

Changes between the Charterers P&I Club 2020 and 2021 Terms and Conditions

Our 2021 Terms and Conditions came into effect from 1st July 2021, replacing the 2020 Terms and Conditions that had applied to policies underwritten or renewed before midnight on 30th June 2021.

Only one change has been made to the 2021 Terms and Conditions with Clause 13, Section 33 of Part II of the Terms and Conditions being amended.

The previous Coronavirus Exclusion Clause (see page 2) has been replaced with the London Market Communicable Disease Exclusion Clause (see page 3).

We commented in 2020 that the scale of the Coronavirus pandemic and the pursuant economic fallout is totally unprecedented and as a result of the aggregation of losses globally the insurance industry is now applying specific exclusions to policies. This puts communicable disease on a similar footing with risks such as war between the major powers, or the risk of radioactive contamination, both of which are standard exclusions under most commercial insurances.

The clause is an improvement on the strict exclusion clause that applied to COVID and sets in place the mechanism for cover to be granted in future provided that the disease is not a “Declared Communicable Disease”; although with COVID 19 falling into this category already there is no improvement in the position regarding COVID 19.

For further queries please contact the Clubs Underwriting team

The Charterers P&I Club
June 2021



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2020 Terms and Conditions

Coronavirus Exclusion

Part II, Clause 13, Section 33

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

This insurance excludes coverage for:

(1) any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:

- a) Coronavirus disease (COVID-19);
- b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
- c) any mutation or variation of SARS-CoV-2;

or from any fear or threat of a), b) or c) above;

(2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;

(3) any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of a), b) or c) above or the fear or the threat thereof.





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2021 Terms and Conditions

Communicable Disease

Part II, Clause 13, Section 33

1. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
2. The exclusion in paragraph 1 of this Clause 33 will not apply to any liability of the Assured otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the Assured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However even if the requirements of paragraph 2 of this clause are met, no coverage will be provided under this insurance for any:
 - a. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
 - b. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
 - c. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
 - b. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
 - c. the disease, substance or agent may, acting alone or in conjunction with other co-



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morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

5. This clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this clause not been incorporated.