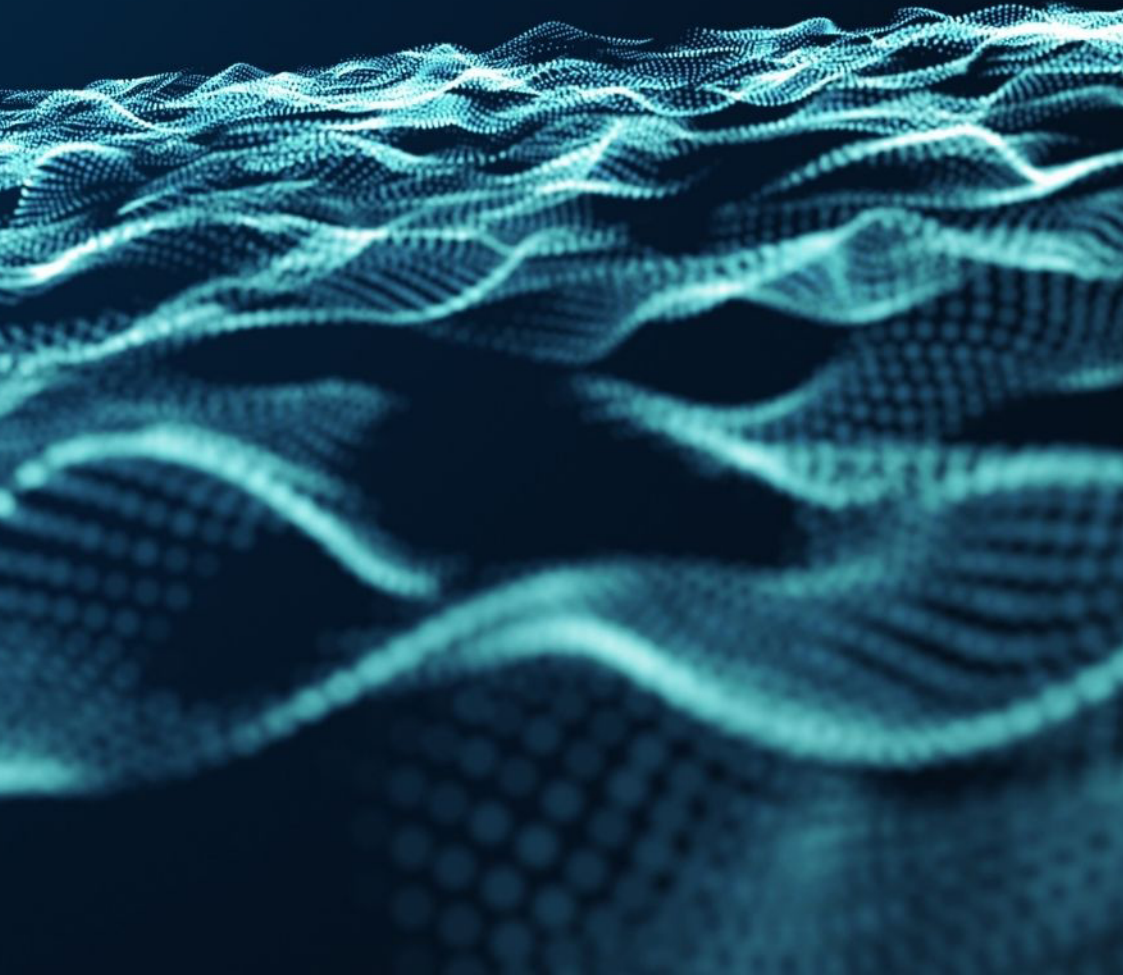




Steamship  
Mutual

# Cyber Cover

## Terms and Conditions



# Managers' Area Representatives

## London

Yacht Team	Direct Line	Mobile	Email
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Rupert Harris	+325 25 268441	+44 (0)7979 240916	Rupert.Harris@simsi.com
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Tom Railton	+44 (0)20 7650 6587	+44 (0)7748 624213	Tom.Railton@simsi.com

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james.ingham@simsi.com

# STEAMSHIP MUTUAL

Underwriting Association Limited

## Directors

A Pohan (Chairman)  
C J Ahrenkiel  
C B Adams  
C Bouch  
I Grimaldi  
C J Madinabeitia  
S J Martin  
A Tung  
R Zagari

## Managers

Steamship P&I Management LLP  
C B Adams  
S T Alfrey  
J H D Andrews  
C A Brown  
G M Field  
R W Harris  
S J Martin  
M A Shelmerdine  
A Thawani  
J N Westmore

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Registration Number 105461 England

Authorised by the Prudential Regulation Authority and  
regulated by the Financial Conduct Authority and  
Prudential Regulation Authority.  
PRA and FCA registration number 202548

Company limited by guarantee in 1909

## Emergency Contact Details

For emergency assistance when the London office is closed, please contact the relevant personnel from the contact details listed on page 02.

Additionally at weekends or during public holidays, staff on duty can be contacted on the following mobile telephone number:

M: +44 (0)7831 784 051  
duty.team@sims1.com

Alternatively refer to the Club's website at:

[www.steamshipmutual.com/list-of-vessels.html](http://www.steamshipmutual.com/list-of-vessels.html)  
[www.steamshipmutual.com/syndicate-structure-and-staff-directory.html](http://www.steamshipmutual.com/syndicate-structure-and-staff-directory.html)

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## Part A

### Scope of Cover

#### 1. Policy Terms

The terms and conditions of the **Member's** insurance with the **Association** are contained in:

- i These Terms and Conditions; and
  - ii The Certificate of Entry; and
  - iii Any endorsements to the Certificate of Entry;
- collectively "the Policy Terms".

THE FIRST PARTY COVERAGES, OTHER THAN THE CYBER EXTORTION AND RANSOMWARE COVERAGE, COVER ONLY EVENTS THAT OCCUR ON OR AFTER THE RETROACTIVE DATE OR BEFORE THE END OF THE POLICY PERIOD AND THAT ARE DISCOVERED DURING THE POLICY PERIOD.

THE CYBER EXTORTION AND RANSOMWARE COVERAGE APPLIES ONLY TO CYBER EXTORTION DEMANDS OR RANSOMWARE DEMANDS FIRST MADE AGAINST THE MEMBER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE.

ANY CLAIM, EVENT AND OR DEMAND MUST BE REPORTED TO THE ASSOCIATION IN ACCORDANCE WITH THE NOTIFICATION REQUIREMENTS SET OUT HEREIN.

WHERE NOTED, THE LIMITS OF LIABILITY INCLUDE DEFENCE COSTS.

WORDS AND TERMS THAT APPEAR IN BOLD FACE TYPE BELOW ARE DEFINED TERMS IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY.

#### 2. Preamble

In consideration of the payment of Premium by the **Legal Member** to the **Association** hereunder, and subject to the terms, conditions, limits, retentions and exclusions of this Policy, the **Legal Member** and the **Association** agree as follows:

The following Coverages apply only to claims and losses in respect of the entered vessels set out within this policy and do not under any circumstances provide coverage for claims in respect of shoreside

offices or other tangible or intangible property which is not onboard the **Entered Vessel**.

#### 3. Heads of Cover

##### A. Maritime Cyber Response Costs

The **Association** will indemnify the **Member** for any **Breach Response Costs** solely relating to the **Entered Vessel's Network** up to the Limit of Liability and excess of the **Retention**, set out in the Policy Terms, arising out of an actual or suspected **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** that first occurs on or after the **Retroactive Date** and is Discovered during the **Policy Period**.

Should the **Member** retain a firm or company from the list of **Pre-Approved Providers** from the **Maritime Cyber Response Panel**, as stated herein, the **Member** may incur **Breach Response Costs** without first obtaining the **Association's** prior written consent for the period of time stated in the Certificate of Entry only and for an amount not to exceed the amount stated in the Certificate of Entry. Such amount shall be part of and not in addition to the Limits of Liability contained herein. Within 72 hours of retaining such Provider, the **Member** must provide notification to the **Association**.

Any **Breach Response Costs** incurred after the period of time listed in the Certificate of Entry and any **Breach Response Costs** incurred that do not utilise a firm or company from the **Pre-Approved Providers** from the **Maritime Cyber Response Panel** are subject to the **Association's** prior written consent.

The **Association** must be notified of any **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** in accordance with Part E Rule 9 i Notification.

##### B. Maritime IT System Restoration Costs

The **Association** will indemnify the **Member** for any **Restoration Costs** on board an **Entered Vessel** up to the Limit of Liability and excess of the **Retention**, as stated in the Certificate of Entry, incurred as a direct result of damage to the **Member's Data** or **Member's Programs** caused by:

- a. **Computer Attack;**
  - b. **Any Operational Error;**
  - c. **Accidental damage of hardware;**
  - d. **Failure of back-up generators; or**
  - e. **Electrostatic build-up and static electricity;**
- that first occurs on or after the **Retroactive Date** and is **Discovered** during the **Policy Period**. The **Association** must be notified of any **Enumerated Harm** in accordance with the provisions herein under **Notification**

**C. Member's Network Failure – Income Loss and Extra Expense**

The **Association** will indemnify the **Member** for any **Income Loss** and **Extra Expense** in respect of the **Entered Vessel** calculated in accordance with Part E Rule 9 iv up to the **Limit of Liability** as stated in the **Certificate of Entry**, incurred by the **Member** due to the suspension or deterioration of the **Member's** business during the **Period of Restoration** directly as a result of the total or partial interruption, degradation in service or failure of the **Member's Network**, provided that the duration of such interruption, degradation or failure exceeds the **Time Retention** and was directly caused by:

- a. **Computer Attack;**
- b. **Any Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

that first occurs on or after the **Retroactive Date** and is **Discovered** during the **Policy Period**. The **Association** must be notified of any **Enumerated Harm** in accordance with the **Notification** requirements herein.

The **Association** will not be liable for any **Income Loss** and **Extra Expense** incurred during the **Time Retention**. The **Time Retention** will apply to each **Period of Restoration**.

**D. Outsource Service Provider – Income Loss and Extra Expense**

The **Association** will pay the **Member** for any **Income Loss** and **Extra Expense** in respect of the **Entered Vessel**, up to the **Limit of Liability**, as stated in the **Certificate of Entry**, incurred by the **Member** due to the suspension or deterioration of the **Member's** business during the **Period of Restoration** directly as a result of the total or partial interruption, degradation in service or failure of a **Network** operated by an **Outsource Service Provider** for the **Member**, provided that the duration of such interruption, degradation or failure exceeds the **Time Retention** and was directly caused by:

- a. **Computer Attack;**
- b. **Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

that first occurs on or after the **Retroactive Date** and is **Discovered** during the **Policy Period**. The **Association** must be notified of any **Enumerated Harm** in accordance with the **Notification** requirements herein.

The **Association** will not be liable for any **Income Loss** and **Extra Expense** incurred during the **Time Retention**. The **Time Retention** will apply to each **Period of Restoration**.

**E. Cyber Extortion and Ransomware**

The **Association** will reimburse the **Member** in respect of any **Cyber Extortion/Ransomware Payments** and any **Cyber Extortion/Ransomware Expenses** solely relating to the **Entered Vessel's Network** up to the **Limit of Liability** and excess of the **Retention**, as stated in the **Certificate of Entry**, incurred directly as a result of a **Cyber Extortion Demand** or **Ransomware Demand** first made against the **Member** during the **Policy Period** and reported to the **Association** in accordance with the **Notification** requirements herein.

For the avoidance of doubt, the **Association** will not reimburse the **Member** for any **Cyber Extortion/Ransom Payments** and any **Cyber Extortion/Ransom Expenses** relating to shoreside offices or other tangible or intangible property which is not on board the **Entered Vessel**.

## Part B

### 4. Exclusions

Unless otherwise agreed by endorsement of the Certificate of Entry, the **Association** shall have no liability or obligation for losses or costs incurred by shoreside offices or other tangible or intangible property which is not on board the **Entered Vessel**.

The **Association** shall have no liability or obligation under this Policy for any **Claim, Event or Demand** or any amount arising out of or in connection with:

#### i. Prior Acts

Any acts, facts, incidents or circumstances that occurred prior to the **Retroactive Date** or any act, fact, incident or circumstance first occurring on or after the **Retroactive Date** that is related to any acts, facts, incidents or circumstances occurring prior to the **Retroactive Date**.

#### ii. Prior Knowledge

Any acts, facts, incidents or circumstances, which took place prior to the **Policy Period** if:

- a. any **Member** of the **Control Group** knew or could have reasonably foreseen before the **Policy Period** could be the basis of a **Claim, Event or Demand** during the **Policy Period**; and which the **Member** did not disclose to the **Association** before the inception of this Policy; or
- b. The **Member** reported such acts, facts, incidents or circumstances to another insurer prior to the inception of this Policy.

#### iii. Bodily Injury/Property Damage

- a. Loss or destruction of or damage to any physical or tangible property, including **Hardware**, or any replacement or repair of any physical or tangible property including **Hardware**, unless covered under 'Accidental damage of hardware' under Heads of Cover B, C or D of this Policy. Covered **Damages** or **Breach Response Costs** arising from a **Privacy breach** as a result of the loss of physical or tangible property including **Hardware** are not excluded.

- b. Death or bodily injury, except that this exclusion shall not apply to actual or alleged wrongful infliction of emotional distress or mental anguish or other mental injuries.

#### iv. Satellite, Electrical or Mechanical Failures

Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; outages to electricity, gas, water, telephone, cable, telecommunications; gradual deterioration of overhead transmission, distribution lines or subterranean insulation or cabling or other infrastructure, unless such infrastructure is under the **Member's** operational control.

#### v. Governmental Action

Any action of, or restrictions or requirements imposed by, a State or local government authority, including the enforcement or investigation of any regulation of that State or local government.

#### vi. Fire, Smoke, Lightning, Weather or Seismic Events

Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or any other natural weather or seismic event.

#### vii. Intentional Acts

Any actual or alleged deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest act if committed by the **Member** or their servants or agents with the knowledge, connivance or acquiescence of a member of the **Control Group**, provided that this Policy will cover **Defence Costs** incurred for defending any **Claim** alleging such deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest acts until such conduct is evidenced by a final adjudication adverse to the **Member**. The **Association** will have the right to recover **Defence Costs** incurred from those parties found to have committed or acquiesced to the deliberate, intentional, malicious, criminal, unlawful, or fraudulent act.



### viii. Terrorism, War or Labour Actions

Any act of terrorism, strike or similar labour action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, or any action taken in controlling, preventing or suppressing any of these things. Notwithstanding the foregoing however, this exclusion does not apply to **Cyber Terrorism**.

### ix. Pollutants

An actual, alleged or threatened presence, discharge, dispersal, release, or escape of a **Pollutant**; or a governmental or regulatory directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize a **Pollutant**, or in any way respond to or assess the effects of a **Pollutant**.



### x. Employment Practices Claim

An **Employment Claim** or any **Claim** made by a **Member** against another **Member**.

### xi. Contractual Liability

Liability assumed by the **Member** under the terms of any contract or agreement or any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise, except this exclusion shall not apply:

- a. In respect of liability which would have existed even in the absence of such contract or agreement.
- b. In respect of a breach of the **Member's** own privacy policy or the **Member's** network security policy.

- c. In respect of indemnity provisions regarding the protection of **Personally Identifiable Non-Public Information** or non-public confidential corporate or other business information.

### xii. Inaccurate Description

Any actual or alleged inaccurate, incomplete or inadequate description or price of goods, products or services.

### xiii. Discrimination

Any actual or alleged discrimination of any kind.

### xiv. Intellectual Property Infringement

Any actual or alleged breach or infringement of a **Third Party's** intellectual property right by a **Member**, including but not limited to any patent or the misappropriation, theft, copying, display or any publication of any trade secret.

### xv. Unfair Competition

Any actual or alleged violation of any unfair competition or anti-trust laws, deceptive trade practices, or restraint of trade or antitrust statute, legislation or regulation.

### xvi. Illegal or Unlicensed Programs

The **Member's** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection.

### xvii. Violation of Securities Laws

Any actual or alleged:

- a. purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or the laws of non-US jurisdictions similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law;
- b. violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or the laws

of non-US jurisdictions, whether such law is statutory, regulatory or common law; or

- c. violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments and/or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant thereto;



xviii. Unsolicited Communication:

Any actual or alleged:

- a. unlawful and/or unsolicited distribution of email, direct mail, text messages or facsimiles;
- b. unlawful telemarketing, or
- c. eavesdropping, wiretapping or audio or video recording, including but not limited to **Claims** alleging any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), or any federal or state anti-spam statutes, or any other federal or state statute, law or regulations relating to a person's or entity's right

of seclusion or the laws of non-US jurisdictions similar to the foregoing.

xix. Fluctuation of Markets/Values and Theft

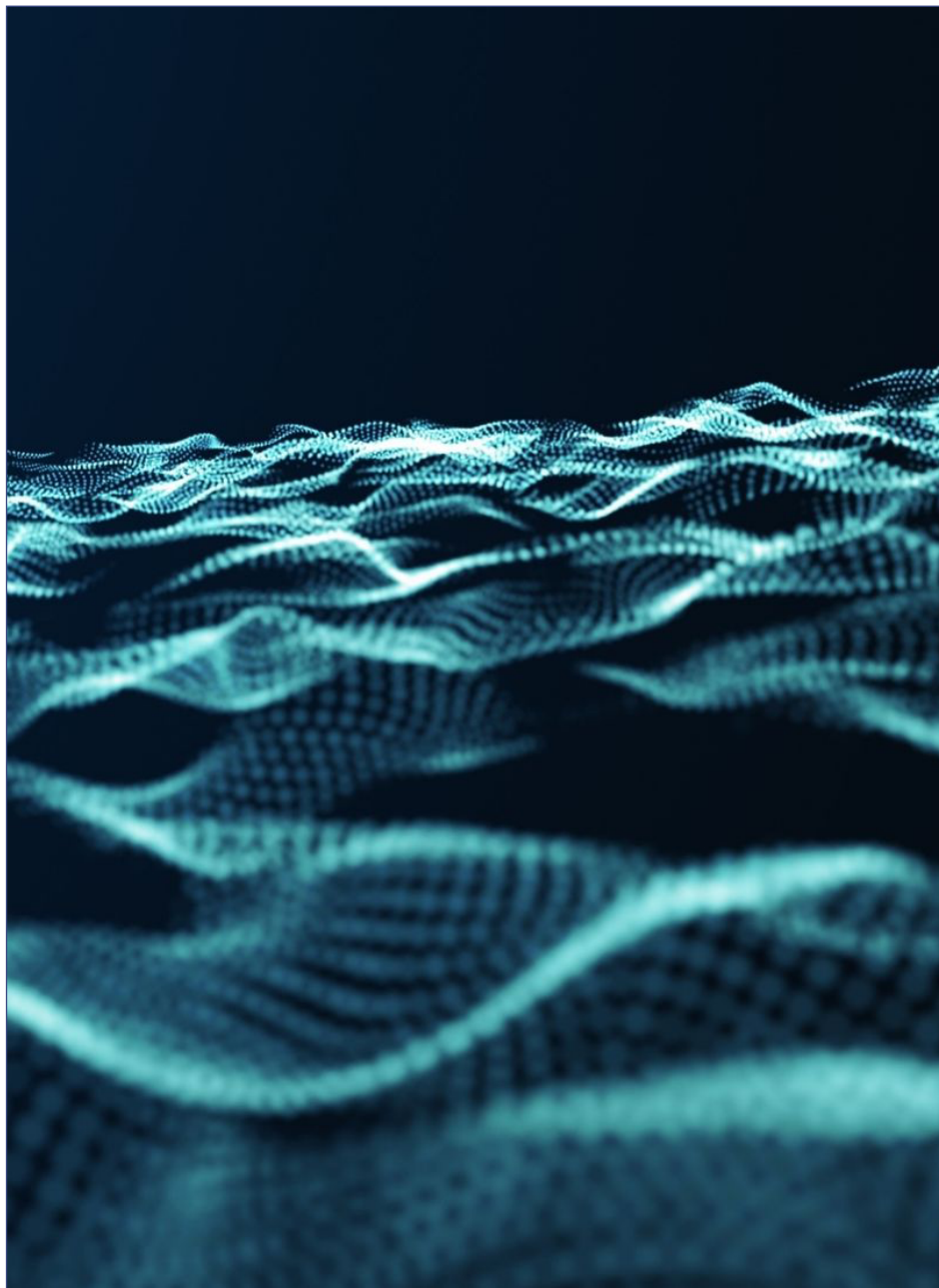
- a. Any trading losses or trading liabilities (including commissions or fees) resulting from the fluctuation of any stock, share, security or currency on any financial markets or exchanges;
- b. the monetary value of any electronic fund transfers, transactions by or on behalf of the **Member** which are lost, diminished, or damaged during transfer from, into or between accounts;
- c. the theft of any money, securities or any equivalents thereof (including e-certificates, coupons, gift cards and vouchers); or
- d. the face value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount.

xx. Fair Credit Reporting Act

Any actual or alleged violation of the Fair Credit Reporting Act (FCRA), any amendments related to FCRA, including the Fair and Accurate Credit Transaction Act of 2003 (FACTA) and any similar federal or state statute, law or regulations, or the laws of non-US jurisdictions similar to the foregoing.

xxi. Illegality

The use of an **Entered Vessel** for any illegal purpose during the period of this insurance, or performing any voyage or being employed in any trade or activity which in the opinion of the **Association** is imprudent, unsafe, unduly hazardous or improper.



## Part C

### Limits of Liability, Retention, and Claims Handling

#### 5. Limits of Liability

- i. The Total Aggregate Limit of Liability set forth in the Certificate of Entry is the most the **Association** will pay under this policy, regardless of the number or types of **Damages, First Party Losses** or any other losses, the number of **Claims, Events or Demands**, the number of persons or entities insured, or the number of claimants.
- ii. Subject to the Total Aggregate Limit of Liability set forth in the Certificate of Entry, the Limits of Liability set forth herein are the most the
- iii. **Association** will pay under each head of cover regardless of the number or types of **Damages, First Party Losses** or any other losses, the number of **Claims, Events or Demands**, the number of persons or entities insured, or the number of claimants.
- iii. Should more than one head of cover apply to any one **Claim, Event or Demand**, only the highest of the applicable Limits of Liability shall apply. Subject to the applicable limits of liability, the **Association** has the sole discretion to allocate amounts paid, if any, against the appropriate applicable Limit of Liability.



## 6. Retention

- i. The **Retention** amount set forth herein shall apply to each and every **Claim, Event or Demand**. The **Retention** shall be satisfied by the **Member's** payment of **Damages, Defence Costs**, as applicable. If more than one head of cover applies to any **Claim, Event or Demand**, only the highest **Retention** applies, but the **Time Retention** for heads of cover entitled "**Insured's Network Failure – Income Loss and Extra Expense**" and "**Outsource Service Provider – Income Loss and Extra Expense**" will always apply to these heads of cover in addition to that highest **Retention**.
- ii. The **Members** are responsible for payment of any applicable **Retention**, which will be borne by the **Members** uninsured and at their own risk. The **Association's** obligation to pay under this Policy is excess of the applicable **Retention** and the **Association** will only be liable for the amount in excess of such **Retention**, not to exceed the **Association's** Limits of Liability as stated in the Certificate of Entry. The **Member** shall make direct payments within the **Retention** to the appropriate parties or as may be directed by the **Association**.
- iii. The **Association** will not reimburse a **Member** in respect of **Income Loss and Extra Expense** incurred during the **Time Retention** stated in the Certificate of Entry.

## 7. Related Claims, Events or Demands

- i. All **Claims Events or Demands** that are covered under a single Head of Cover and that arise out of the same acts, facts or circumstances or that arise out of acts, facts or circumstances that are causally or logically connected shall be considered a single **Claim, Event or Demand** first made when the earliest such **Claim or Demand** was made; or when the earliest such **Event** was first **Discovered** and only one Limit of Liability or **Retention**, as stated in the Certificate of Entry will apply.
- ii. A **Claim or Demand** will be deemed to be first made on the earliest date any member of the **Control Group** receives notice of a demand, request or investigation or the date of service upon or other receipt by a **Control Group** member of a complaint in any proceeding.
- iii. An **Event** will be deemed to occur when the **Event** is **Discovered**.



## Part D

### 8. Warranties

- i. By the acceptance of this Policy, the **Control Group** warrants that:
  - a. The statements contained in the **Application** are their agreements and representations and that these shall be deemed material to the risk assumed by the **Association**, and that this Policy is issued in reliance upon the truth thereof.
  - b. When it:
    - (i) applies for insurance;
    - (ii) renews that insurance; and
    - (iii) negotiates any change to the insurance;

it shall make to the **Association** a fair presentation of the risk in compliance with Part 2 of the English

Insurance Act 2015 including disclosure:

- (i) of every material circumstance which it knows or ought to know; or
- (ii) providing sufficient information to place the **Association** on notice of the need to make further enquiry for the purposes of revealing those circumstances; and
- (iii) in which every material representation as to a matter of fact is substantially correct, and every representation as to a matter of expectation or belief is made in good faith;

save that Section 8 of the Act shall have no application and Rule 8 iv shall apply irrespective of whether any breach of the duty of fair presentation is innocent, deliberate or reckless.

- c. It shall immediately disclose to the **Association** any material change in any material particulars and information or any material alteration in the risk.
- ii. Notwithstanding the foregoing the **Association** agrees:
  - a. not to void this policy for non-disclosure or misrepresentation of facts or untrue

statement in the **Application** unless such non-disclosure or misrepresentation of facts or untrue statement was made by a member of the **Control Group** and was made fraudulently or with intent to deceive; and

- b. if a. above does not apply, in respect of any non-disclosure or misrepresentation of facts or untrue statement in the **Application** by a member of the **Control Group** where such non-disclosure or misrepresentation has prejudiced the Association's consideration of terms under this policy, the **Association** has the right to amend the terms and conditions in light of such prejudice caused to the **Association's** interests.

The **Application** is deemed incorporated into and made a part of this Policy.

- iii. Solely in respect of the Head of Cover entitled "Cyber Extortion and Ransomware", the **Member** shall not disclose the existence of this Policy to any **Third Party** without the prior consent of the **Association**.

#### iv. Class and Code Compliance

Unless otherwise agreed by endorsement of the Certificate of Entry, an **Entered Vessel** shall throughout the period of entry be maintained in Class with a Classification Society approved by the **Association**, and comply at all times with the requirements of:

- (a) ISM; and
- (b) ISPS;

insofar as applicable to an **Entered Vessel**.

On request of the **Association** the **Member** shall make the **Entered Vessel** available for inspection and survey as soon as reasonably practicable, including any documentation whether on board or not relating to the operation or condition of the **Entered Vessel** as is requested. Where the condition of the **Entered Vessel** as surveyed in the opinion of the **Managers** so requires, the **Managers** may require repairs to be carried out within a time specified by them.



## Part E

### 9. General Terms and Conditions

#### Notification

- i. If any **Claim** or **Demand** is first made before the end of the **Policy Period**; or any **Event** is first **Discovered** prior to the end of the **Policy Period**, it is a condition precedent to coverage under this Policy that the **Member** notify the **Association** in writing as soon as reasonably practicable, but in no event later than sixty days after the expiration of the **Policy Period**. Notice shall be issued to the person or entity specified in the Policy Schedule, together with every demand, notice, summons, or other process received by the **Member** in connection with such **Claim** or **Demand** or together with all available pertinent acts, facts and details regarding the loss or the **Event**.
- ii. If during the **Policy Period**, a member of the **Control Group** becomes aware of any acts, facts, or circumstances that could reasonably be a basis for a **Claim**, the **Member** must give written notice of the following information to the **Association**, as soon as practicable during the **Policy Period**: specific details of the acts, facts, or circumstances that could reasonably be the basis for a **Claim**; possible damages or other amounts potentially covered under this Policy that may result or have resulted from the acts, facts or circumstances; details regarding how the **Member** first became aware of the acts, facts, or circumstances; and any relevant logs and documentation, which provide further details regarding the acts, facts, or circumstances. Any subsequent **Claim** arising out of such acts, facts or circumstances, which is the subject of the written notice, will be deemed to be a **Claim** first made at the time the foregoing written notice was first given to the **Association**.
- iii. If the **Member** is unable to provide notification required under the Policy due to a prohibition by any governmental authority, the **Member** will use its best efforts to provide the **Association** with allowable information to put the **Association** on notice of a covered or potentially covered matter until such time that details can be legally provided.
- iv. Contact with or notification to any **Pre-Approved Providers from the Cyber Response Panel** is not considered and does not constitute notification under the Policy for any purpose hereunder.
- v. It is the sole responsibility of the **Member** to report any matter to any applicable governmental, regulatory or law enforcement authorities if appropriate.





A **Claim** and/or any loss shall be considered to be reported to the **Association** when notice is first given to the **Association**.

- vi. The **Member** shall permit the **Association** to investigate and/or handle any incident or matter which will or may result in a claim insured by the **Association**. Irrespective of whether a claim is handled by the **Association**, the **Member** will co-operate fully in the handling of such a claim and, in particular:
  - a. obtain the **Managers** prior approval before instructing lawyers, experts or other third party provider of services;
  - b. keep the **Managers** fully informed as to the matter and instruct any lawyers or other professionals to do the same;
  - c. take all reasonable steps to collect and preserve evidence, and provide information or documentation promptly when requested;
  - d. use its best endeavours to make witnesses available to be interviewed, provide statements or to give evidence;
  - e. comply with any direction of the **Managers** as to the initiation of proceedings, handling, settlement or discontinuance of any claim.
  - f. no claim shall be abandoned, settled or discontinued nor any liability admitted nor any other material step taken whatsoever which may affect any claim upon the **Association** by or on behalf of the **Member** without the prior consent in writing of the **Managers**.

vii. **Extended Reporting Provision**

- a. In the event of cancellation or non-renewal of this insurance by the **Member** or the **Association** and solely in the event that the **Member** is not insured under any other policy providing the type of coverages for which the **Member** was insured hereunder, the **Legal Member** shall have the right, upon payment of an additional premium, to purchase a 12 month **Extended Reporting Period** at 100% of the total Policy premium, for **Claims** first made against the **Member** and notified to the **Association** during the **Extended Reporting**

**Period**, with regard to any acts, facts, and circumstances occurring or committed after the **Retroactive Date** and before the end of the **Policy Period**, subject to the conditions set forth herein. In order for the **Legal Member** to invoke the **Extended Reporting Period** option, the **Legal Member** must pay the **Association** the additional premium in full within 30 days of the non-renewal or cancellation.

- b. The Limits of Liability for the **Extended Reporting Period** shall be part of and not in addition to the Limits of Liability for the **Policy Period** contained in the Policy.
- c. The **Legal Member's** right to the **Extended Reporting Period** shall not be available where cancellation or non-renewal by the **Association** is due to non-payment of premium or the **Member's** failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable **Retention**.
- d. All notices and premium payments with respect to the **Extended Reporting Period** shall be directed to the **Association**.
- e. At the commencement of the **Extended Reporting Period** the entire premium shall be deemed earned; in the event that the **Member** terminates the **Extended Reporting Period** for any reason prior to its natural expiration, the **Association** will not be liable to return any premium paid for the **Extended Reporting Period**.
- viii. **Calculation of Income Loss and Extra Expense**

Calculation of **Income Loss** and **Extra Expense** under the Head of Cover entitled "**Member's Network Failure – Income Loss and Extra Expense**", and "**Outsource Service Provider – Income Loss and Extra Expense**".

The **Member** can make a claim for **Income Loss** in respect of an **Entered Vessel** under the Head of Cover entitled "**Member's Network Failure – Income Loss and Extra Expense**" and **Outsource Service Provider – Income Loss and Extra Expense**" to be calculated as follows:

- a. The Agreed Daily Indemnity set out in the Certificate of Entry, pro rata per hour for part days, whether the **Entered Vessel** is chartered or not, during the **Period**

of **Restoration**. Any amount recoverable hereunder will be reduced by any hire, freight or other income earned during this period. Each **Entered Vessel** shall be considered separately when calculating the commencement and expiry of the **Period of Restoration**.

- b. Port and Deviation expenses when incurred solely and directly as a result of an insured **Event**. The expenses recoverable are limited to those additional costs of fuel, insurance, crew wages, stores, provisions and port charges over and above the ordinary operating costs of the **Member**, which are incurred as a direct result of the deviation, less any savings in expenditure which would have been incurred by the Member but for the deviation.
- c. The **Association** will not be liable for any Agreed Daily Indemnity or other **Income losses** after the end the expiry of the **Period of Restoration**.

ix. **Proof of Loss**

The **Member** shall provide as soon as practicable, but in any event no later than 180 days after a loss is **Discovered**, a Proof of Loss detailing the **First Party Losses** for which it is seeking coverage under this Policy, including as may be appropriate:

- a. information and evidence known to the **Member** of the facts relating to the loss event, threat, or failure, the amount of the loss;
- b. a description of the incident and any **Data, Programs** and equipment involved;
- c. identification of involved personnel;
- d. copies of available system and security logs, and any reports of outside experts and consultants; and
- e. any other information as reasonably requested by the **Association**.

The **Member** may provide an interim Proof of Loss and request interim payment from the **Association** if the loss is incapable of being fully quantified.

x. **Subrogation**

If any payment is made under this Policy and there is available to **Members** any of the **Member's** rights of recovery against a **Third Party**, then the **Member** shall maintain, and the **Association** shall be subrogated to, all such rights of recovery. The **Member** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Member** shall do nothing to prejudice such rights without the **Association's** prior written approval. Any recoveries shall be applied first to subrogation expenses, second to **Damages, Defence Costs**, and any other amounts paid by the **Association**, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Member**.



xi. **Other Insurance**

Coverage afforded hereunder shall apply only as excess over any valid and collectible insurance or indemnity available to any **Member**, including any self-insured retention or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Total Aggregate Limit of Liability or any other applicable Limit of Liability of this Policy, as provided in the Policy Schedule.

xii. **Loss Mitigation**

The **Member** shall take all reasonable steps to avoid or mitigate and prevent any **Claim, Event** or **Demand**, and to assist in the defence of all legal actions brought against it by **Third Parties**. Once an **Event** has been **Discovered** or a **Claim** or **Demand** has been made, the **Member** must take all reasonable steps to prevent **Damages, Defence Costs**, and to prevent incurring any amounts that might be covered under this Policy.

xiii. **Acquisitions, Mergers, Liquidation or Dissolution**

a. If during the **Policy Period**, the **Legal Member** or any **Subsidiary** acquires any entity whose annual revenues are more than a twenty percent (20%) increase in the **Legal Member's** total assets or gross revenue for the four quarterly periods directly preceding the date of acquisition, it shall be deemed a **Subsidiary** under the Policy but only upon the condition that within thirty (30) days of it becoming a **Subsidiary**, the **Legal Member** shall have provided the **Association** with full details regarding the new **Subsidiary** and agreed to any additional premium and/or amendment of the provisions of this Policy required by the **Association** relating to such new **Subsidiary**, subject to advanced review and acceptance by the **Association** of full and complete underwriting information. Coverage is only extended to any **Subsidiary** for any **Claim**, loss, or other notification under this Policy that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

b. Should the **Legal Member** be acquired by, consolidate with, or merge into another entity, enter into liquidation or dissolution, or sell or dispose of substantially all of its assets, this Policy shall respond only with respect to acts, errors or omission first committed or any incident, facts, circumstances, or events first occurring before the date of acquisition, consolidation, merger, sale, liquidation or dissolution. No coverage shall be provided by this Policy for any **Claim, Event** or **Demand** arising out of

acts, errors or omission first committed or any incident, facts, circumstances, or events first occurring after the date of such acquisition, consolidation, merger or sale unless the **Legal Member** provides written notice to the **Association** prior to such acquisition, consolidation, merger or sale, the **Legal Member** has agreed to any additional premium and terms of coverage required by the **Association** and the **Association** has issued an endorsement extending coverage under this Policy.

xiv. **Forbearance**

Any steps taken by, or on behalf of, the **Association** in circumstances where the **Association** would otherwise have the right to repudiate liability for a claim, whether with or without knowledge of such circumstances, shall not constitute a waiver of the **Association's** rights under these Rules to repudiate liability for such claim. Nor shall any actual waiver or exercise of discretion in favour of a **Member** in respect of a breach of these Rules disentitle the **Association** from relying on any rights hereunder in respect of any subsequent breach. Where payments have been made by the **Association** to the **Member** which the **Managers** thereafter consider should not have been paid, the **Managers** shall have the right to give written notice requiring the **Member** to reimburse the same, which reimbursement shall be made by the **Member** within 14 days of receipt of the notice requiring them to do so.

xv. **Fraud**

If any **Member** notifies a **Claim, Event** or **Demand** under this Policy that is fraudulent, as regards amount or otherwise, the **Association** may elect (in their sole discretion) to terminate this Policy in its entirety with effect from the time of the fraudulent act and in which case this Policy shall be of no effect whatsoever and all amounts requested or owed for such fraudulent **Claim, Event** or **Demand** shall be forfeited. Further, in circumstances where the **Association** are entitled to terminate this Policy, the **Association** may instead elect to give notice to the **Legal Member** that the Policy remains in full force and effect, but no indemnity or any other payment will be made for any **Claim, Event** or **Demand** based upon, directly or indirectly arising out of, or in any way involving the circumstance that entitled

the **Association** to terminate this Policy. For the avoidance of doubt, if the **Association** elects to terminate this Policy such termination will not affect the policy with respect to a relevant event occurring prior to the fraudulent act. A relevant event is whatever gives rise to the **Association's** liability under this policy (such as the making of a claim or the notification of a circumstance).

xvi. **Action against the Association**

No action shall lie against the **Association** unless and until, as a condition precedent thereto, the **Member** shall have fully complied with all provisions, terms and conditions of this Insurance, and the amount of the **Member's** obligation to pay shall have been finally determined either by judgment or award against the **Member** after trial, regulatory proceeding, arbitration or by written agreement of the **Member**, the claimant and the **Association**. No person or organization shall have the right under this Policy to join the **Association** as a party to an action or other proceeding against the **Member** to determine the **Member's** liability, nor shall the **Association** be impleaded by the **Member** or the **Member's** legal representatives. The **Member's** bankruptcy or insolvency or of the **Member's** estate shall not relieve the **Association** of their obligations hereunder.



xvii. **Reinsurance**

- a. The **Association** shall have the right in its discretion to effect the reinsurance or ceding of any risks insured by the **Association** with such reinsurers and on such terms as the **Managers** shall consider appropriate.
- b. The **Association** shall cease to have any liability whatsoever to the **Member** in respect of that part of any liabilities, costs and expenses which are reinsured under, but not recovered by the **Association** from parties to any reinsurance contract or arrangement 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 or International Organisation or other competent authority or the risk thereof if payment were to be made by such parties or reinsurers. If the **Association** has indemnified the **Member** (and/or made payment pursuant to a Certificate of Financial Responsibility or any other guarantee issued to or on behalf of a **Member**) in respect of any liabilities, costs and expenses which are reinsured hereunder, and there is subsequently a shortfall in recovery from such parties or reinsurers thereunder by reason of a sanction, prohibition or adverse action against them by a State or International Organisation or the risk thereof if payment were to be made by such parties or reinsurers, the **Member** shall repay to the **Association** on demand the amount of any shortfall.

xviii. **Termination of insurance**

This insurance shall terminate on the happening of any of the following events:

- a. **Automatic termination**
  - (i) In the case of an individual **Member**, on him becoming deceased, bankrupt, subject of a receiving order, or making any arrangements with his creditors or becoming incapable of conducting his affairs;
  - (ii) If the **Member** is wound up, dissolved or placed in receivership or seeks protection from its creditors;

- (iii) If the ownership of the **Entered Vessel** is legally transferred, unless the beneficial ownership of the transferor and transferee is the same and 14 day's prior notification of the transfer has been given to the **Managers**;
  - (iv) If, without the **Manager's** prior written consent, the **Member** parts with or transfers the entire control or possession of the **Entered Vessel** by demise charter or otherwise;
  - (v) If the **Entered Vessel** becomes an actual or constructive total loss or is accepted or acknowledged by hull underwriters as being a constructive or compromised total loss;
  - (vi) 10 days from the date of the **Entered Vessel** being last heard of;
  - (vii) If a creditor takes uncontested possession of the **Entered Vessel** pursuant to any security interest therein.
  - (viii) If the management of the **Entered Vessel** is changed and unless within seven days of being given written notice of such change of management which shall be given forthwith, the **Managers** consent in writing to such change.
- b By reason of an act or omission of the Assured**
- i. If the **Member** fails to pay when due and demanded by the **Managers** any amounts due from it to the **Association**, the **Managers** shall be entitled in their absolute discretion either:
    - (a) By notice in writing, to terminate the insurance of the **Entered Vessel** in respect of any policy year to which the **Member's** default relates with effect from the beginning of that policy year in which event the **Association** shall:
      - (i) Return to the **Member** any premium paid for that policy year after deduction of any sums already paid by the **Association** and of any sums for which the **Association** is or thereafter may become liable in respect of the **Entered Vessel** for that year;
      - Provided always that:  
If the total amount of the sums already paid and/or which may become payable to the **Association** exceeds any premium paid for that policy year, the **Member** shall be and remain liable for the difference.
    - (ii) Not be liable for claims in respect of the **Entered Vessel** arising by virtue of events occurring in any policy year to which the termination of entry relates.
  - (b) By notice in writing, to terminate the insurance with the **Association** of the **Entered Vessel** in respect of the policy year to which the **Member's** default relates, with effect from the date given in such notice which shall be in the **Manager's** absolute discretion in which event the **Association**:
    - (i) Shall be entitled to that proportion of all premiums as the actual period of insurance in respect of the **Entered Vessel** bears to the policy year;
    - (ii) Not be liable in respect of claims in relation to the **Entered Vessel** arising by virtue of any event in the policy year to which the **Member's** default relates occurring after the date of termination.
- c By notice given by the Managers**
- i Where:

- (a) the **Member** has failed to comply with the obligations set out in Part D Rule 8 i and ii;
  - (b) in the opinion of the **Managers**, there has been a material alteration of risk;
  - (c) the **Entered Vessel** ceases to be Classed unless not required to do so under the terms of the Certificate of Entry;
  - (d) the **Entered Vessel** fails to comply with the statutory requirements of the Flag State or no longer possesses valid statutory certificates;
  - (e) the **Member** fails to make the **Entered Vessel** available for survey when requested by the **Managers**;
  - (f) the **Member** fails to comply, in the opinion of the **Managers**, with recommendations for repair within the time specified;
  - (g) the condition of the **Entered Vessel** as surveyed in the opinion of the **Managers** so requires;
- the **Managers** may terminate the insurance of the **Entered Vessel** by written notice forthwith or from a time and date specified in such notice or, in the **Managers'** absolute discretion:
- (i) determine that there shall be no right to recover claims during the period in which the **Entered Vessel** ceases to be classed or the **Entered Vessel** or the **Member** is non-compliant or the **Entered Vessel's** condition so requires;
  - (ii) exclude cover for claims arising out of or contributed to by such non-compliance or condition or reduce recovery to the extent of such contribution;
  - (iii) vary the terms and conditions of this insurance whether as to premium and/or the exclusion
- or limitation of covered risks save that where the **Member** does not accept such variation, it may terminate this insurance by notice in writing to the **Managers** given within 7 days of being notified of the variation.
- ii. The **Managers** may by 30 days' notice in writing to the Assured at any time terminate the insurance of the **Entered Vessel**.
- xix. **Territory**
- This Policy applies to any acts, events, breaches or threats or any other matter detailed under the relevant insuring agreements, no matter where committed, suspected, or alleged to have been committed or wherever occurring anywhere in the world.
- xx. **Authorisation**
- By acceptance of this Policy, each **Member** agrees that the **Legal Member** shall act on behalf of all **Members** for all purposes including the negotiation of the terms of this **Policy**, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of this **Policy** and giving and receiving notice of cancellation of this **Policy**.
- xxi. **Assignment**
- The interest hereunder of any **Member** is not assignable and no assignment or subrogation whatsoever and howsoever arising of any interest under these Policy Terms shall bind the **Association** to any extent whatsoever. If a natural person **Member** shall die or be adjudged incompetent, such insurance shall cover the **Member's** legal representative as the **Member** as would be permitted by this **Policy**.
- xxii. **Headings**
- The titles of paragraphs, sections, provisions or endorsements of or to the Policy Terms are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy Terms.
- xxiii. **Singular Form of a Word**

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.



#### xxiv. Sanctions

##### a. Where:

- (i) the provision of insurance to the **Member** or any other entity insured under that **Member's** entry or of any **Entered Vessel** or any voyage or carriage is or becomes prohibited, unlawful or sanctionable; or
- (ii) the ownership, management, operation, charter and/or employment of an **Entered Vessel** may howsoever expose the **Member** entering such **Entered Vessel** and/or the **Association** and/or any other **Member** of the **Association** to the risk of being or becoming subject to any sanction, prohibition or adverse action of whatsoever nature by any state or international organisation;

the insurance by the **Association** of that **Member** or entity or **Entered Vessel** or voyage or carriage shall cease from the date when such insurance or ownership, management, operation, charter and/or employment becomes prohibited, unlawful or sanctionable, or in the opinion of the **Managers** the risk thereof arises.

When the risk of any such sanction, prohibition or adverse action ceases, insurance by the **Association** may be reinstated on such terms and conditions and from such date and time as the **Managers** determine in their discretion.

- b. No claims, liabilities, costs or expenses shall be paid or recoverable from the **Association** where such payment or recovery is prohibited or would constitute a sanctionable activity or in the opinion of the **Managers** may expose the **Association** to the risk of being or becoming subject to any sanction, prohibition or adverse action other than, where permitted, payment into a designated account in which event the **Association's** liability shall be discharged by and to the extent of such payment.
- c. In the event of cesser of insurance of a **Member** or of an **Entered Vessel** pursuant to this Rule, the **Member** shall remain liable for premium and any other sums due, and such cesser shall be without prejudice to any other rights available to the **Association** under these Terms and/or otherwise.



#### xxv. Entire Agreement

This Policy consists of the **Application**, the policy and any endorsements thereto. By acceptance of the Policy, all **Members** agree that this Policy embodies all agreements between the **Association** and the **Members** relating to this Policy. Notice to any agent or knowledge



possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the **Association** from asserting any right under the terms of this Insurance; nor shall the terms of this Insurance be waived or changed, except by endorsement issued to form a part of this Policy signed by the **Association**.

xxvi **Choice of Law**

- a. This insurance shall be governed by, and construed in accordance with, English law, provided always that:

- (i) The sections of the English Insurance Act 2015 as set out in the proviso to Part D Rule 8 i b and Rule xxxi b above shall not apply, and
- (ii) no benefits or rights are conferred or intended to be conferred, under or through the operation of the Contract (Rights of Third Parties) Act 1999.

- b. Exclusion of Insurance Act 2015

To the extent that these Terms and Conditions and any Certificate of Entry or other policy document issued hereunder are subject to the English Insurance Act 2015, from its entry into force, the following Sections shall be excluded and have no application save to the extent provided in the case of Section 13A of the Act with the effects as set out in subparagraphs a-e below:

Excluded Provisions – Effect

- (i) Section 10 – All warranties must be strictly complied with and in the event of breach, the **Association's** liability is discharged from such date irrespective of whether such breach is subsequently remedied.
- (ii) Section 11 – The **Association** shall be entitled to exercise any rights provided in the Policy Terms arising in consequence of the **Member's** non-compliance with the Policy Terms tending to reduce the risk of loss of

a particular kind, or at a particular location or time. The **Association** shall be so entitled notwithstanding that such non-compliance could not have increased the risk for the loss which actually occurred in the circumstances in which it occurred.

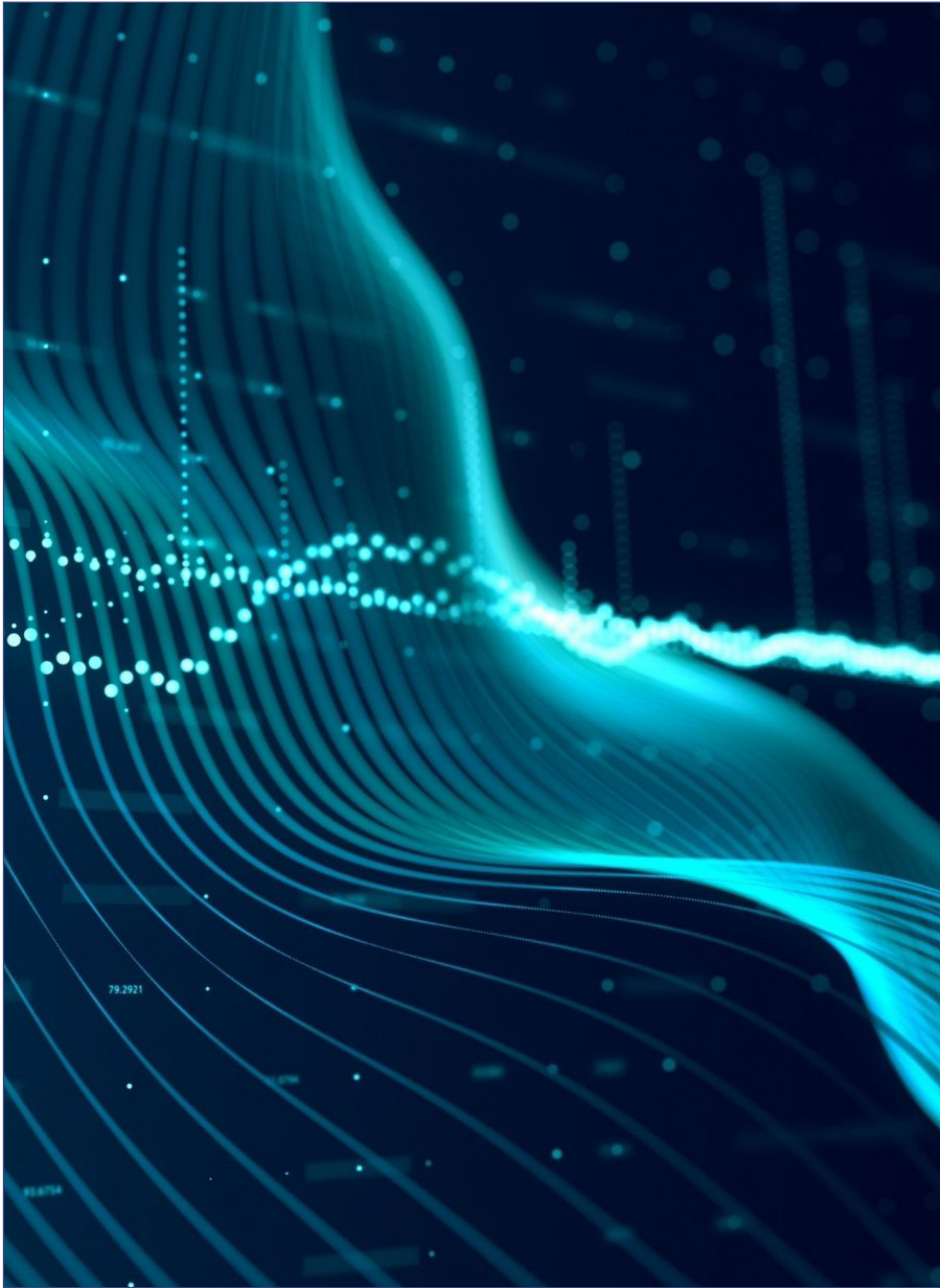
- (iii) Section 13 – In the event that a fraudulent claim is made by any party insured hereunder the **Association** shall be entitled to terminate the policy in respect of all parties insured pursuant to that entry or any of them as the **Managers** so decide in their absolute discretion.

- (iv) Section 13A – No claim shall be brought against the **Association** for breach of the implied term that the **Association** will pay to the **Member** any sums due in respect of a claim within a reasonable time save where or to the extent that any breach is deliberate or reckless.

- (v) Section 14 – The contract evidenced by the Policy Terms requires the **Member** and the **Association** to observe the duty of utmost good faith and non-observance by one party shall entitle the other to avoid the policy.

- c. Any difference or dispute whatsoever and howsoever arising between or affecting the **Member** and the **Association** and concerning the insurance shall be subject to arbitration in London unless the **Association** elects for the jurisdiction of the Commercial Court in London. In the absence of such election, unless the **Managers** agree in writing to the appointment by the **Association** and the **Member** jointly of a sole arbitrator, the Tribunal shall consist of three arbitrators who shall be Queen's Counsel currently in practice at the Commercial Bar in London, one to be appointed by each party, the third by the two so chosen. The Arbitration Act 1996 shall apply.





# Appendix

## Definitions

**Application** means the **Member's** signed application for insurance and any attachments or other information and materials submitted in connection with this Policy, or during the **Policy Period** whether in respect of themselves or a newly acquired entity. All such applications, attachments, information, and materials are deemed attached to and incorporated into this Policy.

**Association** mean the insurers providing this insurance.

**Breach Response Costs** mean the following costs and expenses:

- a. Reasonable and necessary costs and expenses to engage a lawyer as a breach coach to handle, respond and project manage the breach; including costs and expenses incurred by the **Member** to notify the population impacted or potentially impacted by a breach and any applicable regulator in accordance with applicable privacy regulations. This shall specifically include legal expenses and other costs incurred to determine whether a suspected breach is in fact a breach.
- b. Reasonable and necessary costs and expenses to appoint a public relations consultant to aid the **Member** in mitigating the reputational damage caused by a **Network Security Breach**, **Privacy Breach**, or a **Confidentiality Breach**.
- c. Reasonable and necessary forensics costs and expenses incurred for the purposes of conducting a review or investigation of the source, scope and extent or cause of an actual or suspected **Network Security Breach** and to terminate the **Network Security Breach**.
- d. Costs to set up and manage a call centre and to provide call centre support to any individuals impacted or potentially impacted.
- e. Costs to provide credit monitoring and/ or identity theft assistance solutions to the population impacted or potentially impacted

by a breach for a period as legally required up to a maximum of 2 years, reasonably and necessarily incurred by the **Member**, including but not limited to credit file monitoring and protection, purchase of identity theft insurance and consultation services.

**Claim** means:

- a. A written demand for **Damages** or non-monetary relief against any **Member**;
- b. A civil proceeding for **Damages** against any **Member**;
- c. The institution of an arbitration, mediation or other alternate dispute resolution proceeding against any **Member** for **Damages**;
- d. A verbal or written request to extend the applicable limitation period for a **Claim** for **Damages**;

**Computer Attack** means a denial of service attack, use of malicious code/malware, computer virus or any other unauthorised use of the **Member's Network** (including use by an authorised person for an unauthorised purpose), which is either intended to cause damage to the **Member's Network**, or as a result of an attack elsewhere, causes damage to the **Member's Network**.

**Confidentiality Breach** means:

- a. The breach of any legal, regulatory or contractual requirement (including implied contract) to protect the security or confidentiality of non-public corporate or other business confidential information, including but not limited to cargo information, business plans and forecasting information, valuations, product development, banking and tax practice.
- b. The failure to destroy non-public corporate or other business confidential information including but not limited to business plans and forecasting information, valuations, product development, banking and tax practice, which breaches a legal, regulatory or contractual requirement.

**Control Group** means the **Member's** Chief Executive Officer ("CEO"), Chief Information Officer ("CIO"), Chief Technology Officer ("CTO"), Chief Security Officer ("CSO"), Chief Privacy Officer ("CPO"), General Counsel ("GC") or Risk Manager or their functional equivalents within the **Member's** business.

**Customer** means the contracted client of the **Member**

**Cyber Extortion Demand** means a threat by a **Third Party** or **Employee** against the **Member** to:

- a. corrupt, damage or destroy the **Entered Vessel's Network**, or an **Outsource Service Provider's Network** (including through the introduction of malware);
- b. release, divulge, disseminate, destroy or use the **Entered Vessel's Data** or **Programs**;
- c. release, divulge or disseminate **Personally Identifiable Non-Public Information** or any other confidential information into the public domain, obtained through the unauthorised use or access (including use or access by an authorised person for an unauthorised purpose) to the **Entered Vessel's Network**;
- d. restrict or hinder access (including by the use of a denial of service attack) to the **Entered Vessel's Network**, or a **Network** operated for the **Entered vessel** by the **Member** or by an **Outsource Service Provider**; or
- e. electronically communicate with **Third Parties**, **Employees** or customers with the fraudulent intent of obtaining **Personally Identifiable Non-Public Information**;

accompanied by a demand for the payment of money, bitcoin (or any other cryptocurrency), securities or other property of value in order to remove the threat.

**Cyber Extortion/Ransomware Expenses** mean reasonable and necessary expenses incurred by the **Member** in order to meet, eliminate or remove a **Demand** and unencrypt the **Data** and/or **Programs** (where applicable).

**Cyber Extortion/Ransomware Payments** mean payments made by the **Member** to a **Third Party** or **Employee** in order to terminate a **Demand**.

**Cyber Terrorism** means an act or series of acts of any person or groups of persons, whether acting alone or on behalf of or in connection with any entity committed for political, religious or ideological

purposes and directed towards the destruction, disruption or subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks or the contents thereof or sabotage or threat there from. This shall include, but is not limited to, the intention to influence any government and/or to put the public in fear for such purposes.

**Damages** means a monetary judgment, award (including pre and post-judgment interest), or settlement. **Damages** does not include actual or alleged:

- a. Past or future royalties or past or future profits of the **Member**, restitution, disgorgement of profits, or the costs of complying with orders granting injunctive relief or other non-monetary relief, including specific performance, or any agreement to provide such relief;
- b. return or offset of the **Member's** fees, charges, or commissions for goods or services already provided or contracted to be provided;
- c. punitive, multiple, or exemplary damages unless insurable by the law of an applicable venue that would most favour coverage for such punitive, multiple or exemplary damages;
- d. taxes, civil fines, penalties, or sanctions unless insurable by the law of an applicable venue that would most favour coverage for such taxes, civil fines, penalties or sanctions;
- e. criminal fines or penalties or sanctions;
- f. any amounts owed under any express or implied contract, subject to the application of Paragraphs (a), (b) and (c) of Exclusion 'Contractual Liability';
- g. any amounts for which the **Member** is not liable, or for which there is no legal recourse against the **Member**;
- h. unpaid license fees;
- i. liquidated damages;
- j. **Regulatory Penalties**, or
- k. any amount which the **Association** are prohibited from covering as a result of applicable law or regulation.

**Data** means machine-readable information held, stored or processed on a **Network**.

**Defence Costs** means:

- a. Reasonable and necessary legal costs and expenses incurred by the **Member** with the **Association's** prior consent including amounts charged by an attorney approved by the **Association**. However, this does not include legal costs and expenses incurred with regard to a **Regulatory Claim**.
- b. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defence and appeal of a **Claim**. However, this does not include fees, costs, and expenses incurred with regard to a **Regulatory Claim**.

**Defence Costs** do not include any salaries, overhead or other charges incurred by a **Member** for any time spent cooperating in the defence and investigation of any **Claim** or circumstance which might lead to a **Claim** under this Policy.

**Demand** means a **Cyber Extortion Demand** or **Ransomware Demand**.

**Digital Assets** means **Data** and **Programs** that exist in a **Network**. **Digital Assets** do not include any **Hardware**.

**Discovered** or **Discovery** means the moment when any member of the **Control Group** acquires knowledge that would cause a reasonable person to believe that an **Event** of a type covered under this Policy has occurred or will occur, regardless of whether the amount or details of such loss are known or unknown.

**Employee** means any individual in the **Member's** service including any seaman who is directed by the **Member**, including any part-time, seasonal, leased, or temporary workers who are under a contract of service with the **Member** or any individual who is working on the **Member's** behalf, at the **Member's** direction, and under the **Member's** direct control. **Employee** does not include any of the **Member's** partners or directors or **Outsource Service Providers**.

**Employment Claim** means a **Claim** alleging breach of any employment contract, employer-employee relations policies, practices, or any employment-related law or regulation or alleging employee related discrimination of any kind.

**Entered Vessel** means a vessel which has been entered in the Club and is insured by this policy for any of the risks enumerated herein, in the manner hereinafter provided.

**Entered Vessel's Network** means that part of the **Network** which is on board the **Entered Vessel**.

**Enumerated Harm** means:

- a. **Computer Attack**;
- b. **Operational Error**;
- c. accidental damage of hardware;
- d. failure of back-up generators; or
- e. electrostatic build-up and static electricity.

**Event** means **Network Security Breach**, **Privacy Breach**, **Confidentiality Breach** or **Enumerated Harm**.

**Extended Reporting Period** means the designated period of time after the cancellation or non-renewal of the **Policy Period** for reporting **Claims** first made against the **Member** during such designated period of time, prior to the end of the **Policy Period**.

**Extra Expenses** means the **Member's** reasonable and necessary extra expenses incurred to:

- a. avoid or minimize the suspension or deterioration in the **Entered Vessel's** business, which it would not have incurred if the **Enumerated Harms** had not occurred, including but not limited to: the cost of renting or leasing equipment, consultancy fees and third party services, substitute work or production procedures, extra labour costs and expenses for special advertising; and to
- b. minimize or avoid any **Enumerated Harm** to enable the **Entered Vessel's** Business to continue operating; and to
- c. preserve critical evidence of any criminal or malicious wrongdoing; and to
- d. discover and determine the nature of the **Enumerated Harm**.

The total expenses incurred under a) and b) above combined shall not exceed the amount by which the **Member's Income Loss** is reduced by such expenses.

**Extra Expenses** do not include any **Breach Response Costs** or any additional costs to provide credit monitoring and/or identity theft assistance solutions.

**First Party Losses** means **Breach Response Costs**, **Restoration Costs**, **Income Loss** and **Extra Expense**, **Cyber Extortion/Ransomware Payments** and any **Cyber Extortion/Ransomware Expenses**. **First Party Losses**:

- a. Do not include any costs or expenses incurred to identify, patch or remediate software program errors or vulnerabilities of the **Member's Network** except following a covered **Event**.
  - b. In respect of the cover entitled "**Member's Network Failure – Income Loss and Extra Expenses**" or "**Outsource Service Provider – Income Loss and Extra Expense**" only, do not include any:
    - i. Costs or expenses that result in any **Network** having a higher level of functionality than it had before the **Enumerated Harm**;
    - ii. Any bankruptcy, liquidation or insolvency of the **Member**, or an **Outsource Service Provider**;
    - iii. Failure in design, architecture or configuration of any **Network** or **Digital Assets**, which arises out of **Undelivered Programs**;
    - iv. Wear and tear, drop in performance, progressive or gradual deterioration, or aging of electronic equipment and other property or **Hardware** used by the **Member**, or the failure of the **Member** or those acting on the **Member's** behalf to maintain any computer, **Network**, computer software or any other equipment; or
    - v. Diminution in the economic or market value of the **Member's Data** or the **Member's Programs**.
  - c. Do not include any amount which the **Association** is prohibited from covering as a result of applicable law or regulation.
- a. The **Legal Member** and the Joint Assureds shown within the certificate of insurance;
  - b. Any **Subsidiary** of the **Legal Member** and the Joint Assureds shown within the certificate of insurance, but only with respect to any acts, fact or circumstances, insured events, breaches, threats or anything else contained within the policy that occur while it is a **Subsidiary** and is otherwise covered by this policy;
  - c. Any past, present, or future officer, director, trustee, or **Employee** of any party described in a) or b) above, but only while acting within the scope of their duties as such;
  - d. If any party described in a) or b) above is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder or owner thereof, but only while acting within the scope of their duties as such;
  - e. Any agent or independent contractor, other than an **Outsource Service Provider**, including distributors, licensees and sub-licensees, but only while acting on behalf of, or at the direction of, and under the control of any party described in a) or b) above; and
  - f. Any entity, other than an **Outsource Service Provider**, required by contract to be named under this Policy and to whom the **Association** consent in writing, but only for the acts of such entity, as detailed under this policy.

**Member's Data** means **Data** held, stored or processed by the **Member**.

**Member's Network** means a **Network** that is owned, operated and controlled by the **Member**.

**Member's Programs** means

- a. **Programs** owned by the **Member**; and
- b. **Programs** licensed to the **Member** by any **Third Party** or **Outside Service Provider**;

**Legal Member** means the individual, partnership, entity or corporation designated as such on the front page of the Certificate of Entry.

**Network** means onboard, shoreside and inland interconnected electronic, wireless, web or similar systems (including all **Hardware**, **Programs**, or software) used to process **Data** or information in analogue, digital, electronic or wireless format including but not limited to, associated input and

**Hardware** means any and all physical components of a computer system.

**Income loss** means the amount covered under Rule 3 Head of Cover C (**Member's Network Failure – Income Loss and Extra Expense**) and Rule 3 Head of Cover D (**Outsource Service Provider– Income Loss and Extra Expense**) as calculated in Part E Rule 9 viii of these Terms. **Income loss** includes the loss of charter hire and port fees.

**Managers** means Steamship P&I Management LLP and/or its representative.

**Member** means:

output devices, computer programs, electronic data, automation and operating systems and technologies, servers, media libraries, mobile devices, data storage devices, off line storage facilities (to the extent they hold electronic data), networking equipment, wired or wireless peripherals, network connected radar, GPS, chartplotter, autopilot, fishfinder, fibre optic gyrocompass, VHF radio and fuel management systems, mobile devices, electronic data, telecommunications system, websites, extranets, electronic backup facilities and equipment, and media libraries.

**Network Security Breach** means:

- a. The malicious or unauthorized access, takeover or use (including use by an authorized person for an unauthorized purpose) of the **Member's Network**, which either directly or indirectly results in or contributes to the:
  - i. damage, modification, theft, corruption, distortion, copying, deletion, misuse or destruction of **Data, Programs or Networks**.
  - ii. launch of a denial of service attack or failure to prevent or hinder such attack.
  - iii. transmission of malicious code from the **Member's Network** to a **Third Party Network** or failure to prevent or hinder such transmission.
- b. A phishing, pharming, spoofing or any other attack designed similarly to steal **Personally Identifiable Non-Public Information** or non-public corporate or other business confidential information including but not limited to bank details.
- c. The breach of the **Member's** network security policy.

**Operational Error** means an unintentional, accidental, negligent act, error or omission in entering or modifying the **Member's Data** (including the damage or deletion thereof), or in creating, handling, developing, modifying, or maintaining the **Member's Data or Programs**, or in the ongoing operation or maintenance of the **Member's Network**.

**Outsource Service Provider** means an individual or entity that is not an **Member** that provides:

- a) business process services for the **Member** in accordance with a written contract with the **Member**, including human resource, call centre, fulfilment and logistical support; and/or
- b) information technology

services for the **Member** in accordance with a written contract with the **Member**, including hosting, cloud services, security management, co-location and data storage.

**Period of Restoration** means the period of time starting when the total or partial interruption, degradation in service or failure of the **Member's Network** (under C **Insured's Network Failure – Income Loss and Extra Expenses**) or of a **Network** (under D – **Outsource Service Provider – Income Loss and Extra Expense**) began and ending on the earlier of:

- a. The date on which the **Network** is restored to the same or equivalent condition, functionality and level of service that existed prior to such interruption, degradation or failure (or could have been if the **Member** had acted with reasonable speed), plus 30 days beyond this date; or
- b. 180 days after the start of such period.

**Personally Identifiable Non-Public Information** means:

- a. information concerning the individual that constitutes "non-public personal information" as defined under laws, rules, or regulations in each relevant jurisdiction.
- b. medical or healthcare information concerning the individual, including "protected health information" as defined under laws, rules or regulations in each relevant jurisdiction;
- c. information concerning the individual that is defined as private personal information or personal data in any statute, law or regulation that requires notice to persons whose private personal information or personal data was accessed or reasonably may have been accessed by an unauthorized person, entity, or program;
- d. Information concerning the individual that is defined as private personal information under statutes or laws enacted to protect such information in the relevant countries, for **Claims, Events or Demands** subject to the law of such jurisdiction;
- e. the individual's driver licence or state identification number; social security number; unpublished telephone number; and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely

and reliably identified or contacted or allows access to the individual's financial account or medical record information but does not include publicly available information that is lawfully made available to the general public from government records.

**Policy Period** means the period of time set out within this policy or as modified by any earlier cancellation date. **Policy Period** specifically excludes any **Extended Reporting Period**.

**Pollutant** means any pollutant or contamination of any kind, including:

- a. Smoke, vapor, soot, fumes, acid, alkali, chemicals or waste;
- b. Ionizing radiation or contamination by radioactivity from nuclear fuel, or nuclear waste from the combustion of nuclear fuel; or the radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- c. Mold, mildew, spores, fungi, mycotoxins, organic pathogens, or other micro-organisms;
- d. An electromagnetic field, electromagnetic radiation or electromagnetism;
- e. Asbestos, asbestos fibers or asbestos dust; or
- f. Any solid, liquid, gaseous or thermal irritants or contaminants.

**Pre-Approved Providers from the Maritime Cyber Response Panel** means the firms and companies listed herein

**Privacy Breach** means:

- a. The unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Non-Public Information**, which compromises the security or privacy of such information and breaches a legal, regulatory or contractual requirement to protect the security or confidentiality of this information;
- b. Failure to comply with any applicable law, regulation or contractual requirement requiring the disclosure of what is enumerated in "a" above;
- c. The wrongful collection of **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;

- d. The failure to destroy **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;
- e. The breach of privacy rights or any similar or equivalent allegation in the jurisdiction in which the **Claim** is brought; or the breach of the **Member's** privacy policy.
- f. **Confidentiality Breach**

**Programs** means fully functional software, applications, coding and operating instructions that interfaces with **Hardware** to perform tasks.

**Programs** include Electronic Bills of Lading and Global Positioning Systems (GPS).

**Ransomware Demand** means the installation of malware onto the **Member's Network** by a **Third Party** or **Employee**, which encrypts any **Data** or **Programs**, accompanied by a demand for the payment of money, bitcoin (or any other cryptocurrency), securities or other property of value in return for unencrypting the **Data** or **Programs**.

**Regulatory Claim** means any request for information, civil investigative demand or formal investigation of the **Member** by an administrative or regulatory agency or similar governmental body concerning an actual or alleged **Privacy Breach**, **Security Breach** of **Regulations**.

**Regulations** means

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, including amendments contained in the Health Information Technology for Economic and Clinical Health Act (HITECH) and related medical privacy law;
- b. Gramm-Leach Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;
- c. State and Federal statutes and regulations regarding the security and privacy of consumer information;
- d. Government privacy protection regulations or laws relating to the control and use of personal information;
- e. Privacy provisions within consumer protection laws, including but not limited to the Federal Fair Credit Reporting Act (FCRA) and other similar state laws;



- f. Children's Online Privacy Protection Act or similar laws;
- g. The EU Data Protection Act, Directive or GDPR or other similar privacy laws in other jurisdictions;
- h. Identity Theft Red Flag Rules under the Fair and Accurate Credit Transactions Act of 2003 (FACTA);
- i. Baltic and International Maritime Council (BIMCO) or
- j. Any similar laws, rules, or regulations in other jurisdictions, including non-US jurisdictions.

**Restoration Costs** means reasonable and necessary external consultant costs and the **Member's** own expenses (including additional working hours spent by employees) incurred in restoring, updating, repairing, recreating, or replacing damaged **Data** insofar as that part of the **Network** which is on board the **Entered Vessel**, and **Programs** to their original pre-damage condition. The costs will be payable by the **Association** up to a period of 12 months from the date of **Discovery** of any **Enumerated Harm** and will be capped at the re-purchase price of the **Data** and or **Programs**. If these are no longer available for sale in the open market, then the equivalent **Data** or **Programs** where available can be purchased. If the original pre-damage condition cannot be achieved or no equivalent is available, then only the **Member's** reasonable and necessary costs and expenses incurred up the point of this determination will be paid.

**Retention** means the amount specified as such in the Policy.

**Retroactive Date** means the date specified as such in the Policy.

**Subsidiary** means:

- a. any entity of which the **Legal Member** owns on or before the inception date of the **Policy Period** more than 50% of the issued and outstanding voting stock or as otherwise expressly provided in this Policy.
- b. Any entity in which the **Legal Member** acquires 50% of the issued and outstanding voting stock after the effective date of the **Policy Period** provided that such entity does not represent more than a twenty percent (20%) increase in the **Legal Member's** total assets, or gross revenue for the four quarterly periods directly preceding the date of acquisition. However, coverage is only extended to such **Subsidiary** for any **Claim, Event or Demand**, that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

**Third Party** means an entity or person that is not the **Association** or a **Member**.

**Time Retention** means the number of hours as provided in Item 4 of the Policy Schedule that must elapse before the recovery of **Income Loss** and **Extra Expense** can be considered. The **Time Retention** starts at the beginning of the **Period of Restoration**.

**Undelivered Programs** means any programs, updates or software including updates:

- a. where the development stage has not been finalised;
- b. not ready for operational use because they have not yet passed all test runs;
- c. which have not been proven successful in a live environment for a continuous period of 12 months.



## Notes

Notes



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