is racing, unless the loss or damage is caused by the Vessel being stranded, or sunk burnt, on fire or in collision or contact with any external substance (ice included) other than water;
- personal effects;
- consumable stores, fishing gear or moorings;
- loss or expenditure incurred in remedying a fault in design or construction or any cost of expense incurred by reason of betterment or alteration in design or construction;
- motor and connections (but not strut shaft or propeller) electrical equipment and batteries and connections, where the loss or damage has caused by heavy weather, unless the loss or damage has been caused by the Vessel being immersed, but this clause shall not exclude loss or damage caused by the Vessel being stranded or in collision or contact with another vessel, pier or jetty.

**11. LIABILITY TO THIRD PARTIES**

This clause only applies when a sum is stated for this purpose in the schedule to the policy.

**11.1.** The Underwriters agree to indemnify the assured for any sum or sums which, the assured shall become legally liable to pay and shall pay, by reason of interest in the insured Vessel and arising out of accidents occurring during the currency of this insurance, in respect to:

- loss of or damage to any other vessel or property whatsoever;
- loss of life, personal injury or illness, including payments made for life near the Vessel or any other vessel;
- any attempted or actual raising, removal or destruction of the wreck of the assured Vessel or the cargo thereof or any neglect or failure to raise, remove or destroy same.

**11.2. Legal costs**

The Underwriters will also pay, provided their prior written consent has been obtained:

- The legal costs incurred by the assured or which the assured may be compelled to pay in contesting liability or taking proceedings to limit liability.
- The costs for representation at any coroner's inquest or fatal accident enquiry.

**11.3. Navigation by other persons**

The provisions of the Clause 11 shall extend to any person navigating or in charge of the insured Vessel with the permission of the assured named in this insurance (other than a person operating, or employed by the operator of, a shipyard, marina, repair yard, slipway, yacht club, sales agency or similar organization) and who while navigating or in charge of the Vessel shall in consequence of any occurrence covered by this Clause 11 become liable to pay and shall pay any sum or sums to any person or persons, other than to the assured named in this insurance, but indemnity under this Clause shall insure above, at the written request of and through the agency of the assured. Nothing in this extension shall increase the underwriters' liability beyond the limitation of liability imposed by Clause 11.8 below and this extension shall be subject to all other terms conditions and warranties of this insurance.

Nothing in this Clause 11.4 shall be deemed to override the provisions of Clause 3.2 above.

**11.4. Removal of wreck extensions**

This insurance also to pay the expenses, after deduction of the proceeds of the salvage, of the removal of the wreck of the insured Vessel from any place owned, leased or occupied by the assured.

**11.5. Liabilities section exclusions**

Notwithstanding the provisions of Clause 11 this insurance does not cover any liability cost of expense arising in respect of:

- any direct or indirect payment by the Assured under Workmen's Compensation or Employers' Liability acts and any other statutory or common law liability in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or by any person to whom the protection of this insurance is afforded by reason of the provisions of Clause 11.4 above, in on or about or in connection with the Vessel hereby insured or her cargo, materials or repairs;
- any boat belonging to the Vessel and having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the speedboat Clause 19 below, or is on the parent Vessel or laid up ashore;
- any liability to or incurred by any person engaged in water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely aboard or ashore;
- any liability to or incurred by any person engaged in a sport or activity, other than water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely on board or ashore;
- punitive or exemplary damages, however described.

**11.6. Water-skiers liabilities**

Should Clause 11.6.3 and/or Clause 11.6.4 above be deleted, the liabilities mentioned in such clause(s) shall be covered hereunder, subject always to the warranties, conditions and limits of this insurance.

**11.7. Limit of liability**

The liability of the Underwriters under this Clause 11, in respect of any one accident or series of accidents arising out of the same event, shall in no case exceed the sum stated for this purpose in the Schedule of the policy, but when the liability of the assured has been contested with the consent in writing of the Underwriters, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

**12. EXCESS AND DECUTIBLE**

**12.1.** No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 11, 14 and 15) exceeds the amount stated for this purpose in the schedule to the policy, in which case this sum shall be deducted. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 15 arising from the same accident or occurrence.

**12.2.** Prior to the application of Clause 12.1 above and in addition, thereto, deductions new for old not exceeding one-third may be made at the Underwriters' discretion in respect of loss of or damage to:

- protective covers, sails and running rigging;
- outboard motors whether or not insured by separate valuation under this insurance.

**13. NOTICE OF CLAIM AND TENDERS**

**13.1.** Prompt notice shall be given to the Underwriters in the event of any occurrence, which may give rise to a claim under this insurance, and any theft or malicious damage shall also be reported promptly to the Police.

**13.2.** Where loss or damage has occurred, notice shall be given to the Underwriters prior to survey and, if the Vessel is abroad, also to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

**13.3.** The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with Underwriters' requirements being refunded to the assured) and have a right of veto concerning a place of repair or a repairing firm.

**13.4.** The Underwriters may also take tenders or may require tenders to be taken for the repair of the Vessel.

**14. SALVAGE CHARGES**

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

**15. DUTY OF ASSURED**

- 15.1.** In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimizing a loss which would be recoverable under this insurance.
- 15.2.** Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured, their servants or agents for such measures. General average, salvage charges, collision defence or attack cost and costs incurred by the Assured in contesting liability covered by Clause 11.2 are not recoverable under this Clause.
- 15.3.** The Assured shall render to the Underwriters all possible aid in obtaining information and evidence should the Underwriters desire to proceedings at their own expense and for their own benefit in the name of the Assured to recover compensation or to secure an indemnity from any third party in respect of anything covered by this insurance.
- 15.4.** Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 15.5.** The sum recoverable under this Clause 15 shall be in addition to the loss otherwise recoverable under this insurance but in no circumstances shall amounts recoverable under Clause 15.2 exceeds the sum insured under this insurance in respect to the Vessel.

**16. INREPAIRED DAMAGE**

- 16.1.** The measure of indemnity in respect of claims for un-repaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising for such unrepaired damage, but not exceeding the reasonable cost of repairs.
- 16.2.** In no case shall the Underwriters be liable for un-repaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 16.3.** The underwriters shall not be liable in respect of un-repaired damage for more than the insured value at the time this insurance terminates.

**17. CONSTRUCTIVE TOTAL LOSS**

- 17.1.** In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 17.2.** No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

**18. DISBURSEMENTS WARRANTY**

Warranted that no amount shall be insured policy proof of interest or full interest admitted for account of the Assured, Mortgages or Owners on disbursements, commission, profits or other interests or excess or increased value of hull of machinery however described unless the insured value of the Vessel is over \$50,000.00 and then not to exceed 10 percent to the total amount insured in respect of the Vessel as stated in the Schedule to the policy. Provided, always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgage who has accepted this insurance without knowledge of such breach.

**19. SPEEDBOAT CLAUSE**

Where this clause 19 applies it shall override any conflicting provisions in the clause above.

- 19.1.** It is a condition of this insurance that when the Vessel concerned is underway the Assured named in the schedule to the policy or other competent person(s) shall be on board and in control of the Vessel.
- 19.2.** No claim shall be allowed in respect of loss of or damage to the Vessel or liability to any third party or any salvage services:
- caused by or arising from the Vessel being stranded sunk swamped immersed breaking adrift while moored or anchored unattended off an exposed beach or shore;
  - arising while the Vessel is participation in racing or speed tests, or any trials on connection therewith.
- 19.3.** No claim shall be allowed in respect of rudder strut shaft or propeller:
- under Clauses 9.2.2.1 and 9.2.2.2;
  - for any loss or damage caused by heavy weather, water or contact other than with another vessel pier of jetty, but thus Clause 19.3.2. shall not excluded damage caused by the Vessel being immersed as a result of heavy weather.
- 19.4** If the Vessel is fitted with inboard machinery no liability shall attach to this insurance in respect of any claim caused by or arising through fire or explosion unless the vessel is equipped in the engine room (or engine space) tank space and galley, with a fire extinguishing system automatically operated or having controls at the steering position and properly installed and maintained in efficient working order.

**20. CANCELATION AND RETURN OF PREMIUM**

This insurance may be cancelled by the Underwriters at any time subject to 30 days notice to the assured or by mutual agreement, when a pro rata daily net return of premium shall be made calculated on the premium charged for the in commission and/or laid up period.

**THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH.**

**21. WAR EXCLUSION**

In no case shall this insurance cover loss damage liability or expense caused by:

- or against a belligerent power;
- capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat;
- derelict mines torpedoes bombs or other derelict weapons of war.

**22. STRIKES AND POLITICAL ACTS EXCLUSION**

In no case shall this insurance cover loss damage liability or expense caused by:

- strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotions;
- any terrorist or any person acting from a political motive.

**23. NUCLEAR EXCLUSIONS**

In no case shall this insurance cover loss damage liability or expense caused by:

- any weapon of war employing atomic or nuclear fission and/or other like reaction or radioactive force or matter;
- ionizing radiations from or contamination by radioactive from any nuclear fuel or any nuclear waste from the combustion of nuclear fuel;
- The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly component thereof.



**Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03**

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

1. In no case shall this Contract 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.

**Radioactive Contamination Exclusion Clause — (U.S.A. Endorsement) USEN91**

This Contract is subject to the Institute Radioactive Contamination Exclusion Clause 01/10/90 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 Radioactive Contamination Exclusion Clause 01/10/90 any loss or damage arising directly from that fire shall, subject to the provisions of this Reinsurance 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.

**U.S.A. & Canada Endorsement (USCAN B 29/01/04) for the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03**

This Contract is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (RACCBE). The inclusion of RACCBE in this policy is material to underwriters' willingness to provide coverage at the quoted terms, conditions and rates.

It is the intent of the parties to give maximum effect to RACCBE as permitted by law.

In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, the remainder shall remain in full force and effect under the laws of that state, territory, district, commonwealth or possession, province or territory. Further, any such finding shall not alter the enforceability of RACCBE under the laws of any other state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, to the fullest extent permitted by applicable law.

**U.S.A. & Canada Endorsement Provisions**

In addition to the coverage afforded by the above endorsement (USCAN B) the Institute Radioactive Contamination Exclusion Clause U.S.A. Endorsement USEN91 (and subsequent amendments), or the local market equivalent of USEN91, or USCAN A to the Institute Extended Radioactive Contamination Exclusion Clause (01/11/02) remain applicable to those original policies which contain such conditions.

Reinsurers expressly agree to the amendment to coverage afforded by above endorsement (USCAN B) and the provision contained in the foregoing paragraph, notwithstanding that the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 set out herein is expressed to be paramount.

**Institute Cyber Attack Exclusion Clause (CL 380 10-NOV-2003)**

- 1.1 Subject only to clause 1.2 below, in no case shall this Contract 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, 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 computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**Seepage and Pollution Exclusion Clause (JELC CL 400 01-NOV-2003 CLAUSE 8)**

1. This Contract excludes claims in respect of liability incurred by any direct assured for seepage, pollution or contamination
  - 1.1. on or over land or inland waters unless caused by a sudden event or insured on a sudden and accidental basis;
  - 1.2. caused by disposal or dumping of waste.
2. Nevertheless, claims in respect of the following shall not be excluded by this clause:
  - 2.1. control of well policies where such seepage, pollution or contamination follows a well out of control above the surface of the ground or waterbottom;
  - 2.2. liability
    - 2.2.1. under the Offshore Pollution Liability Agreement
    - 2.2.2. under the Outer Continental Shelf Lands Act, Federal Water Quality Improvement Act, Arctic Waters Pollution Protection Act.
    - 2.2.3. for seepage, pollution or contamination from or caused by vessels, craft or their cargoes
    - 2.2.4. under aviation policies subject to clauses no less restrictive than AVN 46B;
  - 2.3. general average

**Terrorism Exclusions Clause (JELC CL 400 01-NOV-2003 CLAUSE 9)**

1. This Contract excludes any loss, damage, liability or expense arising from:
  - 1.1. terrorism; and/or
  - 1.2. steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.
2. For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving:
  - 2.1. the causing, occasioning or threatening of harm of whatever nature and by whatever means;
  - 2.2. 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 organisation(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 Reassured to prove the contrary.

**Political Risk, Financial Guarantee and Credit Risk Exclusions Clause (JELC CL 400 01-NOV-2003 ADDITIONAL CLAUSE I)**

1. This Contract excludes any loss, liability, damage or expense arising from the following:
  - 1.1. All forms of Contract Frustration Business including but not limited to non-performance of contractual obligations, import and/or export embargo, non-ratification of contracts, exchange transfer, calling of bonds and guarantees and force majeure indemnities.
  - 1.2. Default under a lease, or any other form of financing contract.
  - 1.3. Inability of an assured to recover funds or another consideration advanced under a contract to supply goods or services.
  - 1.4. Any form of Financial Guarantee, Surety or Credit indemnity, other than Salvage Guarantees.
  - 1.5. Confiscation, Nationalisation, Expropriation, Deprivation, unless such losses would be recoverable under the Institute War Clauses and/or the War sections of the relevant Institute War and Strikes Clauses or relevant London Aviation Clauses in current use at the inception of this contract, or at the time when war risks cover would have commenced under the original insurance within the terms of these clauses, whichever is the earlier; except that if the risks of war are covered in the original policy (ies) under clauses approved by the London Hull War Risks Joint Sub-Committee, or in respect of cargo interests under the Standard War Risks clause of any country which complies with the limitations of the United Kingdom Waterborne Agreement, the foregoing proviso shall not apply.
  - 1.6. The departure of the Assured's and/or project management personnel from any country, project or site in circumstances where:
    - 1.6.1. such personnel have been advised by their own Government(s) (or officially accredited representative(s) thereof) to evacuate the country or region thereof;
    - Or
    - 1.6.2. The Assured's most senior manager in any country (or if absent, his appointed deputy) has determined that conditions local to any project or site have reached a state of political instability which could reasonably be interpreted as endangering the lives and/or physical well-being of such personnel and has issued instructions for their evacuation.
2. Notwithstanding the aforementioned it is understood and agreed that exclusion 1.5 shall not apply where coverage has been provided on an incidental basis as part of a (cargo and/or specie) package policy underwritten on an inclusive policy wording.