

**Re Insurance and Enterprise Act 2015
Their relationship with the Carina Terms and Conditions**

Upon its entry into force on 12th August 2016, certain provisions of the UK Insurance Act 2015 are excluded from the Carina policy and the contracts of Insurance as follows:

1. Section 8(2) and Schedule 1 of the Insurance Act 2015, entitled Remedies for the Breach of the Duty of Fair Presentation, are excluded entirely;
2. Section 10 of the Insurance Act 2015, entitled Breach of Warranty, is excluded entirely and shall not apply to any warranty within the Carina policy or contract of Insurance;
3. Section 11 of the Insurance Act 2015, entitled Terms not Relevant to the Actual Loss, is excluded and shall not apply to any term in the policy or contract of Insurance between the Insurer and the Insured or any party afforded the benefit of cover by the Insurer;
4. Section 13 of the Insurance Act 2015, entitled Remedies for Fraudulent Claims: Group Insurance, is excluded;
5. Section 14 of the Insurance Act 2015, entitled Good Faith, is excluded.

Upon its entry into force on 4th May 2017, Section 13A of the Insurance Act 2015, as introduced by the Enterprise Act 2016, is also excluded and shall not apply to the policy or contract of Insurance.

The effects of the above exclusions can be found in Clause 46.2 of the Carina policy, which is set out on page two.

We also remind you that an Insured must make to the Insurer a fair presentation of the risk in a reasonably clear and accessible way, providing all material particulars and information, which the Insured knows or ought to know, together with any additional particulars and information as the Insurer may require. We refer you to Clause 74.2 of the policy, see page three, which sets out these requirements in more detail.

Should you have any queries in relation to this notice then please contact the Underwriting Managers

The MECO Group
January 2019

Clause 46.2

46.2.1 Section 8(2) and Schedule 1 of the Insurance Act 2015 are excluded entirely. As a result, any breach of the duty of fair presentation shall entitle the Insurer to avoid this policy or the contract of Insurance and refuse all claims if the Insurer, but for the breach, would not have entered into this policy or the contract of Insurance at all or would have done so on different terms. If the breach of the duty of fair presentation is deliberate or reckless, the Insurer does not need to return any Premium already paid. If the breach of the duty of fair presentation is not deliberate or reckless, the Insurer will return any Premium already paid.

46.2.2 Section 10 of the Insurance Act 2015 is excluded entirely and shall not apply to any warranty within this policy or contract of Insurance. As a result, all warranties in this policy or the contract of Insurance must be strictly complied with and if the Insured or any party afforded the benefit of cover by the Insurer fails to comply with any warranty, the Insurer shall be discharged from liability from the date of the breach, regardless of whether the breach is subsequently remedied.

46.2.3 Section 11 of the Insurance Act 2015 is excluded and shall not apply to any term in this policy or contract of Insurance between the Insurer and the Insured or any party afforded the benefit of cover by the Insurer. If the policy or contract of Insurance includes a term which, if complied with, would tend to reduce the risk of loss of a particular kind, or at a particular location or particular time, then this must be strictly complied with. If it is not complied with, the Insurer's liability may be excluded, limited or discharged in accordance with this policy or the contract of Insurance, even if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

46.2.4 Section 13 of the Insurance Act 2015 is excluded. As a result, where this policy or a contract of Insurance is entered into between the Insurer and the Insured and provides cover for any other party who is not a party to the contract, and where a fraudulent claim is made by or on behalf of any party afforded the benefit of cover by such policy or contract of Insurance, the Insurer shall be entitled to exercise its right to terminate the contract of Insurance in respect of the Insured and any party afforded the benefit of cover by the Insurer and retain any Premium paid under this policy or the contract of Insurance.

46.2.5 Section 13A of the Insurance Act 2015, as introduced by the Enterprise Act 2016, is excluded and shall not apply to this policy or contract of Insurance when such Section 13A of the Act comes into force on 4th May 2017. As a result, the Insurer shall not be in breach of the duty to pay claims in a reasonable time, where such breach is neither deliberate nor reckless. Where the Insurer fails to pay the claim in a reasonable time, but such failure is neither deliberate nor reckless, the Insured shall not be entitled to any remedy.

46.2.6 Section 14 of the Insurance Act 2015 is excluded. As a result, this policy or the contract of Insurance between the Insurer, the Insured and any party afforded the benefit of cover by the Insurer shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Insurer to avoid this policy or contract of Insurance.

Insurance and Enterprise Act 2015
in relation to the Carina Terms and Conditions
Page 3 of 3

Clause 74.2

74.2 The Insured or potential Insured and any agent:

(i) must make to the Insurer a fair presentation of the risk in a reasonably clear and accessible way, by providing the Insurer with every material circumstance, which the Insured knows or ought to know, together with any additional particulars and information as the Insurer may require;

(ii) will ensure that every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

In accordance with Clause 46.2.1, Section 8(2) and Schedule 1 of the Insurance Act 2015 are excluded. Any breach of (i) or (ii) above shall entitle the Insurer to avoid this policy or contract of Insurance if, but for the breach, the Insurer would not have entered into this policy or contract of Insurance at all, or would have done so on different terms.

The Insured or potential Insured is obliged to disclose any change in any material information relating to this policy or contract of Insurance in accordance with the provisions stated in (i) and (ii) above. This shall include but not be limited to, change of management, flag, classification society, government authority responsible for ship certification for the trade in question, nationality of crew, trading or operating area or nature of trade or operation. Upon such disclosure, the Insurer may amend the Insured's Premium rating or terms of insurance, or terminate this policy or contract of Insurance in respect of such ship with effect from the time of disclosure. Upon failure to disclose such information or upon the breach of the duty of fair presentation in relation to the change in material information, the Insurer may terminate this policy or contract of Insurance from the time of the non-disclosure or breach of the duty of fair presentation, in accordance with the terms of Clause 46.2.1.