Offshore Additional Cover

[Under Clause 4, Section 2 of the Association’s Offshore Terms & Conditions]

2019
Offshore Additional Covers

[Under Clause 4, Section 2 of the Association’s Offshore Terms & Conditions]
Operations covered in this booklet include:

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Unless otherwise indicated, words in this document shall have the same meaning as in the Association’s Offshore Terms & Conditions

The topics covered in this booklet include but are not limited to, the following:

- Anchor Handling
- Drilling
- Geotechnical coring
- Well Workover
- Well plug and abandonment
- Hydrocarbon processing and throughput
- Heavy lift offshore installation / decommissioning
- Vessel based lay (S-lay / J-lay / Reel lay)
- Air and Saturation Diving
- Trenching / deburial / reburial
- Unexploded Ordinance disposal
- Offshore light construction
- Offshore heavy construction
- Nitrogen generation and pumping (as part of pre-commissioning / commissioning)
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SECTION 1
DRILLING AND PRODUCTION OPERATIONS COVER

1.1 Extended Contractual Liability Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms and Conditions, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection (B) below but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons where this is required by a written agreement.

b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any person other than an employee of the Assured or in respect of loss of or loss of use of or damage to the property of any such person.

c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

Endorsements
i. Where any proceedings are commenced or claims are made by any additional assured or the Assured against the Assured or any other additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.

ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided
always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.

iv. This cover is not prejudiced by the fact that the Assured or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work and Services Exclusions

There shall be no recovery for any and/or all

a) liabilities, costs and expenses in respect of loss of or loss of use of or damage to the hole and/or well;

b) costs and expenses in respect of re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore;

c) liabilities, costs and expenses in respect of loss of, damage to, delay in or increased expense of production or development of underground resources;

d) liabilities, costs and expenses in respect of subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Assured;

e) liabilities in respect of loss of or loss of use of or damage to or salvage, retrieval or recovery of down-hole equipment;

f) liabilities costs and expenses in respect of seepage and/or pollution and/or clean-up and/or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well;

g) costs and expenses in respect of any measures taken to regain control of the hole and/or well;
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h) liabilities in respect of physical loss or damage to any property which is or could be the subject of a Contractor’s All Risks policy, unless and to the extent that such property has been identified and cover has been agreed in writing between the Assured and the Managers;

i) liabilities in respect of the fitness for purpose and/or quality of the Assured’s work, products or services or in respect of any defect or latent defect in the Assured’s work, products or services or in respect of any obligation on the part of the Assured to ensure that work or services carried out by or on behalf of the Assured will be performed with reasonable care and skill and/or in an otherwise workmanlike manner; and

j) liabilities arising out of the completed operations of the entered unit.

Control of Well Operations Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of or during the drilling of any relief well and/or control of well operations in respect of any well which is not the subject of operations being carried out by or on behalf of the Assured at the time the loss of control occurred, or held covered at a rate to be agreed.

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Down-hole Equipment Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to Down-hole equipment.

Underground Resources Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of any loss of, damage to or delay in or increased expense of production or development of underground resources.
**DRILLING AND PRODUCTION OPERATIONS COVER**

**Underwater Operations Exclusion**
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.

**Penalty Clause Exclusion**
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

**War Risks Extension**
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation, Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) **Cancellation**
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) **Automatic Termination of Cover**
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.
c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
1.2 Care, Custody or Control Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms and Conditions, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection (B) below but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

   a) Liabilities for personal injury, illness or death of any person, other than employees of the Assured, when they are authorised to be present or working on a unit under the care, custody or control of the Assured.

   b) Liability for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control.

   c) Liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

   Work and Services Exclusions
   There shall be no recovery for any and/or all
        a) liabilities, costs and expenses in respect of loss of or loss of use of or damage to the hole and/or well;
b) costs and expenses in respect of re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore;

c) liabilities, costs and expenses in respect of loss of, damage to, delay in or increased expense of production or development of underground resources;

d) liabilities, costs and expenses in respect of subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Assured;

e) liabilities in respect of loss of or loss of use of or damage to or salvage, retrieval or recovery of down-hole equipment;

f) liabilities costs and expenses in respect of seepage and/or pollution and/or clean-up and/or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well;

g) costs and expenses in respect of any measures taken to regain control of the hole and/or well;

h) liabilities in respect of physical loss or damage to any property which is or could be the subject of a Contractor’s All Risks policy, unless and to the extent that such property has been identified and cover has been agreed in writing between the Assured and the Managers;

i) liabilities in respect of the fitness for purpose and/or quality of the Assured’s work, products or services or in respect of any defect or latent defect in the Assured’s work, products or services or in respect of any obligation on the part of the Assured to ensure that work or services carried out by or on behalf of the Assured will be performed with reasonable care and skill and/or in an otherwise workmanlike manner;

j) liabilities arising out of the completed operations of the entered unit.

Control of Well Operations Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of or during the drilling of any relief well and/or control of well operations in respect of any well which is not the subject of operations being carried out by or on behalf of the Assured at the time the loss of control occurred, or held covered at a rate to be agreed.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than that agreed between the Assured and the Managers.
Workers' Compensation Exclusions

United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour Workers’ Compensation Act, or any other similar Act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers' compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion

Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.

Penalty Clause Exclusion

There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Seabed Structures Exclusion

There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.
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Down-hole Equipment Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to Down-hole equipment.

Underground Resources Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of any loss of, damage to or delay in or increased expense of production or development of underground resources.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.
c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
1.3 Contingent Contractors’ Extra Expense Cover

A. General Conditions

Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms and Conditions, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection (B) below but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Loss Of Control Cover

a) Costs and expenses incurred by the Assured in regaining or attempting to regain control of any hole and/or well over which there has been a loss of control, including any other hole and/or well that gets out of control as a direct result of the loss of control of the original hole and/or well,

b) Costs and expenses incurred by the Assured in extinguishing or attempting to extinguish fire above the surface of the ground or water bottom from a hole and/or well for which cover is provided or from any other hole and/or well which is on fire as an immediate consequence of the loss of control of the original hole and/or well or fire above the surface of the ground or water bottom which may endanger the original hole and/or well.

PROVIDED ALWAYS that

i. such costs and expenses were incurred before the hole and/or well is brought under control, and

ii. such costs and expenses shall only include costs of materials and supplies required, the services of individuals or companies specialising in controlling holes and/or wells, and directional drilling and akin operations indispensable to bring the hole and/or well under control, or from measures taken at the direction of regulatory authorities, and

iii. a hole and/or well shall be considered to be out of control either when

   (i) there is an unintended flow from the well(s) of drilling fluid, oil, gas or water above the surface of the ground or water bottom which cannot be stopped by the use of equipment generally considered necessary for such purpose, such as a blowout preventer, storm
chokes or other equipment, or by increasing the weight by volume of drilling fluid, or by the use of other conditioning materials in the well(s); and

(ii) the flow cannot be safely diverted into production or

(iii) when the flow is declared to be out of control by the appropriate regulatory authority.

iv. A hole and/or well shall not be deemed out of control solely because of the existence or occurrence of a flow of oil, gas or water into the well bore which can, within a reasonable period of time, be circulated out or bled off through the surface controls.

v. A hole and/or well out of control shall be deemed to be brought under control when:

(i) the flow stops, is stopped or can be safely stopped; or

(ii) the drilling, deepening, servicing, working over, completing, reconditioning or other similar operation(s) taking place in the hole and/or well immediately prior to the flow is or can be resumed; or

(iii) the hole and/or well is or can be returned to the same producing, shut-in or other similar status that existed immediately prior to the flow; or

(iv) the flow can be safely diverted into production;

(v) when the appropriate regulatory authority has ceased to designate the hole and/or well as being out of control, whichever shall first occur.

Relief Wells Cover
A Relief Well is automatically held covered on the same terms and conditions as other covered holes and/or wells,

PROVIDED ALWAYS that the Assured has given notice to the Managers in writing as soon as possible and the Managers have established rates for the additional cover for the relief well.

Re-drilling and Restoration Cover
Costs and expenses reasonably incurred to restore or re-drill any or any part of the hole and/or well lost or damaged as a result of any loss of control over the hole and/or well,

Seepage and Pollution Cover
The Assured is covered for:

a) liabilities at law or under the terms of any oil and/or gas and/or thermal energy lease and/or license for loss of life, personal injury or illness and/or
loss of or loss of use of or damage to property caused directly by any seeping, polluting or contaminating substances emanating from the hole and/or well, or.

b) liabilities, costs and expenses incurred by the Assured in removing, nullifying, cleaning up, containing, diverting or preventing from reaching any shore any substances so emanating from the hole and/or well,

c) costs and expenses incurred by an Assured in defending himself against claims resulting actual or alleged seepage, pollution or contamination emanating from the hole and/or well for which cover is provided hereunder, as a result of the emanation of substances from the hole and/or well as a direct result of a loss of control over the hole and/or well or as a direct result of a sudden and accidental, unintended and unexpected occurrence in respect of the hole and/or well,

PROVIDED ALWAYS THAT

i. there shall be no recovery for any claim, liability, loss or expense arising directly or indirectly from seepage, pollution or contamination if such seepage, pollution or contamination results either from a deliberate act of the Assured or any other person or organisation acting for or on behalf of the Assured or from any condition which is in violation of or non-compliance with any government rule, regulation or law applicable thereto; and

ii. there shall be no recovery for any claim, liability, loss or expense in respect of any hole and/or well in which the Assured has any financial, proprietary or other interest or which is the subject of a turnkey or completed well drilling contract.

Hole and/or Well Definition
For the purposes of the risks covered under this Section (3) hole and/or well shall mean any oil and/or gas and/or thermal energy wells while being drilled, deepened, serviced, worked over, completed and/or reconditioned until completion or abandonment or while producing or while shut-in or while plugged and abandoned, by or for the account of the Assured.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) covered in (B) above.

Equipment
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to any drilling or production equipment.
Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing drilling or production operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

b) loss of or damage to the Contract Work.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.
Underground Resources Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of any loss of, damage to or delay in or increased expense of production or development of underground resources.

Damage Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of:

a) any loss of or damage to any hole or well;

b) any loss or damage caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure.

Prevention Equipment Exclusion
There shall be no recovery in respect of any liabilities, costs and expenses where a hole and/or well is being drilled, deepened, serviced, worked over, completed and/or reconditioned unless a blowout preventer of standard make has in accordance with all regulations, requirements and normal and customary practices in the industry, been set on surface casing, or on the wellhead and installed and tested in accordance with usual practice.

Exclusions applying only to Section 3B "Re-drilling and Restoration Cover"
There shall be no recovery for any and/or all

a) liabilities, costs and expenses arising out of the re-drilling or restoration of all or part of any relief well;

b) liabilities, costs and expenses arising out of the re-drilling or restoration of any hole and/or well whose flow can safely be diverted into production in any manner whatsoever;

c) costs and expenses incurred to restore or re-drill a hole and/or well by using other than the most prudent and economical methods;

d) liabilities, costs and expenses incurred (a) with respect to drilling wells, to drill below the depth reached when the well became out of control as defined in Section 3B(iii) of this Section 3 above and (b) with respect to producing or shut-in wells, to drill below the geologic zone or zones from which said well(s) was (were) producing or capable of producing;

e) liabilities, costs and expenses arising out of the re-drilling or restoration of any hole and/or well if the operations are not commenced within 540 days of
DRILLING AND PRODUCTION OPERATIONS COVER

the loss of control over the hole and/or well exclusive of the day on which the loss of control occurred;

f) the amount recoverable under Section 3B “Re-Drilling and Restoration Cover” above shall in no case exceed the cost incurred in either:
   i. drilling to the depth referred to in (d) above, or
   ii. restoring the well to a condition comparable to that existing prior to the occurrence giving rise to the claim, or so far as possible utilising then generally available equipment and technology, whichever is the lesser;

g) liabilities, costs and expenses exceeding 130% of the cost incurred to drill the original well to the depth reached at the time when the well became out of control or fire occurred;

h) redrilling and/or recompletion or for in-hole equipment in respect of any well that was plugged and abandoned prior to loss or damage covered under Section B “Loss of Control Cover” above and that remained plugged and abandoned at the time of such loss or damage.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation, Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
   This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the
Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
DRILLING AND PRODUCTION OPERATIONS COVER

1.4 Marine Employers' Liability Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms and Conditions, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Notwithstanding Clause 1 Section 5 of the Association’s Offshore Terms & Conditions, cover is provided in respect of the liabilities, costs and expenses specified in Clause 2 Sections 2 to 5(A), 6 and 9 of the Association’s Offshore Terms and Conditions to the extent that such liabilities, costs and expenses are incurred in relation to any employee of the Assured within the categories set out in paragraphs (a), (b) and (c) below, notwithstanding that such employee may not be a seaman within the scope of the Offshore Terms & Conditions, PROVIDED ALWAYS that the Assured and any company which is a subsidiary or holding company of the Assured or a subsidiary of the Assured's holding company shall, at the time when the insurance is given and thereafter within thirty days before the beginning of each policy year, apply to enter for insurance in the Association every unit intended to be used in connection with drilling or oil or gas production operations of which it is then the owner or charterer (on terms that every such application may be accepted in respect of such one or more units as the Association in its discretion may determine):

- a) Employees of the Assured who are seamen habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations other than on, in or from an entered unit.

- b) Employees of the Assured who are not seamen habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations on, in or from an entered unit.

- c) Any other employee of the Assured not being an employee within the categories set out in (a) or (b), who is deemed to be a seaman by a court having jurisdiction in respect of the claim.
C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

**Control of Well Operations Exclusion**

There shall be no recovery for any and/or all liabilities, costs and expenses arising out of or during the drilling of any relief well and/or control of well operations in respect of any well which is not the subject of operations being carried out by or on behalf of the Assured at the time the loss of control occurred, or held covered at a rate to be agreed.

**Contractual Liability Exclusion**

There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract.

**Workers’ Compensation Exclusions**

*United States* - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar Act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

*Other Jurisdictions* - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**Underwater Operations Exclusion**

Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.
DRILLING AND PRODUCTION OPERATIONS COVER

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Employee Benefits Exclusions
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
   a) Cancellation
      This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.
   b) Automatic Termination of Cover
      Whether or not notice of cancellation has been given this extension of cover shall terminate automatically
         i. upon 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;
         ii. in respect of any unit in the event of such unit being requisitioned either for title or use.
c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association's liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
1.5 Excess Liability Cover (bespoke)

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms and Conditions, cover is afforded to the Assured of an entered unit, which is used for or in connection with drilling or oil or gas production operations, in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Bespoke Risks: (to be agreed in writing between the Assured and the Managers).

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above, unless otherwise agreed in writing between the Assured and the Managers.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing drilling or production operations to the extent that such liabilities, costs and expenses arise as a consequence of:

(a) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

(b) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Work and Services Exclusions
There shall be no recovery for any and/or all
DRILLING AND PRODUCTION OPERATIONS COVER

a) liabilities, costs and expenses in respect of loss of or loss of use of or damage to the hole and/or well;

b) costs and expenses in respect of re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore;

c) liabilities, costs and expenses in respect of loss of, damage to, delay in or increased expense of production or development of underground resources;

d) liabilities, costs and expenses in respect of subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Assured;

e) liabilities in respect of loss of or loss of use of or damage to or salvage, retrieval or recovery of down-hole equipment;

f) liabilities costs and expenses in respect of seepage and/or pollution and/or clean-up and/or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well;

g) costs and expenses in respect of any measures taken to regain control of the hole and/or well;

h) liabilities in respect of physical loss or damage to any property which is or could be the subject of a Contractor’s All Risks policy, unless and to the extent that such property has been identified and cover has been agreed in writing between the Assured and the Managers;

i) liabilities in respect of the fitness for purpose and/or quality of the Assured’s work, products or services or in respect of any defect in the Assured’s work, products or services or in respect of any obligation on the part of the Assured to ensure that work or services carried out by or on behalf of the Assured will be performed with reasonable care and skill and/or in an otherwise workmanlike manner;

j) liabilities arising out of the completed operations of the entered unit.

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.
DRILLING AND PRODUCTION OPERATIONS COVER

Down-hole Equipment Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

Employee Benefits Exclusions
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremens and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underground Resources Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of any loss of, damage to or delay in or increased expense of production or development of underground resources.
Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agree however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.
b) Automatic Termination of Cover

Whether or not notice of cancellation has been given, this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss, damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
SECTION 2
OFFSHORE SPECIALIST OPERATIONS COVER

2.1 Extended P&I In Respect Of Specialist Operations

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above,

a) the Assured of an entered unit which is used for the operations of dredging, blasting, pile driving, well-stimulation, laying, maintaining or removing cables or pipes, core sampling, depositing of spoil, or other specialist operations (together Specialist Operations) is insured on the terms and conditions of the Offshore Terms & Conditions against the risks set out in Clause 2 if and to the extent liabilities, costs and expenses are incurred by the Assured as a consequence of claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations.

b) Clause 2, Section 14 – Liability arising under certain Indemnities and Contracts
For the purposes of Clause 2 Section 14, contractually assumed liabilities within the scope of the risks set out in Clause 2 are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim and which contains terms to the effect that:

i. the Assured and the Assured’s contract principal shall each be responsible for loss of or loss of use of or damage to its own property however caused and for personal injury, illness or death of its own employees, however caused, or

ii. if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Assured and the Assured’s contract principal shall each indemnify, protect, defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands
OFFSHORE SPECIALIST OPERATIONS COVER

whatever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and

iii. the indemnity or contract preserves the Assured’s right to limit liability.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

b) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those accepted under Clause 2, section 14.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other
similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers' compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
   This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
   Whether or not notice of cancellation has been given this extension of cover shall terminate automatically
   i. upon 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;
OFFSHORE SPECIALIST OPERATIONS COVER

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
2.2 Extended Contractual Liability Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.

b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of or loss of use of or damage to the property of third parties.

c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

Endorsements
i. Where any proceedings are commenced or claims are made by any additional assured or the Assured against the Assured or any other additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
OFFSHORE SPECIALIST OPERATIONS COVER

ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.

iv. This cover is not prejudiced by the fact that the Assured or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions

There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or

b) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

c) any loss of or damage to the Contract Work.
OFFSHORE SPECIALIST OPERATIONS COVER

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Workers’ Compensation Exclusions

*United States* - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

*Other Jurisdictions* - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion

Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

Penalty Clause Exclusion

There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.
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Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically
i. upon 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;
ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion
This extension of cover excludes loss damage liability or expense arising from:
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i. 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;

ii. requisition either for title or use.

Limit
The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
2.3 Care, Custody or Control Cover

A. General Conditions

Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

   a) Liabilities for personal injury, illness or death of any person, other than employees of the Assured.
   b) Liability for loss of or loss of use of or damage to by property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.
   c) Liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions

There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

   a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or
b) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

c) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Workers’ Compensation Exclusions

United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremens and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion

Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

Penalty Clause Exclusion

There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.
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**Seabed Structures Exclusion**
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**War Risks Extension**
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E). However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation

This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:
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i. 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;

ii. requisition either for title or use.

Limit
The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
2.4 Completed Operations Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below

(i) Cover is extended to the Assured of an entered unit in respect of liabilities, costs and expenses arising out of property damage or personal injury of a third party once the contracted operations performed by the entered unit have ceased or abandoned,

PROVIDED ALWAYS that the Assured shall advise the Managers in writing of any claim arising under this Section 4 during the period of entry in the Association or within 24 months of the date of termination or cessation of the entry in the Association, unless such period shall have been extended by agreement between the Assured and the Managers in writing.

(ii) The cover provided under this Section 4 shall only be provided as an addition to cover provided under Sections 2 and 3.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or
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b) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

c) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those accepted under Clause 2, section 14.

Workers' Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured, or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.
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Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Contractually Assumed Liability for Complete Operations Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities in respect of completed operations which would not have arisen but for the existence of the contract.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
a) **Cancellation**
   
   This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) **Automatic Termination of Cover**
   
   Whether or not notice of cancellation has been given this extension of cover shall terminate automatically
   
   i. upon 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;
   
   ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) **Five Powers War Exclusion**
   
   This extension of cover excludes loss damage liability or expense arising from:
   
   i. 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;
   
   ii. requisition either for title or use.

**Limit**

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
2.5 Marine Employers' Liability Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in Subsection (B) but subject always to the conditions and exclusions contained in Subsection (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Notwithstanding Clause 1 Section 5 of the Association’s Clauses, cover is provided in respect of the liabilities, costs and expenses specified in Clause 2 Sections 2 to 5(A), 6 and 9 to the extent that such liabilities, costs and expenses are incurred in relation to any employee of the Assured within the categories set out in paragraphs (a), (b) and (c) below, notwithstanding that such employee may not be a seaman within the scope of the Clauses.

a) Employees of the Assured who are seamen habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations other than on, in or from an entered unit.

b) Employees of the Assured who are not seamen habitually assigned to an entered unit but who, in the course of their employment, are carrying out work, services or operations on, in or from an entered unit.

c) Any other employee of the Assured not being an employee within the categories set out in (a) or (b), who is deemed to be a seaman by a court having jurisdiction in respect of the claim.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work
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has been performed or not), in respect of the specialist nature of the operations; or
b) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

c) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those accepted under Clause 2, section 14.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.
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Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Employee Benefits Exclusions
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
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a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion
This extension of cover excludes loss damage liability or expense arising from

i. 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;

ii. requisition either for title or use.

Limit
The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
OFFSHORE SPECIALIST OPERATIONS COVER

2.6 Excess Liability Cover (bespoke)

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(a) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below:

Bespoke Risks: (to be agreed in writing between the Assured and the Managers).

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above, unless otherwise agreed in writing between the Assured and the Managers.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing, Specialist Operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or

b) the failure to perform such specialist operations by the Assured or the fitness for purpose and quality of the Assured’s work, products or services, including any defect or latent defect in the Assured’s work, products or services; or

c) any loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]
OFFSHORE SPECIALIST OPERATIONS COVER

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Down-hole Equipment Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

Employee Benefits Exclusions
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.
Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms,
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conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Underwater Operations Exclusion
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover where this has been selected by the Assured.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:
a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to
be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
SECTION 3
OFFSHORE UNDERWATER OPERATIONS COVER

3.1 Extended P&I In Respect Of Underwater Operations

A. General Conditions

Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5(H)(b) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Assured of an entered unit which is used for underwater operations in respect of the risks, liabilities, costs or expenses set out below.

a) The Assured of an entered unit which is used for or in connection with the operations of submarines or underwater vessels or equipment, or for or in connection with professional or commercial diving operations (together “Underwater Operations”) is insured against the risks set out in Clause 2 for liabilities, costs and expenses arising out of or in connection with the underwater operations.

b) Clause 2, Section 14 – Liabilities arising under certain Indemnities and Contracts

For the purposes of Clause 2 Section 14, contractually assumed liabilities are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim and which contains terms to the effect that,

i. the Assured and the Assured’s contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused; or

ii. if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Assured and the Assured’s contract principal shall each indemnify, protect defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and
iii. the indemnity or contract preserves the Assured's right to limit liability.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Employee Benefits Exclusions (divers)
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefit of any diver employed by the Assured.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing underwater operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the failure to perform such underwater operations by the Assured or the fitness for purpose and/or quality of the Assured's work, products or services, or any defect or latent defect in the Assured's work, products or services or

b) loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in either paragraph (b) above.

Workers’ Compensation Exclusions

United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremens’ and Harbour Workers’ Compensation Act and/or the United States Federal Employees’ Compensation Act, or any other similar act, law or
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scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation

This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;
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ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
### 3.2 Extended Contractual Liability Cover

**A. General Conditions**

Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(b) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

**B. Risks Covered**

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Assured of an entered unit which is used for underwater operations in respect of the risks, liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.

b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of, or loss of use of, or damage to the property of any third party.

c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

**Endorsements**

i. Where any proceedings are commenced or claims are made by any additional assured or the Assured against the Assured or any other additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
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ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.

iv. This cover is not prejudiced by the fact that the Assured or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.

C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

**Employee Benefits Exclusions (divers)**

There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefit of any diver employed by the Assured.

**Work, Products and Services Exclusions**

There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing underwater operations to the extent that such liabilities, costs and expenses arise as a consequence of:
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a) the failure to perform such underwater operations by the Assured or the fitness for purpose and/or quality of the Assured’s work, products or services, or any defect or latent defect in the Assured’s work, products or services or
b) loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured, or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act and/or the United States Federal Employees’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.
Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation Act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.
War Risks Extension

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation

This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.
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Limit
The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
3.3 Completed Operations Cover

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(b) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Cover is extended to the Assured of an entered unit in respect of liabilities, costs and expenses arising out of property damage or personal injury of a third party once the contracted operations performed by the entered unit have ceased or abandoned, PROVIDED ALWAYS that the Assured shall advise the Managers in writing of any claim arising under this Section 4 during the period of entry in the Association or within 24 months of the date of termination or cessation of the entry in the Association, unless such period shall have been extended by agreement between the Assured and the Managers in writing.

The cover provided under this Section 3 shall only be provided as an addition to cover provided under Sections 1 and 2.

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing underwater operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the failure to perform such underwater operations by the Assured or the fitness for purpose and/or quality of the Assured’s work, products or services, or any defect or latent defect in the Assured’s work, products or services or

b) loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be]
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part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those accepted under Clause 2, section 14.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.
Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances
emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

**Seabed Structures Exclusion**
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**Contractually Assumed Liability for Complete Operations Exclusion**
There shall be no recovery for any and/or all contractually assumed liabilities in respect of completed operations which would not have arisen but for the existence of the contract.

**War Risks Extension**
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) **Cancellation**
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) **Automatic Termination of Cover**
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom,
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United States of America, France, the Russian Federation, the People’s Republic of China;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
3.4 Excess Liability Cover (bespoke)

A. General Conditions
Pursuant to Clauses 3 and 4, Section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for which cover is restricted or excluded under Clause 5 (H)(b) in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

Bespoke Risks: (to be agreed in writing between the Assured and the Managers).

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above, unless otherwise agreed in writing between the Assured and the Managers.

Work, Products and Services Exclusions
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing underwater operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the failure to perform such underwater operations by the Assured or the fitness for purpose and/or quality of the Assured’s work, products or services, or any defect or latent defect in the Assured’s work, products or services or

b) loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

Seabed Structures Exclusion
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the
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Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**Down-hole Equipment Exclusion** There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

**Employee Benefits Exclusions**
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

**Contractual Liability Exclusion**
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

**Workers’ Compensation Exclusions**
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.
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Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
   This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
   Whether or not notice of cancellation has been given this extension of cover shall terminate automatically
   i. upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom,
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United States of America, France, the Russian Federation, the People’s Republic of China;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
SECTION 4
OFFSHORE SUPPLY AND TOWING COVER

4.1(a) Towage Of An Entered Unit - Extended Contractual Liability Cover

A. General Conditions

Pursuant to Clauses 3 and 4, section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for liability arising out of towage of an entered unit, in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured of an entered unit being towed to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.

b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.

c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered unit and the proportion of general average which the Assured cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Assured than the Association’s standard terms of carriage as set out in proviso (a) to Clause 2, Section 17.

e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of the unit or object towing the entered unit or any property on board that unit or object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, section 13(B).
f) Liability, costs and expenses for personal injury, illness or death arising out of
towage of the entered unit to the extent that such liability is incurred
otherwise than in accordance with the terms and conditions set out in Clause
2, section 13 (B).

g) Liabilities, costs and expenses arising out of any obligation assumed under a
written agreement which would not have arisen but for the existence of that
agreement, in respect of loss of, or loss of use of, or damage to the property
of any third party other than such property as is referred to in paragraph (d)
above.

h) Liabilities, costs and expenses arising out of any obligation assumed under a
written agreement which would not have arisen but for the existence of that
agreement relating to the raising, removal, destruction, lighting or marking of
the wreck of an entered unit.

Endorsements

i. Where any proceedings are commenced or claims are made by any
additional assured or the Assured against the Assured or any other additional
assured, this cover shall apply as if a separate Certificate of Entry had been
issued to each assured.

ii. Where any proceedings are commenced or claims are made against the
Assured and/or any additional assureds, this cover shall apply as if a
separate Certificate of Entry had been issued to each assured, provided
always that this provision shall not operate to increase the limit of liability of
the Association endorsed upon the Certificate of Entry.

iii. Where this cover is prejudiced as a result of the acts or omissions of the
Assured or any person for whom he is, was, may be or may have been
responsible. This cover shall subsist for the benefit of any person or persons
named as additional assureds provided that any additional assured claiming
the benefit of this provision is not privy to any such acts or omissions.

iv. This cover is not prejudiced by the fact that the Assured or any additional
assured has waived his rights or is otherwise not entitled to limit his liability in
accordance with any law, statute or convention in force which provides for
limitation of liability in the circumstances of the occurrence giving rise to a
claim, provided always that this provision shall not operate to increase the
limit of liability of the Association endorsed upon the Certificate of Entry.

v. This cover shall be deemed to be primary in relation to those contractual
liabilities assumed by the Assured which may be the subject of separate
insurance carried by the other party or parties to the written agreement.
C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk Covered in (B) above.

**Seabed Structures Exclusion**
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**Down-hole Equipment Exclusion**
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

**Employee Benefits Exclusions**
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

**Contractual Liability Exclusion**
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

**Penalty Clause Exclusion**
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

**Underwater Operations Exclusion**
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.
Workers' Compensation Exclusions

United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

War Risks Extension

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation

This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United
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Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
4.1(b) Towage By An Entered Unit - Extended Contractual Liability Cover

A. General Conditions
Pursuant to Clauses 3 and 4, section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for liability arising out of towage by, or supply by, an entered unit, in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured of an entered unit which is used for supplying and/or towing to include, liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Assured under a written agreement or arise out of the towage of another unit or ship or object by the entered unit. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered unit which is executed prior to an event giving rise to a claim.

   a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional Assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.

   b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.

   c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Assured against any party to a written agreement on the basis of the “borrowed servant” doctrine.

   d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered unit and the proportion of general average which the Assured cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Assured than the Association’s standard terms of carriage as set out in proviso (a) to Clause 2, Section 17.

   e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of a towed object or any property on board the towed object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, section 13 (C).
f) Liabilities, costs and expenses for personal injury, illness or death arising out of towage by the entered unit to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Clause 2, section 13 (C).

g) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement, in respect of loss of, or loss of use of, or damage to the property of any third party other than such property as is referred to in paragraphs (d) above.

h) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered unit.

Endorsements

i. Where any proceedings are commenced or claims are made by any additional assured or the Assured against the Assured or any other additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.

ii. Where any proceedings are commenced or claims are made against the Assured and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

iii. Where this cover is prejudiced as a result of the acts or omissions of the Assured or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.

iv. This cover is not prejudiced by the fact that the Assured or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.

v. This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Assured which may be the subject of separate insurance carried by the other party or parties to the written agreement.
C. Conditions And Exclusions

The following exclusions apply to all and any of the Risk Covered in (B) above.

**Seabed Structures Exclusion**
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabed and which are in the care, custody or control of the Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

**Down-hole Equipment Exclusion**
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

**Employee Benefits Exclusions**
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

**Contractual Liability Exclusion**
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

**Underwater Operations Exclusion**
Cover in respect of risks relating to Underwater Operations is not given under this insurance but only in accordance with the terms and conditions of Underwater Operations Cover.

**Workers’ Compensation Exclusions**

*United States* - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United
States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).

However, in no case shall this extension cover 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.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation

This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover

Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United
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Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China;

ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion

This extension of cover excludes loss damage liability or expense arising from:

i. 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;

ii. requisition either for title or use.

Limit

The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.
4.2 Excess Liability Cover (bespoke)

A. General Conditions
Pursuant to Clauses 3 and 4, section 2 of the Association’s Offshore Terms & Conditions, cover is afforded to the Assured of an entered unit for liability arising out of towage by, or supply by, an entered unit, in respect of one or more of the risks set out in (B) but subject always to the conditions and exclusions contained in (C) below.

B. Risks Covered
Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Assured to include liabilities, costs or expenses set out below.

**Bespoke Risks:** *(to be agreed in writing between the Assured and the Managers).*

C. Conditions And Exclusions
The following exclusions apply to all and any of the Risk(s) Covered in (B) above, unless otherwise agreed in writing between the Assured and the Managers.

**Work, Products and Services Exclusions**
There shall be no recovery for any and/or all liabilities, costs and expenses incurred by an Assured during the course of performing towing or supplying operations to the extent that such liabilities, costs and expenses arise as a consequence of:

a) the fitness for purpose and/or quality of the Assured's work, products or services, or any defect or latent defect in the Assured’s work, products or services or

b) loss of or damage to the Contract Work.

[For the purpose of this insurance, Contract Work shall include but is not limited to any service provided under the contract and all and every part of the materials, components, equipment, machinery or other property or objects intended to be part of the work completed under the contract in respect of which the services or operations are performed by or from the entered unit.]

**Seabed Structures Exclusion**
There shall be no recovery for any and/or all liabilities for loss of or loss of use of or damage to or caused by structures which are or can be fixed, whether temporarily or permanently, to the seabe and which are in the care, custody or control of the
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Assured in any manner whatsoever, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.

Down-hole Equipment Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses arising out of loss of or loss of use, whether temporary or permanent, of or damage to down-hole equipment.

Employee Benefits Exclusions
There shall be no recovery for any and/or all liabilities arising out of any act or omission of the Assured, whether negligent or otherwise, or of any other person for whom the Assured is, was, may be or may have been legally responsible, in connection with any employee benefits of any employee of the Assured.

Contractual Liability Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in (B) above.

Workers’ Compensation Exclusions
United States - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured or to any third party who is the statutory assignee of any employee of the Assured, under, or in consequence of any default under, the workers’ compensation laws of any of the States of the United States, the United States Longshoremen’s and Harbour Workers’ Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.
Other Jurisdictions - There shall be no recovery for any and/or all liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Assured under any workers’ compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Assured and the Managers and endorsed upon the Certificate of Entry.
Penalty Clause Exclusion
There shall be no recovery for any and/or all liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

Care, Custody, Control Exclusion
There shall be no recovery for any and/or all contractually assumed liabilities for personal injury, illness or death of any person other than employees of the Assured and/or for loss of or loss of use of or damage to or caused by property owned by, or employees of, persons other than the Assured howsoever deemed to be in his care, custody or control and/or liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Assured howsoever deemed to be in his care, custody or control.

War Risks Extension
Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Clause 5(E).
However, in no case shall this extension cover 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.
This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause as follows:

a) Cancellation
This extension of cover may be cancelled by either the Association or the Assured 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 Association). The Association agrees however to reinstate cover, if required, at terms to be agreed between the Association and the Assured, prior to the expiry of such notice of cancellation.

b) Automatic Termination of Cover
Whether or not notice of cancellation has been given this extension of cover shall terminate automatically

i. upon 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;
ii. in respect of any unit in the event of such unit being requisitioned either for title or use.

c) Five Powers War Exclusion
This extension of cover excludes loss damage liability or expense arising from
i. 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;
ii. requisition either for title or use.

Limit
The Association’s liability for any and all claims under this insurance shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.