



A **360 approach** to cyber insurance,
keeping your business
safe, secure and protected

Cyber Property Damage Wording ^{v1.2}



Claims Service

We are able to provide initial claims assessments within 5 working days. Each claim has a dedicated Claims Adjuster assigned to your incident to work with you to resolution.

Your first call in the event of a cyber attack

We are one of the largest, solely allocated in-house Cyber Claims teams in the market. We have a wealth of expertise, experienced and legal professionals within our Cyber Claims team. We write our own coverage pieces, which allows us to assess your incident within 5 working days.

Our specialist and experienced Cyber claims handlers work with your dedicated incident response manager and service providers to obtain the facts necessary to determine whether your claim is valid.

Canopus' Cyber Claims Team will also communicate with your insurance broker to provide a prompt and clear assessment of the coverage available for any incident. We will aim to respond to any notification to the Cyber Response Service within five working days with an initial claims assessment.

www.canopus.com

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1. Introduction

The **Policy** is an insurance contract between the **Insured** and the **Insurer**. It is comprised of this document, the **Schedule** and any endorsements. All of these documents should be read in their entirety and together. The **Policy** is a legal document and should be read carefully.

There are certain sections within the **Policy** which require that the **Insured** obtain the consent of the **Insurer** before the **Insured** incurs costs. The **Policy** explains when the **Insured** must contact **Insurers** to obtain the **Insurer's** consent before costs are incurred. The **Insurer's** consent to costs shall not be unreasonably withheld or delayed.

Terms shown herein in bold font and with capital letters have a specific meaning in this **Policy**. Those meanings will be explained in Section 4 of the **Policy** ("Policy Definitions").

Cover under some or all of the **Insuring Clauses** listed in Section 2 have been purchased by the **Insured**. The **Schedule** will show whether cover under an **Insuring Clause** has been purchased and the **Limit** or **Sub-Limit** and **Deductible** applicable to that **Insuring Clause**. If cover under an **Insuring Clause** has not been purchased, then that section of the **Policy** shall not apply.

2. Insuring Clauses

The **Insurer** agrees to reimburse the **Insured** for the following **Losses**:

- a) **Property Damage** directly resulting from a **Cyber Attack** or **Satellite System Disruption**;
- b) **Damages** and **Defence Costs** as a result of a **Claim** arising out of **Collision Liability** directly resulting from a **Cyber Attack**.

The **Insurer** will pay the **Insured** up to the **Limit** and in excess of the **Deductible** as stated in the **Schedule** subject to the terms and conditions of this **Policy**.

For the purposes of this **Policy** only, the **Insured** must first **Discover** the **Property Damage** during the **Policy Period** or applicable **Extended Reporting Period**. The **Insurer** must be notified of any **Loss** as per the terms and conditions of this **Policy**.

3. Exclusions

The **Insurer** shall not be liable for:

Acts or Omissions Outside of Cover

Any **Insured Event**, including related or continuing **Insured Events**, which:

- a) The **Insured** first **Discovered** (but did not disclose to the **Insurer**) prior to the commencement of the **Policy Period**; or
- b) Was **Discovered** after the **Policy Period** or applicable **Extended Reporting Period** has expired.

Bodily Injury

Losses relating to, arising from or alleged to be related to or arising from **Bodily Injury**.

Bricking

Loss, damage, liability or expenses directly or indirectly relating to, arising from or alleged to be related to or arising from any event or incident that does not cause physical damage to **Insured Property**. Notwithstanding anything contained in the **Policy**, for the purposes of this exclusion;

- a. Data, Programs or Software shall not be considered **Insured Property**; and
- b. The loss of use, loss of reliability, impaired or reduced functionality of any **Insured Property** where no physical damage has occurred shall not be considered **Property Damage**.

Contractual Liability

Losses relating to, arising from or alleged to be related to or arising from any contractual liability, guarantee or obligation or any breach of contract or agreement, in either oral or written form; provided, however, this exclusion shall not apply to the **Insured's** liability that would have existed in the absence of such contract or agreement.

Force Majeure

Losses relating to, arising from or alleged to be related to or arising from fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other similar event howsoever caused or from any consequential losses arising or alleged to have arisen therefrom. However, this exclusion shall not apply to any **Loss** otherwise covered under this **Policy** where arising from a **Cyber Attack**.

Insolvency

Losses relating to, arising from or alleged to be related to or arising from the **Insured's** insolvency or bankruptcy.

Insured vs Insured

Any payment for any **Loss** which is made by or on behalf of any **Insured** against any other **Insured**.

Intentional Acts

Losses which arise from the actual or alleged wilful, deliberate, intentional, malicious, reckless, dishonest, fraudulent or criminal acts or omissions of the **Insured**.

This exclusion will not apply when the wilful, deliberate, intentional, malicious, reckless, dishonest, fraudulent or criminal acts or omissions were committed without the knowledge or consent of any **Member of the Control Group**.

This exclusion shall not apply to **Losses** which arise from the actual or alleged wilful, deliberate, intentional, malicious, reckless, dishonest, fraudulent or criminal acts or omissions of one of the **Insured's Outsource Service Providers** if the **Members of the Control Group** were unaware of the actual or alleged act which has caused the **Loss**. Where any **Member of the Control Group** was aware of the actual or alleged act of the **Outsource Service Provider**, then this exclusion will apply. This does not affect the **Insured's** rights to subrogate against the **Insured's Outsource Service Providers**.

Law/Regulation

Any amount the **Insurer** is prohibited from covering as a result of applicable law or regulation at an applicable venue that would most favour coverage.

Loss of Funds/Trading Liability

Losses for any:

- a. Loss, theft of, the decrease in value, or the actual value of any currency, electronic fund transfer, securities or any equivalents thereof (including e-certificates, coupons, gift cards and vouchers); or
- b. Trading losses or liabilities (including commissions or fees) resulting from the fluctuation of any stock, share, security or currency on any financial markets or exchanges; or
- c. Any valuable consideration given in excess of the total contracted or expected amount, including but not limited to over-redemption of the face value of coupons, price discounts, prizes or awards.

Mechanical, Electrical or Infrastructure Failure

Losses relating to, arising from or alleged to be related to or arising from any failure, interruption or degradation of :

- a. Power or utility services including any electrical disturbance, brownout, blackout, short circuit, induction, voltage fluctuation or any outages unless such power or utility services are under the direct operational control of the **Insured** or an **Outsource Service Provider**; or
- b. Satellites; or
- c. Telecommunication services unless such telecommunication services are under the direct operational control of the **Insured** or an **Outsource Service Provider**; or
- d. Any nationwide telecommunication or power infrastructure, regardless of operational control.

This exclusion shall not apply to **Losses** arising from **Satellite System Disruption** expressly covered under this **Policy**.

Opioids

Losses arising out of, based upon, attributable to or in any way connected with:

- a. The manufacture, marketing, distribution or sale of any **Opioid**.
- b. Medical malpractice, including but not limited to, the rendering of or failure to render medical professional services, treatment or advice.

Patent and Trade Secret

Losses related to, arising from or alleged to be related to or arising from infringement of any patent or the misappropriation of any trade secret.

Pollutants

Losses relating to, arising from or alleged to be related to or arising from 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 neutralise a **Pollutant**, or in any way respond or assess the effects of a **Pollutant**.

Product Recall

Any costs or expenses relating to or incurred by any person or entity to withdraw or recall any product including any technology product from the market place or from loss of use arising out of such withdrawal or recall.

Radioactive Contamination

Loss, damage, liability or expense directly or indirectly caused by or contributed to, by or arising from:

- a. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or
- b. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- c. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- d. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- e. Any chemical, biological, bio-chemical or electromagnetic weapon.

Regulatory Enforcement

Losses relating to, arising from or alleged to be relating to or arising from any action to comply with government enforcement of any state or federal regulatory security obligations.

Sanctions

Any **Loss** or provision of any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Securities / Directors' and Officers' Liability

Losses relating to, arising from or alleged to be related to or arising from the purchase, sale, offer of, or solicitation of an offer to purchase or sell securities including any actual or alleged violation of the Securities Act of 1933 or the Securities Exchange Act of 1934 (including any subsequent amendments or any rules or regulations promulgated thereunder), or any other similar law (including common law), regulation, or statute whether enacted at the local, state or federal level or by a foreign jurisdiction; or any shareholder demand or shareholder derivative lawsuit complaining of a breach of duties by any of the **Insured's** directors or officers, or seeking access to books, records or other information.

Unjust Enrichment

Losses relating to, arising from or alleged to be related to or arising from the **Insured's** gaining of profit, remuneration or financial advantage to which the **Insured** was not legally entitled except for amounts paid to the **Insured** or on the **Insured's** behalf by the **Insurer** under the **Policy** incurred until such time as there is a decision or determination by any court, arbitration panel or arbitrator, or governmental, regulatory or administrative body finding that the **Insured** was not so entitled, or the **Insured** admits that it was not so entitled. If this occurs, the **Insured** are obliged to reimburse the amount paid to the **Insured** or on the **Insured's** behalf by the **Insurer**.

Value of Data

Any amount pertaining to the value of **Data**, to the **Insured** or any other party, even if such **Data** cannot be recreated, gathered or assembled.

War and Cyber Operation Exclusion

Losses, Claims or damage resulting:

- 1.1. directly or indirectly from **War**;
- 1.2. from a **Cyber Operation** that is carried out as part of a **War**; or
- 1.3. from a **Cyber Operation** that causes a sovereign state to become an **Impacted State**.

Provided, however, paragraph 1.3 shall not apply to the direct or indirect effect of a **Cyber Operation** on a **Computer System** used by the Insured or its third party service providers that is not physically located in an **Impacted State** but is affected by a **Cyber Operation**

4. Policy Definitions

Aggregate Limit of Liability

The maximum amount payable by the **Insurer** to the **Insured** within the **Policy Period**. The **Aggregate Limit of Liability** is stated in the **Schedule**.

Application

The material submitted to the **Insurer** by the **Named Insured** or on the **Named Insured's** behalf in connection with the underwriting of this **Policy**. The **Application** is deemed attached to and incorporated into this **Policy**.

Bodily Injury

Physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death.

Business

The commercial activities undertaken by the **Insured** including the offering of any products, services or activities carried on in the course of trade and commerce.

Claim

Any of the following made against the **Insured**:

- a. A demand in writing to cease and desist, for compensation, **Damages** or injunctive relief; or
- b. A notice in writing of an intention to commence legal, arbitration, mediation or adjudication proceedings; or
- c. The commencement of legal, arbitration or adjudication proceedings, an invocation of a pre-action protocol; or
- d. A request to toll or waive any applicable statute of limitations

Collision Liability

A collision between a **Vessel** and any harbour, dock, pier, jetty or anything whatsoever moveable or immovable including property thereon as a direct result of a **Cyber Attack**.

Computer System

Interconnected electronic, wireless, web or similar systems used to process **Data** or information in analogue, digital, electronic or wireless format including, but not limited to, computers, computer devices, data storage devices, back-up facilities, operating systems, control systems, network systems, **Hardware**, websites, email systems, intranet, Industrial Control Systems, SCADA Systems and mobile devices.

Cyber Attack

Any unauthorised access or usage of the **Insured's** or **Outsource Service Provider's Computer Systems** (including but not limited to malicious code and denial of service attacks) whether as part of a specifically targeted attack or a generally distributed attack including as a result of **Cyber Terrorism**.

Cyber Operation

The use of a **Computer System** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a computer system of or in another sovereign state

Cyber Response Team

The advisors who will assist the **Insured** if an **Insured Event** occurs or is alleged to have occurred. The contact details are stated in the **Schedule**.

Cyber Terrorism

An act or series of acts of any person or group(s) of persons, whether acting alone or on behalf or in connection with any organisation(s), committed for political, religious or ideological purposes. This shall include, but is not limited to, the intention to influence any government and/or to put the public in fear or such purposes by using activities perpetrated electronically or otherwise that are directed towards the destruction, disruption of subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks and/or its content thereof or sabotage and/or threat there from. **Cyber Terrorism** does not include any activities which contribute to or are in support of any military action, war or warlike operation.

Data

Information which is stored electronically on a **Computer System** including computer programs, **Software** and **Firmware**. **Data** does not include **Hardware**.

Data Processing Media

Any **Insured Property** on which **Data** can be stored but not the **Data** itself.

Damages

Any financial award or settlement to a third party, including pre-judgement interest, post-judgement interest and claimant's legal costs that the **Insured** is held liable to pay. **Dam-ages** do not include any:

- a. Criminal fines or penalties; or
- b. Aggravated, punitive and exemplary damages unless insurable by the law of an applicable venue that would most favour coverage; or
- c. Past or future royalties or profits, restitution or disgorgement of the profits of the **Insured**; or
- d. Unpaid license fees; or
- e. Liquidated damages where the amount of liquidated damages for which the **Insured** is liable (as agreed under contract) exceeds the amount for which the **Insured** would have been liable were it not for such contractual agreement;
- f. Any amounts for which the **Insured** is not liable, or for which there is no legal re-course against the **Insured**; or
- g. Cost of complying with orders granting injunction or non-monetary relief; or
- h. Return or offset of the **Insured's** fees, charges or commissions for goods or services already provided or contracted to be provided; or
- i. Regulatory fines and penalties; or
- j. PCI fines, penalties and assessments.

Deductible

The amount to be paid by the **Insured** before the **Insurer** will make any payments under the **Policy**. The **Deductible** is stated in the **Schedule**.

Defence Costs

The reasonable and necessary legal costs and expenses (excluding the **Insured's** internal costs and expenses) incurred with the **Insurer's** prior written consent in relation to the in-vestigation, defence or settlement of any **Claim**.

Defence Costs do not include **Regulatory Investigation Costs**, **PCI DSS Claim Expenses**, salaries, overhead expenses, or other internal charges or costs that the **Insured** incurs for any time that the **Insured** or the **Insured's Employees** spend cooperating with any investi-gations or responding to any customer complaints.

Discovered by a **Member of the Control Group**.

Disruption

Total or partial interruption or degradation in service.

Employees

An individual contracted to work for the **Insured** under a contract of service in a permanent, part time, or fixed term basis (excluding partners or directors), or any individual who is working on the **Insured's** behalf, at the **Insured's** direction and/or under the **Insured's** direct control. It includes individuals undertaking work experience or internship (paid or unpaid).

Extended Reporting Period

The additional period of time in which the **Insured** may notify the **Insurer** of a **Loss** after the **Policy Period** has expired. The **Insured** has the right in the event of cancellation or non-renewal of the **Policy**, and where no replacement of this **Policy** is put into effect, to a period of 60 days within which to comply with the Notification provisions under Conditions (5) with regard to an **Insured Event** that occurred prior to the expiry of the **Policy**. This period of time may be extended by the **Named Insured** upon the payment of an additional premium, as stated in the **Schedule**, by the **Insured** within 30 days of the date of cancellation or non-renewal of the **Policy**.

The **Extended Reporting Period** only applies to those **Insuring Clauses** as shown in the **Schedule**. The **Aggregate Limit of Liability** for the **Extended Reporting Period** shall be part of, and not in addition to the, **Aggregate Limit of Liability** for the **Policy Period**. At the commencement of the **Extended Reporting Period** the entire premium shall be deemed earned and in the event the **Insured** terminates the **Extended Reporting Period** for any reason prior to its natural expiration, the **Insurer** will not be liable to return any premium paid for the **Extended Reporting Period**. All notices and premium payment with respect to prolonging the **Extended Reporting Period** should be directed to **Insurers** through the entity named in the **Schedule**.

Firmware

Software that is embedded within a piece of **Hardware** owned or under the control of the **Insured** (providing low-level control for the specific piece of **Hardware**).

Hardware

The physical components of a **Computer System**. **Hardware** shall include **IoT (Internet of Things) Devices**.

Impacted state

A sovereign state where a **Cyber Operation** has had a major detrimental impact on the functioning of that sovereign state due to disruption to the availability, integrity or delivery of an essential service in that sovereign state; and/or the security or defence of that sovereign state.

Incident Manager

The individual leading the **Cyber Response Team** as identified in the **Schedule**.

IoT (Internet of Things) Devices

Any physical devices which have been embedded with technology so they can be used to interact via the internet.

Insured Event

A **Cyber Attack** or **Satellite System Disruption**;

Insured Property

Means **Vessels** and **Leased Equipment** owned by the **Insured** or under the **Insured's** care, custody and control which is specified as such in the Schedule of Values appended to this **Policy** and any property falling for coverage under automatic coverage. However, **Insured Property** shall not include:

- a. Land or Land Values;
- b. Any land conveyance, including vehicles, locomotives or rolling stock
- c. Power transmission feeder lines or pipelines not on the **Insured's** premises;
- d. Any building or structure, or property contained therein while such building or structure is vacant, unoccupied or inoperative for more than thirty (30) consecutive days;
- e. Property in transit however this exclusion shall not apply whilst such property is on the **Insured's** premises;
- f. Aircraft or any other aerial device, watercraft other than **Vessels** specified in the Schedule of Values, spacecraft and satellites;
- g. Animals, plants and all living things of all types;
- h. Property of others which has not been identified in the Schedule of Values and accepted by **Insurers** including but not limited to property of suppliers, customers and vendors; or
- i. The economic or market value of **Data**, which can be the subject to business or economic trading, in particular processing, storage and sharing;
- j. **Data**, Programs, **Firmware** or **Software**.

Insurer(s)

The Company subscribing to this **Policy**.

Insured(s)

The:

- a. **Named Insured**; or
- b. Any **Subsidiary**; or
- c. Any **Employee**, director or officer of the **Named Insured** or **Subsidiary** but only in respect of acts, errors or omissions committed, or alleged to have been committed in their capacity as such; or
- d. Any agent or independent contractors, including distributors, licensees and sub-licensees but only whilst acting on behalf or at the direction or under the control of the **Named Insured** or a **Subsidiary**; or
- e. If the **Named Insured** or any **Subsidiary** is a partnership, limited liability partnership or limited liability company then any general or managing partner, principal, stockholder or owner thereof but only in respect of acts, errors or omissions committed, or alleged to have been committed in their capacity as such; or
- f. Any entity required by contracts to be named as an **Insured** under this **Policy** but only with the prior written consent of the **Insurer** and only for the acts of any party described above for which insurance is otherwise covered by this **Policy**.

Insuring Clauses

The coverage sections purchased by the **Insured** as outlined in the **Schedule**.

Leased Equipment

Equipment and apparatus not owned by the **Insured** but installed for use on the **Vessel** and for which the **Insured** has assumed liability whether such equipment or apparatus be in the nature of aids to

navigation or communication or otherwise subject to all the terms and conditions of this **Policy**, but in no event shall the liability of the **Insurer** exceed the contractual liability of the **Insured** for such equipment or apparatus. All such equipment or apparatus installed on the **Vessel** but not owned by the **Insured** shall be included in agreed insured value of the **Vessel**.

Limit(s)

The maximum amount payable by the **Insurer** for each **Insuring Clause** listed in the **Schedule**. The **Limits** are stated in the **Schedule**.

Loss/Losses

Any **Property Damage, Damages** and **Defence Costs** as a result of a **Claim** arising out of **Collision Liability**, but does not include:

- a. Any costs that result in any **Computer System** having a higher level of functionality than it did prior to the specified **Insured Event**; or
- b. Any costs incurred to identify, patch or remediate **Software** program errors or vulnerabilities of the **Computer System** except following the specified **Insured Event**.

Member of the Control Group

The **Insured's** Chief Executive Officer, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Chief Privacy Officer, General Counsel, Risk Manager or their functional equivalents.

Named Insured

The entity designated as such in the **Schedule**.

Opioid

Any opioid or opiate substance, including but not limited to codeine, fentanyl, hydrocodone, hydro-morphone, meperidine, methadone, morphine, oxycodone, OxyContin, buprenorphine/naloxone or any:

- a. generic substitute or alternative;
- b. derivative thereof;
- c. narcotic with a similar chemical formula, structure or function; or
- d. degradation by-product.

Outsource Service Provider

Any third party contractor or company employed by the **Insured** by written contract to provide information technology services to the **Insured** or on behalf of the **Insured**. **Outsource Service Provider** shall include cloud service providers.

Policy

This document, the **Schedule** and any endorsements agreed between the **Insured** and the **Insurer**.

Policy Period

The set of dates in which the **Policy** is effective as stated in the **Schedule** or as modified by an earlier cancellation date.

Pollutant

Any pollutant or contamination of any kind, including:

- a. Smoke, vapour, 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. Mould, 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.

Property Damage

The following costs incurred by the Insured as a direct result of physical loss or physical damage to Insured Property, including:

- a) The repair of **Vessels**;
- b) Total loss of **Vessels**;
- c) Sue and labour expenses;
- d) Salvage; and
- e) General average.

Satellite System Disruption

means a downlink jamming or spoofing event affecting a global navigation satellite system or any regional satellite based augmentation system, which directly impacts an **Insured's Computer System**.

Schedule

Means the document which confirms the coverage which is available to the **Insured** under the **Policy**. The **Schedule** states the **Limit(s)**, and the **Deductible** amongst other information.

Software

Computer programs or electronic instructions (including but not limited to applications, data, information and scripts) used by a computer or device.

Sub-Limits

The individual limit stated within the **Schedule** for a particular **Insuring Clause**. The **Sub-Limit** will be lower than the **Aggregate Limit of Liability** stated in the **Schedule**.

Subsidiary

Any company in respect of which the **Named Insured**:

- a. Holds more than half of the issued share capital; or
- b. Controls more than half of the voting power; or
- c. **Otherwise controls the composition of the board of directors.**

Vessels

The vessels owned by the **Insured** or under the **Insured's** care, custody and controls which are specified as such in the Schedule of Values appended to this **Policy**. **Vessels** shall not include:

- a. The economic or market value of **Data**, which can be the subject to business or economic trading, in particular processing, storage and sharing;
- b. **Data**, Programs, **Firmware** or **Software**.

War

The use of physical force by a sovereign state against another sovereign state, or as part of a civil war, rebellion, revolution, insurrection, or military or usurped power, whether war be declared or not.

k. Conditions

(i) Claim Notification

The **Insured** must provide notice to the **Insurers** as soon as reasonably practicable after the **Insured Event** is **Discovered**, or becomes aware of any act, fact or circumstance which may result in a **Loss**. Notice must be provided by contacting the **Insurer** using the details in the **Schedule**.

(i) Claims Assistance, Cooperation and Conduct

The **Insured** must provide assistance to or cooperate with the **Insurer** or representatives appointed on the **Insurer's** behalf. This includes cooperation and assistance in the investigation, production or preservation of documentation, information or other physical evidence about an **Insured Event**.

The **Insured** must provide such information, respond to all relevant correspondence, communication, demand, claim for, adjudication notice, referral, statement of case, submission, notice of hearing, order or other correspondence from the resolution process (including communication from a court, arbitrator, mediator, adjudicator) in a timely manner. The **Insured** may also be required by the **Insurer** to provide a position statement, witness statement, expert report, legal or quasi legal paper or report.

(ii) Duty of the Insured (Sue and Labour)

In case of any **Loss** it is the duty of the **Insured** and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this **Policy**. Subject to the provisions below, the **Insurer** will contribute to charges properly and reasonably incurred by the **Insured**, their servants or agents for such measures. General average, salvage charges (except as provided for in the paragraph below) and collision, defence or attack (not including **Cyber-Attack**) costs are not recoverable under general average and salvage. Measures taken by the **Insured** or the **Insurer** with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

When expenses are incurred pursuant to this condition the liability under this **Policy** shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the **Vessel** as stated herein, or to the sound value of the **Vessel** at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the **Insurer** has admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

(iii) Fraud

If the **Insured** notifies a **Loss** believing the same to be false or fraudulent with respect to the amount claimed or otherwise, **Insurers** at their sole discretion may treat this **Policy** as void ab initio and the **Insured** shall forfeit all benefit under it. **Insurers** may alternatively at their sole discretion elect to give notice to the **Insured** that the **Policy** remains in full force and effect, but no indemnity or any other payment will be made for any **Loss** based upon, directly or indirectly arising out of, or in any way involving the circumstance that entitled **Insurers** to avoid this **Policy**.

(iv) General Average and Salvage

This **Policy** covers the **Vessel's** proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the **Vessel** the **Insured** may recover in respect of the whole loss without first enforcing their right of contribution from other parties. Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

When the **Vessel** sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the **Vessel** at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

(v) Representation

The **Insured** accepts that this **Policy** has been issued in reliance that the agreements and representations contained within the **Application** are true and complete. The misrepresentation or non-disclosure of any material facts or material statements within the **Application** will render the **Policy** null and void with respect to any **Insured** who knew of such misrepresentation or non-disclosure and with respect to the **Insured** if a **Member of the Control Group** knew of such misrepresentation or non-disclosure.

(vi) Reimbursement of Costs

Where expenses are incurred after there is a judgment or arbitrator's decision finding that the **Insured** was not entitled to coverage under this **Policy**, then the **Insured** shall reimburse to the **Insurer** any expenses paid to the **Insured** or on the **Insured's** behalf by the **Insurer**.

If the **Insurer** pays to the **Insured** an amount in respect of a **Loss** and later there is a determination or decision from any court, arbitration panel or arbitrator, or governmental, regulatory or administrative body finding any such intentional, wilful, deliberate, criminal, dishonest, fraudulent or malicious acts, errors or omissions by the **Insured** or intentional violations of law by the **Insured**, or the **Insured** admits to such an acts or omissions, then the **Insured** must reimburse to the **Insurer** any money that has been paid to the **Insured** or on the **Insured's** behalf by the **Insurer**.

(vii) Material Changes

The **Insured** must advise the **Insurer** as soon as practicable of information of which the **Insured** becomes aware deemed to be material to the risk. The **Insurer** reserves the right to amend the terms and conditions of this **Policy** and to charge an additional premium because of the change.

(viii) Incorrect Declaration Penalty

If the values declared of the **Insured Property** are less than the correct values by more than 10% then any recovery otherwise due hereunder shall be reduced in the same proportion that the

values declared bear to the values that should have been declared, and the Insured shall co insure for the balance

(ix) Audit

The **Insurer** or their representatives shall be permitted but not obligated to inspect the **Insured Property** at any time. Neither the **Insurer's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Insured** or others, to determine or warrant that such property is safe or appropriate for the purpose to which it is put.

The **Insurer** may examine and audit the **Insured's** books and records at any time during the **Policy Period** and extensions thereof and within two years after the final termination of this **Policy**, as far as they relate to the subject matter of this Insurance.

(x) Salvage and Recoveries

The indemnity paid to the **Insured** shall be decreased by the value of any salvage or recoveries, that can be subject to any further use, processing or sale.

(xi) Protection and Maintenance

It is agreed that any protection provided by the **Insured** for the safety of **Insured Property** shall be maintained in good order throughout the duration of this **Policy** and shall be in use at all times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the **Insurer** without their prior written consent.

(xii) Automatic Coverage

If, during the **Policy Period**, the **Insured** acquires or leases any other **Insured Property** which increases the **Insured's** total insured values by more than 10% from the figures stated within the Schedule of Values appended to this **Policy**, the acquired or leased Property shall only be covered under this **Policy** if the **Insured** notifies the Insurer of the proposed lease or acquisition and obtains the Insurer's prior written consent prior to the acquisition or lease of such **Insured Property**. The **Insured** must also agree to pay any resulting additional premium that the Insurer deems appropriate in order for the new **Insured Property** to be considered.

Any **Insured Property** which does not increase the **Insured's** total insured values by more than 10% from the figures stated within the Schedule of Values appended to this **Policy** shall be covered under this extension from the date that the acquisition or lease of such **Insured Property** occurs.

The **Insurer** will only cover **Property Damage** relating to any **Insured Property** included under this automatic coverage Clause which arises out of an **Insured Event** which first occurred after the date on which the acquisition or lease of such **Insured Property** occurs.

I. How Much the Insurer Will Pay to the Insured

(i) Limits and Deductibles

The **Schedule** states:

- a. Whether the **Insured** has purchased cover for each of the **Insuring Clauses**; and
- b. The **Limit** and **Deductible** applicable to each of the **Insuring Clauses**; and

All payments that are made to the **Insured** under this **Policy** shall reduce and may exhaust the **Limit(s)**, **Sub-Limits** and **Aggregate Limit of Liability**. Any payment will be subject to the terms and conditions contained within the **Policy**.

The **Insurer** will only pay that portion of any **Loss** which exceeds the **Deductible**. The **Insurer** can reduce payment of any covered amount owed by the **Insurer** to the **Insured** by the **Deductible**. The value of the **Deductible** does not reduce the applicable **Limit**.

The **Limit** or **Sub-Limit** applicable to each **Insuring Clause** is the maximum amount the **Insurer** will pay under this **Policy** including expenses where applicable, regardless of the number of **Insured Events** or **Losses**. Any **Limit** or **Sub-Limit** is part of and not in addition to the **Aggregate Limit of Liability**.

The maximum amount that the **Insurer** will pay to the **Insured**, or on the **Insured's** behalf, in the aggregate, under this **Policy** shall be the **Aggregate Limit of Liability** stated in the **Schedule** regardless of the number of **Insured Events** or **Losses**.

(ii) Aggregation and Allocation

In the event that a **Loss** arises from more than one **Insured Event**, only one **Deductible** shall apply. The highest of any applicable **Deductibles** which apply to the relevant **Insured Event** will be the amount payable by the **Insured**.

(iii) Related Matters

Any **Losses** or **Insured Events** that arise out of the same, related or continuing acts, facts, incidents, circumstances, errors or omissions shall be treated as a single event and will be deemed to have occurred when the first such related act, fact, incident, circumstance, error or omission occurred.

(iv) Data Processing Media Valuation

Should **Data Processing Media** suffer physical loss or damage insured by this **Policy** the basis of valuation shall be the cost of the blank media plus the costs of copying the **Data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **Data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this **Policy** does not insure any amount pertaining to the value of such **Data** to the **Insured** or any other party, even if such **Data** cannot be recreated, gathered or assembled.

(v) Proof of Loss

The **Insured** 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 **Loss** for which it is seeking coverage under this **Policy**, including as may be appropriate:

- a. Information and evidence known to the **Insured** of the facts relating to the **Insured 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. The actual cash value and replacement value of any **Insured Property** affected, including verified plans and specifications of any buildings, fixture, machinery or equipment destroyed or damaged;
- e. All other contracts of insurance whether valid or not covering any property;
- f. Any changes in title, use, occupation, location, possession or exposures of the property since the inception date of this **Policy**;
- g. Any other information as reasonably requested by the **Insurer's** representatives.

The **Insured** may provide an interim proof of loss and request interim payment from **Insurers** if the loss is incapable of being fully quantified.

(vi) Claims Preparation Costs

This **Policy** provides coverage for reasonable and supportable costs incurred by the **Insured** (including the cost of utilizing external consultants) for preparation, presentation, certification of a claim under this **Policy**. A 50% co-insurance will be applied to this clause, whereby the **Insured** must contribute 50% towards any costs provided for under this clause, with **Insurers'** maximum liability under this clause capped at USD 50,000 or currency equivalent. Such amount shall be part of and not in addition to the **Aggregate Limit of Liability** in the **Schedule**.

(vii) Valuation of the Insured's Property

It is understood that, in the event of **Property Damage** which is covered under this **Policy**, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

- a. For insurance at replacement or gross book value – the value of purchase costs or repair, appearing from the invoice or debit note, for the same type, kind and the same or most similar parameters, incl. production power (if these values shall be different, then the indemnity value shall be specified according to the lowest value), along with costs of specifying the required documentation, transportation (excluding express freight), assembly and supervision as well as costs (incl. dismantling and disassembly of part unfit for use), which incurrence is necessary to reinstate the **Vessel**;
- b. For insurance at actual cash value – value of costs as specified in item a above, diminished by actual technical usage of damaged, destructed or lost **Vessel**, as a day before the occurrence.

- c. The repairs, replacement or reinstatement (all hereinafter referred to as “replacement”) must be executed with due diligence and dispatch;
- d. Until replacement has been effected the amount of liability under this policy in respect of **loss** shall be limited to the actual cash value at the time of **loss**;
- e. If replacement of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this **Policy**.
- f. The **Insurer’s** liability for **loss** under this **Policy** including this condition shall not exceed the smallest of the following amounts:
 - i. The amount of the Insurance applicable to the destroyed or damaged **Vessel**;
 - ii. The replacement cost of the **Vessel** or any part thereof identical and intended for the same occupancy and use;
 - iii. The amount actually and necessarily expended in replacing said **Vessel** or any part thereof.

(vi) Unrepaired Damage

The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the **Vessel** at the time this Policy expires arising from such unrepaired damage, but not exceeding the reasonable cost of repairs. In no case shall the **Insurer** be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this **Policy**) sustained during the period covered by this **Policy** or any extension thereof.

(vii) Constructive Total Loss

In ascertaining whether the **Vessel** is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the **Vessel** or wreck shall be taken into account. No claim for constructive total loss based upon the cost of recovery and/or repair of the **Vessel** shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

(viii) Freight Waiver

In the event of total or constructive total loss no claim to be made by the **Insurer** for freight whether notice of abandonment has been given or not.

m. Other Information

(i) Assignment

The **Insured** interest under this **Policy** cannot be assigned in whole or in part without the **Insurer's** prior written consent.

(ii) Insolvency

If the **Insured** becomes bankrupt or subject to insolvency proceedings, this will not automatically terminate or relieve the **Insurer** of obligations owed under this **Policy**.

(iii) Cancellation

The **Insured** can cancel this **Policy** at any time during the **Policy Period** by providing written notice to the **Insurer** specifying when such cancellation is to take effect (the date must be after the **Insurer** receives written notice). If notifying the **Insurer** by post, receipt will be deemed to have occurred on the third day after mailing.

The **Insurer** can cancel this **Policy** on fourteen (14) calendar days' notice in the event of non-payment of the premium by providing written notification to the **Insured** at the address stated in the **Schedule**. Such cancellation will take effect on the fourteenth (14) day after the **Insured's** receipt of the **Insurer's** written notification. If notifying by post, receipt will be deemed to have taken place on the third (3rd) calendar day after mailing.

In the event of cancellation as above, provided that the **Insured** has not notified any actual or potential **Loss**, the **Insured** will be entitled to a pro-rata refund of premium. No premium will be refunded to the **Insured** if any actual or potential **Loss** has been notified prior to cancellation.

(iv) Change of Control

If, during the **Policy Period**, the **Insured** is acquired by another entity, merged with another entity, sold, dissolved or liquidated, any cover under this **Policy** terminates on the date of the merger or acquisition. Subject to the terms and conditions contained herein, the **Policy** shall respond to any **Losses** that arise from **Insured Events** that occurred before the date of acquisition or merger.

The **Insurer** shall not provide any coverage for the **Insured** after the date of acquisition or merger unless the **Insured** provides the **Insurer** with prior written notice of the forthcoming acquisition, merger, sale, dissolution or liquidation and has agreed to pay any additional premium required by the **Insurer**. In these circumstances, the **Insurer** shall issue an endorsement extending the coverage under the **Policy**.

(v) Law & Jurisdiction

This **Policy** is subject to the law and jurisdiction as stated in the **Schedule**. The courts stated in the **Schedule** shall have exclusive jurisdiction to resolve any disputes arising in connection with this **Policy**.

(vi) Administration of the Policy

The **Named Insured** shall act on behalf of each and every **Insured** for all purposes including but not limited to negotiation of terms and conditions of the **Policy**, exercising all the **Insured's** rights under the **Policy**, paying applicable premiums and **Deductibles**, any notice (including cancellation and receipt and acceptance of any endorsements).

(vii) Other Insurance

The coverage afforded by this **Policy** shall apply as primary insurance.

(viii) Subrogation

If any payment is made under this **Policy** and there is available to the **Insurer** any of the **Insured's** rights of recovery against any third party, then the **Insurer** shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to any other amounts paid by the **Underwriters**, and lastly to the **Deductible**. Any additional amounts recovered shall be paid to the **Insured**. Notwithstanding the foregoing, there shall be no subrogation against the specific critical vendors, clients, or other parties scheduled by endorsement (if any).

(ix) Innocent Insured Provision

Whenever coverage under this **Policy** would be excluded, suspended, or lost because of non-compliance with Conditions (5) relating to providing notice of any **Loss to Insurers**, with respect to which any other **Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds**, then such insurance as would otherwise be afforded under this **Policy** shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, or personally acquiesce in such failure to give notice, provided that the **Insured** entitled to the benefit of this provision shall comply with Conditions (5), promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith. Notwithstanding the foregoing, the reporting of any such **Loss** must be made during the **Policy Period** or **Extended Reporting Period**, if applicable.

Whenever coverage under this **Policy** would be excluded, suspended, or lost because of Exclusion: Intentional Acts, relating to any deliberate, intentional, malicious, criminal, unlawful, fraudulent, or dishonest act by any **Insured**, then such insurance as would otherwise be afforded under this **Policy** shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

(x) Dispute Resolution

In the event of any dispute between the **Insured** and **Insurer** involving this **Policy** or a **Loss** hereunder, the parties shall attempt in good faith to resolve any dispute or controversy by negotiation. If the dispute has not been resolved by negotiation within thirty (30) days of the disputing party's notice, the dispute shall be referred to non-binding mediation. Unless both parties agree otherwise, any non-binding mediation shall be administered by the American Arbitration Association

(xi) Privacy and Data Notice

Who we are

We are the Lloyd's underwriter(s) identified in the contract of insurance and/or in the certificate of insurance.

The basics

We collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you and to meet our legal obligations.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you

(including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases.

We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

Other people's details you provide to us

Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

Want more details?

For more information about how we use your personal information please see our full privacy notice(s), which is/are available online on our website(s) or in other formats on request.

Contacting us and your rights

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice(s), please contact us, or the agent or broker that arranged your insurance.

(xii) Complaints

The **Insurer** aims to provide the highest quality of service. However, if the **Insured** feels that the level of service it has received falls short of the standard that it expects, please let the **Insurer** know immediately. If the **Insured** has a complaint the **Insured** has the right to raise its complaint with its broker, intermediary or agent. Alternatively, the **Insured** can write to:

The Compliance Manager
Canopus Managing Agents Limited
Floor 29,
22 Bishopsgate,
London,
EC2N 4BQ
Email: LDNComplaints@CMAL.com
Telephone: +44 (0) 203 943 4400

If the **Insured** remains dissatisfied, the **Insured** may refer its complaint to Lloyd's who will investigate and provide a response. See: www.lloyds.com/complaints

Ultimately, if the **Insured** remains dissatisfied it may, in writing, refer its complaint to the Financial Ombudsman Service (FOS). See: www.financial-ombudsman.org.uk