



兆豐產物船舶保險 – Kidnap, Extortion, Products Extortion, Detention and Hijack Insurance including Loss of Hire/Earnings Extension

In this Policy words and phrases that appear in bold type have the special meaning as defined in the section headed DEFINITIONS at the end of this Policy.

This is the **Assured**'s Insurance Policy which is established on the basis of the declarations and representations made and documents furnished (including the proposal form) by the **Assured** and the **Assured**'s agent(s) or any **Insured Person(s)** to the Underwriters, all of which constitute an integral part of this contract of Insurance.

Combined with the Schedule this Policy contains the full Insurance terms, conditions, definitions and limitations. For security reasons the Schedule is issued as a separate document and is not attached to the Policy wording. Please read both documents carefully and keep them safe.

If the **Assured** shall make any claim knowing it to be false or fraudulent in any respect this Insurance shall become void and all claims hereunder shall become forfeited.

Reference to the Schedule determines the Limits of Liability, Co-Insurance, **Excess**, Premium and Period of Insurance that apply.

We waive all rights of subrogation against other marine and/or marine war risks policies as per the Conditions of this Policy.

Insuring Clause

In consideration of the payment of the Premium specified in the Schedule, and subject to the terms, limitations, Conditions and Exclusions below, the Underwriters agree to indemnify the **Assured** in respect of **Insured Losses** sustained directly because of **Insured Events** which occur during the Period of Insurance.

Insured Losses

1. **Ransom** which has been surrendered under duress. In the case of marketable goods or services, the Underwriters will pay the actual cash value of the goods or services at the time of surrender.
2. The loss in transit of a **Ransom** by actual destruction, disappearance, or wrongful abstraction while being conveyed by the order of such persons as have demanded it by any person who is duly authorized to do so by the **Assured** or an **Insured Person**.
3. The reasonable cost of getting any **Ransom** to the perpetrator of the **Kidnap** and/or **Extortion**
4. The fees and expenses of the Underwriters' Advisers following and for the duration of an **Insured Event**.



5. Additional expenses being expenses necessarily incurred following and for the duration of an **Insured Event**, by the **Assured** or an **Insured Person(s)** and which shall comprise:
- a. fees and expenses for an independent negotiator engaged by the **Assured** with the prior authorization of the Underwriters;
 - b. fees and expenses of an independent public relations consultant and/or interpreter;
 - c. costs of travel and accommodation incurred by the **Assured** or an **Insured Person**;
 - d. fees for independent psychiatric care and/or medical care incurred within twenty four months following the **Insured Event**;
 - e. fees for independent legal advice incurred during the negotiations and prior to the release of the **Covered Person(s)**. Documentation evidencing such fees to be submitted to Underwriters within 30 days following the release of a **Covered Person(s)**. Excluding all legal fees pertaining to any dispute with Underwriters arising from any suit for damages brought by or against Underwriters.
 - f. reward paid by the **Assured** or **Insured Person** to an **Informant** for information which leads to the arrest and conviction of parties responsible for an **Insured Event**.
 - g. **Personal Financial Loss** suffered by an **Insured Person** solely as a direct result of the physical inability to attend to personal financial matters while a victim of a **Kidnap, Extortion, Illegal Detention** or **Hijack**;
 - h. 100% of a kidnapped, detained or hijacked **Insured Person's** gross salary including bonuses, commissions, cost of living adjustments, foreign tax reimbursements, pension and/or welfare contributions and allowances, which were contractually due at the time the **Insured Event** occurs;
 - i. 100% of the gross salary including bonuses and allowances for a temporary replacement of a kidnapped, detained or hijacked **Insured Person** for the duration of the **Kidnap** and/or **Illegal Detention** and/or **Hijack** and 30 consecutive days thereafter, up to but not exceeding the kidnapped or detained or hijacked **Insured Person's** salary at the time of the **Kidnap** and/or **Extortion** and/or **Hijack** occurs;
 - j. the costs incurred by the **Assured** for the salaries of employees specifically designated to assist in negotiating on any **Insured Event** not to exceed the employee's base rate of pay. All other reasonable expenses solely and directly incurred in connection with such negotiations will be paid in addition, provided that the **Assured** forwards an itemised account of such employee's time, services and expenses;
 - k. sums payable by way of interest on loans raised specifically to meet a **Ransom** and in respect of amounts subsequently reimbursed hereunder, for up to seven days after the **Assured** receives reimbursement of the **Ransom** from the Underwriters;



- l. fees and expenses of security guards temporarily retained solely and directly for the purpose of protecting **Covered Persons** located in the country where an **Insured Event** has occurred and on the specific recommendation of the Underwriters' Adviser(s);
 - m. costs of communication equipment, recording equipment and advertising incurred solely and directly to obtain the release of a kidnapped **Covered Person**;
 - n. reasonable fees and expenses of independent forensic analysts engaged by the **Assured**;
 - o. the reasonable costs of cosmetic or plastic surgery, which is required to correct any permanent disfigurement sustained by a **Covered Person** solely and directly as a result of an **Insured Event**;
 - p. Such reasonable costs and expenses for bunkers, demurrage, warehousing and port expenses, incurred solely and directly as a result of a **Hijack** or **Kidnap** and including
 - i) the reasonable costs incurred and paid to the port authorities following the release of a **Hijacked Insured Vessel(s)**, for such vessel(s) calling at an unscheduled port solely and directly as a result of such **Insured Event** and up to but not exceeding 21 consecutive days of such **Hijack** ending.
 - ii) The cost of fuel oil used by a **Hijacked Insured Vessel(s)** solely and directly as a result of and only for the duration of such **Insured Event**.
 - q. rest and rehabilitation expenses including meals and recreation incurred by the **Kidnap** and/or **Illegal Detention** and/or **Hijack** victim and a spouse and/or children incurred within six months following the release of a **Kidnap** and/or **Illegal Detention** and/or **Hijack** victim. The Underwriters' liability shall not exceed the amount shown in item (iv) of the Schedule;
 - r. all other reasonable expenses incurred by the **Assured** or **Insured Person(s)** in negotiating the release of the victim, but only with the prior written approval of the Underwriters.
6. **Personal Accident** which means **Loss of Limb, Loss of Sight, Loss of Extremity, Permanent Total Disablement** or Death sustained by the **Covered Person(s)**, as a result of an **Injury** provided that such **Injury** causes his or her death or disablement within 12 calendar months from the date of the **Injury**. The Sums Insured shall be those specified under Limits of Liability (v) of the Schedule.
7. Legal Liability, being awards and judgements imposed upon and paid by the **Assured** as the result of an action for damages brought by, or on behalf of, either **Covered Person(s)** or his or her legal representative or shareholders solely and directly as a result of a **Kidnap, Extortion, Illegal Detention** or **Hijack**:
- a. the **Assured** shall neither admit any liability for nor settle any claim, nor incur any costs or expenses without the prior authorisation of the Underwriters;



- b. the Underwriters shall have the right to defend any such suit against the **Assured** and may make whatever investigation and settlement of any claim or suit they deem expedient and the law allows, and the **Assured** shall co-operate fully with the Underwriters in all things.

Defence costs incurred by the Underwriters, or with their prior authorisation, are payable in addition to the limit for Legal Liability. However, if the total amount for all awards and judgements to which such costs refer exceeds the limit, this policy shall pay only that proportion of defence costs which the limit bears to the total of such awards and judgements.

Conditions

1. When an **Insured Event** has occurred or is believed to have occurred, the **Assured** must:
 - a. immediately inform the Underwriters and the Underwriters' Adviser(s) and provide whatever information is required as soon as is practicable;
 - b. inform, or allow the Underwriters' Advisors to inform the appropriate authorities responsible for law enforcement in the country where an **Insured Event** has occurred of the **Ransom** demand as soon as is practicable having regard for the personal safety of the **Covered Person(s)**;
 - c. before agreeing to the payment of any **Ransom** make every reasonable effort to:
 - (i) determine that the **Insured Event** has actually occurred and that it is not a hoax;
 - (ii) ensure that a senior official of the **Assured** agrees to the payment of the **Ransom**;
 - d. when requesting the indemnification of a **Ransom** under this Insurance, be able to demonstrate that such **Ransom** had been surrendered under duress.
2. Following an **Insured Event** the services of the **Response Consultants** will be available to the **Assured** at no charge and on a priority basis to provide advice and assistance in the handling of the **Insured Event** for as long as required.
3. Under **Insured Losses** paragraph 5 **Personal Accident** the following conditions apply:
 - a. any **Covered Person** who suffers an **Injury** which causes or may cause disablement within the meaning of the Policy must place himself or herself under the care of a qualified medical practitioner approved by the Underwriters as early as possible after the **Injury**;
 - b. the Underwriters will not be liable to pay compensation unless the medical advisers (appointed by the Underwriters) is allowed as often as thought necessary to examine the **Covered Person**;
 - c. the total sum payable in respect of any one or more **Insured Events** shall not exceed in all the largest Benefit per **Covered Person** under any one of the items (i) to (v) of the **Personal Accident** benefits stated in the Schedule.



- d. if an **Insured Event** causes the death of the **Covered Person** within 12 months following the date of the **Insured Event** and prior to the definite settlement of the benefit for disablement, within the meaning of this Insurance, there shall be paid only the benefit provided for in the case of death;
 - e. if a **Covered Person** disappears during the Period of Insurance and such **Covered Person's** body is not found within 6 months after such **Covered Person's** disappearance and sufficient evidence is produced satisfactory to the Underwriters that leads the Underwriters inevitably to the conclusion that such **Covered Person** sustained death solely and directly as a result of an **Insured Event**, the Underwriters will pay the death benefit under this Insurance provided that the person or persons to whom such a sum is paid shall sign an undertaking to refund such sum to the Underwriters if the **Covered Person** is subsequently found to be living.
4. The **Assured** must use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any Insured Loss(es).
 5. The **Assured** and **Insured Person(s)** must, at all times, use their best efforts to ensure that knowledge of the existence of this Insurance is restricted as far as possible.
 6. **The Assured** and the **Covered Person** must provide all necessary evidence and complete, sign or seal all papers required by the Underwriters to recover compensation or secure an indemnity from any third party in respect of any loss or damage. If the Underwriters instigate proceedings in the name of the **Assured** or in the name of a **Covered Person**, any monies thus received will belong to the Underwriters.
 7. The Underwriters' liability under this Insurance will in all cases be limited to the amount shown in the Schedule. The Underwriters' liability will not be increased because:
 - a. the **Assured** may comprise or include more than one legal entity. If more than one legal entity is named under this Policy, only the first-named will have any right to make, adjust, receive or enforce payment of any claim;
 - b. of renewal of this Policy. The Underwriters' liability will not be cumulative from one Period of Insurance to another;
 - c. of any other reason whatsoever.
 8. This Policy may be cancelled by the Underwriters solely as a result of non payment of premium by the **Assured**. In such an event the Underwriters will mail written notice of not less than 5 days of the effective date of cancellation and earned premium due will be calculated on a pro rata basis.
 9. The **Assured** and the broker shall be jointly and severally liable for the payment of the premium.



10. No assignment of the **Assured's** interest hereunder shall be binding on the Underwriters.
11. Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or a change in any part of this Policy on or prevent the Underwriters from asserting any right under this Policy. The terms of this Policy will not be waived or changed except by written endorsement to form part of this Policy.
12. Failure by the Underwriters either to exercise or enforce any rights in this Insurance will not be deemed to be a waiver of such rights nor operate to bar the exercise or enforcement of them at any time afterwards.
13. It is a condition precedent to the liability of Underwriters under this Insurance that the **Assured** shall communicate fully and without exception with the **Response Consultants** at all times following an **Insured Event**.
14. The Underwriters have relied on the proposal form and all other information provided in connection with such form in deciding to accept this Insurance and in determining the terms of such acceptance. The **Assured** must ensure that all statements in the proposal form or any other documentation are accurate and that the **Assured**, the **Assured's** agent(s) or any **Insured Person(s)** have not withheld any material fact(s), otherwise this Insurance may be avoided.
15. The proper and exclusive law of this insurance shall be English Law. Any disputes arising under or in connection with it shall be subject to the exclusive jurisdiction of English Courts.
16. No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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.
17. The Underwriters waive all rights of subrogation against the **Assured's** Hull and Machinery insurers and/or **Assured's** Marine War Risk insurers.
18. A person who is not a party to this Insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Insurance; but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Definitions

Assured As specified in the Schedule.

Assured's Premises means that portion of any real property which is occupied by the **Assured** in the conduct of the **Assured's** business.

Assured's Products means products of the **Assured** in the conduct of the **Assured's** business.

Computer System A computer and all input, output, processing, storage and communication facilities and equipment which are connected to such a device and which the operating system or



application software used by the **Assured** are under the **Assured**'s direct operational control. Off-line media libraries are deemed to be part of said **Computer System**.

Computer Virus means a set of unauthorized instructions, programmatic or otherwise, that propagate themselves through the **Assured**'s **Computer System** and/or networks, which instructions were designed to modify, alter, damage, destroy, delete, contaminate or degrade the integrity, quality, or performance of data, computer application software, computer network, or computer operating system and related software.

Covered Person means:

1. an Insured Person and/or
2. the crew of the insured vessel(s) and any supernumeraries and any persons legally onboard such vessel(s) with the permission of the Assured and/or the vessel's Master.
3. any person who is directly involved in the handling or negotiation of an Insured Event..

Detention means the holding under duress in the Geographical Limits specified in the Schedule of an **Insured Person**, or any **Covered Person** (as defined in paragraphs 2 and 3) resident with the **Insured Person**, for whatever reason and whether by authorities legally constituted in the place of custody or by others. With respect to salary payments only, Underwriters' liability shall be for a period of 60 months or until 30 days after the date on which the detention ceases, whichever occurs first.

Excess means the first amount of each and every loss for **Extortion**, up to the limit shown in the Schedule, for which no indemnity will be paid.

Extortion means the making of illegal threats either specifically to the **Assured** or to a **Covered Person** to:

1. kill, injure or abduct a **Insured Person(s)**, or
2. cause physical damage to or loss of an **Insured Vessel**, or
3. introduce a **Computer Virus** on board or connected with the **Insured Vessel** designed to damage, destroy or corrupt the **Assured**'s computerized data,

by persons who then demand a **Ransom** as a condition of not carrying out such threats.

Hijack means the illegal holding under duress for a period in excess of six hours of

- i. an **Insured Vessel** and/or
- ii. a **Covered Person** whilst travelling on an aeroplane, vehicle or watercraft.

Informant means a person providing information not otherwise available and solely in return for a monetary payment by the **Assured**.

Injury means identifiable physical injury occasioned by visible, violent and external means sustained during **Kidnap** or **Detention** or **Hijack** and/or attempted **Kidnap**, **Detention** or **Hijack**.

Insured Event means a **Kidnap** or **Extortion** or **Detention** or **Hijack** or a series of connected **Insured Events**. If it is evident from the demand that a **Kidnap** and/or **Extortion** and/or **Detention**



and/or **Hijack** is or was carried out in furtherance of another **Insured Event** they shall be deemed to be connected and to constitute a single **Insured Event**. Nevertheless there will be no cover under this Insurance in respect of a series of **Kidnaps** or **Extortions** or **Detentions** or **Hijacks** the first of which began before the Period of this Insurance.

Insured Person means those persons specified in the Schedule.

Insured Vessel means a vessel which has been declared to the Underwriters under this Insurance.

Kidnap means the illegal taking, in the Geographical Limit specified in the Schedule, and holding captive of one or more **Covered Person(s)** by persons who then demand specifically from assets of the **Assured** or the assets of an **Insured Person** a **Ransom** as a condition of the release of such captive(s).

Loss of Extremity means the permanent physical separation of the whole or part of a digit or whole or part of an ear, nose or genital organ by deliberate mutilation.

Loss of Limb means loss by separation of a hand at or above the wrist, or a foot at or above the ankle.

Loss of Sight means loss of sight of one or both eyes that is certified by a qualified medical practitioner specializing in ophthalmology and approved by Underwriters as being entire and irrevocable.

Permanent Total Disablement means disablement which entirely prevents a **Covered Person** from attending to every aspect of his normal business or occupation for a period of 12 calendar months and at the end of such period, is certified by two qualified medical practitioners approved by Underwriters as being beyond hope of improvement. If the **Covered Person** has no business or occupation the disablement must confine him/her immediately and continuously to the house and disable him/her from attending to his/her normal duties.

Definitions contd.

Personal Financial Loss means loss suffered by an **Insured Person** solely as a direct result of the physical inability of a **Kidnap** or **Extortion** or **Detention** or **Hijack** victim to attend to his/her personal financial matters;

Products Extortion: means the making of illegal threats to the **Assured** or the production of publicity that the **Assured's Products** will be or have been contaminated, polluted, or rendered sub-standard, by persons who demand a Ransom from the **Assured**, either:

1. as a condition of not carrying out such threats, or
2. before providing further information about the **Assured's Products** affected.

Ransom means cash and/or marketable goods or services surrendered or to be surrendered by or on behalf of the **Assured** or **Insured Person(s)** to meet a **Kidnap**, or **Extortion** or **Products Extortion** demand.

Response Consultants As named or specified in the Schedule.



Seamen means any one or more persons including but not limited to the master, officers and crew, engaged or employed in any capacity under the terms of a crew agreement or other contract of service or employment to serve on board the **Insured Vessel**.

Suit means a civil proceeding in which damages to which this Insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which The Assured must submit with The Underwriters' consent.

Complaints

In the event of a complaint concerning any aspect of this insurance please contact The Complaints Officer, Griffin Underwriting Ltd. in writing, quoting the policy number, the **Assured's** name and the date the **Assured's** policy inception, with full details of the circumstances of the complaint.

Address

Second Floor,
St Andrew's House,
Le Bordage,
St Peter Port,
Guernsey
GY1 1BR
UK

Loss Of Hire/Earnings Extension

The **Assured** should check the schedule to see if this extension is in force.

This extension is subject to the definitions, conditions and exclusions of the attached Griffin Underwriter Maritime Plus policy and to the particular exclusions, terms and conditions appearing below.

Insured Losses

The Underwriters agree to indemnify the **Assured** up to the limits of liability shown in the attached schedule in respect of the following loss sustained by the **Assured** solely and directly as a result of an **Illegal Seizure** of an **Insured Vessel** occurring during the **Period of Insurance**, subject to the following terms, conditions, exclusions and definitions.

Hire for the period of **Illegal Seizure** of the **Insured Vessel** or **Vessels** named in the schedule, up to but not exceeding the maximum **Daily Indemnity** amount and the indemnity period specified in the schedule from the time such **Insured Vessel** or **Vessels** were first seized, providing such period of seizure exceeds the excess period specified in the schedule.

Underwriters acknowledge that their subrogation rights will be restricted to the extent that the **Assured** waives its right in part or in whole to the daily rate of charter hire.



Exclusions

In addition to the exclusions stated in the attached policy wording the Underwriters shall not be liable in respect of any **Hire**:

- i. Caused by or arising from or attributable to any event occurring after the return of the **Assured's Insured Vessel** or the expiry of the indemnity period specified in the schedule, whichever first occurs. Specifically, but without limiting the generality of the foregoing, the Underwriters shall not be liable in such case, whether such loss is attributed to loss of market share or otherwise.
- ii. Unless the seizure of the **Assured's Insured Vessel** or **Vessels** continues beyond the excess period stated in the schedule.

If such seizure continues beyond the excess period the Underwriters shall, subject to the terms and conditions of this policy, indemnify the **Assured** from the point the excess period expires and not exceeding the period of indemnity as set out in the attached schedule.

Definitions

For the purposes of this extension the following definitions shall apply:

Illegal Detention - the holding under duress in the Geographical Limits specified in the Schedule of an **Insured Vessel** for whatever reason other than by authorities legally constituted in the place of custody.

Hire – The actual daily rate of charter hire stipulated in the **Charterparty** which in whole or in part (i) is not paid by the charterer by reason of an **Illegal Seizure** or (ii) for which the charterer is not contractually liable by reason of an **Illegal Seizure** or (iii) to which the insured voluntarily waives its entitlement.

In the event the **Insured Vessel** is not under time charter, **Hire** shall mean the time charter equivalent daily rate for the **Insured Vessel** prevailing on the first day of the **Illegal Seizure** as assessed by an independent well known first class London firm of chartering brokers nominated by and acceptable to the Underwriters and which the **Assured** shall present the Underwriters within no later than three (3) days from the **Illegal Seizure** taking place.

Illegal seizure – The illegal or alleged taking, in the Geographical Limits specified in item six of the original schedule, and holding of the **Insured Vessel** by persons who then demand specifically from assets of the **Assured** a **Ransom** as a condition of the release of such **Insured Vessel**.

Charterparty – The contract for hire on a time charter basis made between the **Assured** and the charterer.

Daily – Up to the Maximum indemnification per day as specified in the Schedule under Limits of

Indemnity Liability not exceeding the actual daily rate of **Hire**.

Daily Each completed period of 24 hours