

SIGCo Cyber Non-Physical Damage Loss of Hire v2-25Nov24 Insurance Wording

1. Insuring Clauses

1.1 Insured's Shoreside Network Outage or the Network onboard an insured vessel – Loss of Hire

Underwriters will pay the **Loss of Hire** incurred by an **Insured** during the **Period of Restoration** because of an **Interruption** to the **Insured's Shoreside Network** or the **Network** onboard the insured vessel resulting from a **Malicious Cyber Event** that prevents the insured vessel from earning any hire, provided that the **Malicious Cyber Event** is **Discovered** during the **Policy Period** and the **Loss of Hire** exceeds the **Deductible** and is within the applicable **Limits of Liability**.

1.2 Outsource Service Provider – Loss of Hire

Underwriters will pay the **Loss of Hire** incurred by an **Insured** during the **Period of Restoration** because of an **Interruption** to the **Insured's Shoreside Network** or the **Network** onboard the insured vessel due to an **Interruption** to an **Outsource Service Provider's Network** resulting from a **Malicious Cyber Event** that prevents the insured vessel from earning any hire, provided that the **Malicious Cyber Event** is **Discovered** during the **Policy Period** and the **Loss of Hire** exceeds the **Deductible** and is within the applicable **Limits of Liability**.

2. Limits of Liability, Deductible & Related Events

2.1 Limits of Liability

2.1.1 The Total Aggregate Limit of Liability detailed within the Policy Schedule is the maximum the **Underwriters** will pay under this Policy, regardless of the number or types of losses.

2.1.2 Subject to the Total Aggregate Limit of Liability detailed within the Policy Schedule, the Limits of Liability detailed within the Policy Schedule are the maximum the **Underwriters** will pay under Insuring Clause 7A and 7B, regardless of the number or types of losses.

2.1.3 Subject to the Total Aggregate Limit of Liability and the applicable Limits of Liability detailed within the Policy Schedule, in the event cover is provided under Insuring Clause 7A and 7B applying to any one loss or **Malicious Cyber Event**, **Underwriters** have the sole discretion to allocate amounts paid, if any, against the appropriate applicable Limit of Liability.

2.2 Deductible

Underwriters will not reimburse an **Insured** in respect of **Loss of Hire** incurred during the **Deductible** period listed in the Policy Schedule.

2.3 Related Events

All **Related Events** that are covered under the policy shall be considered a single **Malicious Cyber Event**, when the earliest of such **Related Events** was first **Discovered** and only one Limit of Liability or **Deductible**, as set forth in the Policy Schedule, will apply.

3. Loss of Hire Calculation

Where cover for **Loss of Hire** is provided on the basis of a fixed and agreed daily sum insured for each vessel as detailed in the Policy Schedule, the daily amount specified will be payable in accordance with the **Period of Restoration** and Off-hire statements.

Underwriters will not reimburse an **Insured** in respect of **Loss of Hire** incurred during the **Deductible** period listed in the Policy Schedule.

4. Exclusions

Underwriters shall have no liability or obligation under this Policy for any claim, loss, **Loss of Hire** arising out of, or in connection with:

4.1 Bodily Injury/Property Damage

- a) Death or bodily injury.
- b) 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.

4.2 Contractual Liability

Liability assumed by the **Insured** under the terms of any contract or agreement or any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise.

4.3 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.

4.4 Governmental Action

Any total or partial shutdown, seizure, confiscation, or nationalisation of the **Insured's Shoreside Network** by order of any government entity or public authority.

4.5 Intentional Acts

Any actual or alleged deliberate, intentional, malicious, criminal, unlawful, fraudulent, or dishonest act, if committed by the **Insured** with the knowledge, connivance, or acquiescence of a member of the **Control Group**.

4.6 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 neutralise a **Pollutant**, or in any way respond to or assess the effects of a **Pollutant**.

4.7 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 of, or could have reasonably foreseen such, before the **Policy Period** and could be the basis of a **Loss of Hire** during the **Policy Period**, and which the **Insured** did not disclose to **Underwriters** before the inception of this Policy; or
- b) the **Insured** reported such acts, facts, incidents, or circumstances to another insurer prior to the inception of this Policy.

4.8 Sanctions Limitation and Exclusion

Underwriters shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)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.

4.9 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, the internet, gradual deterioration of overhead transmission, distribution line or subterranean insulation or cabling or other infrastructure, unless such infrastructure is under the **Insured's** operational control.

4.10 Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion clause

4.10.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

4.10.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

4.10.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4.10.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes.

4.10.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

4.11 War and Cyber Operation

4.11.1 **war**, and/or

4.11.2 a **cyber operation** that is carried out as part of a **war**, or the immediate preparation for a **war**, and/or

4.11.3 a **cyber operation** that causes a **state** to become an **impacted state**.

4.11.4 Clause 4.11.3 shall not apply to the direct or indirect effect of a **cyber operation** on a **Network** 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**.

5. Definitions

- 5.1 Application** means the **Insured's** signed application for insurance and any attachments or other information, and materials submitted in connection with this policy, or during the **Policy Period** for a newly acquired entity. All such applications, attachments, information, and materials are deemed attached to and incorporated into this Policy.
- 5.2 Control Group** means the **Insured'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 **Insured's** business.
- 5.3 Cyber operation** means the use of a **Network** by, at the direction of, or under the control of a **state** to:
- disrupt, deny access to or degrade functionality of a **Network**, and/or
 - copy, remove, manipulate, deny access to or destroy information in a **Network**.
- 5.4 Deductible** means the number of days as provided in Item 8 of the Policy Schedule that must elapse before the recovery of **Loss of Hire** can be considered. The time starts at the beginning of the **Period of Restoration**. The **Deductible** applies to each **Period of Restoration**.
- 5.5 Discovered** or **Discovery** means the moment when any member of the **Control Group** first acquires knowledge that would cause a reasonable person to believe that a **Malicious Cyber 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.
- 5.6 Employee** means any individual in the **Insured's** service, including any part-time, seasonal, leased, or temporary workers who are under a contract of service with the **Insured**, or any individual who is working on the **Insured's** behalf, at the **Insured's** direction, and under the **Insured's** direct control.
- 5.7 Essential service** means a service that is essential for the maintenance of vital functions of a **state** including, but not limited to, financial institutions and associated financial market infrastructure, health services or utility services.
- 5.8 Impacted state** means any **state** where a **cyber operation** has had a major detrimental impact on:
- the functioning of that **state** due to disruption to the availability, integrity, or delivery of an **essential service** in that **state**, and/or
 - the security or defence of that **state**.
- 5.9 Insured** means:
- the legal entities shown in item 2 of the Policy Schedule;
 - any **Subsidiary** of the legal entities shown in item 2 of the Policy Schedule, but only with respect to any acts, facts or circumstances, insured events, breaches, threats or anything else contained in any Insuring Agreements that occur while it is a **Subsidiary** and is otherwise covered by this policy.
- 5.9.1 The interest of Mortgagees where declared under the **Insured's** Hull Policy are automatically included hereunder.
- 5.10 Insured's Shoreside Network** means a **Network** that is owned, operated and controlled by the **Insured** and is used and operated by an **Employee** onshore.
- 5.11 Interruption** means any unintentional and unplanned interruption, disruption, suspension or outage of a **Network**.
- 5.12 Loss of Hire** means the loss of charter hire and port fees as calculated in the Loss of Hire Calculation section of this policy.
- 5.13 Malicious Cyber Event** means any failure of the security of the **Insured's Shoreside Network** or the **Network** onboard an insured vessel including but not limited to unauthorized access or use of the **Network** (including use by an authorised person for an unauthorised purpose), denial of service attack or receipt of malicious code by the **Network** which directly or indirectly results in or contributes to the damage, modification, corruption, distortion, copying, deletion, misuse or destruction of the **Insured's Shoreside Network**, or the **Network** onboard an insured vessel including data and **Programs**.

- 5.14 Named Insured** means the individual, partnership, entity or corporation designated as such in item 2 of the Policy Schedule.
- 5.15 Network** means 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 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, chart plotter, autopilot, fish finder, 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.
- 5.16 Outsource Service Provider** means an individual or entity that is not an **Insured** that provides:
- business process services for the **Insured** in accordance with a written contract with the **Insured**, including human resources, call centre, fulfilment, and logistical support; and/or
 - information technology services for the **Insured** in accordance with a written contract with the **Insured**, including hosting, cloud services, security management, co-location and data storage.
- 5.17 Outsource Service Provider's Network** means a **Network** that is owned, operated and controlled by an **Outsource Service Provider**.
- 5.18 Period of Restoration** means the period of time starting when the **Interruption** begins on the date the vessel is placed off-hire and ends on the date on which the **Network** is restored to the same or equivalent condition, functionality and level of service that existed prior to the **Interruption** and the vessel is placed back on hire (or could have been if the **Insured** had acted with reasonable speed).
- 5.19 Policy Period** means the period of time contained in the Policy Schedule or as modified by any earlier cancellation date.
- 5.20 Pollutant** means any pollutant or contamination of any kind, including:
- Smoke, vapour, soot, fumes, acid, alkali, chemicals or waste;
 - 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;
 - Mould, mildew, spores, fungi, mycotoxins, organic pathogens, or other micro-organisms;
 - An electromagnetic field, electromagnetic radiation or electromagnetism;
 - Asbestos, asbestos fibres or asbestos dust; or
 - Any solid, liquid, gaseous or thermal irritants or contaminants.
- 5.21 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).
- 5.22 Related Events** means all **Malicious Cyber Events** that have as a common nexus any fact, circumstance, situation, event transaction, cause, or series of causally or logically connected facts, circumstances, situations, events transactions or causes.
- 5.23 State** means sovereign state.
- 5.24 Third Party** means any entity or person that is not **Underwriters** or an **Insured**.
- 5.25 Underwriters** mean the insurers providing this insurance.
- 5.26 War** means armed conflict involving physical force:
- by a **state** against another **state**, or
 - as part of a civil war, rebellion, revolution, insurrection, military action, or usurpation of power,
- whether war be declared or not.

6. General Conditions

6.1 Assignment

No assignment of, or interest in this insurance, or any monies which may be or become payable thereunder is to be binding on or recognised by **Underwriters** unless agreed by **Underwriters** prior to such assignment.

6.2 Authorization

By acceptance of this policy, each **Insured** agrees that the **Named Insured** shall act on behalf of all **Insureds** for all purposes including the negotiation of the terms of this policy, payment 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.

6.3 Bankruptcy

The bankruptcy or insolvency of any **Insured** will not relieve **Underwriters** of any of its obligations under the policy.

6.4 Change of Owning Company within the same Beneficial Ownership

Any changes in the **Insured** under the Hull and Machinery / War policies within the same beneficial ownership are deemed to be automatically incorporated herein without notice.

Where the **Insured** acquires a new company or entity, the **Named Insured** shall have provided **Underwriters** with prior notice and a completed **Application** form and Questionnaire regarding the new company or entity and agreed to any additional premium and/or amendment of the provisions of this policy required by **Underwriters** relating to such new company or entity. Coverage is only extended to any new company or entity for any **Loss of Hire** claim notification under this policy that arises out of an event or events covered by this policy first occurring after the company or entity become acquired.

6.5 Cancellation

In the event of non-payment of any premium due hereunder, this cover may be cancelled by Underwriters giving fourteen days' notice of cancellation. The cancellation becomes effective at midnight on the fourteenth day from the date the cancellation notice was issued.

6.6 Choice of Law

This contract shall be subject to and construed in accordance with the law of England and Wales and, save as provided in Clause 6.7 Dispute Resolution, shall be subject to the jurisdiction of the courts of England and Wales.

6.7 Dispute Resolution

The parties agree that prior to recourse to courts of law any dispute between them concerning the provisions of this insurance shall first be the subject of arbitration.

The following arbitration procedure shall be used in any dispute concerning this insurance and shall exist as a separate contract if there is a dispute over the validity or formation of this insurance.

Unless the parties agree upon a single arbitrator within thirty days of one receiving a written request from the other for arbitration, the claimant (the party requesting arbitration) shall appoint his arbitrator and give written notice thereof to the respondent. Within thirty days of receiving such notice the respondent shall appoint his arbitrator and give written notice thereof to the claimant, failing which the claimant may apply to the appointor hereinafter named to nominate an arbitrator on behalf of the respondent.

Before the commencement of arbitration proceedings the two arbitrators shall appoint a third arbitrator who shall act as chairman of the tribunal. Should they fail to appoint such a third arbitrator within thirty days of the appointment of the respondent's arbitrator then either of them or either of the parties may apply to the appointor for the appointment of the third arbitrator. The arbitrators appointed by the parties in dispute shall decide the verdict but if they cannot agree they shall seek the verdict of the chairman of the tribunal, which shall prevail.

Unless the parties otherwise agree the arbitration, tribunal shall consist of persons with not less than ten years' experience of insurance or reinsurance.

The arbitration shall be conducted subject to and in accordance with the Arbitration Act 1996 and any statutory revision or modification thereof.

The appointor shall be the President of the London Maritime Arbitrators' Association:

L.M.A.A.
St. Paul's,
The International Dispute Resolution Centre,
1 Paternoster Ln,
London, EC4M 7BQ

All costs of the arbitration shall be at the discretion of the arbitration tribunal who may direct to and by whom and in what manner they shall be paid.

The seat of the arbitration tribunal shall be in London and the arbitration tribunal shall apply the laws of England and Wales as the proper law of this Agreement.

The award of the arbitration tribunal shall be in writing and binding upon the parties who covenant to carry out the same. If either of the parties should fail to carry out any award the other may apply for its enforcement to a court of competent jurisdiction in any territory in which the party in default is domiciled or has assets or carries on business.

6.8 Due Diligence / Loss Mitigation

The **Insured** (or any agent, sub-contractor, or co-contractor of the **Insured**) shall at all times, and at their own expense, exercise due diligence. In addition, the **Insured** shall take all reasonable steps to avoid or mitigate and prevent any loss or **Malicious Cyber Event**.

6.9 False or Fraudulent Claims

If any request for indemnity is made and any part of such request is in any respect false or fraudulent, dishonest or exaggerated, as regards the amount or otherwise, this policy may become void, and any indemnity hereunder may be forfeit and **Underwriters** may not return any premium to the **Insured**. **Underwriters** may also take legal action against the **Insured**.

6.10 Headings

The titles of paragraphs, sections, provisions or endorsements of or to this Policy 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.

6.11 Other Insurance

In the event that cover is provided under any other insurances, this policy will only respond if those other insurances either exclude or limit their liability in respect of the relevant loss or occurrence.

6.12 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.

6.13 Subrogation

If the **Underwriters** become liable for any payment under this insurance the **Underwriters** shall be subrogated, to the extent of such payment, to all the rights and remedies of the **Insured** against any party in respect of such payment and shall be entitled at their own expense to sue in the name of the **Insured**. The **Insured** shall give to the **Underwriters** all such assistance in their power as the **Underwriters** may require, to secure their rights and remedies and, at **Underwriters'** request, shall execute all documents necessary to bring suit in the name of the **Insured**.

6.14 Territory

The terms of this Policy apply to any acts, events, breaches or threats or any other matter detailed under the relevant Insured Interests, no matter where committed, suspected, or alleged to have been committed or wherever occurring worldwide.

6.15 Rights of Third Parties

The provisions of the (Rights of Third Parties) Act 1999 do not apply to this insurance or to any certificate(s) of insurance issued hereunder. Neither this insurance nor any certificate(s) issued hereunder confer any benefits on any third parties. No **Third Party** may enforce any terms of this insurance or of any certificate(s) issued hereunder. This clause shall not affect the rights of the assured (as assignee or otherwise) or the rights of any loss payee.

7. Duty of Fair Presentation

7.1 The **Insured** is required to make a fair presentation of the risk to **Underwriters**.

7.2 If the **Insured** breaches its duty to provide a fair presentation and any such breach was deliberate or reckless, **Underwriters** may regard the policy as void and are not required to return any paid premium to the **Insured**.

7.3 If the breach was not deliberate or reckless, **Underwriters'** remedy shall depend upon what **Underwriters** would have done if the **Insured** had complied with the duty of fair presentation:

- a) **Underwriters** may regard the policy as void if **Underwriters** would not have entered into the policy on any terms in the absence of the breach. In this case, the **Underwriters** must return the premium paid.
- b) If **Underwriters** would have entered into the policy, but on different terms (other than terms relating to premium) the policy is to be treated as if those different terms applied from the outset, if **Underwriters** so require.
- c) If **Underwriters** would have entered into the policy but would have charged a higher premium the **Underwriters** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims).

8. Reporting of a Malicious Cyber Event

8.1 When a Malicious Cyber Event is first Discovered

- a) A **Malicious Cyber Event** will be deemed first **Discovered** when a **Malicious Cyber Event** first becomes known to the **Control Group** during the **Policy Period**.
- b) All **Related Events**, whenever occurring, will be deemed a single **Malicious Cyber Event** and such **Malicious Cyber Event** will be deemed to have been **Discovered** on the date the first of those **Related Events** was discovered.

8.2 Reporting of a Malicious Cyber Event

- a) It is a condition precedent to coverage that as soon as practicable after a **Control Group Discovers** a **Malicious Cyber Event**, the **Insured** must notify **Underwriters** in writing of the **Malicious Cyber Event**, but no later than 60 days after such **Discovery** or the end of the **Policy Period**, whichever is later.
- b) The Notice must contain all reasonably obtainable information concerning the time, place and other details of the **Malicious Cyber Event**.
- c) Contact with, or notification to any Service Providers from the approved Panel is not considered, and does not constitute, notification under the Policy for any purpose hereunder.
- d) A loss or **Malicious Cyber Event** shall be considered to be reported to **Underwriters** when notice is first given to **Underwriters** through the person or entity specified in the Policy Schedule.
- e) It is the sole responsibility of the **Insured** to report any matter to any applicable governmental, regulatory or law enforcement authorities if appropriate.

8.3 Reporting is Prohibited

If the **Insured** is unable to provide notification required under the Policy due to a prohibition by any governmental authority, the **Insured** will use its best efforts to provide **Underwriters** with allowable information to put **Underwriters** on notice of a covered or potentially covered matter until such time that details can be legally provided.

8.4 Assistance and Cooperation

The **Insured** must cooperate with Underwriters in the handling of any **Malicious Cyber Event** including but not limited to:

- a) immediately recording the specifics of the **Malicious Cyber Event** including occurrence and discovery dates.
- b) providing copies of any reports, investigations, and all related documents and invoices and such other information as the **Underwriters** may reasonably request.
- c) enforcing any legal rights, the **Insured** may have against any **Third Party** who may be liable to the **Insured**; and
- d) taking all other actions that the **Insured** and **Underwriters** agree are necessary and practicable to limit the loss.

The **Insured** will do nothing that in any way prejudices the Underwriters' rights under the policy or right of recovery.

----- End of SIGCo Cyber Non-Physical Damage Loss of Hire v2-25Nov24 Insurance Wording -----