



5 February 2021

CHARTERERS' CSL COVER TERMS & CONDITIONS – VERSION 4.01 – (FEBRUARY 2021)

The following amendments have been made to the Association's Charterers' CSL Cover Terms & Conditions, reflected in the updated Version 4.01, which shall apply to new or renewing business from 20 February 2021 (new wording in bold; deleted wording struck through):

SECTION I - HEADS OF COVER

Clause L - Fines

- ~~1.1.2~~ ~~smuggling or any infringement of any customs law or regulation other than in relation to cargo carried on the Chartered Ship, provided that the Assured upon becoming aware of the alleged offence immediately notifies the Association;~~
- ~~1.1.2.3~~ **short-delivery or over-delivery of cargo or failure to comply with any law or regulation relating to declaration or documentation of cargo (other than fines or penalties arising from the smuggling of goods or cargo or any attempt thereat)**, but only when the Chartered Ship is covered for cargo risks under Section 1 Clause I Cargo in which case such fines shall be aggregated with cargo claims for the purposes of applying the cargo deductible to the same, and fines under this Section 1 Clause L 1.2 shall not be subject to any other deductible;

[Guidance: cover for such fines may now be available on a discretionary basis].

Clause O - Sue and Labour and Legal Costs

- 1.2 Legal costs and expenses **arising solely from** ~~relating to~~ any liabilities, costs or expenses against which **and during such time** the Assured is insured under these terms and conditions, but only to the extent either that such legal costs and expenses have been

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incurred with the **written** approval of the Association or that the Members' Committee in its sole discretion shall determine that the same should be recovered,

1.3 PROVIDED that:

1.3.1 the operation of this Clause O shall require account to be taken of any relevant deductible in evaluating the liabilities, losses, costs and expenses for which the Assured is insured under these terms and conditions and for the avoiding or minimising of which the extraordinary or legal costs and expenses shall have been incurred,

1.3.2 losses, costs and expense relating to ransom shall not be recoverable unless and to the extent that the Members' Committee in its discretion shall otherwise decide.

[Guidance: clarification of cover under this part of the Sue and Labour and Legal Costs Head of Cover in general and also that cover for ransom is on a discretionary basis.]

SECTION III - EXTENSIONS

Clause A - War and Terrorism Risks

A 5 Chemical, Biological, Bio-Chemical, Electromagnetic Weapons and Computer Virus Exclusion Clause

In no case shall cover for War Risks cover loss, damage, liability, costs or expense directly or indirectly caused by or contributed to by or arising from:

- 5.1 any chemical, biological, bio-chemical or electromagnetic weapon;
- 5.2 the use or operation, as a means for inflicting harm, of any **computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.. However, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.**

However, this Clause A 5.2 shall **also** not operate to exclude losses (which would otherwise be covered under the terms of the War Risks cover) 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.

[Guidance: the exclusion reflects new re-insurance requirements.]

SECTION IV - GENERAL TERMS & CONDITIONS

Clause C - Excluded risks

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C.4 - Corona Virus Exclusion

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The London Steam-Ship Owners' Mutual Insurance Association Limited. Registered in England No 10341.

Registered Office: 50 Leaman Street, London, E1 8HQ.

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There shall be no recovery in respect of:

- 4.1 any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:
 - 4.1.1 Coronavirus disease (COVID-19);
 - 4.1.2 Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
 - 4.1.3 any mutation or variation of SARS-CoV-2;
 - 4.1.4 or from any fear or threat of Section C 4.1,1. C 4.1.2 or C 4.1.3 above;
- 4.2 any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for Section C 4.1,1. C 4.1.2 or C 4.1.3 above;
- 4.3 any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of Section C 4.1,1. C 4.1.2 or C 4.1.3 above or the fear or the threat thereof.

in excess of USD 1 Million (inclusive of fees, costs and expenses) any one accident or occurrence or series of accidents or occurrences arising out of one event.

[Guidance: the exclusion reflects new re-insurance requirements ; the change also sets out the extension of cover in respect of loss, damage, liability, cost or expense that would otherwise cease to be recoverable by virtue of the exclusion up to a limit of USD1 million any one accident or occurrence or series of accidents or occurrences arising out of one event.]

C 5 - Marine Cyber Exclusion

- 5.1 There shall be no recovery for 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, computer process or any other electronic system.
- 5.2 The indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

[Guidance: the exclusion reflects new re-insurance requirements.]

Clause E - General Provisions

13 Definitions

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Assured - a person whose application for insurance under these terms and conditions of any Interest in a Ship, Chartered Ship or otherwise has been accepted by the Association and includes, for the avoidance of doubt, a **Principal Assured**, a Co-assured and an Other Assured;

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Principal Assured means the Assured who is named as Principal Assured in the Certificate of Entry (or any amendment thereto);

[Guidance: the additional definition aligns the policy terms with the terminology used in Certificates of Entry].

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