

**WAR OPEN COVER**

**Between**

**ARAB WAR RISKS INSURANCE SYNDICATE (AWRIS)**

Herein after called  
(The Syndicate)

**And**

**XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

**XXXXXXXXXXXX**

Herein after called  
(The Reinsured)

**ARTICLE 1 - INTEREST AND RISKS COVERED**

Being reinsurance in respect of:

**Section 1**

Hull and Machinery valued as original policy, and/or Disbursements and/or increased Value and/or Excess Liabilities and/or Freight and/or other Interests including vessels chartered by Ship-owners and/or Cargo Owners and/or Liabilities of Ship-owners, and/or Charterers and Crew War Protection and Indemnity as original.

**Warranted** vessels Flag or Ownership or Management and/or Interest is of any one Arab State or Company but including vessels operating in Arab Waters for continuous periods of more than 30 days.

**Section 2**

Cargo of whatsoever nature from any port and/or place in the World to any port and/or place in the World Insured under policies and contracts of insurance or reinsurance issued or accepted or which may be hereafter issued or accepted by or on behalf of the Reinsured, such policies and contracts being referred to as the "Original Policies" but, such Original Policies shall not be on terms wider than the relevant institute War and Strikes Clauses with the attachment and termination restricted to that provided under the Institute Clauses. Specie Risks while in transit can be included at rates to be agreed by the Syndicate.

This Cover is subject to the same risks, clauses, conditions and valuations whatsoever as are now or may hereafter be covered by or contained in the Original Policies, but only to cover the risks of War, Strikes, Riots and Civil Commotions and Malicious Damage, Vandalism and any act of Terrorism including the use of force or violence by any person or persons, whether acting alone or on behalf of or in connection with organizations, committed for political, religious or ideological purposes including intention to influence any government and/or to put the public in fear for such purposes if and as included in original policies.

Including War Protection and Indemnity if and as Original Policies.

It is the intention of this Cover that the Reinsured shall duly recover hereunder all claims, losses and payments (including expenses incurred in investigating or resisting claims whether valid or not and/or unrecovered costs and/or charges in connection therewith, but excluding salaries of the Reinsured's employees), and in all matters coming within the scope of this Cover the Syndicate shall share to the extent of its interest the fortunes of the Reinsured. Ex-Gratia payments are recoverable hereunder only upon Syndicate's prior approval.

**ARTICLE 2 - REINSURING CLAUSE.**

**Section 1**

The Reinsured agrees to cede and the Syndicate agrees to accept by way of Reinsurance, cessions in respect of Hull and Machinery, of up to the limits specified in the Cover Note, forming part of this Cover each vessel. The Syndicate hereon agrees to accept up to a further 25% of such amount declared in respect of additional insurances permitted by the Disbursements Clause of the original policy. In the event of other interests being declared, overall declaration not to exceed 125% of limits stated in the Cover Note any one vessel.

## **Section 2**

The Reinsured agrees to cede and the Syndicate agrees to accept by way of Reinsurance, cessions of up to the limits specified in the Cover Note forming part of this Cover, any one policy.

## **ARTICLE 3- PERIOD**

This Agreement shall apply to all risks accepted by the Reinsured which attach on /or after the specified date in the Cover Note and shall remain permanently in full force and effect until cancelled by mutual agreement or in accordance with the provisions of the Cancellation Clause set forth in Article 8.

## **ARTICLE 4- ACCOUNTS**

Quarterly accounts shall be rendered in original currency by the Reinsured to the Syndicate. Such accounts to be submitted within one month after the closing of the quarter in question. The accounts shall be considered as being approved if no remarks have been made within 14 days after receipt. Settlement of balance due to Syndicate shall be effected in American Dollars or Euro equivalent to original currency within a period of three months after closing of the account period in question.

## **ARTICLE 5- COMMISSION**

The Syndicate shall allow the Reinsured a commission as specified in the Cover Note.

## **ARTICLE 6- ERRORS AND OMISSIONS**

Clerical errors or any other errors of involuntary or inadvertent omission shall not in any way relieve either party of their liability to pay balances in accordance with the account and such errors shall be rectified as soon as discovered by entries on the next account.

All books, correspondence, documents and vouchers in the possession of or accessible to the Reinsured and in any way connected with any transaction hereunder shall be at all reasonable times open to inspection by the Syndicate.

## **ARTICLE 7- PROFIT COMMISSION**

The Syndicate furthermore shall allow the Reinsured a profit commission, as specified in the Cover Note, on the annual net profit.

The annual net profit shall be shown in yearly statement drawn up separately by the Syndicate for each underwriting year and not prior to a period of 12 months after the close of the underwriting year, in question. The profit commission statement will thereafter be adjusted annually.

The profit commission statement will be drawn up as follows:-

### **Items of Credit:-**

- 1- Net premiums (after deductions of returns of premium).

### **Items of Debit:-**

- 1- Commission and other deductions allowed to the Reinsured.
- 2- Share of the Reinsured in the cost of the protection.
- 3- Claims paid by the Reinsured.
- 4- Outstanding claims advised by the Reinsured.
- 5- Management Expenses as specified in the Cover Note.
- 6- Deficit balance, if any, brought forward from the profit commission statements of the previous year, if any. However, such deficit will be carried forward for a period as specified in the Cover Note.

### **ARTICLE 8- CANCELLATION CLAUSE**

The Reinsured or the Syndicate may cancel this Cover by giving 3 months notice prior to the anniversary date. Such notice, however, shall not prejudice any risks in respect of which the Reinsured is bound prior to the date on which the cancellation becomes operative.

### **ARTICLE 9- WAR AND STRIKES ETC. RISKS CANCELLATION**

This Cover is subject to the following clauses:-

**1- In respect of the Hull section (Section 1):** the following Clause must be included in each original contract and the Reinsured agrees to give notice under such clause on instruction of the Syndicate:

Notice of Cancellation and War automatic termination of cover and War and nuclear exclusion clause – Hulls ETC. 1<sup>st</sup> JANUARY 1995 WITH CLAUSE 3.2 DELETED. CL 359.

Cover hereunder in respect of the risks of war, etc. may be cancelled by either the Syndicate or Reinsured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Syndicate). The Syndicate agree however to reinstate cover subject to agreement between the Syndicate and the Reinsured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc., shall TERMINATE AUTOMATICALLY.

- (A) Upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:-  
United Kingdom, United States of America, France, The Russian Federation, the People's Republic of China.
- (B) In respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.
- (C) This insurance excludes:
  - 1- Loss damage liability or expense arising from:
    - 1.1 The outbreak of war (whether there be a declaration of war or not) between any of the following:  
United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.
    - 1.2 Requisition either for title or use
  - 2- Loss damage liability or expense directly or indirectly caused by or arising from:-
    - 2.1 Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
    - 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.

- 2.3 Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
3. This clause is subject to English law and Practice.

Cover in respect of the risks of War etc. shall not become effective if subsequent to acceptance by the Syndicate and prior to the intended time of attachment of risk, there has occurred any event, which would have automatically terminated cover under the provisions of this clause.

**2- In respect of the Cargo section (Section 2):** 7 days notice of cancellation in respect of War and SRCC but 48 hours in respect of SRCC for risks to and from the USA. Notice shall commence from midnight of the day when it is issued but cancellation shall not apply to any risks which have attached in accordance with the cover granted hereunder before the cancellation becomes effective.

#### **PARAMOUNT WAR AND STRIKES CLAUSE (CARGO)**

Notwithstanding anything to the contrary stated herein or subsequently added hereto, it is understood and agreed that if this Cover provides that War & SRCC risks may be ceded hereunder then the Cover afforded by this cover in respect of such risks shall be subject to terms and conditions no wider than the relevant Institute War and Strike Clauses current at the inception of the risk ceded hereunder or current at the later of either the inception date or the most recent anniversary date of this Cover.

The acceptance of War and Strikes risks under this Cover is at all times subject to seven days notice of cancellation given by the Syndicate or the Reinsured; such period of notice to commence not later than three days from the date of notice given by the Syndicate.

#### **ARTICLE 10- CLAUSES RELATING TO THE EXCLUSION OF RADIOACTIVE CONTAMINATION AND PARAMOUNT CLAUSES**

##### **TERMINATION OF TRANSIT CLAUSE (TERRORISM) 2009 JC2009/056 AMENDED (NOT APPLICABLE TO CARGO STORED AFLOAT OR IN A WATERBORNE CONVEYANCE)**

**This clause shall be paramount and shall override anything contained in the insurance inconsistent therewith.**

- 1- Notwithstanding any provision to the contrary contained in the contract of insurance or the clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by:
- any act of terrorism being an act of any person acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or

any person acting from a political, ideological or religious motive.

such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

#### **Either**

- 1.1 as per the transit clauses contained within the contract of insurance.**Or**
- 1.2 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the

contract of insurance.

- 1.3 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- 1.4 when the assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit. **Or**
- 1.5 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge.
- 1.6 In respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,  
**whichever shall first occur.**

- 2- If the contract of insurance or the clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE CL 370 DATED 10.11.2003**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith**

- 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:
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
  - 1.4 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.
  - 1.5 Any chemical, biological, bio-chemical, or electromagnetic weapon.

**INSTITUTE CYBER ATTACK EXCLUSION CLAUSE**

- 1.1 Subject only to clause 1.2 below, 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, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) 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 CL. 380.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE (U.S.A. ENDORSEMENT USEN91)**

This contract is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL 370 dated 10/11/2003 provided that:

If fire is an insured peril

**and**

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

**and**

a fire arises directly or indirectly from one or more of the causes detailed in Sub Clauses 1.1 - 1.5 of the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL 370 dated 10/11/2003

Any loss or damage arising directly from that fire shall, subject to the provisions of this reinsurance, be covered EXCLUDING however any loss damage liability or expense caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

**ARTICLE 11 - ARBITRATION CLAUSE**

If the Reinsured and the Syndicate fail to agree in whole or in part regarding any aspect of this War Open Cover, each party shall, within 30 days after a demand in writing by either party, appoint a recognized competent and disinterested arbitrator and the two so chosen arbitrators shall before commencing the arbitration select a competent and disinterested umpire. If the arbitrators fail to agree upon the choice of an umpire, they shall refer the matter to the President of the General Arab Insurance Federation who will name the Umpire. The arbitrators together shall determine such matters in which the Reinsured and the Syndicate fail to agree and shall make an award thereon, and if they fail to agree, they will submit their differences to the umpire. The umpire shall then decide on the award. The Parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

**For and on behalf of Syndicate**

Date:

**For and on behalf of Reinsured**

Date: