

JOINT EXCESS LOSS COMMITTEE EXCESS LOSS CLAUSES

1. REINSURANCE CLAUSE

1.1 In consideration of the premium to be paid to reinsurers by or on behalf of the reassured, the reinsurers hereon shall reimburse the reassured to the extent that its net loss (as defined in Clause 2 below) under business reinsured by this Contract exceeds the reassured's retention but only up to the limit of reimbursement. Such business is as fully described in the schedule which forms an integral part of this Contract.

1.2 The period of reinsurance, the reassured's retention, the limit of reimbursement, the premium and other matters are as fully described in the schedule.

1.3 This Contract is subject to all limits, terms, conditions and exclusions contained herein and in the schedule.

1.4 Each reinsurer shall be liable only for its own respective proportion.

1.5 It is a condition precedent to liability under this Contract that settlement by the reassured shall be in accordance with the terms, conditions and exclusions of the original policies or contracts.

2. NET LOSS

2.1 "Net loss" under this Contract means the sum actually paid by the reassured in discharge of its liability for loss (as defined in Clause 3 below) after deduction of all salvage and recovery, including recovery from all reinsurances other than those specified in section D of the schedule.

2.2 "Payment" in these clauses requires that funds have been transferred by the payer, with "paid" being construed accordingly.

2.3 The reinsurers shall not be obliged to reimburse the reassured unless and until (and then only to the extent that) the reassured has discharged, by actual payment, its liability for its current net loss.

2.4 The reassured may claim on the basis of its current net loss, notwithstanding that the net loss may vary in future as a result of further relevant payments made or received by the reassured.

2.5 Where salvage, recovery or other payment is received or recovered by the reassured after a payment by reinsurers under this Contract, the reimbursement shall be adjusted as if such receipt or recovery occurred before the payment by reinsurers was made.

2.6 Liability of the reinsurers hereon in respect of any loss hereunder shall not be increased by the reassured's failure to collect any amount due from any other reinsurer.

3. EVENT CLAUSE

3.1 "Loss" under this Contract means loss, damage, liability or expense or a series thereof arising from one event, unless otherwise described in section J of the schedule. "Loss" does not include the reassured's office and salary expenses.

3.2 Where the reassured is liable under "losses discovered" policies, liability under this Contract shall be determined by treating the loss as arising on the date of discovery of the loss by the direct assured.

3.3 Where the reassured is liable under "claims made" policies, liability under this Contract shall be determined by treating the loss as arising on the date when the circumstance giving rise to a claim is first notified to the direct insurer.

4. OVERLAPPING PERIOD

4.1 If at the inception date shown in the schedule an event is in progress, no loss arising from that event shall be treated as occurring during the currency of this Contract.

4.2 If at the expiry date shown in the schedule an event is in progress, all loss arising from that event shall be treated as occurring during the currency of this Contract.

5. WAR

5.1 This Contract excludes loss, damage, liability or expense arising from war or civil war.

5.2 Notwithstanding the foregoing, if specified in section K of the schedule this Contract shall be extended to include loss, damage, liability or expense arising from war and civil war as covered in the original policies provided that such loss, damage, liability or expense would be recoverable:

5.2.1 under the terms and conditions of the relevant Institute War and Strikes Clauses or relevant London aviation clauses in current use at the inception of this Contract, or at the time when war risks cover would have commenced under the direct policies within the terms of such clauses, whichever is the earlier, or

5.2.2 under insurances permissible under the United Kingdom War and Civil War Risks Exclusion Agreements, or

5.2.3 under the terms and conditions of clauses approved by the Marine Committees of Lloyd's Market Association and the International Underwriting Association or their authorized joint committees.

6. NUCLEAR ENERGY RISKS EXCLUSION

6.1 This Contract excludes nuclear energy risks whether written directly or by way of reinsurance or via pools or associations. Under this Contract the term "nuclear energy risks" means any first or third party insurance (other than workers' compensation or employers' liability) in respect of:

6.1.1 nuclear reactors and nuclear power stations or plant;

6.1.2 any other premises or facilities concerned with

6.1.2.1 the production of nuclear energy or

6.1.2.2 the production or storage or handling of nuclear fuels or nuclear waste;

6.1.3 any other premises or facilities eligible for insurance by any local nuclear pool or association but only to the extent of the requirements of the local pool or association;

6.1.4 nuclear or radioactive fuel, or nuclear or radioactive waste.

6.2 However, this exclusion shall not apply

6.2.1 to any insurance or reinsurance in respect of the construction, erection or installation of buildings, plant and other property (including contractor's plant and equipment used in connection therewith):

6.2.1.1 for the storage of nuclear fuel - prior to the commencement of storage

6.2.1.2 as regards reactor installations - prior to the commencement of loading of nuclear fuel into the reactor, or prior to the initial criticality, depending on the commencement of the insurance or reinsurance of the relevant local nuclear pool or association;

6.2.2 to any machinery breakdown or other engineering insurance or reinsurance not coming within the scope of 6.2.1 above, nor affording coverage in the "high radioactivity" zone;

6.2.3 to any insurance or reinsurance in respect of the hulls of ships, aircraft or other conveyances;

6.2.4 to any insurance or reinsurance in respect of loss of or damage to (including any expenses incurred therewith) nuclear or radioactive fuel or nuclear or radioactive waste while in transit or

storage as cargo, other than while being processed or while in storage at the reactor installation or any other final destination concerned with production, storage or handling of nuclear fuel or nuclear waste.

7. EXTRA-CONTRACTUAL OBLIGATIONS EXCLUSION

7.1 This Contract excludes all cover in respect of extra-contractual obligations. The term "extra-contractual obligations" under this Contract means any award made by a court of competent jurisdiction against an insurer or reinsurer, where that award is not within the cover granted by any insurance or reinsurance contract made between the parties in dispute.

7.2 Notwithstanding the above this Contract shall not exclude any part of a claims related extra-contractual obligation loss incurred under the terms of proportional or non-proportional reinsurance unless such reinsurance is effected solely to cover extra-contractual obligations. A "claims related extra-contractual obligation" under this Contract means the amount awarded against an insurer or reinsurer found liable by a court of competent jurisdiction to pay damages to an assured or reassured in respect of the insurer's or reinsurer's conduct of a claim made against it under any policy or contract where such liability has arisen because of:

7.2.1 the failure of the insurer or reinsurer to agree or pay a claim within the policy limits or to provide a defence against such claims as required by law, or

7.2.2 bad faith or negligence in rejecting an offer of settlement, or

7.2.3 negligence or breach of duty in the preparation of the defence or the conduct of a trial or the preparation or prosecution of any appeal or subrogation or any subsequent action arising therefrom.

7.3 Any additional cover against extra-contractual obligations shall only be under the terms of Clause A (Extra-Contractual Obligations Inclusion) in the Annex of Additional Clauses printed below and must be specified in section K of the schedule.

8. SEEPAGE AND POLLUTION EXCLUSION

8.1 This Contract excludes claims in respect of liability incurred by any direct assured for seepage, pollution or contamination

8.1.1 on or over land or inland waters unless caused by a sudden event or insured on a sudden and accidental basis;

8.1.2 caused by disposal or dumping of waste.

8.2 Nevertheless, claims in respect of the following shall not be excluded by this clause:

8.2.1 control of well policies where such seepage, pollution or contamination follows a well out of control above the surface of the ground or water bottom;

8.2.2 liability

8.2.2.1 under the Offshore Pollution Liability Agreement

8.2.2.2 under the Outer Continental Shelf Lands Act, Federal Water Quality Improvement Act, Arctic Waters Pollution Protection Act

8.2.2.3 for seepage, pollution or contamination from or caused by vessels, craft or their cargoes

8.2.2.4 under aviation policies subject to clauses no less restrictive than AVN 46B;

8.2.3 general average.

9. TERRORISM EXCLUSION CLAUSE

9.1 This contract excludes any loss, damage, liability or expense arising from:

9.1.1 terrorism; and or

9.1.2 steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

9.2 For the purpose of this clause, “terrorism” means any act(s) of any person(s) or organisation(s) involving:

9.2.1 the causing, occasioning or threatening of harm of whatever nature and by whatever means;

9.2.2 putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

If any Reinsurer asserts that any loss, damage, liability or expense is not covered by reason of this clause it shall be for the Reassured to prove the contrary.

10. INSPECTION OF RECORDS

The reassured's books and records shall be open to inspection by authorized representatives of the reinsurers at any reasonable time during the existence of this Contract or of any liability hereunder.

11. TERMINATION

War - Automatic termination

11.1 If war (whether declared or not) arises between the countries in which the reassured and the reinsurer reside or carry on business or are incorporated, this Contract shall be automatically terminated forthwith.

Termination for other reasons

11.2 If performance of any part of this Contract is prohibited or rendered impossible in consequence of any law or regulation in any country or territory, or if any law or regulation shall prevent directly or indirectly the remittance of any payment due to or from either party, the party so constrained shall give immediate written advice thereof to the other party, who shall have the right either to terminate this Contract forthwith or exclude from its protection all business to which the law or regulation applies.

11.3 Either party may terminate this Contract immediately by giving the other party written notice if either:

11.3.1 becomes insolvent, suspends payment of debts, convenes a meeting of or enters into any agreement with creditors, loses the whole or any part of its paid up capital, has a receiver appointed or a petition presented for its liquidation, or has a resolution passed for its voluntary liquidation;

11.3.2 passes under the control of, is absorbed by or amalgamated with any other body corporate or unincorporate, is nationalised or becomes controlled by the government of the country in which it is incorporated or in which it has its principal office, or agrees to any arrangement whereby it ceases to have a separate existence.

11.4 Notice of termination shall be confirmed by registered post.

11.5 Termination of this Contract shall not relieve either party of its prior rights and obligations.

12. NOTICE OF CLAIMS

The reassured shall give prompt notice to the reinsurers of any loss which it has reason to believe may lead to a claim under this Contract.

13. REINSTATEMENT

13.1 When any loss is settled hereunder in part or in whole, the amount of such loss shall be automatically reinstated from the date of such loss in accordance with the terms shown in section G of the schedule.

For any reinstatement under clause 5 above the reinsurers shall not be liable for more than the amount shown in section F of the schedule for any one loss, nor for more than twice that amount for all loss recoverable under clause 5 above.

13.2 If premium under this Contract is subject to adjustment, any reinstatement premium due hereunder shall be paid provisionally at the time settlement is effected as if the deposit premium represented the final earned premium hereunder. Thereafter, the reinstatement premium shall be adjusted in the same manner as, and simultaneously with any adjustment of the deposit premium to, the final earned premium due hereunder.

14. CURRENCY

14.1 Claims settled in any currency other than that specified in section F of the schedule shall be converted into that currency (other than United States or Canadian dollars) at the rate of exchange on the date of settlement by the reassured, unless the Contract provides for claims in United States or Canadian dollars to be settled in those currencies.

14.2 Where a claim is settled in more than one currency any recovery hereunder shall be in the same proportion as settlement by the reassured using the exchange rate shown in section F of the schedule.

15. RUN-OFF

Should the reassured cease to underwrite the business reinsured hereunder then, subject to agreement by the reinsurers before expiry of this Contract, a twelve month extension of cover may be granted, at terms to be agreed, for loss under business underwritten before expiry of, and within the scope of, this Contract. No such cover shall be provided if the termination clause (clause 11) has been invoked.

16. ARBITRATION

16.1 The parties agree that prior to recourse to courts of law any dispute between them concerning the provisions of this Contract shall first be the subject of arbitration.

16.2 The following arbitration procedure shall be used in any dispute concerning this Contract, and shall exist as a separate contract if there is a dispute over the validity or formation of the Contract.

16.3 Unless the parties agree upon a single arbitrator within thirty days of one receiving a written request from the other for arbitration, the claimant (the party requesting arbitration) shall appoint an arbitrator and give written notice thereof to the respondent. Within thirty days of receiving such notice the respondent shall appoint an arbitrator and give written notice thereof to the claimant, failing which the claimant may apply to the appointor hereinafter named to nominate an arbitrator on behalf of the respondent.

16.4 Before the commencement of arbitration proceedings the two arbitrators shall appoint a third arbitrator who shall act as chairman of the tribunal. Should they fail to appoint such a third arbitrator within thirty days of the appointment of the respondent's arbitrator then either of them or either of the parties may apply to the appointor for the appointment of the third arbitrator. The arbitrators appointed by the parties in dispute shall decide the verdict: if they cannot agree, they shall seek the verdict of the chairman of the tribunal, which shall prevail.

16.5 Unless the parties otherwise agree the arbitration tribunal shall consist of persons with not less than ten years' experience of insurance or reinsurance.

16.6 The arbitration tribunal shall have power to fix all procedural rules for the holding of the arbitration including discretionary power to make orders as to any matters which it may consider

proper in the circumstances of the case with regard to pleadings, discovery, inspection of the documents, examination of witnesses and any other matter whatsoever relating to the conduct of the arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion think fit.

16.7 The appointor shall be the person indicated in section L of the schedule.

16.8 All costs of the arbitration shall be at the discretion of the arbitration tribunal who may direct to and by whom and in what manner they shall be paid.

16.9 The seat of the arbitration shall be in London and the arbitration tribunal shall apply the laws of England as the proper law of this Contract unless indicated in section L to the schedule.

16.10 The award of the arbitration tribunal shall be in writing and binding upon the parties who covenant to carry out the same. If either of the parties should fail to carry out any award the other may apply for its enforcement to a court of competent jurisdiction in any territory in which the party in default is domiciled or has assets or carries on business.

ANNEX OF ADDITIONAL CLAUSES

A. EXTRA-CONTRACTUAL OBLIGATIONS INCLUSION

A.1 Notwithstanding Clause 7 above, in consideration of the additional premium shown in section K of the schedule this Contract shall extend to cover any loss arising from a claims related extra-contractual obligation as defined above either

A.1.1 awarded against the reassured, or

A.1.2 incurred by the reassured where it has paid its proportionate share of a claims related extra-contractual obligation

A.1.2.1 awarded against one or more of its coinsurers or

A.1.2.2 arising from its participation in a proportional reinsurance, or

A.1.3 incurred by the reassured under the terms of any non-proportional reinsurance provided that the insurance or reinsurance policy or contract giving rise to the extra-contractual obligation award falls within the scope of this Contract.

A.2 There shall be no liability under this Contract in respect of

A.2.1 any assumption of liability by way of participation in any mutual scheme or insurance or reinsurance designed to cover extra-contractual obligations only, or

A.2.2 any extra-contractual obligation arising from the fraud of a director, officer or employee of the reassured acting individually or collectively or in collusion with an individual or corporation or with any other organisation or party involved in the presentation defence or settlement of any claim.

A.3 The reinsurers' liability hereunder in respect of any one such loss is subject to the terms, conditions and exclusions of this Contract, and shall not exceed the limit of reimbursement provided herein in respect of each loss. Furthermore, the following specific provisions shall take precedence in the event of any inconsistency.

A.4 Any payment of claims related extra-contractual obligations shall for the purpose of this Contract be deemed to be a loss arising from the same event as that giving rise to the claim to which the extra-contractual obligation award is related.

A.5 Any recovery under this Contract in respect of claims related extra-contractual obligations shall only be for that part of any award which corresponds to the reassured's pro-rata share of the insurance or reinsurance policy or contract giving rise to the award, and all proportional and non-proportional

protection effected by the reassured shall provide or be deemed to provide pro-rata coverage for such obligations.

B. AGGREGATE VOYAGE EXTENSION (CARGO)

B.1 Where cargo business is included in the schedule as reinsured hereunder the reassured may, if it requires, aggregate cargo losses of the same nature (including liability for such loss or damage and related expenses including general average contribution, salvage charges and expenses incurred to avert or minimise such loss or damage) and treat them as losses arising from one event provided that

B.1.1 it is not possible to determine the quantum of loss applicable to separate events, and that

B.1.2 such losses are in respect of cargo carried in the same vessel for the same or an overlapping voyage.

B.2 The date of loss in such cases shall be deemed to be the date of arrival at the port of discharge of such cargo or the date of discovery of loss if earlier. If such cargo is discharged at more than one port, the date of loss shall be deemed to be the date of arrival at the first port of discharge or the date of discovery of loss if earlier.

B.3 Claims paid by the reassured in respect of any interests other than cargo as described above are specifically excluded from the protection afforded by this clause.

B.4 The reinsurers' liability hereunder in respect of any one such aggregate loss is subject to the terms, conditions and exclusions of this Contract, and shall not exceed the limit of reimbursement provided herein in respect of each loss.

C. COLLUSION

C.1 The reassured may aggregate settlements of losses to any single direct assured which arise from infidelity or fraud committed by any person acting alone or by persons acting in collusion, whether incurred in respect of

C.1.1 claims on direct policies, or

C.1.2 under the terms of any reinsurance.

C.2 Such settlements may not be aggregated under this Contract if they have been settled

C.2.1 as separate losses under the direct policies, or

C.2.2 under separate direct policy years.

C.3 Nevertheless, settlements defined under C.2.2 shall be admissible for that portion of loss which is attributable to any one policy year.

C.4 The date of loss shall be determined by treating the loss as arising on the date of first discovery of loss by the direct assured.

C.5 For the purposes of this clause, a binding authority, cover or open policy shall not be treated as a direct insurance policy but a specific declaration made under it in the ordinary course of business shall be treated as a direct insurance policy.

D. INSOLVENCY

D.1 Where an insolvency event occurs in relation to a reassured the following terms shall apply (and, in the event of any inconsistency between these terms and any other terms of the Contract, these terms shall prevail):

D.1.1 Notwithstanding any requirement in this Contract that a reassured shall actually make payment in discharge of its liability to its policyholder before becoming entitled to payment from the reinsurer:

D.1.1.1 the reinsurer shall be liable to pay the reassured even though the reassured is unable to actually pay, or to discharge its liability to, its policyholder; but

D.1.1.2 nothing in this clause shall operate to accelerate the date for payment by the reinsurer of any sum which may be payable to the reassured, which sum shall only become payable as and when the reassured would have discharged, by actual payment, its liability for its current net loss but for it being the subject of an insolvency event.

D.1.2 The existence, quantum, valuation and date for payment of any sums which the reinsurer is liable to pay the reassured under this Contract shall be those and only those for which the reinsurer would be liable to the reassured if the liability of the reassured had been determined without reference to any term in any composition or scheme of arrangement, entered into between the reassured and all or any part of its policyholders unless and until the reinsurer serves written notice to the contrary on the reassured in relation to any composition or scheme of arrangement.

D.1.3 The reinsurer shall be entitled (but not obliged) to set off, against any sum which it may be liable to pay the reassured, any sum for which the reassured is liable to pay the reinsurer.

D.2 An insolvency event shall occur if:

D.2.1 (in relation to D.1.1, D.1.2 and D.1.3 above) a winding up petition is presented in respect of the reassured or a provisional liquidator is appointed over it or if the reassured goes into administration, administrative receivership or receivership or if the reassured has a scheme of arrangement proposed in relation to all or any parts of its affairs; or

D.2.2 (in relation to D.1.1 above) if the reassured goes into compulsory or voluntary liquidation;

D.2.3 or, in each case, if the reassured becomes subject to any other similar insolvency process (whether under the laws of England and Wales or elsewhere) and

D.2.4 the reassured is unable to pay its debts as and when they fall due within the meaning of section 123 of the Insolvency Act 1986 (or any statutory amendment or re-enactment of that section).

E. LIABILITY EXCLUSION CLAUSE - A

E.1 This Contract excludes claims in respect of sums which any direct assured becomes liable to pay to any other party.

E.2 Notwithstanding the foregoing this clause shall not exclude claims arising from

E.2.1 the ownership, management, operation or chartering of marine or inland waterway vessels, craft or units;

E.2.2 the construction, repair or demolition of marine or inland waterway vessels, craft or units and all related components;

E.2.3 operations in respect of bridges, tunnels, seawalls, marine terminals, ports, harbours, wharves, piers, jetties, docks, berths, pontoons, marinas, fish farms, stevedores, divers, marine agents and boat dealers;

E.2.4 offshore exploration, drilling or production, including all related construction operations;

E.2.5 construction, refurbishment, conversion or demolition, but in respect of onshore risks only where policies contain a discovery or cut-off clause effective no more than 36 months after expiry of the policy and any completed operations cover afforded therein;

E.2.6 the ownership, management or operation of aircraft or airports;

E.2.7 construction of aircraft and all related components;

E.2.8 transit, and storage in the ordinary course of transit, of cargo by sea or air, and by land conveyance other than pipeline;

E.2.9 onshore workers' compensation or employers' liability losses arising from the following perils: fire, lightning, explosion, structural collapse, windstorm, hail, flood, seismic activity, volcanic eruption, collision, riots, strikes, civil commotion, malicious damage;

E.2.10 any cover for physical loss, damage or consequential loss contingent thereon effected by a direct assured on behalf of another party;

E.2.11 professional indemnity and errors and omissions directly related to: owning or handling ships, cargoes or goods in transit classification societies or marine surveyors.

E.3 The reinsurers' liability hereunder is subject to the terms, conditions and exclusions of this Contract, and shall not exceed the limit of reimbursement provided herein in respect of each loss.

F. LIABILITY EXCLUSION CLAUSE - B

F.1 This Contract excludes claims in respect of sums which any direct assured becomes liable to pay to any other party, unless arising from those policies underwritten by the direct insurer on a "claims made" or "losses discovered" basis, and then only where the claim, or notification of the event giving rise to the claim, is "made" or loss "discovered" during the period of this Contract.

F.2 Notwithstanding the foregoing this clause shall not exclude claims arising from

F.2.1 the ownership, management, operation or chartering of marine or inland waterway vessels, craft or units;

F.2.2 the construction, repair or demolition of marine or inland waterway vessels, craft or units and all related components;

F.2.3 operations in respect of bridges, tunnels, seawalls, marine terminals, ports, harbours, wharves, piers, jetties, docks, berths, pontoons, marinas, fish farms, stevedores, divers, marine agents and boat dealers;

F.2.4 offshore exploration, drilling or production, including all related construction operations;

F.2.5 construction, refurbishment, conversion or demolition, but in respect of onshore risks only where policies contain a discovery or cut-off clause effective no more than 36 months after expiry of the policy and any completed operations cover afforded therein;

F.2.6 the ownership, management or operation of aircraft or airports;

F.2.7 construction of aircraft and all related components;

F.2.8 transit, and storage in the ordinary course of transit, of cargo by sea or air, and by land conveyance other than pipeline;

F.2.9 onshore workers' compensation or employers' liability losses arising from the following perils: fire, lightning, explosion, structural collapse, windstorm, hail, flood, seismic activity, volcanic eruption, collision, riots, strikes, civil commotion, malicious damage;

F.2.10 any cover for physical loss, damage or consequential loss contingent thereon effected by a direct assured on behalf of another party.

F.3 Notwithstanding anything contained herein to the contrary, this Contract excludes: directors' and officers' liability; liability under the Securities Exchange Act; professional indemnity and errors and omissions, unless directly related to: owning or handling ships, cargoes or goods in transit; classification societies or marine surveyors.

F.4 The reinsurers' liability hereunder is subject to the terms, conditions and exclusions of this Contract, and shall not exceed the limit of reimbursement provided herein in respect of each loss.

G. REFINERY EXCLUSION CLAUSE

G.1 Notwithstanding anything contained in this Contract to the contrary, all claims which arise from onshore refineries, petrochemical or chemical plants and any installations within their boundaries, even while under repair, maintenance, extension or modification, after the initial handing over to the operators, are excluded. This exclusion shall not apply to any insurance or reinsurance in respect of the construction, erection or installation of buildings, plant or other property (including contractors' plant and equipment used in connection therewith) prior to the initial handing over of such refineries, petrochemical or chemical plants to the operators.

G.2 For the purposes of this clause jetties, wharves, berths, piers and docks shall be deemed to be outside the boundaries mentioned above. However, no cover for liabilities arising from the operations of jetties, wharves, berths, piers and docks in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries shall be afforded hereunder.

G.3 Nevertheless claims (other than those liabilities in respect of onshore refineries, petrochemical or chemical plants and any installations within their boundaries even while under repair, maintenance, extension or modification after the initial handing over to the operators) arising from the following shall not be excluded by this clause:

G.3.1 facilities for the processing, treatment or separation of gas provided that they are outside the boundaries of the onshore refineries, petrochemical or chemical plants;

G.3.2 any field processing.

H AVIATIONWAR BUSINESS TWO HULLWARRANTY

Notwithstanding anything in this Contract to the contrary, it is warranted that no liability shall attach hereunder in respect of aviation hull war business, unless two or more aircraft, for which the reassured is liable under policies reinsured hereunder, are involved in the same loss.

I POLITICAL RISK, FINANCIAL GUARANTEE AND CREDIT RISK EXCLUSION CLAUSE

I.1 This contract excludes any loss, liability, damage or expense arising from the following:

I.1.2 All forms of Contract Frustration Business including but not limited to non-performance of contractual obligations, import and/or export embargo, non-ratification of contracts, exchange transfer, calling of bonds and guarantees and force majeure indemnities.

I.1.3 Default under a lease, or any other form of financing contract.

I.1.4 Inability of an assured to recover funds or another consideration advanced under a contract to supply goods or services.

I.1.5 Any form of Financial Guarantee, Surety or Credit indemnity, other than Salvage Guarantees.

I.1.6 Confiscation, Nationalisation, Expropriation, Deprivation, unless such losses would be recoverable under the Institute War Clauses and/or the War sections of the relevant Institute War and Strikes Clauses or relevant London Aviation Clauses in current use at the inception of this contract, or at the time when war risks cover would have commenced under the original insurance within the terms of these clauses, whichever is the earlier; except that if the risks of war are covered in the original policy (ies) under clauses approved by the London Hull War Risks Joint Sub-Committee, or in respect of cargo interests under the Standard War Risks clause of any country which complies with the limitations of the United Kingdom Waterborne Agreement, the foregoing proviso shall not apply.

I.1.7 The departure of the Assured's and/or project management personnel from any country, project or site in circumstances where:

I.1.7.1 such personnel have been advised by their own Government(s) (or officially accredited representative(s) thereof) to evacuate the country or region thereof;

Or

I.1.7.2 The Assured's most senior manager in any country (or if absent, his appointed deputy) has determined that conditions local to any project or site have reached a state of political instability which could reasonably be interpreted as endangering the lives and/or physical well-being of such personnel and has issued instructions for their evacuation.

I.2 Notwithstanding the aforementioned it is understood and agreed that exclusion I.1.6 shall not apply where coverage has been provided on an incidental basis as part of a (cargo and/or specie) package policy underwritten on an inclusive policy wording.

J. TERRORISMWRITE BACKS

J.1 The Terrorism Exclusion Clause (Clause 9 above) shall not apply to the following:

J.1.1 Any loss, damage, liability, or expense arising from the operation, ownership, management, or chartering of:

J.1.1.1 Vessels, craft, and units, whilst offshore, afloat, under construction or repair, in dock, or in store ashore.

J.1.1.2 Seawalls, wharves, piers, jetties, docks, berths, pontoons, and associated dockside equipment all whilst within the confines of the port, terminal, shipyard, harbour, or marina.

J.1.1.3 Platforms, facilities, and associated equipment, whilst offshore, or whilst in, on or under any navigable waters, including all related construction or repair operations.

J.1.1.4 Pipelines and cables whilst offshore, or whilst in, on or under any navigable waters, (other than whilst in tunnels) including all related construction or repair operations whilst offshore, or whilst in, on or under any navigable waters.

J.1.2 Any loss, damage, liability or expense arising from the carriage, shipment or storage of:

J.1.2.1 Cargo in the ordinary course of transit in accordance with the Joint Cargo Committee Termination of Transit Clause (Terrorism) JC2001/056.

01/11/03

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