
Launch of Cyber Insurance product

March 2021

Dear Member,

The Club is pleased to announce the launch of a new Cyber Insurance product aimed at assisting Members respond to a cyber attack on their vessels and insuring them for any loss of income the vessel incurs as a result.

The IMO has adopted a resolution which requires companies, no later than the first annual verification of their Document of Compliance (DOC) after 1 January 2021, to demonstrate that cyber security is an integral part of their safety management system. The maritime world is seeing a sharp increase in cyber attacks and so cyber security and safety is important to protect a shipowner's operations. BIMCO have introduced a Cyber Security contract clause which sets out the responsibilities of each party, defining what is expected from both sides both before and after a cyber event. The ability to react quickly and effectively to any breach of cyber security is vital to ensuring the cyber safety of the vessel.

Whilst there is no cyber exclusion in a Member's P&I cover in respect of liabilities which may be caused through a cyber event, Members may still be left uninsured for the costs of restoring their systems and data and for losses where a vessel is put off hire or is unable to trade as a result of a cyber attack.

Scope of Cover

Cover is only in respect of events affecting an entered vessel and does not extend to shoreside offices or other property.

Limit: US\$10m in the aggregate per fleet per policy year. US\$1m per vessel per event.

Agreed Daily Indemnity: This will usually be equivalent to the expected charter hire and is set at the beginning of the policy.

Deductible: One deductible for sections A, B & E and 1 day's Agreed Daily Indemnity separately for C&D.

A - Maritime Cyber Response Costs – costs arising out an actual or suspected network security breach.

B - Maritime IT System Restoration Costs – restoration costs as a result of damage to Data or programs.

C - Income Loss and Extra Expense – Agreed Daily Indemnity, less any income earned, where loss is incurred due to suspension or deterioration of vessel operations during the restoration of systems/data.

D - Income Loss and Extra Expense – Outsource Service Provider – Agreed Daily Indemnity, less any income earned, where loss is incurred due to suspension or deterioration of vessel operations during the restoration of systems/data belonging to an outsource provider.

E – Cyber Extortion & Ransomware – covers ransomware payments and expenses incurred.

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED (SMUAE)

Authorised and regulated by the Insurance Companies Control Service (ICCS)
(Registered in Cyprus – Registration number C401650. ICCS Licence number 181)
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Taking out this cover, not only gives Members protection for losses arising out of a cyber attack, but also gives Members quick access to cyber experts who can respond to the incident and assist the Members resolve any issues.

Members who purchase the cover will benefit from a free Maritime Cyber Security Awareness education course, which focuses on increasing crew awareness of cyber threats. Your crew will learn the benefits of reporting all cyber incidents. As well as 10 essential steps to maritime cyber security, the course includes modules on Cyber threat, Phishing, Surfing the web, Malware & Insider threat.

Members can also view the Club's Cyber Security film on the Club's website.

This product is available to all vessels operated by Members, including those not entered for P&I, and non-Members. Initially this product will not be available for yachts or passenger vessels.

Full details can be found on the Club's website [here](#)

If Members or their brokers have any questions or wish to receive a quote, please get in touch with your usual Underwriting contact.

Club Circular: E.26

Yours faithfully,

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