
3. WAR RISKS - BIO-CHEM INCLUSION CLAUSE

(20th February 2005)

(1) The Cover

Subject to the terms and conditions and exclusions set out herein, cover is extended to include:

- (a) the liability of the Member to pay damages, compensation or expenses in consequence of the personal injury to or illness or death of any seaman (including diversion expenses, repatriation and substitute expenses and shipwreck unemployment indemnity);
- (b) the legal costs and expenses incurred by the Member solely for the purpose of avoiding or minimising any liability or risk insured by the Association (other than under the Omnibus Rule);

where such liability or legal costs and expenses would have been recoverable under either

- (c) cover provided by the Association under the Rules but for the exclusion of war risks in Rule 15.1

or

- (d) any other policy of insurance providing equivalent cover, *but for the operation of an exclusion of liabilities, costs, losses and expenses directly or indirectly caused by or contributed to by or arising from*

- (e) any chemical, biological, bio-chemical or electromagnetic weapon

- (f) 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;

but in any event cover shall extend to liabilities, costs, losses and expenses arising from

- (i) explosives or the methods of the detonation or attachment thereof
- (ii) the use of the entered ship or its cargo as a means for inflicting harm, unless such cargo is a chemical, biological or bio-chemical weapon
- (iii) 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.

(2) Excluded Areas

At any time or times before, or at the commencement of, or during the Policy Year, the Association may by notice to the Member change, vary, extend, add to or otherwise alter the ports, places, countries, zones and periods which may have been previously specified as excluded areas from a date and time specified by the Association not being less than 24 hours from midnight on the day the notice is given to the Member.

(3) Cancellation

Cover hereunder may by notice to the Member be cancelled by the Association from a date and time specified by the Association, not being less than 24 hours from midnight on the day notice of cancellation is given to the Member.

(4) Limit of Liability

4.1 Subject to Clause 4.2, the limit of the liability of the Association under this extension

of cover in respect of all claims shall be in the aggregate US\$30 million each ship any one accident or occurrence or series thereof arising from any one event.

4.2 In the event that there is more than one entry by any person for Bio-Chem cover as provided herein in respect of the same ship with the Association and/or any other insurer which participates in the Pooling Agreement or General Excess Loss Reinsurance Contract, the aggregate recovery in respect of all liabilities, costs, losses and expenses arising under such entries shall not exceed the amount stipulated in Clause 4.1 and the liability of the Association under each such entry shall be limited to such proportion of that amount as the claims arising under that entry bear to the aggregate of all such claims recoverable from the Association and any such other insurer.

(5) Deductible

The deductible shall be the deductible applicable to the relevant cover set out in the Certificate of Entry.

(6) Law and Practice

This clause is subject to English law and practice.