



The London P&I Club

K&R COVER

POLICY TERMS

VERSION 4.01 (AUGUST 2025)

The London P&I Club is the trading name of The London Steam-Ship Owners' Mutual Insurance Association Limited and its subsidiary The London P&I Insurance Company (Europe) Limited.

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

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

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The London P&I Insurance Company (Europe) Limited, a private limited liability company registered in Cyprus, No HE410091.

Registered Office: Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia. Supervised by the Superintendent of Insurance. Insurance licence No 183.

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What to do in a Crisis

In the event an **Insured Event** has occurred or is believed might have occurred, **immediately** contact **S-RM** on their 24/7 emergency contact number:

+44 (0)20 3889 7024

Notification of an **Insured Event** to **S-RM** does not constitute a notification to the **Insurer**. Any notice of an **Insured Event** must be made in accordance with Clause 5.17 of this **Policy**.

S-RM has no authority on behalf of the **Insurer** to agree any matter relating to the **Insurer's** liability, rights and obligations under this **Policy**. Any services provided to respond to an **Insured Event** does not constitute any acceptance of liability for **Insured Loss** by the **Insurer**.

What is the Insurer's Crisis Management Provider Panel?

The **Insurer** has convened a pre-approved panel of subject matter experts to provide Assureds with a full suite of Crisis Management services in the event of an **Insured Event** under this Policy.

This service is led by **S-RM** who are the **Insurer's** exclusively retained **Crisis Management Consultants**. The emergency contact number above takes the Assured directly to **S-RM** who will then triage any requirements to the other panel providers as required.

S-RM are dedicated consultants who are available to respond to a policyholder's crisis situation on a priority basis 24 hours a day.

Crisis Management Consultants: S-RM

S-RM is a global consultancy that helps clients manage regulatory, reputational and operational risks and provide clients with an unrivalled combination of incident response, corporate intelligence, crisis management and cyber security support that is designed to both prevent risk and manage incidents, offering full corporate resilience.

S-RM's Crisis Management team consists of 18 team members based in strategic locations across five continents and have collectively managed over 2,000 kidnap, hijack, extortion and crisis cases. The team has advanced language capability including Mandarin, Cantonese, English, Spanish, French, German, Danish and Russian.

For more information go to www.s-rminform.com



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Mental Health Support Provider: MBL Global

MBL Global specialises in rehabilitating individuals affected by psychological trauma, from personal incidents to large-scale industrial crises. MBL Global delivers a comprehensive rapid reaction and post event counselling service, including 1:1, virtual, group and telephonic post-event case management as required. Operations are coordinated through one of 14 Global Critical Incident Centres into a network of over 83,000 professional Practices worldwide located in 190 countries.

For more information go to www.mbl.global



Legal Support Provider: HFW

HFW (www.hfw.com) is a global law firm with over 700 lawyers in 21 offices. HFW provides specialist legal advice and frontline crisis management support.

HFW's [Complex Environments](#) team handles major incidents and disputes in hostile and complex environments globally. This includes the legal aspects arising from casualties, major loss, war, terrorism, political risks, kidnappings, hijackings, extortions, detention of people and property, and other challenging events.

The team consists of experienced commercial litigators and specialist counsel with extensive global litigation experience, technical experts, ex-military personnel with combat experience, former government employees, and media experts.

HFW also undertakes on-the-ground urgent investigations and preserves and takes evidence to support clients with potential litigation and intervention by authorities. HFW acts as evidence custodians and supports clients with multi-jurisdictional disputes and investigations that can develop after an incident.



Crisis Communications Consultants: Instinctif Partners

Instinctif Partners is an award-winning integrated consultancy bringing together deep expertise from across the consumer, corporate, financial and political landscapes.

Instinctif's risk and crisis practice provides unrivalled advice and execution at every stage in the risk and crisis management process. With capabilities extending all the way from comprehensive preparedness counsel to tactical operational support and crisis communications, Instinctif helps organisations anticipate and manage all threats to their corporate reputation in this uncertain, unrelenting, unforgiving era.

For more information go to <https://instinctif.com>



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Kidnap & Ransom ("K&R") Cover - Policy Terms

Introduction

Please read the entire Policy, including the **Policy terms** and the **Certificate of Insurance**, carefully and discuss its terms, conditions, and exclusions with your insurance broker or adviser. Various provisions of this Policy restrict coverage. Refer to the Definitions section for words and phrases in bold, which have special meaning.

Third Party Rights:

A person who is not a party to this contract of insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract of insurance, but this does not affect any right or remedy of a third party that exists or is available apart from that Act.

Interpretation:

In this Policy:

- (a) reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- (b) if any term, condition, exclusion or Endorsement or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- (c) the headings are for general reference only and shall not be considered when determining the meaning of this Policy.

Cancellation:

This Policy may be cancelled by the **Insurer** in accordance with Clause 5.27

Breach of the Duty of Fair Presentation

- (a) If, prior to entering into this Policy, the **Assured** shall breach the duty of fair presentation, the remedies available to the **Insurer** are set out below.
 - (i) If the **Assured's** breach of the duty of fair presentation is deliberate or reckless:
 - (1) the **Insurer** may avoid the Policy, and refuse to pay all claims; and,
 - (2) the **Insurer** need not return any of the Premiums paid.
 - (ii) If the **Assured's** breach of the duty of fair presentation is not deliberate or reckless, the **Insurer's** remedy shall depend upon what the **Insurer** would have done if the **Assured** had complied with the duty of fair presentation:

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- (1) If the **Insurer** would not have entered into the contract at all, the **Insurer** may avoid the Policy and refuse all claims but must return the Premiums paid.
 - (2) If the **Insurer** would have entered into the Policy, but on different terms (other than terms relating to the Premium), the Policy is to be treated as if it had been entered into on those different terms from the outset, if the **Insurer** so requires.
 - (3) In addition, if the **Insurer** would have entered into the Policy, but would have charged a higher Premium, the **Insurer** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, the **Insurer** shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{Premium actually charged/higher Premium}) \times 100$.
- (b) If, prior to entering into a variation to this Policy, the **Assured** shall breach the duty of fair presentation, the remedies available to the **Insurer** are set out below.
- (i) If the **Assured's** breach of the duty of fair presentation is deliberate or reckless:
 - (1) The **Insurer** may by notice to the **Assured** treat the Policy as having been terminated from the time when the variation was concluded; and,
 - (2) The **Insurer** need not return any of the Premiums paid.
 - (ii) If the **Assured's** breach of the duty of fair presentation is not deliberate or reckless, the **Insurer's** remedy shall depend upon what the **Insurer** would have done if the **Assured** had complied with the duty of fair presentation:
 - (1) If the **Insurer** would not have agreed to the variation at all, the **Insurer** may treat the Policy as if the variation was never made but must in that event return any extra Premium paid.
 - (2) If the **Insurer** would have agreed to the variation to the Policy, but on different terms (other than terms relating to the Premium), the variation is to be treated as if it had been entered into on those different terms, if the **Insurer** so requires.
 - (3) If the **Insurer** would have increased the Premium by more than it did or at all, then the **Insurer** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the **Insurer** shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{Premium actually charged/higher Premium}) \times 100$.
 - (4) If the **Insurer** would not have reduced the Premium as much as it did or at all, then the **Insurer** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the **Insurer** shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{Premium actually charged/reduced total Premium}) \times 100$.

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Fraud

If the **Assured**, or anyone acting on their behalf, makes a fraudulent claim, for example a loss which is fraudulently caused and/or exaggerated and/or supported by a fraudulent statement or other device, **Insurers**:

- (a) will not be liable to pay the claim; and
- (b) may recover from the **Assured** any sums paid by **Insurers** to the **Assured** in respect of the claim; and
- (c) may by notice to the **Assured** treat this Policy as having been terminated with effect from the time of the fraudulent act.

If **Insurers** exercise their right under (c) above:

- (i) **Insurers** shall not be liable to the **Assured** in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to **Insurer's** liability under this Policy (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and
- (ii) **Insurers** need not return any of the premium paid.

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1 Coverage

In consideration of the premium paid by the **Assured**, and subject to the terms in these **Policy Terms** and the **Certificate of Insurance** together with any **Endorsements**, the **Insurer** agrees to indemnify the **Assured** for **Insured Loss** directly caused by any of the following **Insured Events** that commence during the **Period of Insurance** set forth in the **Certificate of Insurance**:

- 1.1 **Kidnap**
- 1.2 **Illegal Seizure**

2 Insured Loss

The **Insurer's** obligation to indemnify for **Insured Loss** shall not exceed the amounts stated under Limits of Liability of the Certificate of Insurance and shall be limited to the following:

Ransom

- 2.1 **Ransom** which has been surrendered. In the case of marketable securities, goods or services, the **Insurer** shall reimburse the actual cash value at the time of surrender.

Ransom in Transit

- 2.2 The loss in transit of a **Ransom** due to actual damage, destruction, disappearance, confiscation, or wrongful abstraction, while the **Ransom** is being conveyed to the person who has demanded it, provided the individuals who are engaged in the conveyance have been duly authorized in writing to do so by the **Assured** and/or an **Insured Person**.

Crisis Consultants' Fees and Expenses

- 2.3 The fees and expenses of **S-RM** as a direct result of an **Insured Event**.

The services provided by **S-RM** will include:

Initial Notification and Assessment:

- Access to 24/7/365 operations centre for incident notification, triage and immediate access to **S-RM** support via a dedicated 'Hotline';
- Initial briefing call with an **S-RM** crisis management consultant in order to provide initial advice and assess the nature of the event, immediate resources available and resources required;
- Deployment of one or more **S-RM** crisis management consultant to the location(s) of the **Insured Event** and / or other agreed location(s);

Strategic Advice:

- Advice on setting up a Crisis Management Team;
- Analyse written, verbal and electronic communications, with options and recommendations for how to respond;
- Assess likely next steps and options available to the **Assured** and perpetrator;

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- Advice on likely avenues and appropriate means of communication, and establishing a single point of contact;
- Identifying, selecting, scripting and training communicators, intermediaries, and couriers;
- Advice on negotiation strategies, tactics and associated financial strategies;
- Identify issues where the **Assured** should seek formal legal advice;
- Advice on the planning, collection, and delivery of any agreed concession;
- Advice on the strategic options and courses of action open to the **Assured**;
- Planning advice on the release and recovery of any victims;

Situational Intelligence:

- Assess the capability, credibility, and intent of the perpetrator;
- Continuous situational assessment of political and security considerations, including intelligence assessment of the threat posed by hostile persons or groups;
- Regional and sector specialist intelligence on historical context of similar incidents and outcomes;

Communications Support:

- Advice on internal and external media communications policy and strategies;
- Identify, map, and advise on engagement with key stakeholders including; law enforcement, other emergency services, security forces, families and interested governments;

Post-Event Support:

- Review the incident, identify lessons learned, and make risk mitigation recommendations;
- Advice on the post-release management and rehabilitation of former victim(s); and
- Introduction to mental health and support services.

Additional Expenses

- 2.4 Additional expenses listed below which are incurred by the **Assured** and/or an **Insured Person** immediately following and for the duration of an **Insured Event**, provided these additional expenses are necessarily and solely incurred as a direct result of an **Insured Event**:

Independent Professionals' Fees

- 2.4.1 reasonable fees and expenses of an independent negotiator engaged with the prior written authorisation of the **Insurer**;
- 2.4.2 reasonable fees and expenses for services provided by **Crisis Communications Consultants** for crisis communications advice and support;
- 2.4.3 reasonable fees and expenses of an independent public relations consultant and/or interpreter engaged with the prior written authorisation of the **Insurer**;
- 2.4.4 reasonable fees and expenses of independent forensic analysts engaged with the prior written authorisation of the **Insurer**;

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- 2.4.5 reasonable fees for independent legal advice provided by a **Legal Support Provider** incurred during an **Insured Event** and within thirty-six (36) months following the conclusion of the **Insured Event**;

Travel

- 2.4.6 reasonable costs of travel and accommodation incurred by the **Assured** and/or an **Insured Person**;

Medical and Recovery

- 2.4.7 reasonable fees and expenses of the **Mental Health Support Provider** to provide mental health support, trauma counselling and trauma incident management during an **Insured Event** and within thirty-six (36) months following the conclusion of the **Insured Event**;
- 2.4.8 reasonable fees for medical care and/or dental care for an **Insured Person** incurred during an **Insured Event** and within thirty-six (36) months following the conclusion of the **Insured Event**;
- 2.4.9 reasonable costs of cosmetic or plastic surgery which is required to correct any permanent disfigurement sustained by an **Insured Person**;
- 2.4.10 reasonable rest and rehabilitation expenses including meals and recreation incurred by the victim of an **Insured Event** and a spouse or civil partner and/or children incurred within six (6) months following the release of the victim;
- 2.4.11 reasonable job retraining costs and/or costs of external job training courses for the victim of an **Insured Event** where such costs are necessitated as a result of the **Insured Event**;

Remuneration

- 2.4.12 one hundred percent (100%) of the gross remuneration, including salary and bonuses, commissions, cost of living adjustment, foreign tax reimbursements, pension, and/or welfare contributions and allowances, which was contractually owed to or could reasonably be expected based on past performance by an **Insured Person** who is a victim of an **Insured Event** from the time such an **Insured Event** occurs up to (a) sixty (60) days following their release or (b) their return to work, whichever occurs first;
- 2.4.13 one hundred percent (100%) of the gross remuneration, including salary and bonuses, commissions, cost of living adjustment, foreign tax reimbursements, pension, and/or welfare contributions and allowances, which was contractually owed to or could reasonably be expected based upon past performance, by a relative of an **Insured Person** who is a victim of an **Insured Event** provided such relative leaves their employment in order to assist in the negotiations for the release of the victim or search for the victim, from the time such an **Insured Event** occurs up to (a) sixty (60) days following the victim's release or (b) the relative's return to work, whichever occurs first;

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2.4.14 one hundred percent (100%) of the gross remuneration, including salary, bonuses, and allowance, of a temporary work replacement for an **Insured Person** who is a victim of an **Insured Event** from the time such an **Insured Event** occurs up to (a) sixty (60) days following the victim's release or (b) return to work, whichever occurs first, but not exceeding the total compensation that otherwise would have been paid to such **Insured Person** during the same time period;

2.4.15 reasonable costs incurred by the **Assured** for the salaries of **Employees** specifically designated to assist in negotiating the release of the **Insured Ship** or victim during any **Insured Event**, not to exceed the **Employees'** base rate of pay, plus all other reasonable expenses solely and directly incurred in connection with such negotiations, provided that the **Assured** forwards an itemised account of such **Employees'** time, services and expenses;

2.4.16 **Personal Financial Loss;**

Security and Resolution

2.4.17 reasonable costs of communications and recording equipment incurred solely and directly to obtain the release of the **Insured Ship** or of an **Insured Person** who is a victim of an **Insured Event**;

2.4.18 reasonable reward or other monetary consideration paid by the **Assured** or an **Insured Person** to an informant for material information, which is not otherwise obtainable and which directly leads to recovery of the **Insured Ship** or the victim of an **Insured Event** or their remains;

2.4.19 reasonable publicity costs incurred solely and directly to assist in the resolution of an **Insured Event**;

2.4.20 reasonable payments made to third party negotiators, agents or intermediaries purporting to represent those persons holding captive an **Insured Person** or an **Insured Ship** during an **Insured Event**, with the prior written authorisation of the **Insurer**;

Other

2.4.21 the cost of fuel oil used by the **Illegally Seized Insured Ship** solely and directly as a result of and only for the duration of an **Illegal Seizure**;

2.4.22 reasonable costs incurred and paid to the port authorities for the **Illegally Seized Insured Ship** calling at unscheduled ports solely and directly as a result of an **Illegal Seizure**. The **Insurer** will only cover such costs for up to, but not exceeding, 28 consecutive days from the end of the **Illegal Seizure** of the **Insured Ship**;

2.4.23 reasonable funeral and burial expenses, including repatriation of remains, of an **Insured Person** in the event of his or her death directly resulting from an **Insured Event**;

2.4.24 interest on loans obtained specifically to meet **Insured Loss** which is otherwise reimbursed under the Policy; but only in respect of interest accruing for up to seven (7) days after reimbursement by the **Insurer** of the **Insured Loss**;

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2.4.25 any other reasonable fees and expenses incurred by the **Insured** or **Insured Person** with the prior written approval of the **Insurer**.

Legal Liability

2.5 Amounts for which the **Assured** has legal liability (including claimant's legal costs) and reasonable defence costs incurred with the prior written consent of the **Insurer**, in an action for damages brought by or on behalf of an **Insured Person** against the **Assured** solely and directly as a result of an **Insured Event**.

2.5.1 The **Assured** shall make no admissions and enter no settlements and incur no costs or expenses without the prior written authorisation of the **Insurer**.

2.5.2 The **Assured** shall cooperate fully with the **Insurer** in all things in connection with the action.

2.5.3 The **Insurer** shall:

- (a) have the right and opportunity to defend any such action against the **Assured**;
- (b) be entitled to carry out whatever investigation the **Insurer** may, in its absolute discretion, consider appropriate; and
- (c) be entitled to settle the action in such manner, to such extent and with such outcome as the **Insurer** may, in its absolute discretion, consider expedient.

2.5.4 If the **Assured**:

- (a) fails to comply with its obligations in paragraphs 2.5.1 or 2.5.2; or
- (b) prevents or hinders the **Insurer's** exercise of, or prejudices the position of the **Insurer** in respect of, its rights in paragraph 2.5.3 in any way,

then this Policy shall afford no cover, and no indemnity or other sum shall be payable, in connection with that legal liability or action.

2.5.5 In the event of a loss arising to which the **Insurer** may be liable to contribute, no defence costs shall be incurred on their behalf without their prior written consent being first obtained, and if they so consent, they shall contribute to the said defence costs in the proportion that their share of the loss as finally settled bears to the total sum payable.

Personal Accident

2.6 Injuries sustained by an **Insured Person** as a result of a **Personal Accident**.

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Loss of Hire

- 2.7 Loss of **Hire** actually sustained by the **Assured** for the period of the **Illegal Seizure** of the **Insured Ship** up to but not exceeding the maximum daily indemnity amount at the Limits of Liability section of the Certificate of Insurance from the time such **Insured Ship** was **Illegally Seized** until no later than the last day of the maximum indemnity period at the Limits of Liability section of the Certificate of Insurance or the date of the release of the **Insured Ship**, whichever occurs earlier. The **Insurer** shall only indemnify the **Assured** for loss of **Hire** if the period of the **Illegal Seizure** exceeds the excess period as stated in the Limits of Liability section of the **Certificate of Insurance**.

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3 Definitions

- 3.1 **Additional Premium Areas** means the areas as described in the **Certificate of Insurance** (including any **Endorsement**) and/or pursuant to any **Constitution of Additional Premium Areas**.
- 3.2 **Additional Premium** means the premium which may be agreed in writing for extending cover in areas listed as **Additional Premium Areas**.
- 3.3 **Assured** means the entity(ies) or person(s) specified in the **Certificate of Insurance** whose application for insurance under these **Policy terms** has been accepted and includes Principal Assured(s) and any Co-Assured as stated in the **Certificate of Insurance**
- 3.4 **Certificate of Insurance** means the document the **Insurer** may issue upon accepting and application of insurance as evidence of cover. If at any time the **Insurer** agrees to vary the terms of the insurance, the **Insurer** shall at its option issue an **Endorsement** detailing such variation and the date from which the variation is effective.
- 3.5 **Charter Party** means the contract for hire made on a time charter basis between the **Assured** and the charterer.
- 3.6 **Constitution of Additional Premium Areas** means changes by the **Insurer** made pursuant to Clause 5.10.
- 3.7 **Crisis Communications Consultants** means Instinctif Partners or any other crisis communications specialists appointed with the Insurer's prior approval. Services will include (but are not limited to):
- internal and external crisis communications strategies including stakeholder mapping;
 - media and social media monitoring services and strategic response;
 - messaging and statement development for all stakeholders;
 - question and answer document development;
 - front-liner briefing materials (customer services, reception, security desk);
 - press office resource; and
 - spokesperson coaching and crisis media training
- 3.8 **Electronic Means** has the meaning given in section 1168(4) of the Companies Act 2006
- 3.9 **Employee** means any person under a temporary, permanent or part-time contract of employment or apprenticeship with the **Assured** and working for the **Assured** in the course of the **Assured's** business. For the avoidance of doubt, **Employee** does not include an independent contractor or consultant.
- 3.10 **Endorsement** means a variation of the terms of insurance pursuant to Clause 5.6 of the **Policy Terms** stating such variation and the date from which the variation is effective.

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- 3.11 **Government Organisation** means any organization that constitutes or is constituted by a national, state or provincial authority including but not limited to any military agency, coastguard, national guard or police force.
- 3.12 **Illegal Seizure/Illegally Seized** means the actual or alleged illegal boarding and holding captive of an **Insured Ship** by persons who then demand a **Ransom** as a condition of release of the **Insured Ship**.
- 3.13 **Hire** means the actual daily rate of charter hire stipulated in the **Charter Party** which is not paid by the charterer to the **Assured** during the period of the **Illegal Seizure** in accordance with the terms of the **Charter Party** or the potential time charter equivalent rate applicable as agreed by the **Insurer** in advance.
- 3.14 **Insured Event** means any incident referred to in Section 1 which is covered by this Policy, or a series of acts committed in furtherance of such incident.
- 3.15 **Insured Loss** means those amounts and expenses that the **Assured** incurs, or injuries and losses that an **Insured Person** sustains, which are directly caused by an **Insured Event** and which are specified in Section 2 of this Policy.
- For each **Insured Event** the applicable categories of **Insured Loss** and monetary limits are listed in the Limits of Liability of the Certificate of Insurance.
- 3.16 **Insured Person** means:
- 3.16.1 The Master, crew and officers of the **Insured Ship**, any supernumeraries and any persons legally on board such **Insured Ship** with the permission of the **Assured** and/or the **Insured Ship's** Master, but only for **Insured Events** that commence while they are on-board such **Insured Ship** (including boarding or disembarking);
- 3.16.2 A person who is temporarily employed for the sole purpose of negotiating and/or delivering a **Ransom**.
- 3.17 **Insured Ship** means any vessel specified as such in the Certificate of Insurance.
- 3.18 **Insurer** means The London Steam-Ship Owners' Mutual Insurance Association Limited or The London P&I Insurance Company (Europe) Ltd as nominated in the **Certificate of Insurance**
- 3.19 **Kidnap** means any event or connected series of actual, attempted or alleged events of seizing, detaining or carrying away by force or fraud, of one or more **Insured Person** for the purpose of demanding **Ransom** as a condition of release of the victim.
- 3.20 **Legal Support Provider** means services provided by Holman Fenwick Willan (known as HFW) or any other legal services provider appointed with the **Insurer's** prior approval. Services will include (but are not limited to):
- Legal advice: providing specialist crisis legal advice on the merits and legality of resolution strategies. Including deployment of personnel; interaction with third parties, law enforcement, government and regulatory bodies; negotiations with criminal, sanctioned and terrorist counterparts; and engaging other service providers;

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- Liability: advice on structuring and organizing the response to an incident to protect the **Assured's** interests in the short, medium and long term by anticipating, identifying and mitigating liabilities and exposures potentially arising from the incident;
- Incident Impact: advising on duties of care and contractual obligations impacted by the incident and tailoring the resolution strategies accordingly;
- Ransom / reward / penalty: if a ransom, reward or financial penalty is contemplated, advising and providing guidance on legality and regulatory issues associated with any such payment including substantive criminal law, sanctions, bribery, money laundering and terrorism;
- Investigation: managing the incident in contemplation of litigation by creating audit trails and contemporaneously securing and preserving documents and witness evidence. Conducting after the event investigations or reviews to protect and safeguard the **Assured**, so that the **Assured** is equipped to deal with future multi-jurisdictional legal disputes or government, regulatory or criminal investigations and interventions;
- Notification and reporting: advising on and dealing with the statutory, regulatory, corporate and other notification requirements in the relevant jurisdictions; and
- Legal privilege: ensuring the response to the **Insured Event** is covered by legal / attorney / client privilege, insofar as the law allows. Acting as evidence custodians, managing and controlling documentation.

3.21 **Mental Health Support Provider** means MBL Global (known as MBL) or any other counselling service provider appointed with the **Insurer's** prior approval. Services will include (but are not limited to):

- provision of immediate 'In The Moment' telephonic and virtual support;
- dispatch of a Rapid Response counselling team to provide on-site assistance (if required and permissible);
- bespoke 1:1 telephonic or virtual counselling;
- bespoke 1:1 in-person counselling coordinated by MBL at a convenient professional practice;
- group therapy sessions on or off site; and
- access to the MBL content library providing useful information on how to manage **Insured Persons'** mental health following an **Insured Event**.

3.22 **Period of Insurance** means the time for which this Policy is in force as specified in the Certificate of Insurance.

3.23 **Personal Accident** means injury (fatal or otherwise) sustained by an **Insured Person**, solely and directly as a result of an **Insured Event**, provided that such injury, within twelve (12) calendar months from the date of the **Insured Event**, results in any one of the following:

- 3.23.1 Loss of Sight – the entire and irrevocable loss of vision of one or both eyes, as certified by a qualified practitioner specializing in ophthalmology and approved by the **Insurer**. The limit of loss for Loss of Sight is one hundred percent (100%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.

The London P&I Club is the trading name of The London Steam-Ship Owners' Mutual Insurance Association Limited and its subsidiary The London P&I Insurance Company (Europe) Limited.

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

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

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The London P&I Insurance Company (Europe) Limited, a private limited liability company registered in Cyprus, No HE410091.

Registered Office: Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia. Supervised by the Superintendent of Insurance. Insurance licence No 183.

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- 3.23.2 Loss of Hearing – the entire and irrevocable loss of hearing of one or both ears, as certified by a qualified practitioner specialising in audiology and approved by the **Insurer**. The limit of loss for Loss of Hearing is one hundred percent (100%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.
- 3.23.3 Loss of Extremity – the permanent physical separation or the total and irrevocable loss of use of one or more fingers, toes, ears, nose, or genital organs or parts of these caused by mutilation. The limit of loss for Loss of Extremity is fifty percent (50%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.
- 3.23.4 Loss of Limb – the permanent loss by separation or the total and irrevocable loss of use of one or both hands at or above the wrist or a foot or both feet at or above the ankle. The limit of loss for Loss of Limb is one hundred percent (100%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.
- 3.23.5 Permanent Total Disablement – bodily injury which necessarily and continuously prevents an **Insured Person** from attending to every aspect of his or her normal business or occupation for a period of twelve (12) consecutive calendar months or, if the **Insured Person** has no business or occupation, confines him or her immediately and continuously to the home and prevents him or her from attending to normal duties of daily life; provided that at the end of such twelve (12) month period, two qualified medical practitioners, who have been approved by the **Insurer**, certify that the **Insured Person** is disabled and beyond hope of improvement. The limit of loss for Permanent Total Disablement is one hundred percent (100%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.
- 3.23.6 Death of an **Insured Person** - the limit of loss for Death is one hundred percent (100%) of the per **Insured Person** Limit as shown in the Certificate of Insurance for the **Insured Event**.
- 3.23.7 Disappearance Considered a Death – if an **Insured Person** disappears while this Policy is in effect and his or her body is not found within twelve (12) months after disappearance and sufficient evidence is produced to the **Insurer** that leads inevitably to the conclusion that the **Insured Person** sustained death solely and directly as a result of an **Insured Event**, the **Insurer** shall provide the relevant coverage under this Policy, so long as the person or persons to whom such a sum is payable shall sign an undertaking to refund such sum to the **Insurer** if the **Insured Person** is subsequently found to be living. The limit of loss for Disappearance Considered a Death is one hundred percent (100%) of the per **Insured Person** Limit as shown on the Schedule for the **Insured Event**.
- 3.24 **Personal Financial Loss** means loss suffered by an **Insured Person** solely as a result of the physical inability of a victim of an **Insured Event** to attend to personal financial matters while such an **Insured Event** is ongoing.
- 3.25 **Policy Terms** means the London P&I Club Kidnap & Ransom Cover - Policy Terms as further identified in the **Certificate of Insurance**

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- 3.26 **Ransom** means cash and/or marketable securities, goods, or services surrendered or to be surrendered by or on behalf of the **Assured** or an **Insured Person** to meet a **Kidnap** or **Illegal Seizure** demand.
- 3.27 **S-RM** means S-RM Intelligence and Risk Consulting Ltd or such other independent crisis management consultants appointed with the prior written approval of the **Insurer**.

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4 Exclusions

The **Insurer** shall not be liable in respect of any costs, loss, damage, liability or expense directly or indirectly caused by or contributed to, by or arising from or attributable to or in any way connected with any of the following circumstances:

- 4.1 The surrender of a **Ransom** in any face-to-face encounter where the surrender is not solely in respect of a previously communicated **Ransom** demand.
- 4.2 The surrender of a **Ransom** either
 - (a) at the location where the **Kidnap** of one or more **Insured Person** occurs; or
 - (b) where the **Illegal Seizure** of the **Insured Ship** occurs,
 where the surrender is not solely in respect of a previously communicated **Ransom** demand.
- 4.3 A fraudulent or criminal act of
 - 4.3.1 the **Assured**;
 - 4.3.2 a director, officer, **Employee**, or agent of the **Assured**; or
 - 4.3.3 an **Insured Person** or agent thereof,
 whether acting alone or in collusion with others.
- 4.4 Any loss or damage to the **Insured Ship**.
- 4.5 The surrender of the **Insured Ship** and/or cargo, goods and/or cash being transported by the **Insured Ship** for use as a **Ransom**.
- 4.6 In respect of loss of **Hire** only:
 - 4.6.1 Loss of **Hire** caused by or arising from or attributable to any event occurring after the release of the **Insured Ship** or the expiry of the maximum indemnity period specified the Limits of Liability in the Certificate of Insurance, whichever occurs first. Specifically, but without limiting the generality of the foregoing, the **Insurer** shall not be liable in such case, whether such loss is attributed to loss of market share or otherwise;
 - 4.6.2 Fines or damages for breach of contract or for late or non-completion of orders, penalties of any nature, loss of market share or any other consequential loss.
- 4.7 There shall be no cover under this **Policy** for a peril caused directly or indirectly by malicious or non-malicious electronic data activity.
- 4.8 Any loss arising from the **Illegal Seizure** of any **Insured Ship** or **Kidnap** of an **Insured Person** by any **Government Organisation** including any fines, taxes or penalties imposed upon an **Insured Ship** or **Insured Persons** on said ship.

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4.9 Nuclear:

- 4.9.1. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 4.9.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 4.9.3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 4.9.4. 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; and
- 4.9.5. any chemical, biological, bio-chemical, or electromagnetic weapon.

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5 Conditions

- 5.1 **Aggregation:** If more than one **Insured Event** is or was carried out in furtherance of another **Insured Event** or as part of a common scheme, they shall be deemed to be connected and to constitute a single **Insured Event**. The limit of indemnity provided by this Policy for such a deemed single **Insured Event** shall not exceed the highest applicable limit of indemnity of any one of the **Insured Events** deemed to be connected and to constitute the single **Insured Event**.

There shall be no liability under this Policy in respect of a series of **Insured Events** that began before the **Period of Insurance**.

- 5.2 **Arbitration Clause:** If any difference or dispute shall arise between the **Assured** (or any other person) and the **Insurer** out of or in connection with these **Policy Terms**, or out of any contract between the **Assured** and the **insurer**, or as to the rights or obligations of the **Insurer** or the **Assured** hereunder, or in connection therewith, or as to any other matter whatsoever, such difference or dispute shall be referred to arbitration in London in accordance with the Arbitration Act 1996 and any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause

The arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators and the arbitrators shall all be full members of the LMAA and/or Queen's Counsel practicing at the Commercial Bar in London.

A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In any such arbitration, any matter decided or stated in any judgment or arbitration award (or in any reasons given by an arbitrator for making any award) relating to proceedings between the **Assured** and any third party shall be admissible in evidence.

No **Assured** may bring or maintain any action, suit or other legal proceedings against the **Insurer** in connection with any such difference or dispute unless he has first obtained an arbitration award in accordance with this Clause.

- 5.3 **Assignment:** No assignment of the **Assured's** or **Insured Person's** interest under this Policy shall be binding on the **Insurer**, unless and until the **Insurer's** written consent to the assignment has been obtained and endorsed to the Policy.

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- 5.4 **Assistance and cooperation:** The **Assured** and any **Insured Person** will cooperate with the **Insurer** in all matters relating to this Policy. This may include, but is not limited to, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration or other proceedings.
- 5.5 **Burden of proof ransom:** When requesting the reimbursement of a **Ransom** under the Policy, the **Assured** shall bear the burden of demonstrating that such **Ransom** has been surrendered under duress.
- 5.6 **Changes:** The terms of this Policy can only be waived or changed by written endorsement agreed by the **Insurer** and forming part of this Policy. Failure by the **Insurer** to exercise or enforce any rights under the **Policy Terms** will not be deemed to be a waiver of such rights.
- 5.7 **Choice of law:** This Policy shall be governed and interpreted according to the laws of England and Wales.
- 5.8 **Computation of loss:** In the event of a loss of **Hire**, claims for payments by the **Assured** from the **Insurer** shall be made as soon as practicable and shall be accompanied by a computation of loss, prepared by a recognised firm of accountants or adjusters using standard accountancy procedures, which sets out in detail how the loss has been calculated and what assumptions have been made. The calculation shall take into account any savings or recoveries or offsetting of losses which have been made or which the **Assured** could reasonably have been expected to make, and the ability of the **Assured** to resume the contractual voyage.
- 5.9 **Confidentiality:** The **Assured** will not disclose the terms or the existence of this Policy without the **Insurer's** prior written consent, except in confidence to those who need to know of the Policy's existence or terms for business or security purposes. In the event of breach of this clause, then this Policy shall afford no cover, and no indemnity or other sum shall be payable, in connection with any **Insured Event** occurring, or attributable to something happening, after the breach whatever the cause of the loss – this being a clause that defines the risk as a whole.
- 5.10 **Constitution of Additional Premium Areas:** The **Insurer** at any time whether before or during the **Period of Insurance** may determine that i) any areas (whether of land or sea) shall be **Additional Premium Areas** and/or ii) that any special terms, conditions, exceptions or limitations of or to the cover shall apply while an **Insured Ship** or **Insured Person** shall be or remain in any one or more of such **Additional Premium Areas**. Any such determination shall be binding on the **Assured** and take effect from publication on the **Insurer's** website and/or by notice pursuant to Clause 5.18 whichever is the earliest.
- 5.11 **Contracts (rights of third parties) Act 1999:** A person who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof to enforce any term of this Policy. This condition does not affect any right or remedy of a third party which exists or is available other than by virtue of the Contracts (Rights of Third Parties) Act 1999.

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- 5.12 **Currency and Valuation:** The Limits of Liability of the Policy and the **Insurer's** obligation to indemnify for **Insured Loss** are in the currency stated in the Certificate of Insurance. Claims will be adjusted and paid in the stated currency, unless directed otherwise by the **Insured**. In the event of a loss adjustment involving currency conversion, the exchange rate will be calculated by using the rate of exchange published in The Financial Times on the date the **Assured**, as appropriate for each **Insured Loss**, either makes a payment or incurs a cost or liability. If The Financial Times is not published on that date, the rate of exchange will be as published on the next business day.
- In the event of any payment of **Insured Loss** by the **Assured** or **Insured Person** in marketable securities, goods, or services, the **Insurer** shall pay the lesser of:
- 5.12.1 the actual cash value of the securities, goods, or services at the time of their surrender; or
 - 5.12.2 the actual cost to replace or repair such securities, goods, or services with consideration of similar quality and value.
- 5.13 **Limits:** The **Insurer's** liability under the Policy shall in all cases be limited to the limits of indemnity shown in the Certificate of Insurance. Specifically, but without limiting the generality of the foregoing, the **Insurer's** liability shall not be increased because:
- 5.13.1 the **Assured** may comprise or include one or more legal entity;
 - 5.13.2 an **Insured Event** may involve the **Assured** and/or one or more **Insured Person**;
 - 5.13.3 of renewal of this Policy. The **Insurer's** liability shall not be cumulative from one period of insurance to another; or
 - 5.13.4 of any other reason whatsoever.
- 5.14 **Medical care and examinations:** With regard to any **Insured Loss** as a result of a **Personal Accident**, the following additional conditions apply:
- 5.14.1 Any **Insured Person** who suffers an incident which caused or may cause **Personal Accident** within the meaning of this Policy must place himself/herself under the care of a qualified medical practitioner approved by the **Insurer** as early as possible after the incident.
 - 5.14.2 The **Insurer** will not be liable to pay compensation unless the medical advisors appointed by the **Insurer** shall be allowed as often as the **Insurer** reasonably considers necessary to examine the **Insured Person**.
- 5.15 **Mitigation of loss:** The **Assured** and/or **Insured Person** shall use due diligence and undertake or (at the **Insurer's** option) concur in the **Insurer's** undertaking of all things reasonably practicable to avoid or diminish any **Insured Loss**.
- 5.16 **Multiple Assureds.** In relation to all **Assureds** listed on the same **Certificate of Insurance** (including all Primary Assureds and Co-assureds):
- 5.16.1 each **Assured** shall be named as such together with its interest in relation to the **Insured Ship** in the relevant **Certificate of Insurance** or by **Endorsement** thereto;

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- 5.16.2 the benefit of the insurance of an **Assured** shall not be extended to third party persons or companies which are not referred to in the relevant **Certificate of Insurance** or by **endorsement** thereto, whether by name, class, description or otherwise, notwithstanding the provisions of the Contracts (Rights of Third Parties) Act 1999;
- 5.16.3 each **Assured** shall have an independent right of recovery from the **Insurer** although the **Insurer** may in its sole discretion or in accordance with Clause 5.22 (Presentation/Payment of Claims) reject or reduce any multiple recovery by **Assureds** listed on the same **Certificate of Insurance** in respect of the same **Insured Event**;
- 5.16.4 the cover afforded shall always be subject to the **Limits** in the **Policy Terms** and **Certificate of Insurance** and such **Limits** shall apply to all claims made by all **Assureds** in the aggregate for any **Insured Event**;
- 5.16.5 there shall be no waiver of subrogation and any contractual or other legal liability of any **Assured**, to each other shall not be excluded or discharged by reason of being insured under the same **Certificate of Insurance**. Any payment by the Insurer to any **Assured**, in respect to any liabilities, losses and expenses shall operate only as satisfaction not exclusion or discharge of the liability of any **Assured** to each other;
- 5.16.6 the Insurer shall not be bound to issue any **Certificate of Insurance** or any **Endorsement** to more than one **Assured** delivery of which to whom shall be sufficient delivery to all;
- 5.16.7 payment to any one **Assured** of any sums payable by the **Insurer** shall be a sufficient discharge of the **Insurer** for the same;
- 5.16.8 failure by one **Assured** to provide particulars and information within his knowledge (or which could with reasonable diligence be ascertained by him) shall be deemed to have been the failure of all;
- 5.16.9 conduct of one **Assured** which is sufficient to bar that **Assured's** right under this policy shall bar the rights of recovery of all and the knowledge (including deemed knowledge) of one **Assured** shall be deemed to be the knowledge (including deemed knowledge) of all;
- 5.16.10 any provision of these **Policy Terms** which would entitle the **Insurer** to reject or reduce recovery in respect of one **Assured** shall be deemed to apply to all;
- 5.16.11 any communication from the **Insurer** to one **Assured** shall be deemed to have been communicated to all other **Assureds** on the same **Certificate of Insurance**;
- 5.16.12 any communication from one **Assured** to the **Insurer** shall be deemed to have been made with the full approval and authority of all;
- 5.16.13 the **Insurer** shall be entitled to pay all sums to one **Assured** on behalf of all **Assureds** listed in the same **Certificate of Insurance**; and
- 5.16.14. no **Assured** shall be entitled to recover from the **Insurer** in respect of any dispute or claim arising with any other **Assured** in respect of an **Insured Event**.

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5.17 **Notice of claim:** Without prejudice and subject to any provision in the Certificate of insurance regarding notifications, when an **Insured Event** has occurred, or is believed to have occurred, the **Insured** shall:

- 5.17.1 notify both the **Insurer** and **S-RM** (or, where another independent crisis management consultant has already been agreed with the **Insurer's** prior written approval, such consultant), and provide whatever information is required, as soon as is practicable
- 5.17.2 inform or allow **S-RM** (or, where another independent crisis management consultant has already been agreed with the **Insurer's** prior written approval, such consultant), to inform the appropriate law enforcement authorities including (save where the **Illegal Seizure** or **Kidnap** takes place in international waters) those responsible for law enforcement in the country where the **Insured Event** has occurred, or is believed to have occurred, of the **Insured Event**, including any **Ransom** demand, as soon as is practicable, but taking into consideration the personal safety of the victim;
- 5.17.3 before agreeing to the payment of any **Ransom**, make every reasonable effort to:
 - (a) determine that the **Insured Event** has actually occurred and is not a hoax; and
 - (b) ensure that the **Assured**, by a senior officer or principal, agrees to the payment of the **Ransom**.

If the **Assured** fails to comply with its obligations in paragraphs 5.17.1 to 5.17.3 then this Policy shall afford no cover, and no indemnity or other sum shall be payable, in connection with that **Insured Event**.

5.18 **Notices:** Service of any notice or other document required under the **Policy Terms** by the **Insurer** on the **Assured** may be sent through the post in a prepaid letter or by courier or by **Electronic Means** all of which shall be addressed to the **Assured** at any address identified by the **Assured** to the **Insurer** expressly or impliedly as the **Assured's** place of business,

- 5.18.1 PROVIDED that if the insurance by the **Insurer** on behalf of the **Assured** is through a broker or other agent on behalf of the **Assured**, or if the **Insurer** has been notified that a broker or other agent is to be involved in any manner whatsoever with the insurance, any such notice or other document may be addressed to that broker or agent and served by prepaid letter or by courier or by **Electronic Means** at the address of any place of business of that broker or agent and such service shall be deemed to be service on the **Assured**.
- 5.18.2 In the **Policy terms**, "address" in relation to 'Electronic Means' has the meaning set out in paragraph 7(1) of Part 3 of Schedule 4 and paragraph 7(1) of Part 3 of Schedule 5 of the Companies Act 2006.
- 5.18.3 Service of any notice or other document required under these terms and conditions by the **Assured** on the **Insurer** shall be by any of the methods described in this Clause, sent to the address of the registered office of the **Insurer**.

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- 5.18.4 If posted, any such notice or other document as referred to in this Clause shall be deemed to have been served 24 hours after the letter containing the same was put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter. Any such notice or other document sent by courier shall be deemed to have been served at the time of delivery and any such notice or other document sent by **Electronic Means** shall be deemed to have been served at the time it was sent and in proving such service it shall be sufficient to prove that the notice or other document was duly dispatched.
- 5.18.5 Every successor, legal personal representative, receiver, *curator bonis* or other legal curator, trustee in bankruptcy or liquidator of the **Assured** shall be bound by a notice or other document given as aforesaid if sent as aforesaid, notwithstanding that the **Insurer** may have notice of the **Assured's** death, mental disorder, bankruptcy, liquidation, incapacity or administration
- 5.18.6 In the case of the **Assured** comprising of more than one legal entity, all notices or documents under the **Policy Terms** may be served on one such legal entity in any manner referred in this Clause and such service on that legal entity shall be deemed to be service on all legal entities comprising the **Assured**.
- 5.19 **Offset:** The **Insurer** shall be entitled to set-off amounts due to the **Assured** and/or any **Insured Person** under the Policy against any sums due from the **Assured** and/or any **Insured Person** to the **Insurer**.
- 5.20 **Other insurance:** The insurance provided by this Policy will be excess over any other valid and collectible kidnap, ransom and/or illegal seizure insurance (except for the **Assured's** Hull and Machinery insurance, the **Assured's** Marine War Risk insurance and/or the **Assured's** Protection and Indemnity insurance).
- If the **Assured** or **Insured Person** has other insurance (except for the **Assured's** Hull and Machinery insurance, the **Assured's** Marine War Risk insurance and/or the **Assured's** Protection and Indemnity insurance) against an **Insured Event** covered by this Policy that purports to be excess of this insurance, the **Insurer** will not be liable under the Policy for a greater proportion of such loss and claims expenses than the applicable Limits of Liability stated in the **Certificate of insurance** bears to the total applicable limit of insurance of all valid and collectible insurance against such loss.
- 5.21 **Personal Accident:** With regard to any **Insured Loss** as a result of a **Personal Accident**, the following additional conditions apply:
- 5.21.1 Where more than one injury, as listed in clauses 3.23.1 to 3.23.5, is sustained by the same **Insured Person**, the **Insurer** shall not pay in the aggregate above the highest single limit.
- 5.21.2 Where an **Insured Person** dies within 24 hours of sustaining an injury listed in clauses 3.23.1 to 3.23.5, the **Insurer** shall make payment only under clause 3.23.6, and shall not make any payment in respect of such prior injury.
- 5.22 **Presentation / payment of claims:** It is understood and agreed that:

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- 5.22.1 The **Assured** will, save at the sole discretion of the **Insurer**, present, agree, receive and enforce payment of any **Insured Loss** under the Policy (whether in respect of any **Insured Loss** sustained by the **Assured** or any **Insured Person**).
- 5.22.2 If more than one legal entity is named in this Policy as an **Assured**, only the first-named entity shall have the right to present, agree, receive or enforce payment of any **Insured Loss**.
- 5.23 **Reinsurances:** The **Insurer** may reinsure in whole or in part risks insured under these terms and conditions. Where such reinsurance is arranged:
- 5.22.1 the **Assured** shall be entitled to recover only the net amount actually recovered under such reinsurance arrangements, together with that portion (if any) of the risk or risks retained by the **Insurer**; and
- 5.22.2 the **Insurer** shall be at liberty in its sole discretion to delay making payment to the **Assured** until after recovery under such reinsurance;
- 5.22.3 Without prejudice to the generality of the foregoing provisions regarding net recovery and any delay in making payments, the **Assured** shall not be entitled to recovery in respect of that part of any liability, loss, damage, cost or expense which is not recovered by the **Insurer** under any reinsurance(s) arranged by the **Insurer** because of a shortfall in recovery from such parties or reinsurers thereunder by reason of a sanction, prohibition or adverse action against them by a state, international organisation or other authority or the risk thereof if payment were to be made by such parties or reinsurers. For the purposes of this paragraph "shortfall" includes any failure or delay in recovery by the **Insurer** by reason of such parties or reinsurers making payment into a designated account in compliance with the requirements of any state, international organisation or other authority.
- 5.24 **Sanctions:** The **Insurer** shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** (or any re-insurer of the **Insurer**) to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- 5.25 **Subsidiary cover:** All cover afforded by a subsidiary of the Insurer and all contracts relating thereto shall be deemed to incorporate the provisions of these **Policy terms**.
- 5.26 **Subrogation:** The **Insurer** waives all rights of subrogation against the **Assured's** Hull & Machinery, Protection & Indemnity and/or Marine War Risks insurers. In all other cases in the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all rights of recovery of the **Assured** and/or any **Insured Person**. The **Assured** and any **Insured Person** shall execute all papers required and shall do everything necessary to enable the **Insurer** to bring an action in the name of the **Assured** or the **Insured Person**.

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- 5.27 **Termination:** Any contract of insurance evidenced by these **Policy Terms** may be terminated by the **Insurer** at any time with not less than 7 days' written notice to the **Assured** or, in the event that the **Assured** declares or manifests an intention not to pay premium or any other amount due to the **Insurer** with immediate effect upon notice to the **Assured**. The **Period of Insurance** will end on the date of the notice. Earned premium shall be calculated on a pro-rated basis and the **Insurer** is entitled to a lien over the **Insured Ship(s)** for premiums and any other amounts due to the **Insurer**.
- 5.28 **Territory/Geographical Limits:** This policy applies to an **Insured Event** anywhere in the world except as excluded or otherwise limited by the **Certificate of Insurance** (including any **Endorsement**) and/ or by any **Constitution of Additional Premium Areas**.
- 5.29 **Uncovered Loss.** if any Crisis Consultants' fees and expenses are incurred following an event which is subsequently agreed not to be an **Insured Event**, the **Insurer** shall pay all **S-RM** fees and expenses incurred within the seven (7) days immediately following the initial notification to **S-RM** by the **Insured**. Any fees and expenses incurred beyond seven (7) days shall be payable by the **Insured**.
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