

TRANSMARINE K&R WORDING

Disclaimer

This is a sample of the current Transmarine K&R wording and is provided for information only in order to illustrate the scope of cover that may be available. This is not published as part of any contract of insurance and must not be relied upon as confirmation of the conditions applicable to any Assured; any such confirmation will be evidenced solely by the Certificate of Insurance legally issued by Underwriters to that Assured.

Insuring Clause

We agree to indemnify **You** in respect of **Insured Losses** sustained directly because of **Insured Events** which occur during the Period of Insurance, all as more fully stated herein.

Insured Losses

1. **Ransom** which has been surrendered; in the case of marketable goods or services, **We** will pay the actual cash value thereof at the time of surrender based on an independent valuation.
2. The loss in transit of a **Ransom** by confiscation, destruction, disappearance, seizure or theft while it is being conveyed, to those who have demanded it, by a person authorised to do so by **You** or a **Covered Person**.
3. The fees and expenses of the **Response Consultants** for an **Insured Event**.
4. Additional expenses being expenses necessarily incurred, following and for the duration of an **Insured Event**, by **You** or a **Covered Person**:
 - a. fees and expenses for an independent negotiator engaged by **You** with **Our** prior authorisation;
 - b. fees and expenses of an independent public relations consultant and/or interpreter;
 - c. cost of travel and accommodation incurred by **You** or a **Covered Person**;
 - d. fees for independent psychiatric, medical and dental care including any costs for care by a neurologist, psychologist and any expense of confinement and/or legal advice incurred prior to and within 36 consecutive calendar months of the release of the **Covered Person**;
 - e. reward paid by **You** to an **Informant** for information which contributes to the resolution of the **Insured Event**;
 - f. **Personal Financial Loss** suffered by a **Covered Person** solely as a direct result of the physical inability to attend to personal financial matters while a victim of a **Kidnap, Extortion, Detention or Hijack**;
 - g. 100% of a kidnapped, detained or hijacked **Covered Person's** gross salary including bonuses, commissions, cost of living adjustments, pension and/or welfare contributions and allowances, which were contractually due at the time the **Insured Event** occurs and for 60 consecutive days following the release. With respect to **Detention**, **Our** liability will be limited to a period of 60 consecutive calendar months;
 - h. 100% of the gross salary for a replacement of a kidnapped, detained or hijacked **Covered Person**, including bonuses, commissions, cost of living adjustments, pension and/or welfare contributions and allowances which were contractually due at the time the **Insured Event** occurs and for 30 consecutive days following the release. With respect to **Detention**, **Our** liability will be limited to a period of 60 consecutive calendar months;
 - i. The costs incurred by **You** for the salaries of employees specifically designated to assist in negotiating on an **Insured Event**. These are not to exceed the employee's 100% of salary including bonuses and allowances. Plus all other reasonable expenses solely and directly incurred in connection with such negotiations, provided that **You** forward an itemised account of such employee's time, services and expenses;

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- j. Sums payable by way of interest on loans raised specifically to meet a **Ransom** and in respect of amounts subsequently reimbursed hereunder, provided that the loan is repaid within seven days of **You** receiving reimbursement of the same from **Us**;
- k. Fees and expenses of security guards temporarily retained solely and directly for the purpose of protecting a **Covered Person** located in the country where an **Insured Event** has occurred and on the specific recommendation of the **Response Consultants**;
- l. Costs of communication, communication equipment, recording equipment and advertising solely as a result of an **Insured Event**;
- m. Reasonable fees and expenses of independent forensic analysts engaged by **You** with **Our** prior agreement;
- n. The reasonable costs of cosmetic or plastic surgery, which is required to correct any permanent disfigurement sustained by a **Covered Person** solely and directly as a result of an **Insured Event**;
- o. Such reasonable costs and expenses, including but not limited to bunkers, demurrage, warehousing and port expenses, incurred solely and directly as a result of a **Hijack** or **Kidnap**;
- p. All other reasonable expenses incurred by **You** or a **Covered Person** with **Our** prior approval;
- q. Rest and rehabilitation expenses that occur within six consecutive calendar months following the release of a **Kidnap** and/or **Detention** and/or **Hijack** victim and are incurred by the victim, the victim's shown in item (iv) of the Schedule.

5. Personal Accident

We will pay, up to the Limit of Liability stated in the Schedule, for **Loss of Limb, Loss of Sight, Loss of Extremity, Permanent Total Disablement** or death sustained by a **Covered Person**, solely and directly as a result of an **Insured Event**, or an attempted Insured Event, provided that such injury caused the death or disablement, within the meaning of this Insurance, of the **Covered Person** within 12 calendar months from the date of the incident.

6. Legal Costs

We will pay, up to the Limit of Liability stated in the Schedule, with respect to any **Suit** brought against **You** by a **Covered Person** directly as a result of a **Kidnap, Detention, Extortion, or Hijack**, occurring during the Period of Insurance:

- a. those sums that **You** become legally obligated to pay as damages as a result of a judgement or settlement of a **Suit**;
- b. all reasonable and customary expenses incurred by **You** in defence of such **Suit**;
- c. all costs levied against **You** in a **Suit**.

However, **You** shall neither admit any liability for nor settle any claim, nor incur any costs or expenses without **Our** prior approval.

We shall have the right to defend any such **Suit** against **You** and may make whatever investigation and settlement of any claim or **Suit We** deem expedient and the law allows, and **You** shall co-operate fully with **Us** in all things connected therewith.

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INSURED EVENTS

Kidnap

The actual or alleged taking captive of one or more **Covered Persons** within the territory specified in the Schedule by persons who then demand a **Ransom** specifically from **Your** assets or the assets of a **Covered Person** as a condition of the release of such captive(s).

Extortion

The making of illegal threats either directly or indirectly to **You** or to a **Covered Person** to:

1. kill, injure or abduct a **Covered Person**, or
2. cause physical damage to or loss of **Insured Vessel**, or
3. introduce a **Computer Virus** on board or connected with the **Insured Vessel**,
by persons who then demand a Ransom as a condition of not carrying out such threats.

Detention

The holding under duress of a **Covered Person** for whatever reason, including the holding under duress of a **Covered Person** whether by governmental authorities in the place of custody or by others.

Hijack

The illegal holding under duress for a period in excess of six consecutive hours of an **Insured Vessel** and/or a **Covered Person**.

Or a series of connected **Insured Events**. If it is evident from the demand(s) or the making of such demand(s) that **Insured Events** are or were carried out in furtherance one of another, they shall be deemed to be connected and constitute a single **Insured Event**. Nevertheless, there shall be no liability hereunder in respect of a series of **Kidnaps** or **Extortions** or **Detentions** or **Hijacks** the first of which began before the Period of Insurance.

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DEFINITIONS

Assured	Any party specified in the Schedule.
Computer System	A computer and all input, output, processing, storage and communication facilities and equipment which are connected to such a device and which the operating system or application software used by You are under Your direct operational control. Off-line media libraries are deemed to be part of said Computer System .
Computer Virus	A set of unauthorized instructions, programmatic or otherwise, that propagate themselves through Your Computer System and/or networks, which instructions were designed to modify, alter, damage, destroy, delete, contaminate or degrade the integrity, quality, or performance of data, computer application software, computer network, or computer operating system and related software.
Covered Person	<ol style="list-style-type: none">1. Any person named or specified in the Schedule.2. Any person who is directly involved in the handling or negotiation of an Insured Event.
In Transit	Whilst travelling to or from a permanent or temporary residence with the purpose of attending on-board, or departing from, the Insured Vessel
Informant	A person providing information not otherwise obtainable and solely in return for a monetary payment by You .
Insured Vessel	A vessel which has been declared to Us under this Insurance.
Loss of Extremity	The permanent physical separation or the total and irrecoverable loss of use of all or part of a digit or all or part of an ear, nose or genital organ by deliberate mutilation.
Loss of Limb	Loss, by separation, or the total and irrecoverable loss of use of a hand at or above the wrist, or a foot at or above the ankle.
Loss of Sight	Loss of sight of one or both eyes which is certified as being entire and irrevocable by a qualified medical practitioner specialising in ophthalmology and approved by Us .
Passengers	Any person not engaged or employed in any capacity in connection with the business of an Insured Vessel , and intended to be carried or actually carried on board an Insured Vessel pursuant to a contract of passage and in consideration of the payment of a passage fare.
Permanent Total Disablement	Disablement which necessarily and continuously disables a Covered Person from attending to every aspect of such Covered Persons normal business or occupation for a period of 12 consecutive calendar months and at the end of such period, the Covered Person is certified by two qualified medical practitioners approved by Us as being beyond hope of improvement. If the Covered Person has no business or occupation the disablement must confine the Covered Person immediately and continuously to the house and disable the Covered Person from attending to the Covered Person's normal duties.
Others	Any person, other than Seamen or Passengers , lawfully intended to be carried or actually carried on board an Insured Vessel for whatever reason.

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Ransom	Cash and/or marketable goods or services surrendered or to be surrendered by or on behalf of You or a Covered Person to meet a Kidnap, Extortion or demand.
Response Consultants	As named or specified in the Schedule
Seamen	Any one or more persons including but not limited to the master, officers and crew, engaged or employed in any capacity under the terms of a crew agreement or other contract of service or employment to serve on board the Insured Vessel .
Suit	A civil proceeding in which damages to which this Insurance applies are alleged. Suit includes an arbitration proceeding alleging such damages to which You must submit with Our consent.
We/Us/Our	Certain Underwriters at Lloyd's, London.
You/Your/Yours	The person, company or firm named as the Assured in the Schedule.

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EXCLUSIONS

We will not pay for any loss which is or but for this Insurance would be covered under any other insurance, specifically but not limited to any coverage under Hull and Machinery, P&I, FD&D, Crew personal accident and War Risks insurance. Furthermore, **We** will not be liable in respect of any losses caused by, arising from or attributable to any of the following:

1. the surrender of a **Ransom** in any face to face encounter involving the use or threat of force or violence, unless surrendered by a person who is in possession of such **Ransom** at the time of such surrender for the sole purpose of conveying it to pay a previously communicated **Ransom** demand;
2. the surrender of a **Ransom** either at the **Kidnap** location of one or more **Covered Persons** or where the **Extortion** demand is first made, unless brought to such location after receipt of the **Ransom** demand for the sole purpose of paying such a demand;
3. the surrender of cargo, goods and/or cash being transported for use as **Ransom**;
4. in respect of **Kidnap**, **Extortion**, or **Hijack**, a criminal act or an attempt either directly or indirectly to defraud **Us** by **You**, **Your** directors or officers, whether acting alone or in collusion with others;
5. **You** or any **Covered Person(s)** taking part in the operations of any governmental or private police, guard, security or armed forces;
6. In respect of **Detention**:
 - a. a **Detention** which is for a period of less than 24 consecutive hours;
 - b. any act or alleged act by **You** or a **Covered Person** which would be a criminal offence if committed by the same party in the country where its headquarters are located or of which a **Covered Person** is a national, unless **We** determine that such allegations were intentionally false, fraudulent and malicious and made solely and directly to achieve a political, propaganda or coercive effect upon or at the expense of **You** or the victim of the **Detention**;
 - c. failure of **You** or a **Covered Person** properly to procure or maintain immigration, work, residence, travel or similar visas, permits or other documentation;
7. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials;
8. nuclear reaction, nuclear radiation or radioactive contamination.

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CONDITIONS

1. When an **Insured Event** has occurred or is believed to have occurred, You must:
 - a. immediately inform the **Response Consultants** directly and Michael Else & Company (via your broker if applicable), and provide whatever information is required as soon as is possible;
 - b. inform, or allow the **Response Consultants** to inform the appropriate authorities responsible for law enforcement in the country where an **Insured Event** has occurred of the **Ransom** demand as soon as is practicable having regard for the personal safety of the victim;
 - c. before agreeing to the payment of any **Ransom** make every reasonable effort to:
 - (i) determine that the **Insured Event** has actually occurred and is not a hoax;
 - (ii) ensure that a senior official of the **Assured** agrees to the payment of the Ransom;
 - d. when requesting the indemnification of a **Ransom** under this Insurance, be able to demonstrate that such **Ransom** had been surrendered under duress.
2. Following an **Insured Event** the services of the **Response Consultants** will be available to **You** at no charge and on a priority basis to provide advice and assistance in the handling of the **Insured Event** for as long as required.
3. In respect of **Personal Accident**:
 - a. any **Covered Person** who suffers an incident which causes disablement within the meaning of this Insurance must place himself or herself under the care of a qualified medical practitioner approved by **Us** as early as possible after the incident;
 - b. **We** will not be liable to pay compensation unless the medical practitioner appointed by **Us** is allowed as often as thought necessary to examine the **Covered Person**;
 - c. the total sum payable in respect of any one or more **Insured Events** shall not exceed in all the largest Benefit per **Covered Person** under any one of the items (i) to (v);
 - d. if an **Insured Event** causes the death of the **Covered Person** within 12 months following the date of the **Insured Event** and prior to the definite settlement of the benefit for disablement, within the meaning of this Insurance, there shall be paid only the benefit provided for in the case of death;
 - e. if a **Covered Person** disappears during the Period of Insurance and such **Covered Person's** body is not found within 36 months after such **Covered Person's** disappearance and sufficient evidence is produced satisfactory to **Us** that leads **Us** inevitably to the conclusion that such **Covered Person** sustained death solely and directly as a result of an **Insured Event**, **We** will pay the death benefit under this Insurance provided that the person or persons to whom such a sum is paid shall sign an undertaking to refund such sum to **Us** if the **Covered Person** is subsequently found to be living.
4. **You** must act prudently at all times and do all things reasonably to avoid or diminish any **Insured Losses**.
5. **You** and the **Covered Persons** must, at all times, restrict knowledge of the existence of this Insurance.
6. **You** and the **Covered Person** must provide all necessary evidence and complete, sign or seal all papers required by **Us** to recover compensation or secure an indemnity from any third party in respect of any loss or damage. If **We** instigate proceedings in **Your** name or in the name of a Covered Person, any monies thus received will belong to **Us**.
7. In the event of any indemnification under this Insurance, **We** shall be subrogated to the extent of such payment to all **Your** rights of recovery, and **You** shall execute all papers required and shall do everything necessary to enable **Us** to bring suit in **Your** name.

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CONDITIONS

8. **Our** liability shall in all cases be limited to the amount shown in the Schedule. Specifically, without limiting the generality of the foregoing, **Our** liability shall not be increased because:
 - a. **You** may comprise or include more than one person, company or legal entity. If more than one legal entity is named under this Insurance, only the first-named will have any right to make, adjust, receive or enforce payment of any claim;
 - b. of renewal of this Insurance. **Our** liability shall not be cumulative from one Period of Insurance to another;
 - c. of any other reason whatsoever.
9. This Insurance may be cancelled by **Us** solely if **You** fail to pay the required premium. In such an event **We** will send written notice of not less than 30 days of the effective date of such cancellation and any premium payable will be calculated on a pro rata basis.
10. No assignment of **Your** interest hereunder shall be binding on **Us** unless **We** have granted prior permission.
11. Notice to anyone other than **You** or **Us** will not alter or effect a waiver on any terms of this Insurance or prevent **Us** from asserting **Our** rights under this Insurance. Terms may only be waived or changed by an endorsement forming part of this Insurance.
12. Failure by **Us** to exercise or enforce any right in this Insurance does not mean **Our** rights are waived. **We** may exercise or enforce **Our** rights at any time.
13. It is a condition precedent to **Our** liability under this Insurance that **You** shall communicate fully and without exception with **Michael Else & Co** and the **Response Consultants** at all times following an **Insured Event**.
14. This insurance shall terminate automatically at the time of an **Insured Vessel** changing flag unless **We** agree to such change in writing and any amended terms of cover and any additional premium required by **Us** be agreed.
15. **We** have relied on the proposal form and all other information provided in connection with such form in deciding to accept this Insurance and in determining the terms of such acceptance. **You** must ensure that all statements in the proposal form or any other documentation are accurate and that **You** or any **Covered Person(s)** have not withheld any material fact(s), otherwise this Insurance may be avoided.
16. The following conditions apply to gross salary:
 - (i) at the time an **Insured Event** occurs the **Covered Person** and the **Covered Person's** employer shall have entered into a written contract of employment and that, subsequent to the occurrence of the **Insured Event** the **Covered Person's** employer shall have failed to honour his obligations to pay gross salary to the **Covered Person** under the contract of employment.
 - (ii) **Our** liability shall be limited to gross salary payments which the **Covered Person's** employer owes to the **Covered Person** and which is not paid to the **Covered Person** during the period when such **Covered Person** is **Kidnapped** or **Detained**, or in the case of **Detention**, 60 months has expired, whichever the earlier.
17. The proper and exclusive law of this insurance shall be English Law. Any disputes arising under or in connection with it shall be subject to the exclusive jurisdiction of English Courts.
18. A person who is not a party to this Insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Insurance but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
19. The **Insured Vessel** shall be insured for Hull and Machinery, P&I and War. Risks at all times during the period of this insurance.

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