

Conditions for war risk hull
insurance of mobile offshore units

This insurance shall not be subject to the Insurance Contracts Act of 16 June 1989 No. 69, with the exception of Section 7-8 of the Act. The insurance contract shall be subject to the agreed insurance conditions, the Norwegian Marine Insurance Plan of 1964 (the Plan), and the Insurance Contracts Act of 1930 with the insurance practice which has been developed in connection with these provisions.

Unless otherwise provided in these Conditions or in the Policy, this insurance is governed by the Conditions for Hull Insurance of Mobile Offshore Units.

I. Scope of cover.

1. Perils.

Instead of § 16 of the Plan, the following provisions shall apply:

This insurance covers loss as specified in clause 2. "Losses", except as provided in clause 3. "Exclusions", caused by

- (1) the existence of war or war-like conditions, or the use of arms or other implements of war in the course of military manoeuvres in time of peace or during armed neutrality,
- (2) derelict mines, torpedos, bombs or other derelict weapons of war (the rule in § 22 of the Plan to be applied correspondingly),
- (3) civil commotions, strikes, lock-out, sabotage and the like, including any act caused by any terrorist or any person acting maliciously or from a political motive whether agent of a sovereign power or not, which is not covered by (1),
- (4) piracy and mutiny.

This insurance also covers loss of or damage to the unit resulting from measures by state authorities for the purpose of averting or minimizing pollution damage where the threat of such damage is caused by a peril mentioned in (1)-(4) above.

2. Losses.

This insurance covers:

- (1) Loss specified in § 151 of the Plan (hull insurance).
- (2) Loss specified in Chapter 15 of the Plan (hull-interest insurance).
- (3) Loss specified in Chapter 24 of the Plan (freight-interest insurance).
- (4) "Blocking and trapping" i.e. where the unit for a continuous period of 12 months is prevented from leaving harbour or other limited area so that it is unable to come out to the high seas. Coverage under this clause is according to § 161, subsection 1 of the Plan.
- (5) Loss due to call at port of control, temporary stay etc. in accordance with the following rules:
 - a. In the event of temporary detainment by alien state authorities during a call at a port for control of cargo etc, the Insurer shall compensate the unit's running costs other expenses as well as loss of use of the unit while delayed in the port, and although not in respect of the first 7 days in addition to the day of arrival and departure. By alien state authorities is understood authorities or states which are not allied to the unit's state of registry, and persons or organisations who unlawfully pretend to be exercising public or intergovernmental authority.
 - b. If a unit which has been detained is not released and the Assured claims compensation for a total loss according to clause I.2.(4) or according to § 169 or § 170 of the Plan, compensation paid

according to this clause in respect of any period exceeding the first month of the detention shall be deducted from the compensation for a total loss.

c. In case of trapping in the Hormuz Strait, the time limit in (5) a. above shall be 30 days.

(6) Loss due to deviation and delay in accordance with the following rules:

a. If on instruction in accordance with clause IV.2 the unit deviates or is delayed, the Insurer shall compensate running costs and loss of use of the unit in accordance with clause I.2.(5).

b. Compensation for running costs and loss of use of the unit shall not be payable in respect of deviation or delay in connection with an outbreak of war.

c. If the unit is delayed by the Insurer for more than 6 months from the day the instruction in accordance with clause IV.2 was given, the Assured may claim compensation for a total loss.

3. Exclusions.

A. This insurance does not cover loss arising from:

(1) any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war,

(2) the outbreak of war - whether there be a declaration of war or not - between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China,

(3) perils attributable to war or warlike operations where Norway is involved,

(4) perils attributable to measures taken by the authorities of the state where the unit is owned or registered.

B. In the case of loss of or damage to machinery and equipment as mentioned in clause I.3(2) of the Conditions for Hull Insurance of Mobile Offshore Units while on land or on a fixed structure offshore, the Insurer is only liable if such loss or damage is due to a peril mentioned in clauses I.3.(3) or I.3.(4) of these Conditions. The Insurer is not liable if such loss or damage is due to a peril mentioned in clauses I.1.(1) or I.1.(2).

II. Termination and suspension of the Insurance.

1. Termination and cancellation.

This insurance may be cancelled by either the Insurer or the Assured giving 7 days' notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Insurer). The Insurer agrees however to reinstate this insurance subject to agreement between the Insurer and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY.

(1) upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in clauses I.3.(1) wheresoever or whensoever such detonation may occur and whether or not the unit may be involved,

(2) upon the outbreak of war whether there be a declaration of war or not between any of the following countries : United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China,

(3) upon the outbreak of war (whether there be a declaration of war or not) where Norway is involved,

(4) in the event of the unit being requisitioned, whether for title or use.

This insurance shall not become effective if, prior to the intended time of its attachment, any event has occurred which would have automatically terminated this insurance under the provisions of this clause had this insurance attached prior to such occurrence.

2. Suspension of the insurance.

Unless specially agreed the insurance shall become inoperative if the unit is let on "Bare-boat" or similar conditions to a foreign charterer. The term foreign charterer refers to a charterer domiciled or registered in any other state than the unit's state of registry or any state with which it is allied. § 41 of The Plan shall apply correspondingly.

III. Trading limits.

The trading limits stipulated in the attached clause applies to this insurance.

IV. Amendments to provisions of the Plan and of the Conditions for Hull Insurance of Mobile Offshore Units.

1. Loss deemed to be caused entirely by war perils.

To § 22 of the Plan:

No deduction according to clause II.13 of the Conditions for Hull Insurance of Mobile Offshore Units shall be made.

2. Limit of the Insurer's liability arising from wreck removal.

To § 167 of the Plan:

Liability under § 167 of the Plan together with liability under §§ 194 and 68 - 75 of the Plan for costs incurred in order to prevent such liability shall not exceed the limitation in § 196 of the Plan.

3. Limit of the Insurer's liability arising from collision or striking.

To § 196 of the Plan:

The Insurer's liability under § 194 of the Plan together with liability under §§ 68 - 73 of the Plan for costs incurred in order to prevent such liability shall not exceed the limitation in § 196 of the Plan.

V. Safety regulations.

In addition to clause III of the Conditions for Hull Insurance of Mobile Offshore Units the following shall apply:

1. The duty of the Assured to give notice.

The Insurer may require that the Assured shall immediately supply information on the unit's position and about voyages the unit is performing or is going to perform, hereunder time of departure and arrival, sailing route, charter conditions etc. If changes occur in matters on which information has been given, additional information must be supplied without undue delay.

If the duty to supply information according to the preceding paragraph is neglected without justifiable reason, by the Assured or by anybody acting on his behalf, § 34 of the Plan shall apply correspondingly.

2. Safety regulations.

The Insurer may issue general or special regulations and instructions regarding measures for the purpose of preventing or limiting loss to the Insurer.

Particularly he may require:

- (1) that the unit shall not commence a planned voyage or fulfil a current voyage,
- (2) that the unit shall follow a certain sailing route or that a certain route shall be avoided,

- (3) that the unit shall deviate, that it shall be moved from one port to another or stay in a certain port,
- (4) that the unit shall or shall not comply with instructions issued by alien state authorities or the like.

Where such regulation is violated, the Insurer is liable only to the extent that it is proved that the loss is not a consequence of the violation, or that the violation cannot be imputed to the Assured or to anybody whose duty it is on behalf of the Assured to carry out or comply with the regulation.

3. The unit.

- (1) These conditions shall only apply to units engaged in ordinary offshore activities unless otherwise specially agreed.
- (2) The insurance is conditional upon the unit being classed with Det norske Veritas or other equivalent institution approved by the Insurer unless otherwise specially agreed.

VI. Return of premium.

1. In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of the provisions in part II, or of the sale of the unit, pro rata net return of premium shall be payable to the Assured.

2. To part V of the Conditions for Hull Insurance of Mobile Offshore Units:

Lay-up returns are not allowed under the insurance, unless specifically agreed.

VII. Insurance of non-Norwegian units.

If the unit insured is not Norwegian, it is a condition of this insurance that it is registered in the state named in the policy.

If the unit is registered in one state but flies the flag of another state, then any reference in these conditions to the state of registry includes both states.

§ 41 of the Plan shall be applied if the unit is requisitioned by the unit's state of registry or states with which it is allied.

In applying § 174 of the Plan, cfr. clause 11.9 of the Conditions for Hull Insurance of Mobile Offshore Units, the term sale to an alien purchaser shall refer to a sale which results in a change in the unit's state of registration.