

## Small Craft customers insured for H&M and/or P&I in Gard Marine & Energy Limited or Gard Marine & Energy Insurance Europe AS – Coronavirus Exclusion Clause, Cyber Endorsement and special extension of cover for Covid-19 risks

We refer to [Member Circular No. 15/2020](#) regarding the amendments to the P&I Rules for Ships for 2021 and to [Member Circular No. 16/2020](#) regarding fixed premium P&I covers reinsured outside the International Group's Pooling Agreement.

As set out in Member Circular No. 16/2020, to harmonize standard terms of cover for fixed premium P&I entries with the governing reinsurance arrangement,<sup>1</sup> it was necessary to include, *inter alia*, the Coronavirus Exclusion Clause (LMA 5395) and the Cyber Endorsement (LMA 5403) in the Rules for Mobile Offshore Units (MOUs); the Additional Covers -Terms and Conditions for 2021; and in the individual Certificates of Entry for Charterers' P&I risks with effect for the 2021 policy year commencing on 20 February 2021.

Small Craft H&M and P&I insurances are written by either Gard Marine & Energy Limited, Norway branch or Gard Marine & Energy Insurance Europe AS and are part of the reinsurance arrangements for Marine & Energy business. To harmonize standard terms of cover for Small Craft H&M and P&I entries with the governing reinsurance arrangements<sup>2</sup>, it is necessary to include Coronavirus and Cyber exclusion clauses in the relevant policies.

### Cyber exclusion

The Institute Cyber Attack Exclusion Clause – Cl. 380 as set out in **Appendix 1** is a market cyber exclusion wording already included in Small Craft H&M policies. This exclusion will continue to be included for all Small Craft H&M risks.

**For Small Craft P&I risks** the Cyber Endorsement (LMA 5403) as set out in **Appendix 2** will be included in all Small Craft Certificates of Entry/Insurance Policies issued after 7 February 2021 with effect for the 2021 policy year commencing on 20 February 2021.

### Coronavirus exclusion

For Small Craft H&M risks and P&I risks the Coronavirus Exclusion Clause (LMA 5395) as set out in **Appendix 3** will be included in all Small Craft Certificates of Entry/Insurance Policies issued after 7 February 2021 with effect for the 2021 policy year commencing on 20 February 2021.

### Coronavirus extension

To meet the needs for protection against the Coronavirus risk within the fixed P&I segment, it was stated in Member Circular No. 16/2020 that Members and clients in respect of certain categories of covers will be offered a special extension of cover. The extension of cover (hereinafter referred to as the 'Special Covid-19 Extension') shall comprise liabilities, losses, costs and expenses falling within

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<sup>1</sup> Fixed premium P&I covers are reinsured outside the International Group's Pooling Agreement.

<sup>2</sup> Renewal offers sent to customers state that renewal is subject to reinsurance terms.

the scope of terms of entry agreed but for the Coronavirus Exclusion Clause (LMA 5395) and subject to a sub-limit of USD 10 million per ship or vessel per event.<sup>3</sup>

In addition to the categories of covers listed in Member Circular No. 16/2020, the Special Covid-19 Extension as set out in **Appendix 4** shall apply for all Small Craft P&I risks.<sup>4</sup> All P&I Small Craft Certificates of Entry/Insurance Policies issued after 7 February 2021 with the Coronavirus Exclusion Clause (LMA 5395) included will therefore also have the Special Covid-19 Extension Clause included.

No additional premium will be levied in respect of the Special Covid-19 Extension for the Small Craft P&I risks for the 2021 policy year.

**Small Craft Certificates of Entry/Insurance Policies issued before 7 February 2021**

Since Small Craft Certificates of Entry/Insurance Policies issued before 7 February 2021 do not include the Coronavirus Exclusion Clause (LMA 5395), the Cyber Endorsement (LMA 5403) and the Special Covid-19 Extension, these clauses shall by virtue of this Circular be deemed to be added to the individual Certificates of Entry/Insurance Policies with effect for the 2021 policy year commencing on 20 February 2021. This Special Circular shall be deemed to be an endorsement to all individual Small Craft Certificates of Entry/Insurance Policies for the 2021 policy year issued before 7 February 2021.

Members and customers having received Certificates of Entry/Insurance Policies issued for the 2021 policy year before 7 February 2021 will in due course receive updated Certificates of Entry/Insurance Policies containing the Coronavirus Exclusion Clause (LMA 5395), the Cyber Endorsement (LMA 5403) and the Special Covid-19 Extension Clause. Translation of the clauses to Norwegian, Swedish and Finnish is available on request.

If you have any questions about the Coronavirus Exclusion Clause, the Cyber Endorsement or the Special Covid-19 Extension for Small Craft customers, please contact [Audun Pettersen](#), Chief Underwriting Officer, Arendal.

Yours faithfully,  
**GARD AS**



Rolf Thore Roppestad  
Chief Executive Officer

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<sup>3</sup> No extension of cover is offered in respect of risks excluded pursuant to the Cyber Endorsement

<sup>4</sup> The Special Covid-19 Extension shall not apply to Small Craft H&M risks

## **Appendix 1 - The Institute Cyber Attack Exclusion Clause – CI. 380**

1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use 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.

2.1 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.

## Appendix 2 - Cyber Endorsement (LMA 5403)

1 Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use 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.

2 Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, 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.

3 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, paragraph 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.

LMA5403 11 November 2019

### Norwegian translation:

#### **MARINE CYBER TILLEGG Cefor Form 2020 / 286A**

1. Med mindre annet følger av paragraf 3 under skal denne forsikringen ikke dekke tap, skade, ansvar eller kostnader direkte eller indirekte forårsaket av, eller medvirket til, eller oppstått ved bruk eller drift av datamaskiner, datasystemer, datamaskinprogramvare, ondsinnet kode, datavirus, dataprosesser eller andre elektroniske systemer hvor bruken eller driften har som mål å påføre skade.

2. I henhold til vilkårene, begrensningene og eksklusjonene i polisen som denne klausulen er et tillegg til, skal erstatningen som ellers er tilgjengelig herunder ikke begrenses av bruk eller drift av datamaskiner, datasystemer, datamaskinprogramvare, dataprosesser eller andre elektroniske systemer om denne bruken eller driften ikke har som mål å forårsake skade.

3. Når denne klausulen er et tillegg til poliser som dekker krigsrisiko, borgerkrig, revolusjon, opprør eller borgerstrid som oppstår derfra, eller en fiendtlig handling av eller mot en krigersk makt, eller terrorisme eller en person som handler fra et politisk motiv, skal første paragraf ikke ekskludere tap (som ellers ville vært dekket) forårsaket av bruk av datamaskiner, datasystemer eller datamaskinprogramvare eller andre elektroniske systemer i oppskytningsystemer og/eller styringssystemer og/eller avfyringssystemer for våpen eller missiler.

*Dette er en Cefor oversettelse av LMA5403 – MARINE CYBER ENDORSEMENT fra original engelsk tekst. Dersom det er motstrid mellom den engelske originalen og den norske oversettelsen skal den originale engelske teksten gis forrang.*

## Appendix 2 - Cyber Endorsement (LMA 5403)

### Finnish translation:

#### **MARINE CYBER LAUSEKE Cefor Form 2020 / 286B**

1. Jollei kohdasta 3 muuta johdu, tämä vakuutus ei kata menetyksiä, vahinkoja, vastuita tai kustannuksia, jotka suoraan tai välillisesti aiheutuvat, liittyvät tai johtuvat minkä tahansa tietokoneen, tietokonejärjestelmän, -ohjelmiston, haittakoodin, tietokoneviruksen, tietojenkäsittelyprosessin tai muun elektronisen järjestelmän käytöstä tai toiminnasta, kun tarkoituksena on vahingon aiheuttaminen.

2. Jollei vakuutus sopimuksen ehdoista, rajoituksista tai poikkeuksista muuta johdu, ei maksettavaksi tulevaa korvausta rajoiteta tietokoneen, tietokonejärjestelmän, -ohjelmiston, tietojenkäsittelyprosessin tai muun elektronisen järjestelmän käyttämisestä tai toiminnasta johtuen, jos tarkoituksena ei ole ollut vahingon aiheuttaminen.

3. Kun vakuutus sopimus kattaa sotariskin, sisällissodan, vallankumouksen, kapinan, kansannousun tai siitä johtuvan kansalaislevottomuuden tai osapuolten tekemän taikka niitä vastaan tehdyn vihamielisen teon, terrorismin tai kenen tahansa poliittisia tarkoituksia edistävän toiminnan, kohta 1 ei sulje pois vahinkoja (jotka muutoin olisi katettu) jotka johtuvat minkä tahansa tietokoneen, tietokonejärjestelmän tai -ohjelmiston tai muun elektronisen järjestelmän käytöstä tai joka liittyy aseiden tai ohjuksen laukaisu- ja/tai ohjausjärjestelmän ja/tai laukaisumekanismien käyttöön.

*Tämä on Ceforin suosittama käännös LMA5403 — MARINE CYBER ENDORSEMENT lausekkeesta, jonka alkuperäinen versio on englanninkielinen. Jos eri kieliversiot ovat keskenään ristiriidassa, sovelletaan englanninkielistä versiota.*

### Swedish translation:

#### **MARINE CYBER KLAUSUL Cefor Form 2020 / 286C**

1. Med undantag för det som anges i tredje stycket nedan ska denna försäkring inte täcka förlust, skada, ansvar eller kostnader som direkt eller indirekt orsakats av, eller bidragits till, eller som uppstått vid användande eller drift av datorer, datorsystem, programvara, skadlig kod, datorvirus, datorprocess eller andra elektroniska system, där uppsåtet varit att påföra skada.

2. Med förbehåll till villkoren, begränsningarna och undantagen i försäkringsavtalet som denna klausul har inkorporerats i, ska ersättning som annars skulle utges inte begränsas av användande eller drift av datorer, datorsystem, programvara, datorprocesser eller andra elektroniska system, där uppsåtet med användandet eller driften inte varit att påföra skada.

3. När denna klausulen har inkorporerats i försäkringsavtal som täcker krigsrisk, inbördeskrig, revolution, uppror eller inbördes stridigheter som uppstår därigenom, eller envar fiendlig handling av eller mot en krigsförande makt, eller terrorism eller annan person som agerar med ett politiskt motiv ska första stycket inte undanta skador (som annars hade varit täckta) försakade av användande eller drift av datorer, datorsystem eller programvara eller andra elektroniska system i uppskjutningssystem och/eller styrsystem och eller avfyrningssystem för vapen eller missiler.

*Detta är en av Cefor rekommenderad översättning av LMA5403 – MARINE CYBER ENDORSEMENT från engelsk originaltext. Vid motsägelser mellan den engelska originaltexten och denna översättning så ska den engelska originaltexten ges företräde.*

## Appendix 3 – Coronavirus Exclusion Clause

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

This insurance excludes coverage for:

- 1) any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:
  - a) Coronavirus disease (COVID-19);
  - b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
  - c) any mutation or variation of SARS-CoV-2; orfrom any fear or threat of a), b) or c) above;
- 2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;
- 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 a), b) or c) above or the fear or the threat thereof.

All other terms, conditions and limitations of the insurance remain the same.

LMA5395  
09 April 2020

## Appendix 4 - Special Covid-19 Extension

The contract of insurance evidenced by this Certificate of Entry/Cover Note/Insurance Policy is for the P&I risks covered under this Certificate of Entry/Cover Note/Insurance Policy extended to include liabilities, losses, costs and expenses falling within the scope of cover pursuant to terms of entry agreed as specified in this Certificate of Entry/Cover Note/Insurance Policy but for the Coronavirus Exclusion clause. The Association's/Insurer's liability under this COVID-19 EXTENSION CLAUSE shall be limited to USD 10 million per Ship or Vessel per event. All other terms, conditions and limitations of the insurance remain the same.