



## Comprehensive Contractors Plant & Equipment Cover – Political Risks (CCP)

### SCHEDULE

**Policy No:** {Response}

**1. Assured:**

{Response}

**2. Assured's country:**

{Response}

**3. Policy period (maximum 12 months unless Cause of Loss 5 deleted):**

{Response}

**4. Insured equipment:**

{Response}

**5. Foreign country(ies):**

{Response}

**7. Basis of valuation: Market value/depreciated book value\*.**

{Response}

**8. Contractors All Risks policy:**

{Response}

**9. Policy limit:**

**(being 100% indemnity excess of the Deductible)**

{Response}

**10. Deductible: {Response} each and every loss**

**Dated in London:** {Response}

\* to be deleted as applicable

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## **COMPREHENSIVE CONTRACTORS PLANT INSURANCE - POLITICAL RISKS (CCP)**

In consideration of payment of the Premium and subject to the information provided by the Assured in the proposal form and as listed under Information, Underwriters agree to indemnify the Assured for its Net Loss in respect of the Insured Equipment arising from the occurrence during the Policy Period of one or more Causes of Loss subject always to the Definitions, Exclusions, Conditions and Warranties below.

### **CAUSES OF LOSS**

#### **1. Abandonment**

Loss of or damage to the Insured Equipment following the abandonment of the Insured Equipment resulting from the Assured being required or advised by its government or official representative(s) thereof to evacuate personnel from the Foreign Country(ies) or a region thereof, provided that every reasonable effort has been made to remove the Insured Equipment or if removal is not possible to protect it prior to evacuation. Loss of the Insured Equipment shall be deemed to have occurred in the event that the Assured is unable, after making all reasonable efforts, to recover the Insured Equipment for a period of six months from the date of the final evacuation of personnel.

#### **2. Deprivation**

Loss of use or possession of the Insured Equipment caused by

- i) the failure or refusal of the Foreign Government for a period of six months to permit the export of the Insured Equipment from the Foreign Country(ies), or
- ii) the Assured being prevented from exporting the Insured Equipment from the Foreign Country(ies) for a period of six months due to its inability to obtain an export licence from the appropriate authority in the Foreign Country(ies)

provided that at inception of this Policy any permits necessary to export the Insured Equipment from the Foreign Country(ies) were obtainable. For the purposes of this Cause of Loss the loss shall be deemed to have occurred during the Policy Period provided that the Leading Underwriters have been advised in accordance with Condition 5 below and before the expiry of the Policy of the Assured's inability to export the Insured Equipment from the Foreign Country(ies).

#### **3. Expropriation**

Loss of or damage to Insured Equipment caused by confiscation, seizure, appropriation, expropriation, requisition for title or use or wilful destruction or damage by or under the order of Foreign Government, provided that such loss or damage occurs in the Foreign Country(ies).

#### **4. Riot and Terrorism**

Destruction of or damage to the Insured Equipment caused by Riots and/or Strikes and/or Civil Commotions and/or Terrorism and/or Malicious Damage (including fire damage and loss by looting

following Riots and/or Strikes and/or Civil Commotions and/or Terrorism and/or Malicious Damage), provided that such destruction or damage occurs in the Foreign Country(ies) and only to the extent that such loss or damage is not caused by and does not arise from perils insured by the Contractors All Risk policy identified in Item 8 of the attached Schedule.

**5. War**

Destruction of or damage to the Insured Equipment caused by war (except as excluded below), civil war, revolution, rebellion, insurrection, or any hostile act by a belligerent power, provided that such destruction or damage occurs in the Foreign Country(ies).

**DEFINITIONS**

**1. Assured's Country**

Means the country specified in Item 2 of the attached Schedule.

**2. Basis of Valuation**

Means -either the market value of the Insured Equipment in the Assured's Country or the depreciated book value of the Insured Equipment (whichever specified in Item 7 of the attached Schedule)

-or if lower the cost of repair (if appropriate), including any necessary transport charges.

**3. Foreign Country(ies)**

Means the country (ies) specified in Item 5 of the attached Schedule in which the Insured Equipment is located.

**4. Foreign Government**

Means the present or any succeeding governing authority of the Foreign Country (ies) or any definable region thereof, provided that such governing authority exercises effective legislative, executive and judicial control therein, and without having regard to the manner of its accession.

**5. Insured Equipment**

Means the contractors plant and equipment specified in Item 4 of the attached Schedule.

**6. Net Loss**

Means the value at the date of loss, according to the Basis of Valuation, of that part of the Insured Equipment that has been lost, damaged or destroyed less compensation, salvage and any other recoveries received by the Assured, and after taking into account the Deductible specified in Item 10 of the attached Schedule.

In no event shall the amount payable in all hereunder exceed the Policy Limit specified in Item 9 of the attached Schedule.

## **7. Riots and/or Strikes and/or Civil Commotions and/or Malicious Damage**

Means physical loss or damage:

- i) caused directly by:
  - a. any act committed in the course of a disturbance of the public peace by any person taking part together with others in such disturbance, or
  - b. any wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out whether or not such act is committed in the course of a disturbance of the public peace, or
  - c. any act of any lawfully constituted authority for the purpose of suppressing or minimising the consequences of any existing disturbance of the public peace, or for the purpose of preventing any such act as is referred to in b. above or minimising the consequences thereof, or
- ii) resulting directly from a malicious act caused by anyone whether or not the aforesaid act is committed during a disturbance of the public peace, including all physical loss or damage caused by an act of Terrorism committed by a person or persons acting on behalf of or in connection with any organisation.

## **8. Terrorism**

Means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

### **EXCLUSIONS**

#### **1. Assured's Country**

Excluding any loss arising within the Assured's Country.

#### **2. Contractors All Risks**

Excluding any loss arising from the failure of the Assured to maintain full, adequate and effective Contractors All Risks insurance in respect of the Insured Equipment.

#### **3. Contractual**

Excluding any loss arising out of any contractual agreement or obligations assumed thereunder (whether in dispute or not) to which the Assured or the Foreign Government may be party or from the repossession of property by any titleholder.

#### **4. Delay**

Excluding any loss arising from delay, deterioration and/or loss of market.

#### **5. Five Powers**

Excluding any loss arising from war (whether before or after the outbreak of hostilities) between any of the following Five Powers: China, France, Great Britain, the Russian Federation and the United States of America.

**6. Insolvency or financial Default**

Excluding any loss arising from insolvency or financial default of any party or person whatsoever.

**7. Interruption of Work**

Excluding any loss resulting from total or partial cessation or interruption of work.

**8. Necessary Permits**

Excluding any loss arising from any failure of the Assured to obtain all necessary permits and authorisations.

**9. Non-compliance**

Excluding any loss arising from any failure of the Assured to comply with the laws of the Foreign Country (ies) or of the Assured's Country.

**10. Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion (CL370)**

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

In no case shall this insurance cover Loss, damage, liability or expense, directly or indirectly, caused by or contributed to by or arising from

- i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- iii) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- iv) the radioactive, toxic, explosive or other hazardous or contaminating properties or any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, canned, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- v) any chemical, biological, bio-chemical or electromagnetic weapon.

## **11. Theft**

Excluding any loss caused by or arising out of burglary, house-breaking, theft or larceny or caused by any person taking part therein.

## **CONDITIONS AND WARRANTIES**

### **1. Confidentiality**

Warranted that the Assured shall not disclose the existence of this Policy at any time either before or after an insured cause of loss occurs and whether before or after the expiry of this Policy to any third party other than to its own professional, financial and legal advisers (on a confidential basis) without the prior written consent of the Leading Underwriters.

### **2. Due Diligence**

The Assured (or any agent, sub or co-contractor of the Assured) shall at all times use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to protecting, removing and recovering the Insured Equipment) to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain any relief or indemnity.

### **3. Examination of Records**

Underwriters shall have the right to examine any letters, accounts or other documents in the possession or control of the Assured relating to the interest insured hereunder.

### **4. Headings**

Headings throughout this Policy are included for convenience of reference only and shall not constitute a part of this Policy.

### **5. Immediate Notice of Loss**

Upon the discovery of any event likely to give rise to a claim under this Policy, the Assured shall immediately give notice thereof to the Leading Underwriters.

### **6. Law and Arbitration**

The construction, validity and performance of this Policy shall be governed exclusively by the laws of England and Wales without reference to its conflict of law rules. Any provision of the Policy in conflict with the laws of England and Wales is automatically amended to conform to the minimum requirements of English law.

Any controversy or dispute arising out of or relating to the Policy, or the breach thereof, shall be settled exclusively by arbitration administered by the London Court of International Arbitration under its commercial rules of arbitration, utilizing three (3) arbitrators, unless the parties agree otherwise. The seat, or legal place, of arbitration proceedings shall be London, England. The language used in the arbitral proceedings shall be English. The substantive law of England and Wales

shall be applicable to any controversy or dispute and the courts of England and Wales shall have jurisdiction. A decision by an arbitrator or arbitral panel shall be final and binding, subject to the Maximum Limit of Liability. Judgment on the award may be entered in any court having jurisdiction.

(The following paragraph is applicable to U.S. Assureds only)

## **7 Service of Suit Clause**

The purpose of this clause is to permit the enforcement in the United States of America of an award made pursuant to the mandatory arbitration provisions of this Policy.

It is agreed that in the event of the failure of the Insurer to pay an amount claimed to be due hereunder, and awarded by the arbitrators pursuant to the arbitration provisions under this Policy, the Insurer, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Nothing in this clause constitutes or should be understood to constitute a waiver of the Insurer's rights to commence an action in any court of competent jurisdiction in the United States of America, to remove an action to a United States of America District Court, or to seek to transfer a case to another court as permitted by the laws of the United States of America or of any state in the United States of America. It is further agreed that service of process in such suit may be made upon Mendes & Mount LLP 750 Seventh Avenue, New York, NY 10019-6829, USA and/or their nominee(s) and that in any suit instituted against the Insurer (if more than one Insurer, all or any one of them) upon this Policy, the Insurer will abide by the final decision of such court or any Appellate Court in the event of an appeal.

The above named are authorised and directed to accept service of process on behalf of the Insurer in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon the Insurer's behalf in the event that such a suit is instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefore, the Insurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this Policy, and hereby designate the above named as the person to whom the said officer is authorised to mail such process or a true copy thereof.

The foregoing is not intended to conflict with or override the obligation of the parties hereto to arbitrate their disputes as provided for in Section 6(Governing Law and Arbitration) of this Policy.

## **8. Non-cancellation**

There shall be no cancellation of this Policy and no return of premium unless specially agreed at inception.



## **9. Non-contribution**

It is agreed that this Policy does not cover any loss which at the time of the happening of such loss is insured or would, but for the existence of this Policy, be insured by any other policy or policies, except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected.

## **10. No Prior Knowledge**

Underwriters shall have no liability under this Policy and the Assured shall have no rights under this Policy unless at inception of cover and at the time of any amendment to this Policy the Assured:

- i) was not in breach of any common law duty in regard to non-disclosure or misrepresentation, and
- ii) had no knowledge and had received no information of any matter, fact or circumstance which could give rise to or increase the likelihood of a loss hereunder.

Compliance with this condition shall be a necessary prerequisite to cover under this Policy and in any proceedings by the Assured hereunder or between the Assured and Underwriters the burden shall in all circumstances be upon the Assured to establish that this condition has been complied with.

## **11. Onus of Proof**

In any claim, and/or any action, suit or proceeding to enforce a claim for loss hereunder, the burden of proving that the loss is recoverable under this Policy, that no condition or warranty has been breached and that no exclusion applies shall fall upon the Assured.

## **12. Proof of Loss**

The Assured shall submit a sworn proof of loss to Underwriters. If such proof has not been received by them within two years of the expiry date of this Policy, Underwriters shall be discharged from all liability hereunder.

## **13. Recoveries**

After payment of a claim hereunder any sums which are recovered from any source in connection with the subject matter of this insurance shall be the property of Underwriters.

## **14. Subrogation**

The Assured shall, upon payment of a claim hereunder, transfer to Underwriters as they direct, all rights relating to the interest in respect of which a claim has been paid so that Underwriters are subrogated to such rights, without having regard to any deductible, co-insurance or uninsured exposure borne by the Assured

**LSW276**