

# The Miller Insurance Group Limited

International Insurance Brokers and at Lloyd's

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2002  
CENTENARY

## FACSIMILE TRANSMISSION

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Miller Marine

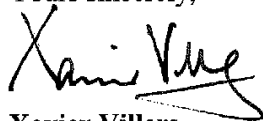
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**Subject** : Terrorist Exclusion Clauses

Dear Professor Rosaeg,

Lloyd Watkins has asked me to send you a variety of exclusion clauses relating to terrorist cover which are currently circulating in the insurance market. There are literally dozens of these depending on the class of business and the commercial attitude of individuals underwriting the business involved. I attach a selection as requested.

Yours sincerely,



Xavier Villers  
 Managing Director



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General Insurance  
 FIDELITY GROUP

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**JOINT EXCESS LOSS COMMITTEE TERRORISM EXCLUSION CLAUSE**

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

- (a) terrorism; and or
- (b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

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

- (i) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (ii) 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.**

16/11/01  
XL2001/002

**WAR, CIVIL WAR, POLITICAL RISK AND TERRORISM EXCLUSION CLAUSE**

This Agreement does not cover any liability assumed by the Reinsured for loss or damage or cost or expense of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of property by or under the order of any Government or public or local authority, terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any of the above.

For the purpose of this Clause, "terrorism" means an act or acts (whether threatened or actual) of any person or persons involving the causing or occasioning or threatening of harm of whatever nature and by whatever means made or claimed to be made in whole or in part for political, religious, ideological or similar purposes.

If it is alleged by any Reinsurer that any claim is not covered by reason of this Clause, the burden of proving the contrary shall be upon the Reassured.

In the event that any part of this Clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

10/01  
IUA-G51A

### WAR, TERRORISM AND SABOTAGE CLAUSE

This policy excludes:

Any liability of the Insured directly or indirectly occasioned by, happening through or in consequence of terrorism, sabotage, war, invasion, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Nevertheless this exclusion shall not apply to liabilities;

1. arising in connection with Watercraft owned, chartered, leased, hired or otherwise used by the Insured;
2. arising out of any waterborne operations;
3. arising out of undiscovered missiles and/or landmines and/or bombs and/or explosives;
4. for Bodily Injury to persons of any kind.
5. arising out of property damage to cargo whilst onboard a vessel.

Coverage provided by this clause is subject to the following:-

Subject to 7 days Notice of Cancellation as per Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause – Hulls, etc. 1/11/95 CL.359.

Subject to Current London Market War Risk Trading Warranties 17<sup>th</sup> September, 2001 and as may be subsequently amended by Underwriters.

MM Clause No. 2239  
14<sup>th</sup> August, 2002

### UK TERRORISM EXCLUSION

This Agreement shall not cover:

- (i) loss, destruction or damage in Great Britain (being England and Wales, and Scotland) by fire or explosion occasioned by or happening through or as a direct or indirect consequence of Act(s) of Terrorism.
- (ii) loss, destruction or damage in Northern Ireland within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or successors thereof.

For the purpose of this Exclusion:

Act of Terrorism means an act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

In the event of an occurrence giving rise to a loss or losses payable by the Reinsured not being certified by Her Majesty's government or **HM Treasury or any successor relevant Authority** to have been an "act of terrorism" and the Reinsured obtaining a Tribunal ruling confirming the Secretary of State's non-certification and solely by reason thereof the Reinsured is unable to recover such loss or losses in whole or in part from Pool Reinsurance Company Limited, the Reinsurers accept that exclusion (i) does not apply to such loss or losses.

IUA-G55

**THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAR & TERRORISM EXCLUSION**

This policy excludes any actual or alleged liability, costs or expenses arising directly or indirectly out of any one or more of the following:

- (a) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- (b) confiscation or expropriation;
- (c) capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat;
- (d) any terrorist act or any person(s) acting maliciously or from a political motive;
- (e) strikers, locked-out workmen, or persons taking part in labour disturbance, riots or civil commotions;
- (f) derelict mines, torpedoes, bombs or other derelict weapons of war.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

17/01/02  
JL2002/002

**TERMINATION OF TRANSIT CLAUSE (TERRORISM)**

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

1. Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

**either**

1.1 as per the transit clauses contained within the Policy,

**or**

1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,

**or**

1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge,

1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

**whichever shall first occur.**

2. If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.
3. This clause is subject to English law and practice.

JC2001/056

### WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2918



**WAR AND TERRORISM EXCLUSION ENDORSEMENT (Reinsurance)**

Notwithstanding any provision to the contrary within this reinsurance or any endorsement thereto it is agreed that this reinsurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Reinsurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Reassured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2919

**TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2920