EXISTING, NEW AND RENEWAL POLICIES

07/06/24

CERTAIN UNDERWRITERS AT LLOYD'S

**OIL AND OIL PRODUCTS PRICE CAP**

**NOTICE AND CLAUSE/ENDORSEMENT (HULL)**

DATE OF THIS NOTICE: \_\_\_\_\_\_\_\_\_\_\_\_\_

RE: Name and address of Policyholder:

 Policy Number or Other Reference (the Policy):

 Policy Effective Dates:

***PRICE CAP EXCEPTION CLAUSE (HULL)***

1. It is a condition precedent to liability under the policy that:
	1. prior to inception of the policy, the insured provides Underwriters with a signed attestation in the form of or substantially equivalent to that in Appendix 1 stating that:
		1. the insured, the insured vessel(s) and any vessel which may subsequently be insured under or pursuant to the policy will not at any time during the policy period and in any way whatsoever, whether directly or indirectly, be involved in a Prohibited Activity unless the price paid for the Russian Oil or the Russian Oil Product, as the case may be, at all material times complies with the relevant Price Cap; and
		2. the insured has taken, is taking and will take all reasonable steps available to it to ensure compliance with the stipulations in Clause 1(a)(i) regardless of whether the insured itself is under a legal obligation to comply with the laws, regulations and rules concerning the maritime transportation and related services prohibition, and the Price Cap exception thereto, imposed by the Price Cap Coalition.
	2. within 30 days of the commencement of each Qualifying Voyage, the insured provides Underwriters with a signed attestation in the form of or substantially equivalent to that in Appendix 2 stating that:
		1. the price paid for the Russian Oil or the Russian Oil Product, as the case may be, lifted by or loaded onto the insured vessel complies with the relevant Price Cap;
		2. the insured holds (1) price information demonstrating that the Russian Oil or Russian Oil Product lifted by or loaded onto the insured vessel was at all material times purchased or sold at or below the relevant Price Cap, unless it was and remains not practicable to request and receive such information; and (2) a signed attestation from the party with whom it contracted in connection with the use or operation of the insured vessel confirming that is the case, which it does not have any reason to believe or any reasonable cause to suspect to be erroneous or to have been falsified in any way whatsoever or provided by an illegitimate actor;
		3. the insured has retained such information regarding Ancillary Costs associated with the Qualifying Voyage as it had immediate access to; and
		4. the insured has taken and will continue to take all reasonable steps available to it to ensure compliance with the stipulations in Clause 1(b)(i)-(iii) regardless of whether the insured itself is under a legal obligation to comply with the laws, regulations and rules concerning the maritime transportation and related services prohibition, and the Price Cap exception thereto, imposed by the Price Cap Coalition.
2. In the event Underwriters make a request in writing (including but not limited to by email) to the insured or the insured's insurance brokers regarding the Ancillary Costs information, Underwriters shall not have any liability under the policy whatsoever and the policy shall automatically terminate, save in the circumstances specified in Clause 6, unless the insured provides Underwriters within 30 days of such request with the Ancillary Costs information together with supporting documentation (which should, at a minimum, include the invoices, receipts and proofs of payment for such Ancillary Costs) or, if the insured refuses or fails to do so, documentary evidence, satisfactory to Underwriters, that the insured used best efforts to obtain and provide the Ancillary Costs information and supporting documentation such that the refusal or failure is a result of circumstances outside of its control.
3. It is warranted that (a) the insured and the insured vessel(s) shall not at any time during the policy period and in any way whatsoever, whether directly or indirectly, be involved in a Prohibited Activity unless the price paid for the Russian Oil or the Russian Oil Product, as the case may be, at all material times complies with the relevant Price Cap, and (b) the insured shall not take any action or knowingly participate in any activity the effect or purpose of which is to evade, avoid, circumvent, attempt to violate, cause, enable or facilitate the contravention of the maritime transportation and related services prohibition, and the Price Cap exception thereto, imposed by the Price Cap Coalition, including but not limited to through overinflation of any Ancillary Costs.
4. It is further warranted that if the insured becomes aware of or comes to have a cause to suspect that the insured vessel(s) may be or is being used or involved in the Prohibited Activity without the price paid for the Russian Oil or the Russian Oil Product, as the case may be, at all material times being in compliance with the relevant Price Cap, it shall immediately notify Underwriters of such circumstances.
5. Any breach of the warranty in Clause 3 or Clause 4 is not capable of remedy and, save in circumstances specified in Clause 6, the policy shall terminate automatically with immediate effect, and Underwriters shall not have any liability whatsoever under the policy, from the time of the breach.
6. In the circumstances specified in Clause 2 and Clause 5, if any insured vessel is at sea, the termination of the policy shall not take effect in respect of such vessel until it reaches a port provided that:
	1. if closer to the port of origin, the insured vessel proceeds directly to the port of origin, provided that the port of origin is not a place in Russia or, if the port of origin is a place in Russia, it proceeds directly to the intended port of destination; or
	2. if closer to the intended port of destination, the vessel proceeds directly to the intended port of destination; or
	3. if the vessel is dealing with an Emergency, it proceeds directly to the nearest safe port outside of Russia's jurisdiction.
7. In the event the policy is terminated in accordance with Clause 2 or Clause 5, Underwriters shall not be liable to return to the insured any unearned premium.
8. Insofar as the provision of cover available under the policy is any way inconsistent with or would put Underwriters in breach of the terms of any applicable General Licence(s), as may be amended from time to time, Underwriters shall not have any liability under the policy beyond what is permitted by the terms of such General Licence(s).
9. Coverage is subject to all other terms of the policy, in particular the sanctions clause contained therein.
10. Definitions:

***Ancillary Costs*** means an itemised breakdown of the costs, fees, charges and expenses ancillary to the purchase or sale price of the Russian Oil or the Russian Oil Product which arise in the context of a transaction relating to a Prohibited Activity involving the insured and/or an insured vessel. The Ancillary Costs shall, at a minimum, comprise those negotiated at the start of the transaction which shall include but not be limited to, as may be applicable depending on the nature of the transaction:

1. costs of export and import licences and customs clearance;
2. costs of inspection and loading;
3. duties and taxes;
4. port dues and port services charges at the port of loading;
5. costs of insuring the shipment up until delivery to the buyer at the port of destination or other place of discharge from the vessel;
6. the costs of freight from the port of loading to the port of destination or other place of discharge from the vessel;
7. the costs related to the provision of auxiliary services for any ship-to-ship transfer; and
8. any other costs necessary for Underwriters to assess whether the price paid for the Russian Oil or the Russian Oil Product, as the case may be, at all material times complied with the relevant Price Cap.

***Emergency*** means an event likely to have a serious and significant impact on human health or safety or the environment.

***Russian Oil*** means oil (HS code 2709 / CN code 2709 00 / HTS code 2709.00) originating in or consigned from Russia which falls within the scope of the maritime transportation and related services prohibition imposed by the Price Cap Coalition.

***Russian Oil Product*** means oil product (HS code 2710 / CN code 2710 / HTS code 2710) originating in or consigned from Russia which falls within the scope of the maritime transportation and related services prohibition imposed by the Price Cap Coalition.

***Price Cap*** means the price, or cap, set for the purchase or sale of the Russian Oil or the Russian Oil Product by the Price Cap Coalition as may be amended from time to time.

***Price Cap Coalition*** means the members of the G7, the European Union and Australia which have agreed to implement the Price Cap, and any other state which may join the initiative.

***Prohibited Activity*** meansthe supply or delivery from Russia to a third country or from one third country to another of Russian Oil or Russian Oil Product.

***Qualifying Voyage*** means the period between the Russian Oil or the Russian Oil Product being lifted by or loaded onto the vessel, whether at the loading port or from another vessel, or otherwise, and its discharge, whether at a discharge port or onto another vessel, or otherwise.

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| Policyholder/Applicant’s Signature | On behalf of certain underwriters at Lloyd’s |
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| Print Name | Policy Number |
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| Date |  |

cc: Placing Broker [if Notice is provided directly to Insurer]