



兆豐產物船舶保險 – PiracyGuard ____ - Policy Wording

In consideration of the payment of premium and in reliance on the proposal form submitted and the representations made by the **Policyholder** in the application for this insurance, the **Insurer** will indemnify the **Policyholder** for all **Loss** sustained directly from an **Insured Event** which occur during the **Policy Period** up to the Limits of Liability set out in the Schedule.

The Limits of Liability for each of the Insurance Covers outlined in Section 1 are set forth in the Schedule.

Section 1 - Insurance Covers

1.1 Ransom

The **Insurer** shall reimburse the **Policyholder** up to the Limits of Liability set out in the Schedule for **Ransom** up to the limit of liability stated in the Policy schedule which has been surrendered in respect to an **Insured Event**.

1.2 Lost Ransom

The **Insurer** shall reimburse the **Policyholder** up to the Limits of Liability set out in the Schedule any lost in transit **Ransom** which has been damaged, destroyed, seized, stolen, or wrongfully appropriated while being conveyed to person(s) demanding the **Ransom** by anyone who is duly authorized to do so by the **Policyholder**.

1.3 Response Consultants

The **Insurer** shall pay up to the Limits of Liability set out in the Schedule all reasonable fees and expenses of the **Response Consultant** arising from an **Insured Event**.

1.4 Legal Liability

The **Insurer** shall pay up to the Limits of Liability set out in the Schedule all settlements, awards, fees, defence costs and judgements imposed upon and paid by the **Policyholder** as a result of an action for damages brought within twelve (12) months after filing a Statement of Loss with the **Insurer** by the **Policyholder**, by or on behalf of any **Insured Person(s)** or their legal representatives solely and directly as a result of an **Insured Event**. The **Insured** shall neither admit any liability for, nor settle any claim nor incur any costs or expenses without the prior written authorization of the **Insurer**.

1.5 Additional Expenses

The **Insurer** shall pay up to the Limits of Liability set out in the Schedule all reasonable and necessary additional expenses incurred, following an **Insured Event**, by the **Insured** which shall include:

- i) *Independent Negotiator* – the fees and expenses of an independent negotiator engaged by an **Insured**;
- ii) *Public Relations* – the fees and expenses of an independent public relations consultant handling the **Insured Event**;
- iii) *Interpreter* – the fees and expenses of a qualified interpreter assisting the **Insured** with an **Insured Event**;
- iv) *Conveyance of Ransom* – the reasonable costs of conveying any **Ransom** to the perpetrators of the **Insured Event**;
- v) *Reward* – the amount paid by the **Insured** as a reward to an informant for information which contributes to the resolution of an **Insured Event**;
- vi) *Interest* – the interest costs for a loan from a financial institution made for the purposes of paying a **Ransom**, provided the loan is repaid with seven (7) days of the **Insured** receiving reimbursement of the same from the **Insurer**;
- vii) *Travel* – the cost of travel and accommodations incurred by the **Insured** as a result of the **Insured Event**;



- viii) *Communications* – the costs of telecommunication, communication hardware, recording equipment and advertising incurred solely and directly as a result of the **Insured Event**;
- ix) *Fuel Oil* – the cost of fuel oil used by a **Covered Vessel(s)** as a result of, and only for the duration of, the **Insured Event**.
The liability of the **Insurer** for the cost of fuel oil will not exceed the Sub-Limit shown in Item 8 of the Schedule;
- x) *Port Authority* – following the release of a **Covered Vessel(s)** after an **Insured Event**, the reasonable costs incurred and paid to the port authorities for such released vessel(s) calling at an unscheduled port, solely and directly as a result of such **Insured Event**, provided that any such payments are only paid up to, but not exceeding, twenty-one (21) consecutive days from such **Insured Event** ending.
The **Insurer's** liability for Port Authority fees will not exceed the Sub-Limit shown in Item 8 of the Schedule;
- xi) *Salary* – 100% of a **Kidnapped** or **Hijacked Insured Person's** gross salary and bonuses, commissions, cost of living adjustments, foreign tax reimbursements, pension and/or welfare contributions and other allowances which were contractually due or could reasonably be expected based on past performance at the time the **Kidnap** or **Hijack** occurs and for sixty (60) consecutive days following the release of an **Insured Person**;
- xii) *Job Retraining* – the occupational retraining costs for the **Insured Person** victim of an **Insured Event**, including but not limited to the salary of the **Insured Person** victim while being retrained and the cost of external training courses;
- xiii) *Personal Financial Loss* – the personal financial loss suffered by an **Insured Person** solely and directly as the result of their physical inability to attend to financial matters while a victim of an **Insured Event** (or while involved with the handling or negotiation of the same);
- xiv) *Rest and Rehabilitation* – the rest and rehabilitation expenses (including meals and recreation) incurred within eighteen (18) months following the release of the **Kidnapped, Hijacked, or Detained Insured Person** victim by the **Insured Person** victim and his/her immediate family.
The liability of the **Insurer** for Rest and Rehabilitation will not exceed the Sub-Limit shown in Item 8 of the Schedule;
- xv) *Medical Services* – the fees for independent psychiatric, medical and dental care incurred within thirty-six (36) months following the **Insured Event** for conditions resulting from an **Insured Event**;
- xvi) *Cosmetic Surgery* – the costs of cosmetic or plastic surgery which is required to correct any permanent disfigurement sustained by an **Insured Person** victim solely and directly as a result of an **Insured Event**;
- xvii) *Body Repatriation* – the costs of repatriation of the body of the **Kidnapping / Hijacking** victim, in the event of death during an **Insured Event** and the costs of burial or cremation of the **Kidnapping / Hijacking** victim incurred in the event of death during an **Insured Event**;
- xviii) *Designated Substitute* – the cost of employing a substitute Designated Person Ashore (“DPA”) or a Company Security Officer (“CSO”), or any other person specified in the Schedule, as a result of the DPA and/or CSO and/or other person being unable to perform their tasks during and solely as a result of an **Insured Event**;
- xix) *Forensics* – the fees and expenses of an independent forensic analysts engaged by the **Insured** as a result of the **Insured Event**;
- xx) *Other Expenses* – all other reasonable and necessary expenses incurred by the **Policyholder** in negotiating the release of a **Covered Vessel**.



Section 2 - Definitions

Words and phrases in **bold** type have the following meanings throughout this insurance policy:

- 2.1 Citadel** means any room within the engine or steering gear area which is an independent compartment and strongly hardened with steel doors from all access points. The room must be able to withstand arms fire. The citadel must have independent means of communication, via Inmarsat and has been prepared with self sufficiency for a minimum of seven (7) days including separate battery operated lighting, dry food, water and sanitation facilities.
- 2.2 Covered Vessels** means the marine vessels named or specified in the Schedule.
- 2.3 Hijacking** means the illegal holding under duress of an **Insured Person**, while travelling on a **Covered Vessel** or when forcibly removed from such **Covered Vessel**.
- 2.4 High Risk Areas** means the Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea as defined by the joint War Committee (currently under JWLA020 or as may be amended).
- 2.5 Insured** means any person, company or firm named as the **Policyholder** in the Schedule (and its subsidiaries) and any **Insured Persons**.
- 2.6 Insured Event** means a **Kidnapping, Hijacking or Seizure** or a series of connected acts thereof.
- 2.7 Insured Person** means all Master(s), Officer(s) and crew of the **Covered Vessel(s)** and any supernumeraries and/or any person legally on board the **Covered Vessel(s)** as agreed the **Insurer**.
- 2.8 Insurer** Means **AIG Asia Pacific Pte. Ltd.**
- 2.9 Kidnapping** means the illegal actual or alleged taking and holding captive of one or more **Insured Persons** within the territory specified in the Schedule by persons who then demand specifically from assets of the **Insured** a **Ransom** as a condition of the release of such captive(s).
- 2.10 Loss** means the amounts covered under Section 1 – Insurance Covers incurred by the **Insured** directly as a result of an **Insured Event**.
- 2.11 Policy Period** means the period from the inception date to the expiry date as specified in Item 5 of the Schedule or any subsequent period agreed to in writing or any shorter period arising as a result of cancellation of the policy.
- 2.12 Policyholder** means the entity or legal person specified in Item 2 of the Schedule.
- 2.13 Ransom** means cash and/or marketable goods, monetary instruments, securities or services surrendered or to be surrendered by or on behalf of the **Policyholder** (with the approval of a senior officer of the **Policyholder**) to meet either a **Kidnapping** or a **Hijacking** demand.
- 2.14 Response Consultants** means **NYA International Limited**. or any other piracy response consultants authorized with the **Insurer's** prior consent.
- 2.15 Seizure** means the actual, attempted or alleged taking and holding of a **Covered Vessel** within the territory specified in Item 6 of the Schedule.



Section 3 - Conditions Precedent

- 3.1 Valid Insurance** -- As a condition precedent to the **Insurer's** liability the **Insured** will maintain valid Marine Hull and Machinery as well as a War Risks Insurance for all **Covered Vessels** hereunder for the duration of the **Policy Period**.
- 3.2 Convoys/IRTC** -- It is a condition precedent to the **Insurer's** liability that the **Policyholder** shall:
- undertake Best Endeavors to use convoys or group transits; and
 - undertake to use Best Endeavours to utilize the International Recommended Transit Corridor ("IRTC") whilst transiting through the Gulf of Aden (GOA).
- 3.3 Best Practices** -- It is a condition precedent to the **Insurer's** liability that **Covered Vessel** must:
- have a working **Citadel** in the absence of armed guard;
 - be registered and report to (i) the UK Maritime Trade Operations ("UKMTO") office or (ii) the Maritime Security Centre – Horn of Africa ("MSCHOA") office; and
 - adhere to written policy detailing requirements for increase vigilance inclusive of additional lookouts, sufficient binoculars and night vision optics and/or radar to provide 360 degree coverage on a 24 hour basis whilst in the **High Risk Areas**.

Section 4 – General Conditions

- 4.1 Notification** – In the event of an **Insured Event** during the **Policy Period**, and in the case of an **Insured Event** prior to the payment of **Ransom**, the **Insured** will make every reasonable effort to immediately inform the **Response Consultants** and provide all relevant information as soon as possible.
- 4.2 Use of Response Consultants** – Following an **Insured Event** the services of the **Response Consultants** will be available to the **Insured** at no charge and on a priority basis to provide advice and assistance in handling the **Insured Event** for as long as required.
- 4.3 Notice** – Except as indicated in Appendix 1, all notices, applications, demands and requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Schedule.
- 4.4 Confidentiality** – The **Policyholder** must at all times use its reasonable commercial efforts not to disclose the existence of this insurance policy.
- 4.5 Assistance and Cooperation** – The **Policyholder** and all **Insured Persons** will cooperate with the **Insurer** in all matters relating to this insurance, including in the conduct of litigation or arbitration and assisting in achieving settlements.
- 4.6 Reasonable Precautions** – The **Insured** must act prudently at all times and do all things reasonably necessary to avoid or diminish any **Loss**.
- 4.7 Limits of Liability** – The maximum limit and aggregate limit of the **Insurer's** liability for covered **Losses** will not exceed the amounts set forth as separate Limits of Liabilities in the Schedule. All covered **Losses** will be deemed to have been incurred during the **Policy Period** in which the **Insured Event** occurred.
- 4.8 Proposal Form** – The **Insurer** has relied on the proposal form and/or all other information provided in deciding to accept this insurance cover and in determining the terms of such acceptance. The **Policyholder** must ensure that all statements in the proposal form or any other documentation are accurate and that the **Policyholder** has not withheld any material fact(s), otherwise this policy may be avoided.
- 4.9 Fraud** – This policy is null and void in the event of fraud, concealment, or deliberate misrepresentation by the



Insured in regards to any “material information” (i.e. such information that the **Insured** should reasonably have known would have influenced the **Insurer** in accepting the risk and formulating the terms and acceptance of the policy).

- 4.10 Statement of Loss** – The **Insured** will file a detailed, written and sworn Statement of Loss with the **Insurer** as soon as possible after the date of loss.
- 4.11 Cancellation** – The **Policyholder** may cancel this policy at any time by providing the **Insurer** written notice in which case the **Insurer** will return the pro rata proportion of the premium provided no claims or incidents have been reported. The policy may only be cancelled by the **Insurer** if the **Policyholder** fails to pay the required premium.
- 4.12 Subrogation** – In the event of any payment under this policy, the **Insurer** will be subrogated to the **Policyholder’s** rights of recovery. The **Policyholder** will do everything necessary to secure and preserve such rights including the execution of any documents necessary to enable the **Insurer** effectively to bring suit in the name of the **Insured** and will do nothing to prejudice such rights. Notwithstanding the foregoing, the **Insurer** waives its rights of subrogation against the **Policyholder’s** Hull and Machinery insurers and/or the **Policyholder’s** Marine War risk insurers and/or shipowner’s Protection and Indemnity insurers for any vessel owned, managed, operated, chartered or leased by the **Insured**.
- 4.13 Other insurance** – The **Insurer** will not be liable in respect of any losses which are, but for this insurance policy would be, covered under any other insurance policy, save in excess of such other insurance or receivable from any other source.
- 4.14 Waiver** – Failure by the **Insurer** to exercise or enforce any rights hereunder will not be deemed to be a waiver or a change in any part of this insurance, or prevent the **Insurer** from asserting any right under this insurance policy, nor shall the terms of this insurance policy be waived or changed except by endorsement to form part of this policy.
- 4.15 Non-Assignment** – This policy may not may not be assigned or transferred without the written consent of the **Insurer**.
- 4.16 Governing Law** – This policy shall be governed by and construed in accordance with the laws of Singapore.
- 4.17 Arbitration** - Any dispute or claim arising out of or in connection with this policy or its subject matter or formation (including non-contractual disputes or claims) which cannot be resolved by agreement within 30 days, shall be referred to binding arbitration by either party, upon giving 7 days’ notice to the other, in Singapore in the Singapore International Arbitration Centre, whose Arbitration Rules shall be deemed incorporated by reference to this Section 4.17 (Arbitration), and the cost shall be borne equally between the **Insured** and **Insurer**.
- 4.18 Severability** – If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable, it will be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law or if that is not possible, severed without invalidating the remainder of the policy.
- 4.19 Sanctions** – The **Insurer** will not provide cover for, or be liable to pay any **Claim** or provide any benefit under this policy to the extent that the provision of such cover, payment of such **Claim** or provision of such benefit would expose the **Insurer**, its parent company or ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions law or regulations of the European Union, United Kingdom, United States of America, or Singapore.
- 4.20 Armed Guards** –when armed guards are present on board any **Covered Vessel**, the **Insured** will ensure that a minimum of three (3) armed guards will embark the **Covered Vessel** prior to entering the **High Risk Area** and disembark the vessel only after the vessel exits the **High Risk Area**.
- 4.21 Premium Payment Warranty** – Any premium due must be paid in full to the **Insurer** within 60 days of the start of the Policy Period and effective date of each endorsement. In the event that any premium due is not paid in full to the **Insurer** within the 60-day period, then the cover under the policy or endorsement shall be cancelled immediately after the expiry of the 60-day period. The cancellation shall be without prejudice to any liability incurred within the 60-day period and the **Insurer** shall be entitled to a pro-rate time on risk premium.
- 4.22 Exclusion of Third Party Rights** - a person who is not a party to this contract will have no rights under the Contracts (Rights of Third Parties) Act 2001(Cap. 53B) to enforce any of its terms.



Section 5 - Exclusions

The **Insurer** will not be liable for **Loss** caused by or resulting either or indirectly from or involving:

- 5.1 Prior Events** – A series of **Insured Events** where the first of which began before the **Policy Period**.
- 5.2 Fraud** – a fraudulent, dishonest, illegal or criminal act or attempt of any **Insured** or any of the **Insured's** directors or officers (whether acting alone or in collusion with others).
- 5.3 Ransom** – The surrender of **Ransom**:
- in any face to face encounter involving the use or threat of force or violence, unless surrendered by a person who is in possession of such **Ransom** at the time of such surrender for the sole purpose of conveying it to pay a previously communicated **Ransom** demand; or,
 - at the **Kidnapping / Hijacking** location of one or more **Insured Person** unless brought to such location after receipt of the **Ransom** demand for the sole purpose of paying such a demand.
- 5.4 Surrender of Vessel** – The surrender of the **Covered Vessel(s)** for use as **Ransom**.
- 5.5 Surrender of Cargo** – The surrender and/or taking of cargo, goods and/or cash being transported by any **Covered Vessel(s)** for use as **Ransom**.
- 5.6 Legality** - Any payments for liability under this policy where doing so would violate applicable laws, regulations or any form of economic or trade sanctions. Further, no benefits or payments will be made to any **Insured** or any beneficiary(ies) who is/are declared unable to receive economic benefits under the laws or regulations governing the **Insurer** and/or this policy.

The **Insured** agrees to reimburse the **Insurer** for any payments made hereunder by the **Insurer** which are ultimately determined not to be covered because of the application of these exclusions.

Section 6 - Privacy

DATA PRIVACY - The **Insured Person** has/have agreed and consented that the **Insurer** may collect, use and process the **Insured Person's** personal information (whether obtained in the application form or otherwise obtained) and disclose such information to the following, whether in or outside of Singapore:

- to the **Insurer's** group companies;
- The **Insurer's** (or the **Insurer's** group companies') service providers, reinsurers, agents, distributors, business partners;
- brokers, the **Insured Person's** authorised agents or representatives, legal process participants and their advisors, other financial institutions;
- governmental / regulatory authorities, industry associations, courts, other alternative dispute resolution forums, for the purposes stated in the **Insurer's** Data Privacy Policy which include:
 - Processing, underwriting, administering and managing the **Insured Person's** relationship with the **Insurer**;
 - Audit, compliance, investigation and inspection purposes and handling regulatory / governmental enquiries;
 - Compliance with legal or regulatory obligations, risk management procedures and the **Insurer's** internal policies;
 - Managing the **Insurer's** infrastructure and business operations; and
 - Carrying out market research and analysis and satisfaction surveys.

Note: Please refer to the full version of Our Data Privacy Policy found at: http://www.aig.com.sg/sg-privacy_1030_237853.html



If the **Insured Person** has not opted out, the **Insured Person** has also consented to the **Insurer**, the **Insurer's** group companies, service providers and business partners using, processing and disclosing the **Insured Person's** personal information to:

- (a) enrol the **Insured Person** in contests, prize draws and similar promotions; and
- (b) contact the **Insured Person** to market other insurance, and/or the Insurer, or the Insurer's group companies' and/or the Insurer's business partners' financial products and/or services.

If you have any questions about the **Insurer's** collection, use and disclosure of personal information you may contact the **Insurer's** Data Protection Officer at singaporedataprotectionofficer@aig.com

Notice

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Please read this policy carefully and review its cover with your insurance agent or broker.



Appendix 1 - Notification Procedures & Consultants

What to Do in a Crisis

Response Consultants Services

In the event of an incident, situation or occurrence which may give rise to or constitute an **Insured Event**, then as part of the Policy coverage and under a special arrangement with the **Insurer**, we will:

- (a) make available on a priority basis, specialist **Response Consultants** nominated by the **Insurer** to advise, inform and assist an **Policyholder**; and
- (b) pay the reasonable and necessary fees and expenses of the said **Response Consultant/s**.

The **Response Consultants** are available globally, 24 hours a day, 7 days a week on a priority basis to advice, assist and respond to emergency situations involving PiracyGuard policyholders world-wide.

Crisis Hotline 00 1 817 826 7000

Notifications to the CRISIS CENTRE HOTLINE is independent of, and does not supersede policy requirements of notice to the Company.

The number above is a dedicated crisis response hotline and should only be used for notification of an incident, situation or occurrence which may give rise to an **Insured Event**. Callers will speak directly to or receive an immediate call back from our experienced response consultants who are available to nominate specialist external crisis management or crisis communications consultants or consider any request (to be confirmed in writing) by an **Policyholder** concerning the use of an **Policyholder's** preferred consultants. Following notification of an incident, situation or occurrence which may give rise to an **Insured Event**, the **Response Consultants** will be available to be with the **Policyholder** as soon as travel time permits.

It is understood and agreed that:

- (a) the response consultants have no authority on behalf of the **Insurer** to make any admissions which may prejudice our rights or to deal with matters concerning policy coverage or the application of any facts and circumstances of any crisis incident, situation or occurrence which has been notified and which may give rise to an **Insured Event** to the policy terms, conditions and exclusions; and
- (b) the provision and/or the use of these services is not, is not intended to be and shall not be regarded as an admission of or an acceptance by the **Insurer** of any liability to indemnify an **Policyholder** under the Policy and is without prejudice to all of our rights under the terms, conditions and exclusions of the Policy.
- (c) upon notification to the **Insured** by the **Insurer** that liability to indemnify is not accepted, the **Insurer** will not pay any fees or expenses of the said response consultants which are incurred after such notification is given.