

Reinsurance Cut Through Clause

It is hereby declared and agreed that in the event of a claim under the original POLICY, the Assured shall be entitled to recover such claim directly from Reinsurers subscribing hereon, but only for the proportions subscribed by Reinsurers hereon and provided that Reinsurers have not already made settlement for their proportions to the Reassured hereon, and provided that all due premiums have been paid to Reinsurers hereon.

INTERNATIONAL NAVIGATING CONDITIONS (01/11/03)

1. NAVIGATING LIMITS

Unless and to the extent otherwise agreed by the Underwriters in accordance with Clause 3 below, the vessel shall not enter, navigate or remain in the areas specified below at any time or, where applicable, between the dates specified below (both days inclusive):

Area 1 – Arctic (a) North of 70°N. Lat. (b) Barents Sea except for calls at Kola Bay, Murmansk or any port or place in Norway, provided that the vessel does not enter, navigate or remain north of 72°30' N. Lat. or east of 35° E. Long.

Area 2 – Northern Seas (a) White Sea. (b) Chukchi Sea.

Area 3 - Baltic (a) Gulf of Bothnia north of a line between Umea (63°50' N. Lat.) and Vasa (63°06' N. Lat.) between 10th December and 25th May. (b) Where the vessel is equal to or less than 90,000 DWT, Gulf of Finland east of 28°45' E. Long. between 15th December and 15th May. (c) Vessels greater than 90,000 DWT may not enter, navigate or remain in the Gulf of Finland east of 28°45' E. Long. at any time. (d) Gulf of Bothnia, Gulf of Finland and adjacent waters north of 59°24' N. Lat. between 8th January and 5th May, except for calls at Stockholm, Tallinn or Helsinki. (e) Gulf of Riga and adjacent waters east of 22° E. Long. and south of 59°N. Lat. between 28th December and 5th May.

Area 4 - Greenland Greenland territorial waters.

Area 5 – North America (east) (a) North of 52°10' N. Lat. and between 50°W. Long. and 100°W. Long. (b) Gulf of St. Lawrence, St. Lawrence River and its tributaries (east of Les Escoumins), Strait of Belle Isle (west of Belle Isle), Cabot Strait (west of a line between Cape Ray and Cape North) and Strait of Canso (north of the Canso Causeway), between 21st December and 30th April. (c) St. Lawrence River and its tributaries (west of Les Escoumins) between 1st December and 30th April. (d) St. Lawrence Seaway. (e) Great Lakes.

Area 6 – North America (west) (a) North of 54°30' N. Lat. and between 100°W. Long. and 170°W. Long. (b) Any port or place in the Queen Charlotte Islands or the Aleutian Islands.

Area 7 – Southern Ocean South of 50°S. Lat. except within the triangular area formed by rhumb lines drawn between the following points (a) 50°S. Lat.; 50°W. Long. (b) 57°S. Lat.; 67°30' W. Long. (c) 50°S Lat.; 160°W. Long.

Area 8 – Kerguelen/Crozet Territorial waters of Kerguelen Islands and Crozet Islands.

Area 9 – East Asia (a) Sea of Okhotsk north of 55°N. Lat. and east of 140°E. Long. between 1st November and 1st June. (b) Sea of Okhotsk north of 53°N. Lat. and west of 140°E. Long. between 1st November and 1st June. (c) East Asian waters north of 46°N. Lat. and west of the Kurile Islands and west of the Kamchatka Peninsula between 1st December and 1st May.

Area 10 – Bering Sea Bering Sea except on through voyages and provided that (a) the vessel does not enter, navigate or remain north of 54°30' N. Lat.; and (b) the vessel enters and exits west of Buldir Island or through the Amchitka, Amukta or Unimak Passes; and (c) the vessel is equipped and properly fitted with two independent marine radar sets, a global positioning system receiver (or Loran-C radio positioning receiver), a radio transceiver and GMDSS, a

weather facsimile recorder (or alternative equipment for the receipt of weather and routing information) and a gyrocompass, in each case to be fully operational and manned by qualified personnel; and (d) the vessel is in possession of appropriate navigational charts corrected up to date, sailing directions and pilot books.

2. BREACH OF NAVIGATING LIMITS In the event the vessel is in breach of Clause 1 above, the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence during the period of breach, unless notice is given to the Underwriters immediately after receipt of advices of such breach and any amended terms of cover and any additional premium required by them are agreed.

3. PERMISSION FOR AREAS SPECIFIED IN NAVIGATING LIMITS The vessel may breach Clause 1 above and Clause 2 shall not apply, provided always that the Underwriters' prior permission shall have been obtained and any amended terms of cover and any additional premium required by the Underwriters are agreed. JH2003

() FLEET ADDITIONAL CLAUSES

LEASED EQUIPMENT CLAUSE (EXTENDED)

This insurance is extended to cover subject to all terms and conditions of this policy, loss of or damage to equipment (including bunkers and/or spare bunkers furnished by Charterers or others) and apparatus not owned by the Assured but installed for use on the Vessel and for which the Assured has assumed liability (whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise) where such loss or damage is caused by a peril insured under this insurance, but in no event shall the liability of the Underwriters exceed the contractual liability of the Assured for such equipment or apparatus. All such equipment or apparatus installed on the Vessel but not owned by the Assured shall be included in the agreed insured value of the Vessel.

TERMINATION CLAUSE

Notwithstanding anything to the contrary contained herein, this insurance shall not terminate at the time of and shall not be prejudiced by:

- 1 Change of Classification Society to another Classification Society that is a member of the International Association of Classification Societies
- 2 Change in the ownership or flag, transfer of management or charter on a bareboat basis, provided that the management of the vessel remains with

VALUATION CLAUSE

Notwithstanding anything to the contrary contained in General Average and Duty of Assured clauses herein, all vessels are deemed insured for their full contributory values in respect of claims hereunder for General Average, Salvage and Sue & Labours.

DEDUCTIBLE CLAUSE

- 1 In interpretation of 'two successive ports' in Clause 12.2 of the Institute Time Clauses 1.10.83(CI.280) in respect of heavy weather and ice damage, calls at ports solely for bunkering or for refuge or canal transits are not be construed as ports within the meaning of the clause in question. A vessel's stay in such ports counts as an integral part of the preceding single sea passage and no separate deductible will be applied for such damage(s) which may be sustained during the vessel's stay in such ports.
- 2 One deductible to be applied to all damage(s) during loading(s) and/or discharging(s) at one loading or discharging port/place.
- 3 All damage sustained by contacts with lightening vessels whilst employed in loading or discharging cargo at any one port or place shall be subject to one deductible. In the event that the vessel is employed at a port as a lightening vessel, all damage sustained by contacts with any one mother vessel shall also subject to one deductible.
- 4 No deductible to be applied in respect of Sue and Labour Claims
- 5 One deductible to be applied to all damages sustained as a result of each of the following categories
 - 5.1. heavy weather damage referred to in Clause 12.2 of the Institute Time Clauses Hulls 1.10.83(CI.280) is deemed to include grounding and touching bottom.
 - 5.2. contact with fixed or floating objects including lock walls and/or ice at any port or during

passage through any river, inland waterway or lock system during one voyage inward and outward or during any one berthing/unberthing operation.

- 6 One deductible to be applied to all ice and/or weather damage sustained during the whole period that the vessel is outside Institute Warranty Limits.
- 7 Agreed survey, legal and divers' fees following an incident which, in the Assured's opinion, may give rise to a claim hereunder to be paid by Underwriters irrespective of subsequent claim or not.

BOTTOM TREATMENT CLAUSE (EXTENDED)

The cost in full of scraping and/or grit and/or sand blasting and/or other surface preparation work and all costs of bottom painting incurred in consequence of a peril insured against shall be included in the claim irrespective of whether routine bottom painting/dry docking is effected concurrently.

UNREPAIRED DAMAGE CLAUSE

Underwriter's liability in respect of unrepaired damage shall be discharged at expiry of the policy and will be the estimated cost of repairs at the first reasonable opportunity, in Owners' opinion, including estimated drydock dues and services, tank cleaning, superintendence, classification surveyors' charges and removal etc., if necessary, as if all outstanding repairs were to be effected simultaneously.

REPAIRS BY DEFERMENT CLAUSE

Any increase in cost of repairs by deferment deemed to be part of the reasonable cost of repairs providing the repairs are carried out at the next dry docking, or special survey at Owners' Option.

TEMPORARY REPAIRS CLAUSE

For claims purposes, the cost of repairs effected by riding squads, Air Freight on equipment/spare parts, the cost of temporary repairs and excess cost of overtime on repairs, the cost of drydocking with cargo on board, supply of necessary parts/equipment and the cost of discharging, storing and reloading cargo necessary for damage repairs, which are not allowable in G.A. shall be deemed as part of the reasonable cost of repairs to the extent that such items would have been incurred by a prudent uninsured owner.

DRYDOCK WITH CARGO ON BOARD CLAUSE

It is understood and agreed that this insurance is not prejudiced by dry docking with cargo on board.

CONSTRUCTIVE TOTAL LOSS CLAUSE

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 exceeds 75% of the insured values.

HELICOPTER PERMISSION CLAUSE

The practice of using helicopters for the transfer of crew, pilots, surveyors, repairers or others, cargo, mail, stores, equipment and the like will not prejudice this insurance.

TOWAGE CLAUSE

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that the vessel has leave to tow and assist vessels or craft in distress and could also be towed to the nearest first safe port from casualty site where there are sufficient repair facilities when in need of assistance.

AUTOMATIC RADER PLOTTING AID CLAUSE

It is agreed that this insurance is not prejudiced for the period when the automatic Rader Plotting Aid is out of order but arrangements for repairs or replacement are being made whilst vessel is in port or at sea.

CERTIFICATE OF MAINTENANCE OF CLASS CLAUSE

Agreed waive production of Classification Society Certificates of Maintenance of Class in respect of claims not exceeding US\$100,000. Adjusters' charges deemed not to be part of US\$100,000 which amount is to be net of policy deductible.

**MISSING VESSELS CLAUSE (APPLICABLE TO WAR & STRIKES RISKS ONLY)
THIS INSURANCE TO PAY A TOTAL LOSS IN THE EVENT OF THE INSURED**

This insurance to pay a total loss in the event of the insured vessel being missing from any cause during the currency of this policy. If such vessel be recorded at Lloyd's as 'Untraced' or posted as 'missing', she shall be deemed missing for the purpose of this insurance. Full subrogation to Underwriters hereon.

PARTS REMOVED CLAUSE

To pay, subject to the terms and conditions of this policy, all loss of or damage to the subject matter hereby insured occurring at any time during the currency of this insurance notwithstanding that any part(s) of the said subject matter be anywhere ashore under any circumstances, (whether on quay, in buildings, sheds, or elsewhere) and/or under repair and/or in transit (to and from the vessel or otherwise).

AFFILIATED COMPANIES CLAUSE

In respect of the vessel insured hereunder, it is agreed that this policy also covers the Assured and Affiliated Companies of the Assured be they Owner, Subsidiaries or Inter-related Companies and as Bareboat Charterers and/or Charters and/or Sub-charterers and/or Operators and/or in whatever capacity, and shall so continue to cover notwithstanding the provisions of this policy with respect to change of ownership or management. Subject to one policy limit.

Provided however, that in the event of any claim being made by any affiliated, subsidiary or inter-related company under this clause it shall not be entitled to recover in respect of any liability to which it would not be subject if it were the owner of the vessel, nor to a greater extent than an owner would be entitled in such event to recover. These insurers waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured, extent that any such company is insured against the liability asserted. However, should the vessel be sold to or transferred to or chartered on a bareboat basis to others than the assured or the affiliated companies of the Assured, or be requisitioned on a bareboat basis, the provision of this policy with respect to change of ownership or management shall govern.

PILOTS NON-LIABILITY CLAUSE

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 pilot 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.

MISSILES AND SPACECRAFT CLAUSES

Clause 6, subsection 6.1.7 of the Institute Time Clauses Hulls A/10/83 (CL280) will be interpreted to include contact with

- (a) rockets or similar missiles
- (b) spacecraft, satellites or similar space objects or objects falling therefrom

Subject always to paramount exclusions 23,24,25 and 26 of the Institute Time Clauses Hulls 1/10/83.

Clauses 6, subsection 6.1.7 of the Institute Time Clauses – Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 shall be interpreted to include contact with

- (a) rockets or similar missiles
- (b) spacecraft, satellite or similar space objects or objects or objects falling therefrom

Subject always to paramount exclusions 12,13,14 and 14 of the Institute Time Clauses - Hulls Disbursements and Increased value (Total Loss only, including Excess Liabilities) 1/10/83.

GENERAL AVERAGE AND SALVAGE CLAUSE

When the vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules (excluding Rules XX and XXI) as amended 1990 or 1994 at Owner's option are to apply.

THE BERING SEA AND THE SEA OF OKHOTSK CLAUSE

Insurance hereunder permits the insured vessels, when on through voyages to or from the Far East, to use the Bering Sea and Sea of Okhotsk provided that:

- 1) the vessels have on board the appropriate hydrographic charts corrected up to date;
- 2) in the Bering Sea entry is made through the Unimak Pass and exit west of Buldir Island or vice versa;
- 3) in the Sea of Okhotsk entry is made south of the Kamchatka Peninsular and exit via the Soya Strait (La Perousa Strait) or vice versa;
- 4) vessels may only navigate the Sea of Okhostk during the period 15th March to 14th November;
- 5) the vessels are equipped and properly fitted with marine radar, a satellite navigator Loran (but in respect of the Sea of Okhotsk and Loran), sonic depth sounding apparatus, radio direction finder and gyro compass, all fully operational and manned by qualified personnel. (Alternatively during Bering Sea transit the vessels may enter or leave through the Amchika, Amukta or Attu Passes, but only when equipped and properly fitted with marine radar, Loran, a satellite navigator, sonic depth sounding apparatus, radio direction finder, gyro compass and a weather facsimile recorder, all fully operational and manned by qualified personnel).

CONTINUITY BONUS

Continuity Bonus of(specified in the schedule) % payable on original premium at expiry of the existing policy, subject to renewal at, with the same expiring order to the

existing insurer not less than the expiring order.

PERFORMANCE BONUS

Performance Bonus of(specified in the schedule) % payable on original premium at expiry of the existing policy, subject to loss ratio(total loss amount divided by total earned premium) not higher than(specified in the schedule) % for the existing policy.

DEDUCTIBLE BUY-BACK CLAUSE

It is agreed that net of USD..... up to USD..... for each and every loss shall be covered to protect deductible of Hull and Machinery policy of the vessel with aggregate limit of liability of USD..... for the fleet.

72 Buy-Back Clause

It is specifically understood and agreed that the absolute Seepage and Pollution etc. exclusions contained in this policy shall not apply and that this policy is specifically extended to provide coverage for Seepage and Pollution and/or Clean up and containment etc. provided that the Insured hereunder establishes that all of the following conditions have been met:

- A. The occurrence was accidental and was neither expected nor intended by the Insured. An accident shall not be considered unintended or unexpected unless caused by some intervening event neither expected nor intended by the Insured.
- B. The occurrence can be identified as commencing at a specific time and date during the term of this policy.
- C. The occurrence became known to the Insured within 72 hours after its commencement and was reported to Underwriters within 30 days thereafter.
- D. The occurrence did not result from the Insured's intentional and wilful violation of any government statute, rule or regulation.

Nothing contained in this Endorsement shall operate to provide any coverage herein with respect to:

- 1. Loss of, damage to, or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Insured.
- 2. Removal of, loss of or damage to sub-surface oil, gas or any other substance.
- 3. Fines, penalties, punitive damages, exemplary damages, treble damages or any other damages resulting from the multiplication of compensatory damages.
- 4. Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substance or the transportation of any waste materials or substances.

Additional sub-clause 19.1.5

For Bodily Injury, Personal Injury and/or Property Damage directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

Provided that all of the following conditions are shown by the Insured to have been met:-

- (a) the seepage, pollution or contamination was caused by an event and
- (b) the event first commenced on an identified specific date during the period set out in the declaration and
- (c) the event was first discovered by the Insured within 72 hours of such first commencement and
- (d) written notification of the event was first received from the Insured by Underwriters within 14 days of the Insured's first discovery of the event and
- (e) the event did not result from the Insured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a) to e) are satisfied, this policy does not apply to any actual or alleged liability:-

- (i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by any statute, rule, ordinance, regulation or imposed by contract;
- (ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party.
- (iii) for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any Insured, or which is or was, at any time, in the care, custody or control of any Insured (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
- (iv) in respect of any seepage, pollution or contamination which is directly caused by or arises out of the drilling of, production from, servicing of, operation of, ownership of a participation in wells or holes;

AMERICAN HULL INSURANCE SYNDICATE ADDENDUM NO.1

It is understood and agreed that American Institute Hull War Risks and Strikes Clauses of December 1, 1977, for attachment to American Institute Hull Clauses (June 2, 1977), and to which this Addendum is attached are amended as follows:

1. For the propose of this Addendum only, lime 241 of the America Institute Hull Clauses (June 2, 1977)- EXCLUSION (a) - shall be deemed amended by adding "confiscation or expropriation."
2. In addition to the risks enumerated in the above described War Risks and Strikes Clauses the following is added:
"7. Confiscation or expropriation."
3. Clause(f) of the EXCLUSIONS shall read as follows:
"Capture, seizure, arrest, restraint, detainment, confiscation or expropriation, by the Government of the United States or of the country in which the Vessel is owned or registered."
4. The period of fourteen (14) days provided for in subparagraph "D" of the AUTOMATIC TERMINATION AND CANCELLATION Clauses, shall be amended to seven(7) days wherever appearing therein.

ALL OTHER TERMS, LIMITATIONS,
CONDITIONS AND EXCEPTIONS
REMAINING UNCHANGED.

AMERICAN HULL INSURANCE SYNDICATE LINER NEGLIGENCE CLAUSE (JANUARY 18, 1970)

It is understood and agreed that the so-called Inchmaree Clause of the attached Policy is deleted and in place thereof the following inserted;

This insurance also specially to cover, subject to the Deductible

- a. Breakdown of motor generators or other electrical machinery and electrical connections thereto : bursting of boilers : breakage of shafts : or any latent defect in the machinery or hull:
- b. Loss of or damage to the subject matter insured directly caused by :
 - 1. Accident on shipboard or elsewhere, other than breakdown of or accidents to nuclear installations or reactors on board the insured Vessel;
 - 2. Negligence, error of judgment or incompetence of any person;

excluding under both "a" and "b" above only the cost of repairing, replacing, or renewing any part condemned solely as a result of a latent defect, wear and tear, gradual deterioration or fault or error in design or construction :

provided such loss or damage (either as described in said "a" or "b" or both) has not resulted from want of due diligence by the Assured (s), the Owner(s) or Manager(s) of the Vessel, or any of them. Masters, mates, engineers, pilots or crew not to be considered as part owners within the meaning of this clause should they hold shares in the Vessel.

All other terms and conditions remaining uncharged.

AMERICAN INSTITUTE BUILDER'S RISKS CLAUSES (July 1, 1973)

To be attached to and form a part of Policy No.....of
the

The terms and conditions of the following clause to be regarded as substituted for those of the policy form to which they are attached, the latter being hereby waived except provisions required by law to be inserted in this Policy. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.

Assured

This Policy
insures
.....hereinafter referred to as the Assured

If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner had claim been made by the Owner as an Assured named in this Policy.

Underwriters waive any right of subrogation against affiliated subsidiary or interrelated companies of the Assured, provided that such waiver shall not apply in the event of a collision between the Vessel and any Vessel owned demise chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss damage or expense against which such companies are insured.

LOSS PAYEE

Loss, If any, (excepting claims required to be paid to others under the Collision Liability or the Protection and Indemnity Clause), Payable to or order
..... or order

SUBJECT MATTER

The Subject Matter of this insurance is the hull. Launches, lifeboats rafts, furniture bunkers, stores, tackle, fittings, equipment machinery, boilers refrigeration machinery, insulation motor generators other electrical machinery, ordnance, munitions, appurtenances (including plans, patterns and moulds) and all material, including staging scaffolding and similar temporary construction (but only to the extent did the cost of any of the foregoing is included in the Agreed Value) belonging to and destined for Hull No Type (herein referred to as the Vessel) building at the yard of the Builder at

In the event of any material change in the, specifications or design of the Vessel from do on~ represented to the Underwriters such change is held covered provided (a) notice is given to the Underwriters immediately following such change and (b) any amended term of cover and any additional premium required by the Underwriters are agreed to by the Assured

This Policy insures only while the Vessel is at (ashore of afloat) the budding location named above: while in transit within the port of construction to and from such location: and while on trial trips (including proceeding to and returning from the trial course)s often as required, within a distance by water of 250 nautical miles of the port of construction, or held covered at an additional premium to be named by the Underwriters in the event of deviation of voyage provided prompt notice thereof is given to the Underwriters.

DURATION OF RISK

from the day
of 19 time
to the day of
19 time
or until delivery, if delivered at an earlier date.

In the event of delivery not being effected by the aforesaid expiration date, this Policy may be extended at per month, provide prompt be given to the Underwriters but for more than months from the date of original attachment however, in no case shall this Policy extend beyond delivery of the Vessel.

In the event of payment by the Underwriters for Total Loss of the Vessel M Policy shall thereupon automatically terminate

PREMIUM

The Underwriters to be paid in consideration of this insurance Dollars being at the rate of per cent, which premium shall be due on attachment

RETURNS OF PREMIUM

In the event of delivery prior to the expiration date; or any extension to return pro rata daily of cents per cent net per month.

AGREED VALUE

The Vessel, for so much as concerns the Assured, by agreement between the Assured and the Underwriters in this Policy is and shall be valued at the completed contract price plus the value of materials and equipment destined for the Vessel but not included in such price. If no amount is stated for such materials and equipment Underwriters shall have no liability for any loss, damage or expense thereto or in connection therewith and such materials and equipment shall not be deemed a part of the Vessel.

The Agreed Value is provisionally declared as being the contract price of \$ and \$ for materials and equipment destined for the Vessel but not included in the contract price.

ESCALATION

In the event of any increases or decrease in the cost of labor or materialism or in the event of any change in the specifications of design of the Vessel (or constituting a material change for purposes of the held covered provisions of the Subject Matter clause). the Agreed Value shall be adjusted accordingly. but any increase shall be limited to per cent of the Agreed Value as provisionally declared, and the amount insured shall be adjusted proportionately: provided that the Assured shall pay premium at the full Policy rate on the total construction cost of the Vessel of this insurance, but the Underwriters shall in no event be liable under this Policy for more than the Agreed Value provisionally declared plus said percentage thereof.

AMOUNT INSURED HEREUNDER

...Dollars.

In the event of a claim becoming payable under this Policy. the Underwriters shall not be liable for agreed proportion thereof than the Amount insured hereunder bears in the Agreed Value

DEDUCTIBLE

Notwithstanding anything in this Policy to the contrary. there shall be deducted from the aggregate of all claims including claim Under the Sue and Labor, Collision liability, and Protection and Indemnity clauses) arising out of each separate accident, the sum of \$ _____, unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply. A recovery from other interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims arising out of one separate accident if unreduced by such recovery exceeds that sum. For the purpose of this clause each accident shall be treated separately, but it is agreed that (a) a sequence of damages arising from the same accident shall be treated as due to one accident and (b) all heavy weather damage which occurs during a single sea passage between two successive ports shall be treated as though due to one accident.

PART 1 - HULL SECTION**HULL RISKS**

This Policy insures against all risks of physical loss of or damage to the Vessel occurring during the currency of this Policy. except as hereinafter provided.

In the event that faulty design of any part or parts should cause physical loss of or damage to the Vessel, this insurance shall not cover the cost or expense of repairing, replacing or renewing such part or parts, nor any expenditure incurred by reason of belle; merit or alteration in design.

FAILURE TO LAUNCH

In case of failure to launch, the Underwriters shall bear, up to the Amount Insured Hereunder. their proportion of all necessary expenses incurred in completing launch.

GENERAL AVERAGE AND SALVAGE

General Average and Salvage shall be payable as provided in the contract of affreightment. or failing such provision or there, in no contract of affreightment. payable at the Assured's election either in accordance with York-Antwerp Rules, 1950 or with the Laws and Usages of the Port of New York. Provided always that when an adjustment according to the laws and usages of the port of destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly.

In the event of salvage, towage or other assistance being rendered to the Vessel by any vessel belonging in part or in whole to the same Owners or Charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be ascertained by arbitration in the manner provided for under the Collision liability clause in this Policy, and the amount, so awarded so far as applicable to the interest hereby insured shall constitute a charge under this Policy.

When the contributory value of the Vessel is greater than the Agreed Value herein, the liability of the Underwriters for General Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total contribution due from the Vessel which the amount insured hereunder bears to the contributory value: and if, because of damage for which the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the amount of such Particular Average damage recoverable under this Policy shall first be deducted from the Amount Insured Hereunder and the Underwriters shall then be liable only to the proportion which such net amount bears to the contributory value.

TOTAL LOSS

There shall be no recovery for a constructive Total loss under this Policy unless the expense of recovering and restoring the Vessel (as insured hereunder), to the stage of her construction at time of loss would exceed her value at such stage of construction (which value shall be taken to be the cost of labor actually expended by the Builder in the construction of the Vessel and material actually incorporated therein at the time of loss, including accrued overhead and profit on such labor and material, not exceeding the Agreed Value): but no claim for a Total loss (actual or constructive) shall exceed this Policy's proportion of the value so computed. This Policy shall also pay its proportion of any damage to material insured hereunder and not yet installed in the Vessel.

In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total loss sustained during the period covered by this Policy, or any extension thereof.

SUE AND LABOR

And in case of any loss or Misfortune, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to sue, tabor and travel for in and about the defense safeguard and recovery of the Vessel, or any part thereof, without prejudice to this insurance, to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the Vessel shall be considered as a waiver or acceptance of abandonment.

In the event of expenditure under the Sue and Labor clause, the Underwriters shall pay the proportion of such expenses that the Amount Insured Hereunder bears to the Agreed Value, or that the Amount insured Hereunder, less loss and, or damage payable under this Policy, bears to the actual value of the salved property whichever proportion shall be less.

If claim for Total loss is admitted under this Policy and sue and labor expenses have been reasonably incurred in excess of any proceeds realized or value recovered, the amount payable under this Policy will be the proportion of such excess that the Amount Insured Hereunder [without deduction for loss or damaged bears to the Agreed Value or to the sound value of the Vessel at the time of the accident, whichever value was greater. The foregoing shall also apply to expenses reasonably incurred in salving or attempting to save the Vessel and other property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel.

PART II - LIABILITY SECTION

COLLISION LIABILITY

And it is further agreed that

(a) if the Vessel shall come into collision with any oilier ship of vessel and the Assured or the Surety in consequence of the Vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid, such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in respect to any one such collision shall not exceed their proportionate part of the Agreed Value,

(b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been contested proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

When both vessels are to blame, then, unless the liability (if the owners or charterers of one or both such vessels becomes limited by law, claims under the Collision liability clause shall be settled on the principle of Cross liabilities as if the owners or charterers of each vessel had been compelled to pay to the owners or charterers of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance of sum payable by or to the Assured in consequence of such collision.

The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single Arbitrator, if the parties can, agree upon a single Arbitrator, or failing such agreement, to the decision of

Arbitrators, one to be appointed by the Assured and one to be appointed by the majority (in amount) of Hull Underwriters interested: the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single Arbitrator, or of any two of such three Arbitrators, appointed as above, to be final and binding.

Provided always that this clause shall in no case extend to any sum which the Assured of the Surety may become liable to pay or shall pay in consequence of, or with respect to:

- (a) removal or disposal of obstructions wrecks or (heir cargoes under statutory powers or otherwise pursuant to law,
- (b) injury to real or personal property of every description;
- (c) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description whatsoever,
- (d) cargo or other property on or the engagements of the Vessel;
- (e) loss of life, personal injury or illness.

Provided further that exclusions (b) and (c) above shall not apply to injury to other vessels or property thereon except to the extent that such injury arises out of any action taken to avoid, minimize or remove any discharge, spillage, emission or leakage described in (c).

PROTECTION AND INDEMNITY

It is further agreed that if the Assured shall by reason of his interest in the Vessel, or the Surety in consequence of its undertaking, become liable to pay and shall pay any sum or sums in respect of any responsibility, claim, demand, damages, and/or expenses arising from or occasioned by any of the following matters or things during the currency of this Policy, that is to say:

- (a) loss of or damage to any other vessel or goods, merchandise freight, or other things or interests whatsoever on board such other vessel caused proximately or otherwise by the Vessel, insofar as the same is not covered by the Collision liability clause in this Policy, but the foregoing shall not be construed to cover liability in excess of the amount recoverable under the Collision Liability clause;
- (b) loss of or damage to any goods, merchandise, freight or other things or interests whatsoever, other than as aforesaid, whether on board the Vessel or not, which may arise from any cause whatsoever provided that this subparagraph (b) shall not include Builders gear, material or cargo oil the Vessel;
- (c) Loss of or damage to any harbor, dock (graving or otherwise), slipway, way, gridiron, pontoon, Oar, quay, jetty, stage, buoy, telegraphic cable or other fixed or movable thing whatsoever, or to any goods or property in or on the same, howsoever caused;
- (d) loss of life of, of bodily injury to, or illness of any person (other than an employee of an Assured under this Policy);
- (e) Payments made on account of life salvage,
 - (f) Any attempted or actual raising, removal or destruction of the wreck of the Vessel of the cargo thereof or any neglect or failure to raise, remove or destroy the same; however. for the purpose of this paragraph only, the Assured shall be deemed liable for expenses, after deducting any proceeds of the salvage, actually incurred by the Assured in removing the wreck of the Vessel from any place owned, leased or occupied by the Assured,
 - (g) Any sum or sums for which the Assured may become liable or incur from causes not hereinbefore specified, but which are recoverable under the Protection and Indemnity policy form known as Lazard No. SP 23.

the Underwriters will pay the Assured or the Surety such proportion of such sum or sums

so paid, or which may be required to indemnify the Assured or the Surety for such loss, as their respective subscriptions bear to the Agreed Value. Where the liability of the Assured has been contested with the consent in writing of a majority (in amount) of the Underwriters, the Underwriters shall have the option of naming the attorneys who will defend the Vessel and the Assured and will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay; provided that the total liability of the Underwriters under all sections of these Protection and Indemnity clauses in respect of any one accident or series of accidents arising out of the same event is limited to the Amount Insured Hereunder. plus costs as hereinabove provided.

Notwithstanding anything to the contrary contained in these Protection and Indemnity clauses, the Underwriters shall not be liable for nor indemnify the Assured against any sum(s) paid with respect to any loss, damage, cost, liability, expense, fine, or penalty of any kind or nature whatsoever, and whether statutory or otherwise, imposed on the Assured directly or indirectly in consequence of, or with respect to, the actual or potential discharge, emission, spillage, or leakage upon or into the seas, waters, land or air, of oil, fuel cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever. This exclusion, however, shall not apply to sums paid or payable or liability of the Assured, for the physical loss of the property discharged, emitted, spilled, or leaked, provided that such sums are covered elsewhere under the terms and conditions of this Policy.

In the event that Sections 182 to 189, both inclusive, of U.S. Code, Title 46, or any existing law or laws determining or limiting liability of shipowner and carriers, or any of them, shall, while this Policy is in force, be modified, amended or repealed, or the liabilities of shipowner or carriers be increased in any respect by legislative enactment, the Underwriters shall have the right to cancel the insurances afforded by these Protection and Indemnity clauses upon giving thirty (30) days' written notice in the manner prescribed in the Non-Payment of Premium clause; in the event of such cancellation, Underwriters shall make an appropriate return of premium. Underwriters' liability under these Protection and Indemnity clauses shall in no event exceed that which would be imposed on the Assured by law in the absence of contract.

PART III - GENERAL PROVISIONS

CLAIMS

A. In the event of any accident or occurrence which could give rise to a claim under PART 1 of this Policy, prompt notice thereof shall be given to the Underwriters, and:

- (a) where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor, if they so desire;
- (b) the Underwriters shall be entitled to decide where the Vessel shall proceed for docking and/or repairs (allowance to be made to the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement),
- (c) The Underwriters shall have the right of veto in connection with any repair firm proposed;
- (d) the Underwriters may take tenders or may require tenders to be taken for the repair of the Vessel, in which event, upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent, per annum on the amount lost for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender 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 the tender is

accepted without delay after receipt of the Underwriters' approval);
 (e) due credit shall be given against the allowances in (h) and (d) above for any amount recovered;

- (1) in respect of fuel, stores, and wages and maintenance of the Master, Officers and Crew members allowed in General or Particular Average;
- (2) from third parties in respect of damages for detention and/or loss of profit and/or running expenses; for the period covered by the allowances or any part thereof.

No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers and Crew, except when incurred solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips made only to test average repairs, in which cases wages and maintenance will be allowed only while the Vessel is under way.

General and Particular Average shall be payable without deduction, new for old.

The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.

No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

No claim for unrepaired damages shall be allowed, except to the extent that the aggregate damage insured against under the Policy and left unrepaired at the expiration thereof shall be demonstrated by the Assured to have diminished the actual market value of the Vessel on that date if undamaged.

B. In the event of any occurrence which may result in a loss, damage or expense for which the Underwriters are or may become liable under PART II of this policy the Assured will give prompt notice thereof and forward to the Underwriters as soon as practicable after receipt thereof all communications processes, pleadings and other legal papers or documents relating to such occurrence.

No action shall lie against the Underwriters under PART 11 of this Policy for the recovery of any loss sustained by the Assured unless such action is brought against the Underwriters within one year after the final judgment or decree is entered in the litigation against the Assured or in case the claim against the Underwriters accrues without the entry of such final judgment or decree unless such action is brought within one year from the date of the payment of such claim by the Assured.

NON-PAYMENT OF PREMIUM

In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy. Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable. In the event of Total loss of the Vessel occurring prior to any cancellation or termination of this Policy full premium shall be considered earned.

WAR, STRIKES AND OTHER EXCLUSIONS

The following C&S shall be paramount and shall supersede and nullify any contrary provisions of the Policy.

This Policy don not cover any Ion, damage liability or expense caused by, resulting from, or incurred a consequence of:

- (a) Capture. seizure arrest restraint or detainment, or any attempt thereat or
- (b) Any taking of the Vend, by requisition or otherwise whether in time of peace or war and whether lawful or otherwise; or
- (c) Any mine, bomb or torpedo not carried a cargo on board the vessel or
- (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter or
- (e) Civil war, revolution, rebellion, insurrection or civil strife arising therefrom or piracy, or
- (f) Strikes, lockouts, political or labor disturbances civil commotions riots, martial law, military or usurped power, malicious acts or vandalism or
- (g) Hostilities or warlike operations (whether theirs be declaration of war or not) but this subparagraph (g) not to exclude collision or contact with aircraft, rockets or similar missiles or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent of the nature of the voyage or service which the Vend concerned or, in the cue of a collision, any other vessel involved therein, is performing. As used herein, "power" includes any authority maintaining novel, military or air force in association with a power; or
- (h) Delay or disruption of any type whatsoever, including, but not limited to, loss of earnings or use of the Vessel, howsoever caused, except to the extent, it any, covered by the Collision liability or the Protection and Indemnity clauses of this Policy, or
- (i) The firing or lasting of any weapon of war from, by or on the Vessel. This exclusion is in addition to and is not to be considered in whole or part as a substitution for or modification of any other exclusion herein set forth; or
- (j) Damage to docks. slipways tools or any other properly of the shipyard not intended to be incorporated in the Vessel, except as covered in lines 10 through 15 and any damage to slipways occurring during a successful launch; or
- (k) Any nuclear incident, reaction, radiation or any radioactive contamination, whether controlled or uncontrolled, and whether the loss, damage, liability or expense be proximately or remotely caused thereby, or he in whole or in part caused by, contributed to, or aggravated by the risks and liabilities insured under this Policy, and whether based on the Assured's negligence or otherwise; or,,
- (l) Placing the Vessel Jeopardy as an act of measure of war taken in the actual process of a military engagement. including embarking or disembarking troops or material of war in the immediate zone of such engagement; and any such loss, damage and expense shall be excluded from this Policy without regard to whether the Assured's humility in respect thereof is based on negligence or otherwise, and whether in time of peace or war.

American Institute Hull Clause

(June 2, 1977)

To be attached to and form apart of Policy No..... of the.....

 The terms and

conditions of the following clauses are to be regarded as substituted of these of the policy form to which they are attached, the latter being hereby waived, except provisions required by law to be inserted in the Policy .. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.

ASSURED

This Policy
insures.....
.....
.....
.....hereinafter referred to as the Assured

If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner, had claim been made by the Owner as an Assured named in this Policy.

Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss, damage or expense against which such companies are insured.

LOSS PAYEE

Loss, if any, payable
to.....
.....
.....or order.

Provided, however, Underwriters shall pay claims to others as set forth in the Collision Liability clause and may make direct payment to persons providing security for the release of the Vessel in Salvage cases.

VESSEL

The Subject Matter of this insurance is the Vessel called the..... or by whatsoever name of names the said Vessel is or shall be called, which for purposes of this insurance shall consist of and be limited to her hull launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment apparatus, machinery, boilers, refrigerating machinery, insulation, motor generators and other electrical machinery.

In the event any equipment or apparatus not owned by the Assured is installed for use on board the Vessel and the Assured has assumed responsibility therefor, it shall also be considered part of the Subject Matter and the aggregate value thereof shall be included in the Agreed Value.

Notwithstanding the foregoing, cargo containers, barges and lighters shall not be considered a part of the Subject Matter of this insurance.

DURATION OF RISK

From theday of.....
19..... time to theday
of 19..... time

Should the Vessel at the expiration of this Policy 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 pre rata monthly premium to her part of destination.

In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall

thereupon automatically terminate.

AGREED VALUE

The Vessel, for so much as concerns the Assured, by agreement between the Assured and the Underwriters in this Policy, is and shall be valued at..... Dollars

AMOUNT INSURED HEREUNDER

..... Dollars

DEDUCTIBLE

Notwithstanding anything in this Policy to the contrary, there shall be deducted from the aggregate of all claims (including claims under the Sue and Labor clause and claims under the Collision Liability clause) arising out of each separate accident, the sum of \$ unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply. A recovery from other interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims arising out of one separate accident if unreduced by such recovery exceeds that sum. for the purpose of this clause each accident shall be treated separately, but it is agreed that (a) a sequence of damages arising from the same accident shall be treated as due to that accident and (b) all heavy weather damage, or damage caused by contact with floating ice, which occurs during a single sea passage between two successive parts shall be treated as though due to one accident.

PREMIUM

The Underwriters to be paid in consideration of this insurance Dollars being at the annual rate of per cent., which premium shall be due on attachment. If the Vessel is insured under this Policy for a period of less than one year at pro rata of the annual rate, full annual premium shall be considered earned and immediately due and payable in the event of Total Loss of the Vessel.

RETURNS OF PREMIUM

Premium returnable as follows:

Pro rata daily net in the event of termination under the Change of Ownership clause

Pro rata monthly net for each uncommenced month if it be mutually agreed to cancel this Policy:

For each period of 30 consecutive days the Vessel may be laid up in part for account of the Assured,

.....cents per cent. net not under repair, or

.....cents per cent. net under repair

provided always that:

- (a) a Total loss of the Vessel has not occurred during the currency of this policy
- (b) in no case shall a return for lay-up be allowed when the Vessel is lying in exposed or unprotected waters or in any location not approved by the Underwriters:
- (c) in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly;
- (d) in no case shall a return be allowed when the Vessel is used as a storage ship or for lightening purposes

If the Vessel is laid up for a period of 30 consecutive days, a part only of which attaches under this policy. the Underwriters shall pay such proportion of the return 연 in respect of a full period of 30 days as the number of days attaching hereto bears to 30 Should the lay-up period exceed 30 consecutive day, the Assured shall have the option to elect the period of 30 consecutive days for which a return is recoverable.

NON-PAYMENT OF PREMIUM

In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable in the event of Total Loss of the Vessel occurring prior to any cancellation or termination of this Policy full annual premium shall be considered earned.

ADVENTURE

Beginning the adventure up on the Vessel, as above, and so shall continue and endure during the period aforesaid, as employment any offer, in port or at sea, in docks and graving docks. and on ways, gridirons and pontoons, at all times, in all places. and on all occasions. services and trades; with 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 the Vessel may not be towed except as is customary or when in need of assistance. nor shall the Vessel render assistance or undertake towage or salvage services under contract previously arranged by the Assured. the Owners the Managers or the Charterers of the Vessel . nor shall the Vessel. in the course of trading operations. engage in loading or discharging cargo at sea. from or into another vessel other than a barge. lighter or similar craft used principally in harbors or inland waters. The phrase "engage in loading or discharging cargo at sea " shall include while approaching, leaving or alongside. or while another vessel is approaching, leaving or alongside the Vessel.

The Vessel is held covered in case of any breach of conditions as to cargo. trade.. locality. towage or salvage activities. or date of sailing. or loading or discharging cargo at sea, provided (a) notice is given to the Underwriters immediately following receipt of knowledge thereof by the Assured. and (b) any amended terms of cover and any additional premium required-by the Underwriters are agree to by the Assured.

PERILS

Touching the adventures and Perils which the Underwriters are contented to bear and take upon themselves. they ar of the Seas. Men-of War. Fire Lightning. Earthquake, Enemies, pirates. Rovers, Assailing Thieves, jettisons. Letters of Mart and Counter-mart Surprisals. Takings at Sea. Arrests. Restraints and Detainments of all kings. Princes and Peoples of what nation condition or quality soever, Barratry of the Master and Mariners and of all other like perils, Losses and Misfortunes that have or shall come to the hurt. Detriment or Damage of the Vessel or any part therof. excepting however, such of the foregoing perils as may be excluded by provisions elsewhere in the Policy or by endorsement hereon.

ADDITIONAL PERILS (INCHMAREE)

Subject to the condition of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by the following

- Accidents in loading, discharging or handing cargo. or in bunkering;
- Accidents in going on or off, or while on drydocks, graving docks, ways gridirons or pontoons.
- Explosions on shipboard or elsewhere;
- Breakdown of motor generators or other electrical machinery and electrical connections thereto

bursting of boilers. breakage of shafts. or any latent defect in the machinery or hull excluding the cost and expense of replacing or repairing the defective part);
breakdown of or accidents to nuclear installations of reactors not on board the insured vessel;
contact with aircraft. rockets or similar missiles, or with any land conveyance;
Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Assured hereunder;

Negligence of Masters. Officers, Crew or Pilots provided such loss or damage has not resulted from want of due diligence by the assured. the Owners or Managers of the Vessel, or any of them.
Masters, Officers, Crew or- Pilots are not to be considered Owners within the Meaning of this clause should they hold shares in the Vessel

DELIBERATE DAMAGE (POLLUTION HAZARD)

Subject to the conditions, of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by governmental authorities acting for the public welfare 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 policy, provided such act of governmental authorities 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. Masters. Officers Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

CLAIMS (GENERAL PROVISIONS)

In the event of any accident or occurrence which could give rise to a claim under this Policy. prompt notice hereof shall be given to the Underwriters, and:

- (a) where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor if they so desire;
- (b) the Underwriters shall be entitle to decide where the Vessel shall proceed for docking and/or repair (allowance to be made to the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters requirement.)
- (c) the Underwriters shall have the right of veto in connection with any repair firm proposed;
- (d) the Under writers may take tenders. or may require in writing that tenders be taken for the repair of the Vessel, in which event upon acceptance of a lender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent per annum on the amount insured for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender and the acceptance of a tender, to the extent that such time is lost saltery as the result of tenders having been taken and provided the lender is accepted without delay after receipt of the Underwriters approval

Due credit shall be given against the allowances in (b) and (d) above for any amount recovered;

- (1) in respect of fuel, stores, and wages and maintenance of the Master officers or Crew allowed in General or particular Average;
- (2) from third parties in respect of damages for detention and/or loss of profit and/or running expenses;

for the period covered by the allowances or any part thereof.

No claim shall be allowed in Particular Average for wages and maintenance of the Master Officers or Crew, except when incurred solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips to lest average repairs, in which cases wages and maintenance will be allowed only while the Vessel is under way This exclusion shall not apply to overtime or similar extraordinary payments to the Master, officers or Crew incurred in shifting the Vessel for tank cleaning or repairs or while specifically engaged in these activities, either in port or at sea

General and "Particular Average shall be payable without deduction, new for old.

The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.

No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

In the event of loss or damage to equipment or apparatus not owned by the Assured but installed for use on board the Vessel and for which the Assured has assumed responsibility, claim shall not exceed (1) the amount the Underwriters would pay if the Assured were owner of such equipment or apparatus, or (2) the contractual responsibility assumed by the Assured to the owners or lessors thereof, whichever shall be less.

No claim for unrepaired damages shall be allowed, except to the extent the aggregate damage caused by perils insured against during the period of the Policy and left unrepaired at the expiration of the Policy shall be demonstrated by the Assured to have diminished the actual market value of the Vessel on that date of undamaged by such perils

GENERAL AVERAGE AND SALVAGE

General Average and Salvage shall be payable as provided in the contract of affreightment or failing such provision or there be no contract of affreightment payable at the Assured's election either in accordance with York-Antwerp Rules 1950 of 1974 or with the Laws and Usages of the port of New York. Provided always that when an adjustment according to the laws and usage of the port of destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly.

In the event of salvage towage or other assistance being rendered to the Vessel by any vessel belong in part or in whole to the same. Owners or Charterers the value of such service (without regard to the common ownership or control of the vessels) shall be ascertained in the manner provided for under the Collision Liability clause in this Policy, and the amount so awarded so far as applicable to the interest hereby insured shall constitute a charge under this Policy.

When the contributory value of the Vessel is greater than the Agreed Value herein the liability if the Underwriters for General Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total contribution due from the Vessel which the amount insured hereunder bears to the contributory value, and if because of damage for which the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution the amount of such Particular Average damage recoverable under this Policy shall first be deducted from the amount insured hereunder, and the Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value.

TOTAL LOSS

In ascertaining whether the Vessel is a Constructive Total Loss the Agreed 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.

There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would exceed the Agreed Value. In making this determination only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the same accident shall be taken into account but expenses incurred prior to tender of abandonment shall be considered if such are to be claimed separately under the Sue and Labor clause.

In the event of Total Loss (factual or constructive) no claim to be made by the Underwriters for freight notice of abandonment has been given or not.

In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this Policy.

SUE AND LABOR

And in case of any Loss or Misfortune. it shall be lawful and necessary for the Assured. their Factors, Servants and Assigns to sue labor and travel for, in and about the defense safeguard and recovery of the Vessel or any part thereof without prejudice to this insurance. to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no acts of the Underwriters or Assured in recovering saving or preserving the Vessel shall be considered as a waiver or acceptance of abandonment

In the event of expenditure under the Sue and Labor clause the Underwriters shall pay the proportion of such that the amount insured hereunder bears to the Agreed Value. or that amount insured hereunder (less loss and/or damage payable under this Policy) bears to the actual value of the salved property whichever proportion shall be less : provided always that their liability for such expense shall not exceed their proportionate part of the Agreed Value.

If claim for Total Loss is admitted under this Policy and sue and labor expenses have been reasonably incurred in excess of any proceeds realized or value recovered. the amount payable under this Policy will be the proportion of such excess that the amount insured hereunder without deduction for loss or damage bears to the Agreed Value or to the sound value of the Vessel at the time of the accident. whichever value was greater: provided always that underwriters' liability for such expenses shall not exceed their proportionate part of the Agreed value. The foregoing shall also apply to expenses reasonably incurred in salving or attempting to save the Vessel and other property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel.

COLLISION LIABILITY

And it is further agreed that:

- (a) if the Vessel shall come into collision with any other ship or vessel. and the Assured or the Surety in consequence of the vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums so paid as their respective subscriptions hereto bear to the Agreed value. provided always that their liability in respect to any one such collision shall not exceed their proportionate part of the agreed Value:
- (b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters. the liability of the Vessel has been contested or proceedings have been taken to limit liability. the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

When both vessels are to blame unless the liability of the owners or charterers of one or both such vessels becomes limited by law claims under collision liability clause shall settled on the principle of Cross-Liabilities as it the owners of charterers of each vessel had been compelled to pay to the owners or characters of the other of such vessels such one half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the assured in consequence of such collision.

The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole. of the same owners or charterers. all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator. or failing such agreement to the decision of Arbitrators, one to be appointed by the Assured and one to be appointed by the majority on amount) of Hull Underwriters interested. the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single Arbitrator. or of any two of such three Arbitrators. appointed as above. to be final and binding.

Provided always that this clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay or shall pay in consequence of or with respect to :

- (a) removal or disposal of obstructions, wrecks or their cargoes under statutory powers or otherwise pursuant to law.
- (b) injury to real or personal property of every description
- (c) the discharge spillage, emission or leakage of oil petroleum products, chemicals or other substances of any kind or description whatsoever ;
- (d) cargo or other property on or the engagements of the Vessel ;
- (e) loss of life, personal injury or illness.

Provided further that exclusions (b) and (c) above shall not apply to injury to other vessels or property thereon except to the extent that such injury arises out of any action taken to avoid, minimize or remove any discharge, spillage, emission or leakage described in (c) above

PILOTAGE AND TOWAGE

This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots tugs towboats or their owners when the Assured or the agent of the Assured accepts such contract in accordance with established local practice.

Where in accordance with such practice, pilotage or towage services are provided under contracts requiring the Assured or the agent of the Assured

- (a) to assume liability for damage resulting from collision of the Vessel insured with any other ship or vessel, including the towing vessel, or
- (b) to indemnify those providing the pilotage or towage services against loss of liability for any such damages.

it is agreed that amounts paid by the Assured of Surety pursuant to such assumed obligations shall be deemed payments by way of damages to any other person or persons and to have been paid " in consequence of the Vessel being at fault" within the meaning of the Collision Liability clause in this Policy to the extent that such payments would have been covered if the Vessel had been legally responsible in the absence of any agreement, Provided always that in no event shall the aggregate amount of liability of the Underwriters under the collision liability clause, including it's clause, be greater than the amount of any statutory limitation of liability to which owners are entitled or would be entitled if liability under any contractual obligation referred to in this clause were included among the liabilities subject to such statutory limitation.

CHANGE OF OWNERSHIP

In the event of any charge, voluntary or otherwise, in the ownership or flag of the Vessel or if the Vessel be placed under new management or be chartered on a bareboat basis or requisitioned on that basis, or if the Classification Society of the Vessel or her class therein be charged, cancelled or withdrawn, then, unless the Underwriters agree thereto in writing, this Policy shall automatically terminate at the time of such change of ownership, flag, management, charter, requisition or classification : provided, however, that

- (a) 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 until arrival at final port of discharge if with cargo, or at port of destination if in ballast:
- (b) in the event of an involuntary temporary transfer by requisition or otherwise, without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such transfer.

This insurance shall not inure to the benefit of any transferee or charterer of the Vessel and, if a loss payable hereunder should occur between the time of charge or transfer and any deferred automatic termination, the Underwriters shall be subrogated to all of the right of the Assured against the transferee or charterer in respect of all or part of such loss as is recoverable from the transferee or charterer, and in the proportion which the amount insured hereunder bears to the

Agreed Value.

The term "new management" as used above refers only to the transfer of the management of the Vessel from one firm or corporation to another, and it shall not apply to any internal changes within the offices of the Assured.

ADDITIONAL INSURANCES

It is a condition of this Policy that no additional insurance against the risk of total loss of the Vessel shall be effected to operate during the currency of this policy by or for account of the Assured. Owners. Managers Operators or Mortgagees except on the interests and up to the amounts enumerated in the following sections (a) to (g), inclusive and no such insurance shall be subject to P.P.I. F.I.A or other like term on any interests whatever excepting those enumerated in Section (a) provided always and notwithstanding the limitation on recovery in the Assured clause a breach of this condition shall not afford the Underwriters any defense to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach

- (a) DISBURSEMENTS. MANAGERS COMMISSIONS. PROFITS OR EXCESS OR INCREASED VALUE OF HULL AND MACHINERY. AND/OR SIMILAR INTERESTS HOWEVER DESCRIBED. AND FREIGHT (INCLUDING CHARTERED FREIGHT OR ANTICIPATED FREIGHT) INSURED FOR TIME. An amount not exceeding in the aggregate 25% of the Agreed Value.
- (b) FREIGHT OR HIRE UNDER CONTRACTS FOR VOYAGE An amount 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 amount shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any amount permitted under this Section shall be reduced as the freight or hire is earned, by the gross amount so earned. Any freight or hire to be earned under the form of Charters described in (d) below shall not be permitted under this Section (b) if any part thereof is insured as permitted under said Section (d)
- (c) ANTICIPATED FREIGHT IF THE VESSEL SAILS IN BALLAST AND NOT UNDER CHARTER. An amount not exceeding the anticipated gross freight on next cargo passage, such amount to be reasonably estimated on the basis of the current rate of freight at time of insurance, on the charges of insurance. Provided, however, that no insurance shall be permitted by this section if any insurance is effected as permitted under Section (b)
- (d) TIME CHARTER HIRE OR CHARTER HIRE FOR SERIES OF VOYAGES. An amount not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any amount permitted under this Section shall be reduced as the hire is earned under the charter by 50% of the gross amount so earned but, where the charter is for a period exceeding 18 months, the amount insured need not be reduced while it does not exceed 50% of the gross hire still to be earned under the charter. An insurance permitted by this Section may begin on the signing of the charter.
- (e) PREMIUMS. An amount not exceeding the actual premiums of all interest insured for a period not exceeding 12 months (excluding premiums insured as permitted under the foregoing Section but including if required, the premium or estimated calls on any Protection and Indemnity or War Risks and Strikes insurance reducing pro rata monthly
- (f) RETURNS OF PREMIUM An amount not exceeding the actual returns which are recoverable subject to "and arrival" or equivalent provision under any policy of insurance.
- (g) INSURANCE IRRESPECTIVE OF AMOUNT AGAINST : - Risks excluded by War, Strikes and Related Exclusions clause : risks enumerated in the American Institute War Risks and Strikes Clauses : and General Average and Salvage Disbursements.

WAR STRIKES AND RELATED EXCLUSIONS

The following conditions shall be paramount and shall supersede and nullify any contrary provisions of the Policy

This Policy does not cover any loss, damage or expense caused by, resulting from, or incurred as a consequence of

- (a) capture, seizure, arrest restraint or detainment, or any attempt thereat; or
- (b) Any taking of the Vessel by requisition for other wise, whether in time of peace or war and whether lawful or otherwise : or
- (c) Any mine, bomb or torpedo not carried as cargo on board the Vessel: or
- (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter: or
- (e) civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy : or
- (f) Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power: or
- (g) Malicious acts or vandalism, unless committed by the Master or Mariners and not caused elsewhere under this War Strikes and Related Exclusions clause : or
- (h) hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (h) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing. As used herein, "power" includes any authority maintaining naval, military or air forces in association with a power.

If war risks or other risks excluded by this clause are hereafter insured by endorsement on this Policy, such endorsement shall supersede the above conditions only to the extent that the terms of such endorsement are inconsistent therewith and only while such endorsement remains in force.

INCREASED VALUE AND EXCESS LIABILITIES CLAUSES**(November 3, 1977)**

To be attached to and form a part of Policy No. of the.....

The terms and conditions of the following clauses are to be regarded as substituted for these of the policy to which they are attached, the latter being hereby waived except provisions required by law to be inserted in the Policy. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.

ASSURED

This Policy
insure
..... hereinafter referred to
as the Assured

If claim is made under this Policy by anyone other than the Owner of the Vessel. such person shall not be entitled to recover to a greater extent than would the Owner, had claim been made by the Owner as an Assured named in this Policy.

Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured. provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any of the Aforesaid companies or with respect to any loss, damage or expense against which such companies are insured.

This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots, tugs towboats or their owners when the Assured or the Agent of the Assured accepts such contract in accordance with established local practice.

LOSS PAYEE

Loss _____ if _____ any, _____ payable
to _____

.....or order.

Provided, however, Underwriters shall pay claims to others as set forth in the Collision Liability clause and may make direct payment to persons Providing security for the release of the Vessel in Salvage cases.

On INCREASED VALUE AND EXCESS LIABILITIES of the Vessel called the _____ (or by whatsoever name or names the said Vessel is or shall be called).

AMOUNT INSURED HEREUNDER

..... Dollars

DURATION OF RISK

From the _____ day of _____
19 _____ time
to the _____ day of _____
19 _____ time.

Should the Vessel at the expiration of this Policy 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.

In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate.

PREMIUM

The Underwriters to be paid in consideration of this insurance _____ Dollars being at the annual rate _____ per cent., which premium shall be due on attachment. If the Vessel is insured under this Policy for a period of less than one year at pro rata of the annual rate, full annual premium shall be considered earned and immediately due and payable in the event of Total loss of the Vessel.

RETURNS OF PREMIUMS

Premium returnable as follows:

Pro rata daily net in the event of termination under the Change of Ownership clause:

Pro rata monthly net for each uncommenced month if it be mutually agreed to cancel this Policy;

For each period of 30 consecutive days the Vessel may be laid up in port for account of the Assured.

..... cents per cent. net not under repair, or
 cents per cent. net not under repair

Provided always that.

- (a) A Total loss of the Vessel has not occurred during the currency of this Policy;
- (b) In no case shall a return for lay-up be allowed when the Vessel is lying in exposed or unprotected waters or in any location not approved by the Underwriters; -
- (c) In the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly;
- (d) In no case shall a return be allowed when the Vessel is used as a storage ship or for lightening purposes.

If the Vessel is laid up for a period of 30 consecutive days, a part only of which attaches under this Policy, the Underwriters shall pay such Proportion of the return due in respect of a full period of 30 days as the number of days attaching hereto bears to 30. Should the lay-up period exceed 30 consecutive days, the Assured shall have the option to elect the period of 30 consecutive days for which a return is recoverable.

NON-PAYMENT OF PREMIUM

In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy. Such Proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable. In the event of Total loss of the Vessel occurring prior to any cancellation or termination of this Policy full annual premium shall be considered earned.

ADVENTURE

Beginning the adventure upon the Vessel, as above, and so shall continue and endure during the period aforesaid. as employment may offer. in port or at sea, in docks and graving docks. and on ways, gridirons and pontoons, at all times. in all pieces, and on all occasions, services and trades., with 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 the Vessel may not be towed, except as is customary or when in need of assistance. nor shall the Vessel render assistance or undertake towage or salvage services under contract previously arranged by the Assured, the Owners, the Managers or the Charterers of the Vessel. nor shall the Vessel, it] the course of trading operations. engage in loading or discharging cargo at sea, from or into another vessel other than a barge, lighter or similar craft used principally in harbors or inland waters. The phrase "engage in loading or discharging cargo at sea" shall include while approaching, leaving or alongside, or while another vessel is approaching, leaving or alongside the Vessel.

The Vessel is held covered in case of any breach of conditions as to cargo, trade, locality, towage or salvage activities. date of sailing, or loading or discharging cargo at sea. provided (a) notice is given to the Underwriters immediately following receipt of knowledge thereof by the

Assured, and (b) any amended terms of cover and any additional premium required by the Underwriters are agreed to by the Assured.

COVERAGE

This insurance covers only:

- (1) **TOTAL LOSS (ACTUAL OR CONSTRUCTIVE) OF THE VESSEL** directly caused by Perils of the Seas, Men-of-War, Fire, Lightning, Earthquake, Enemies, Pirates, Rovers, Assailing Thieves, Jettisons, letters of Mart and Counter-Mart, Surprisable, Takings at Sea, Arrests, Restraints and Detainment\$ of all Kings, Princes and Peoples, of what nation, condition or quality soever, Barratry of the Master and Mariners and of all other like Perils, Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the Vessel, or any part thereof, excepting, however, such of the foregoing perils as may be excluded by provisions elsewhere in the Policy or by endorsement thereon. It shall also cover Total Loss (actual or con. structive) directly caused by the following,

- Accidents in loading discharging or handling cargo, or in bunkering;
- Accidents in going on or off, or while on drydocks, graving docks, ways, gridirons or pontoons;
- Explosions on shipboard or elsewhere;
- Breakdown of motor generators or other electrical machinery and electrical connections thereto, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, (excluding the cost and expense of replacing or repairing the defective part);
- Breakdown of or accidents to nuclear installations or reactors not on board the insured Vessel..
- Contact with aircraft, rockets or similar missiles, or with any land conveyance;
- Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Assured hereunder;
- Negligence of Masters, Officers, Crew or Pilots;

provided such loss or damage has not resulted from want of due diligence by the Assured, the Owners or Managers of the Vessel, or any of them. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

Subject to the conditions of this Policy, this insurance also covers Total Loss (actual or constructive) of the Vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or Threat thereof, resulting directly from damage to the Vessel 'or which the Underwriters are liable under this Policy, provided such act of governmental authorities 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. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

In ascertaining whether the Vessel is a constructive Total loss the Agreed Value in the policies 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.

There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would exceed the Agreed Value in policies on Hull and Machinery. In making this determination, only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall not be considered if such are to be claimed separately under the Sue and Labor clause in said policies.

Provided that the policies on Hull and Machinery contain the above clauses with respect to the method of ascertaining whether the Vessel is a constructive Total loss (or clauses having a similar effect), the settlement of a claim for Total loss under the policies on Hull and Machinery shall be accepted as proof of the Total loss of the Vessel under this Policy; and in the event of a claim for Total Loss being settled under the policies on Hull and Machinery as a compromised total loss the amount payable hereunder shall be the same percentage of the amount hereby insured as the percentage paid on the amount insured under said policies.

Should the Vessel be a constructive Total Loss but the claim on the policies on Hull and Machinery be settled as a claim for partial loss no payment shall be due under this Section (1).

Full interest admitted: the Policy being deemed sufficient of interest.

In the event of Total Loss, the Underwriters waive interest in any proceeds from the sale or other disposition of the Vessel or wreck

(2) GENERAL AVERAGE AND SALVAGE not recoverable in full under the policies on Hull and Machinery by reason of the difference between the Agreed 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 policies covering Hull and Machinery may have required) and the value of the Vessel adopted for the purpose of contribution to General Average or Salvage, the liability under this Policy being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total amount insured against excess liabilities if it exceed such difference.

(3) SUE AND LABOR CHARGES not recoverable in full under the policies on Hull and Machinery by reason of the difference between the Agreed Value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom of any claim which the terms of the policies covering Hull and Machinery may have required) and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the policies on Hull and Machinery, the liability under this Policy being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total amount insured against excess liabilities if it exceed such difference.

(4) COLLISION LIABILITY (including Costs) not recoverable in full under the Collision liability clause (including the Pilotage and Towage extension) in the policies on Hull and Machinery by reason of such liability exceeding the Agreed Value of the Vessel as stated therein. in which case the amount recoverable under this Policy shall be such proportion of the difference so arising as the amount hereby insured bears to the total amount insured against excess liabilities.

Underwriters' liability under (1), (2) (3) and (4) is separate and shall not exceed the amount insured hereunder in any one section in respect of any one claim.

NOTICE OF CLAIM

When it becomes evident that any accident or occurrence could give rise to a claim under this Policy, prompt notice thereof shall be given to the Underwriters.

CHANGE OF OWNERSHIP

In the event of any change, voluntary or otherwise, in the ownership or flag of the Vessel, or if the Vessel be placed under new management or be chartered on a bareboat basis or requisitioned on that basis, or if the Classification Society of the Vessel or her class therein be changed, can.

celled or withdrawn, then, unless the Underwriters agree thereto in writing, this Policy shall automatically terminate at the time of such change of ownership, flag, management charter, requisition or classification; provided however, that.

- (a) 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 until arrival at final port of discharge if with cargo, or at port of destination if in ballast;
- (b) in the event of an involuntary temporary transfer by requisition or otherwise, without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such transfer.

This insurance shall not inure to the benefit of any transferee or charterer of the Vessel and, if a loss payable hereunder should occur between the time of change or transfer and any deferred automatic termination, the Underwriters shall be subrogated to all of the rights of the Assured against the transferee or charterer in respect of all or part of such loss as is recoverable from the transferee or charterer, and in the proportion which the amount insured hereunder bears to the Agreed Value.

The term "new management" as used above refers only to the transfer of the management of the Vessel from one firm or corporation to another, and it shall not apply to any internal changes within the offices of the Assured.

WAR, STRIKES AND RELATED EXCLUSIONS

The following conditions shall be paramount and shall supersede and nullify any contrary provision of the Policy.

This Policy does not cover any loss, damage or expense caused by, resulting from, or incurred as a consequence of:

- (a) Capture, seizure, arrest, restraint or detainment or any attempt thereof;
- (b) Any taking of the Vessel, by requisition or otherwise whether in time of peace or war and whether lawful or otherwise; or
- (c) Any mine, bomb or torpedo not carried as cargo on board the Vessel, or
- (d) Any weapon of war employing atomic or nuclear fission and or fusion or other like, reaction or radioactive force or matter; or
- (e) Civil war, rebellion, insurrection, or civil strife arising therefrom or piracy; or
- (f) Strikes, lockouts, political or labor disturbances, civil commotion, riots, martial law, military or usurped power; or
- (g) Malicious acts or vandalism, unless committed by the Master or Mariners and not excluded elsewhere under this War Strikes and Related Exclusions clause; or
- (h) Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (h) does not exclude collision, or contact with aircraft, rockets or similar missiles, or with any fixed or floating object or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent of the nature of the Voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing. As used herein "power" includes any authority maintaining naval, military or air forces in association with a power.

If war risks or other risks excluded by this clause are hereafter insured by endorsement on this Policy, such endorsement shall supersede the above conditions only to the extent that the terms of such endorsement are inconsistent therewith and only while such endorsement remains in force.

AMERICAN INSTITUTE SINGLE INTEREST MORTGAGEE FORM

JULY 1, 1963

[ASSURED]

To be attached to and form a part of Policy No. _____
 of _____
 the _____

 _____ Insuring _____

as Mortgagee, for account of themselves, for the interest described below. said Mortgagee being herein referred to as "the Assured".

[INTEREST]

Upon the interest of the Assured, as mortgagee of the vessel _____
 (hereinafter referred to as "the Vessel")

[LOSSES PAYABLE]

Loss, if any, payable to Assured or order.

[SUM INSURED]

_____ Dollars
 Part _____ of

Dollars.

insured this interest, being the unpaid principal amount of a valid mortgage held by the Assured on the Vessel, reducing pro rata to the extent of payments made on account of the mortgage indebtedness. This Policy also insures interest earned and unpaid to date of loss, which, however, with the unpaid balances, shall not exceed the sum insured hereunder.

[TERM]

At _____ and _____ from _____ the _____ day
 of _____
 19 _____,
 to _____ the _____ day _____ time.
 of _____
 19 _____,
 _____ time.

[PREMIUM]

These Underwriters to be paid in consideration of this insurance \$ _____
 being at the rate _____ % per annum, of
 the sum initially at risk hereunder.

[CANCELLATION]

This Policy (other than for non-payment of premium) may be cancelled by either party on 30 days' notice in writing, Such notice, when given by these Underwriters, shall be deemed to

have been given at such time as written notice shall have been mailed to the Assured at its last known address or telegraphic notice sent thereto. A written or telegraphic notice sent through the brokers who negotiated this Policy or by them, at the request of these Underwriters, shall operate to effect cancellation of this Policy in the same manner as if sent directly by these Underwriters. Net unearned premium to be returned in the event of cancellation by either party as aforesaid.

In the event of non-payment of premium 30 days after attachment, this Policy may be cancelled by these Underwriters upon five days' written notice being given the Assured in the form provided for above. Such proportion of the premium, however, as shall have been earned up to the time of such cancellation shall be due and payable; but in the event of payment by these Underwriters of the sum insured hereunder by reason of non-payment by underwriters of the Hull Policy of a claim asserted thereunder for any liability, loss, damage or expense of, to or in respect of the Vessel occurring or arising prior to cancellation, the full annual premium shall be deemed earned.

[TERMINATION]

Unless otherwise agreed to in writing by these Underwriters, the insurance afforded by this Policy shall terminate in the event that there has been a change, voluntary or otherwise, in the ownership of the Vessel or it has been placed under new management or chartered on a bareboat basis or requisitioned on that basis.

[CONDITIONS OF ATTACHMENT AND DURATION OF RISK]

1. It is a condition of this insurance that during the term of this Policy:
 - (a) the Vessel is covered by policies of insurance on the form and in the amount specified below;
 - (b) The Assured is named as a loss payee in the policies above described, which are herein referred to collectively and separately and defined as---the Hull Policy".

[RISKS INSURED AGAINST]

2. This policy insures only against the non-payment by underwriters of the Hull Policy, of a claim asserted thereunder for any liability, loss, damage or expense occurring or arising during the term of this Policy, which non-payment results from any act of or omission by, the assured(s) named in the Hull Policy, or breach of any warranty, express or implied, in the Hull Policy other than breach of the warranty contained in the F. C. & S. Clause thereof;

PROVIDED that such act or omission or breach of warranty occurred without the consent or privity of the Assured.

[EXCLUSIONS]

3. The insurance afforded by this Policy does not cover:
 - (a) the non-payment of a claim for any liability, loss, damage or expense, or any part thereof:
 - (i) collectible under the Hull Policy or which would be collectible thereunder except for the insolvency of the underwriters therein ; or
 - (ii) not recoverable under the Hull Policy by reason of any deductible or franchise included therein; or
 - (iii) which has been satisfied, repaired or discharged prior to payment of a claim hereunder; or
 - (b) any claim of the Assured arising solely out of the insolvency of the owner of the Vessel. In no event shall these Underwriters indemnify or contribute to, pro rata or otherwise, underwriters of the Hull Policy.

[CONDITIONS PRECEDENT TO CLAIM]

4. As a condition precedent to any claim hereunder, unless waived by these Underwriters:
- (a) the underwriters of the Hull Policy must have denied the claim for any liability, loss, damage or expense which is the subject of a claim hereunder, and
 - (b) the Assured shall have instituted suit against such underwriters to collect such claim.

[SUBROGATION OF UNDERWRITERS]

5. (a) These Underwriters, upon payment of a loss under this Policy, shall, to the extent of such payment, be Subrogated to all of the rights of the Assured under the Hull Policy, the Mortgage on the Vessel and any note or bond secured thereby, and under any other instrument taken by the Assured as security for the repayment of the mortgage indebtedness. On the request of these Underwriters, the Assured shall execute and deliver all documents necessary to effect a valid assignment of the said policy, mortgage, note or bond, and any other instrument taken by way of security as aforesaid, and of all the right, title and interest of the Assured therein. Any net sum recovered by these Underwriters in excess of the amount due to them by reason of their rights of subrogation as aforesaid shall be held for the account of the Assured.
- (b) If any event occurs which does or could give rise to a claim under this Policy, the Assured shall not in any way, whether by act or failure to act, impair these Underwriters' rights of subrogation as aforesaid. Any claim under this Policy shall be reduced to the extent that such rights of subrogation have been impaired.

[NOTICE OF POSSIBLE CLAIM AND SURVEY]

6. (a) The Assured shall, as soon as practicable, report to these Underwriters any denial of liability by the underwriters of the policies described in Clause "1" hereof for a claim thereunder which denial could result in a claim under this Policy.
- Whenever requested, the Assured shall arrange for attendance at any hull survey or a surveyor appointed by these Underwriters.

The terms and conditions of this Policy are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived, except provisions required by law to be inserted in this Policy.

Marginal captions are inserted for purposes of convenient reference only and are not to be deemed part of this Policy.

AMERICAN INSTITUTE TRADE WARRANTIES

1. Warranted no port or place on the Eastern Coast of North America, its rivers or adjacent islands
 - (a) north of 52° 10' N. Lat. and west of 50° W. Long.
 - (b) in the Gulf of St. Lawrence, its connecting waters and the St. Lawrence River, 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 December 21st and April 30th, both days inclusive.
 - (c) west of Baie Comeau, but not West of Montreal, between December 1st and April 30th, both days inclusive.
2. Warranted no Great Lakes or St. Lawrence Seaway or St. Lawrence River west of Montreal.
3. Warranted no port or place in Greenland or its adjacent waters.
4. Warranted no port or place on the Western Coast of North America, its rivers or adjacent islands, north of 54° 30' N. Lat. or west of 130° 50' W. Long; except the port of Ketchikan, Alaska, provided,

- (a) that a qualified pilot having knowledge of local waters be on duty while the Vessel is in waters north of 54° 30' N. Lat. and east of 132° W. Long. and
- (b) that the Vessel be equipped with operating Gyro Compass, Radio Direction Finder, Fathometer and Radar.
- 5. Warranted no Baltic sea (or adjacent waters east of 15° E. Long);
 - (a) north of a line between Mo and Vaasa between November 15th and May 5th, both days inclusive.
 - (b) east of a line between Viipuri(Vyborg) and Narva between November 21st and May 5th, both days inclusive.
 - (c) north of a line between Stockholm and Tallinn between December 15th and April 15th, both days inclusive.
 - (d) east of 22° E. Long. and south of 59° N. Lat between December 15th and April 15th, both days inclusive.
- 6. Warranted not north of 70° N. Lat except when proceeding directly to or from any port or place in Norway or Kola Bay.
- 7. Warranted no Bering Sea, no East Asian waters north of 46° N. Lat and no port or place in Siberia except Vladivostok and/or Nakhodka.
- 8. Warranted no Kerguelen or Crozet Islands, nor waters south of 50° S. Lat., except ports or places in Patagonia Chile and Falkland Islands, but liberty is given to enter waters south of 50° S. Lat. if proceeding to or from ports or places not excluded by this warranty.
- 9. Warranted not to sail with Indian Coal as cargo:-
 - (a) between March 1st and June 30th, both days inclusive.
 - (b) between July 1st and September 30th, both days inclusive, except to ports in Asia, not west of Aden nor east of or beyond Singapore.

(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 (lie common maritime adventure in accordance with (lie 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, transshipment, delay or forwarding by any other vessel, craft or conveyance, prompt notice shall lie given to the Underwriters and all 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 ally ports or places in any order for any purpose whatsoever and to dry dock with or without cargo on board.
- 3.2 Field covered subject to prompt notice and to a reasonable additional premium if required ill tile 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 Tile insurable value of the subject-matter shall be tile 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 tile 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 lily 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 ind charges. is not fully insured hereunder the amount payable shall be reduced in proportion . die

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.

(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

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.

BAIL CLAUSE If the Assured is obliged to provide security to a third party in order to prevent the arrest of, or to obtain the release of, the Insured Rig or Vessel, due to a loss, occurrence or claim alleged to be covered under this Insurance, Underwriters may, at their discretion, assist the Assured by providing the appropriate security e.g. the approved "short form counter security". The providing of security by Underwriters is not an admission that the loss, occurrence or claim giving rise to the security demand is covered under the Insurance. The agreement of the two leading Underwriters to assist the Assured by providing security shall be binding on all following Underwriters subscribing to the Insurance to the extent of their signed proportions. In the event of agreement to provide security pursuant to this clause, Underwriters' liability is several and not joint or one with the other and is limited to each Underwriter's signed proportion of the Insurance and shall not exceed each Underwriter's liability in accordance with the terms of the Insurance. In the event that Underwriters provide security pursuant to this clause, any payment(s) made by Underwriters under the security shall extinguish or reduce the Underwriters' liability under the Insurance in respect of the claim made against the Assured and/or the Insured Vessel to the extent of such payment(s). Should the loss, occurrence or claim giving rise to the security demand not be covered under the Insurance any payment(s) made by Underwriters under the provisions of this clause shall be promptly reimbursed to them. Unless otherwise agreed by Underwriters, the Assured undertakes to pay the deductible amount. In addition, any Mortgagees, and/or Assignees, and/or any other party who may have an interest in the Insurance or the proceeds of claims recoverable under the Insurance shall provide their written agreement to the terms on which security is provided, including the terms of this clause. Where the loss, occurrence or claim giving rise to the security demand is covered under the Insurance, all fees reasonably incurred in connection with the provision of security may form part of any recoverable claim. 27/11/01 JH2001/066

BLOCKING AND TRAPPING ETC. WORDING

(LOSS OF HIRE/LOSS OF TIME) 1. 10. 83. (AMENDED 84. 8)

1. Interest Insured Hereunder

Hire, reward, charterage, or expenditure in respect of vessels and craft specified in attached schedule. Schedule also to contain daily indemnities and excesses, the voyage or period and the geographical limits of the policy and to form part of this policy.

2. Coverage

(A) If in consequence of : -

- (i) A peril covered under the Institute War and Strikes Clauses - Time 1. 10 83. and piracy, but average irrespective of percentage.
- &/or (ii) the requisition, confiscation, expropriation, nationalisation or detention of the specified vessel or craft by or under the order of any government or local authority.
- &/or (iii) the closure, blockage or blockade (other than civil blockade) of the area or the means of exit therefrom or of any port, canal, channel, river, waterway or other place or of the means of exit therefrom within the area described in the schedule or any part thereof.

during the currency of this policy one or more of the vessels or craft named in the schedule be prevented from earning hire or reward or be prevented from earning anticipated hire or reward. or be obliged to continue or expend charterage, or be obliged to continue expenditure in excess of the excess period stipulated in the schedule, then this policy will pay the daily indemnity stated in the schedule for each period of twenty four consecutive hours during which the vessel or craft is so prevented. or so obliged for not exceeding the number of

periods of twenty four hours stated in the Schedule in respect of any occurrence, and subject to the overall limit stated therein.

(B) Clause 13 of Institute Time Clauses Hulls (1. 10. 83) is deemed to be incorporated in this insurance in so far as it does not conflict with the provisions of these clauses.

However, no claim shall be payable under this insurance in respect of charges incurred by the assured in accordance with Clause 13 of the said Clauses unless with the prior consent of Underwriters.

3. Exclusions

No claims shall be payable under this policy.

- (A) If such perils or combination of such perils shall have been effective at the time of attachment of this insurance.
- (B) in respect of any claims 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.
- (C) unless the repairs in respect of which a claim is made hereunder shall be completed within 12 months of the expiry of the period covered by this policy.
- (D) in respect of any period after the vessels or craft named in the schedule having become a Total Loss (Actual or Constructive or Arranged or Compromised).
- (E) due to loss or expense arising from;
 - (i) Confiscation and/or nationalisation and/or any other act of government or local authority of the country named in Clause 6 of the attached Schedule.
 - (ii) Capture seizure, arrest, restraint, detainment, confiscation or nationalisation by the government of the country in which the vessel is owned or registered.
 - (iii) Arrest, restraint or detainment under quarantine regulations or by reason of infringement of any customs regulations.

4. Warranties

- (i) The assured shall make all reasonable efforts to obtain the release of any vessel or craft insured hereunder, and shall subrogate to Underwriters all rights against any other parties.
- (ii) Warranted that the insured comply in all respects with the laws (local or otherwise) of the country in whose waters the vessel is situated and should failure so to do prejudice this insurance to extent of a loss, no liability will attach hereunder.
- (iii) Warranted all necessary permits obtained.

5. Automatic Termination of Cover Clause.

- (A) 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 the new rate of premium and/or conditions and/or warranties.
- (B) Whether or not such notice of cancellation has been given this insurance 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 when soever such detonation may occur and whether the insured property be involved or not.
 - (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 Peoples Republic of China:

- (iii) Upon any sale or other change of management or ownership unless with the prior consent of Underwriters,
- (C) In the event of cancellation by notice of automatic termination of this insurance pro-rata net return of premium shall be payable to the assured, provided that no claims shall attach to the vessel or craft concerned. In no other circumstance shall any return of premium be due once this insurance is effected except with the specific agreement of Underwriters.

SCHEDULE

1. VESSEL(S) OR CRAFT

Name or Identification

Daily Indemnity

2. EXCESS PERIOD (EACH OCCURRENCE OR CONTINUOUS SERIES OF OCCURRENCES):.....

.....
Successive periods of twenty four consecutive hours.

3. INDEMNITY

PERIODS

OVER

ALL

PERILS:

..... Successive periods of twenty four consecutive hours in respect of each occurrence but not exceeding periods of twenty four hours in all under this policy in respect of any one vessel or craft.

4. GEOGRAPHICAL LIMITS:

Persian or Arabian Gulf and adjacent waters including the Gulf of Oman North of 24 degrees North.

5. INSURED VOYAGE:

From position 24 degrees North on passage into Persian or Arabian Gulf. and until in position 24 degrees North on outward voyage not later than or held covered at additional premium to be agreed.

6. Excluding any loss resulting from loss or delay to the vessel through the action of any governmental or local authority of

BREACH OF NAVIGATING LIMIT REQUIREMENTS CLAUSE

It shall be a condition precedent to the liability of the Underwriters that:

1. the vessel shall be equipped and properly fitted with:-

1.1 two independent marine radar sets

1.2 a global positioning system receiver or Loran-C radio positioning receiver in those areas covered by a Loran-C chain

1.3 a radio transceiver and GMDSS

1.4 a weather facsimile recorder or alternative equipment for the receipt of weather and routing information.

1.5 a gyrocompass, incorporating latitude corrections approved by manufacturers or their agents, when North of 70° N.Lat.

in each case, to be fully operational and manned by qualified personnel; and

2. the vessel shall be in possession of appropriate navigational charts corrected up to date, sailing directions and pilot books; and

3. the vessel shall adhere to all pilotage requirements, traffic regulations and controls as may be established by the applicable coastal state authorities.

BROKERS' CANCELLATION CLAUSE

It is hereby agreed between the Underwriters and the Reassured that in the event of the Reassured, or their Agents on whose instructions insurance may have been effected, failing to pay [] the premium or any instalment thereof on the due date, this Policy may be forthwith cancelled by [] giving to the Underwriters notice in writing and the Underwriters will thereupon return, to the Brokers through whom this policy is effected, pro-rata premium from the date of notice or from such later date as cancellation may be required in the said notice.

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 include loss of or damage to the subject matter insured arising from faulty design of any part or part 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. Costs are payable in addition as provided in the Protection and Indemnity Clauses of the current Institute Clauses for Builders' Risks.

CARGO LOADING OR DISCHARGING OPERATION CLAUSE (B)

In the event of vessel(s) being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being harbour or inshore craft) such vessels/operations automatically covered hereunder without additional premium and without alteration in deductible but such deductible amended to apply in respect of aggregate of all claims arising from each single operation. No notice from the Assured is required in respect of such operations.

Cash & Goods on Board(Cruise-Ship Package) Insurance

(cash on Board & in Transit)

WE THE UNDERWRITERS agree to the extent and in the manner provided herein to indemnify the Assured for amount not exceeding the limits stated in the Schedule against

SECTION 1

Loss of money from any cause whatsoever whilst

- A. in transit as specifically described in the Schedule,
- B. within any of the premises specified in the Schedule

(1) when open for business and not left unattended

(2) when closed for business or left unattended whilst in a locked Safe or Strongroom

SECTION 2

loss of or damage done by thieves to safes containing money insured herein, occurring during the

period set forth in the Schedule.

DEFINITION

The word 'money' as used in the Insurance means :

Cash, Bank and Currency Notes Current Postage Stamps

Cheques Embossed Stamps

Postal Orders Money Orders

Securities for Money

the property of the Assured or for which the Assured is responsible

EXCLUSIONS

THIS INSURANCES DOES NOT COVER

1. loss by dishonesty on the part of any of the Assured's employees,
2. consequential loss, loss or shortage due to depreciation or currency fluctuation or clerical or accounting errors or omissions,
3. loss from unattended vehicles,
4. any loss or damage if any act or event out of or in the course of which such loss or damage arise, constitutes or is a part of, or is committed or happens whether directly or indirectly by reason of, or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to a popular rising, military or usurped power, or martial law, nationalisation or abandonment, confiscation or requisition.

IN ANY CLAIM, and in any action, suit or other proceedings to enforce a claim under this Insurance for loss or damage, the BURDEN of PROVING that the loss or damage does NOT fall within this exclusion shall be upon the Assured.

5. loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds,
6. loss or damage directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any unclear fuel or from any unclear waste from the combustion of unclear fuel,
 - b) the radioactive, toxic, explosive or other hazardous properties of any explosive unclear assembly or unclear component thereof.
7. loss or damage unless occurring within the Territorial Limits set forth in the Schedule.

CONDITIONS

1. The provisional premium is subject to adjustment as specified in the Schedule on the estimated aggregate amount of Money in Transit during the period of this Insurance. The Assured shall supply within thirty days after expiry a declaration of the actual aggregate amount of Money in Transit, showing separately all Transits described in the Schedule.
2. It is a condition precedent to the liability of Underwriters that the protections and precautions provided for the safety of the insured money shall be in use at all time, and maintained in good order throughout the currency of this Insurance and in no way varied or removed without the written consent of Underwriters.
3. It is a condition precedent to the liability of Underwriters that all keys and duplicate keys of Safes, Strongrooms, and Alarms are removed from the Premises specified in the Schedule at all times when such Premises are closed or left unattended.
4. There shall be no liability under this Insurance in respect of any claim where the Assured is entitled to indemnity under any other Policy EXCEPT in respect of any excess beyond the amount which would have been covered under such other Policy had this Insurance not been effected.
5. It is a condition precedent to the liability of Underwriters that following any happening likely to give rise to a claim the Assured will immediately :
 - a) inform the police, and offer them all reasonable assistance in the apprehension of the person(s) responsible and the recovery of the money,
 - b) give notification in writing to Underwriters,

- c) provide such information and assistance as Underwriters may reasonably require.
6. If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Insurance shall become void and all claims hereunder shall be forfeited.
7. This Insurance may be cancelled at any time at the request of the Assured in writing to the Broker who effected the Insurance and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining the customary short term premium. This Insurance may also be cancelled by or on behalf of Underwriters by 30 days' notice given in writing, and sent by registered or recorded delivery mail, to the Assured at his last known address. The premium hereon shall be adjusted on the basis of Underwriters receiving or retaining pro rata premium.

CHANG MYUNG SHIPPING SPECIAL CLAUSES

1. *Leased Equipment Clause*

This insurance is extended to cover subject to all terms and conditions of this policy, loss of or damage to equipment (including bunkers and/or spare bunkers furnished by Charterers or others) and apparatus not owned by the Assured but installed for use on the Vessel and for which the Assured has assumed liability (whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise) where such loss or damage is caused by a peril insured under this insurance, but in no event shall the liability of the Underwriters exceed the contractual liability of the Assured for such equipment or apparatus. All such equipment or apparatus installed on the Vessel but not owned by the Assured shall be included in the agreed insured value of the Vessel.

2. *Termination Clause*

Notwithstanding anything to the contrary contained herein, this insurance shall not terminate at the time of and shall not be prejudiced by:

2.1 change of Classification Society to another Classification Society that is a member of the International Association of Classification Societies

2.2 change in the ownership or flag, transfer of management or charter on a bareboat basis, provided that the management of the vessel remains with Chang Myung Shipping Co., Ltd.

3. *Valuation Clause*

Notwithstanding anything to the contrary contained in General Average and Duty of Assured clauses herein, all vessels are deemed insured for their full contributory values in respect of claims hereunder for General Average, Salvage and Sue & Labours.

4. *General Average and Salvage Clause*

4.1 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules (excluding Rules XX and XXI) 1974, as amended 1990 or 1994 at Owners' option are to apply.

4.2 Clause 11.4 of this insurance shall not exclude any sum which the Assured shall pay to salvors in respect of salvage remuneration in which the skill and effort of the salvors in preventing or minimizing damage to the environment as in referred to in Article 14 of the International Convention on Salvage 1989.

5. *Deductible Clause*

5.1 In interpretation of 'two successive ports' in Clause 12.2 of the Institute Time Clauses 1.10.83(CI.280) in respect of heavy weather and ice damage, calls at ports solely for bunkering or for refuge or canal transits are not be construed as ports within the meaning of the clause in question. A vessel's stay in such ports counts as an integral part of the preceding single sea passage and no separate deductible will be applied for such damage(s) which may be sustained during the vessel's stay in such ports.

5.2 One deductible to be applied to all damage(s) during loading(s) and/or discharging(s) at

one loading or discharging port/place.

5.3 All damage sustained by contacts with lightening vessels whilst employed in loading or discharging cargo at any one port or place shall be subject to one deductible. In the event that the vessel is employed at a port as a lightening vessel, all damage sustained by contacts with any one mother vessel shall also subject to one deductible.

5.4 No deductible to be applied in respect of Sue and Labour Claims

5.5 One deductible to be applied to all damages sustained as a result of each of the following categories,

1. heavy weather damage referred to in Clause 12.2 of the Institute Time Clauses

Hulls 1.10.83(CI.280) is deemed to include grounding and touching bottom.

2. contact with fixed or floating objects including lock walls and/or ice at any port or during passage through any river, inland waterway or lock system during one voyage inward and outward or during any one berthing/unberthing operation.

5.6 One deductible to be applied to all ice and/or weather damage sustained during the whole period that the vessel is outside Institute Warranty Limits.

5.7 Agreed survey, legal and divers' fees following an incident which, in the Assured's opinion, may give rise to a claim hereunder to be paid by Underwriters irrespective of subsequent claim or not.

6. *Bottom Treatment Clause*

The cost in full of scraping and/or grit and/or sand blasting and/or other surface preparation work and all costs of bottom painting incurred in consequence of a peril insured against shall be included in the claim irrespective of whether routine bottom painting/dry docking is effected concurrently.

7. *Unrepaired Damage Clause*

Underwriters liability in respect of unrepaired damage shall be discharged at expiry of the policy and will be the estimated cost of repairs at the first reasonable opportunity, in Owners' opinion, including estimated drydock dues and services, tank cleaning, superintendence, classification surveyors' charges and removal etc., if necessary, as if all outstanding repairs were to be effected simultaneously.

8. *Repairs by Deferment Clause*

Any increase in cost of repairs by deferment deemed to be part of the reasonable cost of repairs providing the repairs are carried out at the next dry docking, or special survey at Owners' Option.

9. *Temporary Repairs Clause*

For claims purposes, the cost of repairs effected by riding squads, Air Freight on equipment/spare parts, the cost of temporary repairs and excess cost of overtime on repairs, the cost of drydocking with cargo on board, supply of necessary parts/equipment and the cost of discharging, storing and reloading cargo necessary for damage repairs, which are not allowable in G.A. shall be deemed as part of the reasonable cost of repairs to the extent that such items would have been incurred by a prudent uninsured owner.

10. *Constructive Total Loss Clause*

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 exceeds 75% of the insured values.

11. *Helicopter Permission Clause*

The practice of using helicopters for the transfer of crew, pilots, surveyors, repairers or others, cargo, mail, stores, equipment and the like will not prejudice this insurance.

12. *Small G.A. Clause*

12.1 In case where General Average is estimated not to exceed USD250,000 the Assured have the option of deciding whether they will claim the whole of the General Average under this insurance or claim from the cargo as they think fit. Underwriters to pay adjusters' charges in addition to the said amount of USD250,000. In such cases of

charging the whole to the Hull Underwriters, no commission or interest is to be claimed.

12.2 In cases where General Average is estimated to exceed USD250,000 and average adjusters certify that involving cargo interests would be uneconomical from the standpoint of the Hull interest, the Assured shall have the same option as outlined above.

12.3 In the event that General Average is not declared, it is agreed that the General Average will be adjusted in accordance with the York-Antwerp Rules 1974, as amended 1990, or 1994 at Owners' option.

12.4 In the event that a claim is made under this clause it is agreed that the Vessels are deemed to be insured for their actual sound market values.

13. *Bering Sea Transit Clause*

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that when on through voyages to or from the Far East, the insured vessel may navigate the Bering Sea provided that

1. the Vessel has on board the appropriate hydrographic charts corrected up to date,
2. entry is made through the Unimark Pass and exit west of Attu Islands or West of Buldir Islands or vice versa and
3. this vessel is equipped and properly fitted with marine radar, a satellite navigator or Loran, sonic depth sounding apparatus, radio direction finder and gyro compass, all fully operational and manned by qualified personnel

Alternatively the vessel may enter or leave through the Amchitka or Amukta Passes, but only when equipped and properly fitted with marine radar, Loran, a satellite navigator, sonic depth sounding apparatus, radio direction finder, gyro compass and a weather facsimile recorder, all fully operational and manned by qualified personnel.

14. *War Trading Advice Clause*

Owners advise that vessels may trade in War Risk areas during the policy period.

Consequently the safeguards recommended to minimize war perils for vessels trading in these areas may be complied with but without prejudice to their rights of recovery under this insurance. Whilst noting this Underwriters agree that they do not require advice of specific voyages.

15. *Towage Clause*

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that the vessel has leave to tow and assist vessels or craft in distress and could also be towed to the nearest first safe port from casualty site where there are sufficient repair facilities when in need of assistance.

16. *Automatic Rader Plotting Aid Clause*

It is agreed that this insurance is not prejudiced for the period when the automatic Rader Plotting Aid is out of order but arrangements for repairs or replacement are being made whilst vessel is in port or at sea.

17. *Certificate of Maintenance of Class Clause*

Agreed waive production of Classification Society Certificates of Maintenance of Class in respect of claims not exceeding USD100,000. Adjusters' charges deemed not to be part of USD100,000 which amount is to be net of policy deductible.

18. *Missing Vessels Clause (applicable to War & Strikes risks only)*

This insurance to pay a total loss in the event of the insured vessel being missing from any cause during the currency of this policy. If such vessel be recorded at Lloyd's as 'Untraced' or posted as 'missing', she shall be deemed missing for the purpose of this insurance. Full subrogation to Underwriters hereon.

19. Hull etc., Machinery etc., and all connected therewith nothing excluded.

20. *Parts Removed Clause*

To pay, subject to the terms and conditions of this policy, all loss of or damage to the subject matter hereby insured occurring at any time during the currency of this insurance

notwithstanding that any part(s) of the said subject matter be anywhere ashore under any circumstances, (whether on quay, in buildings, sheds, or elsewhere) and/or under repair and/or in transit (to and from the vessel or otherwise).

21. *Affiliated Companies Clause*

In respect of the vessel insured hereunder, it is agreed that this policy also covers the Assured and Affiliated Companies of the Assured be they Owner, Subsidiaries or Inter-related Companies and as Bareboat Charterers and/or Charters and/or Sub-charterers and/or Operators and/or in whatever capacity, and shall so continue to cover notwithstanding the provisions of this policy with respect to change of ownership or management. Subject to one policy limit.

Provided however, that in the event of any claim being made by any affiliated, subsidiary or inter-related company under this clause it shall not be entitled to recover in respect of any liability to which it would not be subject if it were the owner of the vessel, nor to a greater extent than an owner would be entitled in such event to recover. These insurers waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured, extent that any such company is insured against the liability asserted. However, should the vessel be sold to or transferred to or chartered on a bareboat basis to others than the assured or the affiliated companies of the Assured, or be requisitioned on a bareboat basis, the provision of this policy with respect to change of ownership or management shall govern.

22. *Pilots non-liability clause*

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 pilot 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.

CHARTERER'S LIABILITY

Other than for vessels on Demise or Bareboat Charters Vessel entered for Charterers' risks

It is a condition of this insurance that the vessel(s) is entered in the Protection and Indemnity Club for full Charterers' risks during the period of this insurance. This insurance is only to indemnify the Assured as respects losses, costs, and expenses incurred by the Assured as Charterers:

- (1) In respect of liabilities to others than owners of the chartered vessel, or liabilities to the owners of the chartered vessel by way of reimbursement for claims brought against them by third parties, but only to pay claims subject to a deductible of () any one accident, and:
- (a) Which are covered in _____ (but excluding liabilities and expenses covered solely at the discretion of the Club's Committee), but which are not covered by reason of the limitation clauses contained therein, but subject always to the limits of liability of this policy and further Underwriters hereon retain all the rights reserved by the Association.
- (b) Contractual or assumed liabilities other than to the Shipowner under the Charter Party (and which are to be agreed by Underwriters hereon), or under any Bill of Lading issued pursuant to the Charter Party, shall be excluded hereunder, except with prior agreement of Underwriters and an additional premium, if required, paid therefore. Notwithstanding anything herein it is warranted that the Shipowner is not released from liability to cargo under the Charter Party or otherwise.

- (2) for loss of or damage to the chartered vessel, but only to pay claims subject to a deductible of () any one accident, except loss or damage caused by ice being subject to a deductible of () any one accident.

No coverage is afforded herein for any liability for contribution to General Average, Salvage, Salvage Charges, Collision, any deductible imposed by the Club terms of entry, or for any amount which would be recoverable from the Club had this insurance not been in force.

Nothing in this policy shall be construed as entitling the Assured to recover hereunder in respect of any liability, costs or expenses which he may incur as charterer by reason of demurrage or detention of ship or cargo, or for loss of use of the chartered vessel.

If other collectible insurance with any other insurers is available to the Assured covering a liability insured hereunder (except insurance purchased to apply in excess of the limits of liability hereunder) the insurance hereunder shall not be liable to pay or contribute more than their ratable proportion of any Claim for such loss or damage.

No claim or action shall lie against underwriters unless it shall be brought for loss actually sustained and paid by the Assured in respect of liabilities insured hereunder.

Assistance and Cooperation - In the event that any claim or claims appear reasonably likely to involve Underwriters, the Assured shall give prompt written notice to the Underwriters hereon, shall forward every summons or process (or copies thereof) served upon the Assured, and shall thereafter keep Underwriters fully advised as Underwriters may request.

Underwriters shall not be called upon to undertake or assume charge of investigation, defence or settlement of any claim, suit or proceeding against the Assured, but expressly reserve hereby the right and shall be given the opportunity to associate with the Assured or the Assured's underlying insurers, or both. in the defence and control of any claim, suit or proceeding which in the opinion of Underwriter's is likely to involve this insurance, in which event the Assured and Underwriters shall cooperate in such defence to the mutual advantage of both.

Cost-Costs incurred by the Assured shall be payable by Underwriters only if Underwriters hereon give written consent to the incurring of such costs in respect of any particular claim, suit or proceeding and if such costs are not covered by underlying insurance, and then only in proportion between the amount (excluding costs) paid by the Assured (or by the underlying insurers) and the amount (excluding costs) paid by the Underwriters hereon, (the word 'costs' shall be understood to mean investigation, adjustment and legal fees and expenses, excluding however, all expenses for salaried employees and retained counsel and all office expenses of the Assured).

Underwriters' liabilities under this insurance shall not exceed in respect of any one loss or series of losses arising out of one event.

CIDO SPECIAL CLAUSES 6/12/2005

1. Leased Equipment Clause

This insurance is extended to cover subject to all terms and conditions of this policy, loss of or damage to equipment (including bunkers and/or spare bunkers furnished by Charterers or others) and apparatus not owned by the Assured but installed for use on the Vessel and for which the Assured has assumed liability (whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise) where such loss or damage is caused by a peril insured under this insurance, but in no event shall the liability of the Underwriters exceed the contractual liability of the Assured for such equipment or apparatus. All such equipment or apparatus installed on the Vessel but not owned by the Assured shall be included in the agreed insured value of the Vessel.

2. Termination Clause

Notwithstanding anything to the contrary contained herein, this insurance shall not terminate at the time of and shall not be prejudiced by:

- 2.1 change of Classification Society to another Classification Society that is a member of the International Association of Classification Societies
- 2.2 change in the ownership or flag, transfer of management or charter on a bareboat basis, provided that the management of the vessel remains with Cido Shipping Co. Ltd.

3. Valuation Clause

Notwithstanding anything to the contrary contained in General Average and Duty of Assured clauses herein, all vessels are deemed insured for their full contributory values in respect of claims hereunder for General Average, Salvage and Sue & Labours.

4. Deductible Clause

- 4.1 In interpretation of 'two successive ports' in Clause 12.2 of the Institute Time Clauses 1.10.83(CI.280) in respect of heavy weather and ice damage, calls at ports solely for bunkering or for refuge or canal transits are not be construed as ports within the meaning of the clause in question. A vessel's stay in such ports counts as an integral part of the preceding single sea passage and no separate deductible will be applied for such damage(s) which may be sustained during the vessel's stay in such ports.
- 4.2 One deductible to be applied to all damage(s) during loading(s) and/or discharging(s) at one loading or discharging port/place.
- 4.3 All damage sustained by contacts with lightening vessels whilst employed in loading or discharging cargo at any one port or place shall be subject to one deductible. In the event that the vessel is employed at a port as a lightening vessel, all damage sustained by contacts with any one mother vessel shall also subject to one deductible.
- 4.4 No deductible to be applied in respect of Sue and Labour Claims
- 4.5 One deductible to be applied to all damages sustained as a result of each of the following categories
 - 1. heavy weather damage referred to in Clause 12.2 of the Institute Time Clauses Hulls 1.10.83(CI.280) is deemed to include grounding and touching bottom.
 - 2. contact with fixed or floating objects including lock walls and/or ice at any port or during passage through any river, inland waterway or lock system during one voyage inward and outward or during any one berthing/unberthing operation.

- 4.6 One deductible to be applied to all ice and/or weather damage sustained during the whole period that the vessel is outside Institute Warranty Limits.
- 4.7 Agreed survey, legal and divers' fees following an incident which, in the Assured's opinion, may give rise to a claim hereunder to be paid by Underwriters irrespective of subsequent claim or not.

5. Bottom Treatment Clause

The cost in full of scraping and/or grit and/or sand blasting and/or other surface preparation work and all costs of bottom painting incurred in consequence of a peril insured against shall be included in the claim irrespective of whether routine bottom painting/dry docking is effected concurrently.

6. Unrepaired Damage Clause

Underwriters liability in respect of unrepaired damage shall be discharged at expiry of the policy and will be the estimated cost of repairs at the first reasonable opportunity, in Owners' opinion, including estimated drydock dues and services, tank cleaning, superintendence, classification surveyors' charges and removal etc., if necessary, as if all outstanding repairs were to be effected simultaneously.

7. Repairs by Deferment Clause

Any increase in cost of repairs by deferment deemed to be part of the reasonable cost of repairs providing the repairs are carried out at the next dry docking, or special survey at Owners' Option.

8. Temporary Repairs Clause

For claims purposes, the cost of repairs effected by riding squads, Air Freight on equipment/spare parts, the cost of temporary repairs and excess cost of overtime on repairs, the cost of drydocking with cargo on board, supply of necessary parts/equipment and the cost of discharging, storing and reloading cargo necessary for damage repairs, which are not allowable in G.A. shall be deemed as part of the reasonable cost of repairs to the extent that such items would have been incurred by a prudent uninsured owner.

9. Drydock with Cargo on Board Clause

It is understood and agreed that this insurance is not prejudiced by dry docking with cargo on board.

10. Constructive Total loss Clause

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 exceeds 75% of the insured values.

11. Helicopter Permission Clause

The practice of using helicopters for the transfer of crew, pilots, surveyors, repairers or others, cargo, mail, stores, equipment and the like will not prejudice this insurance.

12. Towage Clause

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that the vessel has leave to tow and assist vessels or craft in distress and could also be towed to the nearest first safe port from casualty site where there are sufficient repair facilities when in need of assistance.

13. Automatic Rader Plotting Aid Clause

It is agreed that this insurance is not prejudiced for the period when the automatic Rader Plotting Aid is out of order but arrangements for repairs or replacement are being made whilst vessel is in port or at sea.

14. Certificate of Maintenance of Class Clause

Agreed waive production of Classification Society Certificates of Maintenance of Class in respect of claims not exceeding US\$100,000. Adjusters' charges deemed not to be part of US\$100,000 which amount is to be net of policy deductible.

15. Missing Vessels Clause (applicable to War & Strikes risks only)

This insurance to pay a total loss in the event of the insured vessel being missing from any cause during the currency of this policy. If such vessel be recorded at Lloyd's as 'Untraced' or posted as 'missing', she shall be deemed missing for the purpose of this insurance. Full subrogation to Underwriters hereon.

16. Hull etc., Machinery etc., and all connected therewith nothing excluded.

17. Parts Removed Clause

To pay, subject to the terms and conditions of this policy, all loss of or damage to the subject matter hereby insured occurring at any time during the currency of this insurance notwithstanding that any part(s) of the said subject matter be anywhere ashore under any circumstances, (whether on quay, in buildings, sheds, or elsewhere) and/or under repair and/or in transit (to and from the vessel or otherwise).

18. Affiliated Companies Clause

In respect of the vessel insured hereunder, it is agreed that this policy also covers the Assured and Affiliated Companies of the Assured be they Owner, Subsidiaries or Inter-related Companies and as Bareboat Charterers and/or Charters and/or Sub-charterers and/or Operators and/or in whatever capacity, and shall so continue to cover notwithstanding the provisions of this policy with respect to change of ownership or management. **Subject to one policy limit.**

Provided however, that in the event of any claim being made by any affiliated, subsidiary or inter-related company under this clause it shall not be entitled to recover in respect of any liability to which it would not be subject if it were the owner of the vessel, nor to a greater extent than an owner would be entitled in such event to recover. These insurers waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured, extent that any such company is insured against the liability asserted. However, should the vessel be sold to or transferred to or chartered on a bareboat basis to others than the assured or the affiliated companies of the Assured, or be requisitioned on a bareboat basis, the provision of this policy with respect to change of ownership or management shall govern.

19. Pilots non-liability clause

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 pilot 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.

20. Missiles and Spacecraft Clauses

Clause 6, subsection 6.1.7 of the Institute Time Clauses Hulls A/10/83 (CL280) will be interpreted to include contact with
(c) rockets or similar missiles

(d) spacecraft, satellites or similar space objects or objects falling therefrom

Subject always to paramount exclusions 23,24,25 and 26 of the Institute Time Clauses Hulls 1/10/83.

Clauses 6, subsection 6.1.7 of the Institute Time Clauses – Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 shall be interpreted to include contact with

(c) rockets or similar missiles

(d) spacecraft, satellite or similar space objects or objects or objects falling therefrom

Subject always to paramount exclusions 12,13,14 and 14 of the Institute Time Clauses - Hulls Disbursements and Increased value (Total Loss only, including Excess Liabilities) 1/10/83.

21. MARINE HULL ELECTRONIC DATA RECOGNITION AND ARBITRATION CLAUSE

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

1. The cover provided by this insurance shall not be prejudiced by reason of any Failure of a System causing or contributing to any loss, damage, liability or expense insured under this insurance, provided always that this insurance will not cover any loss, damage, liability or expense which has resulted from want of Due Diligence by the Assured, Owners or Managers in respect of such Failure of a System.
Master, Officers, Crew and Pilots shall not be considered Owners within the meaning of this clause should they hold shares in the insured Vessel.

2. Notwithstanding clause 1 above, in no circumstances shall this insurance cover;

2.1 any expense incurred in respect of testing for, discovering, averting or minimising any Failure of a System;

2.2 the cost of rectifying, reprogramming, replacing or up-grading any Computer Equipment found to be defective or inadequate in respect of the matters referred to in the definition of Failure of a System;

2.3 the cost of repairing or replacing any Computer Equipment that has broken down or malfunctioned as a consequence of any Failure of a System

3. For the purpose of this clause

3.1 **Failure of a System** means any failure or anticipated failure of or inability of any System correctly, unambiguously or completely to assign, exchange, interpret, manipulate, process, recognise, sequence or transfer any time, year, date or date-like code, data or information,

3.2 **Computer Equipment** means any hardware, software, microchip, integrated circuits, microcontrollers, computer operating system, programs, code or data,

3.3 **System** includes Computer Equipment and electrical and mechanical equipment linked to Computer Equipment.

4. Mediation and Arbitration

4.1 All disputes and differences which may arise between the Assured and the Underwriters as to whether or not the Assured, Owners and Managers have exercised Due Diligence in relation to Failure of a System are to be settled by an equitable rather than a strictly legal interpretation of the provisions of this Insurance.

4.2 Failing agreement between the parties, they shall first attempt mediation in accordance with the Centre for Dispute Resolution's (CEDR) Model Mediation Procedure. To initiate a mediation, a party shall give notice in writing ("ADR notice") to the other party to the dispute requesting a mediation as provided herein. A copy of the request shall be sent to CEDR

(whose address is Princess House, 95 Gresham Street, London EC2V 7NA)

- 4.3 If the parties have not settled the dispute by mediation within 42 days from the date of the ADR notice, they shall submit to the decision of two Arbitrators (one to be named by each party) and an Umpire (to be chosen by the two Arbitrators before entering upon the reference). The Arbitrators and the Umpire shall be senior officials of companies and/or organisations engaged in Shipowning and/or Ship Management.
 - 4.4 In the event of failure by one of the parties to appoint an Arbitrator within thirty (30) days after having been requested to do so, or if the Arbitrators fail within thirty (30) days of their appointment to agree upon the choice of an Umpire, such nomination shall be made by the President of the Chamber of Shipping of the United Kingdom or as may be agreed.
 - 4.5 The Arbitrators and the Umpire shall be relieved from all judicial formalities and may abstain from following the strict rules of law. They shall construe this insurance as a mutual understanding binding in honour in accordance with fair insurance practice.
 - 4.6 Where the issues before the arbitration tribunal have already been adjudicated upon by the directors of the Protection and indemnity Association in which the vessel is entered, the Arbitrators and the Umpire shall have regard to the decision(s) of the said directors.
 - 4.7 The Arbitrators shall fix their own procedure, including the apportionment and payment of costs. The award of the Arbitrators or Umpire, as the case may be, shall be final and binding on both parties.
 - 4.8 Except as may be provided in the policy to the contrary, any arbitration under this Clause shall take place in London, England and shall be subject to the provisions of the English Arbitration Act 1996.
 - 4.9 Where this Clause is used on an insurance that is subject to a facultative reinsurance, the parties hereto agree that the facultative reinsurers ("the Reinsurers") shall have the right to participate fully in any mediation and/or arbitration between the Assured and the Underwriters, so that all relevant and necessary parties participate in and are bound by one arbitration proceeding/award.
 - 4.10 It is further agreed that the Underwriters and the Reinsurers shall agree between themselves as to the appointment of their Arbitrator within the period of time set forth in Clause 4.4.
 - 4.11 Where this Clause is used on a facultative reinsurance (as anticipated in clause 4.9), all references in this clause 4 to "the Underwriters" shall be read as references to "the Reassured" and references therein to "the Assured" shall be read as references to "the original Assured".
5. The cover provided in this endorsement is subject in all other respects to all other terms, conditions, exclusions and limits contained in this insurance.

22. GENERAL AVERAGE ABSORPTION CLAUSE

It is agreed that where the assured's General Average sacrifice and/or expenditure and/or any other party's General Average sacrifice and/or expenditure and/or salvage are estimated by the average adjuster not to exceed USD 500,000 total in excess of clause 12 deductible in respect of any one accident or occurrence, the assured may elect not to declare General Average nor collect General Average security from other interests, in which event this insurance is to pay the whole of the General Average and/or salvage up to USD 500,000 in excess of clause 12 deductible.

This clause to be applied at assured's option. Where cargo is forwarded and when the assured has taken the option outlined above, reimbursement from Hull underwriters may be assessed as if the parties concerned in the forwarded cargo had signed General Average security including a

Non-Separation Agreement.

23. GENERAL AVERAGE AND SALVAGE CLAUSE

When the vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules (excluding Rules XX and XXI) as amended 1990 or 1994 at Owner's option are to apply.

24. THE BERING SEA AND THE SEA OF OKHOTSK CLAUSE

Insurance hereunder permits the insured vessels, when on through voyages to or from the Far East, to use the Bering Sea and Sea of Okhotsk provided that:

- 6) the vessels have on board the appropriate hydrographic charts corrected up to date;
- 7) in the Bering Sea entry is made through the Unimak Pass and exit west of Buldir Island or vice versa;
- 8) in the Sea of Okhotsk entry is made south of the Kamchatka Peninsular and exit via the Soya Strait (La Perousa Strait) or vice versa;
- 9) vessels may only navigate the Sea of Okhostk during the period 15th March to 14th November;
- 10) the vessels are equipped and properly fitted with marine radar, a satellite navigator Loran (but in respect of the Sea of Okhotsk and Loran), sonic depth sounding apparatus, radio direction finder and gyro compass, all fully operational and manned by qualified personnel. (Alternatively during Bering Sea transit the vessels may enter or leave through the Amchika, Amukta or Attu Passes, but only when equipped and properly fitted with marine radar, Loran, a satellite navigator, sonic depth sounding apparatus, radio direction finder, gyro compass and a weather facsimile recorder, all fully operational and manned by qualified personnel).

25. SPECIAL CLAUSE FOR SETTLEMENT OF CLAIMS LOCAL REPAIRS

Notwithstanding anything contained herein to the contrary, it is hereby noted and agreed that where the repair of damage to the subject matter insured hereunder has been effected in Korea and the assured has paid or is due to pay the repair costs and incidental expenses in Korean Won currency, this Company shall pay such repair cost and incidental expenses within the limit of sum actually paid or to be paid in Korean Won currency subject to the policy conditions.

26. Continuity Bonus Clause

Continuity Bonus of(specified in the schedule) % payable on original premium of Hull & Machinery policy, at expiry of the Long Term Policy, subject to renewal at 6th September, with the same expiring insurers and reinsurers through JLT Risk Solutions Ltd. and for not less than their expiring order(s).

CLAIMS CONTROL CLAUSE

Notwithstanding anything contained herein to the contrary: -

(a) The Reinsured shall as soon as practicable after receipt by them of advice of a claim(s) under the Original Policy or upon knowledge of the possibility of any such claim(s) give written notice thereof to the Reinsurers and shall

i) Furnish to the Reinsurers all available information applicable to such claim(s) or potential claim(s); and

ii) Comply in all material respects with any and all written instructions from the Reinsurers in relation to such claim(s) or potential claim(s).

iii) The reinsurer(s) shall have the sole right at any time to appoint adjusters and / or representatives (as per the panel of adjusters contained within the slip) to act on their behalf to control all investigations, adjustments and settlements in connection with any claim notified to the Reinsurer(s) as aforesaid.

(b) The Reinsurers shall control all negotiations and/or adjustments and/or settlements in connections with all claims under the Original Policy.

CLAIMS CONTROL CLAUSE

Notwithstanding anything contained herein to the contrary: -

(a) The Reinsured shall as soon as practicable after receipt by them of advice of a claim(s) under the Original Policy or upon knowledge of the possibility of any such claim(s) give written notice thereof to the Reinsurers and shall

i) Furnish to the Reinsurers all available information applicable to such claim(s) or potential claim(s); and

ii) Comply in all material respects with any and all written instructions from the Reinsurers in relation to such claim(s) or potential claim(s).

iii) The reinsurer(s) shall have the sole right at any time to appoint adjusters and / or representatives (as per the panel of adjusters contained within the slip) to act on their behalf to control all investigations, adjustments and settlements in connection with any claim notified to the Reinsurer(s) as aforesaid.

(b) The Reinsurers shall control all negotiations and/or adjustments and/or settlements in connections with all claims under the Original Policy.

CLAIMS CO-OPERATION CLAUSE

Notwithstanding anything herein contained to the contrary it is a condition precedent to any liability under this Policy that :-

(a) The assured shall upon knowledge of any loss which may give rise to a claim under this policy advise the Company immediately

(b) The assured shall furnish the Company with all information available respecting such loss or losses and shall co-operate with the Company in the adjustment and settlement thereof.

Co-Assured Clause

Notwithstanding the fact that such parties as advised are hereby named in their capacity as dvised as Co-Assured in this Policy, this cover will only extend insofar as they may be found liable to pay in the first instance for liabilities which are properly the responsibility of an Assured, and nothing herein contained shall be construed as extending cover in respect of any amount which would not have been recoverable hereunder by the Assured had such claim been made or enforced against him. Once indemnification hereunder has been made there shall be no further liability hereunder to make any further payment to any person or company whatsoever, including the Assured, in respect of that claim.

All rights granted to us together with all duties of an assured under the original insuring agreement shall also apply to any other named Co-Assured jointly.

ALL OTHER TERMS, CLAUSES AND CONDITIONS REMAIN UNALTERED.

Co-Assured Clause (Institute P & I Clause)

Notwithstanding the fact that such parties as advised are hereby named in their capacity as dvised as Co-Assured in this Policy, this cover will only extend insofar as they may be found liable to pay in the first instance for liabilities which are properly the responsibility of an Assured, and nothing herein contained shall be construed as extending cover in respect of any amount which would not have been recoverable hereunder by the Assured had such claim been made or enforced against him. Once indemnification hereunder has been made there shall be no further liability hereunder to make any further payment to any person or company whatsoever, including the Assured, in respect of that claim.

All rights granted to us together with all duties of an assured under the original insuring agreement shall also apply to any other named Co-Assured jointly.

ALL OTHER TERMS, CLAUSES AND CONDITIONS REMAIN UNALTERED.

CO-INSURANCE CLAUSE

It is hereby understood and agreed that this policy is issued, as requested by the assured, _____ in its own name, but only on behalf of the following Co-Insurers who each themselves and not one (or the other, are severally and independently liable for their respective subscription hereto as specified below:

It is also agreed that _____ shall assume no liability whatsoever with respect to other Co-Insurer's subscription due to the mere fact that it is signatory to this Policy or otherwise named herein. Should _____ be one of the Co-Insurer above, its liability shall be limited to the extent subscribed and in no event will its liability exceed each subscription.

It is also agreed that _____ shall attend to all matters connected with this Co-Insurance including settlement of claims and any agreement or decision which may be made between the Assured and _____ shall be final and binding upon all other Co-insurers. Any notices which may be given by the Assured to _____ in writing or otherwise shall be deemed as given to all other Co-Insurers as well.

Notwithstanding that each of the members independently assumes liability for his subscription as aforementioned, it is understood and agreed that, in the event of any claim payable abroad, the same shall be settled in full by the leader's Agent, on behalf of all the members as if this insurance is accepted solely by the leader.

COLLISION LIABILITY & SISTERSHIP CLAUSES 1. COLLISION LIABILITY 1.1

The Underwriters agree to indemnify the Assured for 3/4ths (or 4/4ths) 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 1.1.1 loss of or damage to any other vessel or property on any other vessel 1.1.2 delay to or loss of use of any such other vessel or property thereon 1.1.3 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.

1.2 The indemnity provided by this Clause 1 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. 1.2.1 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 1 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. 1.2.2 In no case shall the Underwriters' total liability under Clauses 1.1 and 1.2 exceed their proportionate part of 3/4ths (or 4/4ths) of the insured value of the Vessel hereby insured in respect of any one collision.

1.3 The Underwriters will also pay 3/4ths (or 4/4ths) 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** 1.4 Provided always that this Clause 1 shall in no case extend to any sum which the Assured shall pay for or in respect of 1.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever 1.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels 1.4.3 the cargo or other property on, or the engagements of, the insured Vessel 1.4.4 loss of life, personal injury or illness 1.4.5 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).

2. 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.

CONTINUITY BONUS Continuity Bonus of(specified in the schedule) % payable on original premium at expiry of the existing policy, subject to renewal at, with the same expiring order to the existing insurer not less than the expiring order.

CONTINUITY BONUS Continuity Bonus of(specified in the schedule) % payable on original premium at expiry of the existing policy, subject to renewal at, with the same

expiring order to the existing insurer not less than the expiring order.

CONTINUITY COMMISSION CLAUSE

Provided that this insurance is renewed with the same Contract leader for not less than the expiring order, it is agreed there shall be payable at expiry a continuity commission in respect of this cover calculated at 5% of the 2008/09 yard cover gross premium received by Underwriters hereon, after all adjustments for additional and/or return premiums.

In the event the order is reduced not only shall the continuity commission be lost but this clause shall automatically cease and not reattach to the renewal placing unless specifically agreed by the Contract leader.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 CLARIFICATION CLAUSE

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

NMA2852 – 30/3/2000

Contracts (Rights of Third Parties) Act 1999 Exclusion Clause – JH2000/007

Neither this policy nor any document issued pursuant to this policy shall confer any benefits on any third parties. No third party may enforce any term of this policy or of any provision contained in any document issued under this policy. The Contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from this policy, including the Schedule or any other document issued pursuant thereto. This Clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.

CONTRACTUAL MARINE-LIABILITY

Notwithstanding anything contained the Institute Time Clauses (Hulls) to the contrary, it is hereby noted and agreed that this insurance is extended to cover the Assured's liability as follows :

To indemnify the Assured in respect of their liability arising out of the clause as below which forms part of Assured's contract with _____.

"Notwithstanding the provision in clause _____ above COMPANY indemnifies ' and holds CONTRACTOR harmless from and against any actions, suits, claims or demands for property damages to fish nets, fish traps, and loss of or damage to fish or other catch inside the said nets and or traps or other fishing equipment and compensation for suspension of fishing activities arising out of or resulting from the property damages to fish nets or fish traps by any person, firm or corporation caused by, resulting from, growing out of, or incidental to the survey to be carried out by Contractor hereunder."

CREW WAR RISKS LIABILITIES This insurance is to protect the assured in respect of losses, claims or expenses not recoverable under protection and indemnity etc. liability clause attached to the policies covering the hull, freight and/or increased value of the vessel against war and strikes etc. risks by reason of the exclusion of crew liabilities contained therein. In the event of any alteration in number or composition of the crew such alteration held covered with daily pro rata adjustment of premium. Subject to automatic termination clause as per Institute War and Strikes Clause 1.10.70. Crew limit of liability any one accident or occurrence US\$.....(-) per G.R.T. or the aggregate amount insured hereunder on the hull and associated interests whichever the greater but not exceeding US\$.....(-) per capita.

CROSS LIABILITY

In the event of claims being made by reason of personal injury suffered by any employee of one Assured hereunder for which another Assured hereunder is or may be liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder.

In the event of claims being made by reason of damage to property belonging to any Assured hereunder for which another Assured is, or may be, liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder.

Nothing contained herein shall operate to increase Underwriters' limit of liability as set forth elsewhere herein.

CROSS LIABILITY

In the event of claims being made by reason of personal injury suffered by any employee of one Assured hereunder for which another Assured hereunder is or may be liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder. In the event of claims being made by reason of damage to property belonging to any Assured hereunder for which another Assured is, or may be, liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder. Nothing contained herein shall operate to increase Underwriters' limit of liability as set forth elsewhere herein.

CUT THROUGH CLAUSE

The Reinsurers (hereinafter "the reinsurers") and the reassured hereby agreed that the following

clause be incorporated within the terms of this original insurance and shall be paramount and shall override anything contained in this original and reinsurance policies. It is agreed that in the event the reassured becomes and/or will become insolvent or goes into liquidation or at any time be placed in the hands of a Receiver, Assignee, Trustee or State Commissioner and as a result of defaults, in lieu of payment of any loss or losses payable under the terms of this policy for account of the original assured and/or mortgagee (subject to the provision of the Loss Payable Clause in the original policy) then such original assured and/or mortgagee by giving prompt notice to the reinsurers shall be entitled to recover claims directly from the reinsurers through the appointed brokers subject to the reinsurance policy terms and conditions and only for the proportion subscribed by the reinsurers and the application of any policy deductible contained in this policy. It is agreed that direct payment under this Clause shall only be admissible if the reinsurers have not already made full settlement to the reassured in respect of the same casualty/casualties. It is agreed that any such payment made by the reinsurers hereon in accordance with this agreement shall constitute a discharge of the reinsurers' liability in respect of the particular claims and shall release them from any liability they would have to the reinsured in respect of such claims. It is agreed that the reinsurers should not exercise their right of cancellation in the event of non payment of reinsurance premium without first giving 14 days notice to the original assured. It is further agreed that in the event the reassured becomes or will become insolvent or goes into liquidation or at any time be placed in the hands of a Receiver, Assignee, Trustee or State Commission, that any outstanding premium will be paid direct by the Original Assured to Underwriters hereon on the due date, via the Original Assured's appointed Brokers.

CROSS LIABILITY

In the event of claims being made by reason of personal injury suffered by any employee of one Assured hereunder for which another Assured hereunder is or may be liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder.

In the event of claims being made by reason of damage to property belonging to any Assured hereunder for which another Assured is, or may be, liable, then this policy shall cover such Assured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Assured hereunder.

Nothing contained herein shall operate to increase Underwriters' limit of liability as set forth elsewhere herein.

DISBURSEMENT AND INCREASED VALUE WAR AND STRIKES RISKS INSURANCE

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers total loss (actual or constructive) of the subject-matter insured 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, Disbursement and Increased Value (Total Loss Only, including Excess Liabilities) 1/10/83 except Clauses 1.2, 2, 3, 4, 6.1, 6.2, 6.3, 11, 12, 13, 14 and 15 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 the Clause 5, or 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 provision of Clause 5 above.

FIRE PRECAUTION WARRANTY

It is a condition of this insurance that a surveyor appointed or approved by the London Salvage Association approve all aspects of the fire detection and fire fighting arrangements and equipment installed in the Builder's Yard, Sub-Contractors' premises where appropriate and in all sections of the vessels during the course of their construction. The Surveyor shall carry out checks of the systems and routines once every three months and shall report any deficiencies to the assured and to Under-writers immediately.

FIRST LOSS DISBURSEMENTS REINSTATEMENT CLAUSE

This policy is to indemnify the assured for the cost of premium payable to reinstate either partly or in whole the special -first loss disbursements policy- following any claim or claims made on such insurances during the period of this policy.

Noted and agreed to adjust sums insured hereon automatically following any amendments to main policy with underwriters hereon accepting pro rata increased reduced lines accordingly but any such amendments not subject to any additional or returns of premium. Cancelling returns only.

DEFERRED PREMIUM CLAUSE

Notwithstanding that this policy issued as a contract of twelve months, it is hereby understood and agreed that the premium shall be payable in the following installment (as agreed and specified in the schedule):-

FULL PREMIUM IF LOST CLAUSE

It is understood and agreed that in the event of a claim arising hereunder adjustable on the basis of Total Loss the Full Annual Premium less the amount of premium already paid shall become due and payable forthwith.

DEFERRED PREMIUM & FULL PREMIUM IF LOST CLAUSE

Notwithstanding that this policy issued as a contract of twelve months, it is hereby understood and agreed that the premium shall be payable in the following installment (as agreed and specified in the schedule):-

It is understood and agreed that in the event of a claim arising hereunder adjustable on the basis of Total Loss the Full Annual Premium less the amount of premium already paid shall become due and payable forthwith.

GUARANTEE OF PAYMENT OUT OF THE

INSURANCE GUARANTY FUND

This clause applies only to the insurance contracts where people effecting insurance and persons liable for paying premium are not juridical persons and/or organizations.

In case insurance claims and/or other benefits payable under this policy have not been paid by the company because of insolvency and/or other related reasons, the Insurance Guaranty Fund shall guarantee the payment of insurance claims and/or other benefits within the specified range of limit, i.e., the sums specified under this policy but not exceeding Korean won 50 million per person.

HULL WAR, STRIKES, TERRORISM AND RELATED PERILS NOTICE OF CANCELLATION ADMINISTRATION CLAUSE (JW2005/001B)

Where Underwriters wish to give notice of cancellation (herein "Notice") in accordance with the terms of the insurance (to which this clause is attached) for the purpose of amending the terms conditions warranties and/or rates, it is agreed as follows: 1 The Notice shall be given by the Leading Underwriter only (on behalf of all Underwriters subscribing to this insurance). 2 The Notice shall identify the policy (by number / Unique Market Reference [UMR], principal Assured, and Interest insured) to which the Notice applies. 3 Where the Notice is given through the broker, the Notice shall be deferred by three working days to enable the broker to transmit the Notice to the Assured(s), mortgagee(s) and other parties to whom the broker has an obligation to transmit the Notice. 4 If the Notice is given for the purpose of amending the listed areas applicable under the Navigation Limitations for War, Strikes, Terrorism and Related Perils (herein "War Risks"): 4.1 where the insurance covers both (a) War Risks and (b) marine and/or other non-war risks, the Notice shall only apply to the cover for War Risks; 4.2 the insurances will be considered as automatically reinstated upon expiry of the Notice, subject to the said listed areas being amended in line with the changes outlined in the Notice; 4.3 in the absence of notice in writing having been received from the Assured prior to the expiry of the Notice, (i) the Assured shall be deemed to have agreed to such amendment of the said listed areas, (ii) the insurance will be automatically reinstated upon expiry of the Notice subject to such amendment of the said listed areas, and (iii) such amendment shall be deemed to have been endorsed upon and form part of the insurance; 4.4 where the listed areas applying to this insurance prior to the Notice have been the subject of any deletion amendment limitation or restriction, such deletion amendment limitation or restriction (a) shall continue to apply mutatis mutandis to the new listed areas, but (b) shall not apply to any port(s) and/or place(s) and/or area added in consequence of the Notice; 4.5 notwithstanding the foregoing, should the insurance already be subject to navigation limitations so limiting the area of trading that any port(s) and/or place(s) and/or area to be added in consequence of the Notice would not in any case have been a permitted port(s) of call or area of trading, the insurance shall not be subject to the Notice. 5 If this clause is endorsed upon any policy or contract of reinsurance, the terms "Assured" and "insurance" shall be deemed **JWC HULL WAR, STRIKES, TERRORISM AND RELATED PERILS LISTED AREAS** (.....) (AREAS TO BE SPECIFIED AND UPDATED) () **FLEET ADDITIONAL CLAUSES**

HYUNDAI MERCHANT MARINE SPECIAL CLAUSE

1) General Average Clause

① In the event that Owners do not declare General Average, it is agreed that Owners have the option to either

a) Claim the General Average in full from Hull Underwriters up to the limit of US\$_____ without approaching cargo or other interests for a contribution. If

the General Average claim exceeds such amount, Owners are also entitled to recover from Hull Underwriters what would have been the vessel's contribution of the amount in excess of US\$ _____

b) In the event that cargo is carried under a large number of bills of lading, in view of Underwriters, which makes it uneconomical to declare General Average, Owners are entitled to claim from Hull Underwriters for the estimated ship's proportion of General Average as if General Average had been declared, General Average security obtained from cargo and a full General Average adjustment prepared, up to the limit of the actual General Average expenses incurred (excluding commission and interest).

② In the event that General Average is not declared, it is agreed that the General Average will be adjusted in accordance with York-Antwerp rules, 1994.

③ In the event that a claim is made under this clause it is agreed that the vessels are insured for their actual sound market values

- 2) No Deductible to be applied : - In Sue and Labour Claims.
- 3) For claims purposes, the cost of repairs effected by riding squads, Air Freight on equipment / spare parts, the cost of temporary repairs and excess cost of overtime on repairs, the cost of drydocking with cargo on board, and additional expenses incurred to enable the vessel to continue trading pending supply of necessary replacement parts / equipment, and the cost of discharging, storing and reloading cargo necessary for damage repairs, which are not allowable in general average shall be deemed as form part of the reasonable cost of repairs to the extent that such items would have been incurred by a prudent uninsured owner.
- 4) Underwriters liability in respect of unrepaired damage will be the estimated cost of repairs at the first reasonable opportunity including estimated drydock dues and services, tank cleaning, superintendence, classification surveyors' charges and removal etc., if necessary as if all outstanding repairs effected simultaneously.
- 5) The cost of scraping and/or grit and/or sand blasting and/or other surface preparation work and all costs of bottom painting incurred in consequence of a peril insured against shall be included in the claims irrespective of whether routine bottom painting/drydocking is effected concurrently.
- 6) One deductible to be applied to all damages sustained as a result of each of the following categories :
 - ① groundings and touching bottom.
 - ② contacting with foreign objects including lock walls and/ or ice at any port, through any river, inland waterway or lock system during one voyage ward and outward and during berthing/unberthing operation.
- 7) One deductible to be applied to all ice and/or weather damage sustained ring the whole period while the vessel is outside Institute Warranty Limits.
- 8) One deductible to be applied to all damage(s)during loading(s) and/or discharging(s) at one loading or discharging port/place.
- 9) All damage sustained by contacts with lightening vessels whilst employed in loading (or discharging) cargo at any one port shall be subject to one deductible. In the event that the

vessel is employed at a port as a lightening vessel, all damage sustained by contacts with any one mother vessel whilst employed in lading (or discharging) cargo from the mother vessel shall also be subject to one deductible.

- 10) Divers fees to be paid by Underwriters irrespective of whether or not claims exceed deductible.

INSTITUTE OF LONDON UNDERWRITERS PORT RISKS-PROTECTION AND INDEMNITY AND REMOVAL OF WRECK CLAUSES WAR AND STRIKES INCLUSION.

The exceptions contained in the Institute Port Risks Clauses, clause 5 b (i) and b (ii), are deemed to be deleted.

Underwriters' liability under the following clauses, together with any liability there may be under clauses 3 and 4 of the Institute Port Risks Clauses., is subject to the limitations in amount provided in the said clauses 3 and 4.

The provisions of those clauses regarding the payment or legal costs shall apply also hereto.

1. PROTECTION & INDEMNITY CLAUSE (War and Strikes Inclusion).

This insurance covers liability under the Protection and Indemnity Clause in the Institute port Risks Clauses excluded by the following words,

"Notwithstanding the provisions of Clauses 3 and 4, this Policy is warranted free from any claim arising in connection with an occurrence resulting from the operation of a peril excepted by,

- (i) the Free of Capture and Seizure Warranty.
- (ii) the Free of Strikes, Riots and Civil Commotions Warranty."

2. REMOVAL OF WRECK (WAR AND STRIKES) CLAUSE (Expenses not recoverable under the Protection and Indemnity Clause).

This insurance also to pay the expenses, after deduction of the proceeds of the salvage, not recoverable under the Protection and Indemnity Clause, or any other form of insurance, of the removal of the wreck of the Insured vessel from any place owned, leased or occupied by the Assured, when the wreck is the result of the operation of a peril excepted by.

- (i) the Free of Capture and Seizure Warranty.
- (ii) the Free of Strikes, Riots and Civil Commotions Warranty.

INERT GAS SYSTEM WARRANTY

Warranted Inert Gas System fitted and such Inert Gas System to be fully approved by _____.

Warranted Owners and Managers instructions are that the Insert Gas System fitted is to be operated at all times in accordance with instructions issued by the Manufacturers and all operations to be entered in Log Book.

Note : *Must be same classification society with whom vessel is classed.

INSTITUTE 10% DISBURSEMENTS CLAUSE.

Additional insurances as follows are permitted

- (a) Disbursements. Managers' Commissions. Profits or Excess or increased value of Hull and Machinery. sum nor, exceed ing 10% of the value stated herein.
- (b) Freight. Chartered Freight or Anticipated Freight. insured for time. A sum not exceeding 25010 of the value as stated herein less any sum insured, however described, under Section (a).
- (c) Freight or Hire. under contracts for voyage. A sum not exceeding the gross freight or hare 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 Section (b) 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.
- (d) Anticipated Freight if the Vessel sails in ballast and not under Charter. A sum not. exceeding the anticipated gross freight 011 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 Section (b) to be taken into account and only the excess thereof may be insured.
- (e) Time Charter Hire or Charter Hire for Series or Voyages. A sum not exceeding 50% ox the gross fire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under Section (b) 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 Sections (b) and (c) 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.
- (f) 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 &c. risk insurance) reducing pro rata monthly.
- (g) Returns of Premium. A sum not exceeding the actual returns which are recoverable subject to ` and arrival ' under any policy of insurance.
- (h) Insurance irrespective of amount against : -
Risks excluded by the Free of Capture etc. Clause and risks enumerated in the Institute War and Strike Clauses.

Warranted that no insurance on any interests enumerated in the foregoing Sections (a) to (g) in excess of the amounts permitted therein and no other insurance 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 policy by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford Underwriters any defence to a claim by a Mortgagee who has accepted this policy without knowledge of such breach.

INSTITUTE ADDITIONAL PERILS CLAUSE-HULLS

(For use only with the Institute Time Clauses – Hulls 1/10/83) 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 Time Clauses – Hulls 1/10/83 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.

RUNNING DOWN AND SISTER SHIP CLAUSE

(Including the liability for loss of or damage to any other object)

It is further agreed that if the Vessel hereby insured shall come into collision with any other vessel or in contact with any other moveable or immoveable object whatsoever, 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 such collision for

- (i) loss of or damage to any other vessel or any other moveable or immoveable object or property thereon,
- (ii) delay to or loss of use of any such other vessel or any other moveable or immoveable object or property thereon, or
- (iii) general average of salvage of, or salvage under contract of, any such other vessel or any other moveable or immoveable object or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions bear to the value of the vessel hereby insured, provided always that liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured 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 which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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:-

- (a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,
- (b) any real or personal property or thing whatsoever except other vessels or property on other vessels,

- (c) 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),
- (d) the cargo or other property on or the engagements of the insured Vessel.
- (e) loss of life, personal injury or illness.

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the sam Owners or under the sam management, the assured shall have the same rights under this Policy us the would have were the other vessel entirely the pro-perty 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.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE 10/11/2003

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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE 10/11/2003

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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE CLAUSES FOR BUILDERS' RISKS 1/6/88

(This insurance is subject to English law and practice)

Contract or Yard

VESSEL.....Contract or Yard

No.

BUILDERS

..... BUILDERS'

YARDS

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

RUNNING DOWN AND SISTER SHIP CLAUSE

(Including the liability for loss of or damage to any other object)

It is further agreed that if the Vessel hereby insured shall come into collision with any other vessel or in contact with any other moveable or immoveable object whatsoever, 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 such collision for

- (i) loss of or damage to any other vessel or any other moveable or immoveable object or property thereon,
- (ii) delay to or loss of use of any such other vessel or any other moveable or immoveable object or property thereon, or
- (iii) general average of salvage of, or salvage under contract of, any such other vessel or any other moveable or immoveable object or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions bear to the value of the vessel hereby insured, provided always that liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured 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 which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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:-

- (a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,
- (b) any real or personal property or thing whatsoever except other vessels or property on other vessels,
- (c) 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),
- (d) the cargo or other property on or the engagements of the insured Vessel.
- (e) loss of life, personal injury or illness.

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 Policy 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.

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE 10/11/2003

1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system. 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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). 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).

Institute Extended Radioactive Contamination Exclusion Clause

1st November 2002

This Clause shall be paramount and shall override anything contained in this Contract inconsistent therewith

1. In no case shall this Contract 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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

INSTITUTE FREIGHT COLLISION CLAUSE

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

- (i) loss of or damage to any other vessel or property on any other vessel,
- (ii) delay to or loss of use of any such other vessel or property thereon, or
- (iii) general average of, salvage of or salvage under contract of, any such other vessel 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, if greater, to the gross freight at risk at the time of the collision.

Provided always that : -

- (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;
- (2) no claim shall attach to this insurance:--
 - (i) which attaches to any other insurances covering collision liabilities,
 - (ii) which is, or would be, recoverable in the terms of the Institute Running Down Clause if the Vessel were insured in the terms of such Institute Running Down Clause for a value not less than £ 43 per ton of her gross registered tonnage;
- (3) this clause 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:-
 - (a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,
 - (b) any real or personal property or thing whatsoever except other vessels or property on other vessels,
 - (c) 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),
 - (d) the cargo or other property on or the engagements of the Vessel,
 - (e) loss of life, personal injury or illness.

INSTITUTE FREIGHT NEGLIGENCE CLAUSE

This insurance includes loss of the subject matter insured directly caused by the following:---

Accidents in loading discharging or shifting cargo or fuel

Explosions on shipboard or elsewhere

Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere

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

Negligence of Master Officers Crew or Pilots

Negligence of repairers provided such repairers are not Assured(s) hereunder Contact with aircraft

Contact with any land conveyance, dock or harbour equipment or installation

Earthquake, volcanic eruption or lightning provided such loss has not resulted from want of due diligence by the Assured, Owners or Managers.

Masters Officers Crew or Pilots not to be considered as part Owners within the meaning of this clause should they hold shares in the Vessel. Warranted free from any claim consequent on loss of time whether arising from a peril of the sea or otherwise.

INSTITUTE FULL VALUE CLAUSE FOR BUILDERS' RISKS

Whereas the value stated herein is provisional and is based upon the estimated contract price, the parties to this insurance agree that the full value of the subject matter of this insurance, to be ascertained in accordance with the completed contract price, shall be the basis of this insurance.

Should the value for insurance, determined as above,

- (i) exceed the value stated herein the Assured agree to declare to the Underwriters heres 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 (ii) be less than the value stated herein, the sum insured by this policy shall be reduced proportionately and Underwriters agree to return premium, at the full policy rates, on the amounts by which their respective lines are reduced

Nevertheless 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 Underwriters.

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Time 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 6.2.2 to 6.2.5 inclusive of the Institute Time Clause – Hulls 1/10/83 or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of (the amount agreed and/or specified in the schedule). 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 Time Clauses – Hulls 1/10/83. The provisions of Clauses 12.3 and 12.4 of the Institute Time 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.

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Time 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 6.2.2 to 6.2.5 inclusive of the

Institute Time 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 occurrence, shall then be subject to the deductible in Clause 12.1 of the Institute Time Clauses-Hulls 1/10/83.

The provisions of Clauses 12.3 and 12.4 of the Institute Time 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.

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

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 anyone or 'more of the Owners, Operators, Charterers or Managers of the vessel or its 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 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 There after 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.

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.

INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS

CLAUSE - HULLS, ETC. 1/1/95 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 canceled 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.

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 countries: 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.

3. Five powers War and Nuclear Exclusion This insurance excludes

3.1 loss damage liability or expense arising

3.1.1 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

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 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from a 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.

INSTITUTE PROTECTION AND INDEMNITY CLAUSES HULLS- TIME

20/7/87

This insurance is subject to English law and practice

1 PROTECTION AND INDEMNITY

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:

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 (Clause 8 3/4ths Collision Liability)

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

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

loss of life, personal injury, illness or payments made for life salvage

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.

The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

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

additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

finer 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

the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimizing 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 much 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

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.

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

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, exceed in which case this sum shall be deducted.

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 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 Institute War and Strikes Clauses Hulls-Time such automatic 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 recognized by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, any 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.

INSTITUTE PROTECTION AND INDEMNITY CLAUSES HULLS- TIME 20/7/87

This insurance is subject to English law and practice

1 PROTECTION AND INDEMNITY

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:

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 (Clause 8 3/4ths Collision Liability)

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

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

loss of life, personal injury, illness or payments made for life salvage

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.

The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:

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

additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore

finer 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

the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured

legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimizing 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 much 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

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.

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

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, exceed in which case this sum shall be deducted.

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 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 Institute War and Strikes Clauses Hulls-Time such automatic 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 recognized by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, any 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.

WAR RISK PROTECTION AND INDEMNITY CLAUSES

1. This insurance is also to cover such protection and indemnity risks which are excluded from the marine insurance by reason of the operation of The F.C. and S. (and S.R. and C.C. and M.D. etc. where applicable) clause or clauses in the rules of the club covering protection and indemnity risks or in the policy of the insurance covering such risks and current at the time of happening of the accident or occurrence giving rise to the claim. In the event that protection and indemnity risks are not insured against marine perils this insurance shall be construed as if such insurance had been covered by The United Kingdom Mutual Steam Ship Assurance Association Ltd.-protecting and indemnity clubs excluding liability to crew absolutely.
2. Claims for which the underwriters shall be liable under these clauses shall not be subject to any deduction.
3. The liability of underwriters shall be liable under these clauses in respect of any one accident or series of accidents arising out of the same casualty shall be limited to the sum hereby insured.
4. These underwriters agree to accept the same percentage interest under these clauses as accepted on hull war risks.

5. Should the vessel at the natural expiry time of this policy be at sea, and provided the automatic termination clauses in the hull war risk policy have not by that time been brought into operation, this insurance shall be extended, provided previous notice be given to the underwriters, at a premium to be mutually agreed until midnight, GMT of the day on which the vessel is moored at the next port to which she proceeds and 24 hours thereafter.
6. This protection and indemnity insurance shall terminate automatically at the same time as the hull insurance against war risks and upon the terms and conditions provide for in the automatic termination clauses of the hull war risk policy.

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 radio activity 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.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE 10/11/2003

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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

INSTITUTE RETURNS OF PREMIUM CLAUSE

For attachment to the following Clauses in the place of the Returns of Premium Clause appearing therein which is deemed to be deleted.

- Institute Time Classuses. Hulls. (22.7.59)
- Institute Time Classuses. Hulls. - Excess.....P/A (22.7.59)
- Institute Time Classuses. Hulls. - Excess.....ALL Claims
(other than Total or Constructive Total Loss). (22.7.59)
- Institute Time Classuses. Hulls. - F.P.A. Absolutely. (22.7.59)
- Institute Time Classuses. Hulls. - Free of Damage Absolutely.(22.7.59)

Institute Time Classuses. Freight. (22.7.59)
 Institute Standard T.L.O. Clause (Hulls). (22.7.59)
 Institute T.L.O. Clause. (Disbursements) (22.7.59)
 Institute Total Loss and Excess Liabilities Clauses. (Disbursements, etc.)(22.7.59)
 Standard Dutch Hull Form for Liners and Tramps(22.7.59)

To return as follows:


per cent. net for each uncommenced month if this policy be cancelled by agreement.

and for each period of 30 consecutive days the Vessel may be laid up in port or in a lay-up area approved by Underwriters(with special liberties as hereinafter allowed):-

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

Provided always that

- (i) in no case shall a return be allowed when the within named Vessel is lying in exposed or unprotected waters, or in a lay-up area not approved by Underwriters, but days during which the Vessel is laid up in such non approved lay-up area may be added to days in port or in an approved 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 an approved lay-up area.
- (ii) 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
- (iii) in the event of a return for special trade or any other reason being recoverable, the above rates of premium shall be reduced accordingly.

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

INSTITUTE RUNNING DOWN AND SISTER SHIP CLAUSES

It is further agreed that if the Vessel hereby insured 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 such collision for

- (i) loss of or damage to any other vessel or property on any other vessel.
- (ii) delay to or loss of use of any such other vessel or property thereon. or
- (iii) general overage 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 as their respective subscriptions hereto bear to the value of the Vessel hereby insured. provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured. 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 which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as any have been properly allowed in ascertaining balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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 :-

- (a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,
- (b) any real or personal property or thing whatsoever except other vessels or property on other vessels.
- (c) 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).
- (d) the cargo or other property on or the engagements of the insured Vessel.
- (e) loss of life, personal injury or illness.

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 Policy 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.

INSTITUTE SPEEDBOAT CLAUSES SPECIAL CONDITIONS AND EXCLUDED RISKS.

1. It is a condition of this insurance that when the vessel concerned is under way the Assured named in 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:-
 - (a) loss of or damage to the vessel or liability to any third party or any salvage services,
 - (i) 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,
 - (ii) arising while the vessel is participating in racing or speed tests, or any trials in connection therewith,
 - (b) rudder, propeller, strut, shaft, motor, electrical machinery or batteries, and their connections, unless the loss or damage is caused by the vessel being immersed as a result of heavy weather or is caused by the vessel being stranded, sunk, burnt, on fire, or in collision with any other vessel, pier or jetty, or while being removed from or placed in the vessel, or by theft of the entire vessel, or by theft following upon forcible entry into

- the vessel or place of storage, or by theft of outboard motor 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 by fire in the place of storage ashore, or by malicious acts,
- (c) any liability to or incurred by any person engaged in water ski-ing, aquaplaning or similar sport, while being towed by the vessel or preparing to be towed or after being towed until safely on board the vessel.
3. If the vessel is fitted with inboard machinery no liability shall attach to this Policy 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.

INSTITUTE STRIKES CLAUSES BUILDERS' RISKS

1. This insurance covers
loss of or damage to the subject matter insured caused by strikers locked-out workmen or persons taking part in labour disturbances riots or civil commotions.
but excludes any loss of or damage to the subject matter insured covered by the Institute War Clauses for Builders' Risks.
2. Warranted free of any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under York-Antwerp Rules 1950.
3. Claims payable irrespective of percentage.
4. This insurance also covers, subject to the limitation of liability provided for in Clause 17 of the Institute Clauses for Builders' Risks, the liability under Clauses 17 and 18 of the Institute Clauses for Builders' Risks which is excluded by Clause 19 (b).
5. The Institute Clauses for Builders' Risks 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 Standard Form of English Marine Policy with the said clauses attached.
6. No return of premium hereunder unless specially agreed.

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM) INSTITUTE TIME

CLAUSES HULLS PORT RISKS 1/3/85

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 4 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, 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. 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 liability 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 but in no case shall the Underwriters' liability under this Clause 9 exceed their proportionate part of the insured value of the Vessel in respect of each separate accident or occurrence or series of accidents arising out of the same event. 9.5 PROVIDED ALWAYS THAT 9.5.1 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. 9.5.2 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 or 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 an-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 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) 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 labouing 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 document's or respect of the commission or charges of any manager, agent, managing, or 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 unreported 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 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.

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 be rig for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to (he 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 c 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 [he 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 (his 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 cause 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.

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 sewage or salvage services under a contract preciously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary sewage 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 sewage 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 Polity 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 toss (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.

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 convening 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, non 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 DEDUCIBLE

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 construable 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.

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 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 or 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 assurances 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 said 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 holland 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 defense 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.

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 disturbance, 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.

(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 which 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, Owner 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 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 of 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 this for such survey.

5.2 any change, voluntary or otherwise, in the ownership or Hag, 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 execution of a written agreement by the Assured, such automatic 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 the 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 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 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.

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, 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.

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 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 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 it 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 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 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.

If notice is not given to the Underwriters within twelve months of that date unless 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 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 damage 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 Clause 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 therefore,
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 Underwriter, 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 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 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 assurances as follows are permitted:

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

22.1.2 Freight, Chartered if the 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 or 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 Return 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-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

repair

(a) percent net not under

repair.

(b) percent net under

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 lightening 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

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 nuclear fission and/or fusion or other like reaction or radioactive force or matter.

INSTITUTE TIME CLAUSES - HULLS 1/10/83

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 recover 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 the 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 operated 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. 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 damage 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 (*specified in the schedule*) 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 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 reduce 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 from one port to another for the repair of damage covered by the Underwriter, 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 *Disbursement, 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 22.1.1. 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 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. 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 or 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 lightening 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 or 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 herewith.** **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 or nuclear fission and/or other like reaction or radioactive force or matter.

1/6/64 E-2 **INSTITUTE TIME CLAUSES HULLS. - Excess.....P/A** 1 It is further agreed that if the Vessel hereby insured 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 such collision, the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions hereto bear to the value of the Vessel hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured, and in cases in which, the liability of the Vessel has been contested, or proceedings have been taken to limit liability with the consent in writing of the Underwriters, they will also pay a like proportion of three-fourths of the costs which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision. provided always that this clause shall in no case extend to any sum which the Assured may become liable to pay or shall pay for removal of obstruction under statutory powers, for injury to harbours whereas piers stages and similar structures or any goods or property thereon or on land, consequent upon such collision: or in respect of the cargo or engagements of the insured Vessel, or for loss of life or personal injury. 2 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 Policy as they would have were the other Vessel entirely the property of Owners not interest 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 3 The vessel is covered subject to the provisions of this Policy 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 when in need of assistance, or undertake towage or salvage services under a Contract previously arranged by Owners and/or Managers and or Charterers. This clause shall not exclude customary towage in connection with loading and discharging. 4 Should the Vessel at the expiration of this Policy 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. 5 Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or data of sailing, provided notice be given immediately after receipt of advices and any additional premium required be agreed.

6 If the Vessel is sold or transferred to new management then unless the Underwriters agree in writing to continue the insurance

잠정판

this Policy shall become cancelled from the time of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading ports or is at sea in ballast, in either of which cases such cancellation shall, if required, be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A pro rata daily return of premium shall be made. This clause shall prevail notwithstanding any provision whether written, typed or printed in the Policy inconsistent therewith. 7 This insurance also specially to cover loss of or damage to the subject matter insured directly caused by the following : - Accidents in loading discharging or shifting cargo or fuel Explosions on shipboard or elsewhere Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere Bursting of boilers breakage of shafts or any latent defect in the machinery or hull Contact with aircraft Negligence of Master Officers Crew or Pilots provided such 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 as part Owners within the meaning of this clause should they hold shares in the Vessel 8 General average and salvage to be adjusted 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 York-Antwerp Rules. When the Vessel sails in ballast, not under charter, the provision of the York-Antwerp Rules, 1950(excluding Rules X X and X XI) 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 ports or place thereafter other than a port of 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 (a) In the event of expenses being incurred pursuant to the Suing and Labouring Clause, the liability under this Policy 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 Underwriters have admitted a claim for total loss and property insured by this Policy 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. (b) Where a claim for total loss of the Vessel is admitted under this Policy and expenses have been reasonably incurred in salving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this Policy 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. 10 Average payable without deduction, new for old, whether the average be particular or general.

11 The expense of sighting the bottom after stranding. If reasonably incurred specially for that purpose, shall be deemed to be particular average even if no damage be found. 12 No claim shall in any case be allowed in respect of scraping or painting the Vessels bottom. 13 The provisions of Clause 11 shall be applicable to each voyage as if separately insured, and, for the purpose of this Clause 13, a voyage shall commence with any passage as below defined and may continue until the Vessel has completed not more than three passages or not more than two passage with cargo, whichever may first occur. A passage shall be deemed to be;- (1) If the Vessel sails with cargo;- From the commencement of loading at the first port or place of loading until completion of discharge at the last port or place of discharge and further until the Vessel begins to load cargo or sails therefrom whichever may first occur. (2) If the Vessel sails in ballast;- From the port or place of departure until arrival 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, and further until the Vessel begins to load cargo or sails in ballast. Should a passage as above defined include a period of 30 days or more in a port or place, other than a port or place of refuge that passage shall be deemed to have terminated on the expiry of 30 days; each subsequent period of 30 days or part thereof prior to the commencement of loading cargo or sailing, as the case may be, shall be deemed to be a passage (3) Periods in port not included in the preceding paragraphs;- Any period of 30 days or part thereof. Notwithstanding the provisions of paragraph (3) above, in the case of newly acquired vessels or vessels delivered to Owners on termination of demise charter, the period between the date of delivery to the Owners and the commencement of a passage may be added to and become part of such passage provided such period in less than 30 days. Should the Vessel sail in ballast from one port or place to another to effect repairs of damage for which Underwriters are liable under the Policy current at the time of sailing, such passage may be added to the previous passage and become part thereof. In applying the deductible franchise provided for in Clause 11 claims arising outside the period covered by this Policy may be added to claims arising within such period provided they arose during the same voyage as defined herein and during the same ownership. The franchise shall be deducted from the total of these claims not only such proportion of the sum remaining as is in respect of claims which has occurred during the period of this Policy shall be recoverable hereunder. Claims which would not have been recoverable under the conditions of this Policy shall not be included in the calculation. A voyage shall not be so fixed that it overlaps another voyage on which a claim is made on this or the preceding or succeeding policy. 14 In no case shall Underwriters be liable for unrepaired damage in addition to a subsequent total loss sustained during the period covered by this Policy or any extension thereof under Clause 4. 15 In ascertaining whether the Vessel in 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. 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.

16 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. 17 In the event of accident whereby loss or damage may result in a claim under this Policy, notice shall be given to 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 Underwriters should they so desire. 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. Underwriters may also take tenders or may require tenders to be taken for the repair of the Vessel. Where a tender so taken is accepted with the approval of 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 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 Underwriters' approval. Due credit shall be given against the allowance as above or any amount recovered;- (a) in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof allowed in general or particular average, (b) 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 average repairs other than a fixed deductible franchise is not recoverable from Underwriters the allowance shall be reduced by a similar proportion. In the event of failure to comply with the conditions of this clause, 15% shall be deducted from the amount of the ascertained claim. 18 Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranted "power" includes any authority maintaining naval, military or air forces in association with a power. Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy. 19 Additional Insurances as follows are permitted;- (a) Disbursements, Managers' Communion, Profits or Excess or Increased Value of Hull and Machinery. A sum not exceeding 10% of the value stated herein. (b) 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 Section (a). (c) 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 bases, 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 Section (b) 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. (d) 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 Section (b) to be taken into account and only the excess thereof may be insured. (e) Time Charter Hire of 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 Section (b) 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 Section (b) and (c) 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. (f) 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 pre rate monthly. (g) Returns of Premiums. A sum not exceeding the actual returns which are recoverable subject to and arrival under any policy of insurance. (h) Insurance irrespective of amount against;- Risks excluded by the Free of Capture etc. Clauses and risks enumerated in the Institute War and Strike Clauses. Warranted that no insurance on any interests enumerated in the foregoing Sections (a) to (g) in excess of the amounts permitted therein and no other insurance 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 Policy by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford Underwriters any defence to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach. 20 To return as follows;- percent, not for each uncommenced monthly if this Policy be cancelled by agreement, and for each period of 30 consecutive days the Vessel may be laid up in port or in a lay-up area approved by 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 payable shall be calculated pro-rata to the number of days under (a) and (b) respectively. Provided always that (i) in no case shall a return be allowed when the within named Vessel is lying in exposed or unprotected waters, or in a Lay-up area not approved by Underwriters, but days during which the Vessel is laid up in such non approved lay-up area may be added to days in port or in an approved 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 port or in an approved lay-up area (ii) 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 (iii) in the event of a return for special trade or any other reason being recoverable, the above rates of return of premium shall be reduced accordingly. In the event of any return recoverable under this clause being based on 30 consecutive days which fall on successive policies, effected for the same assured, this Policy shall only be liable for an amount calculated at pro-rata of the period rates (a) and/or (b) above for the number of days which come within the period of this Policy 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 (a) or (b) or (i) above. 21 It is agreed that no assignment of or interest in this Policy 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 this Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder; but noting in this clause is to have effect as an agreement by the Underwriters to a sale or transfer to new management.

1/6/64 E-3

INSTITUTE TIME CLAUSES

HULLS. - Excess.....All Claims (other than Total or constructive total Loss.)

1 It is further agreed that if the Vessel hereby insured 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 such collision, the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions hereto bear to the value of the Vessel hereby insured,

provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured, and in cases in which, the liability of the Vessel has been contested, or proceedings have been taken to limit liability with the consent in writing of the Underwriters, they will also pay a like proportion of three-fourths of the costs which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

provided always that this clause shall in no case extend to any sum which the Assured may become liable to pay or shall pay for removal of obstruction under statutory powers, for injury to harbours whereas piers stages and similar structures or any goods or property thereon or on land, consequent upon such collision: or in respect of the cargo or engagements of the insured Vessel, or for loss of life or personal injury.

2 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 Policy as they would have were the other Vessel entirely the property of Owners not interest 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

3 The vessel is covered subject to the provisions of this Policy 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 when in need of assistance, or undertake towage or salvage services under a Contract previously arranged by Owners and/or Managers and or Charterers. This clause shall not exclude customary towage in connection with loading and discharging.

4 Should the Vessel at the expiration of this Policy 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.

5 Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or data of sailing, provided notice be given immediately after receipt of advices and any additional premium required be agreed.

6 If the Vessel is sold or transferred to new management then unless the Underwriters agree in writing to continue the insurance this Policy shall become cancelled from the time of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading ports or is at sea in ballast, in either of which cases such cancellation shall, if required, be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A pro rata daily return of premium shall be made.

This clause shall prevail notwithstanding any provision whether written, typed or printed in the Policy inconsistent therewith.

7 This insurance also specially to cover loss of or damage to the subject matter insured directly caused by the following : -

Accidents in loading discharging or shifting cargo or fuel

Explosions on shipboard or elsewhere

Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere

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

Contact with aircraft

Negligence of Master Officers Crew or Pilots

provided such 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 as part Owners within the meaning of this clause should they hold shares in the Vessel

8 General average and salvage to be adjusted 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 York-Antwerp Rules.

When the Vessel sails in ballast, not under charter, the provision of the York-Antwerp Rules, 1950(excluding Rules X X and X XI) 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 ports or place thereafter other than a port of 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 (a) In the event of expenses being incurred pursuant to the Suing and Labouring Clause, the liability under this Policy 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 Underwriters have admitted a claim for total loss and property insured by this Policy 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.

(b) Where a claim for total loss of the Vessel is admitted under this Policy and expenses have been reasonably incurred in salving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this Policy 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.

10 Average payable without deduction, new for old, whether the average be particular or general.

11 The expense of sighting the bottom after stranding. If reasonably incurred specially for that purpose, shall be deemed to be particular average even if no damage be found.

12 No claim shall in any case be allowed in respect of scraping or painting the Vessels bottom.

13 The provisions of Clause 22 shall be applicable to each voyage as if separately insured, and, for the purpose of this Clause 13, a voyage shall commence with any passage as below defined and may continue until the Vessel has completed not more than three passages or not more than two passage with cargo, whichever may first occur.

A passage shall be deemed to be:-

(1) If the Vessel sails with cargo:-

From the commencement of loading at the first port or place of loading until completion of discharge at the last port or place of discharge and further until the Vessel begins to load cargo or sails therefrom whichever may first occur.

(2) If the Vessel sails in ballast:-

From the port or place of departure until arrival 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, and further until the Vessel begins to load cargo or sails in ballast.

Should a passage as above defined include a period of 30 days or more in a port or place, other than a port or place of refuge that passage shall be deemed to have terminated on the expiry of 30 days; each subsequent period of 30 days or part thereof prior to the commencement of loading cargo or sailing, as the case may be, shall be deemed to be a passage

(3) Periods in port not included in the preceding paragraphs:-

Any period of 30 days or part thereof.

Notwithstanding the provisions of paragraph (3) above, in the case of newly acquired vessels or vessels delivered to Owners on termination of demise charter, the period between the date of delivery to the Owners and the commencement of a passage may be added to and become part of such passage provided such period is less than 30 days.

Should the Vessel sail in ballast from one port or place to another to effect repairs of damage for which Underwriters are liable under the Policy current at the time of sailing, such passage may be added to the previous passage and become part thereof.

In applying the deductible franchise provided for in Clause 22 claims arising outside the period covered by this Policy may be added to claims arising within such period provided they arose during the same voyage as defined herein and during the same ownership. The franchise shall be deducted from the total of these claims not only such proportion of the sum remaining as is in respect of claims which has arisen during the period of this Policy shall be recoverable hereunder. Claims which would not have been recoverable under the conditions of this Policy shall not be included in the calculation.

A voyage shall not be so fixed that it overlaps another voyage on which a claim is made on this or the preceding or succeeding policy.

14 In no case shall Underwriters be liable for unrepaired damage in addition to a subsequent total loss sustained during the period covered by this Policy or any extension thereof under Clause 4.

15 In ascertaining whether the Vessel in 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.

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.

16 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.

17 In the event of accident whereby loss or damage may result in a claim under this Policy, notice shall be given to 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 Underwriters should they so desire. 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. Underwriters may also take tenders or may require tenders to be taken for the repair of the Vessel. Where a tender so taken is accepted with the approval of 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 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 Underwriters' approval.

Due credit shall be given against the allowance as above or any amount recovered;-

- (a) in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof allowed in general or particular average,
- (b) 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 average repairs other than a fixed deductible franchise is not recoverable from Underwriters the allowance shall be reduced by a similar proportion.

In the event of failure to comply with the conditions of this clause, 15% shall be deducted from the amount of the ascertained claim.

18 Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranted "power" includes any authority maintaining naval, military or air forces in association with a power.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

19 Additional Insurances as follows are permitted;-

(a) Disbursements, Managers' Communion, Profits or Excess or Increased Value of Hull and Machinery. A sum not exceeding 10% of the value stated herein.

(b) 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 Section (a).

(c) 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 bases, 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 Section (b) 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.

(d) 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 Section (b) to be taken into account and only the excess thereof may be insured.

(e) Time Charter Hire of 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 Section (b) 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 Section (b) and (c) 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.

(f) 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 pre rate monthly.

(g) Returns of Premiums. A sum not exceeding the actual returns which are recoverable subject to and arrival under any policy of insurance.

(h) Insurance irrespective of amount against;-

Risks excluded by the Free of Capture etc. Clauses and risks enumerated in the Institute War and Strike Clauses.

Warranted that no insurance on any interests enumerated in the foregoing Sections (a) to (g) in excess of the amounts permitted therein and no other insurance 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 Policy by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford Underwriters any defence to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach.

20 To return as follows:-

percent, not for each uncommenced monthly if

this Policy be cancelled by agreement,

and for each period of 30 consecutive days the Vessel may be laid up in port or in a lay-up area approved by 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 payable shall be calculated pro-rata to the number of days under (a) and (b) respectively.

Provided always that

(i) in no case shall a return be allowed when the within named Vessel is lying in exposed or unprotected waters, or in a Lay-up area not approved by Underwriters, but days during which the Vessel is laid up in such non approved lay-up area may be added to days in port or in an approved 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 port or in an approved lay-up area

(ii) 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

(iii) in the event of a return for special trade or any other reason being recoverable, the above rates of return of premium shall be reduced accordingly.

In the event of any return recoverable under this clause being based on 30 consecutive policies, effected for the same assured, this Policy shall only be liable for an amount of the period rates (a) and/or (b) above for the number of days which come within the period in which a return is actually applicable.

Such overlapping period shall run, at the option of the Assured, either from the first day the Vessel is laid up or the first day of a period of 30 consecutive days as provided under (a) or (b) or (c).

and

five days which fall on the same day of the week as the day on which this Policy was effected and to the same day of the week of the following year.

on which the Vessel is laid up.

21 It is agreed that no assignment of or interest in this Policy or in any moneys which thereunder is to be binding on or recognised by the Underwriters unless a dated notice of assignment signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on this Policy with such endorsement is produced before payment of any claim or return of premium under this clause is to have effect as an agreement by the Underwriters to a sale or transfer to or for the benefit of the assignee.

be or become payable under this Policy and the interest thereon; but noting in the event of an assignment.

22 Notwithstanding anything herein to the contrary, this insurance is warranted free from all claims including claims under the Collision and Suing and Labouring Clauses) other than for Total or Constructive Total Loss, unless the aggregate of such claims on each separate voyage exceeds.....in which case the Underwriters shall be liable for the sum by which such aggregate exceeds this franchise.

Excluding any interest comprised therein, recoveries against claims which are subject to the above franchise shall be treated as follows:-

(a) Recoveries in General Average in respect of Sacrifice of the subject matter of this insurance shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claims unreduced by any recoveries exceeds the above franchise.

(b) All other recoveries accountable by reason of this insurance shall be shared by the Assured and the Underwriters in the proportion that the above franchise bears to the difference between the aggregate of all claims and the total of the franchise and all sums credited or to be credited to Underwriters under in.

Interest comprised in recoveries shall be apportioned between Assured and 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.

INSTITUTE TIME CLAUSES HULL-FREE OF DAMAGE ABSOLUTELY

1. It is further agreed that if the Vessel hereby insured 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 such collision for

- (i) loss of or damage to any other vessel or property on any other vessel,
- (ii) delay to or loss of use of any such other vessel or property thereon, or
- (iii) 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 as their respective subscriptions thereto bear to the value of the Vessel hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured, 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 able pay a like proportion of three-fourths of the costs which the assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under the clause shall be settled on compelled to pay to the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to Owners of the other of such vessel such one-half or in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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;-

- (a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,
- (b) any real or personal property or thing whatsoever except other vessels or property on other vessels,
- (c) the cargo or other property on or the engagements of the insured Vessel,
- (d) loss of life, personal injury or illness.

2. 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 Policy 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.

- 3. (a) The Vessel is covered subject to the provision of this Policy at all times and has to leave to 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 shall not exclude customary towage in connection with loading and discharging.
- (b) 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 barge, lighter or

similar harbour or inshore craft) no claim shall be recoverable under this insurance for loss of the Vessel or for loss of or damage to any other vessel arising from such loading or discharging operations, including whist 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.

4. Should the Vessel at the expiration of this Policy 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.

5. 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.

6. If the Vessel is sold or transferred to new management then unless the Underwriters agree in writing to continue the insurance this Policy shall become cancelled from the time of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading port or it at sea in ballast, in either of which cases such cancellation shall, if required, be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A pro rata daily return of premium shall be made.

7. This insurance includes loss of the subject matter insured directly caused by;

Accidents in loading discharging or sifting cargo or fuel

Explosions on shipboard or elsewhere

Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere

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

Negligence of repairers provided such repairers are not Assured(s) hereunder

Contact with aircraft

Contact with any land conveyance, dock or harbour equipment or installation

Earthquake, volcanic eruption or lightning

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

Masters Officers Crew or Pilots not to be considered as part Owners within the meaning of this clause should they hold shares in the Vessel.

8. general average and salvage to be adjusted 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 York-Antwerp Rules.

When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1950 (excluding Rules x x and x xi) 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. (a) In the event of expenses being incurred pursuant to the Suing and Labouring Clause, the

liability under this Policy shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel at 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 Policy is saved, the foregoing provisions shall not apply unless the expenses of suing and labouing 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.

- (b) Where a claim for total loss of the Vessel is admitted under this Policy and expenses have been reasonably incurred in salving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this Policy 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.

10. Warranted free from any claim in respect of partial loss of and/or damage to the property hereby insured, whether included as general average or otherwise.

11. 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 Running Down and suing and Labouing Clauses) exceeds..... in which case this sum shall be deducted. This paragraph shall not apply to a claim for total or constructive total loss of the Vessel.

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.

12. 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.

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.

13. 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. Additional insurances as follows are permitted;-

- (a) Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery. A sum not exceeding 10% of the value stated herein.
- (b) 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 Section (a).
- (c) 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 Section (b) 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.

- (d) 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 Section (b) to be taken into account and only the excess thereof may be insured.
- (e) 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 Section (b) 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 Sections (b) and (c) 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.
- (f) Premium. 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, of required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
- (g) Returns of Premiums. A sum not exceeding the actual returns which are recoverable subject to and arrival under any policy of insurance.
- (h) Insurance irrespective of amount against:-

Risks excluded by the Free of Capture etc. Clause and risks enumerated in the Institute War and Strikes.

Warranted that no insurance on any interests enumerated in the foregoing Sections (a) to (g) in excess of the amounts permitted therein and no other insurance P.P.I., P.I.A. or subject to any other like term, is or shall be effected to operate during the currency of this Policy 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 Policy without knowledge of such breach.

15. To return as follows:-

per cent, net for each uncommenced month if
this Policy be cancelled by agreement,
and 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 payable shall be calculated pro rata to
the number of days under (a) and (b) respectively.

Provided always that

- (i) 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 Underwriter agree

that such non-approved lay-up area is deemed to be with 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

- (ii) 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
- (iii) in the event of a return for special trade or any other reason being recoverable, the above rates of return of premium shall be reduced accordingly.

In the event of any return recoverable under this clause being based on 30 consecutive days which fall on successive policies, effected for the same Assured, this Policy shall only be liable for an amount calculated at pro rata of the period rates (a) and/or (b) above for the number of days which come within the period of this Policy 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 (a) or (b) above.

16. No assignment of or interest in this Policy 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 this Policy and the Policy with such endorsement is produced before payment of any claims or return of premium thereunder; but nothing in this clause is to have effect as an agreement by the Underwriters to a sale or transfer to new management.

Unless deleted by the Underwriters the following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

17. Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration, or war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.

Further warranted free from the consequences of civil war, revolution rebellion, insurrection, or civil strife arising therefrom, or piracy.

- 18. warranted free from loss damage liability or expense arising from;-
 - (a) the detonation of an explosive
 - (b) any weapon of war
 and caused by any person acting maliciously or from a political motive.

19. Warranted free from 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.

1/3/85 (FOR USE ONLY WITH THE NEW MARINE POLICY FORM) E-8
INSTITUTE TIME CLAUSES HULLS
PORT RISKS including LIMITED NAVIGATION

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel has leave to proceed to and from any wet or dry docks harbours ways cradle, 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 deviation Society of the Vessel. or change, suspension. discontinuance, withdraw at 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 -here 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 sad 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 wafers
 - 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

This exclusion applies to all claims including claims under Clauses S. 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 threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of go, 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.

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 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 teal of 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 lire, personal injury, illness or payments made for life salvage
 - 10.1.5 liability under Clause I (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 liability 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 [eased 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
 - 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 but in no case shall the Underwriters' liability under this Clause 10 exceed their proportionate part of the insured value of the Vessel in respect of each separate accident or occurrence or series of accidents arising out of the same event.

10.5 PROVIDED ALWAYS THAT

- 10.5.1 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.
- 10.5.2 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 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 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.

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.

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 rune. 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 19 months. Any sum insured under 212.1.2 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, LA., 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 or war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(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 (his 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 4 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 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. of 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 less of use of any such other vessel or property thereon

7.1.3 general average of, salvage of, 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.

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 liability

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 no(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 but in no case shall the Underwriters' liability under this Clause 9 exceed their proportionate part of the insured value or' the Vessel in respect or' each separate accident or occurrence or series of accidents arising out of the same event.

9.5 PROVIDED ALWAYS THAT

9.5.1 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.

9.5.2 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 (his 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 or' repair or a repairing firm.

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair or' the Vessel. Where such a tender !,as 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) exceedsin 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.

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) 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 labours 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 respect of the commission or charges of any manager, agent, managing, or 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 unreported 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 DISBURSEMENTS WARRANTY

20.1 Additional insurances as follows are permitted:

20.1.1 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.

INSTITUTE TIME CLAUSES - FREIGHT

This insurance is subject to English law and practice

1 NAVIGATION

The Vessel has leave to dock and re dock. to go into graying dock. to sail or navigate with or without pilots, go on Trial trips and to assist and wait vessels or craft in distress. but it is warranted that the Vessel shall not be towed. except as is customary or as when in need of assistance, or undertake sewage 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 sewage 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, sewage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt or advises and any amended terms of cover and any additional premium required by them be agreed.

5 TERMINATION

This Clause shall prevail notwithstanding and 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 Striker 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 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 terminations shall be required to be deferred, whensy 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 money 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 ant 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 be. persons from outside the Vessel
 - 7.1.4 jettison
 - 7.1.5 piracy
 - 7.1.6 breakdown of or accident io 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 leafing discharging or shifting cargo or fuel
 - 7.2.2 bursting of hollers breakage of shafts or any latent defect in the machinery or hull
 - 7.2.3 negligence of plaster 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 plaster Officers or Crew,
- provided such, loss has no: resulted from want or due diligence el' the Assured. Owners or Managers.
- 7.3 Master Officers Crew or Pilots not la be considered (owners within the meaning of this Clause 7 should they hold shares in the Vessel.

8 POLLUTION HAZARD

This insurance covers toss of the subject-matter insured caused by any governmental authority' acting under she powers vestee it in to prevent or castigate 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. plaster. Officers, Crow or Pilots not to be considered Owners within the meaning or this Clause 8 shouts they hold shares in the Vessel.

9 FREIGHT COLLISION

- 9.1 It is further agreed that if the Vessel shall tome into collision with ant 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 slim 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 properly 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 io the total amount insured on freight or, if greater, to the gross freight at risk at the time of the collision.
- 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. damager, 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 assurances 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 registered tonnage not less than the equivalent in pounds sterling, at the time of commencement of this insurance. of 66.6/ Special Drawing Rights as defined by the International Monetary Fund;
- 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 tighter 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 assurances on freight other than this insurance are current as the time of the loss, all such assurances 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 13 all assurances 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 rechartered.
- 15.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the assurances 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 assurances 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 recommenced 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, during which the Vessel is laid up on such non-approved lay-up area may be added to days in the approved port or lay-up area recalculate 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 lightening purposes
- 16.2.4 in the event of an 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 assurances 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 (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.

INSTITUTE TIME CLAUSES – HULLS 1/10/83 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, provide 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 or 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 or 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 or the amount insured as is paid on the said insurances. **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 lightening 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.

INSTITUTE TIME CLAUSES – HULLS 1/10/83 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 Chatterers. 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, provide 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 or 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 or 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 or the amount insured as is paid on the said insurances. **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 lightening 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.

INSTITUTE TRIPLE VALUATION CLAUSE

- | | |
|---|------------|
| (a) Insured Value Purposes of Total Loss (Actual or Constructive) | US\$ _____ |
| (b) Insured Value Purposes of Determining Constructive Total Loss | US\$ _____ |
| (c) Insured Value Purposes other than Total Loss | US\$ _____ |

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 (b) 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 (b).

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).

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 trill 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 sewage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Chatterers. This Clause 1.1 shall not exclude customary sewage 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 leasing, unless previous notice thai the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and an)r 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 sewage or salvage services, provided notice be given to the Underwriters immediately after receipt of advises 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.

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

exceeds 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 cost 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 Obese 6 shaw in no case extend to any sum which the Assured shall Fay 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 Vases 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 entirety the property of Owners not interested in she Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be refired 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 taker 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 say 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, hue 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.

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 coating 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 defense 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 saving 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 of 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 pitting immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,

areas of fitting 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 allotted, 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 informality 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 UNPREPARED DAMAGE

- 16.1 The measure of indemnity in respect of claims for unprepared damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unprepared damage, but not exceeding the reasonable cost of repairs.
- 16.2 In no case shall the Underwriters be liable for unprepared 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 unprepared 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 DISBURSEMENTS WARRANTY

- 19.1 Additional assurances 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 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.1., 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 defense 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 or 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.

1/10/83 E-20

INSTITUTE VOYAGE CLAUSES FREIGHT

This insurance is subject to English law and practice

1 NAVIGATION

The Vessel has leave to dock and undock, to go into gumming 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 sewage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Chatterers. This Clause 1 shall not exclude customary sewage 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 advises and an 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 Police and the Policy with such endorsement is produced before payment of any claim or return or 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 at 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 chatterers provided such repairers or chatterers 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.

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 governments! 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 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, if greater, to the gross freight at risk at the time of the collision.

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 assurances 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 registered tonnage not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of 66.67 Special Drawing Rights as defined by the International Monetary Fund;
- 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 assurances on freight other than this insurance are current at the time of the loss, all such assurances 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 assurances on freight shall likewise be taken into consideration.
- 11.4 Nothing in this Clause 11 shall apply to any claim arising under Clause 13.

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 rechartered.
- 13.2 In ascertaining whether the Vessel is a constructive total loss, the insured value in the assurances 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 [he assurances 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 cast 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.

1/10/83 E-19

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 sewage or salvage services under a contract preciously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary sewage 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 sewage 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 Mana Officers Crew or Pilots
- 4.2.4 negligence of repairers or chatterers provided such repairers or chatterers 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.

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 convening 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, non 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 DEDUCIBLE

- 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 construable 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.

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 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 labouing 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 or 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 assurances 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 said 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 defense 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.

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 disturbance, 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.

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 trill 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 sewage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Chatterers. This Clause 1.1 shall not exclude customary sewage 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 leasing, 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 an)r 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 sewage or salvage services, provided notice be given to the Underwriters immediately after receipt of advises 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 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.

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 parson 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 vassal. 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 exceeds 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 cost 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 Vases 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 entirety 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 say 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. **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 coating 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 defense 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 of 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 pitting immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of fitting 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 allotted, 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 informality 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 UNPREPARED DAMAGE** 16.1 The measure of indemnity in respect of claims for unprepared damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unprepared damage, but not exceeding the reasonable cost of repairs. 16.2 In no case shall the Underwriters be liable for unprepared 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 unprepared 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 DISBURSEMENTS WARRANTY**

19.1 Additional assurances 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 seated herein. 19.1.2 Freight. Chartered Freight or Anticipated Freight, insured for lime. 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 charmer where payment is made on a time basis. she sum permitted for insurance shall be calculated on she 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.1., 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 defense 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 or 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 E-21

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 insuring in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to sewage or salvage services provided notice be given to the Underwriters immediately after receipt of advice 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 restrains 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 or 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 Or war
 - 4.1.2 the outbreak of war (whether there be a declaration or 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 Client
 - 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 finger penalty} or any financial cause
 - 4.1.7 piracy (but this exclusion shall non 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.

1/11/95 E-22 **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. **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 now 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 define in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the vessel may 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 is attachment, the has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

1/11/95 E-22 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. looked-out workmen. or persons taking part in labour disturbances. riots or civil commotions 1.2.2 any terrorist or any person acting maliciously or form 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. **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 now 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 define in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the vessel may 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 is attachment, the has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

1/10/83 E-21

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 insuring in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to sewage or salvage services provided notice be given to the Underwriters immediately after receipt of advise 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 restrains 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 or 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 Or war
 - 4.1.2 the outbreak of war (whether there be a declaration or 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 Client
 - 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 finger penalty} or any financial cause
 - 4.1.7 piracy (but this exclusion shall non 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.

1/10/83 E-13

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 slung maliciously or from a political motive.

2 INCORPORATION

The Institute Time Clauses-Clauses-Hulls 1/10/83 (including 4/4ths Collision (Clause) except Clauses 1.2. 2, 3, 4, 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 advises 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 pro-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 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 or 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 or 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 or 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 the insurance by reason of the operation of this Clause 1, or the sale of the Vessel, pro rata net return of premium shall be payable to the Assured

This insurance shall not become effective to acceptance by the Underwriters and prior the intended time of its attachment. there has occurred ant' event which would have automatically terminated this insurance under the provisions of Clause 5 abuse.

INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time 1/10/83

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 stowage or salvage services provided notice be given to the Underwriters immediately after receipt of advises 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 or 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 rate 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.**

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM) INSTITUTE WAR

CLAUSES BUILDERS' RISKS 1/6/88 (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 or 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 or the Institute Clauses for Builders' Risks 1/6/88 which is excluded by Clauses 21, 22.2 and 23. **Provided however than 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 or 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 Republic, 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.

INSTITUTE WARRANTIES 1/7/76

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 (50°20' N. Lat.) and Tallinn (50°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 Vladivostok. 5. Warranted not to proceed to Kerguelen and/or Crozet 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.

Institute Warranties - BERING SEA TRANSIT CLAUSE 1991-01-01

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that when on through voyages to or from the Far East, the insured vessel may navigate the Bering Sea provided that:

- 1) The vessel has on board the appropriate hydrographic charts corrected up to date.
- 2) Entry is made through the Unimak Pass and exit west of Buldir Island or vice versa and
- 3) The vessel is equipped and properly fitted with marine radar, a satellite navigator or Loran, sonic depth sounding apparatus, radio direction finder and gyro compass, all fully operational and manned by qualified personnel.

Alternatively the vessel may enter or leave through the Amchitka or Amukta Passes or west of Attu Island, but only when equipped and properly fitted with appropriate hydrographic chart corrected up to date for the relevant areas, marine radar, Loran, a satellite navigator, sonic depth sounding apparatus, radio direction finder, gyro compass and a weather facsimile recorder, all fully operational and manned by qualified personnel.

INSTITUTE YACHT CLAUSES. PERMISSION TO CHARTER CLAUSE.

Notwithstanding anything herein contained to the contrary, it is understood and agreed that in consideration of an additional premium of £ this Policy extends to cover the insured vessel whilst on charter to and the said shall be covered for the same risks as the Assured from the day of 19 to the day of 19 subject to deduction of the sum of £ from each and every claim (other than Total Loss) arising during the said period.

Provided that Underwriters shall be under no liability in respect of any loss or damage directly or indirectly arising from the said Charterer's failure to comply with the terms of the Charter or any warranty or condition contained or implied therein or in this Policy, or for any loss or damage arising whilst the vessel is being used for other than private pleasure purposes.

INSTITUTE YACHT CLAUSES. RACING RISK EXTENSION CLAUSE.

In consideration of the, payment of an additional premium of £ it is agreed that notwithstanding the provisions of Clauses 17 (d) and (e) of the Institute Yacht Clauses attached hereto:-

- (a) 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 additional deduction of thirds new for old, or the application of any, excess or deductible franchise clause in this Policy), 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 as provided for in Clause 15 of the Institute Yacht Clauses, and to the application of any excess or deductible franchise clause in this Policy 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 paragraph (a).
- (b) Subject to the provisions of the foregoing section (a) Underwriters liability arising out of any one occurrence whilst racing shall be calculated upon the basis that the full replacement cost of sails, masts, spars, standing and running rigging shall not exceed £

1/8/77

E-24

INSTITUTE YACHT CLAUSES SCOPE OF COVER

[Definition of Vessel]

1. Vessel means the vessel herself, her machinery, boat(s), gear or equipment, such as would normally be sold with the Vessel if she changed hands.

[In Commission]

2. (a) The Vessel is covered subject to the provisions of this insurance;-
 - (i) while in commission at sea or on inland waters or in port. decks, on ways. gridirons, pontoons. or on the hard or mud. including 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.

[Laid up out of Commission]

- (ii) while laid up out of commission as provided for in Clause 4 below. including hauling out and launching. striking over. dismantling, filling out, overhauling 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 out not outside the limits of the port or place in which the Vessel is laid up) but excluding, unless notice be given to and an additional premium agreed by Underwriters, any period for which the Vessel is used as a houseboat or is under major repair or undergoing alteration.

[Gear & Equipment]

- (b) Notwithstanding paragraph (a) above the gear and equipment, including outboard motors, are covered subject to the provisions of this insurance while in place of storage ashore.

[Navigating Warranty]

3. Warranted not navigating outside the following limits

 _____ or held covered on terms to be arranged provided previous notice
 be given to Underwriters.

[Laid up Warranty]

4. Warranted laid up out of commission ashore/(in mud berth, in dock or on moorings) from
 _____ to _____ and from
 _____ to _____ inclusive, or held covered on
 terms to be arranged provided previous notice be given to Underwriters.

[Continuation]

5. Should the Vessel at the expiration of this Policy be at sea or in distress or at a port or place of refuge or call, she shall, provided prompt notice be given to the Underwriters, be held covered at a premium to be arranged until anchored or moored at her next port of call in good safety.

[Speed Warranty]

6. (a) 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.
 (b) Where Underwriters have agreed to delete this warranty, the conditions of the Speedboat Clauses below shall also apply.

[Charter Hire]

7. Warranted to be used solely for private pleasure purposes and not to be let out on hire or charter unless specially agreed by Underwriters.

[Assignment & Change of Ownership]

8. No assignment of or interest in this Policy 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 this Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder: but nothing in this Clause is to have effect as an agreement by the Underwriters to a sale or transfer.
 Should the Vessel be sold or transferred to new ownership, unless the Underwriters agree in writing to continue the insurance, this Policy shall become cancelled from the time of sale or transfer and a pro rata daily return of premium be made calculated on the premium charged for the commission and/or laying up period. 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.
 This Clause shall prevail notwithstanding any provision whether written, typed or printed in the Policy inconsistent herewith.

[Disbursements Warranty]

9. Warranted that no amount shall be insured policy proof of interest or full interest admitted for

account of 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 as stated herein.

Provided always that a breach this warranty shall not afford Underwriters any defence to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach.

[War Exclusion]

10. (a) Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operation, whether there be a declaration of war or not: but this warranty shall not exclude collision, contract with any fixed floating object (other than a mine torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty "power" includes any authority vessel involved maintaining naval, military or air forces in association with a power. Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife rising therefrom, or piracy.

[Strikes & Riots Exclusion]

- (b) Warranted free of loss or damage caused by strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotion

[Nuclear Exclusion]

11. Warranted free of
- (a) loss damage or expense
 - (b) any legal liability of whatsoever nature
- directly or caused by or contributed to by or arising from
- (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel:
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

[Return of Premium]

12. Returns of premium to be agreed for every consecutive 15 days if it be mutually agreed to cancel this Policy.

[Notice of Liability or Damage & Tender Clause]

13. In the event of any occurrence which may give rise to a claim under this insurance, prompt notice shall be given to Underwriters. Where loss or damage has occurred, notice shall be given to 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 Underwriters should they so desire. 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 Assured) and shall have a right of veto concerning a place of repair or a repairing firm Underwriters may also take tenders or may require tenders to be taken of The Vessel.

LOSS OF OR DAMAGE TO THE VESSEL

[Constructive Total Loss]

14. In ascertaining whether the Vessel is a constructive total loss the insured value shall be taken as the repaired value and nothing or wreck shall be taken into account. No claim for constructive total loss shall be recoverable here unless the loss or damage is caused by the Vessel being immersed as a result of heavy weather or 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, or whilst being removed from or placed in the Vessel, or by theft of the entire Vessel, or by theft following upon forcible entry into the Vessel or store, or by theft of outboard motor 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 by fire in the store ashore, or by malicious acts.

[Average]

15. Average payable irrespective of third may be made at Underwrite (a) protective covers, sails and (b) outboard motors, whether or not

[Additional Benefits & Negligence]

16. In addition to the perils stated in the Policy, this insurance also to cover, subject to Clause 17:-

- (a) loss of damage to the property insured caused by accidents in loading, discharging or handling stores, gear, equipment, machinery or fuel, or by bursting of boilers, breakage of shafts, explosion, contact with aircraft, malicious acts or latent defects in the hull or machinery, (excluding the cost and expense of replacing or repairing the defective part).
- (b) theft of the 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, theft of machinery including outboard motor(s), gear or equipment,
- (c) loss of damage to the Vessel caused by 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,
- (d) the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, even if no damage be found.

Provided such loss or damage has not resulted from want of due diligence by the Owners of the Vessel or any of them, or by the Managers, or by the Assured.

[Exclusions]

17. No claim shall be allowed in respect of:-

- (a) outboard motors dropping off or falling overboard,
- (b) ship's boat(s) having a maximum designed speed exceeding 17 knots, unless such boat(s) is specially covered herein and subset also to the conditions of the Speedboat Clause below, or is on the parent Vessel or laid up ashore,
- (c) ship's boat(s) not permanently marked with the name of the parent Vessel.
- (d) sails no 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, in collision or contact with any external substance (ice included) other than water.
- (e) loss of or damage to sails, masts, spars of standing and running rigging while the Vessel is racing, unless such loss or damage is caused by the Vessel being stranded, sunk, burnt, on fire, in collision or contact with any external substance (ice included) other than we water.
- (f) personal effects, consumable stores, fishing gear or moorings.
- (g) motor and electrical machinery and

batteries, and their connections (with except of the shaft and propeller).

- (h) metaling or repairs thereto,
- (i) any loss or expenditure incurred solely in remedying a fault in design or. in the event of damage resulting from faulty design and giving rise to a claim under the conditions of this insurance. for any additional expenditure incurred by reason of betterment or alteration design, or for the cost and expense of replacing or repairing any part condemned solely it consequence of a latent defect or fault or error in design or construction.

[Unrepaired Damage]

18. In no case shall Underwrites be liable for unrepaired damage in addition to a subsequent total loss during the period covered by this Policy or any extension thereof under Clause 5.

[Salvage Charges]

19. Subject to any express provision in this insurance, salvage charges incurred in preventing a to. by perils insured against may be recovered as a loss by those perils.

LIABILITIES TO THIRD PARTIES

[Collision]

20. It is further agreed that if the Vessel hereby insured 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 such collision for

- (i) loss of or damage to any other vessel or property on any other vessel
- (ii) delay to or loss of use of any such other vessel or property thereon or
- (iii) 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 such sum or sums so paid as their respective subscriptions hereto bear to the value of the Vessel hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionable part of the value of the Vessel hereby insured. 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 the costs which the Assured shall thereby incur or be compelled to pay ; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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 no in respect of:-

- (a) removal or deposal, under statutory powers or otherwise, wrecks, cargoes or any other

thing whatsoever.

- (b) any real or personal property or thing whatsoever except other vessels or property on their vessels.
- (c) the cargo or other property on or the engagements of the insured vessel.
- (d) loss of life, personal injury or illness.

[Sister Ship]

21. 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 Policy 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.

[Protection & Indemnity]

22. It is further agreed that if by reason of interest in the Vessel the Assured shall become liable to pay and shall pay any sum or sums in respect of any liability, claim, demand, damages and/or expenses arising from or occasioned by any of the following matters or things during the currency of this Policy, that is to say:-

Loss of or damage to any other vessel or goods, merchandise, freight, or other things or interests whatsoever, on board such other vessel, caused proximately or otherwise by the insured Vessel in so far as the same is not covered by Clause 20;

Loss of or damage to any goods, merchandise, freight, or other things or interests whatsoever other than as aforesaid (not being property on board the insured Vessel and owned by builder or repairers or for which they may be responsible). whether on board the insured Vessel or not, which may arise from any cause whatsoever;

Loss of or damage to any harbour, dock (graving or otherwise), slipway, way, gridiron, pontoon, pier, quay, jetty, stage, buoy, telegraph cable or other fixed or moveable thing whatsoever, or property in or on the same howsoever caused;

Any attempted or actual raising, removal or destruction of the wreck of the insured Vessel or the cargo thereof, or any neglect of failure to raise, remove, or destroy the same;

Loss of life, personal injury, illness, payments made for life salvage, or hospital, medical or funeral expenses arising from accident on board or near the Vessel or any other vessel;

Official Enquiries and Coroners' Inquest costs;

the Underwriters will pay the Assured such proportion of such sum or sums so paid, or which may be required to indemnify the Assured for such loss as their respective subscriptions bear to the insured value of the Vessel, provided always that the liability under this Clause, together with any liability there may be under Clause 24, in respect of any one accident or series of accidents arising out of the same event, shall be limited to the sum hereby insured, 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.

[Navigation by Other Persons]

23. The provisions of Clauses 20 and 22 shall extend to any person navigating or in charge of the insured Vessel with the permission of the Assured named in this Policy (other than a person operating, or employed by the operator of a shipyard, repair yard, shipway, yacht club, sales agency or similar organisation and who whilst so navigating or in charge of the Vessel shall in

consequence covered by the said Clauses become liable to pay and shall pay any sum or sums to any person or persons, other than to the Assured named in this Policy, 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 Underwriters' liability beyond the limitation of liability imposed by Clauses 20 and 22 and this extension shall be subject to all other terms conditions and warranties of this insurance.

Nothing in this Clause shall be deemed to override the provisions of Clause 7.

[Removal of Wreck Extension]

24. This insurance also to pay the expenses after deduction of the proceeds of the salvage, not recoverable under Clause 22 of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured. Underwriters' liability under this Clause is subject to the limitations in amount provided in Clause 22. The provisions of that Clause regarding the payment of legal costs shall also apply hereto.

[Workmen's Compensation Exclusion and P. & L. War & Strikes Exclusions.]

25. Notwithstanding the provisions of Clauses 20, 22, 23 and 24 this Policy is warranted free from any claim arising;-
- (a) directly or indirectly under Workmen's Compensation or Employer's 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 other person to whom the protection of this Policy is afforded by reason of this provisions of Clause 23, in on or about or in connection with the Vessel hereby insured or her cargo, materials or repairs
 - (b) in connection with occurrence resulting from the operation of a peril excepted by Clause 10.

SPEEDBOAT CLAUSES

WHERE THESE CLAUSES APPLY THEY SHALL OVERRIDE ANY CONFLICTING PROVISIONS IN THE CLAUSES ABOVE

1. It is a condition of these Clauses that where the vessel concerned is under way the Assured named in 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;-
 - (a) loss of damage to the vessel or liability to any third party or any salvage services.
 - (i) 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.
 - (ii) arising while the vessel is participating in racing or speed tests, or any trials in connection therewith.
 - (b) rudder, propeller, strut, shaft, motor, electrical machinery or batteries, and their connections, unless the loss or damage is caused by the vessel being immersed as a result of heavy weather or is caused by the vessel being stranded, sunk, burnt, on fire, or in collision with any other vessel, pier or jetty or while being removed from or placed in the vessel, or by theft of the entire vessel, or by the theft following upon forcible entry into the vessel or place of storage, or by theft of outboard motor provided it is security locked to the vessel or her boat(s) by an anti-theft device in addition to its normal method attachment, or by fire in the place of storage ashore, or by malicious acts.

- (c) any liability to or incurred by any person engaged in water ski-ing, aquaplaning or similar sport, while being towed by the vessel or preparing to be towed or after being towed until safely on board the vessel
3. If the vessel is fitted with inboard machinery no liability shall attach to this Policy 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, rank space and galley, with fire extinguishing system automatically operated or having controls at the steering position and properly installed and maintained in efficient working order.

[NOTE]

Heading and marginal captions are inserted for purposes of convenient reference only and are not to be deemed part of this insurance.

INSTITUTE POLLUTION HAZARD CLAUSE

Subject to the terms and conditions of this Policy, this insurance covers loss of or damage to the Vessel directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the vessel for which the Under writers are liable under this Policy, 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. Masters, Officers, Crew or Pilots not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

JWC Hull War, Strikes, Terrorism and Related Perils Listed Area

This insurance excludes any area(s) contained in the Joint War Committee Hull, Strikes, Terrorism and Related Perils ("JWC") Listed Areas as published from time to time by the JWC and as applicable at the inception of this insurance or at the commencement of an insured voyage of later.

E-54

KOREA LINE CORPORATION DISBURSEMENTS CLAUSES 1ST DECEMBER 1995

NAVIGATION

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 CO ON TRIAL AND TO ASSIST AND TOW VESSELS OR CRAFT IN DISTRESS, DUE 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 I SHALL NOT EXCLUDE CUSTOMARY TOWAGE IN CONNECTION WITH LOADING AND DISCHARGING.

2. THIS INSURANCE SHALL NOT BE PREJUDICED BY REASON OF THE ASSURED ENTERING INTO ANY CONTRACT WITH PILOTS OR FOR ANY 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 SUCH CONTRACTS IN ACCORDANCE WITH ESTABLISHED LOCAL LAW OR PRACTICE.
3. THE PRACTICE OF ENGAGING HELICOPTERS FOR TRANSPORTATION TO AND/OR FROM THE VESSEL SHALL NOT PREJUDICE THIS INSURANCE.
4. 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 CLAIMS 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 THEN HAVE BEEN AGREED. NOTHING IN THIS CLAUSE 4, SHALL AFFECT CLAIMS UNDER COLLISION LIABILITIES AND GENERAL AVERAGE AND SALVAGE CLAUSES HEREIN.
5. THIS INSURANCE COVERS EQUIPMENT AND APPARATUS NOT OWNED BY THE ASSURED BUT INSTALLED FOR USE ON THE INSURED VESSEL, AND FOR WHICH THE ASSURED HAS ASSUMED LIABILITY WHETHER SUCH EQUIPMENT OR APPARATUS DE IN THE. NATURE OF AIDS TO NAVIGATION OR COMMUNICATION OR OTHERWISE. SUBJECT TO ALL TERMS AND CONDITIONS OF THIS POLICY, BUT IN NO EVENT SHALL THE LIABILITY OF THE UNDERWRITERS EXCEED THE CONTRACTUAL LIABILITY OF THE ASSURED FOR SUCH EQUIPMENT OR APPARATUS. ALL SUCH EQUIPMENT OR APPARATUS IN STALLED ON THE VESSEL BUT NOT OWNED BY THE ASSURED SHALL BE INCLUDED IN THE AGREED INSURED VALUE OF THE VESSEL.
6. THIS INSURANCE COVERS BUNKERS AND/OR SPARE BUNKERS, SPARE STORES, EQUIPMENT FOR PASSENGERS AND CREWS AMUSEMENT, SALOON AND PASSENGER AND CREW CABIN FITTINGS, EQUIPMENT, FURNISHINGS AND DECORATIONS AS WELL AS ALL OTHER STORES AND SUPPLIES INCLUDING STOCKS IN VESSEL'S SHOPS, PROVIDED THE SAME ARE OWNED BY THE ASSURED.
7. THIS INSURANCE COVERS RADIO, APPARATUS AND EQUIPMENT, ECHO SOUNDER, NAVIGATION EQUIPMENT AND OTHER APPARATUS OR EQUIPMENT USED FOR THE PURPOSES OF COMMUNICATION OR AS AIDS TO NAVIGATION OR SAFETY DEVICES, PORTABLE CARGO CONTAINERS (SUCH AS REFRIGERATED BOXES ETC) WHEN PERMANENTLY INSTALLED IN THE INSURED VESSEL, TANKS CLEANING EQUIPMENT, ALSO EQUIPMENT CONSISTING OF PROJECTION MACHINES, SOUND APPARATUS AND MOTION PICTURE FILM AS INCLUDED WITHIN THE AGREED VALUATION OF THE HULL, EVEN WHEN NOT OWNED BY THE ASSURED, PROVIDED THE ASSURED HAS ASSUMED LIABILITY THEREFORE: BUT THE LIABILITY OF UNDERWRITERS(EITHER AS TO AMOUNT OR AS TO THE RISKS COVERED) SHALL NOT EXCEED THE ASSURED'S LIABILITY OR LIABILITY WHICH UNDERWRITERS WOULD DE SUBJECT OF THE PROPERTY WERE FULLY OWNED BY THE ASSURED WHICHEVER SHALL BE LAST,

8. THIS INSURANCE IS EXTENDED TO COVER PROPERTY INSURED WHICH IS TEMPORARILY REMOVED FROM THE INSURED VESSEL TO WHICH IT BELONGS AND IS INSURED HEREUNDER DURING SUCH TEMPORARY REMOVAL AGAINST 'ALL RISKS' OF LOSS OR DAMAGE BUT SHALL IN NO CASE BE DEEMED TO EXTEND TO COVER LOSS, DAMAGE OR EXPENSE PROXIMATELY CAUSED BY DELAY OR INHERENT VICE OR NATURE OF THE SUBJECT MATTER INSURED.

IN THE EVENT THAT ANY OF THE PROPERTY COVERED BY THIS CLAUSE IS REPLACED ON BOARD THE INSURED VESSEL BY OTHER PROPERTY, SUCH OTHER PROPERTY SHALL BE COVERED SUBJECT TO THE TERMS AND CONDITIONS OF THIS INSURANCE AND THE COVER PROVIDED UNDER THIS CLAUSE FOR THE PROPERTY SO REPLACED SHALL TERMINATE UNLESS OTHERWISE AGREED.

NOTWITHSTANDING THE FOREGOING, THIS CLAUSE SHALL NOT RESTRICT OR LIMIT THE COVER OR LIMITS OF LIABILITY IN RESPECT TO VESSELS COVERED BY THIS POLICY.

CONTINUATION

SHOULD THE VESSEL AT THE EXPIRATION OF THE 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.

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.

TERMINATION

THE TERMINATION CLAUSE SHALL PREVAIL NOTWITHSTANDING ANY PROVISION WHETHER WRITTEN TYPED OR PRINTED IN THE INSURANCE INCONSISTENT THEREWITH.

UNLESS THE UNDERWRITERS AGREE TO THE CONTRARY IN WRITING, THIS INSURANCE SHALL TERMINATE AUTOMATICALLY AT THE TIME OF:

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 THE PERILS CLAUSE OF THE INSURANCE OR WHICH WOULD HAVE BEEN COVERED BY AN INSURANCE OF THE VESSEL SUBJECT TO CURRENT INSTITUTE WAR AND STRIKES CLAUSES HULL TIME SUCH AUTOMATIC TERMINATION SHALL ONLY OPERATE SHOULD THE VESSEL SAIL FROM HER NEXT PORT WITHOUT THE PRIOR APPROVAL OF THE CLASSIFICATION SOCIETY.

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,

PERILS

1. THE INSURANCE COVERS LOSS OF OR DAMAGE TO THE SUBJECT MATTER INSURED CAUSED BY
 - 1.1 PERILS OF THE SEAS, RIVERS, LAKES OR OTHER NAVIGABLE WATERS
 - 1.2 FIRE, EXPLOSION
 - 1.3 VIOLENT THEFT BY PERSONS OUTSIDE THE VESSEL
 - 1.4 JETTISON
 - 1.5 PIRACY
 - 1.6 CONTACT WITH LAND CONVEYANCE, DUCK OR HARBOUR EQUIPMENT OR INSTALLATION
 - 1.7 EARTHQUAKE VOLCANIC ERUPTION OR LIGHTNING
 - 1.8 ACCIDENTS IN LOADING DISCHARGING OR SHAFING CARGO OR FUEL
2. THIS INSURANCE COVERS LOSS OF OR DAMAGE TO THE SUBJECT MATTER INSURED CAUSED BY
 - 2.1.1 BURSTING OF BOILERS BREAKAGE OF SHAFT OR ANY LATENT DEFECT IN THE MACHINERY OR HULL.
 - 2.1.2 THE COST OF REPAIRING OR REPLACING
ANY BOILER WHICH BURSTS OR SHAFT THAT BREAKS
ANY DEFECTIVE PART WHICH CAUSED LOSS OR DAMAGE TO THE VESSEL
UNDER THIS CLAUSE 2.1
 - 2.2 NEGLIGENCE OF MASTER OFFICERS CREW OR PILOTS
 - 2.3 NEGLIGENCE OF REPAIRERS OR CHARTERERS PROVIDED SUCH REPAIRERS OR CHARTERERS ARE NOT AN ASSURED HEREUNDER
 - 2.4 LOSS OR DAMAGE TO THE VESSEL CAUSED BY AN ACCIDENT OR BY NEGLIGENCE, INCOMPETENCE OR ERROR OF JUDGEMENT OF ANY PERSON WHATSOEVER.
 - 2.5 BARRATRY OF MASTER OFFICERS OR CREW
 - 2.6 CONTACT WITH AIRCRAFT, HELICOPTERS OF 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.

3. MASTER OFFICERS CREW OR PILOTS NOT TO BE CONSIDERED OWNERS WITHIN THE MEANING OF THIS PERILS CLAUSE SHOULD THEY HOLD SHARES IN THE VESSEL.
4. EXCEPT AS PROVIDED UNDER 2.1.2, NOTHING IN THESE 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.
5. THIS INSURANCE COVERS.
 - 5.1 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 HEREIN (OR ANY REDUCED BALUE ARISING FROM THE DEDUCTION THEREFROM IN PROCESS OF ADJUSTMENT OF ANY CLAIM WHICH LAW OR TRACTIVE. OR THE TERMS OF THE INSURANCES COVERING HULL ANY 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.
 - 5.2 SUN 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 SUN INSURED AGAINST EXCESS LIABILITIES IF IT EXCEED SUCH DIFFERENCE.
 - 5.3 COLLISION LIABILITY RECOVERABLE UNDER THE COLLISION LIABILITY AND SISTERSHIP CLAUSES IN THE INSURANCES ON HULL AND MACHINERY BUT NOT RECOVERABLE IN FULL BY REASON OF SUCH 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 DEARS TO THE TOTAL, SUM INSURED AGAINST EXCESS LIABILITIES.
6. THE UNDERWRITER'S LIABILITY UNDER 5.1, 5.2 AND 5.3 SEPARATELY IN RESPECT OF ANY ONE CLAIM, SHALL NOT EXCEED THE AMOUNT INSURED HEREUNDER.

POLLUTION HAZARD

THIS INSURANCE COVER LOSS OF OR DAMAGE TO THE VESSEL CAUSED BY ANY CONFIDENTIAL AUTHORITY ACTING UNDER THE POWERS VESTED IN IT TO PREVENT OR MITIGATE A POLLUTION HAZARD OR DAMAGE TO THE VESSEL FOR WHICH THE UNDERWRITERS ARE LIABLE UNDER THIS INSURANCE, PROVIDED THAT SUCH ACT OF CONFIDENTIAL AUTHORITY HAS NOT RESULTED FROM WANT OF DUE DILIGENCE BY ASSURED, OWNERS OR MANAGERS TO PREVENT OR MITIGATE SUCH HAZARD OR

THREAT THEREOF MASTER OFFICERS CREW OR PILOTS NOT TO BE CONSIDERED OWNERS WITHIN THE MEANING OF THIS POLLUTION HAZARD CLAUSE SHOULD THEY HOLD SHARES IN THE VESSEL.

NOTICE OF CLAIM

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 SURVEYOR MAY BE APPOINTED IF THE UNDERWRITERS SO DESIRE.

CONSTRUCTIVE TOTAL LOSS

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.
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.
3. PROVIDED THAT THE CONSTRUCTIVE TOTAL LOSS CLAUSE IN THE KOREA LINE CORPORATION HULL TIME CLAUSES, OR A CLAUSE HAVING SIMILAR EFFECT IS CONTAINED IN THE INSURANCES ON HULL AND MACHINERY, SETTLEMENT OF A CLAIM FOR CONSTRUCTIVE TOTAL LOSS SHALL BE ACCEPTED AS PROOF OF THE CONSTRUCTIVE TOTAL LOSS OF THE VESSEL.
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 CONSTRUCTIVE TOTAL LOSS CLAUSE.

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 SAID INSURANCES.

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.

RETURNS FOR LAY-UP AND CANCELLATION

1. TO RETURN AS FOLLOWS ;
 - 1.1 PRO RATA MONTHLY NET FOR EACH UNCOMMENCED MONTH IF THIS INSURANCE BE CANCELLED BY AGREEMENT
 - 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
 - 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 VESSELS CLASSIFICATION SOCIETY SURVEY, BUT ANY REPAIRS FOLLOWING LOSS OR DAMAGE TO THE VESSEL OR INVOLVING STRUCTURAL ALTERATIONS, WHETHER COVERED BY THIS INSURANCE OR OTHERWISE SHALL BE CONSIDERED AS UNDER REPAIR.
 - 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 (a) AND (b) RESPECTIVELY.

2. PROVIDED ALWAYS THAT

- 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
- 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 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.
- 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 LIGHTENING PURPOSES
- 2.4 IN THE EVENT OF ANY AMENDMENT OF THE ANNUAL RATE, THE ABOVE RATES OF RETURN SHALL BE ADJUSTED ACCORDINGLY
- 2.5 IN THE EVENT OF ANY RETURN RECOVERABLE UNDER THIS RETURN OF PREMIUM CLAUSE 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 RETURN OF PREMIUM CLAUSE 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 RETURN OF PREMIUM CLAUSE 1.2(a) OR (b) ABOVE.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING

CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH.

WAR EXCLUSION

IN NO CASE SHALL THIS INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE CAUSED BY

1. WAR, CIVIL WAR, REVOLUTION, REBELLION, INSURRECTION, OR CIVIL STRIFE ARISING THEREFROM, OR ANY HOSTILE ACT BY OR AGAINST A BELLIGERENT POWER
2. CAPTURE SEIZURE ARREST RESTRAINT OR DETAINMENT (BARRATRY AND PIRACY EXCEPTED), AND THE CONSEQUENCES THEREOF OR ANY ATTEMPT THEREAT
3. DERELICT MINES, TORPEDOES, BOMBS OR OTHER DERELICT WEAPONS OF WAR.

STRIKES EXCLUSIONS

IN NO CASE SHALL THIS INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE CAUSED BY

1. STRIKERS, LOCK-OUT WORKMEN, OR PERSONS TAKING PART IN LABOUR DISTURBANCE, RIOTS OR CIVIL COMMOTIONS
2. ANY TERRORIST OR ANY PERSON ACTING FROM A POLITICAL MOTIVE

MALICIOUS ACTS EXCLUSION

IN NO CASE SHALL THIS INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE ARISING FROM

1. THE DETONATION OF AN EXPLOSIVE
2. ANY WEAPON OF WAR

AND CAUSED BY ANY PERSON ACTING MALICIOUSLY OR FROM A POLITICAL MOTIVE.

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

1. IONISING RADIATIONS FROM OR CONTAMINATION BY RADIOACTIVITY FROM ANY NUCLEAR FUEL OR FROM ANY NUCLEAR WASTE OR FROM THE COMBUSTION OF NUCLEAR FUEL
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. ANY WEAPON OF WAR EMPLOYING ATOMIC OR NUCLEAR FISSION AND/OR FUSING OR OTHER LIKE REACTION OR RADIOACTIVE FORCE OR MATTER.

KOREA LINE CORPORATION HULL TIME CLAUSES

1ST NOVEMBER 1995

NAVIGATION

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 CO ON TRIAL AND TO ASSIST AND TOW VESSELS OR CRAFT IN DISTRESS, DUE 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 I SHALL NOT EXCLUDE CUSTOMARY TOWAGE IN CONNECTION WITH LOADING AND DISCHARGING.
2. THIS INSURANCE SHALL NOT BE PREJUDICED BY REASON OF THE ASSURED ENTERING INTO ANY CONTRACT WITH PILOTS OR FOR ANY 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 SUCH CONTRACTS IN ACCORDANCE WITH ESTABLISHED LOCAL LAW OR PRACTICE.
3. THE PRACTICE OF ENGAGING HELICOPTERS FOR TRANSPORTATION TO AND/OR FROM THE VESSEL SHALL NOT PREJUDICE THIS INSURANCE.
4. 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 CLAIMS 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 THEN HAVE BEEN AGREED. NOTHING IN THIS CLAUSE 4, SHALL AFFECT CLAIMS UNDER COLLISION LIABILITIES AND GENERAL AVERAGE AND SALVAGE CLAUSES HEREIN.
5. THIS INSURANCE COVERS EQUIPMENT AND APPARATUS NOT OWNED BY THE ASSURED BUT INSTALLED FOR USE ON THE INSURED VESSEL, AND FOR WHICH THE ASSURED HAS ASSUMED LIABILITY WHETHER SUCH EQUIPMENT OR APPARATUS DE IN THE NATURE OF AIDS TO NAVIGATION OR COMMUNICATION OR OTHERWISE. SUBJECT TO ALL TERMS AND CONDITIONS OF THIS POLICY, BUT IN NO EVENT SHALL THE LIABILITY OF THE UNDERWRITERS EXCEED THE CONTRACTUAL LIABILITY OF THE ASSURED FOR SUCH EQUIPMENT OR APPARATUS. ALL SUCH EQUIPMENT OR APPARATUS IN STALLED ON THE VESSEL BUT NOT OWNED BY THE ASSURED SHALL BE INCLUDED IN THE AGREED INSURED VALUE OF THE VESSEL.
6. THIS INSURANCE COVERS BUNKERS AND/OR SPARE BUNKERS, SPARE STORES, EQUIPMENT FOR PASSENGERS AND CREWS AMUSEMENT, SALOON AND PASSENGER AND CREW CABIN FITTINGS, EQUIPMENT, FURNISHINGS AND DECORATIONS AS WELL AS ALL OTHER STORES AND SUPPLIES INCLUDING STOCKS IN VESSEL'S SHOPS, PROVIDED THE SAME ARE OWNED BY THE ASSURED.

7. THIS INSURANCE COVERS RADIO, APPARATUS AND EQUIPMENT, ECHO SOUNDER, NAVIGATION EQUIPMENT AND OTHER APPARATUS OR EQUIPMENT USED FOR THE PURPOSES OF COMMUNICATION OR AS AIDS TO NAVIGATION OR SAFETY DEVICES, PORTABLE CARGO CONTAINERS (SUCH AS REFRIGERATED BOXES ETC) WHEN PERMANENTLY INSTALLED IN THE INSURED VESSEL, TANKS CLEANING EQUIPMENT, ALSO EQUIPMENT CONSISTING OF PROJECTION MACHINES, SOUND APPARATUS AND MOTION PICTURE FILM AS INCLUDED WITHIN THE AGREED VALUATION OF THE HULL, EVEN WHEN NOT OWNED BY THE ASSURED, PROVIDED THE ASSURED HAS ASSUMED LIABILITY THEREFORE; BUT THE LIABILITY OF UNDERWRITERS (EITHER AS TO AMOUNT OR AS TO THE RISKS COVERED) SHALL NOT EXCEED THE ASSURED'S LIABILITY OR LIABILITY WHICH UNDERWRITERS WOULD BE SUBJECT OF THE PROPERTY WERE FULLY OWNED BY THE ASSURED WHICHEVER SHALL BE LEAST.
8. THIS INSURANCE IS EXTENDED TO COVER PROPERTY INSURED WHICH IS TEMPORARILY REMOVED FROM THE INSURED VESSEL TO WHICH IT BELONGS AND IS INSURED HEREUNDER DURING SUCH TEMPORARY REMOVAL AGAINST 'ALL RISKS' OF LOSS OR DAMAGE BUT SHALL IN NO CASE BE DEEMED TO EXTEND TO COVER LOSS, DAMAGE OR EXPENSE PROXIMATELY CAUSED BY DELAY OR INHERENT VICE OR NATURE OF THE SUBJECT MATTER INSURED.

IN THE EVENT THAT ANY OF THE PROPERTY COVERED BY THIS CLAUSE IS REPLACED ON BOARD THE INSURED VESSEL BY OTHER PROPERTY, SUCH OTHER PROPERTY SHALL BE COVERED SUBJECT TO THE TERMS AND CONDITIONS OF THIS INSURANCE AND THE COVER PROVIDED UNDER THIS CLAUSE FOR THE PROPERTY SO REPLACED SHALL TERMINATE UNLESS OTHERWISE AGREED.

NOTWITHSTANDING THE FOREGOING, THIS CLAUSE SHALL NOT RESTRICT OR LIMIT THE COVER OR LIMITS OF LIABILITY IN RESPECT TO VESSELS COVERED BY THIS POLICY.

CONTINUATION

SHOULD THE VESSEL AT THE EXPIRATION OF THE 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.

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.

TERMINATION

THIS TERMINATION CLAUSE SHALL PREVAIL NOTWITHSTANDING ANY PROVISION WHETHER WRITTEN TYPED OR PRINTED IN THE INSURANCE INCONSISTENT THEREWITH.

UNLESS THE UNDERWRITERS AGREE TO THE CONTRARY IN WRITING, THIS INSURANCE SHALL TERMINATE AUTOMATICALLY AT THE TIME OF :

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 THE PERILS CLAUSE OF THE INSURANCE OR WHICH WOULD HAVE BEEN COVERED BY AN INSURANCE OF THE VESSEL SUBJECT TO CURRENT INSTITUTE WAR AND STRIKES CLAUSES HULL TIME SUCH AUTOMATIC TERMINATION SHALL ONLY OPERATE SHOULD THE VESSEL SAIL FROM HER NEXT PORT WITHOUT THE PRIOR APPROVAL OF THE CLASSIFICATION SOCIETY.
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.

PERILS

1. THE INSURANCE COVERS LOSS OF OR DAMAGE TO THE SUBJECT-MATTER INSURED CAUSED BY
 - 1.1 PERILS OF THE SEAS, RIVERS, LAKES OR OTHER NAVIGABLE WATERS
 - 1.2 FIRE, EXPLOSION
 - 1.3 VIOLENT THEFT BY PERSONS OUTSIDE THE VESSEL
 - 1.4 JETTISON
 - 1.5 PIRACY
 - 1.6 CONTACT WITH LAND CONVEYANCE, DUCK OR HARBOUR EQUIPMENT OR INSTALLATION
 - 1.7 EARTHQUAKE VOLCANIC ERUPTION OR LIGHTNING
 - 1.8 ACCIDENTS IN LOADING DISCHARGING OR SHAFING CARGO OR FUEL
2. THIS INSURANCE COVERS LOSS OF OR DAMAGE TO THE SUBJECT MATTER INSURED CAUSED BY
 - 2.1.1 BURSTING OF BOILERS BREAKAGE OF SHAFT OR ANY LATENT DEFECT IN THE MACHINERY OR HULL.
 - 2.1.2 THE COST OF REPAIRING OR REPLACING ANY BOILER WHICH BURSTS OR SHAFT THAT BREAKS ANY DEFECTIVE PART

WHICH CAUSED LOSS OR DAMAGE TO THE VESSEL UNDER THIS CLAUSE
2.1

- 2.2 NEGLIGENCE OF MASTER OFFICERS CREW OR PILOTS
- 2.3 NEGLIGENCE OF REPAIRERS OR CHARTERERS PROVIDED SUCH REPAIRERS OR CHARTERERS ARE NOT AN ASSURED HEREUNDER
- 2.4 LOSS OR DAMAGE TO THE VESSEL CAUSED BY AN ACCIDENT OR BY NEGLIGENCE, INCOMPETENCE OR ERROR OF JUDGEMENT OF ANY PERSON WHATSOEVER.
- 2.5 BARRATRY OF MASTER OFFICERS OR CREW
- 2.6 CONTACT WITH AIRCRAFT, HELICOPTERS OF 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.

- 3. MASTER OFFICERS CREW OR PILOTS NOT TO BE CONSIDERED OWNERS WITHIN THE MEANING OF THIS PERILS CLAUSE SHOULD THEY HOLD SHARES IN THE VESSEL.
- 4. EXCEPT AS PROVIDED UNDER 2.1.2, NOTHING IN THESE 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.

POLLUTION HAZARD

THIS INSURANCE COVER LOSS OF OR DAMAGE TO THE VESSEL CAUSED BY ANY CONFIDENTIAL AUTHORITY ACTING UNDER THE POWERS VESTED IN IT TO PREVENT OR MITIGATE A POLLUTION HAZARD OR DAMAGE TO THE VESSEL FOR WHICH THE UNDERWRITERS ARE LIABLE UNDER THIS INSURANCE, PROVIDED THAT SUCH ACT OF CONFIDENTIAL AUTHORITY HAS NOT RESULTED FROM WANT OF DUE DILIGENCE BY ASSURED, OWNERS OR MANAGERS TO PREVENT OR MITIGATE SUCH HAZARD OR THREAT THEREOF MASTER OFFICERS CREW OR PILOTS NOT TO BE CONSIDERED OWNERS WITHIN THE MEANING OF THIS POLLUTION HAZARD CLAUSE SHOULD THEY HOLD SHARES IN THE VESSEL.

COLLISION LIABILITY

- 1. THE UNDERWRITERS AGREE TO INDEMNIFY THE ASSURED FOR ANY SUM OR SUMS PAID BY THE ASSURED TO ANY PERSON OR PERSONS BY REASON OF THE ASSURED BECOMING LEGALLY LIABLE BY WAY OF DAMAGES FOR
 - 1.1 LOSS OF OR DAMAGE TO ANY OTHER VESSEL OR PROPERTY ON ANY OTHER VESSEL
 - 1.2 DELAY TO OR LOSS OF USE OF ANY SUCH OTHER VESSEL OR PROPERTY THEREON
 - 1.3 GENERAL AVERAGE OF, SALVAGE OF, OR SALVAGE UNDER CONTRACT OF, ANY SUCH OTHER VESSEL OR PROPERTY THEREON
- 2. THE INDEMNITY PROVIDED BY THIS COLLISION LIABILITY CLAUSE SHALL IN ADDITION TO THE INDEMNITY PROVIDED BY THE OTHER TERMS AND CONDITIONS OF THIS INSURANCE AND SHALL BE SUBJECT
 - 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 COLLISION CLAUSE SHALL BE CALCULATED ON THE PRINCIPLE OF CROSS LIABILITIES AS IF THE RESPECTIVE OWNERS HAD BEEN COMPELLED TO PAY EACH OTHER SUCH PROPORTION OF EACH OTHERS DAMAGES AS MAY HAVE BEEN PROPERLY ALLOWED IN ASCERTAINING THE BALANCE OR SUM PAYABLE BY OR TO THE ASSURED IN CONSEQUENCE OF THE COLLISION

2.2 IN NO CASE SHALL THE UNDERWRITERS TOTAL LIABILITY UNDER COLLISION CLAUSES 1 & 2 EXCEED THEIR PROPORTIONATE PART OF THE INSURED VALUE OF THE VESSEL HEREBY INSURED IN RESPECT OF ANY ONE COLLISION

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

4. PROVIDED ALWAYS THAT THIS CLAUSE SHALL IN NO CASE EXTEND TO ANY SUM WHICH THE ASSURED SHALL PAY FOR IN RESPECT OF

4.1 REMOVAL OR DISPOSAL OF OBSTRUCTIONS, WRECKS, CARGOES OR ANY OTHER THING WHATSOEVER

4.2 ANY REAL OR PERSONAL PROPERTY OR THING WHATSOEVER EXCEPT OTHER VESSELS OR PROPERTY ON OTHER VESSELS

4.3 THE CARGO OR OTHER PROPERTY ON, OR THE ENGAGEMENTS OF, THE INSURED

4.4 LOSS OF LIFE, PERSONAL INJURY OR ILLNESS

4.5 POLLUTION OR CONTAMINATION, OR THREATS 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 VESSEL(S) 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

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.

GENERAL AVERAGE AND SALVAGE

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.

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.
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.
4. NO CLAIM UNDER THIS GENERAL AVERAGE CLAUSE 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.
5. NO CLAIM UNDER THIS CLAUSE 10 SHALL IN ANY CASE BE ALLOWED FOR OR IN RESPECT OF
 - 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
 - 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.
6. CLAUSE 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.
7. WHERE THE CONTRACT OF AFFREIGHTMENT PROVIDES FOR ADJUSTMENT ACCORDING TO THE YORK-ANTWERP RULES 1994 THIS INSURANCE IS EXTENDED TO COVER VESSEL'S PROPORTION OF GENERAL AVERAGE EXPENDITURE, REDUCED IN RESPECT OF UNDER INSURANCE, WHICH IS ALLOWABLE UNDER RULE XI(D) OF THE YORK-ANTWERP RULES 1994 AND WHICH WOULD BE RECOVERABLE UNDER THIS GENERAL AVERAGE CLAUSE BUT FOR CLAUSE 5.2 THEREIN.
8. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS GENERAL AVERAGE CLAUSE AT OWNERS OPTION GENERAL AVERAGE AND SALVAGE AND SPECIAL CHARGES TO BE ADJUSTED ACCORDING TO THE YORK/ANTWERP RULES,

1924, 1950, 1974 AS AMENDED 1990 AND 1994 MAY BE USED WHETHER THE VESSEL BE FULLY OR PARTLY LOADED, UNLOADED, OR IN BALLAST. NEVERTHELESS, IF THE TOTAL AMOUNT OF GENERAL AVERAGE AND/OR SAVAGE (EXCLUSIVE OF INTEREST AND COMMISSION) DOSE-NOT EXCEED US\$250,000 (OR EQUIVALENT IN OTHER CURRENCIES) NO GENERAL AVERAGE ADJUSTMENT WILL BE PREPARED, BUT THIS INSURANCE WILL PAY SUCH GENERAL AVERAGE AND/OR SALVAGE (EXCLUSIVE OF INTEREST AND COMMISSION) IN FULL, TOGETHER WITH REASONABLE STATEMENT CHARGES.

DUTY OF ASSURED (SUE AND LABOUR)

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.
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 5), SPECIAL COMPENSATION AND EXPENSES AS REFERRED TO IN GENERAL AVERAGE CLAUSE 5 AND COLLISION DEFENCE OR ATTACK COSTS AR NOT RECOVERABLE UNDER GENERAL AVERAGE CLAUSE 7.
3. MEASURES TAKEN BY 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.
4. WHEN EXPENSES ARE INCURRED PURSUANT TO THIS DUTY OF ASSURED CLAUSE 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 UNDER WRITERS HAVE ADMITTED A CLAIM FOR TOTAL LOSS AND PROPERTY INSURED BY THIS INSURANCE IS SAVED, THE FOREGOING PROVISIONS SHALL NOT APPLY ONLY TO THE AMOUNT OF THE EXPENSES WHICH IS IN EXCESS OF SUCH VALUE.
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 IT PRO RATA SHARE OF SUCH PROPORTION OF THE EXPENSES, OR OF THE EXPENSES IN EXCESS OF THE PROCEEDS, AS THE CASE AMY 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 REDUCE IN PROPORTION TO THE UNDER-INSURANCE.
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.

VALUATION CLAUSE

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN GENERAL AVERAGE AND DUTY OF ASSURED CLAUSES HEREIN, IN THE EVENT OF THE SOUND VALUE BEING GREATER THAN THE INSURED VALUE, CLAIMS FOR GENERAL AVERAGE, SALVAGE AND SALVAGE CHARGES AND SUE AND LABOUR SHALL BE PAYABLE IN FULL, VESSELS BEING DEEMED TO BE INSURED FOR THEIR CONTRIBUTORY VALUE

DEDUCTIBLE

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 COLLISION GENERAL AVERAGE & DUTY OF ASSURED CLAUSES) EXCEEDS THE DEDUCTIBLE AMOUNT AGREED IN WHICH CASE THIS SUM SHALL BE DEDUCTED. NEVERTHELESS THE EXPENSE OF SIGHTING TH BOTTOM AFTER STRANDING, IF REASONABLY INCURRED SPECIALLY FOR THAT PURPOSE, SHALL BE PAID EVEN IF NO DAMAGE BE FOUND. THIS DEDUCTIBLE CLAUSE 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 DUTY OF ASSURED CLAUSE ARISING FROM THE SAME ACCIDENT OR OCCURRENCE.
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 DEDUCTIBLE CLAUSE 2 SHALL BE DEEMED TO INCLUDE CONTACT WITH FLOATING ICE.
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 EXTEND OF THE SUM BY WHICH THE AGGREGATE OF THE CLAIM UNREDUCED BY ANY RECOVERIES EXCEEDS THE ABOVE DEDUCTIBLE.
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.

NOTICE OF CLAIM AND TENDERS

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.

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 FORM.
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 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 DAMAGE 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.

4. IN THE EVENT OF FAILURE BY THE ASSURED TO COMPLY WITH THE CONDITIONS OF NOTICE OF CLAIM CLAUSES 2 AND 3 A DEDUCTION OF 15% SHALL BE MADE FROM THE AMOUNT OF THE ASCERTAINED CLAIM.

NEW FOR OLD

CLAIMS PAYABLE WITHOUT DEDUCTION NEW FOR OLD.

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

1. GRITBLASTING AND/OR OTHER SURFACE PREPARATION OF NEW BOTTOM PLATES ASHORE AND SUPPLYING AND APPLYING ANY "SHOP"PRIMER THEREFORE,
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,

3. SUPPLYING AND APPLYING THE FIRST COAT OF PRIMER/ANTI-CORROSIVE TO THOSE PARTICULAR AREAS MENTIONED IN BOTTOM TREATMENT CLAUSES 1 AND 2 SHALL BE ALLOWED AS PART OF THE REASONABLE COST OF REPAIRS IN RESPECT OF BOTTOM PLATING DAMAGED BY AN INSURED PERIL.

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 UNDERWRITER, OR FOR TRIAL TRIPS FOR SUCH REPAIRS, AND THEN ONLY FOR SUCH WAGES AND MAINTENANCE AS ARE INCURRED WHILST THE VESSEL IS UNDER WAY.

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 CHANGES OF ANY MANAGER, AGENT, MANAGING OR AGENCY COMPANY OR THE LIKE, APPOINTED BY OR ON BEHALF OF THE ASSURED TO PERFORM SUCH SERVICES.

UNREPAIRED DAMAGE

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.
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.
3. THE UNDERWRITERS SHALL NOT BE LIABLE IN RESPECT OF UNREPAIRED DAMAGE FOR MORE THAN THE INSURED VALUE AT THE TIME THIS INSURANCE TERMINATES

LINER REPAIR CLAUSE

- a) THE COST OF TEMPORARY REPAIRS AND OVERTIME, AND THE ENHANCED COST OF DEFERRED REPAIRS, REASONABLY INCURRED WITH RESPECT TO AVERAGE DAMAGE TO MAINTAIN THE VESSEL'S SAILING SCHEDULE, ARE DEEMED TO BE PART OF THE REASONABLE COST OF REPAIRS.
- b) IT IS UNDERSTOOD AND AGREED THAT THIS POLICY WILL ALSO RESPOND IN PARTICULAR AVERAGE FOR THE EXTRA COST OF DRYDOCKING THE VESSEL WITH CARGO ABROAD IN THE SAME MANNER AS FOR THE COST OF DRYDOCKING THE VESSEL ITSELF.

THIS CLAUSE SHALL NOT APPLY TO THE EXTENT SUCH EXTRA COST OF DRYDOCKING WITH CARGO IS RECOVERABLE IN GENERAL AVERAGE.

CONSTRUCTIVE TOTAL LOSS

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.
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.

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.

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

DISBURSEMENTS WARRANTY

1. ADDITIONAL ASSURANCES AS FOLLOWS ARE PERMITTED:
 - 1.1 DISBURSEMENT, MANAGERS' COMMISSIONS PROFITS OR EXCESS ARE INCREASED VALUE LIFT FINAL & MACHINERY. A SUM NOT EXCEEDING 25% OF THE VALUE SCALED HEREIN.
 - 1.2 FREIGHT, CHARTERED IF THE OR ANTICIPATED FREIGHT, INSURED FOR TIME, A SUM NOT EXCEEDING 25% OF THE VALUE AS STATED HEREIN LESS ANY SUM INSURED, HOWEVER DESCRIBED, UNDER DISBURSEMENTS WARRANTY CLAUSE 1.1.
 - 1.3 FREIGHT OR LOIRE, 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 DISBURSEMENTS WARRANTY CLAUSE 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.
 - 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 SURF TO BE REASONABLY ESTIMATED ON THE BASIS OF THE CURRENT RATE OR FREIGHT AT TIME OF INSURANCE PLUS THE CHARGES OF INSURANCE. ANY SUM INSURED UNDER DISBURSEMENTS WARRANTY CLAUSE 1.2 TO BE TAKEN INTO ACCOUNT AND ONLY THE EXCESS THEREOF MAY BE INSURED.

- 1.5 TIME CHARTER 1-HIRE, OR CARTER 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 DISBURSEMENTS WARRANTY CLAUSE 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 CROSS AMOUNT SO ADVANCED OR EARNED BUT THE SUM INSURED NEED NOT BE REDUCED WHILE THE TOTAL OF THE SUMS INSURED UNDER DISBURSEMENTS WARRANTY CLAUSE 1.2 AND 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.
 - 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.
 - 1.7 RETURN 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.
 - 1.8 INSURANCE IRRESPECTIVE OF AMOUNT AGAINST: ANY RISKS EXCLUDED BY WAR EXCLUSION CLAUSES HEREIN
2. WARRANTED THAT NO INSURANCE ON ANY INTERESTS ENUMERATED IN THE FOREGOING DISBURSEMENTS WARRANTY CLAUSE 1.1 TO 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.

RETURNS FOR LAY-LAY-UP AND CANCELLATION

1. TO RETURN AS FOLLOWS:
 - 1.1 PRO RATA MONTHLY NET FOR EACH UNCOMMENCED MONTH IF THIS INSURANCE HE CANCELLED BY AGREEMENT
 - 1.2 FOR EACH PERIOD OF 30 CONSECUTIVE SLAYS 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.
 - 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.

- 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 (A) AND (B) RESPECTIVELY

2. PROVIDED ALWAYS THAT

- 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
- 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 ARCS NOT APPROVED BY THE UNDERWRITERS AGREE SUCH NON-APPROVED LAY-UP AREA, DAYS DURING WHICH THE VESSEL IS LAID UP IN SUCH NON APPROVED 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.
- 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 LIGHTENING PURPOSES
- 2.4 IN THE EVENT OF ANY AMENDMENT OF THE ANNUAL RATE, THE ABOVE RATES OF RETURN SHALL BE ADJUSTED ACCORDINGLY.
- 2.5 IN THE EVENT OF ANY RETURN RECOVERABLE UNDER THIS RETURN OF PREMIUM CLAUSE 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 RETURN OF PREMIUM CLAUSE 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 RETURN OF PREMIUM CLAUSE 1.2(a) OR (b) ABOVE.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH.

WAR EXCLUSION

IN NO CASE SHALL THIS INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE CAUSED BY

1. WAR CIVIL WAR REVOLUTION REBELLION INSURRECTION, OR CIVIL STRIFE ARISING THEREFROM, OR ANY HOSTILE ACT BY OR AGAINST A BELLIGERENT POWER
2. CAPTURE SEIZURE ARREST RESTRAINT OR DETAINMENT (BARRATRY AND PIRACY)

EXCEPTED), AND THE CONSEQUENCES THEREOF OR ANY ATTEMPT THEREAT

3. DERELICT MINES TORPEDOES BOMBS OR OTHER DERELICT WEAPONS OF WAR.

STRIKES EXCLUSION

IN NO CASE SHALL CHIC INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE CAUSED BY

1. STRIKERS, LOCKED-LOCKED-OUT WORKMEN, OR PERSONS TAKING PART IN LABOUR DISTURBANCES, RIOTS OR CIVIL COMMOTIONS
2. ANY TERRORIST OR ANY PERSON ACTING FROM A POLITICAL MOTIVE.

MALICIOUS ACTS EXCLUSION

IN NO CASE SHALL THIS INSURANCE COVER LOSS DAMAGE LIABILITY OR EXPENSE ARISING FROM

1. THE DETONATION OF AN EXPLOSIVE
2. ANY WEAPON OF WAR

AND CAUSED BY ANY PERSON ACTING MALICIOUSLY OR FROM A POLITICAL MOTIVE

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

1. IONISING RADIATIONS FROM OR CONTAMINATION BY RADIOACTIVITY FROM ANY NUCLEAR FUEL OR FROM ANY NUCLEAR WASTE OR FROM THE COMBUSTION OF NUCLEAR FUEL
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. ANY WEAPON OF WAR EMPLOYING ATOMIC OR NUCLEAR FISSION AND/OR NUCLEAR FISSION AND/OR FUSION OR OTHER LIKE REACTION OR RADIOACTIVE FORCE OR MATTER.

(ITC HULLS 1/11/95 (AMENDED RWW))

E-55

KOREA LINE CORPORATION WAR AND STRIKES CLAUSES 1ST DECEMBER 1995

PERILS

SUBJECT ALWAYS TO THE EXCLUSIONS HEREINAFTER REFERRED TO, THIS INSURANCE COVERS LOSS OF OR DAMAGE TO THE VESSEL CAUSED BY

1. WAR CIVIL WAR REVOLUTION REBELLION INSURRECTION, OR CIVIL STRIFE ARISING THEREFROM, OR ANY HOSTILE ACT BY OR AGAINST A BELLIGERENT POWER
2. CAPTURE SEIZURE ARREST RESTRAINT OR DETAINMENT, AND THE CONSEQUENCES THEREOF OR ANY ATTEMPT THEREAT
3. DERELICT MINES TORPEDOES BOMBS OR OTHER DERELICT WEAPONS OF WAR
4. STRIKERS, LOCKED OUT WORKMEN, OR PERSONS TAKING PART IN LABOUR DISTURBANCES, RIOTS OR CIVIL COMMOTIONS
5. ANY TERRORIST OR ANY PERSON ACTING MALICIOUSLY OR FROM A POLITICAL MOTIVE
6. CONFISCATION OR EXPROPRIATION

INCORPORATION

THE KOREA LINE CORPORATION HULL CLAUSES EXCEPT CONTINUATION, BREACH OR WARRANTY, TERMINATION : PERILS : DEDUCTIBLE: NOTICE OF CLAIM : AND TENDERS DISBURSEMENT WARRANTY 1.8: RETURNS FOR LAY-UP AND CANCELLATION : WAR EXCLUSION: STRIKES EXCLUSION: MALICIOUS ACTS EXCLUSION: AND RADIOACTIVE CONTAMINATION EXCLUSION CLAUSES 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.

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 TWELVE MONTHS THEN FOR THE PURPOSE OF ASCERTAINING WHETHER THE VESSEL IS A CONSTRUCTIVE TOTAL THE ASSURED SHALL BE DEEMED TO HAVE BEEN DEPRIVED OF THE POSSESSION OF THE VESSEL WITHOUT ANY LIKELIHOOD OF RECOVERY.

EXCLUSIONS

THIS INSURANCE EXCLUDES

1. LOSS DAMAGE LIABILITY OR EXPENSE ARISING FROM
 - 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 RUSSIA FEDERATION,
THE PEOPLES REPUBLIC OF CHINA
 - 1.2 REQUISITION OR PRE-EMPTION
 - 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.
 - 1.4 ARREST RESTRAINT DETAINMENT CONFISCATION OR EXPROPRIATION UNDER QUARANTINE REGULATIONS OR BY REASON OF INFRINGEMENT OF ANY CUSTOMS OR TRADING REGULATIONS.
 - 1.5 THE OPERATION OF ORDINARY JUDICIAL PROCESS, FAILURE TO PROVIDE SECURITY OR TO PAY ANY FINE OR PENALTY OR ANY FINANCIAL CAUSE

- 1.6 PIRACY (BUT THIS EXCLUSION SHALL NOT AFFECT COVER UNDER PERILS CLAUSE 4)
2. LOSS DAMAGE LIABILITY OR EXPENSE DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO BY OR ARISING FROM
 - 2.1 IONISING RADIATIONS FROM OR CONTAMINATION BY RADIOACTIVITY FROM ANY NUCLEAR FUEL OR FROM ANY UNCLEAR WASTE OR FROM THE COMBUSTION OF NUCLEAR FUEL
 - 2.2 THE RADIOACTIVE, TOXIC, EXPLOSIVE OR OTHER HAZARDOUS OR CONTAMINATION PROPERTIES OF ANY NUCLEAR INSTALLATION, REACTOR OR OTHER NUCLEAR ASSEMBLY OR NUCLEAR COMPONENT THEREOF.
 - 2.3 ANY WEAPON OF WAR EMPLOYING ATOMIC OR NUCLEAR FISSION AND/OR FUSION OR OTHER LIKE REACTION OR RADIOACTIVE FORCE OR MATTER.
3. LOSS DAMAGE LIABILITY OR EXPENSE COVERED BY THE KOREA LINE CORPORATION HULL CLAUSES OR WHICH WOULD BE RECOVERABLE THEREUNDER BUT FOR DEDUCTIBLE CLAUSE THEREOF.
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. ANY CLAIM FOR EXPENSES ARISING FROM DELAY EXCEPT SUCH EXPENSES AS WOULD BE RECOVERABLE IN PRINCIPLE UNDER THE YORK-ANTWERP RULES 1974.

TERMINATION

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.
2. WHETHER OR NOT SUCH NOTICE OF CANCELLATION HAS BEEN GIVEN THIS INSURANCE SHALL TERMINATED AUTOMATICALLY
 - 2.1 UPON OUTBREAK OF WAR (WHETHER THERE BE DECLARATION OF WAR OR NOT) BETWEEN ANY OF THE FOLLOWING COUNTRIES
UNITED KINGDOM, UNITED STATES OF AMERICA, FRANCE,
THE RUSSIAN FEDERATION,
THE PEOPLES REPUBLIC OF CHINA
 - 2.2 IN THE EVENT OF THE VESSEL BEING REQUISITIONED, EITHER FOR TITLE OR USE.
3. IN THE EVENT EITHER OF CANCELLATION BY NOTICE OR OF AUTOMATIC TERMINATION OF THIS INSURANCE BY REASON OF OPERATION OF THIS TERMINATION CLAUSE, OR OF THE SALE OF THE VESSEL, PRO RATA NET RETURN OF PREMIUM SHALL BE PAYABLE TO THE ASSURED.

LEASED EQUIPMENT CLAUSE

This insurance is extended to cover equipment (including bunkers and/or spare bunkers furnished by the Charterers or others) and apparatus not owned by the Assured but installed for use on the insured vessel, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise, subject to all terms, and conditions of this policy.

LINER NEGLIGENCE CLAUSE

"Subject to the terms and conditions of this policy, this insurance is also to cover Bursting of boilers and/or Breakage of Shafts.

Damage to and/or loss of the subject matter of this insurance caused by any accident, latent defect, malicious act, negligence, error of judgment or incompetence of any person whatsoever but excluding the cost of repairing replacing or renewing any defective part condemned solely in consequence of a latent defect or fault or error in design or construction,

Provided that such damage or loss has not resulted from want of due diligence by the owners of the Vessel or any of them or by the Managers."

LONDON BLOCKING AND TRAPPING ADDENDUM (For use with the Institute War and Strikes Clause Hulls – 1/10/83) It is hereby agreed that the inability of the vessel to sail from any port, canal, waterway or other place to the high seas for a continuous period of 12 months as a result of the closure of the connecting channel to all vessels of such size or draft is within the terms "restraint" appearing in clause 3 of the Institute War and Strikes Clauses – Hulls 1.10.83 provided that such closure has arisen through the blockage of the waterway by a warlike act, or act of national defence.

LONG-TERM CONTRACT

ASSURED :

POLICY NO:

THE POLICY IS WRITTEN FOR A PERIOD OF 24 MONTHS WITH EFFECT FROM _____, THIS LONG TERM CONTRACT IS OFFERED SUBJECT TO THE ASSURED AGREEING TO THE INSURANCE CONDITIONS AS WELL AS THE PREMIUM PAYMENT OF THIS SAID POLICY.

AT INCEPTION OF THIS POLICY, THE AGREED PREMIUM (THE "TECHNICAL PREMIUM") WILL ONLY BE CALLED AT _____% AND SO WILL ANY ADDITIONAL AND/OR RETURN PREMIUM IN THE FIRST 12 MONTHS PERIOD OF THIS POLICY.

AT EXPIRY OF POLICY PERIOD _____, THE FOLLOWING CLAUSES WITH APPLY TO THIS LONG TERM CONTRACT :

A-STATISTICS

THE LOSS RATIO TAKEN INTO CONSIDERATION FOR STATISTICS PURPOSES WILL BE CONSTITUTED BY UNDERWRITING YEARS _____ TO _____ INCLUSIVE.

THE RESULTS OF THE CURRENT YEAR WILL BE CALCULATED ON THE BASIS OF ALL ACQUIRED PREMIUM AND ALL REPORTED OR KNOWN LOSSES BY THE ASSURED TWO MONTHS PRIOR TO RENEWAL.

PREMIUM TAKEN INTO ACCOUNT WILL BE NET OF ANY RETURNS, ORIGINAL DISCOUNTS AND ALL BROKERAGES, PAID TO UNDERWRITERS.

CLAIMS WILL INCLUDE ALL KNOWN PAID OR OUTSTANDING CLAIMS (NET OF APPLICABLE DEDUCTIBLES) AT THE TIME THE STATISTICS ARE SUBMITTED TO UNDERWRITERS HEREON.

B-RENEWAL

1. RENEWAL WILL BE OFFERED WITHOUT ANY AMENDMENT TO THE ORIGINAL TECHNICAL RATING (PREMIUM AND RATES) UNLESS THERE ARE CHARGES IN THE SCOPE OF COVERAGE AND INSURED VALUES.
2. THE ONLY MODIFICATION WILL BE IN THE PERCENTAGE OF THE PREMIUM CALLED FOR THE 2ND YEAR OF THE CONTRACT. THIS PERCENTAGE WILL BE DETERMINED IN ACCORDANCE WITH THE LOSS RATIO, CALCULATED AS PER STATISTICS DEFINED ABOVE THE ENCLOSED SCALE.

C- ALTERATION IN THE CONDITIONS

THE LONG TERM CONTRACT CLAUSE DOES NOT PREJUDICE THE RIGHT OF THE UNDERWRITERS TO MODIFY THE TERMS AND CONDITIONS OF THE POLICY AT EXPIRY OF THE CURRENT UNDERWRITING YEAR, WHERE AN EXTRAORDINARY CHANGE, SUCH AS A NEW EXCLUSION, IS ORDERED BY THE INTERNATIONAL INSURANCE AND/OR REINSURANCE MARKETS.

IN WHICH CASE THE INSURER IS LIABLE FOR LOSS ATTRIBUTABLE TO THE INTEREST COVERED IN COMPLIANCE WITH THE EXISTING TERMS AND CONDITIONS OF THE POLICY UNTIL GENERAL NOTIFICATION IS EXPRESSLY GIVEN BY MAIN INSURANCE AND/OR REINSURANCE MARKETS.

D-REDUCTION OR INCREASE OF THE TOTAL SUM INSURED

WHERE THE SUM INSURED IS REDUCED OR INCREASED BY MORE THAN 50% OF THE TOTAL FLEET VALUE AT THE INCEPTION OF THIS INSURANCE, THE LONG TERM CONTRACT CLAUSE CAN BE CANCELLED, BY BOTH THE INSURER AND THE ASSURED, AT EXPIRY OF THE CURRENT UNDERWRITING YEAR, UNLESS OTHERWISE AGREED.

N.B. : THE TECHNICAL PREMIUM MENTIONED ABOVE WILL BE THE PREMIUM OF THE FLEET AT THE TIME OF RENEWAL HAVING TAKEN INTO CONSIDERATION ALL

ADDITIONS, SALES, CHANGES IN CONDITIONS AND/OR INSURED VALUE.

PERCENTAGE OF THE TECHNICAL PREMIUM CALLED FOR THE 2ND YEAR OF THE LONG TERM CONTRACT

(A)	(B)	(A)	(B)	(A)	(B)
-----	-----	-----	-----	-----	-----

30 AND	85.00	66	103.00	101	124.50
LESS	8585.50	67	103.50	102	125.25
31	86.00	68	104.00	103	126.00
32	86.50	69	104.50	104	126.75
33	87.00	70	105.00	105	127.50
34	87.50	71	105.50	106	128.25
35	88.00	72	106.00	107	129.00
36	88.50	73	106.50	108	129.75
37	89.00	74	107.00	109	130.50
38	89.50	75	107.50	110	131.25
39	90.00	76	108.00	111	132.00
40	90.50	77	108.50	112	132.75
41	91.00	78	109.00	113	133.50
42	91.50	79	109.50	114	134.25
43	92.00	80	110.00	115	135.00
44	92.50	81	110.50	116	135.75
45	93.00	82	111.00	117	136.50
46	93.50	83	111.50	118	137.25
47	94.00	84	112.00	119	138.00
48	94.50	85	112.50	120	138.75
49	95.00	86	113.25	121	139.50
50	95.50	87	114.00	122	140.25
51	96.00	88	114.75	123	141.00
52	96.50	89	115.50	124	141.75
53	97.00	90	116.25	125	142.50
54	97.50	91	117.00	126	143.25
55	98.00	92	117.75	127	144.00
56	98.50	93	118.50	128	144.75
57	99.00	94	119.25	129	145.50
58	99.50	95	120.00	130	146.25
59	100.00	96	120.75	131	147.00
60	100.50	97	121.50	132	147.75
61	101.00	98	122.25	133	148.50
62	101.50	99	123.00	134	149.25
63	102.00	100	123.75	135AND	150.00
64	102.50			MORE	
65					

(A) % LOSS RATIO

(B) % OF THE TECHNICAL PREMIUM CALLED

THE LONG TERM COVER CLAUSE

It is hereby mutually agreed between the Individual Assured herein and the Insure's that this insurance shall from the inception date and time specified herein continue for a period of three consecutive years with each year to be referred to as a separate Policy Year (hereinafter referred to as "First Policy Year", "Second Policy Year" and "Third Policy Year" respectively.) unless terminated in accordance with the provisions hereunder, subject to the terms and conditions as stated below :-

- 1) The expiring premium of the First Policy Year shall be taken as the basic premium which shall be adjusted according to sub-clause(2) below to give the applicable premium level for the Second Policy Year. The Second Policy Year premium shall be adjusted according to sub-clause (2) below to give the applicable premium level for the Third Policy Year.
- 2) At 30 days before the end of each Policy Year, the loss Ratio("L/R") for Hull & Machinery only is to be worked out using statistics as drawn up on the usual Joint Hull basis, ie. 3 Closed year and Current year if adversely affecting the statistics.
 - i) After the L/R is worked out, the Basic Premium shall be adjusted in accordance with such L/R in following manner : -

<u>Loss Ratio</u>	<u>Increase/Reduction</u>
0-10%	20% reduction
10-30%	15% reduction
30-50%	10% reduction
50-70%	As before
70-100%	10% increase
100%-125%	15% increase
125-150%	20% increase
150-200%	25% increase
Over 200%	To be agreed
 - ii) The premium figure worked out from the above will become the gross premium at inception of the succeeding Policy Year.
- 3) This Long Term Cover Clause shall be subject to English Law and Jurisdiction.
- 4) "Y.K> Sovereign" only to be part of the Long Term Agreement whilst insurance are controlled by Yukong Line/First Fire & Marine.

Loss of Charter Hire Insurance- Excluding War (ABS 1/10183 Wording)

This insurance is subject to English law and practice

1. If in consequence of any of the following events:

- (a) loss, damage or occurrence covered by Institute Time Clauses-Hulls (1/10/83) or Norwegian Hull Form or American Institute Hull Clauses 2nd June 1977), (Option of clause to be exercised at inception)
- (b) breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the Assured,

occurring during the period of this insurance the Vessel is prevented from earning hire for a period in excess of days in respect of any accident, then this insurance shall pay of the sum hereby insured for each 24 hours after the expiration of the said days during which the Vessel is so prevented from earning hire for not exceeding a further days in respect of any one accident or occurrence (and not exceeding days in all during the currency of this

Insurance <irrespective of the expiry date of this insurance>), provided that the repairs in respect of which a claim is made hereunder are completed within 12 months of the expiry of the period covered by this insurance.

2. No claim to attach to this insurance if the occurrence in respect of which such claim arises is the cause of the vessel becoming a Total Loss (Actual or Constructive).
3. In all cases where a recovery is obtained from third parties in respect of loss of earning or demurrage such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.
4. Subject to current Institute Trading Warranties.
5. 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 advice and any amended terms of cover and any additional premium required by them be agreed.
6. The expression 'one accident' shall be deemed to include all heavy weather damage occurring during a single sea passage between two successive ports as defined in Clause 12.2 of Institute Time Clauses-Hulls (1-10-83)
7. If this insurance attaches or expires during a passage as defined above heavy weather damage occurring on the same passage but outside the period covered by this insurance may be added for the purpose of calculating the loss provided the damage sustained during the period covered hereunder has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.
8. It is understood and agreed that if the Vessel is prevented from earning hire on separate occasions, which shall not in any even exceed three, in respect of any one accident or occurrence falling within this insurance, for the purpose of ascertaining the amount claimable hereunder the total time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.
9. Should the Vessel at the expiration of this insurance be at sea or in distress, or at port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a prorata daily premium to her port of destination.
10. In the event of the Vessel named herein being sold or unchartered other than by reason of Total or Constructive Total Loss of Vessel, this insurance is automatically cancelled. In such event Underwriters agree to return pro rata nett monthly premium, provided there are no claims on the Vessel during the currency of the insurance prior to cancellation. In no other even shall there be any return of premium.
This clause shall prevail notwithstanding any provisions whether written, typed or printed in the insurance inconsistent therewith unless especially agreed by Underwriters.
11. Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of 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 1 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.

12. The Assured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. Underwriters to have the right to require the Assured to incur any expense which would reduce Underwriters' liability under this insurance provided such expense is for Underwriters' account.
13. 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 detention 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. 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. In no case shall this insurance cover loss damage liability or expense arising from
 - 15.1 the detonation of any explosive
 - 15.2 any weapon of war
 and caused by any person acting maliciously or from a political motive.
16. 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.

Loss of Charter Hire Insurance - Including War (ABS 1/10/83 Wording)

This insurance is subject to English law and practice

1 If in consequence of any of the following events:

- (a) loss, damage or occurrence covered by Institute Time Clauses-Hulls (1/10/83) or Norwegian Hull Form or American Institute Hull Clauses (2nd June 1977) and also loss damage or occurrence covered by Institute War and Strikes Clauses-Hulls (1/10/83) or American Institute Hull War and Strikes Clauses (1/12/77) plus Addenda 1 and 2, (Option of clause to be exercised at inception)
- (b) breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the Assured, occurring during the period of this insurance the Vessel is prevented from earning hire for a period in excess of days in respect of any accident, then this insurance shall pay of the sum hereby insured for each 24 hours after the expiration of the said days during which the Vessel is so prevented from earning hire for not exceeding a

further days in respect of any one accident or occurrence (and not exceedingdays ill all during the currency of this insurance <irrespective of the expiry date of this insurance>, provided that the repairs in respect of which a claim is made hereunder are completed within 12 months of the expiry of the period covered by this policy.

2. No claim to attach to this insurance If the occurrence in respect of which such claim arises is the cause of the vessel becoming a Total Loss (Actual or Constructive).
3. In all cases where a recovery is obtained from third parties in respect of loss of earning or demurrage such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.
4. Subject to current Institute Trading Warranties and, in respect of War risks, subject to current London Market War Risk Trading Warranties.
5. 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.
6. The expression 'one accident' shall be deemed to include all heavy weather damage occurring during a single sea passage between two successive ports as defined in Clause 12.2 of Institute Time Clauses-Hulls (1/10/83).
7. If this insurance attaches or expires during a passage as defined above heavy weather damage occurring on the same passage but outside the period covered by this insurance may be added for the purpose of calculating the loss provided the damage sustained during the period covered hereunder has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.
8. It is understood and agreed that if the Vessel is prevented from earning hire on separate occasions, which shall not in any even exceed three, ill respect of any one accident or occurrence failing within this insurance, for tile purpose of ascertaining the amount claimable hereunder the total time that the Vessel is off hire shall be taken into account, provided that tile repairs are completed within 12 months of the expiry of this insurance.
9. Should the Vessel at the expiration of this insurance be at sea or in distress, or at port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a prorata daily premium to her port of destination,
10. In the event of the Vessel named herein being sold or unchartered other than by reason of Total or Constructive Total Loss of Vessel, (his insurance is automatically cancelled. In such event Underwriters agree to return pro rata net monthly premium, provided there are no claims on the Vessel during (lie currency of the insurance prior to cancellation. In no other even shall there be any return of premium (except as provided under Clause 14.3 below). This clause shall prevail notwithstanding any provisions whether written, typed or printed in the insurance inconsistent therewith unless especially agreed by Underwriters.
11. Unless the Underwriters agree to the contrary in. writing, this insurance shall terminate

automatically at the time of 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 tier next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 1 of this insurance such automatic termination shall only operate should the Vessel sail from tier next port without the prior approval of the Classification Society.

12. The Assured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. Underwriters to have the right to require the Assured to incur any expense which would reduce Underwriters' liability under this insurance provided such expense is for Underwriters' account.
13. 13.1 loss damage liability or expense arising from
 - 13.1.1 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
 - 13.1.2 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
 - 13.1.3 requisition or pre-emption
 - 13.1.4 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
 - 13.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations
 - 13.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
- 13.2 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
- 13.3 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.
14. 14.1 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.
- 14.2 Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc., shall TERMINATE AUTOMATICALLY
 - 14.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 13.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
 - 14.2.2 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
 - 14.2.3 in the event of the Vessel being requisitioned, either for title or use
- 14.3 In the even either of cancellation by notice or of automatic termination of this insurance

by reason of the operation of this Clause 14, pro rata net return of premium shall be payable to the Assured.

15. 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.

a

LOSS OF EARNINGS AND/OR CHARTER HIRE SPECIAL CLAUSE (Norwegian Clause Form)

1. If in consequence of:
 - a. any loss, damage or occurrence covered under the ordinary form of English Marine Policy subject to the Institute Time Clauses (Hulls) and/or Norwegian Hull Policy and/or American Hull Form occurring during the period of this insurance or
 - b. slow steaming due solely to an accident caused by a peril insured against the vessel is prevented from earning hire for a period in excess of day in respect of any one accident, then this policy shall pay of the sum hereby insured for each 24 hours after the expiration of the said days during which the vessel is so prevented from earning hire for not exceeding a further days in respect of any one accident or occurrence and not to exceed a total of days in respect to all accidents or occurrences during the policy term.
2. The period off hire to be counted irrespective of the expiry date of this insurance, provided always that the repairs in respect of which a claim is made hereunder are completed within 24 months of the expiry date of this policy.
3. All possible claims hereunder to be reported to the Underwriters as soon as possible and Underwriters to be notified before any repairs are carried out, but the Assured is entitled to decide where and when the repairs are to be effected.
4. If the vessel is prevented from earning hire on separate occasion the total time the vessel is off hire shall be taken into account for the purpose of ascertaining the amount claimable hereunder.
5. The expression "one accident" shall be deemed to include all heavy weather damage occurring on one passage as defined in the Institute Time Clauses (Hulls), provided the damage sustained has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.
6. In all cases where a recovery is obtained from third parties or in General Average in respect of loss of earnings, demurrage, wages, maintenance, overtime or other expenses, such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.
7. If the vessel is laid up:
 - a. for damage repairs caused by a peril insured against hereunder and Assured's repairs (necessary for seaworthiness or classification repairs due under periodic inspection requirements) are carried out simultaneously therewith; or

- b. for Assured's repairs (necessary for seaworthiness or classification repairs due under periodic inspection requirements) and damage repairs caused by a peril insured against hereunder are carried out simultaneously therewith:
- as much time as in common to both classes of work in excess of the deductible period, shall be divided equally between Underwriters and Assured. Provided that, if the time necessary to effect damage repairs is extended in any way by reason of concurrent repairs, such additional time to be entirely for Assured's account.
- For the purposes of this clause, classification repairs shall be deemed due at the time such repairs are recommended by the Vessel's Classification Society or at any time thereafter.
8. Subject to current Institute Trading Warranties or held covered at a rate to be agreed, with or without previous notice.
 9. Compensation for loss of time is only payable provided the damage is repaired.
 10. No claim to attach to this policy if the accident in respect of which such claim arises is the cause of the vessel becoming a Total or Constructive Total Loss.
 11.
 - a. The insurance is warranted -without liability for war peril-
 - b. The Company is not liable for damage resulting from governmental acts. The insurance ceases if the vessel requisitioned by a belligerent power.
 - c. The Company is not liable for damage resulting from civil commotions riots, strikes, lockout, sabotage, industrial unionism or other similar causes.
 12. if the time charter terminates during the insured period, the insured amount is reduced to the actual costs of running the vessel.
Underwriters agree to return pro rata premium of the amount by which the insurance has been reduced, provided there has been no claim under the policy prior to the termination of the charter. If the Assured wants to cancel the insurance due to the termination of the time charter.
Underwriters agree to return pro rata net monthly premium, provided there has been no claim under the policy prior to the termination of the charter.
 13. In the event of the vessel being sold Underwriters agree to return pro rata net daily premium, provided there has been no claim under the policy prior to such sale.
 14. Off hire statement by the charterers to be produced in evidence of the claim of the Assured under this policy.

LOSS OF EARNINGS AND/OR CHARTER HIRE SPECIAL CLAUSE (Norwegian Clause Form)

1. If in consequence of:
 - a. any loss, damage or occurrence covered under the ordinary form of English Marine Policy subject to the Institute Time Clauses (Hulls) and/or Norwegian Hull Policy and/or American Hull Form occurring during the period of this insurance or
 - b. slow steaming due solely to an accident caused by a peril insured against the vessel is prevented from earning hire for a period in excess of day
in respect of any one accident, then this policy shall
pay of the sum hereby insured for each 24
hours after the expiration of the said days during which the vessel is so prevented from
earning hire for not exceeding a further days in
respect of any one accident or occurrence and not to exceed a total
of days in respect to all accidents or

occurrences during the policy term.

2. The period off hire to be counted irrespective of the expiry date of this insurance, provided always that the repairs in respect of which a claim is made hereunder are completed within 24 months of the expiry date of this policy.
3. All possible claims hereunder to be reported to the Underwriters as soon as possible and Underwriters to be notified before any repairs are carried out, but the Assured is entitled to decide where and when the repairs are to be effected.
4. If the vessel is prevented from earning hire on separate occasion the total time the vessel is off hire shall be taken into account for the purpose of ascertaining the amount claimable hereunder.
5. The expression "one accident" shall be deemed to include all heavy weather damage occurring on one passage as defined in the Institute Time Clauses (Hulls), provided the damage sustained has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.
6. In all cases where a recovery is obtained from third parties or in General Average in respect of loss of earnings, demurrage, wages, maintenance, overtime or other expenses, such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.
7. If the vessel is laid up:
 - a. for damage repairs caused by a peril insured against hereunder and Assured's repairs (necessary for seaworthiness or classification repairs due under periodic inspection requirements) are carried out simultaneously therewith; or
 - b. for Assured's repairs (necessary for seaworthiness or classification repairs due under periodic inspection requirements) and damage repairs caused by a peril insured against hereunder are carried out simultaneously therewith:

as much time as in common to both classes of work in excess of the deductible period, shall be divided equally between Underwriters and Assured. Provided that, if the time necessary to effect damage repairs is extended in any way by reason of concurrent repairs, such additional time to be entirely for Assured's account.

For the purposes of this clause, classification repairs shall be deemed due at the time such repairs are recommended by the Vessel's Classification Society or at any time thereafter.
8. Subject to current Institute Trading Warranties or held covered at a rate to be agreed, with or without previous notice.
9. Compensation for loss of time is only payable provided the damage is repaired.
10. No claim to attach to this policy if the accident in respect of which such claim arises is the cause of the vessel becoming a Total or Constructive Total Loss.
11.
 - a. The insurance is warranted -without liability for war peril-
 - b. The Company is not liable for damage resulting from governmental acts. The insurance ceases if the vessel requisitioned by a belligerent power.
 - c. The Company is not liable for damage resulting from civil commotions riots, strikes, lockout, sabotage, industrial unionism or other similar causes.
12. If the time charter terminates during the insured period, the insured amount is reduced to the actual costs of running the vessel.

Underwriters agree to return pro rata premium of the amount by which the insurance has been reduced, provided there has been no claim under the policy prior to the termination of the charter. If the Assured wants to cancel the insurance due to the termination of the time charter.

Underwriters agree to return pro rata net monthly premium, provided there has been no claim under the policy prior to the termination of the charter.
13. In the event of the vessel being sold Underwriters agree to return pro rata net daily premium.

provided there has been no claim under the policy prior to such sale.

14. Off hire statement by the charterers to be produced in evidence of the claim of the Assured under this policy.

LOSS PAYABLE CLAUSE

It is hereby noted and agreed that all payments recoverable under the terms and conditions of this insurance shall be made in connection with the loss payable clause of the charter party, hire purchase contract, leasing contract and/or any other contract approved by the authorities concerned in connection with the subject matter insured, It is further agreed that we, the underwriters, will undertake the instructions, if any, contained in the aforementioned. Attachment

MARINE HULL ELECTRONIC DATE RECOGNITION (EDR) ENDORSEMENT

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

1. This insurance does not cover any loss, damage, liability or expense directly or indirectly caused by or in any way in consequence of: a) the failure or anticipated failure or inability of any computer system, software, hardware, integrated circuit, microchip, operating system and/or any other electronic device or component, whether or not belonging to or in possession of the Insured or of any third party, correctly, unambiguously or completely to assign, exchange, interpret, manipulate, process, recognise, sequence or transfer any time, year, date or date-like code, data or information; b) any implemented or attempted change or modification or test of any computer system, software, hardware, integrated circuit, microchip, operating system and or any other electronic device or component, whether or not belonging to or in possession of the Insured or of any third party, in anticipation of or in response to any change of year, date or time, or any advice given or services performed in connection with any such change or modification; c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to (a) and/or (b) above. 2. Clause 1 of this Endorsement shall not however apply to exclude a claim which the Insured can demonstrate. a) Would be recoverable under this insurance in the absence of the exclusion of clause 1 and b) has not resulted from want of due diligence by the Insured, Owners, Managers or Superintendents or any of their onshore management in respect of any matters referred to in Clause 1 and c) is proximately caused by any of the following perils:

i) perils of the seas rivers lakes or other navigable waters ii) fire, explosion iii) violent theft by persons from outside the Vessel iv) jettison v) piracy vi) contact with land conveyance, dock or harbour equipment or installation vii) earthquake volcanic eruption or lightning viii) accidents in loading, discharging or shifting cargo or fuel ix) bursting of boilers, breakage of shafts x) negligence of repairers or charterers provided such repairers or charterers are not an Insured hereunder or Master Officers or Crew. xi) contact with aircraft, helicopters or similar objects, or objects following therefrom. 3. Notwithstanding clause 2 above in no circumstances shall the cover provided in this Endorsement extend to a claim for loss, damage, liability or expense a) in respect of any software, programming, operating system, code or date or b) arising from or in any way connected, whether directly or indirectly, with any measure taken with the intention of averting or minimising any of the matters referred to in clause 1(A) or 1(b) above or any of their possible or anticipated consequences. 4. The cover provided in this Endorsement is subject in all other respects to all other terms, conditions, exclusions and limits contained in this insurance.

1. This Endorsement is subject to the English law and practice.

MISSING VESSELS CLAUSE

(APPLICABLE TO WAR & STRIKES RISKS ONLY) THIS INSURANCE TO PAY A TOTAL LOSS IN THE EVENT OF THE INSURED This insurance to pay a total loss in the event of the insured vessel being missing from any cause during the currency of this policy. If such vessel be recorded at Lloyd's as 'Untraced' or posted as 'missing', she shall be deemed missing for the purpose of this insurance. Full subrogation to Underwriters hereon.

MORTGAGEES ADDITIONAL PERILS (POLLUTION)

1. INSURING CLAUSE

1.1 Whereas the Assured has entered into Legal Agreements, commensurate with which the Assured holds "inter alia" a mortgage on the Mortgaged Vessel(s) and endorsements of its

interests on the Owners' Policies and Club Entries as collateral security.

1.2 Now this Policy will indemnify the Assured in accordance with Clause 1.3 below against an Insured Peril directly resulting from an Event during the currency of this policy which results in Legal Liabilities of the Owner for amounts in excess of the Limits of Liability under the Owners' Policies and Club Entries, as warranted herein.

1.3 The indemnity payable hereunder shall be the amount of the Assured's Loss not exceeding the assured's outstanding indebtedness or interest on the Responsible Vessel and not exceeding the sum insured for the Responsible Vessel. The indemnity shall be payable from the date that Proof of Claim and the amount of the Net Loss are established.

1.4 All the above is subject to the Definitions, Exclusions, Conditions and Warranties below.

2. DEFINITIONS

2.1 Insured Perils – Means:

2.1.1. Expropriation or confiscation of the Responsible Vessel, or

2.1.2. Sequestration of all the sale proceeds of the Responsible Vessel following judicial sale, or

2.1.3. The recognition of a lien, or encumbrance of any kind, on the Responsible Vessel as having priority to the mortgage, or

2.1.4. Expropriation or sequestration of claim settlements for loss or damage under the Owners' Policies & Club Entries in respect of the Responsible Vessel and or the imposition of a "Mareva" injunction, or other equivalent legal restraint, on such claim settlements otherwise payable to the Assured

by a competent court or by a recognised authority under or by operation of any Law, Statute, government order or decree.

2.2 Event – Means:

Discharge of oil from or caused by a Responsible Vessel which causes an Insured Peril liability for which is covered by Owners' Policies and Club Entries.

2.3 Owners' Policies and Club Entries – Means:

Hull and Machinery policies on terms equivalent to or wider than Norwegian Insurance Plan 1964 or Institute Time Clauses Hull or American Institute Hull Clauses or German Insurance Conditions and where applicable Increased Value Policies equivalent to or wider than 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 – Time and full Protection and Indemnity Insurance including cover for liability for damages, clean-up-costs, expenses and penalties arising from an Event wherever the Mortgaged vessel may be situated.

2.4 Legal Liabilities of the Owner – Means:

The liability of the owners, charterers, managers, and operators of the Responsible Vessel or their servants for oil pollution damages and cleanup costs, including fines and penalties covered by the Owners' Policies and Club Entries.

2.5 Proof of Claim – Means:

Demonstration by the Assured that the amount of the Legal Liabilities of the Owner exceeds the limits of liability insured for pollution under Owners' Policies and Club Entries as warranted in Clause 6.1.1. herein, irrespective of amounts actually paid or not paid.

Proof of Claim may be established by either one of the following methods at the option of the Assured (subject to the discretion of Underwriters in 2) below): 1) final court judgement (or final trial-level court judgement which in the opinion of a firm of lawyers as agreed by the Assured and Underwriters hereon is not commercially appealable, such lawyers' fees to be borne by the Assured) in a court of competent jurisdiction of the responsibility for and amount of Legal Liabilities of the Owner as well as the ranking of relevant maritime liens on the Responsible Vessel vis a vis the mortgage, or 2) at such earlier date as agreed by Underwriters hereto on the evidence presented by the Assured (provided that the Underwriter

may in their absolute discretion decline to pay before 1) above or 3) below, or 3) 365 days after an Event as defined in Clause 2.2 herein during which the vessel remains in the grip of an Insured Peril.

2.6 Net Loss – Means at the option of the Assured either:

1) The Assured's loss under the Loan Agreement to the extent secured by mortgage on the Responsible Vessel net of any amounts recovered and deemed recoverable under all security arrangements contained in or collateral to the loan including but not limited to any floating and fixed liens, security interests, guarantees, insurance policies and pledges (but shall not include mortgages on cross-collateralized vessels).

The amount of the Assured's Net Loss may be established by an opinion from a firm of lawyers as agreed by the Assured and Underwriters hereon detailing the security arrangements, the amounts realised and realisable from such security and why any such security is not realisable and/or why the estimated cost of attempting to realise any such security is such as to render realisation uneconomic. Any lawyer's fees shall be borne by the assured, or

2) The Assured's outstanding indebtedness or interest at the time of the establishment of Proof of Claim.

3) But not exceeding the Sum Insured for the responsible vessel. (applicable to paragraphs 1) and 2))

2.7 In respect of declarations involving more than one vessel or where additional collateral exists: Notwithstanding any provision of this Clause 2.6 it is hereby noted and agreed that the loan agreement and mortgage on each vessel insured (or not insured) hereon shall be held to stand alone and not cross-collateralized for the determination of Net Loss. This insurance is to indemnify the Assured up to the outstanding indebtedness or interest each vessel, and for the avoidance of doubt recovery in respect of a Responsible vessel shall not exceed the Insured Value of that vessel at the time of the Loss.

2.8 Mortgaged Vessel – Means:

Each vessel mortgaged to the Assured which is declared hereunder.

2.9 Responsible Vessel – Means:

A Vessel which causes and is found responsible for an Event.

3. EXCLUSIONS

In no case shall this policy cover:

3.1 any loss from any default by the assured (or any agent, sub or co-contractor of the Assured or to the extent that any rights or remedies are subject of an assignment in favour of the Assured, the owners, charterers, managers or operators of the Responsible Vessel) to pursue any possible rights or remedy against any third party tortfeasor to mitigate the Assured's potential loss (where the cost of such pursuit and potential collectability justifies such pursuit.)

3.2 loss damage liability or expense arising directly or indirectly from:

3.2.1. any of the Owners, Policies and Club Entries having been lawfully terminated by the Underwriters thereof,

3.2.2. insolvency or financial default of any of the Underwriters of the Owners' Policies and Club Entries,

3.2.3. inability of any party to transmit funds,

3.2.4. any fluctuation in exchange rates,

3.2.5. Deleted.

3.3 loss, damage, liability or expense covered, or which, but for amount, would be covered by the Institute Mortgagees Interest Clauses Hulls Cl. 337 (30.5.86).

3.4 any liability of the Assured including but not limited to any liability for cleanup costs, penalties, damages or expenses.

4. WAR RISKS – 7 DAYS NOTICE, AUTOMATIC TERMINATION OF COVER AND WAR

AND NUCLEAR EXCLUSION CLAUSE

Notwithstanding the provisions of Owners' Policies this insurance is subject to the Notice of Cancellation and Automatic Termination of Cover Clause as follows:

4.1 Cover hereunder in respect of War Risks, 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 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.

4.2 Whether or not such notice of cancellation has been given cover shall TERMINATE AUTOMATICALLY.

4.2.1 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

4.2.2 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

4.3 This insurance excludes

4.3.1 loss damage liability or expense arising from 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

requisition either for title or use

4.3.2 loss damage liability of expenses directly or indirectly caused by or arising from ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof any weapon of war employing atomic or nuclear fission and/or fusion or other reaction of radioactive force of matter.

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.

Unless specific notice is given for this policy it is agreed cover is automatically reinstated at termination of the notice period when general Notice on War Risks is given.

5. INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE (CL356A) 1/11/02

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

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

5.1.1 Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

5.1.2 The radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

5.1.3 Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

5.1.4 The radioactive, toxic, explosive or other hazardous or contamination properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive

isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

6. WARRANTIES

6.1 It is warranted in respect of each Mortgaged Vessel that:

6.1.1 Owners' Policies and Club Entries have been taken out and shall be maintained throughout the currency of this policy for an insured value and limit of liability not less than the amount insured hereunder or the amount of the outstanding loan; and in respect of insurance covering liability for damages, clean-up costs, expenses and penalties arising from an Event that such insurance has been taken out and shall be maintained for all waters in which the Mortgaged Vessel trades in an amount not less than an amount as declared each declaration and in respect of "War" Perils to the applicable sub limit as is customarily available under the Owner's Policies and/or extensions to Club Entries.

6.1.2 Each of the Owners' Policies and Club Entries is endorsed to the extent of the Assured's interest

6.1.3 The Assured has procured and registered a valid mortgage.

7. CHANGE OF OWNERSHIP OR CONTROL

This policy will terminate automatically at the time of any change of class, ownership, management or control of a Mortgaged Vessel of which the Assured has knowledge or privity, unless the Assured gives prompt notice of such change in writing to the Leading Underwriters hereon and agrees to pay an additional premium, if required.

8. NOTICE OF A CLAIM

It is a condition of this policy that the Assured shall report in writing to the Leading Underwriters hereon any circumstances which may give rise to a claim under this policy within 30 days of the Assured's knowledge of such circumstances and shall thereafter keep the Leading Underwriters fully informed of all developments.

9. DUE DILIGENCE

Following notification of a claim hereunder the Assured shall do and concur in doing all things reasonably practical to minimise any claim hereunder.

10. PAYMENT OF CLAIMS

It is hereby expressly agreed that payment of a claim by the Underwriters under the instructions of the assured discharges the Underwriters from all liability with respect to such claim whether or not the claims proceeds are received by the Assured or are subsequently confiscated from the Assured.

11. SUBROGATION

Underwriters shall retain their rights of subrogation in respect of any claim paid hereunder, but such subrogation rights shall be subordinated and deferred to the termination of the period of the Loan Agreement. These rights shall be limited to the Assured's rights and remedies only on the Responsible Vessel in respect of which a payment of a claim is made hereunder and exclude any corporate or personal guarantees on the overall loan.

12. OTHER INSURANCES

12.1 This policy does not cover any loss or damage, which at the time of the happening of such loss or damage is insured by, or would be insured by any other existing policy or policies had this policy not been effected.

12.2 The aggregate of all claims payable under all policies of, or on terms similar to, Mortgagees Additional Perils (Pollution) and Passive Investors Insurance in respect of a Responsible Vessel shall not exceed the insured total loss value of the Responsible Vessel under Owners' Policies and Club Entries. In the event that the aforementioned aggregate would, but for this clause, exceed the total loss only value, then the indemnity under all policies of Mortgagees Additional Perils (Pollution) shall be paid in

order of priority of the mortgagees with the balance (if any) paid under the Passive Investors Insurance. For the purpose of this clause, Passive Investors insurance shall mean any insurance covering an investor in a vessel owning entity against loss of its interest as a result of an Event.

13. EFFECT OF UNDER INSURANCE

If the loan amounts are not fully insured at the time of an Event, the indemnity payable hereunder shall be reduced in proportion to the underinsurance.

14. EXTENSION OF COVER

In the event of new laws or amendments to existing laws (other than the Oil Pollution Act of 1990 and or similar state laws) or in the event of new indemnity limitations imposed by the international Group of Protection and Indemnity Associations in addition to that for oil pollution coverage will be extended hereunder only if prior to enactment, amendment or attachment respectively any such extension is agreed by Underwriters hereon and subject to adjustments of premium, terms, warranties and conditions as may be agreed.

15. GOVERNING LAW AND JURISDICTION

The construction, validity and performance of this policy and all matters arising therefrom shall be governed by the laws of England and shall be subject to the exclusive jurisdiction of the English Courts.

16. PARAMOUNT CLAUSES

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

16.1 None of the owners, charterers, managers, operators, any parent or subsidiary corporation or affiliate of any thereof or directors and officers of any thereof or any other party other than the Assured shall have any property or other interest whatsoever in this policy or any proceeds or claims payments hereunder.

16.2 This policy does not constitute evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar Federal or State Law and it is a condition of this policy that it shall not be submitted to the United States Coast Guard or any other Federal or State agency as evidence of financial responsibility. The Underwriters do not consent to be guarantors.

NAVIGATION LIMITATIONS FOR HULL WAR, STRIKES, TERRORISM AND RELATED PERILS ENDORSEMENT

(JW2005/001A) 1. NAVIGATION PROVISIONS Unless and to the extent otherwise agreed by the Underwriters in accordance with Clause 2, the vessel or craft insured hereunder shall not enter sail for or deviate towards the territorial waters of any of the Countries or places, or any other waters described in the current List of Areas of Perceived Enhanced Risk (listed areas) as may be published from time to time in London by the Joint War Committee. **2. BREACH OF NAVIGATION PROVISIONS** (a) If the Insured wishes to secure continuation of coverage under this insurance for a voyage which would otherwise breach Clause 1, it shall give notice to Underwriters and shall only undertake such voyage if it agrees with the Underwriters any amended terms of cover and any additional premium which may be required by the Underwriters (b) In the event of any breach of any of the provisions of Clause 1, the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence otherwise covered under this insurance during the period of breach, unless notice of such breach is given to the Underwriters as soon as practicable and any amended terms of cover and any additional premium required by them are agreed. (c) The absence of prior notice shall not affect the cover under this insurance but it is a condition of this insurance that the Insured is bound to declare to the Underwriters all breaches of the provisions of Clause 1. (d) If Clause 2(c) is deleted, continuation of coverage under this insurance is conditional upon notice to the Underwriters being given prior to the vessel or craft entering the listed areas. **3. REVISIONS TO LIST**

OF AREAS OF PERCEIVED ENHANCED RISK (a) In the event that revisions to the List of Areas of Perceived Enhanced Risk are published by the Joint War Committee, these revisions shall not take effect for the purposes of Clause 1 and Clause 2 hereof unless the Underwriters shall have given 7 days notice of cancellation to the Insured for amendment of the listed areas.

(b) If a vessel or craft remains in the territorial waters of a Country or place after such Country or place has been added to the listed areas under Clause 3(a), the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence otherwise covered under this insurance after expiry of that 7 day period unless notice is given to the Underwriters before the end of that 7 day period and any amended terms of cover and any additional premium required by them are agreed before the expiry of this period.
JW2005/001A

PERFORMANCE BONUS

Performance Bonus of(specified in the schedule) % payable on original premium at expiry of the existing policy, subject to loss ratio (total loss amount divided by total earned premium) not higher than(specified in the schedule) % for the existing policy.

PILOTS NON-LIABILITY CLAUSE

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 pilot 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.

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within [60] days of inception of this policy or semi-annually as agreed by Underwriters (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by [60]th day from the inception of this policy or semi-annually as agreed by Underwriters (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than [30] days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the

other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

LSW 3000

PREMIUM PAYMENT DEFERABLE CLAUSE

Notwithstanding any provision to the contrary in this policy, it is hereby understood and agreed that the premium (or any installment premium) shall be payable, at least, within five(5) days from the due date specified hereon.

Protection & Indemnity Clause(War and Strikes Exclusion)

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 Clauses 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 recognized 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 an claim or return of premium thereunder.

6 DUTY OF ASSURED

Is 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 minimizing 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 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.

PROTECTION AND INDEMNITY CLAUSE. WAR EXCLUSION.

Notwithstanding the provisions of the Protection and Indemnity Clause, the Underwriters shall not be liable to indemnify the Assured under the said clause if the accident or happening which gives rise to the liability of the Assured is the result of the operation of a peril excluded by the Free of Capture and Seizure etc. Clause.

R.J.M. Exclusion J Wording 8.8.79 For Use With S.G. Form

1. Property insured hereunder

There shall be attached to and forming part of this policy a Schedule of vessels and craft insured hereunder together with values for the purposes of this insurance, and the voyage or period and geographical limits of it.

2. Coverage:

- (a) Subject to the terms and conditions set out hereinafter this insurance covers only loss of and/or damage to the property described in the schedule caused by:
 - (I) The capture, seizure, arrest, restraint or detainment of the specified vessel or craft, or any attempt thereat:
 - (II) The requisition, confiscation, nationalisation or detention of the specified vessel, or craft by, or under, the order of any government or local authority:
 - (III) The closure (or any attempt thereat) of the area described in the Schedule, or of any part thereof.
- (b) The Institute Voyage Clauses Hulls 1. 10. 70 (Including 4/4ths Collision Clause) except Clauses 7, 8, 9, 15(h) 16(b) 19, 21 and 22 are deemed to be incorporated in this insurance in so far as they do not conflict with other provisions of these clauses.
- (c) Average Payable Irrespective of Percentage.

3. Exclusions:

- (I) No claim shall be payable under this policy
 - (A) in respect of actual or constructive total loss, unless and until the subject matter insured shall have been the subject of any of the perils in Clause 2 of this policy for a continuous period in excess of twelve months.
 - (B) if the perils were effective on the attachment of this policy.
 - (C) unless the perils arise as the deliberate act or person or persons.
 - (D) in respect of loss, damage or expense covered by the standard form of English Marine Policy, with the free of capture etc. Clause inserted therein and with the Institute Voyage Clauses Hulls 1. 10. 70 (including 4/4ths Collision Clause) attached or which would be recoverable under such insurance but for Clauses 7 and 8 thereof.
 - (E) in respect of any claims 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.
 - (F) in respect of 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.
- (II) This insurance excludes loss damage or expense arising from.
 - (A) 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, hereinafter called a nuclear weapon of war:
 - (B) 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:
 - (C) Confiscation and/or nationalisation and/or any other act of governor local authority of the country named in Clause 4 of the attached Schedule.
 - (D) Capture, seizure, arrest, restraint, detainment, confiscation or nationalisation by the government of the country in which the vessel is owned or registered:

- (E) Arrest, restraint or detainment under quarantine regulations or by reason of infringement of any customs regulations;
- (F) Loss of or frustration of the insured voyage or adventure.

4. Warranties

- (I) Warranted that the insured comply in all respects with the laws (local or otherwise) of the country in whose waters the vessel is situated and should failure so to do prejudice this insurance to the extent of a loss, no liability will attach hereunder.
- (II) Warranted all necessary permits obtained.
- (III) Total recovery hereunder in respect of any vessel or craft shall not exceed the insured value of such vessel or craft as specified hereunder, other than for sue and labour.
- (IV) The assured shall make all reasonable efforts to obtain the release of any vessel or craft insured hereunder, and shall subrogate to underwriters all rights against any other parties.

5. Automatic termination of cover clause

This insurance shall terminate automatically.

- (I) Upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 3 (II) (A) wheresoever or whensoever such detonation may occur and whether the insured property be involved or not.
- (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:
- (III) Upon any sale or other change of management or ownership unless with the prior consent of Underwriters.

In the event of automatic termination of this insurance pro-rata net return of premium shall be payable to the assured, provided that no claims shall attach to the vessel or craft concerned. In no other circumstance shall any return of premium be due once this insurance is effected except with the specific agreement of Underwriters.

R.J.M. Exclusion Wording 8.8.79 (Schedule) (Arabian Persian Gulf)

1. Vessel(s) Value
2. Geographic Limits: Persian or Arabian Gulf and adjacent waters including the Gulf of Oman North of 24 N
3. Insured voyage: From position 25 degrees 34 minutes North on passage into Persian or Arabian Gulf, and until in position 25 degrees 34 minutes North on outward voyage, not later than : : without prior agreement of underwriters.
4. Excluding acts of government or local authorities of

Revised Perils Clause relating to the drilling package and subsea package

5. Perils

5.1 Subject always to the exclusions in clause 5.3 this insurance is against all risks of physical loss of or physical damage to the subject matter insured caused and discovered during the period of this insurance.

For the avoidance of doubt, the subject matter insured shall not be regarded as physically lost or physically damaged solely by virtue of the existence therein of any defect in design, plan or specification, defect in workmanship, defect in material or latent defect.

5.2 In the case of failure to launch, the underwriters to bear all subsequent expenses incurred in completing launch.

5.3 Exclusions

This insurance excludes the cost of replacing, repairing or rectifying any:

5.3.1 Defect in design, plan or specification

5.3.2 Defect in workmanship

5.3.3 Defect in material

5.3.4 Latent defect

However, these exclusions do not extend to the cost of repairing physical loss and physical damage caused by such defect and discovered during the period of the insurance, to the extent that the cost of repairing such physical loss or physical damage exceeds the cost that would have been incurred to replace, repair or rectify the said defect had it been discovered immediately prior to the occurrence of the physical loss and physical damage caused thereby.

In no case shall this insurance cover the cost of faulty welds.

INSTITUTE RUNNING DOWN AND SISTER SHIP CLAUSES

It is further agreed that if the Vessel hereby insured 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 such collision for

(i) loss of or damage to any other vessel or property on any other vessel.

(ii) delay to or loss of use of any such other vessel or property thereon. or

(iii) general overage 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 as their respective subscriptions hereto bear to the value of the Vessel hereby insured.

provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured. 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 which the Assured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as any have been property allowed in ascertaining balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this clause 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 :-

(a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever,

(b) any real or personal property or thing whatsoever except other vessels or property on other vessels.

(c) 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).

(d) the cargo or other property on or the engagements of the insured Vessel.

(e) loss of life, personal injury or illness.

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 Policy 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.

SALVAGE CHARGE CLAUSE

It is agreed that where a claim for total loss of the Vessel is admitted under this Policy and expenses have been reasonably incurred in salving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this Policy shall

bear its pro rata share of such proportion of the expenses, or of the expenses in exceed of the proceeds, 25 the case may be, 25 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.

Seepage and Pollution Buyback(72 Hours Clause)

It is specifically understood and agreed that the absolute Seepage and Pollution exclusions contained in this policy shall not apply and that this policy is specifically extended to provide coverage for Seepage and Pollution and/or Clean up and containment provided that the Insured hereunder establishes that all of the following conditions have been met;

- A. The occurrence was accidental and was neither expected nor intended by the Insured. An accidental shall not be considered unintended or unexpected unless caused by some intervening event neither expected nor intended by the Insured.
- B. The occurrence can be identified as commencing at a specific time and date during the term of this policy.
- C. The occurrence became known to the Insured within 72 hours after its commencement and was reported to Underwriters within 90 days thereafter.
- D. The occurrence did not result from the Insured's intentional and wilful violation of any government statute, rule or regulation.

Nothing contained in this endorsement shall operate to provide any coverage hereon with respect to;

- 1. loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Insured;
- 2. removal of, loss of or damage to sub-surface oil, gas or any other substance;
- 3. fines, penalties, punitive damages, exemplary damages, treble damages of any other damages resulting from the multiplication of compensatory damages;
- 4. any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances or the transportation of any waste materials or substances.

SANCTION LIMITATION AND EXCLUSION CLAUSE

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

Seepage and Pollution Buyback(72 Hours Clause)

It is specifically understood and agreed that the absolute Seepage and Pollution exclusions contained in this policy shall not apply and that this policy is specifically extended to provide coverage for Seepage and Pollution and/or Clean up and containment provided that the Insured hereunder establishes that all of the following conditions have been met;

- A. The occurrence was accidental and was neither expected nor intended by the Insured. An accidental shall not be considered unintended or unexpected unless caused by some intervening event neither expected nor intended by the Insured.
- B. The occurrence can be identified as commencing at a specific time and date during the term of this policy.
- C. The occurrence became known to the Insured within 72 hours after its commencement and

was reported to Underwriters within 90 days thereafter.

D. The occurrence did not result from the Insured's intentional and wilful violation of any government statute, rule or regulation.

Nothing contained in this endorsement shall operate to provide any coverage hereon with respect to;

1. loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Insured;
2. removal of, loss of or damage to sub-surface oil, gas or any other substance;
3. fines, penalties, punitive damages, exemplary damages, treble damages of any other damages resulting from the multiplication of compensatory damages;
4. any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances or the transportation of any waste materials or substances.

Several Liability Notice

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

SHIP GUARANTEE INSURANCE

1. In the event that the Assured, Shall become liable to pay and shall pay any sum or sums in respect of their guarantee to the owners set out hereunder ;
2. Then Underwriters will pay the Assured such sum or sums so paid or which may be required to indemnify the Assured for such loss provided always that liability under this policy shall be limited to the sums set out hereunder.
3. Notwithstanding the above this insurance is warranted free from claim unless the aggregation of claims during the currency of this insurance exceeds the sum of \$, in which case Underwriters will pay up to the limit of liability hereunder, the amount by which such sum is exceeded
4. Underwriter's liability hereunder is limited to the following sum
5. In no case shall Underwriters be liable for claims resulting from
 - a) Faulty design and consequences there from
 - b) Consequential loss
 - c) Wear and tear and gradual deterioration
 - d) Failure of performance and insufficiency of motive power
 - e) Scaling and pitting of plates (hull)
6. Warranted that the makers of the main equipment will give a counter guarantee against defective material of latent defect for 12 months from time of delivery of goods to the yard.
7. Warranted hull, equipment and machinery will be inspected and classified by the competent classification association

SINGLE POLICY ONLY FOR COMPOSITE ASSURED

It is hereby noted and agreed that Underwriters' liability under any and all contracts of insurance evidenced or deemed to be evidenced by this Policy shall be the liability so specified in this Policy as applicable to any one such contract & shall not (save as so specified) be varied or deemed varied by virtue of the number or type of Assureds or claims under this Policy.

Subject otherwise to the terms, conditions & limitations of this Policy

SMALL G. A. CLAUSE

In cases where General Average is estimated not to exceed (the amount agreed and/or specified in the schedule) net of policy deductible the Assured have the option of deciding whether they will claim the whole of the General Average under their hull insurance (subject to any excess or part valuation cover therein) or claim from the Cargo as they think fit. In such cases of charging the whole to the Hull Underwriters, no commission or interest is to be claimed. This agreement is not to apply where the General Average consists mainly of General Average sacrifices of and/or damage to cargo in which event a Statement should be drawn up. Where Average Adjusters certify that involving cargo interests would be uneconomical from the standpoint of the hull interests, the Assured shall have the same option as outlined above.

SPECIAL CLAUSE FOR SETTLEMENT OF CLAIMS LOCAL REPAIRS

Notwithstanding anything contained herein to the contrary, it is hereby noted and agreed that where the repair of damage to the subject matter insured hereunder has been effected in Korea and the assured has paid or is due to pay the repair costs and incidental expenses in Korean Won currency, this Company shall pay such repair cost and incidental expenses within the limit of sum actually paid or to be paid in Korean Won currency subject to the policy conditions.

SPECIAL CONSTRUCTIVE TOTAL LOSS CLAUSE

(ONLY APPLYING TO RISKS OTHER THAN HULL AND MACHINERY ETC.)

Notwithstanding anything herein to the contrary in ascertaining whether the vessel is a Constructive Total loss the insured Value of Hull and Machinery etc., in the policies covering marine Risks at the time of the actual accident shall, if it be lower than the value expressed in the war policies covering Hull and Machinery etc., 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.

Upfront and Continuity Performance Bonus Clause

This reinsurance is subject to a ___% Upfront Performance and Continuity Bonus on gross premiums, subject to the (net/gross) loss ratio for the current year being less than % and the renewal of this (re)insurance with expiring (re)insurer(s) for not less than their expiring share. It is further agreed that if upon subsequent renewals (maximum time limit of three years as from the expiry of current policy), the (net/gross) loss ratio for the current year deteriorates beyond % then the entire Performance & Continuity Bonus for the current policy must be returned to (re)insurer(s) within two months. If the (net/gross) loss ratio for the current year improves over the same period and falls below % then the Performance & Continuity Bonus for the current policy is payable by the (re)insurer(s) within two months.

UPFRONT PERFORMANCE BONUS CLAUSE

An upfront Performance Bonus of % on gross (policy year) premium, after any additional and/or return of premium, is payable at inception. In the event that the Gross Loss Ratio is greater than % in respect of the (policy year) policy year, the Performance bonus shall be returned to (re)insurer(s).

0111

WAIVER OF SUBROGATION CLAUSE

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the company waives its right of subrogation against any assured and any person, firm or corporation having an association or affiliation, at the time of loss, with the assured through ownership, management or other interest, subject to having been insured under this policy.

WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein, this policy does not cover loss or damage directly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (Whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under of any government or public or local authority.

WAR ETC. P & I ETC. LIABILITIES CLAUSES

1. This insurance is also to cover in full (up to the amount of this policy in respect of any one occurrence but including costs as below in addition) such claims for Protection and Indemnity as per clauses or conditions of Protection and Indemnity Insurance and/or entry (with any Lloyd's Underwriters, Companies or Protection and Indemnity Associations) in connection with insured vessel as are not and/or may not be recoverable under such insurance and/or entry by reason of any clause or clauses therein excluding capture seizure arrest restraint or detainment or the consequences thereof of any attempts thereat hostilities warlike operations or the consequences thereof whether there be a declaration of war or not civil war, revolution rebellion insurrection or civil strife arising therefrom, mines, torpedoes bombs or other engines of war piracy strikes lock-outs political or labour disturbances riots civil commotions military or usurped power or acts of persons acting maliciously, or any of them, or by reason of any condition in such insurance and/or entry stating that the insured vessel shall be deemed to be entered in a "War Risks Association".
2. Should the insurance and/or club entry for Protection and Indemnity risks in connection with the insured vessel omit and/or exclude any of the protection granted by entry against all Protection and Indemnity risks with the United Kingdom Mutual Steam Ship Assurance Association Ltd., and/or the West of England Steamship Owners' Protection and Indemnity Association then for the purposes of this insurance such omitted and/or excluded protection shall be deemed to be included in such insurance and/or club entry.
3. In the event of there being no insurance and/or club entry against Protection and Indemnity risks it is agreed that for the purpose of this insurance the vessel shall be deemed to be entered for all Protection and Indemnity risks with the United Kingdom Mutual Steam Ship Assurance Association Ltd. and/or the West of England Steamship Owners' Protection and Indemnity Association.
4. Underwriters hereunder agree to waive any right they may have to disclosure of the terms of the insurance and/or club entry against Protection and Indemnity risks.
5. All claims under this Policy shall be paid in full without deduction or franchise even though such claims might impliedly be subject to limit deduction or franchise by reason of the terms of the insurance and/or club entry against Protection and Indemnity risks.
6. Any costs incurred, with the consent of the majority (in amount of Underwriters hereunder, in determining the liability, of the assured to any third party or of any third party (which expression shall include any other Underwriters to the Assured or the Underwriters hereunder

shall be payable by the latter without regard to any sum which may or may not be payable hereunder.

7. Underwriters shall not be liable for the Assured's assumed or contractual obligations to the crew of the insured vessel but shall indemnify the Assured in respect of his obligations to repatriate members of the crew. Underwriters liability under this clause shall be limited to the sum insured any one occurrence (and costs in addition).
8. Seaworthiness admitted.

WAR RISK PROTECTION AND INDEMNITY CLAUSES

1. This insurance is also to cover such protection and indemnity risks which are excluded from the marine insurance by reason of the operation of The F.C. and S. (and S.R. and C.C. and M.D. etc. where applicable) clause or clauses in the rules of the club covering protection and indemnity risks or in the policy of the insurance covering such risks and current at the time of happening of the accident or occurrence giving rise to the claim. In the event that protection and indemnity risks are not insured against marine perils this insurance shall be construed as if such insurance had been covered by The United Kingdom Mutual Steam Ship Assurance Association Ltd.-protecting and indemnity clubs excluding liability to crew absolutely.
2. Claims for which the underwriters shall be liable under these clauses shall not be subject to any deduction.
3. The liability of underwriters shall be liable under these clauses in respect of any one accident or series of accidents arising out of the same casualty shall be limited to the sum hereby insured.
4. These underwriters agree to accept the same percentage interest under these clauses as accepted on hull war risks.
5. Should the vessel at the natural expiry time of this policy be at sea, and provided the automatic termination clauses in the hull war risk policy have not by that time been brought into operation, this insurance shall be extended, provided previous notice be given to the underwriters, at a premium to be mutually agreed until midnight, GMT of the day on which the vessel is moored at the next port to which she proceeds and 24 hours thereafter.
6. This protection and indemnity insurance shall terminate automatically at the same time as the hull insurance against war risks and upon the terms and conditions provide for in the automatic termination clauses of the hull war risk policy.

WAR RISK TRADING WARRANTIES

FOR USE WITH INSURANCES ON VESSELS ENGAGED IN
"WORLD-WIDE" TRADE

1. This coverage shall extend worldwide, but in the event of a vessel or craft insured hereunder sailing for, deviating towards, or being within the Territorial Waters of any of the Countries or places described in the Current Exclusions as set out below (including any port area that at the date of this notice constitutes part of such a country or place nowever it may hereafter be described) additional premium shall be paid at the discretion of insurers hereon.

Information of such voyage or deviation shall be given to insurers as soon as practicable, and the absence of prior advice shall not affect the cover hereon. In the event of the insured not requiring

continuation of coverage for a vessel proceeding into or remaining within an excluded area, he shall so advise insures hereon before the commencement of such voyage, deviation or period, and it shall be at the insurers' discretion whether and on what terms the insurance shall be reinstated.

2. Current Exclusions

"Subject to the amendments noticed by Joint War Committee being added and/or deleted to the exclusions in War Risks Trading Warranties."

OCCUPATIONAL DISEASE CLAUSE

The provisions of this clause shall override any provisions of any other clause contained herein which may conflict. Insofar as liability is incurred by the (Re)assured under a Marine Liability Policy in respect of legal liability for Occupational Disease or Cumulative Injury this policy shall provide cover only on the following basis: Where the Occupational Disease or Cumulative Injury results from exposure to a hazard of the employment of the claimant, any one claim in respect of any one employee of an original insured arising out of this exposure shall be considered individually as one event for the purpose of recovery hereunder. In accordance with this provision, Occupational Disease is any abnormal condition that fulfils all of the following conditions: 1. It is not traceable to a definite compensable accident occurring during the employee's present or past employment; 2. It has been caused by exposure to a disease producing agent or agents present in the employee's occupational environment; 3. It has resulted in a disability, illness or death. Cumulative Injury is an abnormal condition that fulfils all of the following conditions: 1. It is not traceable to a definite compensable accident occurring during the employee's present or past employment; 2. It has occurred from a repetitive employment-related activity; 3. It has resulted in a disability, illness, injury or death.

ASBESTOS EXCLUSION CLAUSE

This contract excludes any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity, provided that the loss or losses are caused or contributed to by the hazardous properties of asbestos.

Waste Exclusion Clause

This Policy does not apply to any actual or alleged liability arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation.

ARMED GUARDS ONBOARD CLAUSE

Underwriters hereon note and agree that they will not run an unseaworthiness defence to any claim based solely on the use of armed guards on board a vessel, provided that:

1. Those armed guards have individually agreed to abide by the procedures disclosed to underwriters and a contract has been signed between the insured and the employer of the armed guards (the "contractor") where the wording has been disclosed to and agreed by underwriters in advance of any voyage.
2. It is clear to all parties that master is at all times in charge of the vessel and takes all final decisions in respect of the navigation and safety of the vessel including whilst under threat

from pirates.

HEEL CLAUSE – HULLS (GAS CARRIERS)

The measure of indemnity in respect of claims for insured damage, for which the repairs result in the "heel" of cargo being vented burnt-off or otherwise lost or removed, shall include the replacement cost incurred by the Assured or for which the Assured becomes liable (under contract or otherwise), in respect of the "heel", provided that the loss of the "heel" would not have occurred in the absence of the insured damage.

The Leviathan Facility

1. Risks Covered

Subject to the terms, conditions and exclusions hereinafter contained this policy ;

- 1.1 Insures all property as defined in the schedule attaching to and forming part hereof, hereinafter referred to as the " Schedule" against all risks of DIRECT physical loss or damage by any cause occurring during the period of this policy as stated in the "Schedule".

The liability of the Underwriters shall in no case exceed in respect of each item in the "Schedule" the sum expressed to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Underwriters.

- 1.2 Covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded elsewhere in this insurance.
- 1.3 Is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.

2. EXCLUSION

In no case shall this insurance cover

- 2.1 Loss damage or expense attributable to wilful misconduct of the Assured
- 2.2 Loss or damage caused by Inherent Vice, Latent Defect, Wear, Tear, Gradual Deterioration, Contamination, Rust, Mould, Extremes of Temperature, but this exclusion shall not apply to physical loss or damage caused by Sprinkler Leakage whilst in store.
- 2.3 Breakdown or derangement of machinery or electrical or mechanical equipment (unless caused by accidental and external means).
- 2.4 Loss of use, delay or loss of market or any other pecuniary interest

- 2.5 Inventory or Stock-taking shortage or unexplained losses.
- 2.6 Any Consequential Loss.
- 2.7 Loss or damage to the insured property occurring outside the Territorial Limits as defined in the " schedule".
- 2.8 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.
 - * capture seizure arrest restraint or detainment(piracy excepted), and the consequences thereof any attempt thereat
 - * derelict mines torpedoes bombs or other derelict weapons of war.
- 2.9 Loss damage or expense
- * caused by strikes, locked-out workmen, or persons taking part on labour disturbances, riots or civil commotions
 - * resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - * caused by any terrorist or any person acting from a political motive.
- 2.10 Loss damage or expense arising from
- * unseaworthiness of vessel or craft
 - * Unfitness of vessel craft conveyance container or lift-van for the safe carriage of the subject matter insured
- where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein.

The underwriter waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship and fitness of the ship to carry the subject matter insured to destination, unless the Assured or their servants are privy to such seaworthiness

- 2.11 This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith
- In no case shall this insurance cover loss damage liability or expense directly caused by or contributed to by or arising from
- * ionising radiations from or contamination by radioactivity from any nuclear fuel or from nuclear waste or from the combustion of nuclear fuel
 - * the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - * any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

3. VOIDANCE

- 3.1 This policy shall be void unless otherwise provided by agreement in writing added hereto, if;
- * The charterer of the property or the design or construction thereof be materially altered or changed during the policy term; but this shall not apply to temporary alterations or changes which are incidental to the performance of necessary repairs and are immediately reported to the insurers in writing; or

- * any change takes place in the interest, title or possession of the subject of insurance; or
- * this policy be assigned or transferred

3.2 This policy shall be void if the Assured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in the case of any fraud, attempted fraud or false swearing by the Assured touching any matter relating to this insurance or the subject thereof, whether before or after a loss

4. DEDUCTIBLE

It is understood and agreed that each claim for loss, damage or expense, if any, shall be adjusted separately, and from the amount of each such adjusted claim, the sum as stated in the schedule shall be deducted. In making such deductions, each accident shall be deemed a separate claim, but in the event of a single catastrophe causing loss or damage to more than one item, only one deductible, being the highest, shall be applied.

5. BASIS OF VALUATION

The total values declared at inception of each period of insurance shall represent the full replacement cost of the property insured. Insurers agree in the event of a claim to pay the full replacement cost at the time of the loss up to but not exceeding sum(s) insured hereby.

6. SUE AND LABOUR

6.1 Underwriters will indemnify the assured for any changes properly and reasonably incurred by the insured by the Insured or their servants or agents, in respect of any loss recoverable under this policy, in pursuance of their duties

- * to take such measures as may be reasonable for the purpose of averting or minimising such loss, and/or
- * to ensure that all rights against carriers, bailees or other Third Parties are properly observed and exercised.

Subject to policy limits and deductibles hereunder.

6.2 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.

7. OTHER DUTIES OF THE ASSURED

7.1 Any protection provided for the safety of the Insured property shall be maintained in good order throughout the currency of this policy and shall be in use at all times out of business hours or when the Insured's premise are left unattended, and that such protection shall not be withdrawn or varied to the detriment of the interests of the underwriter without their consent.

7.2 The insured shall take all reasonable precautions for the safety of the Property.

7.3 The insured shall at the request and at the expense of the Underwriter do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Underwriter for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnify from other parties to which the Underwriter shall be or would become entitled or subrogated upon its indemnifying the Insured under this Policy, whether such acts and things

shall be or become necessary or required before or after his indemnification by the Underwriter.

8. CLAIMS

8.1 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 becomes or should have become aware of the loss or damage.

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 of damage.

8.2 The insured shall take such action at the expense of the underwriters as may be reasonably necessary to minimise the loss or damage and if such loss, destruction or damage be occasioned by theft or by malicious persons shall give immediate notice to the Police and take all reasonable steps for discovering the guilty person(s) and for recovery of any property lost.

8.3 In order to claim under this insurance the Assured must have an insurable interest in the subject matter insured at the time of loss.

Total Loss and Constructive Total Loss are defined as being the actual or Constructive Total Loss of a complete system due to the same incident. loss of underwater equipment rendering surface equipment obsolete does not form a Total Loss or Constructive Total Loss.

No claim for Constructive Total Loss shall be recoverable hereunder unless the subject matter insured is reasonably abandoned either on account of its actual loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter to the destination to which it is insured would exceed its value on arrival.

8.4 If any claim under this policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy, or if any loss, destruction or damage covered by this policy be occasioned by the wilful act or with the connivance of the Insured, all benefit under this policy shall be forfeited.

8.5 The underwriter shall be entitled, at their opinion, to indemnify the Insured in respect of any property lost, destroyed or damaged, by payment, reinstatement, replacement or repair. If the Underwriter elects to reinstate or replace such Property they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon.

8.6 Upon making payment under this policy, the Insurers shall be entitled to demand and receive from the Assured a complete assignment of all rights of recovery against any person, corporation, vessel or interest and the Assured shall execute and deliver instruments and papers and do whatever else is necessary to secure rights. The Assured shall not do anything after loss to prejudice such rights. Such recovery (after expenses incurred in recovery are deducted) shall be for the benefit of the Assured and of the Insurers proportionately to the extent of their respective interests.

8.7 If any difference shall arise as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the statutory provision in that behalf for the time being in force. Where any difference is by this condition to be referred to arbitration the making of an Award shall be a condition precedent to any right of action against the Underwriter.

9. GENERAL CONDITIONS

9.1 This insurance does not cover any loss or damage which at the time of the happening of such loss or damage is insured by or would, but for the existence of this policy, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Insurance not been effected.

9.2 This Insurance is subject to English Law and Practice

9.3 The due observance and fulfillment of the terms and conditions of this policy by the Insured in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the underwriter to make any payment under this policy.

9.4 The Underwriter may cancel this policy by giving at least 14 days written notice to the Insured at his last known address. The proof of posting of notice as aforesaid shall be sufficient proof of notice.

10. SEVERAL LIABILITY NOTICE

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

MARINE INSURANCE POLICY IN KOREAN FORM (ITC-Hulls)

1. This insurance policy is subject to Korean law and practice for the Vessel trading in coastal waters of Korea. If trading limit of the Vessel exceeds coastal waters of Korea, English law and practice shall be applied.
2. Jurisdiction of this insurance shall be South Korea.
3. [SECTION III. WAR & STRIKES] is provided without additional charge subject to the Vessel trading in coastal waters of KOREA/JAPAN/CHINA.

[SECTION I. HULL]**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. 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 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 [Additional Perils Clause] this insurance is extended to cover

6.4.1 the cost of repairing or replacing

6.4.1.1 any boiler which bursts or shaft which breaks

6.4.1.2 any defective part which has caused loss or damage to the Vessel covered by Clause 6.2.2 of the Institute Time Clauses - Hulls 1/10/83,

6.4.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

6.4.3 Except as provided in 6.4.1.1 and 6.4.1.2, 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.

6.4.4 The cover provided in Clause 6.4 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.

7. POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the power 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, of 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. 4/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for four-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 four-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay four-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

8.4.4 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 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 dispatch 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 and where there are no other contributing interests, 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 labouing 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

The full cost of scraping, and/or grit and/or sand blasting and/or other surface preparation, and all costs of bottom painting incurred in consequence of a peril insured against shall be included as part of the reasonable cost of repairs irrespective of whether routine bottom painting/dry-docking is effected concurrently.

16. Small General Average

Provided always subject to terms, conditions and deductibles of the policy, it is hereby understood and agreed in the event that the Owners do not claim General Average Contribution from the cargo owners or other interests this insurance is to pay the whole of General Average (expenditures) up to maximum _____ any one accident or occurrence

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 from one port to another for the repair of damage covered by the Underwriter, 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 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.

22. DISBURSEMENTS WARRANTY

22.1 Additional insurances as follows are permitted :

22.1.1 Disbursement, 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 (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.

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 Vessels 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 of 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 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) or 23.2.2 above.

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.

[SECTION II. LOSS OF HIRE]

1. If in consequence of any of the following events:

(a) loss, damage or occurrence covered by [SECTION I. HULL] of this policy and also loss damage or occurrence covered by [SECTION III. WAR & STRIKES] of this policy.

(b) breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the Assured, occurring during the period of this insurance the Vessel is prevented from earning hire for a period in excess of days in respect of any accident, then this insurance shall pay of the sum hereby insured for each 24 hours after the expiration of the said days during which the Vessel is so prevented from

earning hire for not exceeding a further days in respect of any one accident or occurrence (and not exceeding days in all during the currency of this Insurance (irrespective of the expiry date of time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.

2. No claim to attach to this insurance if the occurrence in respect of which such claim arises is the cause of the vessel becoming a Total Loss (Actual or Constructive).

3. In all cases where a recovery is obtained from third parties in respect of loss of earnings or demurrage such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.

4. Subject to current Institute Trading Warranties and, in respect of War risks, subject to current London Market War Risk Trading Warranties.

5. 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.

6. The expression 'one accident' shall be deemed to include all heavy weather damage occurring during a single sea passage between two successive ports as defined in Clause 12.2 of [SECTION I. HULL].

7. If this insurance attaches or expires during a passage as defined above heavy weather damage occurring on the same passage but outside the period covered by this insurance may be added for the purpose of calculating the loss provided the damage sustained during the period covered hereunder has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.

8. It is understood and agreed that if the Vessel is prevented from earning hire on separate occasions, which shall not in any event exceed three, in respect of any one accident or occurrence falling within this insurance, for the purpose of ascertaining the amount claimable hereunder the total time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.

9. Should the Vessel at the expiration of this insurance be at sea or in distress, or at port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata daily premium to her port of destination, but in no event shall such extension affect or postpone the

operation of the Institute Notice of Cancellation [SECTION I. HULL] and Automatic Termination of Cover Clause for War [SECTION III. WAR & STRIKES].

10. In the event of the Vessel named herein being sold or unchartered, other than by reason of Total or Constructive Total Loss of Vessel, this insurance is automatically cancelled. In such event Underwriters agree to return pro rata net monthly premium, provided there are no claims on the Vessel during the currency of the insurance prior to cancellation. In no other event shall there be any return of premium (except as provided under Clause 14.3 below). This clause shall prevail notwithstanding any provisions whether written, typed or printed in the insurance inconsistent therewith unless especially agreed by Underwriters.

11. Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of 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 I of this insurance such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.

12. The Assured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. Underwriters to have the right to require the Assured to incur any expense which would reduce Underwriters' liability under this insurance provided such expense is for Underwriters' account.

13. This insurance excludes:

13.1 loss damage liability or expense arising from

13.1.1 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

13.1.2 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

13.1.3 requisition or pre-emption

13.1.4 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

13.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

13.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

13.2 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

13.3 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.

14.1 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.

14.2 Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of War, etc., shall TERMINATE AUTOMATICALLY

14.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 13.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

14.2.2 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

14.2.3 in the event of the Vessel being requisitioned, either for title or use.

14.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 14, pro rata net return of premium shall be payable to the Assured.

15. 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.

[SECTION III. WAR & STRIKES]

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

[SECTION I. HULL] (including 4/4ths Collision Clause) except Clauses 1, 2, 3, 4, 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 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 [SECTION I. HULL] (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.

MARINE INSURANCE POLICY IN KOREAN FORM(TLO)

1. This insurance policy is subject to Korean law and practice for the Vessel trading in coastal waters of Korea. If trading limit of the Vessel exceeds coastal waters of Korea, English law and practice shall be applied.
2. Jurisdiction of this insurance shall be South Korea.
3. [SECTION III. WAR & STRIKES] is provided without additional charge subject to the Vessel trading in coastal waters of KOREA/JAPAN/CHINA.

[SECTION I. HULL]**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 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. 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 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.

6.4 partial loss of and/or damage to the Vessel caused by the Vessel in collision or in contact with any other vessels

7. POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the power 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, of 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. 4/4THS COLLISION LIABILITY

8.1 The Underwriters agree to indemnify the Assured for four-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 four-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

8.3 The Underwriters will also pay four-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 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.

10. NOTICE OF CLAIM AND TENDERS

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 and where there are no other contributing interests, 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. 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.

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 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 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 labouing 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. 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 Disbursement, 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.

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 Vessels 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 of 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.

20. 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.

21. STRIKES EXCLUSION

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

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

21.2 caused by 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.

[SECTION II. LOSS OF HIRE]

1. If in consequence of any of the following events:

(a) loss, damage or occurrence covered by [SECTION I. HULL] of this policy and also loss damage or occurrence covered by [SECTION III. WAR & STRIKES] of this policy.

(b) breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the Assured, occurring during the

period of this insurance the Vessel is prevented from earning hire for a period in excess of days in respect of any accident, then this insurance shall pay of the sum hereby insured for each 24 hours after the expiration of the said days during which the Vessel is so prevented from earning hire for not exceeding a further days in respect of any one accident or occurrence (and not exceeding days in all during the currency of this Insurance (irrespective of the expiry date of time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.

2. No claim to attach to this insurance if the occurrence in respect of which such claim arises is the cause of the vessel becoming a Total Loss (Actual or Constructive).

3. In all cases where a recovery is obtained from third parties in respect of loss of earnings or demurrage such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.

4. Subject to current Institute Trading Warranties and, in respect of War risks, subject to current London Market War Risk Trading Warranties.

5. 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.

6. The expression 'one accident' shall be deemed to include all heavy weather damage occurring during a single sea passage between two successive ports as defined in Clause 12.2 of [SECTION I. HULL].

7. If this insurance attaches or expires during a passage as defined above heavy weather damage occurring on the same passage but outside the period covered by this insurance may be added for the purpose of calculating the loss provided the damage sustained during the period covered hereunder has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.

8. It is understood and agreed that if the Vessel is prevented from earning hire on separate occasions, which shall not in any event exceed three, in respect of any one accident or occurrence falling within this insurance, for the purpose of ascertaining the amount claimable hereunder the total time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.

9. Should the Vessel at the expiration of this insurance be at sea or in distress, or at port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata daily premium to her port of destination, but in no event shall such extension affect or postpone the operation of the Institute Notice of Cancellation [SECTION I. HULL] and Automatic Termination of Cover Clause for War [SECTION III. WAR & STRIKES].

10. In the event of the Vessel named herein being sold or unchartered, other than by reason of Total or Constructive Total Loss of Vessel, this insurance is automatically cancelled. In such event Underwriters agree to return pro rata net monthly premium, provided there are no claims on the Vessel during the currency of the insurance prior to cancellation. In no other event shall there be any return of premium (except as provided under Clause 14.3 below). This clause shall prevail notwithstanding any provisions whether written, typed or printed in the insurance inconsistent therewith unless especially agreed by Underwriters.

11. Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of 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 I of this insurance such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.

12. The Assured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. Underwriters to have the right to require the Assured to incur any expense which would reduce Underwriters' liability under this insurance provided such expense is for Underwriters' account.

13. This insurance excludes:

13.1 loss damage liability or expense arising from

13.1.1 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

13.1.2 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

13.1.3 requisition or pre-emption

13.1.4 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

13.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations

13.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

13.2 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

13.3 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.

14.

14.1 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.

14.2 Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of War, etc., shall TERMINATE AUTOMATICALLY

14.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 13.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved

14.2.2 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

14.2.3 in the event of the Vessel being requisitioned, either for title or use.

14.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 14, pro rata net return of premium shall be payable to the Assured.

15. 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.

[SECTION III. WAR & STRIKES]

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

[SECTION I. HULL] (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 18.1.8, 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.

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 [SECTION I. HULL] (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.

삼성화재