

TO THE MEMBERS

Our Ref: HWRB/C2/2017

16 March 2017

Dear Sirs

CLARIFICATION OF THE ASSOCIATION'S CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE; THE RADIOACTIVE CONTAMINATION AND NUCLEAR RISKS EXCLUSION CLAUSE AND COMPUTER VIRUS EXCLUSION CLAUSE

This Circular is provided by way of clarification of the Association's cover for certain risks in the 2017 Policy Year as below:

Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause

An Owner is not insured for any loss, damage, liability or expense directly or indirectly caused by, or contributed to by, or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

Radioactive Contamination and Nuclear Risks Exclusion (Rule 3.2 refers)

3.2 Exclusion of radioactive contamination and nuclear risks

An Owner is not insured for any loss, damage, liability, cost or expense directly or indirectly caused by or contributed to by or arising from:

3.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

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

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

3.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;

3.2.5 the exclusion in Rule 3.2.4 shall 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.

The Chemical, Biological Bio-Chemical and Electromagnetic Weapons Exclusion Clause and the Radioactive Contamination Clause will only apply once claims on the Association that would otherwise have been excluded by these clauses have exceeded US\$50,000,000 in the aggregate in the 2017 Policy Year. For the avoidance of doubt, the US\$50,000,000 aggregate limit is applicable across both of the above clauses.

Computer Virus Exclusion Clause

This clause is only to apply once claims on the Association in the 2017 Policy Year that would otherwise have been excluded by this clause, have exceeded US\$100,000,000 in the aggregate (2016 Policy Year, US\$50,000,000 in the aggregate).

- 1.1 In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer virus.
- 1.2 Clause 1.1 shall not operate to exclude or limit losses (which would otherwise be covered by the Association) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and / or firing mechanism of any weapon or missile.

The Managers would be pleased to answer any questions that may arise.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD
Managers

Copies of this Circular and other publications, including the Association's Rules, can be viewed and downloaded from the Association's website at www.hellenicwarrisks.com