

COMPREHENSIVE CONTRACTORS PLANT INSURANCE - POLITICAL RISKS (CCP)

Subject always to the Definitions, Exclusions, Conditions and Warranties below, Insurers agree to indemnify the Insured for its **Net Loss** in respect of the **Insured Equipment** arising from one or more Causes of Loss (and/or Occurrence in respect of Causes of Loss 3 and 4 only), as indicated in Item 4 of the attached Schedule, during the Policy Period.

CAUSES OF LOSS

1. Expropriation

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

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 Insured 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 Slip Leader has been advised in accordance with Condition 5 below and before the expiry of the Policy of the Insured's inability to export the **Insured Equipment** from the **Foreign Country(ies)**.

3. War

The physical destruction of or physical 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 loss or damage occurs in the **Foreign Country(ies)**.

4. Riots and/or Strikes and/or Civil Commotions and/or Terrorism

The physical destruction of or physical damage to the **Insured Equipment** caused by **Riots and/or Strikes and/or Civil Commotions and/or Terrorism**, provided that such loss 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. Forced Abandonment

Loss of or damage to the **Insured Equipment** caused by the forced abandonment of the **Insured Equipment** in the **Foreign Country** by the Insured for a continuous period of not less than 180 days following total cessation of operations where:

i) in consequence of **Political Violence**, the Insured is required or advised by the Insured's Government to evacuate personnel from the **Foreign Country(ies)** or a region thereof;

or,

ii) the Insured is able to demonstrate to Insurers' satisfaction that a continuing state of **Political Violence** makes it impossible to protect or remove the **Insured Equipment** without endangering its personnel;

provided always that the Insured and its agents have made every reasonable effort to remove the **Insured Equipment** from the **Foreign Country** or the relevant region thereof, or if removal is not possible, to protect the **Insured Equipment** prior to evacuation of personnel.

For the purposes of this Policy, the requisite 180 day period need not itself end during the Policy Period, however the initial abandonment must occur during the Policy Period.

For the purpose of this Policy, an advice by the government of the **Insured's Country** or an official representative thereof advising against travel in the **Foreign Country** or a region thereof alone shall not trigger the Forced Abandonment insured Cause of Loss.

DEFINITIONS

1. Insured'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 **Insured'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 6 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 contractor's plant and equipment specified in Item 5 of the attached Schedule.

6. **Net Loss**

Means the value at the date of loss, according to the **Basis of Valuation** specified in Item 7 of the attached Schedule, of that part of the **Insured Equipment** that has suffered loss or damage less compensation, salvage, and any other recoveries received by the Insured and after taking into account any 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**

Means loss of or damage caused 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.

8. **Terrorism**

Means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

9. **Political Violence**

Means the perils articulated within Causes of Loss 3 and 4.

10. **Occurrence**

In respect of Cause of Loss 3, the duration and extent of any one Occurrence shall be limited to all losses sustained to the **Insured Equipment** during any period not exceeding 30 consecutive days arising out of and directly occasioned by such a Cause of Loss for the same purpose or cause. The Insured may choose the date and time when each loss period of 30 days shall commence. However, no cover shall be given for losses sustained to the **Insured Equipment** outside of the Policy Period, nor shall two or more periods of 30 days overlap.

In respect of Cause of Loss 4, the duration and extent of any one Occurrence shall be limited to all losses sustained to the **Insured Equipment** during any period of 72 consecutive hours arising out of and directly occasioned by such a Cause of Loss for the same purpose or cause. The Insured may choose the date and time when each loss period of 72 hours shall commence. However, no such period of 72 hours may extend beyond the expiration of this Policy other than for the **Insured Equipment** which first sustained damage during the Policy Period, nor shall two or more periods of 72 hours overlap.

No Occurrence shall be deemed to commence earlier than the date and time of the happening of the first recorded individual loss to the Insured in that Occurrence during the Policy Period.

EXCLUSIONS

This Policy excludes any loss:-

1. Insured's Country

arising within the **Insured's Country**.

2. Contractors All Risks

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

3. Contractual

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

4. Delay

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

5. Five Powers

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

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

7. Interruption of Work

resulting from total or partial cessation or interruption of work.

8. Necessary Permits

arising from any failure of the Insured to obtain all necessary permits and authorisations.

9. Non-compliance

arising from any failure of the Insured to comply with the laws of the **Foreign Country(ies)** or of the **Insured's Country**.

10. Radioactive Contamination

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 or device 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 of 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, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- v) any chemical, biological, bio-chemical or electromagnetic weapon.

11. Theft

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

12. Cyber Attack

directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system. However, to the extent that this Policy insures risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, this Exclusion shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system computer software programme, or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

13. Natural Causes - applicable to Cause of Loss 5 only

caused by, or arising from, natural perils, including but not limited to earthquake, seaquake, windstorm, tornado, tsunami, storm surge, flood, disease, wind, drought, plague, pestilence, virus or volcano.

14. Bona Fides

under Cause of Loss 1 or Cause of Loss 2 where the basis for a claim is an act or series of acts taken by the **Foreign Government** which constitutes a bona fide non-discriminatory measure of general application of a kind that governments normally take in the public interest.

CONDITIONS AND WARRANTIES

1. Confidentiality

It is warranted that the Insured 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 Slip Leader.

2. Due Diligence

It is warranted that the Insured (or any agent, sub or co-contractor of the Insured) 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

Insurers shall have the right to examine any letters, accounts or other records in the possession or control of the Insured relating to the interest insured hereunder, and at their own expense take copies of such letters, accounts or other records.

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 Insured shall immediately give notice thereof to the Slip Leader.

6. Law and Jurisdiction

This Policy shall be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

(The following paragraph is applicable to U.S. and Canadian Insureds only)

The parties hereto agree that the speedy resolution of any disputes between them to be had as a consequence of this clause is a mutual and material inducement to enter into this Policy and that this in no way infringes on any rights accorded in the Service of Suit clause of this Policy the effect of which is to provide without waiver of any defence an ultimate assurance of the amenability of Insurers to process of certain courts.

Plus Service of Suit Clause LMA5020 in respect of U.S. Insureds only plus Service of Suit Clause LMA5028 in respect of Canadian Insureds only.

7. Arbitration

Any dispute which may arise under, out of, in connection with or in relation to the Policy including, but not limited to, any question regarding its existence, validity or termination, or to the determination of the amount of loss recoverable under this Policy shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules, which Rules (as may be amended from time to time and as are in effect at the date of either party filing a Request for Arbitration) are deemed to be incorporated by reference into this clause.

The seat of arbitration:	London, England
Language of Proceedings:	English
Number of Arbitrators:	Three
Qualification of the Arbitrators:	The Chairman shall be: Queen's Counsel qualified in England and Wales with a minimum of 10 years' experience of insurance law. A party nominated arbitrator shall be: Queen's Counsel qualified in England and Wales with a minimum of 5 years' experience of insurance law or a barrister or solicitor qualified in England and Wales with a minimum of 12 years' experience of insurance law.
Costs:	Costs will be determined in accordance with the LCIA Arbitration Rules.

Each party shall nominate one arbitrator. The parties shall attempt to agree the nomination of the Chairman. If the parties are unable to agree to the nomination of the Chairman within 60 days of the filing of a Request for Arbitration with the LCIA, then the LCIA Court shall appoint a Chairman in accordance with its Rules, and pursuant to the provision of this clause.

Article 6 of the LCIA Rules shall not apply to disqualify a nominated arbitrator or Chairman on the basis of nationality and is hereby excluded.

(The Award rendered by the arbitrator shall be final and binding and no appeal may be made by either party, on a point of law or otherwise).

Punitive, exemplary or similar damages are not available.

Nothing contained herein shall be construed to allow the arbitrator, any court, or any other forum to award punitive, exemplary or any similar damages. By entering into this agreement to arbitrate, the parties expressly waive any claim for punitive, exemplary or any similar form of damages. The only damages recoverable under this agreement are compensatory damages.

8. Non-cancellation

This Policy shall be non-cancellable by the Insurers or the Insured except in the event of non-payment of premium where the Insurers may cancel the Policy at their discretion.

In the event of non-payment of premium this Policy may be cancelled by or on behalf of the Insurers by delivery to the Insured or by mailing to the Insured or the Broker by registered, certified, or other first class mail, at the Insured's address as shown in this Policy, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

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

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

- 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 pre-requisite to cover under this Policy and in any proceedings by the Insured hereunder or between the Insured and Insurers, the burden shall in all circumstances be upon the Insured 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 Insured.

12. Proof of Loss

The Insured shall submit a sworn proof of loss to Insurers. If such proof has not been received by them within two years of the expiry date of this Policy, Insurers 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 Policy shall be the property of Insurers.

14. Subrogation

The Insured shall, upon payment of a claim hereunder, transfer to Insurers as they direct, all rights relating to the interest in respect of which a claim has been paid so that Insurers are subrogated to such rights.

15. Multiple Insureds

The total liability of the Insurers in the aggregate for any loss or losses sustained by any or all of the Insureds during the Policy Period shall not exceed the amount for which Insurers would be liable had such loss or losses been sustained by any one of the Insureds alone.

For the avoidance of doubt, the Limits of Liability specified in item 9 of the attached Schedule apply to the aggregate of all claims by all Insureds hereunder, and Insurers shall not have liability in excess of these limits whether insured losses are sustained during the Policy Period by all of the Insureds or any one or more of them.

16. Sanction Limitation and Exclusion

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

17. Fraudulent Claims

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

18. Rights of Third Parties

A person who is not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

19. Several Liability Notice

The subscribing Insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligations.

LMA3138
18 November 2015

SCHEDULE

1. (a) Insured:	
(b) Insured's Address:	
2. Insured's Country:	
3. Policy Period:	
4. Causes of Loss:	1 Expropriation: <i>{Insured / Not Insured}</i>
	2 Deprivation: <i>{Insured / Not Insured}</i>
	3 War: <i>{Insured / Not Insured}</i>
	4 Riots and/or Strikes and/or Civil Commotions and/or Terrorism: <i>{Insured / Not Insured}</i>
	5 Forced Abandonment: <i>{Insured / Not Insured}</i>
	<i>{Delete as applicable}</i>
5. Insured Equipment:	
6. Foreign Country(ies):	
7. Basis of Valuation:	<i>{market value / depreciated book value / replacement value}</i> <i>{Delete as applicable}</i>
8. Contractors All Risks policy:	
9. Limits of Liability:	Policy Limit (being 100% indemnity excess of the Deductible): <i>{Insert currency and monetary amount}</i> in the aggregate Sub-limits: <i>{delete this heading if not applicable}</i>
10. Deductibles for each and every Occurrence:	Cause of Loss 3: War: <i>{Insert currency and monetary amount OR %}</i> Cause of Loss 4: Riots and/or Strikes and/or Civil Commotions and/or Terrorism: <i>{Insert currency and monetary amount OR %}</i>
11. US Service of Suit Nominee (where applicable):	<i>{Insert details of Nominee / Not applicable}</i>