สมาคมประกันวินาศภัย
保 險 公 會
THE GENERAL INSURANCE ASSOCIATION

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ที่ ทส.9/2542

11 มกราคม 2542

เรื่อง การขอรับความเห็นชอบแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ

เรียน ท่านกรรมการผู้จัดการ

สิ่งที่ส่งมาด้วย หนังสือกรมการประกันภัย ที่ พณ 0505/4455 ลงวันที่ 29 ธันวาคม 2541

ตามที่สมาคมประกันวินาศภัย โดยคณะอนุกรรมการประกันภัยทางทะเลและขนส่ง ได้รวบรวมคำขอรับความเห็นชอบแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ (Marine Hull Policy) พร้อมเงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (Marine Hull Clauses) ของบริษัทสมาชิกฯ ยื่นไปยังกรมการประกันภัย บัดนี้นายทะเบียนได้พิจารณาเห็นชอบตามที่ได้ยื่นขอไปแล้ว

ดังนั้น สมาคมฯ จึงขอเรียนเชิญท่านไปรับหน้าตารางกรมธรรม์ประกันภัยตัวเรือรวมทั้งเงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (ซึ่งสมาคมฯ ได้จัดทำเรียบร้อยแล้ว) ได้ที่ คุณวีนัส ทองลมุล ชั้น 16 กรมการประกันภัย โดยหากท่านมิได้ไปรับด้วยตัวเองท่านจะต้องให้ผู้ที่ท่านมอบอำนาจไปแสดงด้วย **ภายในวันศุกร์ที่ 22 มกราคม 2542**

จึงเรียนมาเพื่อทราบ

ขอแสดงความนับถือ

(นายโสภณ เดชเทวพร)
ประธานคณะอนุกรรมการประกันภัยทางทะเลและขนส่ง

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ที่ พณ 0505/ 4469

กรมการประกันภัย กระทรวงพาณิชย์
408/44 อาคารพหลโยธินเพลส ชั้น 11
ถนนพหลโยธิน เขตพญาไท กท.10400

17 ธันวาคม 2541

เรื่อง การขอรับความเห็นชอบแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ

เรียน นายกสมาคมประกันวินาศภัย

อ้างถึง 1. หนังสือสมาคมประกันวินาศภัย ที่ กป. 67/2541 ลงวันที่ 23 กันยายน 2541
2. หนังสือสมาคมประกันวินาศภัย ที่ กป. 75/2541 ลงวันที่ 7 ตุลาคม 2541

สิ่งที่ส่งมาด้วย เงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (Marine Hull Clause) จำนวน 1 เล่ม

ตามหนังสือที่อ้างถึงสมาคมประกันวินาศภัย ได้รวบรวมคำขอรับความเห็นชอบแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ (Marine Hull Policy) พร้อมทั้งเงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (Marine Hull Clauses) ของบริษัทสมาชิกฯ ดังความละเอียดแจ้งแล้ว นั้น

นายทะเบียนได้พิจารณาแล้วเห็นชอบแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ (Marine Hull Policy) รวมทั้งเงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (Marine Hull Clauses) ตามที่บริษัทยื่นขอมา โดยให้ยกเลิกแบบและข้อความกรมธรรม์ประกันภัยตัวเรือ ฉบับที่นายทะเบียนเคยให้ความเห็นชอบแล้ว พร้อมนี้ได้แนบเงื่อนไขความคุ้มครองสำหรับการประกันภัยตัวเรือ (Marine Hull Clauses) มาด้วยแล้ว จึงเรียนมาเพื่อโปรดทราบ

GIA รับที่ 6.2.98
เอกสารเข้าเลขที่ 214

1. เพาเดิการ 10. เจ้าหาร
2. รองเลขาธิการ 11. บัญชี-การเงิน
3. ผอก. ที่ไป 12. คอมพิวเตอร์
4. กัคคีภัย 13. รูมต่าง
5. ฮาวีน 14. ขึ้นน้ำ/ลงน้ำ
6. ทายนต์ 15. เขื่อฟ้าเมืองการ
7. เบ็ดเตล็ด 16. เลี้ยงรับ
8. ท่องเที่ยว 17. เข้าแทน
9. สังหาริมทรัพย์ 18. อื่นๆ

ขอแสดงความนับถือ

(นายบรรพต หงษ์ทอง)
อธิบดีกรมการประกันภัย
นายทะเบียน

กองประกันวินาศภัย
โทร. 619-0577
โทรสาร 619-0576

รายชื่อบริษัทประกันวินาศภัยและประกันสุขภาพ

ลำดับที่	ชื่อบริษัท	เลขที่หนังสือออก ข้อความเดียวกัน
1	บริษัท กมลสุโกศลประกันภัย จำกัด	พณ 0505/4455
2	บริษัท การ์เดียนประกันภัย (ประเทศไทย) จำกัด	
3	บริษัท กรุงเทพประกันภัย จำกัด (มหาชน)	
4	บริษัท คุ้มเกล้าประกันภัย จำกัด (มหาชน)	
5	บริษัท สยามซิตี้ อินชัวรันส์ จำกัด	
6	บริษัท คอมเมอร์เชียลยูเนี่ยนประกันภัย (ประเทศไทย) จำกัด	
7	บริษัท จรัญประกันภัย จำกัด (มหาชน)	
8	บริษัท ทิพยประกันภัย จำกัด (มหาชน)	
9	บริษัท เทเวศประกันภัย จำกัด (มหาชน)	
10	บริษัทไทยประกันภัย จำกัด (มหาชน)	
11	บริษัท ไทยประสิทธิประกันภัย จำกัด	
12	บริษัท ไทยพาณิชย์ประกันภัย จำกัด (มหาชน)	
13	บริษัท ไทยพัฒนาประกันภัย จำกัด	
14	บริษัท ไทยศรีนครซูริกประกันภัย จำกัด	
15	บริษัท ไทยเศรษฐกิจประกันภัย จำกัด (มหาชน)	
16	บริษัท ไทยสมุทรพาณิชย์ประกันภัย จำกัด	
17	บริษัท นารายณ์สากลประกันภัย จำกัด	
18	บริษัท นำสินประกันภัย จำกัด (มหาชน)	
19	บริษัท เยนเนอรัล แอ็คซิเดนท์ประกันภัย จำกัด (มหาชน)	
20	บริษัท ซับบ์ประกันภัย จำกัด (มหาชน)	
21	บริษัท บางกอกสหประกันภัย จำกัด (มหาชน)	
22	บริษัท คิวบีอีประกันภัย จำกัด (มหาชน)	
23	บริษัท ประกันคุ้มภัย จำกัด (มหาชน)	
24	บริษัท ประกันภัยไทยวิวัฒน์ จำกัด (มหาชน)	
25	บริษัท ประกันภัยศรีเมือง จำกัด	
26	บริษัท ประกันภัยสากล จำกัด	
27	บริษัท แอกซ่าประกันภัย จำกัด (มหาชน)	
28	บริษัท พระนครธนบุรีประกันภัย จำกัด	
29	บริษัท สัมพันธ์ประกันภัย จำกัด	
30	บริษัท ไพบูลย์ประกันภัย จำกัด	
31	บริษัท ไพศาลประกันภัย จำกัด	

ลำดับที่	ชื่อบริษัท	เลขที่หนังสือออก ข้อความเดียวกัน
32	บริษัท พัชรประกันภัย จำกัด	
33	บริษัท ภัทรประกันภัย จำกัด (มหาชน)	
34	บริษัท เมืองไทยประกันชีวิต จำกัด	
35	บริษัท พาณิชย์การประกันภัย จำกัด	
36	บริษัท กรุงไทยพาณิชย์ประกันภัย จำกัด	
37	บริษัท นวกิจประกันภัย จำกัด (มหาชน)	
38	บริษัท ลิเบอร์ตี้ประกันภัย จำกัด	
39	บริษัท วิธสินประกันภัย จำกัด	
40	บริษัท วิริยะประกันภัย จำกัด	
41	บริษัท สหมงคลประกันภัย จำกัด	
42	บริษัท สามัคคีประกันภัย จำกัด (มหาชน)	
43	บริษัท วชิระธนสินประกันภัย จำกัด	
44	บริษัท ส่งเสริมประกันภัย จำกัด	
45	บริษัท อาคเนย์ประกันภัย จำกัด	
46	บริษัท อินทรประกันภัย จำกัด (มหาชน)	
47	บริษัท มิตซุยมารีนแอนด์ไฟร์อินชัวรันส์ จำกัด สาขาประเทศไทย	
48	บริษัท นิวแฮมพ์เชอร์อินชัวรันส์ สาขาประเทศไทย	
49	บริษัท ซิกน่า อินชัวรันส์ เอเชีย แปซิฟิค จำกัด สาขาประเทศไทย	
50	บริษัท เจริญโภคภัณฑ์ประกันภัย จำกัด	
51	บริษัท ไทยเจริญประกันภัย จำกัด (มหาชน)	
52	บริษัท ไทย-ยาซีตาประกันภัย จำกัด	
53	บริษัท พุทธธรรมประกันภัย จำกัด	
54	บริษัท โอสถสภาประกันภัย จำกัด	
55	บริษัท เอ็กซ์เปอร์ตประกันภัย จำกัด	

MARINE HULL POLICY

Hull Policy No._____

We, (hereinafter referred to as "the Underwriters"), hereby agree in consideration of the payment to us by or on behalf of the Assured of the premium specified in the Schedule to insure against loss damage liability or expense to the extent and in the manner hereinafter provided.

This insurance is understood and agreed to be subject to English law and practice. It is agreed that the Schedule all clauses endorsements special conditions warranties and anything attached to the Schedule are incorporated herein as part of this policy and the Assured is obliged to disclose fully and faithfully all facts to the Underwriters, otherwise the benefits of the policy may be invalidated.

IN WITNESS WHEREOF, the undersigned as the authorized person (s) of the Underwriters have hereunto set their hands and affixed the common seal at Bangkok and on the date stated in the Schedule hereto.

For and on behalf of

.....	.....	.....
Director	Director	Authorized Signature

MARINE HULL INSURANCE

SCHEDULE

HULL POLICY NO._____

NAME OF ASSURED :
VESSEL :
VOYAGE OR PERIOD OF INSURANCE :
SUBJECT-MATTER INSURED :
TRADING LIMITS :
AGREED VALUE : (if any)
AMOUNT INSURED HEREUNDER :
PREMIUM : ชำระอากรแล้ว
CLAUSES, ENDORSEMENTS, SPECIAL CONDITIONS AND WARRANTIES THE ATTACHED CLAUSES AND ENDORSEMENTS FORM PART OF THIS POLICY
ISSUED AND SIGNED AT BANGKOK ON DAY OF
☐ ตัวแทน ☐ นายหน้าประกันภัยรายนี้.....ใบอนุญาตเลขที่.....

Notwithstanding anything to the contrary in the Revenue Code B.E. 2481, the Stamp duty in this Policy is payable by the Assured.

For and on behalf of

Examined.....

.....
Authorized Signature

MARINE HULL CLAUSES

THE GENERAL INSURANCE ASSOCIATION

September , 1998

SCHEDULE OF HULL CLAUSES

ITEMS	CLAUSE TITLES	DATE REFERENCE	PAGE
1	INSTITUTE TIME CLAUSES HULLS	1/11/95	1
2	INSTITUTE TIME CLAUSES HULLS	1/10/83	7
3	INSTITUTE TIME CLAUSES HULLS RESTRICTED PERILS	1/11/95	12
4	INSTITUTE TIME CLAUSES-HULLS TOTAL LOSS, GENERAL AVERAGE AND 3/7 THS COLLISION LIABILITY (Including Salvage, Salvage Charges and Sue and Labour)	1/11/95	18
5	INSTITUTE TIME CLAUSES HULLS TOTAL LOSS, GENERAL AVERAGE AND 3/7 THS COLLISION LIABILITY (Including Salvage, Salvage Charges and Sue and Labour)	1/10/83	23
6	INSTITUTE TIME CLAUSES HULLS TOTAL LOSS ONLY (Including Salvage Charges and Sue and Labour)	1/11/95	27
7	INSTITUTE TIME CLAUSES HULLS TOTAL LOSS ONLY (Including Salvage Charges and Sue and Labour)	1/10/83	31
8	INSTITUTE TIME CLAUSES-HULLS DISBURSEMENTS AND INCREASED VALUE (Total Loss only, including Excess Liabilities)	1/11/95	35
9	INSTITUTE TIME CLAUSES-HULLS DISBURSEMENTS AND INCREASED VALUE (Total Loss only, including Excess Liabilities)	1/10/83	38
10	INSTITUTE TIME CLAUSES-HULLS EXCESS LIABILITIES	1/11/95	41
11	INSTITUTE TIME CLAUSES-HULLS EXCESS LIABILITIES	1/10/83	42



			PAGE
12	INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time	1/11/95	43
13	INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time	1/10/83	45
14	INSTITUTE WAR AND STRIKES CLAUSES HULLS-TIME LIMITED CONDITIONS	1/11/95	46
15	INSTITUTE WAR AND STRIKES CLAUSES HULLS-TIME LIMITED CONDITIONS	1/10/83	48
16	INSTITUTE VOYAGE CLAUSES HULLS	1/11/95	49
17	INSTITUTE VOYAGE CLAUSES HULLS	1/10/83	54
18	INSTITUTE VOYAGE CLAUSES-HULLS TOTAL LOSS, GENERAL AVERAGE AND 3/4 THS COLLISION LIABILITY (Including Salvage, Salvage Charges and Sue and Labour)	1/11/95	58
19	INSTITUTE VOYAGE CLAUSES-HULLS TOTAL LOSS, GENERAL AVERAGE AND 3/4 THS COLLISION LIABILITY (Including Salvage, Salvage Charges and Sue and Labour)	1/10/83	62
20	INSTITUTE WAR AND STRIKES CLAUSES Hulls-Voyage	1/11/95	66
21	INSTITUTE WAR AND STRIKES CLAUSES Hulls-Voyage	1/10/83	68
22	INSTITUTE TIME CLAUSES FREIGHT	1/11/95	69
23	INSTITUTE TIME CLAUSES FREIGHT	1/8/89	73
24	INSTITUTE VOYAGE CLAUSES FREIGHT	1/11/95	76
25	INSTITUTE VOYAGE CLAUSES FREIGHT	1/8/89	79
26	INSTITUTE WAR AND STRIKES CLAUSES Freight-Time	1/11/95	82
27	INSTITUTE WAR AND STRIKES CLAUSES Freight-Time	1/10/83	84
28	INSTITUTE WAR AND STRIKES CLAUSES Freight-Voyage	1/11/95	86



			PAGE
29	INSTITUTE WAR AND STRIKES CLAUSES Freight-Voyage	1/10/83	88
30	INSTITUTE GENERAL AVERAGE-POLLUTION EXPENDITURE CLAUSE-HULLS	1/11/95	90
31	INSTITUTE GENERAL AVERAGE-POLLUTION EXPENDITURE CLAUSE-FREIGHT	1/1/96	90
32	INSTITUTE ADDITIONAL PERILS CLAUSES HULLS	1/11/95	91
33	INSTITUTE ADDITIONAL PERILS CLAUSES HULLS	1/10/83	92
34	INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE	1/11/95	91
35	INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE	1/10/83	92
36	INSTITUTE ADDITIONAL PERILS CLAUSES HULLS	1/10/83	92
37	INSTITUTE TIME CLAUSES-HULLS LEASED EQUIPMENT CLAUSE	1/11/95	93
38	INSTITUTE TIME CLAUSES-HULLS PASSENGER EQUIPMENT CLAUSE	1/11/95	93
39	INSTITUTE TIME CLAUSES-HULLS PARTS REMOVED CLAUSE	1/11/95	93
40	INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS CLAUSE HULLS, ETC.	1/1/95	94
41	INSTITUTE STANDARD DUTCH HULL FORM	1/9/84	95
42	INSTITUTE ADDITIONAL PERILS CLAUSES HULLS	1/9/84	100
43	INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE	1/9/84	100
44	INSTITUTE FISHING VESSEL CLAUSES	20/7/87	101



			PAGE
45	INSTITUTE ADDITIONAL PERILS CLAUSES HULLS	20/7/87	106
46	INSTITUTE TIME CLAUSES HULLS PORT RISKS	20/7/87	107
47	INSTITUTE TIME CLAUSES HULLS PORT RISKS including LIMITED NAVIGATION	20/7/87	112
48	INSTITUTE CLAUSES FOR BUILDERS' RISKS	1/6/88	117
49	INSTITUTE WAR CLAUSES BUILDERS' RISKS	1/6/88	122
50	INSTITUTE STRIKES CLAUSES BUILDERS' RISKS	1/6/88	123
51	BUILDERS' RISKS INSTITUTE CLAUSE FOR LIMITATION OF LIABILITY IN RESPECT OF FAULTY DESIGN & P.&I. RISKS (Inst. F.D.&P.&I. Clause)	1/6/88	124
52	INSTITUTE DEDUCTIBLE CLAUSE BUILDERS' RISKS	1/12/72	124
53	INSTITUTE PROTECTION AND INDEMNITY CLAUSES HULLS-TIME	20/7/87	125
54	INSTITUTE PROTECTION AND INDEMNITY WAR AND STRIKES CLAUSES HULLS-TIME	20/7/87	127
55	INSTITUTE MORTGAGEES' INTEREST CLAUSES HULLS	1/3/97	128
56	INSTITUTE MORTGAGEES INTEREST CLAUSES HULLS	30/5/86	131
57	INSTITUTE WAR, ATOMIC AND NUCLEAR EXCLUSION (HULL REINSURANCE)	1/10/83	132
58	INSTITUTE NOTICE OF CANCELLATION AND WAR AUTOMATIC TERMINATION OF COVER CLAUSE - HULLS, ETC.	1/10/83	133
59	INSTITUTE DUAL VALUATION CLAUSE	1/5/61	133
60	INSTITUTE BRIDGING CLAUSE (HULLS)	1/11/94	134



			PAGE
61	INSTITUTE BRIDGING CLAUSE (HULLS)	1/10/83	133
62	AVERAGE DISBURSEMENTS CLAUSES (A)	14/5/87	135
63	AVERAGE DISBURSEMENTS CLAUSES (B)	14/5/87	136
64	INSTITUTE YACHT CLAUSES	1/11/85	137
65	INSTITUTE WAR AND STRIKES CLAUSES YACHTS	1/11/85	141
66	INSTITUTE YACHT CLAUSES MACHINERY DAMAGE EXTENSION CLAUSE	1/11/85	142
67	INSTITUTE YACHT CLAUSES RACING RISK EXTENSION CLAUSE	1/11/85	142
68	INSTITUTE YACHT CLAUSES PERSONAL EFFECTS CLAUSES	1/11/85	143
69	INSTITUTE YACHT CLAUSES TRANSIT CLAUSE	1/2/80	143
70	INSTITUTE SPEEDBOAT CLAUSES SPECIAL CONDITIONS AND FURTHER EXCLUDED RISKS	1/11/85	144
71	REINSURANCE WAIVER CLAUSE SMALL ADDITIONAL PREMIUMS/RETURN PREMIUMS SCHEME	1/8/64	144
72	INSTITUTE WARRANTIES	1/7/76	145
73	INSTITUTE SERVICE OF SUIT CLAUSE (U.S.A)	1/11/92	145
74	INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE	1/10/90	146
75	INSTITUTE PROTECTION & INDEMNITY CLAUSE AMENDMENT	1/6/91	146
76	INSTITUTE ENGLISH JURISDICTION CLAUSE	1/11/91	146
77	CANADIAN SERVICE OF SUIT CLAUSE (ILU)	1/1/96	147

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES
HULLS

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clauses 8 and/or 10.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 CLASSIFICATION

4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

Continued

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6 PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or harbour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.2 negligence of Master Officers Crew or Pilots

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 barratry of Master Officers or Crew

6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 3/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon,

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision,

8.2.2 in no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

Continued

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 GENERAL AVERAGE AND SALVAGE

10.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

10.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

10.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

10.4 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10.5 No claim under this Clause 10 shall in any case be allowed for or in respect of

10.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

10.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

10.6 Clause 10.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clause 10.5 and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 10.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression 'heavy weather' in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 NOTICE OF CLAIM AND TENDERS

13.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

13.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

13.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

13.4 In the event of failure by the Assured to comply with the conditions of Clauses 13.2 and/or 13.3 a deduction of 15% shall be made from the amount of the ascertained claim.

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

17 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

18 UNREPAIRED DAMAGE

18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

Continued

19 CONSTRUCTIVE TOTAL LOSS

19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

21 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

22 DISBURSEMENTS WARRANTY

22.1 Additional insurances as follows are permitted:

22.1.1 *Disbursements, Managers' Commissions, Profits or Excess or 'Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

22.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 22.1.1.

22.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

22.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.

22.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

22.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

22.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

22.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 24, 25, 26 and 27 below.

22.2 Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23 RETURNS FOR LAY-UP AND CANCELLATION

23.1 To return as follows:

23.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

23.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a)..... per cent net not under repair

(b)..... per cent net under repair.

23.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society surveys but any repairs following loss of or damage to the Vessel or involving structural alterations whether covered by this insurance or otherwise shall be considered as under repair.

23.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 23.1.2 (a) and (b) respectively.

23.2 PROVIDED ALWAYS THAT

23.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

23.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

23.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

23.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly.

23.2.5 in the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 23.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

24 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

24.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

25.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

25.2 any terrorist or any person acting from a political motive.

26 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

26.1 the detonation of an explosive

26.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

27 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

27.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

27.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

27.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

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INSTITUTE TIME CLAUSES HULLS

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

6 PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

(Continued)

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting cargo or fuel

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 3/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 NOTICE OF CLAIM AND TENDERS

10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

10.4 In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.

11 GENERAL AVERAGE AND SALVAGE

11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

11.4 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds .....in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage.

The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 DUTY OF ASSURED (SUE AND LABOUR)

13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.

13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

(Continued)

15 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore.

15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

17 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

18 UNREPAIRED DAMAGE

18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

21 DISBURSEMENTS WARRANTY

21.1 Additional insurances as follows are permitted:

21.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

21.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.

21.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

21.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.

21.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

21.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

21.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

21.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 23, 24, 25 and 26 below.

21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1 To return as follows:

22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

22.2 PROVIDED ALWAYS THAT

22.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

22.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

22.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

22.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

22.2.5 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

23 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

23.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

23.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

23.3 derelict mines torpedoes bombs or other derelict weapons of war.

24 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

24.2 any terrorist or any person acting from a political motive.

25 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

25.1 the detonation of an explosive

25.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

26 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) In relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) In relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES
HULLS

RESTRICTED PERILS

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under clauses 8 and/or 10.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 CLASSIFICATION

4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6 PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or harbour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel.

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 any latent defect in the machinery or hull

6.2.2 negligence of Pilots provided such Pilots are not a Master, Officer or Member of the Crew of the Vessel

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 3/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision,

8.2.2 in no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision,

8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

Continued

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 GENERAL AVERAGE AND SALVAGE

10.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

10.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

10.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

10.4 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10.5 No claim under this Clause 10 shall in any case be allowed for or in respect of

10.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

10.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

10.6 Clause 10.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clause 10.5 and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 10.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 NOTICE OF CLAIM AND TENDERS

13.1 In the event of accident whereby loss or dama may result in a claim under this insurance, notice must be given to the Underwriters promptly after e date on which the Assured, Owners or Managers become or should have become aware of the l or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters with twelve months of that date unless Underwriters agree to the contrary in writing, the Underwriters wi e automatically discharged from liability for any claim under this insurance in respect of or arising out such accident or the loss or damage.

13.2 The Underwriters shall be entitled to decide th port to which the Vessel shall proceed for docking or repair (the actual additional expense of the v ge arising from compliance with the Underwriters' requirements being refunded to the Assured) a shall have a right of veto concerning a place of repair or a repairing firm.

13.3 The Underwriters may also take tenders or may quire further tenders to be taken for the repair of the Vessel. Where such a tender has been taken nd a tender is accepted with the approval of the Underwriters, an allowance shall be made at rate of 30% per annum on the insured value for time lost between the despatch of the invitat s to tender required by the Underwriters and the acceptance of a tender to the extent that such e is lost solely as the result of tenders having been taken and provided that the tender is accept without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance bove for any amounts recovered in respect of fuel and stores and wages and maintenance of the aster Officers and Crew or any member thereof, including amounts allowed in general average, for any amounts recovered from third parties in respect of damages for detention and/or loss of t and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage er than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced similar proportion.

13.4 In the event of failure by the Assured to comp with the conditions of Clauses 13.2 and/or 13.3 a deduction of 15% shall be made from the amount he ascertained claim.

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scrapi gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

15.1 gritblasting and/or other surface preparation of ne bottom plates ashore and supplying and applying any "shop" primer thereto,

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing ther in place or ashore,

15.3 supplying and applying the first coat or primer/ant corrosive to those particular areas mentioned in 15.1 and 15.2 above,

shall be allowed as part of the reasonable cost of repairs in spect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for w ges and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwrite or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Ves s under way.

17 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance eithe way of remuneration of the Assured for time and trouble taken to obtain and supply information or docume or in respect of the commission or charges of any manager, agent, managing or agency company or the lik appointed by or on behalf of the Assured to perform such services.

18 UNREPAIRED DAMAGE

18.1 The measure of indemnity in respect of claims fo unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the e this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable c of repairs.

18.2 In no case shall the Underwriters be liable for unrepaire damage in the event of a subsequent total loss (whether or not covered under this insurance) sustaine during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrep ed damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

19.1 In ascertaining whether the Vessel is a constructive tot loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or eak-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the sured value. In making this determination, only the cost relating to a single accident or sequence of mages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be ma e by the Underwriters for freight whether notice of abandonment has been given or not.

21 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys wh n may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated otice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent as ment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any cl n or return of premium thereunder.

22 DISBURSEMENTS WARRANTY

22.1 Additional insurances as follows are permitted:

22.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

22.1.2 *Freight, Chartered Freight or Anticipated Freight insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 22.1.1

22.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage(such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

22.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.

22.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

22.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

22.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

22.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 24, 25, 26 and 27 below.

22.2 Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23 RETURNS FOR LAY-UP AND CANCELLATION

23.1 To return as follows:

23.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

23.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a)..... per cent net not under repair

(b)..... per cent net under repair.

23.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.

23.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 23.1.2 (a) and (b) respectively.

23.2 PROVIDED ALWAYS THAT

23.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

23.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

23.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

23.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

23.2.5 in the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated pro rata of the period rates 23.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

24 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

24.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat

24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

25.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

25.2 any terrorist or any person acting from a political motive.

26 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

26.1 the detonation of an explosive

26.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

27 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

27.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

27.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

27.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

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1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may offer a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS
TOTAL LOSS, GENERAL AVERAGE AND 3/4THS COLLISION LIABILITY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clauses 8 and/or 10.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 CLASSIFICATION

4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute Time Clauses-Hulls or Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or habour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.2 negligence of Master Officers Crew or Pilots

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 barratry of Master Officers or Crew

6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 3/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision,

8.2.2 in no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account

Continued

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 GENERAL AVERAGE AND SALVAGE

10.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance.

10.2 This insurance does not cover partial loss of and/or damage to the Vessel except for any proportion of general average loss or damage which may be recoverable under Clause 10.1 above.

10.3 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

10.4 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

10.5 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10.6 No claim under this Clause 10 shall in any case be allowed for or in respect of

10.6.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

10.6.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

10.7 Clause 10.6 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clause 10.6 and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 10.6; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

12.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

14 NEW FOR OLD

General average payable without deduction new for old.

15 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

16 CONSTRUCTIVE TOTAL LOSS

16.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

16.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

17 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

18 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

19 DISBURSEMENTS WARRANTY

19.1 Additional insurances as follows are permitted:

19.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

19.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 19.1.1.

19.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage subject to the limitation of two cargo passages as laid down herein. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

19.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured.

19.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 19.1.2 and 19.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

19.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

19.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

19.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 21, 22, 23 and 24 below.

19.2 Warranted that no insurance on any interests enumerated in the foregoing 19.1.1 to 19.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

20 RETURNS FOR LAY-UP AND CANCELLATION

20.1 To return as follows:

20.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,

20.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a) ..... per cent net not under repair

(b) ..... per cent net under repair.

20.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.

20.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 20.1.2 (a) and (b) respectively.

20.2 PROVIDED ALWAYS THAT

20.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

20.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

20.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes.

20.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly.

20.2.5 in the event of any return recoverable under this Clause 20 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 20.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 20.1.2(a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

21 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

22.2 any terrorist or any person acting from a political motive.

23 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

23.1 the detonation of an explosive

23.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

24 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

24.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

24.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

24.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

INSTITUTE TIME CLAUSES – HULLS
TOTAL LOSS, GENERAL AVERAGE AND 3/4THS COLLISION LIABILITY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting cargo or fuel

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

(Continued)

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 3/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

11 GENERAL AVERAGE AND SALVAGE

11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance.

11.2 **This insurance does not cover partial loss of and/or damage to the Vessel except for any proportion of general average loss or damage which may be recoverable under Clause 11.1 above.**

11.3 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.4 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

11.5 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8 and 13) exceeds.....in which case this sum shall be deducted. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

12.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

(Continued)

13 DUTY OF ASSURED (SUE AND LABOUR)

13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.

13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

General average payable without deduction new for old.

15 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

16 CONSTRUCTIVE TOTAL LOSS

16.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

16.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

17 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

18 DISBURSEMENTS WARRANTY

18.1 Additional insurances as follows are permitted:

18.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

18.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 18.1.1.

18.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 18.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

18.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 18.1.2 to be taken into account and only the excess thereof may be insured.

18.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 18.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 18.1.2 and 18.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

18.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

18.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

18.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 20, 21, 22 and 23 below.

18.2 Warranted that no insurance on any interests enumerated in the foregoing 18.1.1 to 18.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

(Continued)

19 RETURNS FOR LAY-UP AND CANCELLATION

19.1 To return as follows:

19.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

19.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

19.2 PROVIDED ALWAYS THAT

19.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

19.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

19.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

19.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

19.2.5 in the event of any return recoverable under this Clause 19 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 19.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 19.1.2 (a) or (b) or 19.2.2 above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

20 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

20.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

20.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

20.3 derelict mines torpedoes bombs or other derelict weapons of war.

21 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

21.2 any terrorist or any person acting from a political motive.

22 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

22.1 the detonation of an explosive

22.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

23 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS
TOTAL LOSS ONLY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clause 8.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 CLASSIFICATION

4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or harbour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.2 negligence of Master Officers Crew or Pilots

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 barratry of Master Officers or Crew,

6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 SALVAGE

8.1 This insurance covers the Vessel's proportion of salvage and salvage charges, reduced in respect of any under-insurance.

8.2 No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

8.3 No claim under this Clause 8 shall in any case be allowed for or in respect of

8.3.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

8.3.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

8.4 Clause 8.3 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

9 DUTY OF ASSURED (SUE AND LABOUR)

9.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9.2 Subject to the provisions below the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 9.5), special compensation and expenses as referred to in Clause 8.3 and collision defence or attack costs are not recoverable under this Clause 9.

9.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

9.4 When expenses are incurred pursuant to this Clause 9 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

9.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 8.3; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

9.6 The sum recoverable under this Clause 9 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

10 SISTERSHIP

Should the Vessel hereby insured receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

11 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers becomes or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

12 CONSTRUCTIVE TOTAL LOSS

12.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

12.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

14 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

15 DISBURSEMENT WARRANTY

15.1 Additional insurances as follows are permitted:

15.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

15.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 15.1.1.

15.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

15.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured.

15.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 15.1.2 and 15.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

15.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

15.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

15.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 17, 18, 19 and 20 below.

15.2 Warranted that no insurance on any interests enumerated in the foregoing 15.1.1 to 15.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

16 RETURNS FOR LAY-UP AND CANCELLATION

16.1 To return as follows:

16.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,

16.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a) ..... per cent net not under repair
(b) ..... per cent net under repair.

Continued

16.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.

16.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 16.1.2 (a) and (b) respectively.

16.2. PROVIDED ALWAYS THAT:

16.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

16.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

16.2.3, loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

16.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

16.2.5 in the event of any return recoverable under this Clause 16 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 16.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 16.1.2 (a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

17 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

17.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

17.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

17.3 derelict mines torpedoes bombs or other derelict weapons of war.

18 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

18.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

18.2 any terrorist or any person acting from a political motive.

19 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

19.1 the detonation of an explosive

19.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

20 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

20.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

20.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

20.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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INSTITUTE TIME CLAUSES — HULLS
TOTAL LOSS ONLY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

SPECIMEN

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assitance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clause 9.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

(Continued)

6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting cargo or fuel

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 NOTICE OF CLAIM

8.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

9 SALVAGE

9.1 This insurance covers the Vessel's proportion of salvage and salvage charges, reduced in respect of any under-insurance.

9.2 No claim under this Clause 9 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10 SISTERSHIP

Should the Vessel hereby insured receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

(Continued)

12 CONSTRUCTIVE TOTAL LOSS

12.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

12.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

14 DISBURSEMENTS WARRANTY

14.1 Additional insurances as follows are permitted:

14.1.1 *Disbursements, Managers' Commissions, Profits or Excess, or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

14.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 14.1.1.

14.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

14.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured.

14.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 14.1.2 and 14.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

14.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

14.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

14.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 16, 17, 18 and 19 below.

14.2 Warranted that no insurance on any interests enumerated in the foregoing 14.1.1 to 14.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

15 RETURNS FOR LAY-UP AND CANCELLATION

15.1 To return as follows:

15.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

15.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

15.2 PROVIDED ALWAYS THAT

15.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

15.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

15.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

15.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

15.2.5 in the event of any return recoverable under this Clause 15 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 15.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 15.1.2 (a) or (b), or 15.2.2 above.

(Continued)

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

16 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

16.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

16.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

16.3 derelict mines torpedoes bombs or other derelict weapons of war

17 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

17.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

17.2 any terrorist or any person acting from a political motive.

18 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

18.1 the detonation of an explosive

18.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

19 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree to establish insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS DISBURSEMENTS AND INCREASED VALUE (Total Loss only, including Excess Liabilities)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the Vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the Vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, locality, trade, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 CLASSIFICATION

4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters discharge from liability is deferred until arrival at her next port.

4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute Time Clauses - Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

Continued

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or harbour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.2 negligence of Master Officers Crew or Pilots

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 barratry of Master Officers or Crew

6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

6.4 This insurance covers:

6.4.1 **General Average, Salvage and Salvage Charges**, recoverable under the insurances on hull and machinery but not recoverable in full by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

6.4.2 **Sue and Labour Charges** recoverable under the insurances on hull and machinery but not recoverable in full by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

6.4.3 **Collision Liability (three-fourths)** recoverable under the Institute ¾ths Collision Liability and Sistership Clauses in the insurances on hull and machinery but not recoverable in full by reason of such three-fourths liability exceeding three-fourths of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

6.5 The Underwriters' liability under 6.4.1, 6.4.2 and 6.4.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such loss or damage.

9 CONSTRUCTIVE TOTAL LOSS

9.1 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel.

9.4 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10 COMPROMISED TOTAL LOSS

In the event of a claim for total loss or constructive total loss being settled on the insurances on hull and machinery as a compromised total loss the amount payable hereunder shall be the same percentage of the amount insured as is paid on the said insurances.

11 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

12 RETURNS FOR LAY-UP AND CANCELLATION

12.1 To return as follows:

12.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

12.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a) .....per cent net not under repair

(b) .....per cent net under repair.

12.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.

12.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 12.1.2 (a) and (b) respectively.

12.2 PROVIDED ALWAYS THAT

12.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

12.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

12.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

12.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

12.2.5 in the event of any return recoverable under this Clause 12 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 12.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 12.1.2(a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

13 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

13.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

13.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

13.3 derelict mines torpedoes bombs or other derelict weapons of war.

14 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

14.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

14.2 any terrorist or any person acting from a political motive.

15 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

15.1 the detonation of an explosive

15.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

16 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

16.1 ionising radiations from or contaminations by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

16.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

16.3 any weapon of war employing atomic or nuclear fission and/fusion or other like reaction or radioactive force or matter.

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1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE TIME CLAUSES — HULLS DISBURSEMENTS AND INCREASED VALUE (Total Loss only, including Excess Liabilities)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the Vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the Vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, the subject-matter insured shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, locality, trade, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

(Continued)

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6 PERILS

6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting cargo or fuel

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

6.4 This insurance covers:

6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

6.4.2 **Sue and Labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

6.4.3 Collision Liability (three-fourths) not recoverable in full under the Institute 3/4ths Collision Liability and Sistership Clauses in the insurances on hull and machinery by reason of such three-fourths liability exceeding three-fourths of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

6.5 The Underwriters' liability under 6.4.1, 6.4.2 and 6.4.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.

7 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

9 CONSTRUCTIVE TOTAL LOSS

9.1 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel.

9.4 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10 COMPROMISED TOTAL LOSS

In the event of a claim for total loss or constructive total loss being settled on the insurances on hull and machinery as a compromised total loss the amount payable hereunder shall be the same percentage of the amount insured as is paid on the said insurances.

(Continued)

11 RETURNS FOR LAY-UP AND CANCELLATION

11.1 To return as follows:

11.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

11.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

11.2 PROVIDED ALWAYS THAT

11.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

11.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

11.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

11.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

11.2.5 in the event of any return recoverable under this Clause 11 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 11.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 11.1.2 (a) or (b), or 11.2.2 above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

12 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

12.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

12.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

12.3 derelict mines torpedoes bombs or other derelict weapons of war.

13 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

13.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

13.2 any terrorist or any person acting from a political motive.

14 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

14.1 the detonation of an explosive

14.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

15 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover insured may secure a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS
EXCESS LIABILITIES

This insurance is subject to English law and practice

1 1.1 This insurance covers only:

1.1.1 **General Average, Salvage and Salvage Charges** recoverable under the insurances on hull and machinery but not recoverable in full by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

1.1.2 **Sue and Labour Charges** recoverable under the insurances on hull and machinery but not recoverable in full by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

1.1.3 **Collision Liability (three-fourths)** recoverable under the Institute ¾ths Collision Liability and Sistership Clauses in the insurances on hull and machinery but not recoverable in full by reason of such three-fourths liability exceeding three-fourths of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

1.2 The Underwriters' liability under 1.1.1, 1.1.2 and 1.1.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.

2 RETURNS

To return pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

3 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

3.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

3.3 derelict mines torpedoes bombs or other derelict weapons of war.

4 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

4.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

4.2 any terrorist or any person acting from a political motive.

5 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

5.1 the detonation of an explosive

5.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

6 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

6.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

6.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

6.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force of matter.

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1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE TIME CLAUSES — HULLS EXCESS LIABILITIES

This insurance is subject to English law and practice

1 1.1 This insurance covers only:

1.1.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

1.1.2 **Sue and Labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.

1.1.3 **Collision Liability (three-fourths)** not recoverable in full under the Institute 3/4ths Collision Liability and Sistership Clauses in the insurances on hull and machinery by reason of such three-fourths liability exceeding three-fourths of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

1.2 The Underwriters' liability under 1.1.1, 1.1.2 and 1.1.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.

2 RETURNS

To return pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

3 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

3.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

3.3 derelict mines torpedoes bombs or other derelict weapons of war.

4 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

4.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

4.2 any terrorist or any person acting from a political motive.

5 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

5.1 the detonation of an explosive

5.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

6 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insureds may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insured may decide the said conditions".

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INSTITUTE WAR AND STRIKES CLAUSES

Hulls-Time

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive

1.6 confiscation or expropriation

2 INCORPORATION

The Institute Time Clauses-Hulls 1/11/95 (including ¼ths Collision Liability Clause amended to ¼ths) except Clauses 1.4, 2, 3, 4, 5, 6, 12, 22.1.8, 23, 24, 25 ,26 and 27 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 NOTICE OF CLAIM AND TENDERS

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must he given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

5 EXCLUSIONS

This insurance excludes

5.1 loss damage liability or expense arising from

5.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

5.1.2 requisition, either for title or use, or pre-emption

5.1.3 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

5.1.4 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

5.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

5.1.6 piracy (but this exclusion shall not affect cover under Clause 1.4),

5.2 loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

5.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

5.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

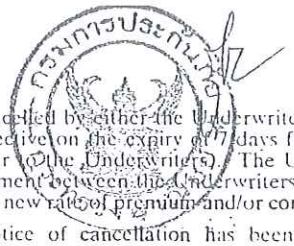
5.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,

5.3 loss damage liability or expense covered by the Institute Time Clauses-Hulls 1/11/95 (including ¼ths Collision Liability Clause amended to ¼ths) or which would be recoverable thereunder but for Clause 12 thereof,

5.4 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

5.5 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994.

Continued



6 TERMINATION

6.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

6.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

6.2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

6.2.2 in the event of the Vessel being requisitioned, either for title or use.

6.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 6, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 6 above.

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INSTITUTE WAR AND STRIKES CLAUSES

Hulls—Time

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive

1.6 confiscation or expropriation.

2 INCORPORATION

The Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 EXCLUSIONS

This insurance excludes

4.1 loss damage liability or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

4.1.3 requisition or pre-emption

4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4).

4.2 loss damage liability or expense covered by the Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof,

4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

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INSTITUTE WAR AND STRIKES CLAUSES HULLS - TIME

LIMITED CONDITIONS

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, arising from perils covered under 1.1 above, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive.

2 INCORPORATION

The Institute Time Clauses - Hulls 1/11/95 (including ¾ths Collision Liability Clause amended to ¾ths) except Clauses 1.4, 2, 3, 4, 5, 6, 12, 22.1.8, 23, 24, 25, 26 and 27 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been subject of capture seizure arrest restraint or detainment, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriter promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

5 EXCLUSIONS

This insurance excludes

5.1 loss damage liability or expense arising from

5.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

5.1.2 confiscation expropriation requisition or pre-emption

5.1.3 capture seizure arrest restraint or detainment by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

5.1.4 arrest restraint detainment under quarantine regulations or by reason of infringement of any customs or trading regulations

5.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

5.1.6 piracy (but this exclusion shall not affect cover under Clause 1.4)

5.2 loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

5.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

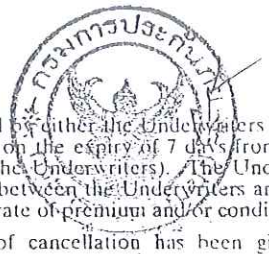
5.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

5.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

5.3 loss damage liability or expense covered by the Institute Time Clauses - Hulls 1/11/95 (including ¾ths Collision Liability Clause amended to ¾ths) or which would be recoverable thereunder but for Clause 12 thereof,

5.4 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

5.5 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994,



6 TERMINATION

6.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

6.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

6.2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Russian Federation, the People's Republic of China

6.2.2 in the event of the Vessel being requisitioned, either for title or use.

6.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 6, or of the sale of the Vessel, a pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 6 above.

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INSTITUTE WAR AND STRIKES CLAUSES HULLS — TIME LIMITED CONDITIONS

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, arising from perils covered under 1.1 above, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive.

2 INCORPORATION

The Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint or detainment, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 EXCLUSIONS

This insurance excludes

4.1 loss damage liability or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

4.1.3 confiscation expropriation requisition or pre-emption

4.1.4 capture seizure arrest restraint or detainment by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint or detainment under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4),

4.2 loss damage liability or expense covered by the Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof,

4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a graphic insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter these conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE VOYAGE CLAUSES
HULLS

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

3 CLASSIFICATION

3.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

3.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

3.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

3.2 In the event of any breach of the duties set out in Clause 3.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

3.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners and Managers must be promptly reported to the Classification Society.

3.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

4 PERILS

4.1 This insurance covers loss of or damage to the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire, explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 contact with land conveyance, dock or harbour equipment or installation

4.1.7 earthquake volcanic eruption or lightning

4.1.8 accidents in loading discharging or shifting cargo or fuel.

4.2 This insurance covers loss of or damage to the subject-matter insured caused by

4.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.2 negligence of Master Officers Crew or Pilots

4.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.4 barratry of Master Officers or Crew

4.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

Continued

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

6 3/4THS COLLISION LIABILITY

6.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

6.1.1 loss of or damage to any other vessel or property on any other vessel

6.1.2 delay to or loss of use of any such other vessel or property thereon

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision,

6.2.2 in no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

6.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

6.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

6.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

6.4.3 the cargo or other property on, or the engagements of, the insured Vessel

6.4.4 loss of life, personal injury or illness

6.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

7 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

8 GENERAL AVERAGE AND SALVAGE

8.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

8.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

8.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

8.4 No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

8.5 No claim under this Clause 8 shall in any case be allowed for or in respect of

8.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

8.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

8.6 Clause 8.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

9 DUTY OF ASSURED (SUE AND LABOUR)

9.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 9.5), special compensation and expenses as referred to in Clause 8.5, and collision defence or attack costs are not recoverable under this Clause 9.

9.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

9.4 When expenses are incurred pursuant to this Clause 9 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

9.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 8.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

9.6 The sum recoverable under this Clause 9 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 6, 8 and 9) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose shall be paid even if no damage be found. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 9 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

10.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

10.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

11 NOTICE OF CLAIM AND TENDERS

11.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey and so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date, unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

11.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

11.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

11.4 In the event of failure by the Assured to comply with the conditions of Clauses 11.2 and/or 11.3 a deduction of 15% shall be made from the amount of the ascertained claim.

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

13.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto;

Continued

13.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

14 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

15 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

16 UNREPAIRED DAMAGE

16.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

16.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

16.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

17 CONSTRUCTIVE TOTAL LOSS

17.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

17.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

18 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

19 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

20 DISBURSEMENTS WARRANTY

20.1 Additional insurances as follows are permitted:

20.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

20.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 20.1.1.

20.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 20.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

20.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 20.1.2 to be taken into account and only the excess thereof may be insured.

20.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 20.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 20.1.2 and 20.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

20.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

20.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

20.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 21, 22, 23 and 24 below

Continued

20.2 Warranted that no insurance on any interests enumerated in the foregoing 20.1.1 to 20.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like terms is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

21 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

22.2 any terrorist or any person acting from a political motive.

23 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

23.1 the detonation of an explosive

23.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

24 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

24.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

24.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

24.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE VOYAGE CLAUSES
HULLS

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

3 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

4 PERILS

4.1 This insurance covers loss of or damage to the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire, explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 breakdown of or accident to nuclear installations or reactors

4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

4.1.8 earthquake volcanic eruption or lightning.

4.2 This insurance covers loss of or damage to the subject-matter insured caused by

4.2.1 accidents in loading discharging or shifting cargo or fuel

4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.3 negligence of Master Officers Crew or Pilots

4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

SPECIMEN

(Continued)

6 3/4THS COLLISION LIABILITY

6.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

6.1.1 loss of or damage to any other vessel or property on any other vessel

6.1.2 delay to or loss of use of any such other vessel or property thereon

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

6.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

6.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

6.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

6.4.3 the cargo or other property on, or the engagements of, the insured Vessel

6.4.4 loss of life, personal injury or illness

6.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

7 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

8 NOTICE OF CLAIM AND TENDERS

8.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

8.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

8.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

8.4 In the event of failure to comply with the conditions of this Clause 8 a deduction of 15% shall be made from the amount of the ascertained claim.

9 GENERAL AVERAGE AND SALVAGE

9.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

9.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

9.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

9.4 No claim under this Clause 9 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

(Continued)

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 6, 9 and 11) exceeds ..... in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

10.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

10.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses; or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

13.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

13.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

14 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

15 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

16 UNREPAIRED DAMAGE

16.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

16.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

16.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

(Continued)

17 CONSTRUCTIVE TOTAL LOSS

17.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

17.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

18 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

19 DISBURSEMENTS WARRANTY

19.1 Additional insurances as follows are permitted:

19.1.1 *Disbursements, Managers' Commissions, Profits on Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

19.1.2 *Freight, Chartered Freight, or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 19.1.1.

19.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

19.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured.

19.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 19.1.2 and 19.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

19.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

19.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

19.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 20, 21, 22 and 23 below.

19.2 Warranted that no insurance on any interests enumerated in the foregoing 19.1.1 to 19.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

20 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

20.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

20.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

20.3 derelict mines torpedoes bombs or other derelict weapons of war.

21 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

21.2 any terrorist or any person acting from a political motive.

22 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

22.1 the detonation of an explosive

22.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

23 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE VOYAGE CLAUSES - HULLS
TOTAL LOSS, GENERAL AVERAGE AND 3/4THS COLLISION LIABILITY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

3 CLASSIFICATION

3.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

3.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

3.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

3.2 In the event of any breach of the duties set out in Clause 3.1 above, unless Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date Underwriters' discharge from liability is deferred until arrival at her next port.

3.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

3.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

4 PERILS

4.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire, explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 contact with land conveyance, dock or harbour equipment or installation

4.1.7 earthquake volcanic eruption or lightning

4.1.8 accidents in loading discharging or shifting cargo or fuel.

4.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

4.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.2 negligence of Master Officers Crew or Pilots

4.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.4 barratry of Master Officers or Crew

4.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

4.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

6 3/4THS COLLISION LIABILITY

6.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

6.1.1 loss of or damage to any other vessel or property on any other vessel

6.1.2 delay to or loss of use of any such other vessel or property thereon

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision,

6.2.2 in no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

6.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

6.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

6.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

6.4.3 the cargo or other property on, or the engagements of, the insured Vessel

6.4.4 loss of life, personal injury or illness

6.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

7 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

8 GENERAL AVERAGE AND SALVAGE

8.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance.

8.2 This insurance does not cover partial loss of and/or damage to the Vessel except for any proportion of general average loss or damage which may be recoverable under Clause 8.1 above.

8.3 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

8.4 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

8.5 No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

8.6 No claim under this Clause 8 shall in any case be allowed for or in respect of

8.6.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

8.6.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

8.7 Clause 8.6 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

Continued

9 DUTY OF ASSURED (SUE AND LABOUR)

9.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 9.3), special compensation and expenses as referred to in Clause 8.6 and collision defence or attack costs are not recoverable under this Clause 9.

9.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

9.4 When expenses are incurred pursuant to this Clause 9 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

9.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 8.6; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

9.6 The sum recoverable under this Clause 9 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clause 6, 8 and 9) exceeds the deductible amount agreed in which case this sum shall be deducted. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 9 arising from the same accident or occurrence.

10.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

10.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

11 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

12 NEW FOR OLD

General average payable without deduction new for old.

13 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

14 CONSTRUCTIVE TOTAL LOSS

14.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

14.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

15 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

16 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

17 DISBURSEMENTS WARRANTY

17.1 Additional insurances as follows are permitted:

17.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

17.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 17.1.1.

Continued

17.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 17.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

17.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 17.1.2 to be taken into account and only the excess thereof may be insured.

17.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 17.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 17.1.2 and 17.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

17.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

17.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

17.1.8 *Insurance irrespective of amount against:*

Any risks excluded by Clauses 18, 19, 20 and 21 below.

17.2 Warranted that no insurance on any interests enumerated in the foregoing 17.1.1 to 17.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

18 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

18.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

18.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

18.3 derelict mines torpedoes bombs or other derelict weapons of war.

19 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

19.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

19.2 any terrorist or any person acting from a political motive.

20 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

20.1 the detonation of an explosive

20.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

21 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

21.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

21.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

21.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

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INSTITUTE VOYAGE CLAUSES — HULLS
TOTAL LOSS, GENERAL AVERAGE AND 3/4THS COLLISION LIABILITY
(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

SPECIMEN

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

3 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

4 PERILS

4.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire, explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 breakdown of or accident to nuclear installations or reactors

4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

4.1.8 earthquake volcanic eruption or lightning.

4.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by

4.2.1 accidents in loading discharging or shifting cargo or fuel

4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.3 negligence of Master Officers Crew or Pilots

4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

(Continued)

6 3/4THS COLLISION LIABILITY

6.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

6.1.1 loss of or damage to any other vessel or property on any other vessel

6.1.2 delay to or loss of use of any such other vessel or property thereon

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

6.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

6.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

6.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

6.4.3 the cargo or other property on, or the engagements of, the insured Vessel

6.4.4 loss of life, personal injury or illness

6.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

7 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

8 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

9 GENERAL AVERAGE AND SALVAGE

9.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance.

9.2 This insurance does not cover partial loss of and/or damage to the Vessel, except for any proportion of general average loss or damage which may be recoverable under Clause 9.1 above.

9.3 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

9.4 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

9.5 No claim under this Clause 9 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 6 and 11) exceeds ..... in which case this sum shall be deducted. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

10.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

(Continued)

11 DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 NEW FOR OLD

General average payable without deduction new for old.

13 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

14 CONSTRUCTIVE TOTAL LOSS

14.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

14.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

15 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

16 DISBURSEMENTS WARRANTY

16.1 Additional insurances as follows are permitted:

16.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

16.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 16.1.1.

16.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 16.1.2 to be taken into account and only the excess thereof may be insured which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

16.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 16.1.2 to be taken into account and only the excess thereof may be insured.

16.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 16.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 16.1.2 and 16.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

16.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

16.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

16.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 17, 18, 19 and 20 below.

16.2 Warranted that no insurance on any interests enumerated in the foregoing 16.1.1 to 16.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

(Continued)

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

17 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

17.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

17.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

17.3 derelict mines torpedoes bombs or other derelict weapons of war

18 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

18.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

18.2 any terrorist or any person acting from a political motive.

19 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

19.1 the detonation of an explosive

19.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

20 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) In relation to any clause which excludes losses from the cover insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) In relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

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INSTITUTE WAR AND STRIKES CLAUSES

Hulls - Voyage

This insurance is subject to English Law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive

1.6 confiscation or expropriation.

2 INCORPORATION

The Institute Voyage Clauses - Hulls 1/11/95 (including ⅞ths Collision Liability Clause amended to ⅞ths) except Clauses 1.4, 3, 4, 10, 20.1.8, 21, 22, 23 and 24 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then, for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriter promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

5 EXCLUSIONS

This insurance excludes

5.1 loss damage liability or expense arising from

5.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

5.1.2 requisition, either for title or use, or pre-emption

5.1.3 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

5.1.4 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

5.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

5.1.6 piracy (but this exclusion shall not affect cover under Clause 1.4).

5.2 loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

5.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

5.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

5.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,

5.3 loss damage liability or expense covered by the Institute Voyage Clauses - Hulls 1/11/95 (including ⅞ths Collision Liability Clause amended to ⅞ths) or which would be recoverable thereunder but for Clause 10 thereof,

5.4 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

5.5 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994.

Continued

6 TERMINATION

6.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

6.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

6.2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

6.2.2 in the event of the Vessel being requisitioned, either for title or use.

6.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 6, or of the sale of the Vessel, a return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 6 above.

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INSTITUTE WAR AND STRIKES CLAUSES

Hulls—Voyage

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive

1.6 confiscation or expropriation.

2 INCORPORATION

The Institute Voyage Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 10, 19.1.8, 20, 21, 22 and 23 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 EXCLUSIONS

This insurance excludes

4.1 loss damage liability or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

4.1.3 requisition or pre-emption

4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4),

4.2 loss damage liability or expense covered by the Institute Voyage Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 10 thereof,

4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, a return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes loss or limits the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

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INSTITUTE TIME CLAUSES
FREIGHT

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

2 CRAFT RISK

Including risk of craft and/or lighter to and from the Vessel.

3 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, the subject-matter insured shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival of the Vessel at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

4 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

5 CLASSIFICATION

5.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that

5.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,

5.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.

5.2 In the event of any breach of the duties set out in Clause 5.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach, provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.

5.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.

5.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

6 TERMINATION

This Clause 6 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

6.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 7 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,

6.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

7.1 This insurance covers loss of the subject-matter insured caused by

7.1.1 perils of the seas rivers lakes or other navigable waters

7.1.2 fire, explosion

7.1.3 violent theft by persons from outside the Vessel

7.1.4 jettison

7.1.5 piracy

7.1.6 contact with land conveyance, dock or harbour equipment or installation

7.1.7 earthquake volcanic eruption or lightning

7.1.8 accidents in loading discharging or shifting cargo or fuel.

7.2 This insurance covers loss of the subject-matter insured caused by

7.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

7.2.2 negligence of Master Officers Crew or Pilots

7.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

7.2.4 barratry of Master Officers or Crew

7.2.5 contact with aircraft, helicopters or similar objects or objects falling therefrom

provided that such loss has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

7.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 POLLUTION HAZARD

This insurance covers loss of the subject matter insured caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from a peril covered by this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 8 should they hold shares in the Vessel.

9 FREIGHT COLLISION

9.1 It is further agreed that if the Vessel shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of the amount of freight taken into account in calculating the measure of the liability of the Assured for

9.1.1 loss of or damage to any other vessel or property on any other vessel

9.1.2 delay to or loss of use of any such other vessel or property thereon

9.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid applying to freight as their respective subscriptions hereto bear to the total amount insured on freight, or to the gross freight earned on the voyage during which the collision occurred if this be greater.

9.2 Provided always that:

9.2.1 liability of the Underwriters in respect of any one such collision shall not exceed their proportionate part of three-fourths of the total amount insured hereon on freight, and in cases in which, with the prior consent in writing of the Underwriters, the liability of the vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of three-fourths of the costs, appertaining proportionately to the freight portion of damages, which the Assured shall thereby incur or be compelled to pay:

9.2.2 no claim shall attach to this insurance:

9.2.2.1 which attaches to any other insurances covering collision liabilities

9.2.2.2 which is, or would be, recoverable in the terms of the Institute 3/4ths Collision Liability Clause if the Vessel were insured in the terms of such Institute 3/4ths Collision Liability Clause for a value not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of the Vessel's limit of liability calculated in accordance with Article 6.1(b) of the 1976 Limitation Convention,

9.2.3 this Clause 9 shall in no case extend or be deemed to extend to any sum which the Assured may become liable to pay or shall pay for or in respect of:

9.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever

9.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

9.2.3.3 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account

9.2.3.4 the cargo or other property on or the engagements of the Vessel

9.2.3.5 loss of life, personal injury or illness.

10 SISTERSHIP

Should the Vessel named herein come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners, or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel named herein; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

Continued

11 GENERAL AVERAGE AND SALVAGE CHARGES

11.1 This insurance covers the proportion of general average, salvage and/or salvage charges attaching to freight at risk of the Assured, reduced in respect of any under-insurance.

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.3 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

11.4 No claim under this Clause 11 shall in any case be allowed for or in respect of

11.4.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

11.4.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

11.5 Clause 11.4 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

12 FRANCHISE

This insurance does not cover partial loss, other than general average loss, under 3% unless caused by fire, sinking, stranding or collision with another vessel. Each craft and/or lighter to be deemed a separate insurance if required by the Assured.

13 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

14 MEASURE OF INDEMNITY

14.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.

14.2 Where insurances on freight other than this insurance are current at the time of the loss, all such insurances shall be taken into consideration in calculating the liability under this insurance and the amount recoverable hereunder shall not exceed the rateable proportion of the gross freight lost, notwithstanding any valuation in this or any other insurance.

14.3 In calculating the liability under Clause 11 all insurances on freight shall likewise be taken into consideration.

14.4 Nothing in this Clause 14 shall apply to any claim arising under Clause 16.

15 LOSS OF TIME

This insurance does not cover any claims consequent on loss of time whether arising from a peril of the sea or otherwise.

16 TOTAL LOSS

16.1 In the event of the total loss (actual or constructive) of the Vessel named herein the amount insured shall be paid in full, whether the Vessel be fully or partly loaded or in ballast, chartered or unchartered.

16.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

16.3 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 16.

17 RETURNS FOR LAY-UP AND CANCELLATION

17.1 To return as follows:

17.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,

17.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters

(a)..... per cent net not under repair

(b)..... per cent net under repair.

17.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.

17.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 17.1.2(a) and (b) respectively.

17.2 PROVIDED ALWAYS THAT

17.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof,

17.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters

17.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes,

17.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

17.2.5 in the event of any return recoverable under this Clause 17 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 17.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 17.1.2(a) or(b) above.

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The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

18 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

18.1 war civil war revolution rebellion insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power

18.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

18.3 derelict mines torpedoes bombs or other derelict weapons of war.

19 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

19.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

19.2 any terrorist or any person acting from a political motive.

20 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

20.1 the detonation of an explosive

20.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

21 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

21.1 ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

21.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

21.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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INSTITUTE TIME CLAUSES
FREIGHT

This insurance is subject to English law and practice.

1 NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1 shall not exclude customary towage in connection with loading and discharging.

2 CRAFT RISK

Including risk of craft and/or lighter to and from the Vessel.

3 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, the subject-matter insured shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

4 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 7 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

6 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

7 PERILS

7.1 This insurance covers loss of the subject-matter insured caused by

7.1.1 perils of the seas rivers lakes or other navigable waters

7.1.2 fire, explosion

7.1.3 violent theft by persons from outside the Vessel

7.1.4 jettison

7.1.5 piracy

7.1.6 breakdown of or accident to nuclear installations or reactors

7.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

7.1.8 earthquake volcanic eruption or lightning.

7.2 This insurance covers loss of the subject-matter insured caused by

7.2.1 accidents in loading discharging or shifting cargo or fuel

7.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

7.2.3 negligence of Master Officers Crew or Pilots

7.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

7.2.5 barratry of Master Officers or Crew,

provided such loss has not resulted from want of due diligence by the Assured, Owners or Managers.

7.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

(Continued)

8 POLLUTION HAZARD

This insurance covers loss of the subject-matter insured caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 8 should they hold shares in the Vessel.

9 FREIGHT COLLISION

9.1 It is further agreed that if the Vessel shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of the amount of freight taken into account in calculating the measure of the liability of the Assured for

9.1.1 loss of or damage to any other vessel or property on any other vessel

9.1.2 delay to or loss of use of any such other vessel or property thereon,

9.1.3 general average of, salvage of or salvage under contract of, any such other vessel or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid applying to freight as their respective subscriptions hereto bear to the total amount insured on freight, or to the gross freight earned on the voyage during which the collision occurred if this be greater.

9.2 Provided always that:

9.2.1 liability of the Underwriters in respect of any one such collision shall not exceed their proportionate part of three-fourths of the total amount insured hereon on freight, and in cases in which, with the prior consent in writing of the Underwriters, the liability of the Vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of three-fourths of the costs, appertaining proportionately to the freight portion of damages, which the Assured shall thereby incur or be compelled to pay;

9.2.2 no claim shall attach to this insurance:

9.2.2.1 which attaches to any other insurances covering collision liabilities

9.2.2.2 which is, or would be, recoverable in the terms of the Institute 3/4ths Collision Liability Clause if the Vessel were insured in the terms of such Institute 3/4ths Collision Liability Clause for a value per ton of her gross tonnage (calculated in accordance with the tonnage measurement rules contained in Annex I of the International Convention of Tonnage Measurement of Ships 1969) not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of the Vessel's limit of liability calculated in accordance with Article 6.1(b) of the 1976 Limitation Convention.

9.2.3 this Clause 9 shall in no case extend or be deemed to extend to any sum which the Assured may become liable to pay or shall pay for or in respect of:

9.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever

9.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

9.2.3.3 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels)

9.2.3.4 the cargo or other property on or the engagements of the Vessel

9.2.3.5 loss of life, personal injury or illness.

10 SISTERSHIP

Should the Vessel named herein come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners, or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel named herein; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

11 GENERAL AVERAGE AND SALVAGE

11.1 This insurance covers the proportion of general average salvage and/or salvage charges attaching to freight at risk of the Assured, reduced in respect of any under-insurance.

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.3 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 FRANCHISE

This insurance does not cover partial loss, other than general average loss, under 3% unless caused by fire, sinking, stranding or collision with another vessel. Each craft and/or lighter to be deemed a separate insurance if required by the Assured.

13 MEASURE OF INDEMNITY

13.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.

13.2 Where insurances on freight other than this insurance are current at the time of the loss, all such insurances shall be taken into consideration in calculating the liability under this insurance and the amount recoverable hereunder shall not exceed the rateable proportion of the gross freight lost, notwithstanding any valuation in this or any other insurance.

13.3 In calculating the liability under Clause 11 all insurances on freight shall likewise be taken into consideration.

13.4 Nothing in this Clause 13 shall apply to any claim arising under Clause 15.

14 LOSS OF TIME

This insurance does not cover any claim consequent on loss of time whether arising from a peril of the sea or otherwise.

15 TOTAL LOSS

15.1 In the event of the total loss (actual or constructive) of the Vessel named herein the amount insured shall be paid in full, whether the Vessel be fully or partly loaded or in ballast, chartered or unchartered.

15.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

15.3 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 15.

16 RETURNS FOR LAY-UP AND CANCELLATION

16.1 To return as follows:

16.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

16.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair.

If the Vessel is under repair during part only of a period of which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

16.2 PROVIDED ALWAYS THAT

16.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

16.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

16.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

16.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

16.2.5 in the event of any return recoverable under this Clause 16 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 16.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 16.1.2 (a) or (b), or 16.2.2 above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

17 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

17.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

17.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

17.3 derelict mines torpedoes bombs or other derelict weapons of war.

18 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

18.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

18.2 any terrorist or any person acting from a political motive.

19 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

19.1 the detonation of an explosive

19.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

20 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) In relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) In relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

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INSTITUTE VOYAGE CLAUSES
FREIGHT

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1 shall not exclude customary towage in connection with loading and discharging.

1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.

1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.

2 CRAFT RISK

Including risk of craft and/or lighter to and from the Vessel.

3 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 PERILS

4.1 This insurance covers loss of the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire, explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 contact with land conveyance, dock or harbour equipment or installation

4.1.7 earthquake volcanic eruption or lightning

4.1.8 accidents in loading discharging or shifting cargo or fuel.

4.2 This insurance covers loss of the subject-matter insured caused by

4.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.2 negligence of Master Officers Crew or Pilots

4.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.4 barratry of Master Officers or Crew

4.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

4.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers loss of the subject matter insured caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from a peril covered by this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners and Managers to prevent or mitigate such hazard or damage, or threat thereof. Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

6 FREIGHT COLLISION

6.1 It is further agreed that if the Vessel shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of the amount of freight taken into account in calculating the measure of the liability of the Assured for

6.1.1 loss of or damage to any other vessel or property on any other vessel

6.1.2 delay to or loss of use of any such other vessel or property thereon

6.1.3 general average of, salvage of or salvage under contract of, any such other vessel or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid applying to freight as their respective subscriptions hereto bear to the total amount insured on freight, or to the gross freight earned on the voyage during which the collision occurred if this be greater.

SPECIMEN
SPECIMEN

6.2 Provided always that:

6.2.1 liability of the Underwriters in respect of any one such collision shall not exceed their proportionate part of three-fourths of the total amount insured hereon on freight, and in cases in which, with the prior consent in writing of the Underwriters, the liability of the Vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of three-fourths of the costs, appertaining proportionately to the freight portion of damages, which the Assured shall thereby incur or be compelled to pay;

6.2.2 no claim shall attach to this insurance:

6.2.2.1 which attaches to any other insurances covering collision liabilities

6.2.2.2 which is, or would be, recoverable in the terms of the Institute 3/4ths Collision Liability Clause if the Vessel were insured in the terms of such Institute 3/4ths Collision Liability Clause for a value not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of the Vessel's limit of liability calculated in accordance with Article 6.1(b) of the 1976 Limitation Convention,

6.2.3 this Clause 6 shall in no case extend or be deemed to extend to any sum which the Assured may become liable to pay or shall pay for in respect of:

6.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever

6.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

6.2.3.3 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account

6.2.3.4 the cargo or other property on or the engagements of the Vessel

6.2.3.5 loss of life, personal injury or illness.

7 SISTERSHIP

Should the Vessel named herein come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel named herein; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

8 GENERAL AVERAGE AND SALVAGE

8.1 This insurance covers the proportion of general average, salvage and/or salvage charges attaching to freight at risk of the Assured, reduced in respect of any under-insurance.

8.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contains no special terms upon the subject; but where the contract so provides the adjustment shall be according to the York-Antwerp Rules.

8.3 No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

8.4 No claim under this Clause 8 shall be in any case allowed for or in respect of

8.4.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance;

8.4.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

8.5 Clause 8.4 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

9 FRANCHISE

This insurance does not cover partial loss, other than general average loss, under 3% unless caused by fire, sinking, stranding or collision with another vessel. Each craft and/or lighter to be deemed a separate insurance if required by the Assured.

10 MEASURE OF INDEMNITY

10.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.

10.2 Where insurances on freight other than this insurance are current at the time of the loss, all such insurances shall be taken into consideration in calculating the liability under this insurance and the amount recoverable hereunder shall not exceed the rateable proportion of the gross freight lost, notwithstanding any valuation in this or any other insurance.

10.3 In calculating the liability under Clause 8 all insurances on freight shall likewise be taken into consideration.

10.4 Nothing in this Clause 10 shall apply to any claim arising under Clause 12.

11 LOSS OF TIME

This insurance does not cover any claim consequent on loss of time whether arising from a peril of the sea or otherwise.

12 TOTAL LOSS

12.1 In the event of the total loss (actual or constructive) of the Vessel named herein the amount insured shall be paid in full, whether the Vessel be fully or partly loaded or in ballast, chartered or unchartered.

12.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

12.3 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 12.

13 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

14 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

14.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

14.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

14.3 derelict mines torpedoes bombs or other derelict weapons of war.

15 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

15.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

15.2 any terrorist or any person acting from a political motive.

16 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

16.1 the detonation of an explosive

16.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

17 RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

17.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

17.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

17.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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กรมการประกันภัย กระทรวงพาณิชย์

INSTITUTE VOYAGE CLAUSES
FREIGHT

This insurance is subject to English law and practice

SPECIMEN

1 NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1 shall not exclude customary towage in connection with loading and discharging.

2 CRAFT RISK

Including risk of craft and/or lighter to and from the Vessel.

3 CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage or any breach of warranty as to towage or salvage services, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

5 PERILS

5.1 This insurance covers loss of the subject-matter insured caused by

5.1.1 perils of the seas rivers lakes or other navigable waters

5.1.2 fire, explosion

5.1.3 violent theft by persons from outside the Vessel

5.1.4 jettison

5.1.5 piracy

5.1.6 breakdown of or accident to nuclear installations or reactors

5.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

5.1.8 earthquake volcanic eruption or lightning.

5.2 This insurance covers loss of the subject-matter insured caused by

5.2.1 accidents in loading discharging or shifting cargo or fuel

5.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

5.2.3 negligence of Master Officers Crew or Pilots

5.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

5.2.5 barratry of Master Officers or Crew,

provided such loss has not resulted from want of due diligence by the Assured, Owners or Managers.

5.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

SPECIMEN

6 POLLUTION HAZARD

This insurance covers loss of the subject-matter insured caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

(Continued)

กรมการประกันภัย กระทรวงการคลัง

7 FREIGHT COLLISION

7.1 It is further agreed that if the Vessel shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of the amount of freight taken into account in calculating the measure of the liability of the Assured for

7.1.1 loss of or damage to any other vessel or property on any other vessel

7.1.2 delay to or loss of use of any such other vessel or property thereon

7.1.3 general average of, salvage of or salvage under contract of, any such other vessel or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid applying to freight as their respective subscriptions hereto bear to the total amount insured on freight, or to the gross freight earned on the voyage during which the collision occurred if this be greater.

7.2 Provided always that:

7.2.1 liability of the Underwriters in respect of any one such collision shall not exceed their proportionate part of three-fourths of the total amount insured hereon on freight, and in cases in which, with the prior consent in writing of the Underwriters, the liability of the Vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of three-fourths of the costs, appertaining proportionately to the freight portion of damages, which the Assured shall thereby incur or be compelled to pay;

7.2.2 no claim shall attach to this insurance:

7.2.2.1 which attaches to any other insurances covering collision liabilities

7.2.2.2 which is, or would be, recoverable in the terms of the Institute 3/4ths Collision Liability Clause if the Vessel were insured in the terms of such Institute 3/4ths Collision Liability Clause for a value per ton of her gross tonnage (calculated in accordance with the tonnage measurement rules contained in Annex 1 of the International Convention of Tonnage Measurement of Ships 1969) not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of the Vessel's limit of liability calculated in accordance with Article 6.1(b) of the 1976 Limitation Convention.

7.2.3 this Clause 7 shall in no case extend or be deemed to extend to any sum which the Assured may become liable to pay or shall pay for or in respect of:

7.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever

7.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

7.2.3.3 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels)

7.2.3.4 the cargo or other property on or the engagements of the Vessel

7.2.3.5 loss of life, personal injury or illness.

8 SISTERSHIP

Should the Vessel named herein come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners, or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel named herein; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

9 GENERAL AVERAGE AND SALVAGE

9.1 This insurance covers the proportion of general average salvage and/or salvage charges attaching to freight at risk of the Assured, reduced in respect of any under-insurance.

9.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

9.3 No claim under this Clause 9 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10 FRANCHISE

This insurance does not cover partial loss, other than general average loss, under 3% unless caused by fire, sinking, stranding or collision with another vessel. Each craft and/or lighter to be deemed a separate insurance if required by the Assured.

11 MEASURE OF INDEMNITY

11.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.

11.2 Where insurances on freight other than this insurance are current at the time of the loss, all such insurances shall be taken into consideration in calculating the liability under this insurance and the amount recoverable hereunder shall not exceed the rateable proportion of the gross freight lost, notwithstanding any valuation in this or any other insurance.

11.3 In calculating the liability under Clause 9 all insurances on freight shall likewise be taken into consideration.

11.4 Nothing in this Clause 11 shall apply to any claim arising under Clause 13.

SPECIMEN

(Continued)

12 LOSS OF TIME

This insurance does not cover any claim consequent on loss of time whether arising from a peril of the sea or otherwise.

13 TOTAL LOSS

13.1 In the event of the total loss (actual or constructive) of the Vessel named herein the amount insured shall be paid in full, whether the Vessel be fully or partly loaded or in ballast, chartered or unchartered.

13.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

13.3 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 13.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

14 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

14.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

14.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

14.3 derelict mines torpedoes bombs or other derelict weapons of war.

15 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

15.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

15.2 any terrorist or any person acting from a political motive.

16 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

16.1 the detonation of an explosive

16.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

17 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The Underwriters' Guidelines are available to any interested person upon request. In particular (a) in relation to any clause which excludes losses from the cover, insurers may delete the clause from the policy covering such losses or may extend the clause to cover such events; (b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter the said conditions".

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INSTITUTE WAR AND STRIKES CLAUSES

Freight - Time

This insurance is subject to English Law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers

1.1 loss (total or partial) of the subject-matter insured caused by

1.1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.1.3 derelict mines torpedoes bombs or other derelict weapons of war,

1.2 loss (total or partial) of the subject-matter insured arising from loss of or damage to the Vessel caused by

1.2.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.2.2 any terrorist or any person acting maliciously or from a political motive

1.2.3 confiscation or expropriation.

2 INCORPORATION

The Institute Time Clauses - Freight 1/11/95 except Clauses 2, 3, 4, 5, 6, 7, 12, 17, 18, 19, 20 and 21 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that a claim for a constructive total loss of the Vessel is paid on the war risks insurance of the Vessel under Clause 3 (Detainment) of the Institute War and Strikes Clauses - Hulls - Time 1/11/95 or the Institute War and Strikes Clauses - Hulls - Voyage 1/11/95 as a result of the loss of the free use and disposal of the Vessel for a continuous period of 12 months due to capture, seizure, arrest, restraint, detainment, confiscation or expropriation whilst this insurance is in force, the amount insured hereunder shall be paid in full less any claims otherwise arising during the said period of 12 months which have been paid or are recoverable hereunder or under insurances subject to the Institute Time Clauses - Freight 1/11/95 and/or the Institute Voyage Clauses - Freight 1/11/95 and any recoveries made in respect of the said period.

4 EXCLUSIONS

This insurance excludes

4.1 loss (total or partial) or expense arising from

4.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

4.1.2 requisition, either for title or use, or pre-emption

4.1.3 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.4 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.6 piracy (but this exclusion shall not affect cover under Clause 1.2.1).

4.2 loss (total or partial) or expense directly or indirectly caused by or contributed to by or arising from

4.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

4.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

4.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,

4.3 loss (total or partial) or expense covered by the Institute Time Clauses - Freight 1/11/95 or which would be recoverable thereunder but for Clause 12 thereof,

4.4 any claim (not being a claim recoverable under the Institute War and Strikes Clauses Freight - Voyage 1/11/95) for any sum recoverable under any other insurance on the subject- matter insured or which would be recoverable under such insurance but for the existence of this insurance,

4.5 loss proximately caused by delay or any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994,

4.6 any claim based upon loss of or frustration of any voyage or adventure.

Continued

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

5.2.2 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

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INSTITUTE WAR AND STRIKES CLAUSES

Freight — Time

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers

1.1 loss (total or partial) of the subject-matter insured caused by

1.1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.1.3 derelict mines torpedoes bombs or other derelict weapons of war,

1.2 loss (total or partial) of the subject-matter insured arising from loss of or damage to the Vessel caused by

1.2.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.2.2 any terrorist or any person acting maliciously or from a political motive

1.2.3 confiscation or expropriation.

2 INCORPORATION

The Institute Time Clauses—Freight 1/10/83 except Clauses 2, 3, 4, 5, 12, 16, 17, 18, 19 and 20 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that a claim for a constructive total loss of the Vessel is paid on the war risks insurance of the Vessel under Clause 3 (Detainment) of the Institute War and Strikes Clauses — Hulls—Time 1/10/83 or the Institute War and Strikes Clauses — Hulls—Voyage 1/10/83 as a result of the loss of the free use and disposal of the Vessel for a continuous period of 12 months due to capture, seizure, arrest, restraint, detainment, confiscation or expropriation whilst this insurance is in force, the amount insured hereunder shall be paid in full less any claims otherwise arising during the said period of 12 months which have been paid or are recoverable hereunder or under insurances subject to the Institute Time Clauses—Freight 1/10/83 and/or the Institute Voyage Clauses—Freight 1/10/83 and any recoveries made in respect of the said period.

4 EXCLUSIONS

This insurance excludes

4.1 loss (total or partial) or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

4.1.3 requisition or pre-emption

4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.2.1),

4.2 loss (total or partial) or expense covered by the Institute Time Clauses—Freight 1/10/83 or which would be recoverable thereunder but for Clause 12 thereof,

4.3 any claim (not being a claim recoverable under the Institute War and Strikes Clauses Freight—Voyage 1/10/83) for any sum recoverable under any other insurance on the subject-matter insured or which would be recoverable under such insurance but for the existence of this insurance,

4.4 loss proximately caused by delay or any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974,

4.5 any claim based upon loss of or frustration of any voyage or adventure.

(Continued)

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

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INSTITUTE WAR AND STRIKES CLAUSES

Freight - Voyage

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers

1.1 loss (total or partial) of the subject-matter insured caused by

1.1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.1.3 derelict mines torpedoes bombs or other derelict weapons of war,

1.2 loss (total or partial) of the subject-matter insured arising from loss of or damage to the Vessel caused by

1.2.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.2.2 any terrorist or any person acting maliciously or from a political motive

1.2.3 confiscation or expropriation

2 INCORPORATION

The Institute Voyage Clauses - Freight 1/11/95 except Clauses 2, 7, 9, 10, 15, 16 and 17 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that a claim for a constructive total loss of the Vessel is paid on the war risks insurance of the Vessel under Clause 3 (Detainment) of the Institute War and Strikes Clauses - Hulls - Time 1/11/95 or the Institute War and Strikes Clauses - Hulls - Voyage 1/11/95 as a result of the loss of the free use and disposal of the Vessel for a continuous period of 12 months due to capture, seizure, arrest, restraint, detainment, confiscation or expropriation whilst this insurance is in force, the amount insured hereunder shall be paid in full less any claims otherwise arising during the said period of 12 months which have been paid or are recoverable hereunder or under insurances subject to the Institute Time Clauses - Freight 1/11/95 and/or the Institute Voyage Clauses - Freight 1/11/95 and any recoveries made in respect of the said period.

4 EXCLUSIONS

This insurance excludes

4.1 loss (total or partial) or expense arising from

4.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

4.1.2 requisition, either for title or use, or pre-emption

4.1.3 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.4 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.6 piracy (but this exclusion shall not affect cover under Clause 1.2)

4.2 loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

4.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

4.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

4.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4.3 loss (total or partial) or expense covered by the Institute Voyage Clauses - Freight 1/11/95 or which would be recoverable thereunder but for Clause 9 thereof,

4.4 any claim (not being a claim recoverable under the Institute War and Strikes Clauses Freight - Time 1/11/95) for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

4.5 loss proximately caused by delay or any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994,

4.6 any claim based upon loss of or frustration of any voyage or adventure.

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

5.2.2 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, a return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

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1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)



INSTITUTE WAR AND STRIKES CLAUSES

Freight — Voyage

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers

1.1 loss (total or partial) of the subject-matter insured caused by

1.1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.1.3 derelict mines torpedoes bombs or other derelict weapons of war,

1.2 loss (total or partial) of the subject-matter insured arising from loss of or damage to the Vessel caused by

1.2.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.2.2 any terrorist or any person acting maliciously or from a political motive

1.2.3 confiscation or expropriation.

2 INCORPORATION

The Institute Voyage Clauses—Freight 1/10/83 except Clauses 2, 10, 14, 15, 16 and 17 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that a claim for a constructive total loss of the Vessel is paid on the war risks insurance of the Vessel under Clause 3 (Detainment) of the Institute War and Strikes Clauses — Hulls—Time 1/10/83 or the Institute War and Strikes Clauses — Hulls—Voyage 1/10/83 as a result of the loss of the free use and disposal of the Vessel for a continuous period of 12 months due to capture, seizure, arrest, restraint, detainment, confiscation or expropriation whilst this insurance is in force, the amount insured hereunder shall be paid in full less any claims otherwise arising during the said period of 12 months which have been paid or are recoverable hereunder or under insurances subject to the Institute Time Clauses—Freight 1/10/83 and/or the Institute Voyage Clauses—Freight 1/10/83 and any recoveries made in respect of the said period.

4 EXCLUSIONS

This insurance excludes

4.1 loss (total or partial) or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

4.1.3 requisition or pre-emption

4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.2.1),

4.2 loss (total or partial) or expense covered by the Institute Voyage Clauses—Freight 1/10/83 or which would be recoverable thereunder but for Clause 10 thereof,

4.3 any claim (not being a claim recoverable under the Institute War and Strikes Clauses Freight—Time 1/10/83) for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,

4.4 loss proximately caused by delay or any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974,

4.5 any claim based upon loss of or frustration of any voyage or adventure.

(Continued)

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France,
the Union of Soviet Socialist Republics,
the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5 or of the sale of the Vessel, a return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE GENERAL AVERAGE - POLLUTION EXPENDITURE CLAUSE - HULLS

1. Where any of the following GENERAL AVERAGE AND SALVAGE clauses are incorporated in this insurance, then the provisions of Clause 2 herein shall apply:

   Clause 10.5 of the Institute Time Clauses - Hulls 1/11/95

   Clause 10.5 of the Institute Time Clauses - Hull - Limited Conditions 1/11/95

   Clause 10.6 of the Institute Time Clauses - Hull - Total Loss, General Average and ¾ths Collision Liability 1/11/95

   Clause 8.5 of the Institute Voyage Clauses - Hulls 1/11/95

   Clause 8.6 of the Institute Voyage Clauses - Hulls - Total Loss, General Average and ¾ths Collision Liability 1/11/95

2. In consideration of an additional premium to be agreed and provided that the contract of affreightment provides for adjustment according to the York-Antwerp Rules 1994, this insurance is extended to cover the Vessel's proportion of general average expenditure, reduced in respect of any under insurance, which is allowable under Rule XI(d) of the York-Antwerp Rules 1994 and which would be recoverable under the GENERAL AVERAGE AND SALVAGE clause of the applicable insuring conditions but for Clause 10.5.2 of the Institute Time Clauses - Hulls 1/11/95, Clause 10.5.2 of the Institute Time Clauses - Hulls - Limited Conditions 1/11/95, Clause 10.6.2 of the Institute Time Clauses - Hulls - Total Loss, General Average and ¾ths Collision Liability 1/11/95, Clause 8.5.2 of the Institute Voyage Clauses - Hulls 1/11/95, and Clause 8.6.2 of the Institute Voyage Clauses - Hulls - Total Loss, General Average and ¾ths Collision Liability 1/11/95.

3. This insurance is subject to English law and practice.

SPECIMEN

SPECIMEN

1/1/96 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE GENERAL AVERAGE - POLLUTION EXPENDITURE CLAUSE - FREIGHT

In consideration of an additional premium to be agreed, where the contract of affreightment provides for adjustment according to the York-Antwerp Rules 1994, this insurance is extended to the proportion of General Average expenditure attaching to freight at risk of the Assured, reduced in respect of any under-insurance, which is allowable under Rule X1(d) of the York-Antwerp Rules 1994 and which would be recoverable under Clause 11 of the Institute Time Clauses - Freight 1/11/95 or under Clause 8 of the Institute Voyage Clauses - Freight 1/11/95 respectively but for Clause 11.4.2 or Clause 8.4.2 therein.

This insurance is subject to English law and practice.

SPECIMEN

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS

(For use only with the Institute Time Clauses - Hulls 1/11/95)

1 In consideration of an additional premium this insurance is extended to cover

1.1 the cost of repairing or replacing

1.1.1 any boiler which bursts or shaft which breaks

1.1.2 any defective part which has caused loss of or damage to the Vessel covered by Clause 6.2.1 of the Institute Time Clauses - Hulls 1/11/95.

1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

2 Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.

3 The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

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1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Time Clauses - Hulls 1/11/95)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 6.2.1 to 6.2.4 inclusive of the Institute Time Clauses - Hulls 1/11/95 or from fire or explosion when either has originated in a machinery space, shall be subject to the deductible amount agreed. Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible referred to in Clause 12.1 of the Institute Time Clauses - Hulls 1/11/95.

The provisions of Clauses 12.3 and 12.4 of the Institute Time Clauses - Hulls 1/11/95 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

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INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Voyage Clauses — Hulls 1/10/83)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 4.2.2 to 4.2.5 inclusive of the Institute Voyage Clauses — Hulls 1/10/83 or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of ..... Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in Clause 10.1 of the Institute Voyage Clauses — Hulls 1/10/83.

The provisions of Clauses 10.3 and 10.4 of the Institute Voyage Clauses — Hulls 1/10/83 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

CL. 299 *Sold by Witherby & Co. Ltd., London.*

1/10/83

INSTITUTE ADDITIONAL PERILS CLAUSES — HULLS

(For use only with the American Institute Hull Clauses)

1 In consideration of an additional premium this insurance is extended to cover

1.1 the cost of repairing or replacing

1.1.1 any boiler which bursts or shaft which breaks

1.1.2 any defective part which has caused loss or damage to the Vessel covered by the peril 'any latent defect in the machinery or hull' as it appears in lines 79/80 of the American Institute Hull Clauses (June 2, 1977)

1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

2 Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.

3 The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

CL. 301 *Sold by Witherby & Co. Ltd., London*

1/10/83

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the American Institute Hull Clauses)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in lines 79/80 and 83/84 of the American Institute Hull Clauses (June 2, 1977) or from barratry, or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of..... Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in the Deductible Clause of the American Institute Hull Clauses.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

CL. 304 *Sold by Witherby & Co. Ltd., London*

1/10/83 (FOR USE ONLY WITH THE AMERICAN INSTITUTE HULL CLAUSES)

ADDITIONAL DEDUCTIBLE ADAPTATION CLAUSE

(For use whenever the Institute Machinery Damage Additional Deductible Clause and the Institute Additional Perils Clauses 1/10/83 (For use only with the American Institute Hull Clauses) are included in the same insurance)

The above-mentioned Institute Machinery Damage Additional Deductible Clause 1/10/83 shall also apply to any claim or part thereof in respect of any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, where such claim or part thereof is recoverable hereunder solely by reason of the inclusion of the above-mentioned Institute Additional Perils Clauses — Hulls 1/10/83 in this insurance.

CL. 307 *Sold by Witherby & Co. Ltd., London*

1/11/95 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS

LEASED EQUIPMENT CLAUSE

This insurance is extended to cover loss of or damage to equipment and apparatus not owned by the Assured but installed for use on the Vessel and for which the Assured has assumed contractual liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to its terms, conditions and exclusions. In no event shall the liability of the Underwriters exceed the lesser of the contractual liability of the Assured for loss of or damage to such equipment or apparatus or its replacement value. All such equipment and apparatus shall be included in the insured value of the Vessel.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/95

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS

PASSENGER EQUIPMENT CLAUSE

This insurance is extended to cover bar stores, equipment for passengers amusements, other stores and supplies on board the Vessel including stocks in the Vessel's shops, provided the same are owned by the Assured and do not exceed in value 5% of the insured value of the Vessel, subject in all other respects to the terms, conditions and exclusions of this insurance.

CL. 363 *Sold by Witherby & Co. Ltd., London.* — © Copyright — The Institute of London Underwriters

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/95

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES - HULLS

PARTS REMOVED CLAUSE

This insurance is extended to cover loss of or damage to parts removed from the Vessel whether such parts are ashore and/or under repair and/or in transit and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to its terms, conditions and exclusions. The Underwriters' liability for such parts removed which are covered under this clause shall not exceed 5% of the insured value of the Vessel.

If at the time of loss of or damage to the parts removed from the Vessel such parts are covered by or would be covered by any other insurance but for this clause, then this insurance shall only be excess to such other insurance.

Cover in respect of parts shall be limited to 30 days whilst removed. Period in excess of 30 days held covered at terms to be agreed provided notice be given to the Underwriters prior to the expiry of the 30 day extension.

— The Institute of London Underwriters

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the policy, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover or certain risks subject to specific conditions each insurer may alter the said conditions".

สำนักงานคณะกรรมการกำกับและส่งเสริมการประกันภัย กระทรวงพาณิชย์

1/1/95

INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS CLAUSE – HULLS, ETC.

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

1 Cancellation

Cover hereunder in respect of the risks of war, etc may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate cover subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

SPECIMEN

2 Automatic Termination of Cover

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc shall TERMINATE AUTOMATICALLY

2.1 upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

2.2 in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

SPECIMEN

3 Five Powers War and Nuclear Exclusions

This insurance excludes

3.1 loss damage liability or expense arising out of

3.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

3.1.2 requisition either for title or use.

3.2. loss damage liability or expense directly or indirectly caused by or arising from

3.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

3.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

3.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4 Law and Practice

This clause is subject to English law and practice.

Cover in respect of the risks of war, etc shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

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1/9/84 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE STANDARD DUTCH HULL FORM

This insurance is subject to English law and practice

1 NAVIGATION

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

6 PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

(Continued)

SPECIMEN

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting cargo or fuel

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence default or error in judgement of Master Officers Crew or Pilots or other servants of the shipowner, dock, graving dock or portation authorities or their servants, stevedores or others

6.2.4 barratry of Master Officers or Crew

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners of the Vessel, or any of them, or by the Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or movable or immovable object whatsoever or property thereon

8.1.2 delay to or loss of use of any such other vessel or object or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or object or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel or into contact with any other movable or immovable object whatsoever.

8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 the cargo or other property on, or the engagements of, the insured Vessel

8.4.3 loss of life, personal injury or illness

8.4.4 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 NOTICE OF CLAIM AND TENDERS

10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expenses of the voyage arising from compliance with the Underwriters' requirements being refundable to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

10.4 In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.

(Continued)

11 GENERAL AVERAGE AND SALVAGE

11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

11.4 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds .....in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 DUTY OF ASSURED (SUE AND LABOUR)

13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.

13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

(Continued)

15 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping, gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

17 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

18 UNREPAIRED DAMAGE

18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

21 DISBURSEMENTS WARRANTY

21.1 Additional insurances as follows are permitted:

21.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

21.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.

21.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

21.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.

21.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

21.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

21.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

21.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 23, 24, 25 and 26 below.

21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach

SPECIMEN

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1 To return as follows:

22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a).....per cent net not under repair

(b).....per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

22.2 PROVIDED ALWAYS THAT

22.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

22.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

22.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

22.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

22.2.5 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

22.3 For the purpose of lying-up returns Rotterdam/Schiedam/Vlaardingen (including Botlek and Europoort) will be considered as one port as well as Amsterdam/Zaandam.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

23 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

23.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

23.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

23.3 derelict mines torpedoes bombs or other derelict weapons of war.

24 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

24.2 any terrorist or any person acting from a political motive.

25 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

25.1 the detonation of an explosive

25.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

26 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/9/84 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE ADDITIONAL PERILS CLAUSES — HULLS

(For use only with the Institute Standard Dutch Hull Form 1/9/84)

1 In consideration of an additional premium this insurance is extended to cover

1.1 the cost of repairing or replacing

1.1.1 any boiler which bursts or shaft which breaks

1.1.2 any defective part which has caused loss or damage to the Vessel covered by Clause 6.2.2 of the Institute Standard Dutch Hull Form 1/9/84,

1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

2 Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.

3 The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/9/84 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Standard Dutch Hull Form 1/9/84)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 6.2.2 to 6.2.4 inclusive of the Institute Standard Dutch Hull Form 1/9/84 or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of ..... Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in Clause 12.1 of the Institute Standard Dutch Hull Form 1/9/84.

The provisions of Clauses 12.3 and 12.4 of the Institute Standard Dutch Hull Form 1/9/84 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) In relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) In relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

20/7/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE FISHING VESSEL CLAUSES

This insurance is subject to English law and practice

1 NAVIGATION AND REMOVALS ASHORE

1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that with the exception of catch the Vessel shall not carry cargo or containers for the carriage of cargo and shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.

1.2 Any part or parts of the subject-matter insured are covered subject to the provisions of this insurance whilst ashore for the purpose of repair, overhaul or refitting, including transit from and to the Vessel.

1.3 In the event of the Vessel sailing with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8, 18 or 20.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4 TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

4.1 change of the Classification Society of the Vessel or change, suspension, discontinuance, withdrawal or expiry of her Class therein provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port or until the expiry of fifteen days, whichever shall first occur. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to the current Institute War and Strikes Clauses Hulls — Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, provided that if the Vessel is at sea such automatic termination shall, if required, be deferred until arrival at her next port or until the expiry of fifteen days, whichever shall first occur.

4.3 requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

6 PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

6.1.8 earthquake volcanic eruption or lightning.

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 accidents in loading discharging or shifting catch fuel or stores

6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

(Continued)

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 GENERAL AVERAGE AND SALVAGE

8.1 Any claim for general average and salvage to be on the basis of an adjustment according to the York-Antwerp Rules 1974 if so required by the Underwriters but the insured value of Hull and Machinery to be taken as the contributory value without deduction.

8.2 No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

9 WAGES AND MAINTENANCE

The Underwriters to pay the cost of wages and maintenance of members of crew necessarily retained whilst the Vessel is undergoing repairs for which the Underwriters are liable under this insurance.

10 DUTY OF ASSURED (SUE AND LABOUR)

10.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

10.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 10.5) collision defence or attack costs and costs incurred by the Assured in avoiding minimising or contesting liability covered by Clause 20 are not recoverable under this Clause 10.

10.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

10.4 When expenses are incurred pursuant to this Clause 10 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein.

10.5 Where a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then the Underwriters shall pay the expenses, or the expenses in excess of the proceeds, as the case may be.

10.6 The sum recoverable under this Clause 10 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

11 NEW FOR OLD

Claims payable without deduction new for old.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10, 18 and 20) exceeds..... in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 10 arising from the same accident or occurrence.

12.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 6.2.2 to 6.2.5 inclusive above or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of..... Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in Clause 12.1.

The provisions of Clauses 12.2 and 12.3 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

14 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

14.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto.

14.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

14.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 14.1 and 14.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

15 FISHING GEAR

No claim to attach hereto for loss of or damage to fishing gear unless

15.1 caused by fire lightning or violent theft by persons from outside the Vessel

15.2 totally lost as a result of the total loss of the Vessel by insured perils.

16 UNREPAIRED DAMAGE

16.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage but not exceeding the reasonable cost of repairs.

16.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

16.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

17 CONSTRUCTIVE TOTAL LOSS

17.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

17.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

18 COLLISION LIABILITY

18.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

18.1.1 loss of or damage to any other vessel or property on any other vessel

18.1.2 delay to or loss of use of any such other vessel or property thereon

18.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

18.2 The indemnity provided by this Clause 18 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

18.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 18 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

18.2.2 In no case shall the Underwriters' total liability under Clauses 18.1 and 18.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

18.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

18.4 Provided always that this Clause 18 shall in no case extend to any sum which the Assured shall pay for or in respect of

18.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

18.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

18.4.3 the cargo or other property on, or the engagements of, the insured Vessel

18.4.4 loss of life, personal injury or illness

18.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

19 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

(Continued)

20 PROTECTION AND INDEMNITY

20.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

20.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 18

20.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove or destroy the same

20.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

20.1.4 loss of life, personal injury, illness or payments made for life salvage

20.1.5 (a) hospital medical and burial expenses of Master Officers or Crew

(b) repatriation expenses of Master Officers or Crew (other than wages, remuneration in the nature of wages, or any expenses which ensue from the termination of an agreement, sale of the Vessel or any other act of the Assured).

20.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

20.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

20.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

20.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

20.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

20.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

20.3 Notwithstanding the provisions of Clauses 20.1 and 20.2 this Clause 20 does not cover any liability cost or expense arising in respect of:

20.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her catch, materials or repairs

20.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any persons employed under a contract of service or apprenticeship by the other party to such agreement

20.3.3 punitive or exemplary damages, however described

20.3.4 passengers

20.3.5 catch, fishing gear or other things or interests whatsoever on board the insured Vessel or the engagements of the insured Vessel but this Clause 20.3.5 shall not exclude any claim in respect of the extra cost of removing catch or property from the wreck of the Vessel

20.3.6 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

20.3.7 liability arising under a contract or indemnity in respect of containers, equipment fuel or other property on board the Vessel and which is owned or leased by the Assured

20.3.8 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master Officer or crew member

20.3.9 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master Officer or crew member

20.3.10 fines or penalties arising from overloading or illegal fishing

20.3.11 pollution or contamination of any real or personal property or thing whatsoever

20.3.12 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable under Clauses 8, 10 and 18 by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate.

20.4 The indemnity provided by this Clause 20 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.

20.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 20 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

20.6 In no case shall the Underwriters' liability under this Clause 20 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.

20.7 PROVIDED ALWAYS THAT

20.7.1 Prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 20 and of every event or matter which may cause the Assured to incur liability, costs or expense for which he may be insured under this Clause 20.

20.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 20 without the prior written consent of the Underwriters.

21 NOTICE OF CLAIM AND TENDERS

21.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

21.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

21.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

21.4 In the event of failure to comply with the conditions of this Clause 21 a deduction of 15% shall be made from the amount of the ascertained claim.

22 DISBURSEMENTS WARRANTY

Warranted that no insurance is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees on:

22.1 disbursements, commissions or similar interests, P.P.I., F.I.A. or subject to any other like term,

22.2 excess or increased value of hull and machinery however described.

Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23 RETURNS FOR LAY-UP AND CANCELLATION

23.1 To return as follows

23.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement or by the operation of Clause 4.

23.1.2 For each period of 30 consecutive days the vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(1) ..... per cent net not under repair

(2) ..... per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (1) and (2) respectively.

23.2 PROVIDED ALWAYS THAT

23.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof

23.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

23.2.3 loading or discharging operations or the presence of catch on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of catch or for lightering purposes

23.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

23.2.5 in the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 23.1.2(1) and/or (2) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(1), (2) or 23.2.2 above.

(Continued)

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

24 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

24.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense

25.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

25.2 caused by any terrorist or any person acting from a political motive.

26 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

26.1 the detonation of an explosive

26.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

27 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

20/7/87

INSTITUTE ADDITIONAL PERILS CLAUSES — HULLS

(For use only with the Institute Fishing Vessel Clauses — Hulls 20/7/87)

1 In consideration of an additional premium this insurance is extended to cover

1.1 the cost of repairing or replacing

1.1.1 any boiler which bursts or shaft which breaks,

1.1.2 any defective part which has caused loss or damage to the Vessel covered by Clause 6.2.2 of the Institute Fishing Vessel Clauses — Hulls 20/7/87,

1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

2 Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.

3 The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Any machinery damage additional deductible applicable in accordance with Clause 13 of the Institute Fishing Vessel Clauses 20/7/87 shall also apply to any claim or part thereof in respect of any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, where such claim or part thereof is recoverable hereunder solely by reason of these Additional Perils Clauses.

4 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE TIME CLAUSES HULLS PORT RISKS

This insurance is subject to English law and practice

1 NAVIGATION

The Vessel has leave to proceed to and from any wet or dry docks harbours ways cradles and pontoons, within the limits specified in this insurance.

2 TERMINATION

This Clause 2 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

2.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall not operate,

2.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

3 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

4 PERILS

4.1 This insurance covers loss of or damage to the subject-matter insured caused by

4.1.1 perils of the seas rivers lakes or other navigable waters

4.1.2 fire lightning explosion

4.1.3 violent theft by persons from outside the Vessel

4.1.4 jettison

4.1.5 piracy

4.1.6 breakdown of or accident to nuclear installations or reactors

4.1.7 contact with aircraft or similar objects or objects falling therefrom, land conveyance, dock or harbour equipment or installation

4.2 This insurance covers loss of or damage to the subject-matter insured caused by

4.2.1 accidents in loading discharging or shifting cargo or fuel

4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

4.2.3 negligence of Master Officers Crew or Pilots

4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by earthquake or volcanic eruption. This exclusion applies to all claims including claims under Clauses 7, 9, 11 and 13.

6 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 COLLISION LIABILITY

7.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

7.1.1 loss of or damage to any other vessel or property on any other vessel

7.1.2 delay to or loss of use of any such other vessel or property thereon

7.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

7.2 The indemnity provided by this Clause 7 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

7.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 7 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

7.2.2 In no case shall the Underwriters' total liability under Clauses 7.1 and 7.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

(Continued)

SPECIMEN

7.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

7.4 Provided always that this Clause 7 shall in no case extend to any sum which the Assured shall pay for or in respect of

7.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

7.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

7.4.3 the cargo or other property on, or the engagements of, the insured Vessel

7.4.4 loss of life, personal injury or illness

7.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

8 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

9 PROTECTION AND INDEMNITY

9.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

9.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 7

9.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same

9.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

9.1.4 loss of life, personal injury, illness or payments made for life salvage

9.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

9.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

9.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

9.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

9.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

9.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

9.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

9.3 Notwithstanding the provisions of Clauses 9.1 and 9.2 this Clause 9 does not cover any liability cost or expense arising in respect of:

9.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo, materials or repairs

9.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement

9.3.3 punitive or exemplary damages, however described

9.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 9.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

9.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

9.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

9.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

9.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member

9.3.9 fines or penalties arising from overloading or illegal fishing

9.3.10 pollution or contamination of any real or personal property or thing whatsoever (This Clause 9.3.10 shall not exclude any amount recoverable under Clause 9.1.5)

9.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable under Clauses 7, 11 and 13 by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate.

9.4 The indemnity provided by this Clause 9 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.

9.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 9 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

9.6 In no case shall the Underwriters' liability under this Clause 9 in respect of each separate accident or occurrence or series of accidents arising out of the same event exceed their proportionate part of the insured value of the Vessel.

9.7 PROVIDED ALWAYS THAT

9.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 9 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 9.

9.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 9 without the prior written consent of the Underwriters.

10 NOTICE OF CLAIM AND TENDERS

10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

10.4 In the event of failure to comply with the conditions of this Clause 10, a deduction of 15% shall be made from the amount of the ascertained claim.

11 GENERAL AVERAGE AND SALVAGE

11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

11.3 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 7, 9, 11 and 13) exceeds ..... in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

12.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

(Continued)

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13 DUTY OF ASSURED (SUE AND LABOUR)

13.1 In case of any loss or misfortune it shall be the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 9 are not recoverable under this Clause 13.

13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel, with the agreement of the Underwriters, from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

17 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

18 UNREPAIRED DAMAGE

18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

SPECIMEN

20 DISBURSEMENTS WARRANTY

20.1 Additional insurances as follows are permitted:

20.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

20.1.2 *Earnings or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 20.1.1.

20.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the first passage and next succeeding cargo passage plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 20.1.2 to be taken into account and only the excess thereof may be insured.

20.1.4 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 20.1.2 to be taken into account and only the excess thereof may be insured. An insurance under this Section may begin on the signing of the charter.

20.1.5 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

20.1.6 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

20.1.7 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 5, 22, 23, 24 and 25.

20.2 Warranted that no insurance on any interests enumerated in the foregoing 20.1.1 to 20.1.6 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

21 RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 2 provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

22 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

22.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

22.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

22.3 derelict mines torpedoes bombs or other derelict weapons of war.

23 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

23.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

23.2 any terrorist or any person acting from a political motive.

24 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

24.1 the detonation of an explosive

24.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

25 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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* 20/7/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE TIME CLAUSES HULLS
PORT RISKS including LIMITED NAVIGATION

This insurance is subject to English law and practice

กรมการประกันภัย กระทรวงการคลัง

1 NAVIGATION

1.1 The Vessel has leave to proceed to and from any wet or dry docks harbours ways cradles and pontoons, within the limits specified in this insurance.

1.2 The Vessel is held covered in case of deviation or change of voyage, provided notice be given immediately after receipt of advices and any amended terms of cover and any additional premium required be agreed.

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 TERMINATION

This Clause 3 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

3.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class herein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 5 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,

3.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

4 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

5 PERILS

5.1 This insurance covers loss of or damage to the subject-matter insured caused by

5.1.1 perils of the seas rivers lakes or other navigable waters

5.1.2 fire lightning explosion

5.1.3 violent theft by persons from outside the Vessel

5.1.4 jettison

5.1.5 piracy

5.1.6 breakdown of or accident to nuclear installations or reactors

5.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation.

5.2 This insurance covers loss of or damage to the subject-matter insured caused by

5.2.1 accidents in loading discharging or shifting cargo or fuel

5.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

5.2.3 negligence of Master Officers Crew or Pilots

5.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

5.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

5.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

6 EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by earthquake or volcanic eruption. This exclusion applies to all claims including claims under Clauses 8, 10, 12 and 14.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or the threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

8.1.1 loss of or damage to any other vessel or property on any other vessel

8.1.2 delay to or loss of use of any such other vessel or property thereon

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

(Continued)

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8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities, as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance of sum payable by or to the Assured in consequence of the collision.

8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

8.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of

8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

8.4.3 the cargo or other property on, or the engagements of, the insured Vessel

8.4.4 loss of life, personal injury or illness

8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

10 PROTECTION AND INDEMNITY

10.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

10.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 8

10.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same

10.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

10.1.4 loss of life, personal injury, illness or payments made for life salvage

10.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

10.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

10.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

10.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

10.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

10.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

10.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

10.3 Notwithstanding the provisions of Clauses 10.1 and 10.2 this Clause 10 does not cover any liability cost or expense arising in respect of:

10.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo, materials or repairs

10.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement

10.3.3 punitive or exemplary damages, however described

10.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 10.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

10.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

10.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

10.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

10.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member

10.3.9 fines or penalties arising from overloading or illegal fishing

(Continued)

10.3.10 pollution or contamination of any real or personal property or thing whatsoever (This Clause 10.3.10 shall not exclude any amount recoverable under Clause 10.1.5)

10.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable under Clauses 8, 12 and 14 by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate.

10.4 The indemnity provided by this Clause 10 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.

10.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 10 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

10.6 In no case shall the Underwriters' liability under this Clause 10 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.

10.7 PROVIDED ALWAYS THAT

10.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 10 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 10.

10.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 10 without the prior written consent of the Underwriters.

11 NOTICE OF CLAIM AND TENDERS

11.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

11.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

11.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master, Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

11.4 In the event of failure to comply with the conditions of this Clause 11, a deduction of 15% shall be made from the amount of the ascertained claim.

12 GENERAL AVERAGE AND SALVAGE

12.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

12.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

12.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

12.4 No claim under this Clause 12 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

13 DEDUCTIBLE

13.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10, 12 and 14) exceeds ..... in which case this sum shall be deducted. Nevertheless the expenses of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 13.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 14 arising from the same accident or occurrence.

13.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

13.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

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14 DUTY OF ASSURED (SUE AND LABOUR)

14.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

14.2 Subject to the provisions below and to Clause 13 the Underwriters will contribute to charges properly and reasonably incurred by the Assured, their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 14.5) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 10 are not recoverable under this Clause 14.

14.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

14.4 When expenses are incurred pursuant to this Clause 14 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

14.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

14.6 The sum recoverable under this Clause 14 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

15 NEW FOR OLD

Claims payable without deduction new for old.

16 BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

16.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

16.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of plating damaged during the course of fairing, either in place or ashore,

16.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 16.1 and 16.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

17 WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel, with the agreement of the Underwriters, from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

18 AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

19 UNREPAIRED DAMAGE

19.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

19.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

19.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

20 CONSTRUCTIVE TOTAL LOSS

20.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

20.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

21 FREIGHT WAIVER

In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

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22 DISBURSEMENTS WARRANTY

22.1 Additional insurances as follows are permitted

22.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.

22.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 22.1.1.

22.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

22.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.

22.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.

22.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

22.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.

22.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 6, 24, 25, 26 and 27.

22.2 Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23 RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 3, provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

24 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

24.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

25.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

25.2 any terrorist or any person acting from a political motive.

26 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

26.1 the detonation of an explosive

26.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

27 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

I/6/88 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE CLAUSES FOR BUILDERS' RISKS

(This insurance is subject to English law and practice)

กรมการประกันภัย

VESSEL .....Contract or Yard No.....

BUILDERS.....

.....

BUILDERS' YARDS.....

.....

SPECIMEN

SUBJECT OF INSURANCE

(Where more than one part of the subject-matter insured is described in Section I(A), Section I(B) or Section II below, then the respective wording of Section I(A), Section I(B) or Section II shall be applied to each part separately.)

SECTION I. Provisional Period ..... from .....
but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.

(A) HULL and MACHINERY etc. under construction at the yard or other premises of the Builders.

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this sub-section (A) is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations. The Underwriters' liability in respect of each item of this sub-section (A) which is at such locations shall attach from the time:—

(i) of inception of this Section I if such item has already been allocated to the Vessel;

(ii) of delivery to Builders of such item (if allocated) when delivered after inception of this Section I;

(iii) of allocation by Builders if allocated after inception of this Section I.

(B) MACHINERY etc. insured hereon whilst under construction by Sub-Contractors.

SPECIMEN

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this sub-section (B) is covered whilst at Sub-Contractors' works and at Sub-Contractors' premises elsewhere within the port or place of construction at which the Sub-Contractors' works are situated and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section (B) which is at such locations shall attach from the time:—

(i) of inception of this Section I if such item has already been allocated to the Vessel;

(ii) of delivery to the Sub-Contractors of such item (if allocated) when delivered after inception of this Section I;

(iii) of allocation by the Sub-Contractors if allocated after inception of this Section I.

The subject-matter of this sub-section (B) is also covered whilst:—

(*a*) in transit to Builders if the transit is within the port or place of construction at which the Builders' Yard is situated;

(*b*) at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations.

SPECIMEN

SECTION II. Provisional Period ..... from .....
but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.

MACHINERY etc. insured hereon from delivery to Builders.

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this Section II is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations. The Underwriters' liability in respect of each item of this Section II shall attach from the time of delivery to Builders.

(Continued

1 INSURED VALUE

1.1 Whereas the value stated herein is provisional, it is agreed that the final contract price, or the total building cost plus..... % whichever is the greater, of the subject-matter of this insurance shall be the insured value.

1.2 Should the insured value, determined as above,

1.2.1 exceed the provisional value stated herein, the Assured agree to declare to the Underwriters hereon the amount of such excess and to pay premium thereon at the full policy rates, and the Underwriters agree to accept their proportionate shares of the increase,

or

1.2.2 be less than the provisional value stated herein, the sum insured by this insurance shall be reduced proportionately and the Underwriters agree to return premium at the full policy rates on the amounts by which their respective lines are reduced.

1.3 Nevertheless, should the insured value exceed 125% of the provisional value, then the limits of indemnity under this insurance shall be 125% of the provisional value, any one accident or series of accidents arising out of the same event.

1.4 Notwithstanding the above it is understood and agreed that any variation of the value for insurance on account of a material alteration in the plans or fittings of the Vessel or a change in type from that originally contemplated does not come within the scope of this clause and such a variation requires the specific agreement of the Underwriters.

2 TRANSIT

Held covered at a premium to be arranged for transit not provided for in Section I or II above.

3 DELAYED DELIVERY

Held covered at a premium to be arranged in the event of delivery to Owners being delayed beyond the provisional period(s) mentioned above, but in no case shall any additional period of cover extend beyond 30 days from completion of Builders' Trials.

4 DEVIATION OR CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

5 PERILS

5.1 SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS this insurance is against all risks of loss of or damage to the subject-matter insured caused and discovered during the period of this insurance including the cost of repairing replacing or renewing any defective part condemned solely in consequence of the discovery therein during the period of this insurance of a latent defect. In no case shall this insurance cover the cost of renewing faulty welds.

5.2 In case of failure of launch, the Underwriters to bear all subsequent expenses incurred in completing launch.

6 EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by earthquake or volcanic eruption. This exclusion applies to all claims including claims under Clauses 13, 17, 19 and 20.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 FAULTY DESIGN

Notwithstanding anything to the contrary which may be contained in the Policy or the clauses attached thereto, this insurance includes loss of or damage to the subject-matter insured caused and discovered during the period of this insurance arising from faulty design of any part or parts thereof but in no case shall this insurance extend to cover the cost or expense of repairing, modifying, replacing or renewing such part or parts, nor any cost or expense incurred by reason of betterment or alteration in design.

9 NAVIGATION

9.1 With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under own power, loaded or in ballast, as often as required, for fitting out, docking, trials or delivery, within a distance by water of 250 nautical miles of the port or place of construction, or held covered at a premium to be arranged in the event of such distance being exceeded.

9.2 Any movement of the Vessel in tow outside the port or place of construction held covered at a premium to be arranged, provided previous notice be given to the Underwriters.

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 13, 17, 19 and 20) exceeds ..... in which case this sum shall be deducted. Nevertheless, the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 20 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage.

The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

10.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

10.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

(Continued)

SPECIMEN

11 UNREPAIRED DAMAGE

11.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

11.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

11.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

12 CONSTRUCTIVE TOTAL LOSS

12.1 In ascertaining whether the subject-matter insured is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value shall be taken into account.

12.2 No claim for constructive total loss based upon the cost of recovery and/or repair shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 GENERAL AVERAGE AND SALVAGE

13.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.

13.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

13.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

13.4 No claim under this Clause 13 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

14 NOTICE OF CLAIM

In the event of loss damage liability or expense which may result in a claim under this insurance, prompt notice shall be given to the Underwriters prior to repair and, if the subject-matter is under construction abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

15 CHANGE OF INTEREST

Any change of interest in the subject-matter insured shall not affect the validity of this insurance.

16 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

17 COLLISION LIABILITY

17.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for

17.1.1 loss of or damage to any other vessel or property on any other vessel

17.1.2 delay to or loss of use of any such other vessel or property thereon

17.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon.

where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

17.2 The indemnity provided by this Clause 17 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

17.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 17 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

17.2.2 In no case shall the Underwriters' total liability under Clause 17.1 and 17.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

17.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

17.4 Provided always that in this Clause 17 shall in no case extend to any sum which the Assured shall pay for or in respect of

17.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever

17.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

17.4.3 the cargo or other property on, or the engagements of, the insured Vessel

17.4.4 loss of life, personal injury or illness

17.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

18 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

(Continued)

SPECIMEN

19 PROTECTION AND INDEMNITY

19.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as Owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

19.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 17

19.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same

19.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port

19.1.4 loss of life, personal injury, illness or payments made for life salvage.

19.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

19.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

19.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

19.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

19.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

19.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

19.3 Notwithstanding the provisions of Clauses 19.1 and 19.2 this Clause 19 does not cover any liability cost or expense arising in respect of:

19.3.1 any direct or indirect payment of the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo materials or repairs

19.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement

19.3.3 punitive or exemplary damages, however described

19.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 19.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

19.3.5 loss of or damage to property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

19.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

19.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

19.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member

19.3.9 fines or penalties arising from overloading or illegal fishing

19.3.10 pollution or contamination of any real or personal property or thing whatsoever.

19.4 The indemnity provided by this Clause 19 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.

19.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 19 in respect of such liability shall not exceed Underwriters proportionate part of the amount of such limitation.

19.6 In no case shall the Underwriters' liability under this Clause 19 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.

19.7 PROVIDED ALWAYS THAT

19.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 19 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 19

19.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 19 without the prior written consent of the Underwriters.

(Continued)

20 DUTY OF ASSURED (SUE AND LABOUR)

20.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

20.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 20.4) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 19 are not recoverable under this Clause 20.

20.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

20.4 When a claim for total loss of the subject-matter insured is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the subject-matter insured and other property and there are no proceeds or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the subject-matter insured.

20.5 The sum recoverable under this Clause 20 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

21 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

22.2 any terrorist or any person acting from a political motive.

23 MALICIOUS ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

23.1 the detonation of an explosive

23.2 any weapon of war

and caused by any person acting maliciously or from a political motive.

24 NUCLEAR EXCLUSION

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

24.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

24.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

24.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

SPECIMEN

"These clauses are purely illustrative. Different policy conditions may be agreed. Non-printing clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree with certain insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/6/88

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE WAR CLAUSES

BUILDERS' RISKS

(This insurance is subject to English law and practice)

1 ATTACHMENT

This insurance shall not attach to the subject-matter insured until the Vessel is launched and then shall attach only to such part of the subject-matter as is built into or is in or on the Vessel at the time of the launch. The insurance against the said risks shall attach to the remainder of the subject-matter insured only as it is placed in or on the Vessel subsequent to the launch.

2 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the subject-matter insured caused by

2.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

2.2 capture seizure arrest restraint or detainment, arising from perils covered under 2.1 above, and the consequences thereof or any attempt thereat

2.3 derelict mines torpedoes bombs or other derelict weapons of war.

3 PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitation of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88 which is excluded by Clauses 21, 22.2 and 23.

Provided however that such cover shall not attach until the vessel is launched.

4 INCORPORATION

The Institute Clauses for Builders' Risks 1/6/88 except Clauses 4, 5.1 and 5.2, 7, 8, 21, 22, 23 and 24 are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses.

5 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint or detainment, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

6 EXCLUSIONS

This insurance excludes

6.1 loss damage liability or expense arising from

6.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

6.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

6.1.3 confiscation expropriation requisition or pre-emption

6.1.4 capture seizure arrest restraint or detainment by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

6.1.5 arrest restraint or detainment under quarantine regulations or by reason of infringement of any customs or trading regulations

6.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

6.1.7 any claims based upon loss of or frustration of any voyage or contract for sale or other adventure,

6.2 loss damage liability or expense covered by the Institute Clauses for Builders' Risks 1/6/88 or which would be recoverable thereunder but for Clause 10 thereof,

6.3 any claim for any sum recoverable under any other insurance on the property hereby insured or which would be recoverable under such insurance but for the existence of this insurance,

6.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.

7 TERMINATION

7.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

7.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

7.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 6.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

7.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

7.2.3 in the event of the Vessel being requisitioned, either for title or use.

7.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7 pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 7 above.

"These clauses are purely illustrative. Different policy conditions may be agreed. Specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree to delete the clause or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specified conditions each insurer may alter the said conditions".

1/6/88

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE STRIKES CLAUSES
BUILDERS' RISKS

(This insurance is subject to English law and practice)

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the subject-matter insured caused by

1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.2 any terrorist or any person acting maliciously or from a political motive.

2 PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitation of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88 which is excluded by Clause 22.1.

3 INCORPORATION

The Institute Clauses for Builders' Risks 1/6/88 are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses, but this insurance excludes any claim which would be recoverable under the said clauses.

4 RETURNS OF PREMIUM

No return of premium hereunder unless specially agreed.

5 EXCLUSIONS

This insurance excludes

5.1 any loss of or damage to the subject-matter insured covered by the Institute War Clauses Builders' Risks 1/6/88

5.2 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974

5.3 piracy (but this exclusion shall not affect cover under Clause 1.1)

5.4 any claim based upon loss of or frustration of any voyage or contract for sale or other adventure.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

6 WAR EXCLUSION

In no case shall this insurance cover loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

7 NUCLEAR EXCLUSION

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

7.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

7.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

7.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/6/88 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

BUILDERS' RISKS

INSTITUTE CLAUSE FOR LIMITATION OF LIABILITY IN RESPECT OF FAULTY DESIGN & P. & I. RISKS

(Inst. F.D. & P. & I. Clause)

Notwithstanding anything to the contrary which may be contained in the Policy or the clauses attached thereto:—

(1) This insurance includes loss of or damage to the subject-matter insured caused and discovered during the period of this insurance arising from faulty design of any part or parts thereof but in no case shall this insurance extend to cover the cost or expense of repairing, modifying, replacing or renewing such part or parts, nor any cost or expense incurred by reason of betterment or alteration in design.

(2) The amount recoverable under the Protection and Indemnity Clause in respect of any one accident or series of accidents arising out of the same event shall in no case exceed the sum hereby insured.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/12/72

INSTITUTE DEDUCTIBLE CLAUSE

BUILDERS' RISKS

Notwithstanding anything to the contrary which may be contained in the Policy or the clauses attached thereto, no claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under the Collision, Protection and Indemnity, Removal of Wreck, and Suing and Labouring Clauses) exceeds.....in which case this sum shall be deducted.

Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This paragraph shall not apply to a claim for total or constructive total loss of the subject matter insured.

Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage.

The expression "heavy weather" in the preceding paragraph shall be deemed to include contact with floating ice.

Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

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(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter the said conditions".

20/7/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE PROTECTION AND INDEMNITY CLAUSES

TIME

This insurance is subject to English law and practice

1 PROTECTION AND INDEMNITY

1.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

1.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 8 of the Institute Time Clauses Hulls 1/10/83 with 4/4ths substituted for 3/4ths in line nos. 80, 81, 98 and 99

1.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove or destroy the same

1.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

1.1.4 loss of life, personal injury, illness or payments made for life salvage

1.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

1.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

1.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

1.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

1.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

1.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

1.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

1.3 Notwithstanding the provisions of Clauses 1.1 and 1.2 this Clause 1 does not cover any liability cost or expense arising in respect of:

1.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory, or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo materials or repairs

1.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any persons employed under a contract of service or apprenticeship by the other party to such agreement

1.3.3 punitive or exemplary damages, however described

1.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 1.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

1.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

1.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

1.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

1.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member

1.3.9 fines or penalties arising from overloading or illegal fishing

1.3.10 pollution or contamination of any real or personal property or thing whatsoever (This Clause 1.3.10 shall not exclude any amount recoverable under Clause 1.1.5)

1.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate

1.3.12 earthquake or volcanic eruption.

1.4 PROVIDED ALWAYS THAT

1.4.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim hereunder and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured hereunder.

1.4.2 the Assured shall not admit liability for or settle any claim for which he may be insured hereunder without the prior written consent of the Underwriters.

2 LIMITS

2.1 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this insurance in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

2.2 In no case shall the Underwriters' liability under this insurance exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

3 DEDUCTIBLE

3.1 Notwithstanding the provisions of Clause 1 no claim shall be payable under this insurance unless such claim, or the aggregate of all such claims arising out of each separate accident or occurrence, exceeds ...

.....in which case this sum shall be deducted.

3.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

3.3 Interest in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

4. NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers without the prior written agreement of the Underwriters. This Clause 4 shall not exclude customary towage in connection with loading and discharging.

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

Unless Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of the Institute Time Clauses — Hulls 1/10/83 or which would be covered by an insurance of the Vessel subject to current Instititue War and Strikes Clauses Hulls — Time such automatic termination shall not operate.

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

6 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

7 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

8 DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9 RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 5 provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

10 WAR, STRIKES, MALICIOUS ACTS AND NUCLEAR RISKS PARAMOUNT EXCLUSION

In no case shall this insurance cover liability cost or expense arising as a result of the operation of one or more of the following perils:

10.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

10.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

10.3 derelict mines torpedoes bombs or other derelict weapons of war

10.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

10.5 any terrorist or any person acting from a political motive

10.6 the use of any weapon of war, or the detonation of an explosive, by any person acting maliciously or from a political motive

10.7 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree to amend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter the said conditions".

20/7/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE PROTECTION AND INDEMNITY, WAR AND STRIKES CLAUSES HULLS — TIME

This insurance is subject to English law and practice

1 PROTECTION AND INDEMNITY

The Underwriters agree to indemnify the Assured in the manner and to the extent provided in Clause 1 of the Institute Protection and Indemnity Clauses Hulls — Time 20/7/87 (excluding Clause 1.3.10) where the claim, demand, damages, costs and/or expenses has/have been caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting maliciously or from a political motive

1.6 confiscation or expropriation.

2 EXCLUSIONS

Subject always to the exclusion of any claim arising from

2.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

2.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

2.3 requisition or pre-emption

2.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

2.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

2.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

2.7 piracy (but this exclusion shall not affect cover under Clause 1.4).

3 NON-CONTRIBUTION

This insurance excludes any claim for any sum recoverable

3.1 by the Assured under any other insurance or which would be recoverable under such insurance but for the existence of this insurance

3.2 under the Institute Protection and Indemnity Clauses Hulls — Time 20/7/87 or which would be recoverable thereunder but for Clause 2 or 3 thereof

3.3 under an insurance of the Vessel subject to the Institute War and Strikes Clauses Hulls — Time 1/10/83.

4 LIMIT

The Underwriters' liability under this insurance shall not exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

5 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.

6 DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

7 TERMINATION

7.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

7.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

7.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 2.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

7.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

7.2.3 in the event of the Vessel being requisitioned, either for title or use.

7.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 7 above.

SPECIMEN

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(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".



INSTITUTE MORTGAGEES' INTEREST CLAUSES

HULLS

This insurance is subject to English law and practice

SPECIMEN

A. RECITAL

Whereas the Assured has entered into a loan agreement commensurate with which the Assured holds certain collateral security including a first mortgage on the Mortgaged Vessel and endorsements of its interests on the Owners' Policies and Club Entries.
Now it is agreed as follows:

1 INSURING CLAUSE

1.1 This insurance will indemnify the Assured for loss resulting from loss of or damage to or liability of the Mortgaged Vessel which, in the absence of an Insured Peril set out in Clause 2.1 below, would prima facie be covered by the Owners' Policies and Club Entries, and not excluded therein, but in respect of which there is subsequent non-payment (or reduced payment which is approved in advance by the Underwriters hereon) by any of the underwriters of Owners' Policies and Club Entries as a result of any Insured Peril, **provided always that such Insured Peril occurs or exists without the privity of the Assured.**

1.2 The indemnity payable hereunder shall be

1.2.1 the amount of the Assured's Net Loss and any amounts recoverable under Clause 6 herein, collectively not exceeding the Sum Insured on the Mortgaged Vessel, or

1.2.2 the amount of the unrecoverable claim or part thereof under any of the Owners' Policies and Club Entries

whichever is the lesser amount.

1.3 All the above is subject to the Definitions, Exclusions, Warranties and Conditions below.

2. DEFINITIONS

2.1 **Insured Perils**

2.1.1 Avoidance of the Owners' Policies and Club Entries or any of them by the underwriters thereof on the grounds of a misrepresentation or non-disclosure of any material circumstance, whether such misrepresentation or non-disclosure arises from the assured thereunder or any of such assured's insurance agents or insurance brokers,

2.1.2 breach of any statutory provision or any express or implied promissory warranty or condition, including without limitation

2.1.2.1 breach of any implied warranty of seaworthiness or legality,

2.1.2.2 breach of Section 39(5) of the Marine Insurance Act of 1906,

2.1.2.3 breach of trading warranties contained in any of the Owners' Policies and Club Entries,

2.1.2.4 breach of any warranty or condition in any of the Owners' Policies and Club Entries in respect of the classification of the Mortgaged Vessel by a Classification Society or any failure to comply with the recommendations of such Society to the extent required by such warranty or condition,

2.1.2.5 breach of any warranty or condition in any of the Owners' Policies and Club Entries which requires compliance with any condition survey, structural survey or P&I Club survey requirements and pursuant to which clauses underwriters deny a claim,

2.1.2.6 breach of any warranty or condition in any of the Owners' Policies and Club Entries in respect of the ownership, flag, management or charter on a bareboat basis of the Mortgaged Vessel,

2.1.3 failure of the assured under the hull and machinery policy or the owners, managers or superintendents of the vessel or any of their onshore management to exercise due diligence in respect of any loss or damage to the Mortgaged Vessel where such failure to exercise due diligence entitles the underwriters of the owner's hull and machinery policy to deny a claim otherwise recoverable thereunder,

2.1.4 any deliberate or fraudulent casting away of or damage to the Mortgaged Vessel,

2.1.5 avoidance of a claim under any of the Owners' Policies and Club Entries or of any of the Owners' Policies and Club Entries by reason of breach of the duty of good faith in respect of such claim, or

2.1.6 the operation of any applicable provision in any of the Owners' Policies and Club Entries which provides for a time limitation on the presentation of claims.

2.1.7 in the event of the total loss of the Mortgaged Vessel, the final judgment or award of the courts or arbitration tribunal agreed to have jurisdiction under the express terms of Owners' Policies and Club Entries (or in the event of their being no such express terms, a competent court) following a contested hearing whereby the Owners' claim is not recoverable under either Owners' hull and machinery or war risks policies on the ground that the loss has not been proved to have been proximately caused by a peril insured under those policies and is not otherwise excluded from payment by any exclusion or other provision therein.

2.2 **Owners' Policies and Club Entries** - means hull and machinery policies on terms equivalent to or wider than the current Institute Time Clauses Hulls or American Institute Hull Clauses, (if taken, increased value policies on terms equivalent to Institute Time Clauses - Hull Disbursements and Increased Value (Total Loss Only) and Excess Liabilities) or American Institute Increased Value and Excess Liabilities Clauses), war risks on terms equivalent to current Institute War and Strikes Clauses Hulls - Time and full protection and indemnity risks on conditions equivalent to the rules of a P&I Club that is a member of the International Group of P&I Associations.

Continued

2.3 Net Loss - means the Assured's loss under the loan agreement to the extent secured by mortgage on the Mortgaged Vessel net of any amounts recovered or recoverable under all security arrangements contained in or collateral to the loan including but not limited to all mortgages (whether on vessels insured hereunder or on other vessels), hedges, any floating and fixed charges, security interests, guarantees, insurance policies and pledges.

2.4 Mortgaged Vessel - means the vessel mortgaged to the Assured which is listed on the schedule attached hereto.

3 EXCLUSIONS

In no case shall this policy cover:

3.1 any loss or expense arising from or as a result of

3.1.1 the relevant Owners' Policies and Club Entries having been terminated or cancelled or cover suspended or non-payment of claims by the underwriters or insurance brokers thereof due to non-payment of premium or calls,

3.1.2 insolvency or financial default of any of the underwriters of the Owners' Policies and Club Entries,

3.1.3 inability of any party to transmit funds,

3.1.4 any fluctuation in exchange rates,

3.1.5 the operation of any franchise deductible or provision for self-insurance,

3.2 loss or damage directly or indirectly caused by or contributed to by or arising from:

3.2.1 ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel,

3.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,

3.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4 WARRANTIES

It is warranted in respect of the Mortgaged Vessel that:

4.1 Owners' Policies and Club Entries have been taken out and, except as a result of the occurrence or existence of an Insured Peril without the privity of the Assured, shall be maintained throughout the currency of this insurance for an insured value and limit of liability not less than the amount insured hereunder or the amount of the outstanding loan to the extent secured by the Mortgaged Vessel,

4.2 each of the Owners' Policies and Club Entries is endorsed to the extent of the Assured's interest, and

4.3 the Assured has procured and registered a valid first mortgage.

5 CHANGE OF OWNERSHIP OR CONTROL

This insurance will terminate automatically at the time the Assured becomes or is aware of or privy to any change of :

5.1 Classification Society or of change, suspension, discontinuance, withdrawal or expiry of the Mortgaged Vessel's class within that Society,

5.2 ownership, flag, management or control of the Mortgaged Vessel,

unless the Assured gives prompt notice of such change in writing, and agrees to pay an additional premium, if required, and Owners' Policies and Club Entries are maintained.

6. DUTY OF ASSURED (SUE AND LABOUR)

6.1 The Assured shall report in writing to the Underwriters any circumstances which may give rise to a claim under this insurance within 30 days of the Assured's knowledge of such circumstances and shall thereafter keep the Underwriters fully informed of all developments.

6.2 It is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

6.3 The Underwriters will reimburse charges properly and reasonably incurred by the Assured their servants or agents for such measures except for legal costs and expenses incurred by the Assured in relation to any claim under Owners' Policies and Club Entries which shall only be reimbursed in accordance with clause 6.4 herein.

6.4 Subject to the condition precedent that the Mortgaged Vessel is entered in a Freight, Demurrage and Defence Club covering the costs of the owner proceeding against the Owners' Policies and Club Entries, the Underwriters will reimburse those legal costs and expenses incurred by the Assured in pursuing the non-paying Owners' Policies and Club Entries not otherwise recoverable as part of the Net Loss but only where the Assured can demonstrate to the satisfaction of the Underwriters that it has made every reasonable effort to compel the owner to pursue the non-paying Owners' Policies and Club Entries. This policy shall not pay for legal costs and expenses incurred by the Assured in monitoring the claim against the Owners' Policies and Club Entries.

6.5 Any amounts payable under this clause shall be included within and shall not be additional to the Sum Insured.

6.6 Measures taken by the Assured or the Underwriters with the object of averting or minimising a loss which would be recoverable under this insurance shall not be considered as a waiver or acceptance of a claim or otherwise prejudice the rights of either party.

7 CLAIMS

7.1 The Assured shall prove a claim under this insurance by:

7.1.1 demonstrating to the satisfaction of the Underwriters, that by reason of the perils insured under clause 2.1 there is no reasonable prospect of the Owners and/or Assured succeeding in the claim against the underwriters of the Owners' Policies and Club Entries, or

7.1.2 in the event of disagreement between the Underwriters and the Assured by either referring the issue to a sole arbitrator in London to be agreed upon between the Underwriters and the Assured or on final court judgement or arbitration award delivered in favour of the underwriters of Owners' Policies and Club Entries.

7.2 The Underwriters shall pay any claim hereunder within 3 months of the date that both the claim is proved in accordance with Clause 7.1 and Net Loss is established.

SPECIMEN

8 SUBROGATION

8.1 Upon payment to the Assured of a claim hereunder, the Underwriters shall be subrogated to all the rights and remedies of the Assured in respect of such payment.

8.2 It is a condition of this insurance that any payments by the Underwriters shall not be applied by the Assured in or towards discharge or satisfaction of the amount of the outstanding indebtedness.

9 EFFECT OF UNDER INSURANCE

If the loan amounts are not fully insured hereunder at the time of loss then the indemnity payable hereunder including any sue and labour amounts shall be reduced in proportion to the under insurance.

10 AUTOMATIC TERMINATION

10.1 Cover hereunder for loss of or damage to or liability of Mortgaged Vessel shall terminate in respect of those risks covered by the War and Strikes Clauses of the Mortgaged Vessel

10.1.1 AUTOMATICALLY upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

10.1.2 AUTOMATICALLY in respect of a Mortgaged Vessel in the event of that Mortgaged Vessel being requisitioned either for title or use

10.1.3 7 days after the Underwriters of the Owner's War Risks Insurances or any of them have given notice of cancellation unless such War Risks Insurances have been reinstated prior to or from the expiry of such notice and any new rate of premium and amendments to terms, conditions or warranties, if any, have been agreed, or

10.1.4 7 days after the Underwriters hereon have given notice of cancellation in respect of such risks.

10.2 Cancellation in accordance with Clauses 10.1.3 and 10.1.4 shall become effective on the expiry of 7 days from midnight on the day on which the notice of cancellation is given. The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

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INSTITUTE MORTGAGEES' INTEREST CLAUSES (HULLS)

This contract is subject to English law and practice

1 SUBJECT-MATTER INSURED

1.1 This contract commences on ..... and is to insure, subject to the conditions stated herein, the interest of ..... as first mortgagees, in vessels to be declared for periods not in excess of 12 months each declaration.

1.2 This contract does not cover the interest of any other party and is not assignable or otherwise transferable.

2 DECLARATIONS

Subject to the provisions of Clause 3 it is a condition of this contract that the Assured must declare, without exception, and the Underwriters must accept, all interest by way of first mortgage in any vessel or vessels, giving provisional notice of the name(s) of the vessel(s) and their owner(s) and the amount(s) of the loan(s).

3 SUM INSURED

This contract is for an open amount not to exceed ..... in respect of any one vessel unless specially agreed. In the event of loss after provisional but before final declaration the basis of valuation shall be the amount of the loan not exceeding the sound market value of the vessel at the time of the granting of the loan.

4 WARRANTIES

It is warranted in respect of each vessel that:

4.1 Hull and Machinery Policies on terms equivalent to Institute Time Clauses Hulls or American Institute Hull Clauses and where applicable Increased Value Policies equivalent to Institute Time Clauses — Hulls Disbursements and Increased Value (Total Loss Only including Excess Liabilities) or American Institute Increased Value and Excess Liabilities Clauses, also War Risks Policies equivalent to Institute War and Strikes Clauses Hulls — Time and full Protection and Indemnity Risks (hereafter referred to as "the Owners' Policies and Club Entries") have been taken out and shall be maintained throughout the currency of this contract.

4.2 the Owners' Policies and Club Entries, warranted in 4.1 above, shall be taken out and maintained in respect of each vessel at all times for an insured value and limit of liability not less than the amount insured hereunder or the amount of the outstanding loan.

4.3 each of the Owners' Policies and Club Entries is endorsed to the extent of the Assured's interest.

5 CHANGE OF OWNERSHIP OR CONTROL

This insurance will terminate automatically at the time of any change of ownership, management or control, of which the Assured hereunder has knowledge or privity, unless the Assured gives prompt notice of such change in writing to the Underwriters hereon and agrees to pay an additional premium, if required.

6 INDEMNITY

6.1 This contract is to indemnify the Assured for loss resulting from loss of or damage to or liability of each vessel which is prima facie covered by the Owners' Policies or Club Entries but in respect of which there is subsequent non-payment (or reduced payment which is approved in advance by the Underwriters hereon):

6.1.1 by reason of any act or omission of any one or more of the Owners, Operators, Charterers or Managers of the vessel or their servants or agents including breach or alleged breach of warranty or condition whether expressed or implied or non-disclosure or alleged non-disclosure of any fact or circumstances of any kind whatsoever,

6.1.2 by virtue of any alleged deliberate, negligent or accidental act or omission or any knowledge or privity of any one or more of the Owners, Operators, Charterers or Managers of the vessel or their servants or agents, including the deliberate or negligent casting away or damaging of the vessel or the vessel being unseaworthy.

6.2 **The cover provided under Clause 6.1 above shall only apply while any such act, omission, non-disclosure, breach of warranty or conditions, knowledge or privity occurs or exists without the privity of the Assured.**

6.3 The indemnity payable hereunder shall be an amount equal to whichever shall be the least of

6.3.1 the unrecoverable claim or part thereof under Owners' Policies and/or Club Entries

6.3.2 the outstanding indebtedness under the declared loan at the time for payment under Clause 8 hereof

6.3.3 the sum insured,

provided that if the subject-matter insured is not fully insured hereunder by reason of Clause 3 or otherwise, the indemnity shall be reduced in proportion to the under-insurance.

7 EXCLUSIONS

7.1 Excluding the Assured's legal costs and expenses incurred in relation to any claim under Hull Policies and/or Club Entries.

7.2 In no case shall this insurance cover loss damage liability or expense arising from:

7.2.1 the relevant Owners' Policies or Club Entries having been lawfully terminated by the Underwriters thereof due to non-payment of premium or call

7.2.2 insolvency or financial default of any of the Underwriters of the Owners' Policies or Club Entries

7.2.3 inability of any party to transmit funds

7.2.4 any fluctuation in exchange rates

7.2.5 the operation of any franchise, deductible or provision for self-insurance.

8 TIME FOR PAYMENT

8.1 There shall be deemed to be a non-payment by the Underwriters of the Owners' Policies and/or Club Entries

8.1.1 when a final court judgment is delivered in favour of those Underwriters, or

8.1.2 at such earlier time as the Assured can demonstrate to the satisfaction of the Underwriters hereon that there is no reasonable prospect of the Owners and/or Assured succeeding in the claim against the Underwriters of the Owners' Policies and/or Club Entries. In the event of disagreement between the Assured and the Underwriters hereon this issue shall be referred to a sole arbitrator to be agreed upon between the Underwriters hereon and the Assured.

8.2 Thereafter the Assured shall formally present their claim hereunder and any amount recoverable hereunder shall be payable within three calendar months of the date on which the Assured shall have presented their properly documented claim to the Underwriters of this contract.

(Continued)

SPECIMEN

9 SUBROGATION

9.1 Upon payment to the Assured of a claim hereunder the Underwriters shall be subrogated to all the rights and remedies of the Assured in respect of such payment.

9.2 It is a condition of this contract that any payment(s) by the Underwriters shall not be applied by the Assured in or towards discharge or satisfaction of the outstanding indebtedness.

10 DUTY OF ASSURED (SUE & LABOUR)

10.1 It is a condition of this insurance that the Assured shall give notice in writing to the Underwriters hereon of any circumstances which may give rise to a claim under this contract and shall thereafter keep the Underwriters fully informed of all developments.

10.2 It is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this contract.

10.3 Except as provided in Clause 7.1 the Underwriters will reimburse charges properly and reasonably incurred by the Assured their servants or agents for such measures provided that if the subject-matter insured is not fully insured by reason of Clause 3 or otherwise, the indemnity shall be reduced in proportion to the under-insurance.

10.4 Measures taken by the Assured or the Underwriters with the object of averting or minimising a loss which would be recoverable under this contract shall not be considered as a waiver or acceptance of a claim or otherwise prejudice the rights of either party.

10.5 The sum recoverable under this Clause 10 shall be in addition to the loss otherwise recoverable under this contract.

11 CANCELLATION

This contract may be cancelled by either the Underwriters or the Assured giving thirty days notice in writing. Notice to commence from midnight of the day when it is issued but such cancellation shall not apply to any risks which have attached in accordance with the cover granted hereunder before the cancellation becomes effective.

12 AUTOMATIC TERMINATION AND NOTICE OF CANCELLATION — WAR AND STRIKES RISKS

Cover hereunder in respect of the risks which are covered by the Institute War and Strikes Clauses Hulls — Time 1/10/83 shall terminate

12.1 automatically upon the occurrence of any of the events mentioned in Clauses 5.2.1 and 5.2.2 of the Termination Clause in the Institute War and Strikes Clauses Hulls — Time 1/10/83

12.2 in respect of any vessel

12.2.1 automatically in the event of the vessel being requisitioned either for title or use

12.2.2 7 days after the Underwriters of Owners' War Risks Insurances or any of them have given notice of cancellation, or

12.2.3 7 days after the Underwriters hereon have given notice of cancellation in respect of the said risks.

12.3 Cancellation in accordance with Clauses 12.2.2 or 12.2.3 shall become effective on the expiry of 7 days from midnight of the day on which the notice of cancellation is given. The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

SPECIMEN

CL. 337 *Sold by Witherby & Co. Ltd., London*

1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE WAR, ATOMIC AND NUCLEAR EXCLUSION (HULL REINSURANCE)

SPECIMEN

1 In no case shall this insurance cover loss damage liability or expense caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war.

2 In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

CL. 303 *Sold by Witherby & Co. Ltd., London*

1/10/83

INSTITUTE NOTICE OF CANCELLATION AND WAR AUTOMATIC TERMINATION OF COVER CLAUSE — HULLS, ETC.

Cover hereunder in respect of the risks of war, etc., may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate cover subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc., shall TERMINATE AUTOMATICALLY.

(i) upon the occurrence of any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur, whether or not the insured vessel(s) may be involved, and this insurance excludes loss damage liability or expense arising from such occurrence;

(ii) upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:—

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

and this insurance excludes loss damage liability or expense arising from such outbreak of war;

(iii) in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use and this insurance excludes loss damage liability or expense arising from such requisition.

Cover in respect of the risks of war, etc., shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

1/5/01.

INSTITUTE DUAL VALUATION CLAUSE.

(a) Insured value for purposes of Total Loss (Actual or Constructive) .. .. £.....

(b) Insured value for purposes other than Total Loss .. .. £.....

In the event of a claim for Actual or Constructive Total Loss (a) shall be taken to be the insured value and payment by the Underwriters of their proportions of that amount shall be for all purposes payment of a Total Loss.

In ascertaining whether the vessel is a Constructive Total Loss (a) shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account.

No claim for Constructive Total Loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value as in (a).

In no case shall Underwriters' liability in respect of a claim for unrepaired damage exceed the insured value as in (a).

Additional insurances allowed under the Disbursements Clause to be calculated on the amount of the insured value as in (a).

1/10/83

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

SPECIMEN

INSTITUTE BRIDGING CLAUSE (HULLS)

In so far as this insurance is subject to standard foreign clauses, those clauses shall be interpreted as if attached to the appropriate standard form of policy of the market to which they belong and according to the law, code, plan and practice thereof but subject always to English jurisdiction.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/10/83 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE WAR, ATOMIC AND NUCLEAR EXCLUSION (HULL REINSURANCE)

1 In no case shall this insurance cover loss damage liability or expense caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war.

2 In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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SPECIMEN

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/5/[illegible]

INSTITUTE DUAL VALUATION CLAUSE.

(a) Insured value for purposes of Total Loss (Actual or Constructive) .. .. £.....

(b) Insured value for purposes other than Total Loss .. .. £.....

In the event of a claim for Actual or Constructive Total Loss (a) shall be taken to be the insured value and payment by the Underwriters of their proportions of that amount shall be for all purposes payment of a Total Loss.

In ascertaining whether the vessel is a Constructive Total Loss (a) shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account.

No claim for Constructive Total Loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value as in (a).

In no case shall Underwriters' liability in respect of a claim for unrepaired damage exceed the insured value as in (a).

Additional insurances allowed under the Disbursements Clause to be calculated on the amount of the insured value as in (a).

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/94

INSTITUTE BRIDGING CLAUSE (HULLS)

Insofar as this insurance is subject to standard foreign clauses, plans or codes these shall be given the same construction as they are given in the market to which they belong.

Save for such construction, this insurance shall be subject to [illegible] law and practice and to the exclusive jurisdiction of the English Courts.

SPECIMEN

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"These clauses are purely illustrative. Different policy conditions may be agreed. The Institute clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the target, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, each insurer may alter the said conditions".

14/5/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

AVERAGE DISBURSEMENTS CLAUSES (A)

Agreed by the Association of Average Adjusters
and the Institute of London Underwriters

ASSURED

1 This insurance is effected for account of all parties concerned in the property and freight at risk as interest may appear.

DURATION

2 2.1 This insurance shall attach as the disbursements costs and charges specified in Clause 4 are incurred or as liability for advancing such disbursements costs and charges is incurred.

Provided that no risk shall attach in respect of loss of or damage to the property and freight at risk occurring prior to the agreed time of attachment as stated herein.

2.2 This insurance shall continue until termination of the common maritime adventure in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

Provided that in the event of discharge, reshipment, transhipment, delay or forwarding by any other vessel, craft or conveyance, prompt notice shall be given to the Underwriters and an additional premium agreed if required.

DEVIATION OR CHANGE OF VOYAGE

3 3.1 The vessel or forwarding vessel or craft has leave to call at any ports or places in any order for any purpose whatsoever and to dry dock with or without cargo on board.

3.2 Held covered subject to prompt notice and to a reasonable additional premium if required in the event of a change of voyage.

SUBJECT-MATTER INSURED

4 This insurance is in respect of general average disbursements and salvage and salvage charges inclusive of costs.

AMOUNT INSURED

5 5.1 The insurable value of the subject-matter shall be the amount finally ascertained in respect of the disbursements costs and charges described in Clause 4 plus the charges of insurance thereon.

5.2 The insurance shall be opened for the estimated amount of such disbursements costs and charges at the inception of the risk. If found to be deficient this may be increased by not more than 25% subject to a pro rata additional premium.

5.3 If the amount provisionally insured in accordance with Clause 5.2 exceeds the insurable value as defined in Clause 5.1 a pro rata return of premium shall be allowed.

COVER

6 6.1 Except as provided in Clause 11 and subject to the provisions of Clause 7 this insurance covers extinction or reduction of the contributory value of the property and freight at risk arising from

6.1.1 the risks of loss of or damage to such property or freight

6.1.2 special charges or other expense incurred to avert or minimise such loss or damage

6.1.3 contributions to any subsequent General Average

6.1.4 damage or injury to third parties during the period of this insurance.

6.2 Contributory values to be calculated in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

MEASURE OF INDEMNITY

7 In the event of loss covered by this insurance the measure of indemnity shall be

7.1 Where there are no contributory values,

the amount insured.

7.2 Where the contributory values calculated in accordance with Clause 6.2 have been reduced,

such proportion of the insurable value as the reduction bears to such contributory values as they would have been but for the loss.

If the total of the disbursements costs and charges is not fully insured hereunder the amount payable shall be reduced in proportion to the under-insurance.

SEAWORTHINESS

8 Seaworthiness and fitness of vessel, containers, craft and conveyances for the safe carriage of the cargo is admitted.

BENEFIT OF INSURANCE

9 This insurance is without benefit of any other insurance.

LAW AND PRACTICE

10 This insurance is subject to English law and practice.

The following clause shall be Paramount and shall override anything in this insurance inconsistent therewith.

EXCLUSIONS

11 This insurance excludes any claim arising from

11.1 wilful misconduct of the Assured but this exclusion shall not defeat a claim hereunder by an innocent Assured

11.2 the risks excluded by Clause 6 of the Institute Cargo Clauses (A) 1/1/82, except to the extent that such risks are covered by the Institute War Clauses (Cargo) 1/1/82.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The Institute clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree to specific insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, such insurers may alter the said conditions".

14/5/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

AVERAGE DISBURSEMENTS CLAUSES (B)

Agreed by the Association of Average Adjusters
and the Institute of London Underwriters

SPECIMEN

ASSURED

1 This insurance is effected for account of all parties concerned in the property and freight at risk as interest may appear.

DURATION

2 2.1 This insurance shall attach as the disbursements costs and charges specified in Clause 4 are incurred or as liability for advancing such disbursements costs and charges is incurred.

Provided that no risk shall attach in respect of loss of or damage to the property and freight at risk occurring prior to the agreed time of attachment as stated herein.

2.2 This insurance shall continue until termination of the common maritime adventure in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

Provided that in the event of discharge, reshipment, transhipment, delay or forwarding by any other vessel, craft or conveyance, prompt notice shall be given to the Underwriters and an additional premium agreed if required.

DEVIATION OR CHANGE OF VOYAGE

3 3.1 The vessel or forwarding vessel or craft has leave to call at any ports or places in any order for any purpose whatsoever and to dry dock with or without cargo on board.

3.2 Held covered subject to prompt notice and to a reasonable additional premium if required in the event of a change of voyage.

SUBJECT-MATTER INSURED

4 This insurance is in respect of general average disbursements and salvage and salvage charges inclusive of costs.

AMOUNT INSURED

5 5.1 The insurable value of the subject-matter shall be the amount finally ascertained in respect of the disbursements costs and charges described in Clause 4 plus the charges of insurance thereon.

5.2 The insurance shall be opened for the estimated amount of such disbursements costs and charges at the inception of the risk. If found to be deficient this may be increased by not more than 25% subject to a pro rata additional premium.

5.3 If the amount provisionally insured in accordance with Clause 5.2 exceeds the insurable value as defined in Clause 5.1 a pro rata return of premium shall be allowed.

COVER

6 6.1 Except as provided in Clause 11 and subject to the provisions of Clause 7 this insurance covers extinction or reduction of the contributory value of the property and freight at risk arising from

6.1.1 the risks of loss of or damage to such property or freight

6.1.2 special charges or other expense incurred to avert or minimise such loss or damage

6.1.3 contributions to any subsequent General Average

6.1.4 damage or injury to third parties during the period of this insurance.

6.2 Contributory values to be calculated in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

MEASURE OF INDEMNITY

7 In the event of loss covered by this insurance the measure of indemnity shall be

7.1 Where there are no contributory values,

the amount insured.

7.2 Where the contributory values calculated in accordance with Clause 6.2 are less than the total of the disbursements costs and charges described in Clause 4,

such proportion of the insurable value as the deficiency bears to the total of the disbursements costs and charges.

If the total of the disbursements costs and charges is not fully insured hereunder the amount payable shall be reduced in proportion to the under-insurance.

SEAWORTHINESS

8 Seaworthiness and fitness of vessel, containers, craft and conveyances for the safe carriage of the cargo is admitted.

BENEFIT OF INSURANCE

9 This insurance is without benefit of any other insurance.

LAW AND PRACTICE

10 This insurance is subject to English law and practice.

The following clause shall be Paramount and shall override anything in this insurance inconsistent therewith.

EXCLUSIONS

11 This insurance excludes any claim arising from

11.1 wilful misconduct of the Assured but this exclusion shall not defeat a claim hereunder by an innocent Assured

11.2 the risks excluded by Clause 6 of the Institute Cargo Clauses (A) 1/1/82, except to the extent that such risks are covered by the Institute War Clauses (Cargo) 1/1/82.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, Underwriters may offer a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions, an insurer may alter the said conditions".

1/11/85 · (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE YACHT CLAUSES

This insurance is subject to English law and practice

SPECIMEN

1 VESSEL

Vessel means the hull, machinery, boat(s), gear and equipment such as would normally be sold with her if she changed hands.

2 IN COMMISSION AND LAID UP

2.1 The Vessel is covered subject to the provisions of this insurance

2.1.1 while in commission afloat or on inland waters or in port, docks, marinas, on ways, gridirons, pontoons, or on the hard or mud or at place of storage ashore, including lifting or hauling out and launching, with leave to sail or navigate with or without pilots, to go on trial trips and to assist and to tow vessels or craft in distress, or as is customary, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners, Masters, Managers or Charterers

2.1.2 while laid up out of commission as provided for in Clause 4 below, including lifting or hauling out and launching, while being moved in shipyard or marina, dismantling, fitting out, overhauling, normal maintenance or while under survey, (also to include docking and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her lay-up berth but not outside the limits of the port or place in which the Vessel is laid up) but excluding, unless notice be given to the Underwriters and any additional premium required by them agreed, any period for which the Vessel is used as a houseboat or is under major repair or undergoing alteration.

2.2 Notwithstanding Clause 2.1 above the gear and equipment, including outboard motors, are covered subject to the provisions of this insurance while in place of storage or repair ashore.

3 NAVIGATING AND CHARTER HIRE WARRANTIES

3.1 Warranted not navigating outside the limits stated in the Schedule to the policy or, provided previous notice be given to the Underwriters, held covered on terms to be agreed.

3.2 Warranted to be used solely for private pleasure purposes and not for hire charter or reward, unless specially agreed by the Underwriters.

4 LAID UP WARRANTY

Warranted laid up out of commission as stated in the Schedule to the policy, or held covered on terms to be agreed provided previous notice be given to the Underwriters.

5 SPEED WARRANTY

5.1 Warranted that the maximum designed speed of the Vessel or the Parent Vessel in the case of a Vessel with boat(s), does not exceed 17 knots.

5.2 Where the Underwriters have agreed to delete this warranty, the conditions of the Speedboat Clause 19 below shall also apply.

SPECIMEN

6 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port or place of refuge or of call, she shall, provided prompt notice be given to the Underwriters, be held covered at a premium to be agreed until anchored or moored at her next port of call in good safety.

7 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the policy and the policy with such endorsement is produced before payment of any claim or return of premium thereunder.

8 CHANGE OF OWNERSHIP

This Clause 8 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent herewith.

8.1 Should the Vessel be sold or transferred to new ownership, or, where the Vessel is owned by a company, should there be a change in the controlling interest(s) of the company, then unless the Underwriters agree in writing to continue the insurance, this insurance shall become cancelled from the time of such sale transfer or change and a pro rata daily net return of premium be made calculated on the premium charged for the in commission and/or laid up period.

8.2 If however the Vessel shall have left her moorings or be at sea at the time of sale or transfer such cancellation shall if required by the Assured be suspended until arrival at port or place of destination.

SPECIMEN

9 PERILS

Subject always to the exclusions in this insurance

9.1 this insurance covers loss of or damage to the subject-matter insured caused by

9.1.1 perils of the seas rivers lakes or other navigable waters

9.1.2 fire

9.1.3 jettison

9.1.4 piracy

9.1.5 contact with dock or harbour equipment or installation, land conveyance, aircraft or similar objects or objects falling therefrom

9.1.6 earthquake volcanic eruption or lightning

9.2 and, provided such loss or damage has not resulted from want of due diligence by the Assured Owners or Managers, this insurance covers

9.2.1 loss of or damage to the subject-matter insured caused by

9.2.1.1 accidents in loading, discharging or moving stores, gear, equipment, machinery or fuel

9.2.1.2 explosions

9.2.1.3 malicious acts

9.2.1.4 theft of the entire Vessel or her boat(s), or outboard motor(s) provided it is securely locked to the Vessel or her boat(s) by an anti-theft device in addition to its normal method of attachment, or, following upon forcible entry into the Vessel or place of storage or repair, theft of machinery including outboard motor(s), gear or equipment

9.2.2 loss of or damage to the subject-matter insured, *excepting motor and connections (but not strut shaft or propeller) electrical equipment and batteries and connections*, caused by

9.2.2.1 latent defects in hull or machinery, breakage of shafts or bursting of boilers (excluding the cost and expense of replacing or repairing the defective part broken shaft or burst boiler)

9.2.2.2 the negligence of any person whatsoever, but excluding the cost of making good any defect resulting from either negligence or breach of contract in respect of any repair or alteration work carried out for the account of the Assured and/or the Owners or in respect of the maintenance of the Vessel,

9.3 this insurance covers the expense of sighting the bottom after a stranding, if reasonably incurred specially for that purpose, even if no damage be found.

10 EXCLUSIONS

No claim shall be allowed in respect of any

10.1 outboard motor dropping off or falling overboard

10.2 ship's boat having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the Speedboat Clause 19 below, or is on the parent Vessel or laid up ashore

10.3 ship's boat not permanently marked with the name of the parent Vessel

10.4 sails and protective covers split by the wind or blown away while set, unless in consequence of damage to the spars to which sails are bent, or occasioned by the Vessel being stranded or in collision or contact with any external substance (ice included) other than water

10.5 sails, masts, spars or standing and running rigging while the Vessel is racing, unless the loss or damage is caused by the Vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water

10.6 personal effects

10.7 consumable stores, fishing gear or moorings

10.8 sheathing, or repairs thereto, unless the loss or damage has been caused by the Vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water

10.9 loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction

10.10 motor and connections (but not strut shaft or propeller) electrical equipment and batteries and connections, where the loss or damage has been caused by heavy weather, unless the loss or damage has been caused by the Vessel being immersed, but this clause 10.10 shall not exclude loss or damage caused by the Vessel being stranded or in collision or contact with another vessel, pier or jetty.

11 LIABILITIES TO THIRD PARTIES

This Clause only to apply when a sum is stated for this purpose in the Schedule to the policy.

11.1 The Underwriters agree to indemnify the Assured for any sum or sums which the Assured shall become legally liable to pay and shall pay, by reason of interest in the insured Vessel and arising out of accidents occurring during the currency of this insurance, in respect of

11.1.1 loss of or damage to any other vessel or property whatsoever

11.1.2 loss of life, personal injury or illness, including payments made for life salvage, caused on or near the Vessel or any other vessel

11.1.3 any attempted or actual raising, removal or destruction of the wreck of the insured Vessel or the cargo thereof or any neglect or failure to raise, remove or destroy the same.

11.2 LEGAL COSTS

The underwriters will also pay, provided their prior written consent has been obtained,

11.2.1 the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability

11.2.2 the costs for representation at any coroner's inquest or fatal accident enquiry.

11.3 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

11.4 NAVIGATION BY OTHER PERSONS

The provisions of this Clause 11 shall extend to any person navigating or in charge of the insured Vessel with the permission of the Assured named in this insurance (other than a person operating, or employed by the operator of, a shipyard, marina, repair yard, slipway, yacht club, sales agency or similar organisation) and who while so navigating or in charge of the Vessel shall in consequence of any occurrence covered by this Clause 11 become liable to pay and shall pay any sum or sums to any person or persons, other than to the Assured named in this insurance, but indemnity under this Clause shall inure to the benefit of the Assured and only to a person navigating or in charge of the Vessel as described above, at the written request of and through the agency of the Assured. Nothing in this extension shall increase the Underwriters' liability beyond the limitation of liability imposed by Clause 11.8 below and this extension shall be subject to all other terms conditions and warranties of this insurance.

Nothing in this Clause 11.4 shall be deemed to override the provisions of Clause 3.2 above.

11.5 REMOVAL OF WRECK EXTENSION

This insurance also to pay the expenses, after deduction of the proceeds of the salvage, of the removal of the wreck of the insured Vessel from any place owned, leased or occupied by the Assured.

SPECIMEN

11.6 LIABILITIES SECTION EXCLUSIONS

Notwithstanding the provisions of this Clause 11 this insurance does not cover any liability cost or expense arising in respect of

11.6.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law liability in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or by any person to whom the protection of this insurance is afforded by reason of the provisions of Clause 11.4 above, in on or about or in connection with the Vessel hereby insured or her cargo, materials or repairs

11.6.2 any boat belonging to the Vessel and having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the Speedboat Clause 19 below, or is on the parent Vessel or laid up ashore

11.6.3 any liability to or incurred by any person engaged in water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely on board or ashore

11.6.4 any liability to or incurred by any person engaged in a sport or activity, other than water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely on board or ashore

11.6.5 punitive or exemplary damages, however described.

11.7 WATER-SKIERS LIABILITIES

Should Clause 11.6.3 and/or Clause 11.6.4 above be deleted, the liabilities mentioned in such clause(s) shall be covered hereunder, subject always to the warranties, conditions and limits of this insurance.

11.8 LIMIT OF LIABILITY

The liability of the Underwriters under this Clause 11, in respect of any one accident or series of accidents arising out of the same event, shall in no case exceed the sum stated for this purpose in the Schedule to the policy, but when the liability of the Assured has been contested with the consent in writing of the Underwriters, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

12 EXCESS AND DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 11, 14 and 15) exceeds the amount stated for this purpose in the Schedule to the policy, in which case this sum shall be deducted. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 15 arising from the same accident or occurrence.

12.2 Prior to the application of Clause 12.1 above and in addition thereto, deductions new for old not exceeding one-third may be made at the Underwriters' discretion in respect of loss of or damage to

12.2.1 protective covers, sails and running rigging

12.2.2 outboard motors whether or not insured by separate valuation under this insurance.

13 NOTICE OF CLAIM AND TENDERS

13.1 Prompt notice shall be given to the Underwriters in the event of any occurrence which may give rise to a claim under this insurance, and any theft or malicious damage shall also be reported promptly to the Police.

13.2 Where loss or damage has occurred, notice shall be given to the Underwriters prior to survey and, if the Vessel is abroad, also to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

13.3 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

13.4 The Underwriters may also take tenders or may require tenders to be taken for the repair of the Vessel.

14 SALVAGE CHARGES

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

15 DUTY OF ASSURED

15.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

15.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges, collision defence or attack costs and costs incurred by the Assured in contesting liability covered by Clause 11.2 are not recoverable under this Clause 15.

15.3 The Assured shall render to the Underwriters all possible aid in obtaining information and evidence should the Underwriters desire to take proceedings at their own expense and for their own benefit in the name of the Assured to recover compensation or to secure an indemnity from any third party in respect of anything covered by this insurance.

15.4 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

15.5 The sum recoverable under this Clause 15 shall be in addition to the loss otherwise recoverable under this insurance but in no circumstances shall amounts recoverable under Clause 15.2 exceed the sum insured under this insurance in respect of the Vessel.

16 UNREPAIRED DAMAGE

16.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

16.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

16.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

(Continued)

17 CONSTRUCTIVE TOTAL LOSS

17.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

17.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

18 DISBURSEMENTS WARRANTY

Warranted that no amount shall be insured policy proof of interest or full interest admitted for account of the Assured, Mortgagees or Owners on disbursements, commission, profits or other interests or excess or increased value of hull or machinery however described unless the insured value of the Vessel is over £50,000 and then not to exceed 10 per cent of the total amount insured in respect of the Vessel as stated in the Schedule to the policy.

Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

19 SPEEDBOAT CLAUSE

WHERE THIS CLAUSE 19 APPLIES IT SHALL OVERRIDE ANY CONFLICTING PROVISIONS IN THE CLAUSES ABOVE.

19.1 It is a condition of this insurance that when the Vessel concerned is under way the Assured named in the Schedule to the policy or other competent person(s) shall be on board and in control of the Vessel.

19.2 No claim shall be allowed in respect of loss of or damage to the Vessel or liability to any third party or any salvage services

19.2.1 caused by or arising from the Vessel being stranded sunk swamped immersed or breaking adrift, while left moored or anchored unattended off an exposed beach or shore

19.2.2 arising while the Vessel is participating in racing or speed tests, or any trials in connection therewith.

19.3 No claim shall be allowed in respect of rudder strut shaft or propeller

19.3.1 under Clauses 9.2.2.1 and 9.2.2.2

19.3.2 for any loss or damage caused by heavy weather, water or contact other than with another vessel, pier or jetty, but this Clause 19.3.2 shall not exclude damage caused by the Vessel being immersed as a result of heavy weather.

19.4 If the Vessel is fitted with inboard machinery no liability shall attach to this insurance in respect of any claim caused by or arising through fire or explosion unless the Vessel is equipped in the engine room (or engine space) tank space and galley, with a fire extinguishing system automatically operated or having controls at the steering position and properly installed and maintained in efficient working order.

20 CANCELLATION AND RETURN OF PREMIUM

This insurance may be cancelled by the Underwriters at any time subject to 30 days notice to the Assured or by mutual agreement, when a pro rata daily net return of premium shall be made calculated on the premium charged for the in commission and/or laid up period.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH.

21 WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES AND POLITICAL ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

22.2 any terrorist or any person acting from a political motive.

23 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

23.1 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

23.2 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

23.3 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each [illegible] the said conditions".

1/11/85

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE WAR AND STRIKES CLAUSES

YACHTS

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war

1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

1.5 any terrorist or any person acting from a political motive

1.6 confiscation or expropriation.

Provided that the insurance against the perils under Clause 1 above (with the exception of Clause 1.4) shall not apply before the Vessel has been launched or whilst she is hauled out ashore.

2 INCORPORATION

The Institute Yacht Clauses 1/11/85 except Clauses 2, 3, 4, 5, 6, 8, 9, 10, 12.1, 19, 20, 21, 22 and 23 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses and providing that any indemnity in respect of any sum or sums for which the Assured may become legally liable in respect of any one accident or series of accidents arising out of the same event shall be limited to the sum stated for this purpose in this insurance or, if no such amount is stated, to the sum insured in respect of the Vessel.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 EXCLUSIONS

This insurance excludes

4.1 loss damage liability or expense arising from

4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war

4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

4.1.3 requisition or pre-emption

4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered

4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4)

4.2 loss damage liability or expense covered by the Institute Yacht Clauses 1/11/85 or which would be recoverable thereunder but for Clause 12 thereof

4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance

4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.

5 TERMINATION

5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY

5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

5.2.3 in the event of the Vessel being requisitioned, either for title or use.

5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/85

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE YACHT CLAUSES
MACHINERY DAMAGE EXTENSION CLAUSE

Notwithstanding the provisions of Clauses 9.2.2.1, 9.2.2.2 and 10.10 of the Institute Yacht Clauses 1/11/85, but subject always to the other terms and conditions of this insurance, cover is extended to include loss of or damage to motor and connections electrical equipment and batteries and connections caused by:—

(1) latent defects in hull or machinery, breakage of shafts or bursting of boilers (excluding the cost and expense of replacing or repairing the defective part, broken shaft or burst boiler)

(2) the negligence of any person whatsoever, but excluding the cost of making good any defect resulting from either negligence or breach of contract in respect of any repair or alteration work carried out for the account of the Assured and/or the Owners or in respect of the maintenance of the Vessel

(3) heavy weather.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/85 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE YACHT CLAUSES
RACING RISK EXTENSION CLAUSE
(for use only with the Institute Yacht Clauses 1/11/85)

1 In consideration of the payment of an additional premium as stated in the Schedule to the policy it is agreed that, notwithstanding the provisions of Clauses 10.4 and 10.5 of the Institute Yacht Clauses 1/11/85:

1.1 The cost of replacing or repairing sails, masts, spars, standing and running rigging lost or damaged by an insured peril whilst the Vessel hereby insured is racing shall be recoverable hereunder, to the extent only of 2/3rds of such cost (without application of Clause 12 Excess and Deductible of the Institute Yacht Clauses 1/11/85 in this insurance), unless the loss or damage be caused by the Vessel being stranded, sunk, burnt, on fire, in collision or in contact with any external substance (ice included) other than water, when the cost of replacement or repair shall be recoverable in full, subject only to the deduction new for old and to the excess or deductible in the said Clause 12 in this insurance.

Warranted that no additional insurance is or shall be placed covering any part of the cost of replacement or repair not recoverable under the foregoing Clause 1.1.

1.2 The Underwriters' liability under Clause 1.1 above arising out of any one occurrence whilst racing shall be calculated upon the basis that the full replacement cost of all sails carried whether set or not, masts, spars, standing and running rigging shall not exceed the sum stated for this purpose in the Schedule to the policy.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/85

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE YACHT CLAUSES
PERSONAL EFFECTS CLAUSES

(For use only with the Institute Yacht Clauses 1/11/85 in insurances covering Vessels with lockable cabin accommodation)

The following extension shall apply provided that a separate amount insured in respect of Personal Effects is stated in the Schedule to the policy.

1 Subject always to its terms and conditions, this insurance is extended to cover (without reference to any excess and deductible in Clause 12.1 of the Institute Yacht Clauses 1/11/85, all risks of loss of or damage to Personal Effects, being the personal property of the Assured and/or of the Assured's family, and crew's clothes provided by the Owners, while on board or in use in connection with the insured Vessel, including while in transit from the Assured's place of residence to the insured Vessel, and until return to such place of residence, but EXCLUDING CLAIMS ARISING FROM:

1.1 wear and tear, gradual deterioriation, damp, mould, mildew, vermin, moth and mechanical derangement

1.2 breakage of articles of a brittle nature, unless caused by the vessel being stranded, sunk, burnt, on fire or in collision, or by stress of weather, burglars or thieves

1.3 loss of cash, currency, banknotes or travellers cheques

1.4 loss of water-skis or diving equipment, unless as a result of fire or theft following forcible entry or of total loss of the Vessel

1.5 perils excluded by Clauses 21, 22 and 23 of the Institute Yacht Clauses 1/11/85.

2 AVERAGE

This insurance is subject to the condition of average, that is to say, if the property covered by this extension shall at the time of any loss be of greater value than the amount insured hereunder in respect thereof, the Assured shall only be entitled to recover such proportion of the said loss as such amount insured bears to the total value of the said property.

3 NON-CONTRIBUTION

This insurance does not cover any loss or damage which at the time of the happening of such loss or damage is or would, but for the existence of this insurance, be insured under any other insurance, except in respect of any excess beyond the amount which would have been payable under such other insurance had this insurance not been effected.

4 LIMIT OF INDEMNITY

The amount recoverable under this Personal Effects extension shall be limited to the amount insured in respect thereof, as stated in the Schedule to the policy, (any single article valued at £100 or more to be specially declared).

SPECIMEN

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/2 80

INSTITUTE YACHT CLAUSES
TRANSIT CLAUSE

In consideration of the payment of an additional premium of ..... it is agreed to extend this insurance to cover the Vessel in transit by road, rail, car-ferry or air, including loading and unloading from the conveyance, within .....

.....,

but no claim shall be allowed in respect of

(a) Scratching, bruising and/or denting arising during transit covered by this Clause and the cost of consequent repainting or revarnishing,

(b) Liability to third parties arising from any accident while the Vessel is being towed by or is attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/85

INSTITUTE SPEEDBOAT CLAUSES

SPECIAL CONDITIONS AND FURTHER EXCLUDED RISKS

1 It is a condition of this insurance that when the vessel concerned is under way the Assured named in the Schedule to the policy or other competent person(s) shall be on board and in control of the vessel.

2 No claim shall be allowed in respect of loss of or damage to the vessel or liability to any third party or any salvage services

2.1 caused by or arising from the vessel being stranded sunk swamped immersed or breaking adrift, while left moored or anchored unattended off an exposed beach or shore

2.2 arising while the vessel is participating in racing or speed tests, or any trials in connection therewith.

3 Further, and without derogation from the above, no claim shall be allowed in respect of loss of or damage to motor and connections rudder strut shaft or propeller electrical equipment and batteries and connections unless the loss or damage is caused

3.1 by the vessel being immersed as a result of heavy weather

3.2 by the vessel being stranded, sunk, burnt, on fire or in collision or contact with another vessel pier or jetty

3.3 whilst being removed from or placed in the vessel

3.4 by theft of the entire vessel or by theft following upon forcible entry into the vessel or place of storage or repair

3.5 by theft of outboard motor(s) provided it is securely locked to the vessel or her boat(s) by an anti-theft device in addition to its normal method of attachment

3.6 by fire in the place of storage or repair ashore

3.7 by malicious acts.

4 No claim shall be allowed in respect of any liability to or incurred by any person engaged in water-skiing or aquaplaning, while being towed by the vessel or preparing to be towed or after being towed until safely on board or ashore.

5 No claim shall be allowed in respect of any liability to or incurred by any person engaged in a sport or activity, other than water-skiing or aquaplaning, while being towed by the vessel or preparing to be towed or after being towed until safely on board or ashore.

6 If the vessel is fitted with inboard machinery no liability shall attach to this insurance in respect of any claim caused by or arising through fire or explosion unless the vessel is equipped in the engine room (or engine space) tank space and galley, with a fire extinguishing system automatically operated or having controls at the steering position and properly installed and maintained in efficient working order.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/8/64

REINSURANCE WAIVER CLAUSE

SMALL ADDITIONAL PREMIUMS/RETURN PREMIUMS SCHEME.

Endorsements of any description made on the original policy or policies (of which this policy is a reinsurance) which have been entered with Lloyd's Policy Signing Office or The Institute of London Underwriters under the Small A.P./R.P. Scheme shall be deemed to have been similarly endorsed on this policy and this policy shall be deemed to have been amended to conform to the endorsements made on the original policy or policies in every respect, but always subject to the conditions of this policy, with or without notice. The reassured agree to waive their right to any return of premium, and the reinsurers agree to waive their right to any additional premium in respect of such endorsements.

Increases or decreases in amounts under original insurances which result in a smaller additional premium or return of premium than the agreed minimum when applied to this policy are not to be applicable hereon, and reinsurers' lines remain unaltered from their original definite acceptances, but in no case shall this reinsurance pay a larger amount than that paid by the original policy.

Notwithstanding the provisions of the above clause reinsurers agree to issue a separate policy (if required) covering any specific endorsement made on the original policy (except in respect of increases or decreases in amounts) but always subject to the conditions of this policy.

CONVERTIBLE CURRENCY EXCHANGE DIFFERENCES.

The parties to this reinsurance agree to waive their rights in respect of any convertible currency exchange differences for which the reassured are unable to account by reason of the provisions of their Central Accounting Scheme.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/7/76

INSTITUTE WARRANTIES

1. Warranted no:—
   (*a*) Atlantic Coast of North America, its rivers or adjacent islands,
      (i) north of 52° 10′ N. Lat. and west of 50° W. Long.;
      (ii) south of 52° 10′ N. Lat. in the area bounded by lines drawn between Battle Harbour/Pistolet Bay ; Cape Ray/Cape North ; Port Hawkesbury/Port Mulgrave and Baie Comeau/Matane, between 21st December and 30th April both days inclusive.
      (iii) west of Baie Comeau/Matane (but not west of Montreal) between 1st December and 30th April both days inclusive.
   (*b*) Great Lakes or St. Lawrence Seaway west of Montreal.
   (*c*) Greenland Waters.
   (*d*) Pacific Coast of North America its rivers or adjacent islands north of 54° 30′ N. Lat., or west of 130° 50′ W. Long.

2. Warranted no Baltic Sea or adjacent waters east of 15° E. Long.
   (*a*) North of a line between Mo (63° 24′ N. Lat.) and Vasa (63° 06′ N. Lat.) between 10th December and 25th May b.d.i.
   (*b*) East of a line between Viipuri (Vyborg) (28° 47′ E. Long.) and Narva (28° 12′ E. Long.) between 15th December and 15th May b.d.i.
   (*c*) North of a line between Stockholm (59° 20′ N. Lat.) and Tallinn (59° 24′ N. Lat.) between 8th January and 5th May b.d.i.
   (*d*) East of 22° E. Long. and south of 59° N. Lat. between 28th December and 5th May b.d.i.

3. Warranted not North of 70° N. Lat. other than voyages direct to or from any port or place in Norway or Kola Bay.

4. Warranted no Behring Sea, no East Asian waters north of 46° N. Lat. and not to enter or sail from any port or place in Siberia except Nakhodka and/or Vladivostock.

5. Warranted not to proceed to Kerguelen and/or Croset Islands or south of 50° S. Lat., except to ports and/or places in Patagonia and/or Chile and/or Falkland Islands, but liberty is given to enter waters south of 50° S. Lat., if *en route* to or from ports and/or places not excluded by this warranty.

6. Warranted not to sail with Indian Coal as cargo:—
   (*a*) between 1st March and 30th June, b.d.i.
   (*b*) between 1st July and 30th September, b.d.i., except to ports in Asia, not West of Aden or East of or beyond Singapore.

SPECIMEN

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/92

INSTITUTE SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

(a) It is further agreed that the Assured may serve process upon any senior partner in the firm of:

Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, N.Y. 10019-6829

and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

SPECIMEN

(b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.

(c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.

(d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), 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 Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

If this clause is attached to a contract of reinsurance the terms insurance and Assured shall mean reinsurance and Reassured respectively.

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/10/90

INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/6/91

INSTITUTE PROTECTION & INDEMNITY CLAUSE AMENDMENT

Where any of the following sub-clauses are incorporated in this insurance they shall be deemed to be deleted

Clause 9.1.5 of the Institute Time Clauses — Hulls — Port Risks 20/7/87

Clause 10.1.5 of the Institute Time Clauses — Hulls — Port Risks including Limited Navigation 20/7/87

Clause 1.1.5 of the Protection & Indemnity Clauses — Hulls — Time 20/7/87

Clause 1.1.5 of the Protection & Indemnity Clauses — Hulls — Time 20/7/87 as incorporated into the Institute Protection & Indemnity War and Strikes Clauses — Hulls — Time 20/7/87

and the following substituted:—

liability under Clause 1(a) of Lloyd's Standard Form of Salvage Agreement 1980 in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement, also liability for special compensation payable under Article 14 of the International Convention on Salvage 1989 or under that Article as incorporated in Lloyd's Standard Form of Salvage Agreement 1990.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

1/11/91

INSTITUTE ENGLISH JURISDICTION CLAUSE

This insurance shall be subject to the exclusive jurisdiction of the English Courts, except as may be expressly provided herein to the contrary.

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"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular (a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events; (b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

CANADIAN SERVICE OF SUIT CLAUSE (ILU)

It is agreed that in the event of the failure of the Underwriters severally subscribing to this insurance (the "Underwriters") to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within Canada.

Notwithstanding any provision in this clause or elsewhere in this insurance relating to jurisdiction and/or service of suit, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in Canada, and nothing in this clause or elsewhere in this insurance, constitutes or should be understood to constitute a waiver of the Underwriters' rights to seek a stay of proceedings in any court in favour of proceedings in the Federal Court of Canada or to seek a stay of proceedings therein in favour of proceedings in another competent court or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of Canada or any province or territory therein.

Subject to the Underwriters' right set forth above:

(a) It is further agreed that the Assured may serve process upon any partner in the firm of:

STIKEMAN, ELLIOTT
Barristers & Solicitors
1155 René Lévesque Boulevard West
Montreal, Quebec H3B 3V2
CANADA

at the above-mentioned address, and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal. It is understood that the present disposition shall not in itself constitute an election of domicile nor an attornment to the jurisdiction of the Courts of the Province of Quebec;

(b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter an appearance, or, for the purposes of seeking a stay of proceedings in favour of another court of competent jurisdiction in Canada, enter or seek leave to enter a conditional appearance upon the Underwriters' behalf, in the event that such suit shall be instituted;

(c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word "Assured" includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.

If this clause is attached to a contract of reinsurance the terms "insurance" and "Assured" shall mean "reinsurance" and "Reassured" respectively.

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สมาคมประกันวินาศภัย
保 險 公 會
THE GENERAL INSURANCE ASSOCIATION

เลขที่ 223 ซอยร่วมฤดี ถนนวิทยุ แขวงลุมพินี เขตปทุมวัน กรุงเทพฯ 10330 泰京無線電路暖呂里巷門牌二二三號
223 Soi Ruamrudee, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel : 0-2256-6032-8, 0-2256-6042 Fax :0-2256-6039, 0-2256-6040
URL http://www.thaigia.com E-Mail general@thaigia.com

ที่ ทล.8/2554

1 มีนาคม 2554

เรื่อง นำส่งคำสั่งนายทะเบียน

เรียน กรรมการผู้จัดการ

สิ่งที่ส่งมาด้วย 1. หนังสือสำนักงานคณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจประกันภัย ที่ 4010/134 ลงวันที่ 21 กุมภาพันธ์ 2554
2. สำเนาคำสั่งนายทะเบียน ที่ 9/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ พร้อมอัตราเบี้ยประกันภัย จำนวน 2 แผ่น
3. สำเนาคำสั่งนายทะเบียน ที่ 10/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยสินค้าที่ขนส่งภายในประเทศ ฉบับภาษาไทย และฉบับภาษาอังกฤษ พร้อมอัตราเบี้ยประกันภัย จำนวน 3 แผ่น

ด้วยคณะกรรมการประกันภัยทางทะเลและโลจิสติกส์ สมาคมประกันวินาศภัย ได้รับหนังสือจากคณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจประกันภัย พร้อมด้วยสำเนาคำสั่งนายทะเบียนที่ 9/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ และคำสั่งนายทะเบียน ที่ 10/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยสินค้าที่ขนส่งภายในประเทศ ฉบับภาษาไทย และฉบับภาษาอังกฤษ **ซึ่งมีผลบังคับใช้สำหรับกรมธรรม์ประกันภัยดังกล่าวที่เริ่มให้ความคุ้มครองตั้งแต่วันที่ 1 เมษายน 2554 เป็นต้นไป**

คณะกรรมการฯ จึงขอนำส่งสำเนาคำสั่งนายทะเบียนและอัตราเบี้ยประกันภัยมายังท่านเพื่อใช้เป็นหลักปฏิบัติต่อไป

จึงเรียนมาเพื่อโปรดทราบ

ขอแสดงความนับถือ

(นายอรรณพ พรธิติ)
ประธานคณะกรรมการประกันภัยทางทะเลและโลจิสติกส์

GIA รับที่ 24 ก.พ. 2554
เอกสารเข้าเลขที่ คปภ. 28
1.ผู้อำนวยการ.....10.เรียน.....
2.รองผู้อำนวยการ.....11.ปร-การทราบ.....
3.ผอก.ทั่วไป.....12.ตอบหนังสือ.....
4.หรัพย์สิน.....13.ปฏิบัติการ.....
5.ฯลฯ.....14.เพื่อนำเสนอ.....
6.ฯลฯ.....15.เพื่อดำเนินการ.....
7.อีเล็คเตล็ด.....16.เพื่อทราบ.....
8.เพิ่มเติม.....17.เข้าแฟ้ม.....
9.อื่นๆ.....18.อื่นๆ.....

สำนักงานคณะกรรมการกำกับและส่งเสริม
การประกอบธุรกิจประกันภัย(คปภ.)
Office of Insurance Commission

ที่ 4010/ 134

21 กุมภาพันธ์ 2554

เรื่อง ส่งคำสั่งนายทะเบียน

เรียน ประธานคณะกรรมการประกันภัยทางทะเลและโลจิสติกส์

อ้างถึง หนังสือสมาคมประกันวินาศภัย ที่ คปภ. 17/2554 ลงวันที่ 3 กุมภาพันธ์ 2554

สิ่งที่ส่งมาด้วย 1. สำเนาคำสั่งนายทะเบียน ที่ 9/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ จำนวน 2 แผ่น
2. สำเนาคำสั่งนายทะเบียน ที่ 10/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยสินค้าที่ขนส่งภายในประเทศ ฉบับภาษาไทย และฉบับภาษาอังกฤษ

ตามหนังสือที่อ้างถึง คณะกรรมการประกันภัยทางทะเลและโลจิสติกส์ สมาคมประกันวินาศภัย ได้ยื่นขอรับความเห็นชอบในหลักการการแก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล อัตราเบี้ยประกันภัยตัวเรือ และอัตราเบี้ยประกันภัยสินค้าที่ขนส่งภายในประเทศ ฉบับภาษาไทย และฉบับภาษาอังกฤษ ดังความละเอียดแจ้งแล้ว นั้น

บัดนี้ นายทะเบียนได้เห็นชอบในหลักการการแก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยดังกล่าว และได้ออกคำสั่งนายทะเบียน ที่ 9/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ ลงวันที่ 17 กุมภาพันธ์ 2554 และคำสั่งนายทะเบียน ที่ 10/2554 เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยสินค้าที่ขนส่งภายในประเทศ ฉบับภาษาไทย และฉบับภาษาอังกฤษ ลงวันที่ 17 กุมภาพันธ์ 2554 ฝ่ายกำกับผลิตภัณฑ์ประกันวินาศภัย จึงขอส่งสำเนาคำสั่งนายทะเบียนดังกล่าวมาตามสิ่งที่ส่งมาด้วย

จึงเรียนมาเพื่อโปรดทราบ และโปรดแจ้งให้บริษัทสมาชิก สมาคมประกันวินาศภัยทราบเพื่อถือปฏิบัติต่อไป

ขอแสดงความนับถือ

(นางคนึงนิจ สุจิตจร)
ผู้อำนวยการฝ่ายอาวุโส ฝ่ายกำกับผลิตภัณฑ์ประกันวินาศภัย

ฝ่ายกำกับผลิตภัณฑ์ประกันวินาศภัย
โทร. 02-515-3930
โทรสาร 02-515-3983

(สำเนา)



คปภ.

สำนักงานคณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจประกันภัย (คปภ.)

คำสั่งนายทะเบียน

ที่ 9 /2554

เรื่อง แก้ไข เปลี่ยนแปลง อัตราเบี้ยประกันภัยการขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ

.....

อาศัยอำนาจตามความในมาตรา 30 วรรคสองแห่งพระราชบัญญัติประกันวินาศภัย พ.ศ. 2535 นายทะเบียนจึงออกคำสั่งไว้ ดังนี้

ข้อ 1 ให้แก้ไข เปลี่ยนแปลงอัตราเบี้ยประกันภัย การขนส่งสินค้าทางทะเล และอัตราเบี้ยประกันภัยตัวเรือ ให้เป็นไปตามที่แนบท้ายคำสั่งนี้

ข้อ 2 คำสั่งนี้ให้มีผลบังคับใช้สำหรับกรมธรรม์ประกันภัยการขนส่งสินค้าทางทะเล และกรมธรรม์ประกันภัยตัวเรือ ที่เริ่มให้ความคุ้มครองตั้งแต่วันที่ 1 เมษายน 2554 เป็นต้นไป

ทั้งนี้ ตั้งแต่บัดนี้เป็นต้นไป

สั่ง ณ วันที่ 17 กุมภาพันธ์ พ.ศ. 2554

(นางจันทรา บูรณฤกษ์)

เลขาธิการ

คณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจประกันภัย

นายทะเบียน

หมายเหตุ : เหตุผลที่ออกคำสั่งนี้ เพื่อให้เกิดความเหมาะสมสอดคล้องกับสภาวะตลาดประกันภัยในปัจจุบัน และให้เกิดความเป็นธรรมต่อผู้เอาประกันภัยยิ่งขึ้น



General Schedule of Minimum and Maximum Rates

for the use under Marine Cargo and Hull Insurance in Thailand

Section A: Marine Cargo

Minimum	0.001%	of the Sum Insured and/or value of the Cargo Insured as the case may be or as agreed between the Assured and the Insurer.
Maximum	10%	of the Sum Insured and/or value of the Cargo Insured as the case may be or as agreed between the Assured and the Insurer.

Section B: Hull

Minimum	0.20%	of Sum Insured and/or value of the Hull & Machinery and Limit of liability as the case may be or as agreed between the Assured and the Insurer.
Maximum	15%	of Sum Insured and/or value of the Hull & Machinery and Limit of liability as the case may be or as agreed between the Assured and the Insurer.