

Hull Insurance Clause Book

Ver.13

Sompo Japan Insurance Inc.

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Clauses collected in this book shall be applied
only when they are specified in the Schedule.

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※For Trading Warranty applied to War Risks Policies against ocean going vessels, please see the website
(<https://www.sompo-japan.co.jp/hinsurance/risk/ship/vesselwar/kouroteigen/>)

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TIME RISKS

<BASIC CLAUSES>

1/10/83

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

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 recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.

- 6.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel
 - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 6.2.3 negligence of Master Officers Crew or Pilots
 - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 6.2.5 barratry of Master Officers or Crew,
- provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

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

8 3/4THS COLLISION LIABILITY

- 8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
 - 8.1.1 loss of or damage to any other vessel or property on any other vessel
 - 8.1.2 delay to or loss of use of any such other vessel or property thereon
 - 8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.
- 8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:
 - 8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
 - 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.
 - 8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

- 8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
 - 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
 - 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
 - 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
 - 8.4.4 loss of life, personal injury or illness
 - 8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

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

10 NOTICE OF CLAIM AND TENDERS

- 10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent* so that a surveyor may be appointed to represent the Underwriters should they so desire.
- 10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.
- 10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval. Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof. Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.
- 10.4 In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.

*of the company

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 (as specified in the POLICY) in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.
- 12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.
- 12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 DUTY OF ASSURED(SUE AND LABOUR)

- 13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.
- 13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

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

- 15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 15.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of plating damaged during the course of fairing, either in place or ashore,
- 15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

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

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

- 18.1 The measure of indemnity in respect of claims for unrepaid damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaid damage, but not exceeding the reasonable cost of repairs.
- 18.2 In no case shall the Underwriters be liable for unrepaid 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 unrepaid damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

- 19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

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

21 DISBURSEMENTS WARRANTY

21.1 Additional insurances as follows are permitted:

- 21.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
- 21.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.
- 21.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
- 21.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.
- 21.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
- 21.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
- 21.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
- 21.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 23, 24, 25 and 26 below.
- 21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1 To return as follows:

- 22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
- 22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
 - (a) per cent net not under repair
 - (b) per cent net under repair.

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

22.2 PROVIDED ALWAYS THAT

- 22.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
- 22.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area
- 22.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes
- 22.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly
- 22.2.5 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

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

23 WAR EXCLUSION

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

- 23.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 23.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 23.3 derelict mines torpedoes bombs or other derelict weapons of war.

24 STRIKES EXCLUSION

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

- 24.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 24.2 any terrorist or any person acting from a political motive.

25 MALICIOUS ACTS EXCLUSION

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

- 25.1 the detonation of an explosive
- 25.2 any weapon of war

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

26 NUCLEAR EXCLUSION

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

INSTITUTE TIME CLAUSES HULLS(1/10/83)(CLAUSE 7 DELETED)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel
 - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 6.2.3 negligence of Master Officers Crew or Pilots
 - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

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

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

7 POLLUTION HAZARD

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

8 3/4THS COLLISION LIABILITY

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

- 8.1.1 loss of or damage to any other vessel or property on any other vessel
- 8.1.2 delay to or loss of use of any such other vessel or property thereon
- 8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

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

- 8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
- 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.
- 8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

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

- 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
- 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
- 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
- 8.4.4 loss of life, personal injury or illness
- 8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

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

10 NOTICE OF CLAIM AND TENDERS

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

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

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval. Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof. Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

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

11 GENERAL AVERAGE AND SALVAGE

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

11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment

*of the company

so provides the adjustment shall be according to the York-Antwerp Rules.

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

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

12 DEDUCTIBLE

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

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

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

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

13 DUTY OF ASSURED(SUE AND LABOUR)

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

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

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

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

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

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

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

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

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

15.2 gritblasting and/or other surface preparation of: the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of plating damaged during the course of fairing, either in place or ashore,

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

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

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

- 18.1 The measure of indemnity in respect of claims for unrepaid damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaid damage, but not exceeding the reasonable cost of repairs.
- 18.2 In no case shall the Underwriters be liable for unrepaid 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 unrepaid damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

- 19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

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

21 DISBURSEMENTS WARRANTY

- 21.1 Additional insurances as follows are permitted:
 - 21.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
 - 21.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.
 - 21.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
 - 21.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.
 - 21.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
 - 21.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
 - 21.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
 - 21.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 23, 24, 25 and 26 below.
- 21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

22 RETURNS FOR LAY-UP AND CANCELLATION

- 22.1 To return as follows:

- 22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
- 22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
 - (a) per cent net not under repair
 - (b) per cent net under repair.

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

- 22.2 PROVIDED ALWAYS THAT

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

- 22.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area
- 22.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes
- 22.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly
- 22.2.5 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

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

23 WAR EXCLUSION

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

- 23.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 23.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 23.3 derelict mines torpedoes bombs or other derelict weapons of war.

24 STRIKES EXCLUSION

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

- 24.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 24.2 any terrorist or any person acting from a political motive.

25 MALICIOUS ACTS EXCLUSION

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

- 25.1 the detonation of an explosive
- 25.2 any weapon of war

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

26 NUCLEAR EXCLUSION

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

INSTITUTE TIME CLAUSES HULLS(1/10/83)
(CLAUSE 8 AMENDED TO COVER 4/4 THS COLLISION LIABILITY)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society,
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel
 - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 6.2.3 negligence of Master Officers Crew or Pilots

6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 6.2.5 barratry of Master Officers or Crew,
 provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

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

8 3/4THS* COLLISION LIABILITY

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

- 8.1.1 loss of or damage to any other vessel or property on any other vessel
- 8.1.2 delay to or loss of use of any such other vessel or property thereon
- 8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

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

- 8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
- 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of **three-fourths*** of the insured value of the vessel hereby insured in respect of any one collision.
- 8.3 The Underwriters will also pay **three-fourths*** of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

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

- 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
- 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
- 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
- 8.4.4 loss of life, personal injury or illness
- 8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

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

10 NOTICE OF CLAIM AND TENDERS

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

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

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

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

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

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

11 GENERAL AVERAGE AND SALVAGE

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

*four-fourths

**of the company

- 11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 11.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.
- 11.4 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.
- 12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.
- 12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 DUTY OF ASSURED(SUE AND LABOUR)

- 13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.
- 13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

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

- 15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 15.2 gritblasting and/or other surface preparation of: the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of plating damaged during the course of fairing, either in place or ashore,
- 15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

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

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

- 18.1 The measure of indemnity in respect of claims for unrepaid damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaid damage, but not exceeding the reasonable cost of repairs.
- 18.2 In no case shall the Underwriters be liable for unrepaid 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 unrepaid damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

- 19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

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

21 DISBURSEMENTS WARRANTY

- 21.1 Additional insurances as follows are permitted:
 - 21.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
 - 21.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.
 - 21.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
 - 21.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.
 - 21.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
 - 21.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
 - 21.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
 - 21.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 23, 24, 25 and 26 below.
- 21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1 To return as follows:

- 22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
- 22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
 - (a) per cent net not under repair
 - (b) per cent net under repair.

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

22.2 PROVIDED ALWAYS THAT

- 22.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
- 22.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area
- 22.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes
- 22.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly
- 22.2.5 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

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

23 WAR EXCLUSION

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

- 23.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 23.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 23.3 derelict mines torpedoes bombs or other derelict weapons of war.

24 STRIKES EXCLUSION

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

- 24.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 24.2 any terrorist or any person acting from a political motive.

25 MALICIOUS ACTS EXCLUSION

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

- 25.1 the detonation of an explosive
- 25.2 any weapon of war

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

26 NUCLEAR EXCLUSION

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

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

**INSTITUTE TIME CLAUSES HULLS(1/10/83)
AMENDED FOR JAPANESE CLAUSES CLASS NO. 5(4/2010)**

This insurance is subject to English law and practice

1 NAVIGATION

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

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

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

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

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

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

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

5 ASSIGNMENT

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

6 PERILS

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

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 breakdown of or accident to nuclear installations or reactors

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

6.1.8 earthquake volcanic eruption or lightning.

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 3/4*THS COLLISION LIABILITY

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

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

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

8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

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

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

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

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

EXCLUSIONS

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

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

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

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

8.4.4 loss of life, personal injury or illness

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

9 SISTERSHIP

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

10 NOTICE OF CLAIM AND TENDERS

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

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

10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.
Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

* except any accident to painting only (including such accident arising from the cause mentioned in 6.2.4 below)

** 6.4 Notwithstanding any provision herein no claim under this Clause 6 shall in any case be allowed in respect of particular average unless caused by the Vessel sinking, stranding, grounding, burning, being on fire or in collision or contact with any external substance other than water.

*** four-fourths

**** which the Assured becomes legally liable to pay to any other person or persons

***** of the company

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 (as specified in the POLICY) in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.

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

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

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

13 DUTY OF ASSURED(SUE AND LABOUR)

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

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

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

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

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

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

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

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

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

15.2 gritblasting and/or other surface preparation of:

the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs; areas of plating damaged during the course of fairing, either in place or

ashore;
15.3—supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above;
shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

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

18.2—In no case shall the Underwriters be liable for unrepainted 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 unrepainted damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

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

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

20 FREIGHT WAIVER

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

21 DISBURSEMENTS WARRANTY

21.1—Additional insurances as follows are permitted:

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

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

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

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

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

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

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

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

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

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1—To return as follows:

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

22.1.2—For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided

such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a) (as arranged) per cent net not under repair

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

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

22.2 PROVIDED ALWAYS THAT

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

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

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

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

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

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

23 WAR EXCLUSION

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

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

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

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

*

24 STRIKES EXCLUSION

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

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

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

25 MALICIOUS ACTS EXCLUSION

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

25.1 the detonation of an explosive

25.2 any weapon of war

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

26 NUCLEAR EXCLUSION

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

* 23.4 violent theft by persons from outside the Vessel or piracy.

**INSTITUTE TIME CLAUSES HULLS(1/10/83)
AMENDED FOR JAPANESE CLAUSES CLASS NO. 6(4/2010)**

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society;
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 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 3/4*THS COLLISION LIABILITY

- 8.1 The Underwriters agree to indemnify the Assured for three-fourths** of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for***
 - 8.1.1 loss of or damage to any other vessel or property on any other vessel
 - 8.1.2 delay to or loss of use of any such other vessel or property thereon
 - 8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.
- 8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:
 - 8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
 - 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths** of the insured value of the Vessel hereby insured in respect of any one collision.
 - 8.3 The Underwriters will also pay three-fourths** of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

- 8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
 - 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
 - 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
 - 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
 - 8.4.4 loss of life, personal injury or illness
 - 8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

9 SISTERSHIP

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

10 NOTICE OF CLAIM AND TENDERS

- 10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent**** so that a surveyor may be appointed to represent the Underwriters should they so desire.
- 10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.
- 10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.
Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.
Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.
- 10.4 In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.

* except any accident to painting only (including such accident arising from the cause mentioned in 6.2.4 below)

** four-fourths

*** which the Assured becomes legally liable to pay to any other person or persons

**** of the Company

11 GENERAL AVERAGE AND SALVAGE

- 11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance; but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.
- 11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 11.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974* (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.
- 11.4 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

- 12.1 No claim ** arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds *** in which case this sum shall be deducted.
Nevertheless the expense of sighting the bottom after stranding, **** if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.
- 12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.
- 12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13 DUTY OF ASSURED(SUE AND LABOUR)

- 13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.
- 13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 13.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

14 NEW FOR OLD

Claims payable without deduction new for old.

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

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** for the cost of repairs arising from perils enumerated in Clause 6.1.6, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, and heavy

*** weather and perils enumerated in the Institute Additional Perils Clauses-Hulls 1/10/83 Amended (4/2010)

**** the amount specified in the Schedule

***** of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water,

ashore;
15.3—supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above;
shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

18.1—The measure of indemnity in respect of claims for unrepainted damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepainted damage, but not exceeding the reasonable cost of repairs;
18.2—In no case shall the Underwriters be liable for unrepainted 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 unrepainted damage for more than the insured value at the time this insurance terminates.

19 CONSTRUCTIVE TOTAL LOSS

19.1—In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
19.2—No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

20 FREIGHT WAIVER

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

21 DISBURSEMENTS WARRANTY

21.1—Additional insurances as follows are permitted:
21.1.1—*Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
21.1.2—*Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.
21.1.3—*Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
21.1.4—*Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.
21.1.5—*Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
21.1.6—*Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
21.1.7—*Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
21.1.8—*Insurance irrespective of amount against.*
Any risks excluded by Clauses 23, 24, 25 and 26 below.
21.2—Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

22 RETURNS FOR LAY-UP AND CANCELLATION

22.1—To return as follows:
22.1.1—Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
22.1.2—For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided

such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)

(a) (as arranged) per cent net not under repair

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

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

22.2 PROVIDED ALWAYS THAT

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

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

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

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

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

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

23 WAR EXCLUSION

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

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

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

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

*

24 STRIKES EXCLUSION

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

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

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

25 MALICIOUS ACTS EXCLUSION

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

25.1 the detonation of an explosive

25.2 any weapon of war

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

26 NUCLEAR EXCLUSION

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

* 23.4 violent theft by persons from outside the Vessel or piracy.
** (including nuclear reactor installed in war vessel)

INSTITUTE TIME CLAUSES HULLS (1/11/95)**This insurance is subject to English law and practice****1. NAVIGATION**

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.
- 1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.
- 1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clauses 8 and/or 10.

2. CONTINUATION

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

3. BREACH OF WARRANTY

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

4. CLASSIFICATION

- 4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that
 - 4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,
 - 4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.
- 4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters discharge from liability is deferred until arrival at her next port.
- 4.3 Any incident, condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.
- 4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5. TERMINATION

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

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

- 5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,
- 5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

6. PERILS

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

- 6.1.1 perils of the seas rivers lakes or other navigable waters
- 6.1.2 fire, explosion
- 6.1.3 violent theft by persons from outside the vessel
- 6.1.4 jettison
- 6.1.5 piracy
- 6.1.6 contact with land conveyance, dock or harbour equipment or installation
- 6.1.7 earthquake volcanic eruption or lightning
- 6.1.8 accidents in loading discharging or shifting cargo or fuel.

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

- 6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
- 6.2.2 negligence of Master Officers Crew or Pilots
- 6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
- 6.2.4 barratry of Master Officers or Crew
- 6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.

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

7. POLLUTION HAZARD

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

8. 3/4THS COLLISION LIABILITY

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

- 8.1.1 loss of or damage to any other vessel or property on any other vessel
- 8.1.2 delay to or loss of use of any such other vessel or property thereon
- 8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

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

- 8.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
- 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.
- 8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

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

- 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
- 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
- 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
- 8.4.4 loss of life, personal injury or illness
- 8.4.5 pollution or contamination, or 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 vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention of Salvage, 1989 have been taken into account.

9. SISTERSHIP

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

10. GENERAL AVERAGE AND SALVAGE

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

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

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

- 10.4 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.
- 10.5 No claim under this Clause 10 shall in any case be allowed for or in respect of
 - 10.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance
 - 10.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.
- 10.6 Clause 10.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

11. DUTY OF ASSURED (SUE AND LABOUR)

- 11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clauses 10.5 and collision defence or attack costs are not recoverable under this Clause 11.
- 11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subjectmatter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses referred to in Clause 10.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12. DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.
- 12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.
- 12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13. NOTICE OF CLAIM AND TENDERS

- 13.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire. If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or 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 the time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval. Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof. Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.
- 13.4 In the event of failure by the Assured to comply with the conditions of Clauses 13.2 and/or 13.3 a deduction

of 15% shall be made from the amount of the ascertained claim.

14. NEW FOR OLD

Claims payable without deduction new for old.

15. BOTTOM TREATMENT

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

- 15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 15.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
areas of plating damaged during the course of fairing, either in place or ashore,
- 15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,

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

16. WAGES AND MAINTENANCE

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

17. AGENCY COMMISSION

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

18. UNREPAIRED DAMAGE

- 18.1 The measure of indemnity in respect of claims for unrepainted damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepainted damage, but not exceeding the reasonable cost of repairs.
- 18.2 In no case shall the Underwriters be liable for unrepainted 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 unrepainted 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 insurances as follows are permitted:

- 22.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
- 22.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 22.1.1.
- 22.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
- 22.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.
- 22.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
- 22.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.

- 22.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
- 22.1.8 *Insurance irrespective of amount against.*
Any risks excluded by Clauses 24, 25, 26 and 27 below.
- 22.2 Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23. RETURNS FOR LAY-UP AND CANCELLATION

- 23.1 To return as follows:
 - 23.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,
 - 23.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
 - (a) per cent net not under repair
 - (b) per cent net under repair.
 - 23.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.
 - 23.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.
- 23.2 PROVIDED ALWAYS THAT
 - 23.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
 - 23.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters
 - 23.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the vessel is being used for the storage of cargo or for lightering purposes
 - 23.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly
 - 23.2.5 in the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 23.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(a) or (b) above.

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

24. WAR EXCLUSION

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

- 24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 24.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25. STRIKES EXCLUSION

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

- 25.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 25.2 any terrorist or any person acting from a political motive.

26. MALICIOUS ACTS EXCLUSION

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

- 26.1 the detonation of an explosive
- 26.2 any weapon of war

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

27. RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

- 27.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 27.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 27.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

**INSTITUTE TIME CLAUSES HULLS
DISBURSEMENTS AND INCREASED VALUE
(TOTAL LOSS ONLY, INCLUDING EXCESS LIABILITIES)(1/10/83)**

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 a port of refuge or of call, the subject-matter insured shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

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

- 6.1.1 perils of the seas rivers lakes or other navigable waters
- 6.1.2 fire, explosion
- 6.1.3 violent theft by persons from outside the Vessel
- 6.1.4 jettison
- 6.1.5 piracy
- 6.1.6 breakdown of or accident to nuclear installations or reactors
- 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
- 6.1.8 earthquake volcanic eruption or lightning.

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

- 6.2.1 accidents in loading discharging or shifting cargo or fuel
- 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
- 6.2.3 negligence of Master Officers Crew or Pilots
- 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
- 6.2.5 bartrary of Master Officers or Crew,

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

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

6.4 This insurance covers:

- 6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.2 **Sue and Labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.3 **Collision Liability (three-fourths)** not recoverable in full under the Institute 3/4ths Collision Liability and Sisterhip Clauses in the insurances on hull and machinery by reason of such three-fourths liability exceeding three-fourths of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

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

7 POLLUTION HAZARD

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

8 NOTICE OF CLAIM

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

9 CONSTRUCTIVE TOTAL LOSS

- 9.1 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.
- 9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel.
- 9.4 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10 COMPROMISED TOTAL LOSS

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

11 RETURNS FOR LAY-UP AND CANCELLATION

- 11.1 To return as follows:

*of the company

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) as arranged per cent net not under repair
- (b) as arranged per cent net under repair.

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

11.2 **PROVIDED ALWAYS THAT**

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

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

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

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

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

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

12 WAR EXCLUSION

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

- 12.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 12.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 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 DISBURSEMENTS AND INCREASED VALUE

(TOTAL LOSS ONLY, INCLUDING EXCESS LIABILITIES)(1/10/83)
AMENDED FOR JAPANESE CLAUSES CLASS NO. 5 (4/90)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the Vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the Vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society;
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel

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

6.2.3 negligence of Master Officers Crew or Pilots

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

6.2.5 barratry of Master Officers or Crew,

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

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

6.4 This insurance covers:

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

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

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

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

7 — POLLUTION HAZARD

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

8 — NOTICE OF CLAIM

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

9 — CONSTRUCTIVE TOTAL LOSS

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

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

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

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

10 — COMPROMISED TOTAL LOSS

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

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) (as arranged) per cent net not under repair
- (b) (as arranged) 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

*four-fourths

**of the Company

or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

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

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

11.2.5 in the event of any return recoverable under this Clause ~~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 thereof

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.

*12.4 violent theft by persons from outside the Vessel or piracy.

**INSTITUTE TIME CLAUSES HULLS DISBURSEMENTS AND INCREASED
VALUE**

**(TOTAL LOSS ONLY, INCLUDING EXCESS LIABILITIES)(1/10/83)
AMENDED FOR JAPANESE CLAUSES CLASS NO. 6(4/90)**

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the Vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the Vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society;
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

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

- 6.1.1 perils of the seas rivers lakes or other navigable waters
- 6.1.2 fire, explosion
- 6.1.3 violent theft by persons from outside the Vessel
- 6.1.4 jettison
- 6.1.5 piracy
- 6.1.6 breakdown of or accident to nuclear installations or reactors
- 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
- 6.1.8 earthquake volcanic eruption or lightning.

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

- 6.2.1 accidents in loading discharging or shifting cargo or fuel
- 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
- 6.2.3 negligence of Master Officers Crew or Pilots
- 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
- 6.2.5 bartrary of Master Officers or Crew,

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

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

6.4 This insurance covers:

- 6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.2 **Sue and Labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.3 **Collision Liability (three-fourths)*** not recoverable in full under the Institute 3/4ths* Collision Liability and Sistership Clauses in the insurances on hull and machinery by reason of such **three-fourths*** liability exceeding **three-fourths*** of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

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

7 POLLUTION HAZARD

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

8 NOTICE OF CLAIM

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

9 CONSTRUCTIVE TOTAL LOSS

- 9.1 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.
- 9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel.
- 9.4 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10 COMPROMISED TOTAL LOSS

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

*four-fourths

**of the Company

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) (as arranged) per cent net not under repair
- (b) (as arranged) per cent net under repair

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

11.2 PROVIDED ALWAYS THAT

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

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

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

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

11.2.5 in the event of any return recoverable under this Clause DEPENDING 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 thereof

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.

*12.4 violent theft by persons from outside the Vessel or piracy
** (including nuclear reactor installed in war vessel)

**INSTITUTE TIME CLAUSES - HULLS
DISBURSEMENTS AND INCREASED VALUE**
(Total Loss only, including Excess Liabilities)
(Amended for Japanese Disbursements clauses (E)(4/98)
~~DELETED~~
This insurance is subject to English law and practice

1. NAVIGATION

- 1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2. CONTINUATION

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

3. BREACH OF WARRANTY

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

4. TERMINATION

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

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

- 4.1 change of the Classification Society of the vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein; provided that if the vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society;
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the vessel, provided that, if the vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the vessel is at sea or in port.

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

5. ASSIGNMENT

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

6. PERILS

- 6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel
 - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 6.2.3 negligence of Master Officers Crew or Pilots
 - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

- 6.2.5 barratry of Master Officers or Crew,
provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the vessel.
- 6.4 This insurance covers:
 - 6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
 - 6.4.2 **Sue and labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the vessel as stated therein and the value of the vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
 - 6.4.3 **Collision Liability (three-fourths)** not recoverable in full under the Institute 3/4ths Collision Liability and Sisterhood Clauses in the insurances on hull and machinery by reason of such three-fourths liability exceeding three-fourths of the insured value of the vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.
- 6.5 The Underwriters' liability under 6.4.1, 6.4.2 and 6.4.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.

7. POLLUTION HAZARD

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

8. NOTICE OF CLAIM

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

9. CONSTRUCTIVE TOTAL LOSS

- 9.1 In ascertaining whether the vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account.
- 9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.
- 9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the vessel.
- 9.4 Should the vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10. COMPROMISED TOTAL LOSS

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

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).....as arranged.....per cent net not under repair
 - (b).....as arranged.....per cent net under repair.

If the vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.
- 11.2 PROVIDED ALWAYS THAT
 - 11.2.1 a total loss of the vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
 - 11.2.2 in no case shall a return be allowed when the vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the vessel is actually laid up in the approved port or lay-up area
 - 11.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the vessel is being used for the storage of cargo or for lightering purposes

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

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

12. WAR EXCLUSION

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

- 12.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 12.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 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
DISBURSEMENTS AND INCREASED VALUE
(TOTAL LOSS ONLY, INCLUDING EXCESS LIABILITIES)(1/10/83)**

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the Vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the Vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

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

- 6.1.1 perils of the seas rivers lakes or other navigable waters
- 6.1.2 fire, explosion
- 6.1.3 violent theft by persons from outside the Vessel
- 6.1.4 jettison
- 6.1.5 piracy
- 6.1.6 breakdown of or accident to nuclear installations or reactors
- 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
- 6.1.8 earthquake volcanic eruption or lightning.

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

- 6.2.1 accidents in loading discharging or shifting cargo or fuel
- 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
- 6.2.3 negligence of Master Officers Crew or Pilots
- 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
- 6.2.5 barratry of Master Officers or Crew,

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

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

6.4 This insurance covers.

- 6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the Vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.2 **Sue and Labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the Vessel as stated therein and the value of the Vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
- 6.4.3 **Collision Liability *(three-fourths)** not recoverable in full under the Institute ^{*3/4ths} Collision Liability and Sistership Clauses in the insurances on hull and machinery by reason of such **three-fourths** liability exceeding ***three-fourths** of the insured value of the Vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

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

7 POLLUTION HAZARD

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

8 NOTICE OF CLAIM

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

9 CONSTRUCTIVE TOTAL LOSS

- 9.1 In ascertaining whether the Vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.
- 9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel.
- 9.4 Should the Vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

10 COMPROMISED TOTAL LOSS

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

* four-fourths

** of the company

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).....as arranged.....per cent net not under repair

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

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

11.2 PROVIDED ALWAYS THAT

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

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

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

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

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

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

12 WAR EXCLUSION

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

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

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

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 TOTAL LOSS ONLY
(INCLUDING SALVAGE, SALVAGE CHARGES AND SUE & LABOUR)**
(1/10/83)
AMENDED FOR JAPANESE CLAUSES CLASS NO. 2(4/90)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clause 9.

2 CONTINUATION

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

3 BREACH OF WARRANTY

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

4 TERMINATION

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

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

- 4.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls-Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

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

5 ASSIGNMENT

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

6 PERILS

- 6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.1.1 perils of the seas rivers lakes or other navigable waters
 - 6.1.2 fire, explosion
 - 6.1.3 violent theft by persons from outside the Vessel
 - 6.1.4 jettison
 - 6.1.5 piracy
 - 6.1.6 breakdown of or accident to nuclear installations or reactors
 - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
 - 6.2.1 accidents in loading discharging or shifting cargo or fuel
 - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 6.2.3 negligence of Master Officers Crew or Pilots
 - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 6.2.5 barratry of Master Officers or Crew,
 - provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

7 POLLUTION HAZARD

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

8 NOTICE OF CLAIM

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

9 SALVAGE

- 9.1 This insurance covers the Vessel's proportion of salvage and salvage charges, reduced in respect of any under-insurance.
- 9.2 No claim under this Clause 9 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10 SISTERSHIP

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

11 DUTY OF ASSURED (SUE AND LABOUR)

- 11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 11.2 Subject to the provisions below the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges and collision defence or attack costs are not recoverable under this Clause 11.
- 11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under insurance.
- 11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

*of the Company

12 CONSTRUCTIVE TOTAL LOSS

- 12.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 12.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 FREIGHT WAIVER

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

14 DISBURSEMENTS WARRANTY

- 14.1 Additional insurances as follows are permitted:
 - 14.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
 - 14.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 14.1.1.
 - 14.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
 - 14.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured.
 - 14.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 14.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 14.1.2 and 14.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
 - 14.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
 - 14.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
 - 14.1.8 *Insurance irrespective of amount against:*
Any risks excluded by Clauses 16, 17, 18 and 19 below.
- 14.2 Warranted that no insurance on any interests enumerated in the foregoing 14.1.1 to 14.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

15 RETURNS FOR LAY-UP AND CANCELLATION

- 15.1 To return as follows:
 - 15.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
 - 15.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
 - (a) (as arranged) per cent net not under repair
 - (b) (as arranged) per cent net under repair.

If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.
- 15.2 PROVIDED ALWAYS THAT
 - 15.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
 - 15.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area
 - 15.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes
 - 15.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly
 - 15.2.5 in the event of any return recoverable under this Clause 15 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 15.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 15.1.2 (a) or (b), or 15.2.2 above.

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

16 WAR EXCLUSION

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

- 16.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 16.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 16.3 derelict mines torpedoes bombs or other derelict weapons of war.

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17 STRIKES EXCLUSION

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

- 17.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 17.2 any terrorist or any person acting from a political motive.

18 MALICIOUS ACTS EXCLUSION

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

- 18.1 the detonation of an explosive
- 18.2 any weapon of war

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

19 NUCLEAR EXCLUSION

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

**16.4 violent theft by persons from outside the Vessel or piracy.

AMERICAN INSTITUTE HULL CLAUSES (June 2, 1977)

The terms and conditions of the following clauses are 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 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 (*as policy schedule*) 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 (*as policy schedule*) 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 (*as policy schedule*) or by whatsoever name or 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 (*as policy schedule*) to (*as policy schedule*).

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.

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 (*as policy schedule*) Dollars.

AMOUNT INSURED HEREUNDER

(*as policy schedule*) 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 \$ (*as policy schedule*), 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 ports shall be treated as though due to one accident.

PREMIUM

The Underwriters to be paid in consideration of this insurance (*as policy schedule*) Dollars being at the annual rate of (*as policy schedule*) 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 port for account of the Assured,

(*as arranged*) cents per cent. net not under repair, or

(*as arranged*) 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 lightering 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 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 agreed to by the Assured.

PERILS

Touching the Adventures and Perils which the Underwriters are contented to bear and take upon themselves, they are 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 thereof, excepting, however, such of the foregoing perils as may be excluded by provisions elsewhere in the Policy or by endorsement thereon.

ADDITIONAL PERILS (INCHMAREE)

Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel 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.

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 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 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 Underwriters 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 tender 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 solely as the result of tenders having been taken and provided the tender 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 test 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 unrepainted damages shall be allowed, except to the extent that the aggregate damage caused by perils insured against during the period of the Policy and left unrepainted 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 if 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 or 1974 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 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 not be considered if such are to be claimed separately under the Sue and Labor clause.

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

In no case shall the Underwriters be liable for unrepaid 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 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; provided always that their liability for such expenses 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 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, 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, then, unless the liability of 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 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 (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 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 or liability for any such damages,

it is agreed that amounts paid by the Assured or 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 this 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 limitations.

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, 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 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.

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, plus 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 Sections 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 thereof; or
- (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, 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 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) 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.

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

The terms and conditions of the following clauses are 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 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 (*as policy schedule*) 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 (*as policy schedule*) 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 (*as policy schedule*) (or by whatsoever name or names the said Vessel is or shall be called).

AMOUNT INSURED HEREUNDER

(*as policy schedule*) Dollars.

DURATION OF RISK

From (*as policy schedule*) to (*as policy schedule*).

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 Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate.

PREMIUM

The Underwriters to be paid in consideration of this insurance (*as policy schedule*) Dollars being at the annual rate of (*as policy schedule*) 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,

(*as arranged*) cents per cent. net not under repair, or

(*as arranged*) 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 lightering 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 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, 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, 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 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 constructive) 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 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.

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 proof 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, 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:

- 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;
- 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 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 thereof; or
- (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, 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 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) not to exclude collision or contact with aircraft, rocket 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.

LONDON STANDARD DRILLING BARGE FORM ALL RISKS
(Except as hereinafter excluded)

1. ASSURED : (as policy schedule)

2. PERIOD OF INSURANCE : (as policy schedule)

If this insurance expires while an accident or occurrence giving rise to a loss is in progress, Underwriters shall be liable as if the whole loss had occurred during the currency of this insurance.

3. PROPERTY INSURED HEREUNDER :

This insurance covers the hull and machinery of the drilling barge(s), as schedule herein, including all their equipment, tools, machinery, caissons, lifting jacks, materials, supplies, appurtenances, drilling rigs and equipment, derrick, drillstem, casing, and tubing while abroad the said drilling barge(s) and/or on barges and/or vessels moored alongside or in the vicinity thereof and used in connection therewith (but not such barges and/or vessels themselves), and including drill stem in the well being drilled, and all such property as schedule herein, owned by or in the care, custody or control of the Assured, except as hereinafter excluded.

SCHEDULE OF PROPERTY INSURED

Description of Drilling Barge	Rate	Insured Value	Hereto Amount
<i>(as policy schedule)</i>			

Each deemed to be separately insured.

Any loss paid hereunder shall not reduce the amount of this insurance except in the event of actual or constructive or compromised or arranged total loss.

4. NAVIGATION LIMITS :

(a) *(as policy schedule)*

Privilege is granted to be towed within the above Navigation Limit

Also to cover in port, while going on or off, and while in docks and graving docks and/or wharves, ways, gridirons and pontoons, subject to the terms and conditions of this insurance.

- (b) This insurance covers up to 25 % of the schedule amount of insurance hereunder on property insured herein (as described in clause 3 above) when separated from the property insured hereunder whilst in temporary storage at, or in local transit to or from, ports or drilling barges within the Navigation Limited provided in Paragraph (a). It is expressly understood and agreed, however, that this extended coverage is included within and shall not increase the total amount of insurance hereunder.

5. COVERAGE :

Subject to its terms, conditions and exclusions this insurance is against all risks of direct physical loss of or damage to the property insured, provided such loss or damage has not resulted from want of due diligence by the Assured, the Owners or Managers of the property insured, or any of them.

6. 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 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, 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, then, unless the liability of 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 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 (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 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 obstruction; 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) cargoes or other property on or the engagement or the Vessels;
- (e) loss of life, personal injury or illness.

Provided further that exclusion (b) and (c) above shall not apply to injury any other vessel with which the Vessels is in collision or to property on such other vessel except to the extent that such injury arises out of any action taken to avoid, minimise or remove any discharge, spillage, emission or leakage described in (c).

7. DEDUCTIBLE :

It is understood and agreed that each claim (including claims under the Sue and Labor Clause and the Collision Liability Clause), shall be reported and adjusted separately and from the amount of each claim the sum of (*as policy schedule*) shall be deducted. This clause shall not apply to a claim for actual or constructive or compromised or arranged total loss.

For the purpose of this clause each occurrence shall be treated separately, but it is agreed that a sequence of losses or damages arising from the same occurrence shall be treated as one occurrence.

8. EXCLUSIONS:

Notwithstanding anything to the contrary which may be contained in this insurance there shall be no liability under this insurance in respect of:-

- (a) Loss, damage or expense caused by or attributable to earthquake or volcanic eruption, or fire and/or explosion and/or tidal wave consequent upon earthquake or volcanic eruption.
- (b) Loss, damage or expense which arises solely from the intentional sinking of the barge for operational purposes; such sinking shall not constitute a collision, stranding, sinking or grounding within the meaning of this insurance.
- (c) Loss, damage or expense caused whilst or resulting from drilling a relief well for the purpose of controlling or attempting to control fire blowout or cratering associated with another drilling barge, platform or unit unless immediate notice be given to Underwriters of said use and additional premium paid if required.
- (d) Any claim, be it a Sue and Labor Expense or otherwise, for money materials or property expended or sacrificed or in fighting fire associated with blowout.
- (e) Loss, damage or expense caused by or resulting from delay, detention or loss of use.
- (f) Wear and tear, gradual deterioration, metal fatigue, machinery breakdown, expansion or contraction due to change in temperature, corrosion, rusting, electrolytic action, error in design: nor does this insurance cover the cost of repairing or replacing any part which may be lost, damaged, or condemned by reason of any latent defect therein.
- (g) Loss of or damage to dynamos, exciters, lamps, motors, switches and other electrical appliances and devices, caused by electrical injury or disturbance, unless the loss or damage be caused by a peril not excluded hereunder originating outside the electrical equipment specified in this clause. Nevertheless this clause shall not exclude claims for physical loss or damage resulting from fire.
- (h) Liabilities to third parties except as specifically covered under the terms of the Collision Liability clause contained herein.
- (i) Claims in connection with the removal of property, materials, debris or obstruction, whether such removal be required by law, ordinance, statute, regulation or otherwise.
- (j) Loss of or damage to drill stem located underground or underwater unless directly resulting from fire, blowout, cratering, or total loss of the drilling barge caused by a peril insured hereunder. There shall be no liability in respect of drill stem left in the well and through which an oil or gas well is completed.

Blowout: The term "Blowout" shall mean a sudden accidental, uncontrolled and continuous expulsion from a well and above the surface of the ground of the drilling fluid in an oil or gas well, followed by continuous and uncontrolled flow from a well and above the surface of the ground of oil, gas or water due to encountering subterranean pressures.

Cratering: The term "Crater" shall be defined as a basin-like depression in the earth's surface surrounding a well caused by the erosion and eruptive action of oil, gas or water flowing without restriction.

- (k) Well(s) and/or hole(s), whilst being drilled or otherwise.
- (l) Drilling mud, cement, chemicals and fuel actually in use, and casing and tubing in the well.
- (m) Unrefined oil or gas or other crude product.
- (n) Blueprints, plans, specifications or records, personal effects of employees or otherwise.
- (o) Scraping or painting the bottom of the hull of the drilling barge.

9. BLOWOUT PREVENTER WARRANTY :

The Assured warrants and agrees that blowout preventer of standard make will be used, same to be installed and tested in accordance with the usual practice.

10. LIMIT OF LIABILITY :

In no event, except as provided for in the Sue and Labor Expense Clause and Collision Liability Clause herein, shall the Underwriters' liability arising from any one accident or occurrence exceed the amount insured hereunder as set forth in Clause 3 in respect of the items subject to claim in such accident or occurrence.

In respect of the property insured hereunder Underwriters shall not be liable for more than their proportion of the cost of repairing or replacing the property damaged or lost with materials of like kind and quality to a condition equal to but not superior to or more extensive than its condition prior to the loss, nevertheless in respect of the hull of the drilling barge covered hereunder all costs of repair and

replacement for which Underwriters may be liable shall be on the basis of new for old with no deduction for depreciation.

In no event shall Underwriters be liable for any increased cost of repair or construction by reason of law, ordinance, regulation, permit or licence regulating construction or repair.

11. COINSURANCE :

The assured shall maintain contributing insurance on terms no more restrictive than this insurance on the property insured hereunder of not less than 100% of the new reproductive cost less a reasonable depreciation. Failing to do so, the Assured shall be an insurer to the extent of such deficit and bear such proportionate part of any claim. If this insurance be divided into two or more items the foregoing conditions shall apply to each item separately.

12. CONSTRUCTIVE TOTAL LOSS :

There shall be no recovery for a Constructive Total Loss hereunder unless the expense of recovering and repairing the insured property shall exceed the actual insured value.

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

13. SUE AND LABOR EXPENSE :

It is further agreed that should the property insured hereunder suffer loss or damage covered under the terms of this insurance, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to sue, labor and travel for, in and about the defence, safeguard and recovery of the said property, or any part thereof, without prejudice to this insurance, and subject always to the terms, conditions, limitations and exclusions of this insurance, the charge thereof shall be borne by the Underwriters. And it is especially declared and agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

The Underwriters' liability for Sue and Labor Expenses shall not exceed 25% of the insured value of the item(s) in the defence, safeguard or recovery of which such expence is incurred.

14. LAY UP AND CANCELLATION:

To return daily pro rata of rates to be agreed by Underwriters for any period of 30 or more consecutive days the vessel may be laid up in port unemployed.

Provided always that:-

- (a) the location shall be approved by surveyor appointed by Lloyd's Agent or approved by Underwriters.
- (b) there shall always be a watchmen on board.
- (c) no return shall be allowed in the event of the Vessel becoming an actual or constructive or compromised or arranged total loss during the currency of insurance.
- (d) there shall be no shifts during the lay up period.
- (e) there shall be no movement of legs or variation in buoyancy during the lay-up period.
- (f) in the event of any amendment of the annual rate, the rates of return shall be adjusted accordingly.

The return for a laid-up period of 30 or more consecutive days which fall on two policies effected for the same Assured shall be apportioned over both policies on a daily pro rata basis.

This insurance may be cancelled:-

- (a) by the Assured at any time by written notice subject to a return of premium to be agreed;
- (b) by Underwriters subject to 30 days written notice, in which event a pro rata daily return of premium shall be payable;
- (c) by Underwriters in respect of the perils of strikers, locked-out workmen or person taking part in labor disturbances or riots or civil commotions subject to 7 days written notice without return of premium.

Cancellation by either party is subject to the retention by Underwriters of any minimum premium stipulated in the Policy.

15. RELEASE AGREEMENTS AND WAIVERS OF SUBROGATION:

The Assured may grant release from liability with respect to loss of or damage to property insured hereunder to person firm or corporation for whom the Assured is operating under specific contract, provided:-

- (a) the said release is granted prior to the commencement of the operations;
- (b) the loss or damage subject to said release arises out of or in connection with such operations.

Underwriters agree to waive their rights of subrogation against such person firm or corporation having been so released from such liability.

16. DISCOVERY OR RECORDS:

During the currency of this insurance or any time thereafter within the period of the time provided for in Clause 17 for bringing suit against these Underwriters, these Underwriters shall have the right of inspecting the Assured's records pertaining to all matters of cost, repairs, income and expenditure of whatsoever nature relating to the properties insured hereunder, such records to be open to a representative of these Underwriters at all reasonable times.

17. LIMITATION OF ACTION:

No suit or action on this insurance for the recovery of any claim shall be sustainable in any court of law or equity unless the Assured shall have complied fully with all the requirements of this insurance, and unless commenced within twenty-four months next after the time a cause of action for the loss accrues, provided, however, that where such limitation of time is prohibited by the law of the State wherein this insurance is issued, then and in that event, no suit of action under this insurance shall be sustained unless commenced within the shortest time limitation permitted under the laws of such State.

18. LOSS PAYABLE:

Loss, if any, (except claims required to be paid to others under the Collision Liability Clause), payable to (*as policy schedule*).

19. FREE OF CAPTURE AND SEIZURE:

Notwithstanding anything to the contrary contained in this insurance, there shall be no liability for any claim 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 by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or
- (c) Any mine, bomb, torpedo or other engine of war; or
- (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radio-active force or matter or
- (e) Civil war, revolution, insurrection, or civil strife arising therefrom, or piracy; or
- (f)
 - (i) the detonation of an explosive
 - (ii) any weapon of war

and caused by any person acting maliciously or from a political motive; or
- (g) Any act for political or terrorist purposes of any person or persons, whether or not agents of a Sovereign Power, and whether the loss, damage or expense resulting therefrom is accidental or intentional; or
- (h) Hostilities or warlike operations (whether there be a declaration of war or not) but this sub paragraph (h) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating objects, 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 operation which the vessel concerned, or in the case of collision or contact, 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.

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS

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.

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS

Amended (4/2010)

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.

* Amended for Japanese Clauses Class No.6 (4/2010)

1/4/2010

LAW AND JURISDICTION CLAUSE

This insurance is subject to Japanese law and practice, provided that English law and practice shall apply as to liability for and settlement of any and all claims unless any provision contained in this insurance is inconsistent therewith.

This insurance is subject to the jurisdiction of the court in the district where the Company's Head Office is situated.

1/5/09

JURISDICTION CLAUSE

The governing law of this insurance shall be Japanese laws but the liability for settlement of insurance claim shall be construed by English law and practice. All the claim and disputes concerning and or with related to this insurance shall be subject to the exclusive jurisdiction of Tokyo District Court in Japan.

1/11/91

INSTITUTE ENGLISH JURISDICTION CLAUSE

This insurance shall be subject to the exclusive jurisdiction of the English Courts, except as may be expressly provided herein to the contrary.

INSTITUTE BRIDGING CLAUSE (HULLS)

1/4/2010

DUTY OF ASSURED AND RIGHTS OF INSURER CLAUSES

1. DISCLOSURE

The Person effecting the insurance and/or the Assured must disclose to the Company, before the insurance contract is concluded, every material circumstance which is known to the Person effecting the insurance and/or the Assured, and the Person effecting the insurance and/or the Assured is deemed to know every circumstance which, in the ordinary course of business, ought to be known by the Person effecting the insurance and/or the Assured. Every circumstance is material which would influence the judgment of the Company in fixing the insurance terms and conditions, or determining whether the Company will take the risk.

2. INSPECTION

The Company is entitled to inspect the Vessel at any time during the period of this insurance, and, if the Person effecting the insurance and/or the

Assured refuses an inspection without any justifiable reason, the Company may cancel this insurance contract.

3. VALUE

When the value of the insured interest decreases substantially during the period of this insurance, the Company may request reduction of the insured value.

4. SUBROGATION

When the Vessel becomes a total loss and the Company indemnifies therefor, the Company shall be entitled to choose whether or not to acquire the proprietary right of the Vessel.

MODE OF EXECUTION CLAUSE

The Company and the Insured agree that this Agreement and all amendments hereto may be executed as follows:

- (a) By an original written ink signature of paper documents; or
- (b) By an electronic signature employing any technology to capture a person's signature in such a manner that the signature is unique to the person signing, is capable of verification to authenticate the signature, and is linked to the document signed.

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed an original.

1/4/2010

LIEN ON LIABILITY CLAIM CLAUSES

Article 1 In case any person possessing a valid claim against the Assured (hereinafter referred to as "the Claimant") is entitled to exercise lien on the right of recovery of the Assured or its assignee under this insurance for such claim under the Insurance Act of Japan, the Company shall pay such claim only in either of the following circumstances, provided that such claim is caused as the result of the Assured becoming liable for loss of or damage to the Claimant (hereinafter referred to as "the Liability Claim"):

- (1) where the Company pay the Liability Claim to the Assured after the Assured have settled same to the Claimant, provided that such payment shall not exceed the sum settled by the Claimant
- (2) where the Company pay the Liability Claim direct to the Claimant pursuant to the instruction of the Assured before the Assured have settled same to the Claimant
- (3) where the Company pay the Liability Claim direct to the Claimant as the result of the Claimant exercising lien on the Assured's right of recovery for same before the Assured have settled same to the Claimant
- (4) where the Company pay the Liability Claim to the Assured pursuant to the agreement of the Claimant for such payment before the Assured have settled same to the Claimant, provided that such payment shall not exceed the sum agreed by the Claimant

Article 2 In case the Claimant is entitled to exercise lien and/or any other superior right on the right of recovery of the Assured or its assignee under this insurance for the Liability Claim under the applicable foreign laws and/or conventions and the Assured's right of recovery is thereby restricted, the Company shall pay the Liability Claim pursuant to such laws and/or conventions.

8/11/2010

SANCTION LIMITATION AND EXCLUSION CLAUSE

No insurer shall be deemed to provide cover and no 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 insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Japan, United Kingdom or United States of America.

1/4/2013

IRANIAN OIL EXCLUSION CLAUSE

In the event of the Vessel being employed in a transport of crude oil, petroleum products, petrochemical products, natural gas and other gaseous hydrocarbons from Iran, no claim shall be recoverable under this insurance for loss, damage, liability or expense. This exclusion shall not apply to loss, damage, liability or expense occurring after the Underwriters' agreement in writing to reinstatement of this insurance after such event has ceased to exist.

RUSSIAN OIL EXCLUSION CLAUSE (FOR OIL PRICE CAP EXCEPTION)

In the event of the Vessel being employed in a transport of Russian-origin Crude Oil (HS Code 2709.00) or Petroleum Products (HS Code 2710), no claim shall be recoverable under this insurance for loss, damage, liability or expense.

Notwithstanding the preceding paragraph, if the Assured submit an Attestation required by the Company or the Company specifically agrees to

such transportation(s), this exclusion shall not apply.

LIMITED NOTICE OF CANCELLATION

1 Notice of Cancellation (“Notice”)

Where this policy insures liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:

- 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 therat;
- 1.3 derelict mines, torpedoes, bombs, or other derelict weapons of war;
- 1.4 strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 1.5 terrorism, or any person acting maliciously or from a political motive;
- 1.6 confiscation, nationalisation, expropriation, deprivation or requisition,

this policy may be cancelled in respect of these risks only by the Underwriters giving 72 hours' notice of cancellation (hereinafter “Notice”) in the way described in clause 3 below, with Notice being effective from midnight Greenwich Mean Time on the day Notice is given by the Underwriters.

The Underwriters may subsequently agree to reinstate cover, if required, at terms to be agreed by the Underwriters each for their own share. Any reinstatement of cover shall occur at a time to be agreed by the Underwriters.

2 Automatic Termination

2.1 Whether or not the notice of cancellation described in clause 1 has been given, this insurance shall TERMINATE AUTOMATICALLY:

- 2.1.1 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and/or
- 2.1.2 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 Russian Federation, the People's Republic of China.

3 Notice Conditions

Where the Underwriters give Notice in accordance with clause 1, it is agreed as follows:

- 3.1 the Notice shall be sent by e-mail by the Slip Leader to the placement broker on behalf of all the Underwriters subscribing to this insurance. Following subscribing underwriters are also entitled but not obliged to give Notice for their share only.
- 3.2 The Notice shall identify the insurance concerned by policy number / Unique Market Reference [UMR], and the name of the principal (Re)Insured.
- 3.3 The broker is to transmit the Notice promptly to the (Re) Insured(s), and all other parties to whom the broker has an obligation to transmit the Notice.

JL2022-020

21st December 2022

ASSURED CLAUSE

In respect of liability covered under this insurance, the Person effecting the insurance shall be added to the Assured(s) and such coverage shall also be given to the Person effecting the insurance accordingly.

LEASED EQUIPMENT CLAUSE

This insurance is extended to cover loss of or damage to equipment and apparatus not owned by the Assured but installed for use on the Vessel and for which the Assured has assumed contractual liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to the terms, conditions and exclusions. In no event shall the liability of the Underwriters exceed the lesser of the contractual liability of the Assured for loss of or damage to such equipment or apparatus or its replacement value. All such equipment and apparatus shall be included in the insured value of the Vessel.

1/4/2010

SCRAP VOYAGE CLAUSES

Article 1. 1. 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, the total sum recoverable under this insurance on hull and machinery and also including disbursements if any (hereinafter called “this insurance” subject to any express stipulation in these clauses) in respect of a claim for total loss (actual or constructive) occurring subsequent to such sailing shall in no case exceed the least of the following:

- (1) the price of the Vessel as being broken up stated in the contract of sale (hereinafter called “the price”), or
- (2) such proportion of price as the insured amount of this

insurance bears to the total sum of the insured amount of this insurance and that of any other insurance on hull and machinery and also including disbursements of the Vessel if any, or

- (3) the insured amount of this insurance.

2. The expenditure for the voyage may be included in the price with the consent of the Company prior to the Vessel sailing.

3. Nothing in this Article 1 shall affect claims under Clauses 8 and/or 13 of the Institute Time Clause-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) and Clauses 6.4.2 and/or 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90) if attached to this Policy.

Article 2. In case of this Article 1, the following provisions shall apply in place of Clause 19 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) and Clauses 9.1 and 9.2 of the Insitute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90) if attached to this Policy.

(1) In ascertaining whether the Vessel is a constructive total loss, the price or the insured value of this insurance on hull and machinery, whichever is the lesser 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 reasonably necessary cost of recovery and/or repair of the Vessel as being broken up shall be recoverable hereunder unless such cost would exceed the price or the insured value of this insurance on hull and machinery, whichever is the lesser. 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.

Article 3. In case previous notice of the Vessel sailing has been given to the Company and the limitation of the Company's liability has been recognized a return of premium for (as arranged) shall be allowed at the termination of this insurance provided that no claim arising from accident subsequent to such sailing is made under this insurance.

SCRAP VOYAGE CLAUSES (for Amended No.2)

Article 1. 1. 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, the total sum recoverable under this insurance on hull and machinery (hereinafter called “this insurance” subject to any express stipulation in these clauses) in respect of a claim for total loss (actual or constructive) occurring subsequent to such sailing shall in no case exceed the least of the following:

(1) the price of the Vessel as being broken up stated in the contract of sale (hereinafter called “the price”), or

(2) such proportion of price as the insured amount of this insurance bears to the total sum of the insured amount of this insurance and that of any other insurance on hull and machinery of the Vessel if any, or

(3) the insured amount of this insurance.

2. The expenditure for the voyage may be included in the price with the consent of the Company prior to the Vessel sailing.

3. Nothing in this Article 1 shall affect claims under Clause 11 of the Institute Time Clause-Hulls Amended for Japanese Clauses Class No.2 (4/90) and the Collision Liability Clauses (4/90) if attached to this Policy.

Article 2. In case of this Article 1, the following provisions shall apply in place of Clause 12 of the Institute Time Clauses-Hulls Amended for Japanese Clauses Class No.2 (4/90).

(1) In ascertaining whether the Vessel is a constructive total loss, the price or the insured value of this insurance on hull and machinery, whichever is the lesser 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 reasonably necessary cost of recovery and/or repair of the Vessel as being broken up shall be recoverable hereunder unless such cost would exceed the price or the insured value of this insurance on hull and machinery, whichever is the lesser. 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.

Article 3. In case previous notice of the Vessel sailing has been given to the Company and the limitation of the Company's liability has been recognized a return of premium for (as arranged) shall be allowed at the termination of this insurance provided that no claim arising from accident subsequent to such sailing is made under this insurance.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE(10/11/03)

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.

11/11/19

MARINE CYBER ENDORSEMENT

1. Subject only to paragraph 3 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, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. 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, paragraph 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.

LMA5403

10/11/03

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 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, computer software programme, or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

CL.380

COMMUNICABLE DISEASE CLAUSE

1. Notwithstanding any provision to the contrary in this insurance, it is hereby agreed that this insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met.
- 2.1 "Communicable Disease Loss" shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the Excluded Circumstances, those Circumstances being
 - a) a Communicable Disease, and/or
 - b) the fear or threat, whether actual or perceived, of a Communicable Disease, and/or
 - c) any recommendation, decision or measure, made or taken to restrict, prevent, reduce or slow the spread of infection of a Communicable Disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and/or
 - d) any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above,

whether made or taken by a public authority or a private entity regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

- 2.2 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute Excluded Circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 2.1 (c) above.
- 2.3 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d) for the purposes of a loss event first affecting a vessel, conveyance, rig or platform during a voyage undertaken as a consequence of a diversion, a prior recommendation, decision or measure by whomsoever taken to divert that vessel from an earlier loading or discharge or other destination shall not constitute an Excluded Circumstance solely by reason of that diversion having been made for the reasons set out in 2.1 (c) above.
- 2.4 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), where loss, damage or liability have first been incurred in circumstances which are not excluded under 2.1 (a) to (d) above, increased expense or increased liability for expense shall not be excluded notwithstanding that increase may have been incurred for the reasons set out in 2.1(c) above.
3. "Communicable Disease" shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:
 - a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
 - b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas and
 - c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
- 4.1 The Infected Individual Exception shall apply where (1) the actions or decisions of any individual infected or allegedly infected with a Communicable Disease cause or contribute to an alleged loss event and (2) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined in 2.1 (c) or 2.1 (d) above.
- 4.2 Where those conditions are met, the fact or possibility that the individual's action(s) or decision(s) were impaired or affected by or caused by that individual's alleged or actual infection shall not exclude recovery of a Loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a Communicable Disease or from any Circumstance as defined in Clause 2.1 (c) or (d) consequent on that individual's actions or decisions.
- 4.3 For the purposes of this Exception, the Infected Individual need not be physically present on or in an interest affected by the loss event, provided that his or her actions or decisions causing or contributing to the loss event and affecting that interest, directly or indirectly, were of a kind which, when not impaired or affected, would fall within the ordinary course of his or her employment.
5. Loss, damage, liability and expense arising solely out of a loss event otherwise reinsured under this insurance and not excluded thereby nor excluded pursuant to this Clause remain covered in accordance with the terms and conditions thereof.

JH2020-007A
20th November 2020

ENDORSEMENT EXCLUDING A COMMUNICABLE DISEASE FOLLOWING A PUBLIC HEALTH EMERGENCY OF INTERNATIONAL CONCERN (PHEIC)

1. No coverage shall in any event be provided under this insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the below scheduled Communicable Disease(s) under this insurance:
 - (i) COVID-19; and
 - (ii) SARS-CoV-2; and
 - (iii) any mutation or variation of SARS-CoV-2.
2. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
3. The exclusion in paragraph 2 of this endorsement will not apply to any liability of the insured otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the insured proves that

identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.

4. However even if the requirements of paragraph 3 of this endorsement are met, no coverage will be provided under this insurance for any:

- A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease whether the measures are preventative or remedial;
- B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease;
- C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease.

5. As used in this endorsement, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
- B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
- C. the disease, substance or agent may, acting alone or in conjunction with other comorbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

6. This endorsement shall not extend this insurance to cover any liability which would not have been covered under this insurance had this endorsement not been attached.

All other terms, conditions and limitations of this insurance remain the same.

JL2021-014 (Amended)
1/4/2021

INFECTION EXCLUSION CLAUSE

1. Notwithstanding Communicable Disease Clause, in no case shall this insurance cover any loss of hire and/or expenses directly or indirectly caused by or contributed to by or arising from any infections or suspected infections which World Health Organization (WHO) declares to constitute a Public Health Emergency of International Concern (PHEIC).
2. Notwithstanding the above, this clause shall not be applicable to any cases where the insured vessel sustains damage, except where the insured vessel comes to be off-hire or where any loss of hire/income and/or expenses are incurred by the Person effecting the insurance or the Assured due to reduction of the transportation ability of the insured vessel until deferred repairs being effected caused by sinking, stranding, grounding, fire, collisions with any external objects or the accidents stipulated in items (2) through (10) of Paragraph 1 of Article 2 of the Special Clauses of Hull Insurance Class No.6.

TERMINATION CLAUSE

Unless the Company agrees to the contrary in writing, this insurance shall terminate automatically at the time of any change, voluntary or otherwise, in ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel.

The Company shall return the unexpired portion of the premium already received which is calculated on a pro rata daily basis as from the day on which such termination occurred.

1/4/2016

PREMIUM CLAUSES

Chapter 1. PREMIUM PAYMENT FOR THE INSURANCE POLICY

Article 1. This provision of this Chapter shall be applied only to the premium payment for the Insurance Policy.

Article 2. The Company hereby agrees that the Person effecting the insurance may pay the annual premium (the total premium under this insurance; hereinafter so interpreted) at the time of effecting the insurance in cash or in installments in accordance with the number and amounts specified in the Schedule of the Insurance Policy (hereinafter referred to as the "installment premium").

Article 3. The Person effecting the insurance shall pay the annual premium or the 1st installment premium within 7days after the day of effecting the insurance, and the 2nd or subsequent installment premiums on the due date specified in the Schedule of the Insurance Policy (the day of effecting the insurance and the 2nd or subsequent installment date specified in the Schedule are hereinafter referred to as the "due date").

Article 4. Even after the commencement of this insurance, if the Person

effecting the insurance shall have failed to pay the annual premium or the 1st installment premium, the Company shall not be liable for loss or damage caused by perils occurring until the time when the payment of annual premium or 1st installment premium is made.

Article 5. 1. Notwithstanding anything to the contrary contained in Article 3, the Company may agree at its discretion in writing, at the time of binding this insurance contract, to the delay of premium payment regarding the annual premium or the 1st installment premium, due to a cause which is particularly recognized by the Company and which is not attributable to any fault of the Person effecting the insurance until the specific date granted by the Company (hereinafter referred to as the "Extended Due Date").

2. Notwithstanding anything to the contrary contained in Paragraph 1 of this Article, even after the commencement of this insurance, the Company shall not be liable for any loss or damage caused by perils occurring until the time when payment of the premium is made, irrespective of the Company agreeing to the delay of premium payment until the Extended Due Date.

3. Notwithstanding anything to the contrary contained in Paragraph 2 of this Article, in such case as the Person effecting the insurance makes the premium payment on or before the Extended Due Date, the provision of Paragraph 2 of Article 5 nor Article 4 shall not be applied to this insurance.

Article 6. The Company shall not be liable for any loss or damage caused by perils occurring after the due date, if the Person effecting the insurance shall have failed to pay the 2nd or subsequent installment premiums on or before the day having the same number (hereinafter referred to as the "corresponding day") in the month after next to the month to which the due date belongs (if the corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day; hereinafter to be so interpreted).

Chapter 2. PREMIUM PAYMENT FOR ENDORSEMENT

Article 7. This provision of this Chapter shall be applied only to the premium payment for the Endorsement.

Article 8. When the Company has given the written consent and demands payment of the additional premium (the additional premium under this insurance; hereinafter so interpreted), the Person effecting the insurance shall pay the additional premium in cash or in installments in accordance with the number and amounts specified in the Schedule of the Endorsements (hereinafter referred to as the "additional installment premium").

Article 9. The Person effecting the insurance shall pay the 1st additional installment premium within 7days after the day of endorsing the insurance, and 2nd or subsequent additional installment premiums on the due date specified in the Schedule of the Endorsement. (the day of endorsing the insurance and the 2nd or subsequent additional installment date specified in the Schedule are hereinafter referred to as the "due date").

Article 10. If the Person effecting the insurance shall have failed to pay the additional premium or the additional installment premium on the due date specified in the Endorsement, the Company shall not be liable for any loss or damage caused by perils occurring until the time when the payment of additional premium is made.

Article 11. 1. Notwithstanding anything to the contrary contained in Article 9, the Company may agree at its discretion in writing, at the time of binding this insurance contract, to the delay of premium payment regarding the additional premium or the 1st additional installment premium, due to a cause which is particularly recognized by the Company and which is not attributable to any fault of the Person effecting the insurance until the specific date granted by the Company (hereinafter referred to as the "Extended Due Date").

2. Notwithstanding anything to the contrary contained in Paragraph 1 of this Article, the Company shall not be liable for any loss or damage caused by perils occurring until the time when the payment of premium is made, irrespective of the Company agreeing to the delay of premium payment until the Extended Due Date.

3. Notwithstanding anything to the contrary contained in Paragraph 2 of this Article, in such case as the Person effecting the insurance makes the premium payment on or before the Extended Due Date, the provision of Paragraph 2 of Article 11 nor Article 10 shall not be applied to this insurance.

Article 12. The Company shall not be liable for any loss or damage caused by perils occurring after the due date, if the Person effecting the insurance shall have failed to pay the 2nd or subsequent additional installment premiums on or before the day having the same number (hereinafter referred to as the "corresponding day") in the month after next to the month to which the due date belongs (if the corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day; hereinafter to be so interpreted).

Chapter 3. GENERAL CLAUSES

Article 13. This provision of this Chapter shall be applied only when either of the Chapter 1 or Chapter 2 is applied.

Article 14. In such case as the Person effecting the insurance is paying the annual premium or the additional premium in installments, if,

prior to completion of payment of the annual premium, this insurance terminate due to payment of the claim, the Person effecting the insurance shall, before receipt of payment of the claim, pay in a lump the total unpaid installment premiums or unpaid additional installment premiums.

Article 15. 1. The Company shall be entitled to cancel this insurance by giving a notice of cancellation in writing to the Person effecting the insurance at his address, if the Person effecting the insurance shall have failed to pay the annual premium or the 1st installment premium or the 1st additional installment premium within 30 days after the due date.

2. The cancellation as provided for in Paragraph 1 of this Article shall take effect as from the due date of such premium which the Person effecting the insurance shall have failed to pay.

Article 16. 1. In such case as the Person effecting the insurance is paying the annual premium or the 1st installment premium or the 1st additional installment premium in installments, the Company shall be entitled to cancel this insurance by giving a notice of cancellation in writing to the Person effecting the insurance at his address, if the Person effecting the insurance shall have failed to pay any of the 2nd or subsequent installment or the 2nd or subsequent additional installment premium on or before the corresponding day in month after next to which the due date belongs.

2. The cancellation as provided for in Paragraph 1 of this Article shall take effect as from the due date of such installment premium which the Person effecting the insurance shall have failed to pay.

Article 17. 1. In respect of the notice of cancellation as provided for in Paragraph 1 of Article 15 or Paragraph 1 of Article 16, if the Person effecting the insurance has designated in advance another addressee to be notified, the Company shall give the notice of cancellation to the designated addressee.

2. The notice of cancellation as provided for in Paragraph 1 of this Article shall be deemed to have reached the Person effecting the insurance at the time when it reaches the designated addressee.

1/4/2010

DEFERRED PREMIUM PAYMENT CLAUSE

Notwithstanding anything to the contrary contained in the article 3 and article 5 of Premium Clauses, the person effecting the insurance shall pay the annual premium on or before the extended due date specified in the deferred premium payment agreement subject to prior conclusion of the said agreement.

1/4/2010

DEFERRED PREMIUM PAYMENT CLAUSE FOR ENDORSEMENT

Notwithstanding anything to the contrary contained in the article 9 and article 11 of Premium Clauses, the person effecting the insurance shall pay the additional premium on or before the extended due date specified in the deferred premium payment agreement subject to prior conclusion of the said agreement.

1/4/2010

RETURN OF PREMIUM CLAUSES

Article 1 When this contract of insurance has become null and void or has been revoked in accordance with the provision of this contract, the Company may demand the whole amount of premium and shall not return the premium already received.

Article 2 When the Company cancels this contract of insurance in accordance with the provision of this contract, the Company shall return the proportion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis from the following day of when the contract is cancelled.

Article 3 The Person effecting the insurance may cancel this contract by giving prior notice in writing to the Company. Nevertheless, in the event that the insured interest is in pledge to, assigned to or have been set a similar right thereon, the Person effecting the insurance shall be required to obtain written consent from the Pledgee, the Assignee or anyone who possesses the similar right on the insured interest in order to exercise the right of cancellation.

Article 4 When the Person effecting the insurance cancels this contract in accordance with the provision of the preceding Article, the Company shall return or demand the difference between the premium already received and the premium recalculated for the expired period of the insurance.

Article 5 1. Notwithstanding the provision of the preceding Article, the Company shall return the proportion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis from the following day of when the contract is cancelled, when the Person effecting the insurance cancels the insurance contract as the result of the following circumstances;

- (1) where the owner and/or the charterer-by demise of the Vessel have been changed.
- (2) where the insured interest has ceased to exist, except for when a claim for total loss is paid in this contract in which

case the Company may demand the whole amount of premium and shall not return the premium already received.

(3) where any reasonable ground for canceling and replacing the insurance contract have occurred, except for when the condition of the replaced contract shall be narrower than the cancelled contract.

2. Article 5.1 shall not apply when the Person effecting the insurance cancels the insurance contract for the period of the Vessel being built or repaired, in which case the Company shall return or demand the difference between the premium already received and the premium recalculated for the expired period of the insurance.

Article 6 Notwithstanding the provisions of Article 2 through Article 5, in case of the insurance contract for voyage risks, the Company shall not return the premium already received even if the insurance contract has been cancelled.

FULL PREMIUM IF LOST CLAUSES

Article 1. In the event of total loss or constructive total loss of the Vessel covered herein from an insured peril, the balance between the annual premium and the premium already paid shall be paid as additional premium.

Article 2. If the additional payment of the preceding Article has not been made before the Company make payment of a claim, the Company shall deduct the amount of the additional premium from the amount of claim.

FULL PREMIUM IF CLAIM CLAUSE

In the event of a claim covered herein, an additional premium shall be paid hereon at a rate representing the difference between the annual rate and the rate paid hereon.

1/4/2014

CLASSIFICATION CLAUSE

Article 1. It is warranted that the Vessel shall be classed with a Classification Society which is a Member or Associate Member of the International Association of Classification Societies (IACS) during the entire currency of this insurance. In case of breach of this warranty the Company shall not indemnify the Assured for any loss or damage occurring thereafter.

Article 2. The Company shall not be liable to indemnify any loss occurring subsequent to the happening of the following circumstances during covered by this insurance, unless the Company's agreement in writing to reinstate the cover is obtained after such circumstances have ceased to exist;

- (1) when the Vessel's Classification Society has been changed to another Classification Society which has not been approved by the Company.

- (2) when the Vessel's class registration has been deleted.

- (3) when the Vessel's class registration has been suspended or discontinued.

- (4) when any one of recommendations requirements or restrictions imposed by the Vessel's Classification Society and relating to the seaworthiness of the Vessel has not been complied with by the due date required by that Classification Society.

Article 3. In case of the items(1)through(4) of the preceding Article, the Company may cancel this contract of insurance. Such cancellation shall be take effect therefrom only for the future. The right to cancel the contract shall cease to exist, unless the Company exercise such right within one month from the date on which Company aware of the circumstances giving rise to its right of cancellation.

I.S.M. CODE CLAUSES

Article 1. It is a warranty of this policy that the Vessel holds a Safety Management Certificate and other documents (hereinafter called "the Documents") that are required for compliance with the International Safety Management Code under Chapter IX to the 1974 SOLAS Convention.

Article 2. The Company shall not indemnify the Assured for any loss of or damage to the Vessel in case of any of the following circumstances being occurred, in which case the Company may cancel this policy within one month from the day the Company knowing those circumstances:

- (a) the Documents lose validity

- (b) the Vessel fails to obtain the Documents by the time stipulated under Chapter IX to the 1974 SOLAS Convention. Notwithstanding the above, the Assured may request the Company in writing for approval after the above circumstances being removed, in which case the Company may agree to indemnify the Assured for loss of or damage to the Vessel that may occur thereafter.

Article 3. 1. When the Vessel's "COMPANY" on I.S.M. code (hereinafter called "Manager") has been changed, the Person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company, and obtain the Company's consent in writing.

- 2. If he fails to give such notice, the Company shall not be liable

for any loss occurring after that the Manager has been changed.

RIGHT OF CLAIM FOR COMPENSATION AGAINST A THIRD PARTY CLAUSE

If, in case where loss has been caused by the perils insured against, the Assured has acquired a right of claim for compensation against a third party and the Company has indemnified the Assured for the loss, the Company shall acquire such right, to the extent of the amount paid and in so far as the right of the Assured is not prejudiced.

RIGHTS AND DUTIES ON THE VESSEL CLAUSES

- Article 1. The Assured may not make a claim for total loss by way of abandonment of the Vessel to the Company under this insurance.
- Article 2. When the Vessel becomes a total loss and the Company indemnifies therefor, the Company shall be entitled to choose whether or not to acquire the proprietary right of the Vessel.
- Article 3. In case that the Company does not acquire the proprietary right of the Vessel in accordance with the preceding Article, the Company shall so inform the Assured before making the payment of indemnity.
- Article 4. In case that the Company acquires the proprietary right of the Vessel in accordance with Article 2 above, the Company shall, by the payment of total loss, acquire the proprietary right of the Vessel in such proportion as the insured amount bears to the insured value.
- Article 5. When the Vessel becomes a total loss, the Assured or the Beneficiary must inform the Company of the following facts before they make a claim for the indemnity of to total loss:
 - (1) Existence or non-existence of any preferential right, pledge, mortgage, right of charter-by-demise, lien and any other rights existing on the Vessel which may restrict the proprietary right thereof and, if there exists any, the contents thereof.
 - (2) Existence or no-existence of any legal liabilities attaching to the Vessel either under the public or private law or any fact that may give rise to such liabilities.
- Article 6. The Company may withhold the payment of indemnity until the information is provided by the Assured or the Beneficiary in accordance with the preceding Article.
- Article 7. Even after the Company has acquired the proprietary right of the Vessel in accordance with Article 2 above, any sum of money necessary to satisfy or extinguish the rights enumerated in item (1) of Article 5 above, or to discharge the liabilities stipulated in item (2) of Article 5 above, shall be borne by the Assured or the Beneficiary.

DISBURSEMENTS WARRANTY CLAUSE (A)

It is understood and agreed that this insurance is subject to the following conditions and the failure to comply therewith shall render this Company not liable to pay for any loss or damage occurring thereafter :—
There shall be no insurance that may be taken out with the object of covering interest of the owner or charterer-by-demise of the Vessel, irrespective of whether it be Disbursements, Profits. Increased value or otherwise and also irrespective of whosoever the Assured may be, except for the insurance on freight or charter money for voyage for the amount actually at risk.

DISBURSEMENTS WARRANTY CLAUSE (B)

It is understood and agreed that this insurance is subject to the following conditions and the failure to comply therewith shall render this Company not liable to pay for any loss or damage occurring thereafter :—
There shall be no insurance for a sum exceeding 25% of the value as stated herein that may be taken out with the object of covering interest of the owner or charterer-by-demise of the Vessel, irrespective of whether it be Disbursements. Profits, Increased value or otherwise and also irrespective of whosoever the Assured may be, except for the insurance on freight or charter money for voyage for the amount actually at risk.

DISBURSEMENTS SPECIAL CLAUSE

- Article 1. It is warranted that (1) the insurance(s) of Hull and Machinery of the Vessel exist(s) validly and (2) insured amount of this insurance(plus, if any, the insured amount(s) of other similar insurance(s) that may be taken out with the object of covering interest of Owner(s) and/or Bareboat Charterer(s) of the Vessel, irrespective of whether it be Disbursements, Profits or Excess or Increased Value of Hull and Machinery or otherwise) shall in no circumstances exceed in the aggregate 25% of the insured value in the existing insurance(s) on Hull and Machinery of the Vessel.
- Article 2. In case of any breach of the above warranty, no claim shall be recoverable under this insurance.

SPECIAL CLAUSE FOR SUBJECT MATTER INSURED

Warranted that the fuel, provisions, stores and all other articles, which are the property of Person Effecting the Insurance and are on board the ship for use and/or consumption in connection with her employment, shall be included in the subject matter insured of this insurance.

NO USE FOR PUSHER / PUSHED VESSEL CLAUSE

Warranted that the insured vessel shall not be appropriated for pusher or pushed vessel during entire currency of this insurance.
In case of breach of this warranty the Company shall not indemnify the Assured for any loss or damage occurring thereafter unless the Company's written agreement has been given to authorize noncompliance with this warranty.

TOWING CONDITIONS CLAUSES

The Company shall not be liable to pay for any loss or damage occurring subsequent to the happening of the following, except when the Company's consent in writing has been given:

- 1. In case of the Vessel being employed in trading operations domestically in Japan or in Korea, or sailing between Japan and Korea, when the Vessel shall be in triple or more tow with other vessel or vessels and/or with other property by the same Tug Boat or Tug Boats at the same time, but excluding the following cases that
 - (1) the distance covered is under 100 nautical miles, or
 - (2) the Vessel sails only in the waters provided in sixth paragraph of Article 1 of enforcement regulations of Ship's Safety Law, or
- (3) the Vessel sails only in the Setonaikai Sea waters (East of a line between Yahata-misaki, a point 2,000 meters 359°30' from Yahata-misaki, West end of Umashima Is., and Murasaki-bana. North of a line between Hino-misaki and Gamoudasaki, North of line between Yura-misaki and Tsuru-misaki).
- 2. In all cases other than the preceding paragraph, when the Vessel shall be in double or more tow with other vessel or vessels and/or with other property by the same Tug Boat or Tug Boats at the same time.

1/4/2014

CO-INSURERS CLAUSES

- Article 1. This insurance being a co-insurance of the insurance companies as specified in the Schedule(hereinafter referred as the "Co-insurers"), they, each for themselves and not one for the others, shall severally and independently have the right and assume the liabilities in proportion to their respective insured amount or shares as specified in the Schedule.
- Article 2. The insurance company which the Person effecting the insurance designated at the time of this insurance contract and which is specified as the Leading Company in the Schedule (herein referred to as the "Leading Company"), as the representative of the co-insurers, shall execute the following matters.
 - (1) receipt of application for insurance and issue and delivery of insurance policy etc.
 - (2) receipt or return of insurance premiums
 - (3) acceptance of proposals for alterations of insurance contract or cancellation or revocation of insurance contract
 - (4) receipt of documents etc. connected with disclosure or notice based on provisions under insurance contract and acceptance of such disclosure or notice
 - (5) receipt of documents etc. connected with assignment of right of claims etc. and acceptance of such assignment, or receipt of documents etc. connected with establishment, assignment or extinguishment of right of pledge for right of claims etc. and acceptance of such establishment, assignment or extinguishment
 - (6) issue and delivery of attachment to insurance policy or endorsement etc. for insurance policy
 - (7) investigation of subject-matter insured and other matters connected with insurance contract
 - (8) receipt of documents etc. connected with notice of occurrence of accident or losses and receipt of documents etc. connected with claims
 - (9) survey for losses, assessment of losses, settlement of claims etc. and preservation of right of the co-insurers
 - (10) any other matters concerning business listed as in the above items
- Article 3. The matters listed in the Article 2 above which may be executed by the Leading Company in connection with this insurance contract shall be deemed as executed by all other co-insurers as well.
- Article 4. Any notice or other matters which may be given to the Leading Company by the Person effecting the insurance or the Assured etc. in connection with this insurance contract shall be deemed as given to all other co-insurers as well.

ICE CLAUSE (A)

In no case shall this insurance cover any claim for cost of repairs of the damage to the Vessel caused by collision or contact with ice, between the 15th November and the 30th April, both days inclusive, but this provision does not apply to such damage as was inevitably caused in minimizing the loss or damage (loss or damage caused by ice excluded) covered under this insurance.

1/4/2010

REPAIR CLAUSES

Article 1. Notwithstanding anything to the contrary contained in this insurance, it is understood and agreed that the cost of repairing damage to the Vessel caused by an insured peril shall be adjusted subject to Japanese law and practice.

Article 2. 1. If the Vessel sustains damage by an insured peril, the Assured shall repair the damage without delay.
2. The Company shall indemnify the Assured for the cost of repairs of such damage as referred to in the preceding paragraph after the repairs have been completed but in case the Assured fails to repair the damage without delay and repairs it later the Company shall indemnify the Assured for the cost of repairs within the limit of the estimated cost of repairs which would have been required had the repairs been made without delay.

Article 3. Notwithstanding the preceding Article, if the Vessel damaged by an insured peril is sold in the unrepaired condition, the Company shall indemnify the Assured for the reasonable estimated cost of repairs within the limit of the reasonable depreciation in value of the Vessel due to the said damage, provided that the Company should have been liable to indemnify the Assured for the cost of repairs had the repairs been made.
However, this Article shall not affect Clauses 18.2 and 18.3 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No. 6 (4/2010).

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (A)

This insurance is extended to cover liability (four-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No. 6 (4/2010) by reason of such liability exceeding the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.
The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (A) (FOR 3/4THS)

This insurance is extended to cover collision liability (three-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No. 6 (4/2010) by reason of such three-fourths liability exceeding three-fourths of the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.
The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (A) (FOR 4/4THS ITC)

This insurance is extended to cover liability (four-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 by reason of such three-fourths liability exceeding three-fourths of the total sum of the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (A) (FOR 3/4THS ITC)

This insurance is extended to cover collision liability (three-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 by reason of such three-fourths liability exceeding three-fourths of the total sum of the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (B)

This insurance is extended to cover collision liability (four-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) and Clause 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90) by reason of such liability exceeding the total sum of the insured value on hull and machinery and that on disbursements in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon. The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (B) (FOR 3/4THS)

This insurance is extended to cover collision liability (three-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) and Clause 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90) by reason of such three-fourths liability exceeding three-fourths of the total sum of the insured value on hull and machinery and that on disbursements in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (B) (FOR 4/4THS ITC)

This insurance is extended to cover collision liability (four-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 and Clauses 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 by reason of such three-fourths liability exceeding three-fourths of the total sum of the insured value on hull and machinery and that on disbursements in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (B) (FOR 3/4THS ITC)

This insurance is extended to cover collision liability (three-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 and Clause 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 by reason of such three-fourths liability exceeding three-fourths of the total sum of the insured value on hull and machinery and that on disbursements in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2014

EXCESS COLLISION LIABILITY CLAUSE (C)

This insurance is extended to cover liability (four-fourths) not recoverable in full under Clauses 2.2 of Collision Liability Clauses (4/90) by reason of such liability exceeding the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2010

EXCESS COLLISION LIABILITY CLAUSE (FOR PUSHER)

This insurance is extended to cover liability (four-fourths) not recoverable in full under Clauses 8 and 9 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No.6 (4/2010) by reason of such liability exceeding the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the aggregate insured amount on hull and machinery of this insured vessel and the connecting vessel bears to the aggregate insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the aggregate insured value of this insured vessel and the connecting vessel and the limitation amount as provided for Article 3-3-(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Marine Claims, 1976.

1/4/2010

3/4 THS COLLISION LIABILITY CLAUSE (A)

The provisions of Clause 8 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No. 6 (4/2010) shall be replaced by the followings.

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 of 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).

3/4 THS COLLISION LIABILITY CLAUSE (B)

The provisions of Clause 6.4.3 of the Institute Time Clauses-Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No. 5 (4/90) or No. 6 (4/90) shall be replaced by the followings.

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.

COLLISION LIABILITY CLAUSES (4/90)

- 1 Subject to the terms and conditions of this insurance, the Company agrees to indemnify the Assured for four-fourths of any sum or sums which the Assured becomes legally liable to pay to any other person or persons, by way of damages for
 - 1.1 loss of damage to any other vessel or property on any other or vessel
 - 1.2 delay to or loss of use of any such other vessel
 - 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.
- 2 The indemnity provided by these clauses 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:
 - 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 these clauses 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.
 - 2.2 in no case shall the Company's total liability under Clauses 1 and 2 exceed their proportionate part of four-fourths of the insured value of the Vessel hereby insured in respect of any one collision.
- 3 The Company 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 Company.
- 4 Should the Vessel hereby insured come into collision with another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under these clauses 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 shall be referred to a sole arbitrator to be agreed upon between the Company and the Assured.
- 5 Provided always that these clauses shall in no case extend to any sum which the Assured shall pay for or in respect of
 - 5.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
 - 5.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
 - 5.3 the cargo or other property on, or the engagements of the insured Vessel
 - 5.4 loss of life, personal injury or illness
 - 5.5 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).

TANK CLEANING AND/OR GAS-FREEING CLAUSE

In cases where repairs and/or inspection on the Assured's account which require the tanks being cleaned and/or gas-freeed, whether they are immediately necessary to make the Vessel seaworthy or not, are executed concurrently with other repairs for the cost of which the Company are liable and which also require the tanks being cleaned and/or gas-freeed, the cost of such cleaning and/or gas-freeing as is common to both repairs and/or inspection shall be deviated equally between the Assured and the Company.

1/4/2017

SMALL GENERAL AVERAGE CLAUSES

- Article 1. Notwithstanding Clause 11 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010), the Company shall indemnify the Assured for the whole amount (commission and interest excluded) which is allowable as general average within the limit of the amount specified in the Policy, provided that the Person effecting the insurance or the Assured do not enforce their right of contribution from other parties.
- Article 2. In cases where York-Antwerp Rules 2004 or 2016 shall be applied in respect of general average subject to contract of carriages, and irrespective of the provisions of Rule VI.(Salvage Remuneration) of the Rules 2004 or the provisions of Rule VI.(b)(iv) of the Rules 2016, the Person effecting the insurance or the Assured pays the proportion of salvage due from other parties and do not debit that salvage to other parties, full amount of salvage (including the proportion of salvage due from the Vessel) shall be deemed to be included in general average under the preceding Article 1.
- Article 3. Where the Company has indemnified the Assured under Article 1 of these clauses, Clause 11 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) shall not apply to such general average, however these clauses shall never prejudice the right of the Assured to recover the cost of repairs for the damage to the Vessel in consequence of a general average act but not allowable as general average.

*which the Assured becomes legally liable to pay to any other person or persons

SMALL GENERAL AVERAGE CLAUSES (for use only with the Institute Time Clauses-Hulls 1/10/83)

Article 1. Notwithstanding Clause 11 of the Institute Time Clauses-Hulls 1/10/83, the Company shall indemnify the Assured for the whole amount (commission and interest excluded) which is allowable as general average within the limit of the amount specified in the Policy, provided that the Person effecting the insurance or the Assured do not enforce their right of contribution from other parties.

Article 2. In cases where York-Antwerp Rules 2004 or 2016 shall be applied in respect of general average subject to contract of carriages, and irrespective of the provisions of Rule VI.(Salvage Remuneration) of the Rules 2004 or the provisions of Rule VI.(b)(iv) of the Rules 2016, the Person effecting the insurance or the Assured pays the proportion of salvage due from other parties and do not debit that salvage to other parties, full amount of salvage (including the proportion of salvage due from the Vessel) shall be deemed to be included in general average under the preceding Article 1.

Article 3. Where the Company has indemnified the Assured under Article 1 of these clauses, Clause 11 of the Institute Time Clauses-Hulls 1/10/83 shall not apply to such general average, however these clauses shall never prejudice the right of the Assured to recover the cost of repairs for the damage to the Vessel in consequence of a general average act but not allowable as general average.

G.A. ETC. CONTRIBUTION CLAUSE

Notwithstanding anything herein contained to the contrary it is understood and agreed that the vessel hereunder shall be considered fully insured for the purpose of contribution to General Average, Salvage, Salvage Charges and Sue and Labour expenses.

DREDGER CLAUSE

The Company shall not indemnify the Assured for the cost of repair for damage to the dredger hereby insured due to collision or contact of the dredging machine with earth and sand or any object in the earth and sand while the dredger is in operation.

FISHING GEAR CLAUSE (A)

Fishing gear and skiff boat shall be excluded from the subject matter insured. Fishing gear shall mean all implements used for fishing only such as net, rope, etc. which are not fixed to the insured vessel.

FISHING GEAR CLAUSE (B)

Fishing gear shall be excluded from the subject matter insured. Fishing gear shall mean all implements used for fishing only such as net, rope, etc., which are not fixed to the insured vessel.

1/4/2011

BOTTOM PAINTING CLAUSES (A)

Article 1. Only that part of the cost and painting expenses of boot topping and anticorrosive paints which is allocated to the damaged portion may be included in the "cost of repairs".

Article 2. In cases where the repair of damage covered under this insurance requires the Vessel to be put in a drydock or on a slipway, the cost and painting expenses of anti-fouling paint (including the expense for scraping the bottom) may be included in the "cost of repairs" only up to the limit of amount undermentioned;

Type of vessel	unit: Yen				
	A	B	C	D	E
Tonnage applied in the calculation of hull rates*	All types other than those in B to E	Containers, Pure Car Carrier and Car Ferry	L.N.G. Carrier	Vessels without Engines	Catamaran type vessels
under 100 tons	400,000	500,000	-	300,000	800,000
100 tons and over	700,000	900,000	-	600,000	1,400,000
200 "	1,000,000	1,200,000	-	800,000	1,800,000
500 "	1,200,000	1,500,000	-	900,000	2,300,000
700 "	1,500,000	1,800,000	-	1,200,000	2,700,000
1,000 "	2,000,000	2,400,000	-	1,500,000	3,600,000
2,000 "	2,500,000	3,000,000	-	1,900,000	4,500,000
3,000 "	3,000,000	3,600,000	-	2,300,000	5,400,000
4,000 "	3,500,000	4,400,000	-	2,700,000	6,600,000
5,000 "	3,800,000	4,600,000	-	2,900,000	6,900,000
6,000 "	4,200,000	5,100,000	-	3,200,000	7,700,000
7,000 "	4,500,000	5,400,000	-	3,400,000	8,100,000
8,000 "	4,900,000	5,900,000	-	3,700,000	8,900,000
9,000 "	5,500,000	6,500,000	-	4,000,000	9,500,000
10,000 "	7,000,000	8,500,000	-	5,500,000	12,500,000
20,000 "	9,000,000	11,000,000	-	7,000,000	-
30,000 "	11,000,000	13,000,000	-	8,000,000	-
40,000 "	12,500,000	15,500,000	9,000,000	9,500,000	-
50,000 "	14,000,000	17,000,000	10,000,000	10,500,000	-
60,000 "	15,500,000	18,500,000	11,000,000	11,500,000	-
70,000 "	17,000,000	20,000,000	12,000,000	12,500,000	-
80,000 "	18,500,000	22,000,000	13,000,000	13,500,000	-
90,000 "	19,500,000	23,500,000	14,000,000	14,500,000	-
100,000 "	21,000,000	-	15,000,000	-	-
110,000 "	22,500,000	-	16,000,000	-	-
120,000 "	24,000,000	-	17,000,000	-	-
130,000 "	25,000,000	-	18,000,000	-	-

140,000	"	26,500,000	-	18,500,000	-	-
150,000	"	28,000,000	-	-	-	-
160,000	"	29,000,000	-	-	-	-
170,000	"	30,500,000	-	-	-	-
180,000	"	32,000,000	-	-	-	-
190,000	"	33,500,000	-	-	-	-

* the tonnage applied in the calculation of hull rates for a floating dock shall be deemed to be as follows;
length (m) × breadth (m) × height of the side wall (m) ÷ 2.832 × 0.24

Article 3. Where the repair of damage covered under this insurance is made concurrently with other work and/or inspection, one half of the following cost, expenses and charges shall be included in the "cost of repairs".

- (1) the expenses for putting the Vessel in and out of a drydock or putting the Vessel on and off a slipway.
- (2) the charges for the use of a drydock or a slipway calculated according to the number of days which would have been required had the Vessel been separately drydocked or placed on a slipway solely for the repair of damage covered under this insurance, provided, however, that only one half of such charges are allowable for the number of days overlapping.
- (3) the cost and painting expenses of anti-fouling paint stipulated in Article 2 above.

Article 4. Notwithstanding item (3) of the preceding Article, the whole cost and painting expenses of anti-fouling paint stipulated in Article 2 above shall be included in the "cost of repairs" when anti-fouling paint is painted only in the damaged area on the bottom.

1/4/2011

BOTTOM PAINTING CLAUSES (B)

Article 1. Only that part of the cost and painting expenses of boot topping and anticorrosive paints which is allocated to the damaged portion may be included in the "cost of repairs".

Article 2. In cases where the repair of damage covered under this insurance requires the Vessel to be put in a drydock or on a slipway, the cost and painting expenses of anti-fouling paint (including the expense for scraping the bottom) may be included in the "cost of repairs" only up to the limit of amount undermentioned;

Type of vessel	unit: Yen				
	A	B	C	D	E
Tonnage applied in the calculation of hull rates*	All types other than those in B to E	Containers, Pure Car Carrier and Car Ferry	L.N.G. Carrier	Catamaran type vessels	
under 100 tons	400,000	500,000	-	300,000	800,000
100 tons and over	700,000	900,000	-	600,000	1,400,000
200 "	1,000,000	1,200,000	-	800,000	1,800,000
500 "	1,200,000	1,500,000	-	900,000	2,300,000
700 "	1,500,000	1,800,000	-	1,200,000	2,700,000
1,000 "	2,000,000	2,400,000	-	1,500,000	3,600,000
2,000 "	2,500,000	3,000,000	-	1,900,000	4,500,000
3,000 "	3,000,000	3,600,000	-	2,300,000	5,400,000
4,000 "	3,500,000	4,400,000	-	2,700,000	6,600,000
5,000 "	3,800,000	4,600,000	-	2,900,000	6,900,000
6,000 "	4,200,000	5,100,000	-	3,200,000	7,700,000
7,000 "	4,500,000	5,400,000	-	3,400,000	8,100,000
8,000 "	4,900,000	5,900,000	-	3,700,000	8,900,000
9,000 "	5,500,000	6,500,000	-	4,000,000	9,500,000
10,000 "	7,000,000	8,500,000	-	5,500,000	12,500,000
20,000 "	9,000,000	11,000,000	-	7,000,000	-
30,000 "	11,000,000	13,000,000	-	8,000,000	-
40,000 "	12,500,000	15,500,000	9,000,000	9,500,000	-
50,000 "	14,000,000	17,000,000	10,000,000	10,500,000	-
60,000 "	15,500,000	18,500,000	11,000,000	11,500,000	-
70,000 "	17,000,000	20,000,000	12,000,000	12,500,000	-
80,000 "	18,500,000	22,000,000	13,000,000	13,500,000	-
90,000 "	19,500,000	23,500,000	14,000,000	14,500,000	-
100,000 "	21,000,000	-	15,000,000	-	-
110,000 "	22,500,000	-	16,000,000	-	-
120,000 "	24,000,000	-	17,000,000	-	-
130,000 "	25,000,000	-	18,000,000	-	-

Article 3. Where the repair of damage covered under this insurance is made concurrently with other work and/or inspection, one half of the following cost, expenses and charges shall be included in the "cost of repairs".

- (1) the expenses for putting the Vessel in and out of a drydock or putting the Vessel on and off a slipway.
- (2) the charges for the use of a drydock or a slipway calculated according to the number of days which would have been required had the Vessel been separately drydocked or placed on a slipway solely for the repair of damage covered under this insurance, provided, however, that only one half of such charges are allowable for the number of days overlapping.
- (3) the cost and painting expenses of anti-fouling paint stipulated in Article 2 above.

Article 4. Notwithstanding item (3) of the preceding Article, the whole cost and painting expenses of anti-fouling paint stipulated in Article 2 above shall be included in the "cost of repairs" when

anti-fouling paint is painted only in the damaged area on the bottom.

BOTTOM PAINTING CLAUSES (C)

Article 1. Only that part of the cost and painting expenses of boot topping and anticorrosive paints which is allocated to the damaged portion may be included in the "cost of repairs".

Article 2. In cases where the repair of damage covered under this insurance requires the Vessel to be put in a drydock or on a slipway, the cost and painting expenses of anti-fouling paint (including the expense for scraping the bottom) may be included in the "cost of repairs" only up to the limit of amount undermentioned;

Tonnage applied in the calculation of hull rates	Type of vessel	unit: Yen			
		A All types other than those in B to D	B Containers, Pure Car Carrier and Car Ferry	C L.N.G. Carrier	D Catamaran type vessels
under 100 tons	200,000	250,000	-	400,000	
100 tons and over	350,000	450,000	-	700,000	
200 "	500,000	600,000	-	900,000	
500 "	600,000	750,000	-	1,150,000	
700 "	750,000	900,000	-	1,350,000	
1,000 "	1,000,000	1,200,000	-	1,800,000	
2,000 "	1,250,000	1,500,000	-	2,250,000	
3,000 "	1,500,000	1,800,000	-	2,700,000	
4,000 "	1,750,000	2,200,000	-	3,300,000	
5,000 "	1,900,000	2,300,000	-	3,450,000	
6,000 "	2,100,000	2,550,000	-	3,850,000	
7,000 "	2,250,000	2,700,000	-	4,050,000	
8,000 "	2,450,000	2,950,000	-	4,450,000	
9,000 "	2,750,000	3,250,000	-	4,750,000	
10,000 "	3,500,000	4,250,000	-	-	
20,000 "	4,500,000	5,500,000	-	-	
30,000 "	5,500,000	6,500,000	-	-	
40,000 "	6,250,000	7,750,000	4,500,000	-	
50,000 "	7,000,000	8,500,000	5,000,000	-	
60,000 "	7,750,000	9,250,000	5,500,000	-	
70,000 "	8,500,000	10,000,000	6,000,000	-	
80,000 "	9,250,000	11,000,000	6,500,000	-	
90,000 "	9,750,000	11,750,000	7,000,000	-	
100,000 "	10,500,000	-	7,500,000	-	
110,000 "	11,250,000	-	8,000,000	-	
120,000 "	12,000,000	-	8,500,000	-	
130,000 "	12,500,000	-	9,000,000	-	
140,000 "	13,250,000	-	9,250,000	-	
150,000 "	14,000,000	-	-	-	
160,000 "	14,500,000	-	-	-	
170,000 "	15,250,000	-	-	-	
180,000 "	16,000,000	-	-	-	
190,000 "	16,750,000	-	-	-	

Article 3. Where the repair of damage covered under this insurance is made concurrently with other work and/or inspection, one half of the following cost, expenses and charges shall be included in the "cost of repairs".

- (1) the expenses for putting the Vessel in and out of a drydock or putting the Vessel on and off a slipway.
- (2) the charges for the use of a drydock or a slipway calculated according to the number of days which would have been required had the Vessel been separately drydocked or placed on a slipway solely for the repair of damage covered under this insurance, provided, however, that only one half of such charges are allowable for the number of days overlapping.
- (3) the cost and painting expenses of anti-fouling paint stipulated in Article 2 above.

Article 4. Notwithstanding item (3) of the preceding Article, the whole cost and painting expenses of anti-fouling paint stipulated in Article 2 above shall be included in the "cost of repairs" when anti-fouling paint is painted only in the damaged area on the bottom.

BOTTOM TREATMENT CLAUSE

In no case shall a claim be allowed in respect of scraping grit blasting and/or other surface preparation or painting of the Vessel's bottom except that 1.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,

- 1.2 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.
 - 1.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 1.1 and 1.2 above, shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

EXPENSE OF SIGHTING THE BOTTOM CLAUSE

It is agreed that the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

1/4/2012

SHIP TO SHIP TRANSFER CLAUSE

Notwithstanding anything to the contrary contained in this insurance, it is noted and agreed that the Vessel insured hereunder have liberty transshipment of cargo operations by way of Ship-to-Ship transfer at quay and/or anchor and/or sea within or off port limits – to the extent such operations are considered customary in the trade concerned for vessels of similar type and size to the Vessel, provided that

- the master of the Vessel concerned retains the right at all times at his discretion to abandon or discontinue the operation if at any time he considers it to become unsafe
- transshipment location or position is deemed safe in respect of weather conditions, fenders, cargo hoses and otherwise.

1/4/2010

DEDUCTIBLE CLAUSES (A)

Article 1. 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 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) (hereinafter referred to as the "I.T.C. amended No. 5")) exceeds the Deductible specified in the Schedule in which case this sum shall be deducted.

2. The sum of all claims in Article 1-1 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. amended No. 5 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.

Article 2. Article 1-1 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 of the I.T.C. amended No. 5 arising from the same accident or occurrence, or to a claim under Expense of Sighting the Bottom Clause.

1/4/2010

DEDUCTIBLE CLAUSES (A) (for 3/4ths COLLISION LIABILITY)

Article 1. 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 of the Institute Time Clauses Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) (hereinafter referred to as the "I.T.C. amended No. 5")) exceeds the Deductible specified in the Schedule in which case this sum shall be deducted.

2. The sum of all claims in Article 1-1 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. amended No. 5 shall be limited to the following sum respectively, independently of other claims under the other terms and conditions of this insurance.

- a) amount of claims under Clause 8.1
three-fourths of the insured value specified in the Schedule
- b) amount of claims under Clause 8.3
three-fourths of the insured value specified in the Schedule
- c) amount of claims under Clause 13
the insured value specified in the Schedule

Article 2. Article 1-1 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 of the I.T.C. amended No. 5 arising from the same accident or occurrence, or to a claim under Expense of Sighting the Bottom Clause.

1/4/2010

DEDUCTIBLE CLAUSES (B)

Article 1. 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 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) (hereinafter referred to as the "I.T.C. amended No. 5")) exceeds the Deductible (A) specified in the Schedule in which case this sum shall be deducted.

2. Where any claim for the cost of repairs arising from perils enumerated in the following clauses (hereinafter referred to as "the cost of repairs peculiar to the clauses") is included in all claims in Article 1-1, the claim for the cost of repairs peculiar to the clauses shall be subject to the Deductible (B) 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 (A) specified in the Schedule.

- (1) Additional Particular Average Clauses (B)

- (2) Additional Particular Average Clauses (B-2)
- (3) Additional Particular Average Clauses (C)
- (4) Clauses for the Cost of Repairs of Damage by Explosion
 - (A)
 - (5) Clauses for the Cost of Repairs of Damage by Explosion
 - (B)
 - (6) Clauses for the Cost of Repairs of Damage by Explosion
 - (C)

3. The sum of all claims in Articles 1-1 and 1-2 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. amended No. 5 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.

Article 2. Articles 1-1 and 1-2 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 of the I.T.C. amended No.5 arising from the same accident or occurrence, or to a claim under Expense of Sighting the Bottom Clause.

1/4/2010

DEDUCTIBLE CLAUSES (C)

Article 1. The provision of Clause 12.1 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 6 (4/2010) (hereinafter referred to as the "I.T.C. amended No. 6") shall be deleted.

Article 2. 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 of the I.T.C. amended No. 6) exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

2. The sum of all claims in Article 2-1 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. amended No. 6 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.

Article 3. Article 2-1 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 of the I.T.C. amended No. 6 arising from the same accident or occurrence.

1/4/2010

DEDUCTIBLE CLAUSES (C)

(for 3/4ths COLLISION LIABILITY)

Article 1. The provision of Clause 12.1 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No. 6 (4/2010) (hereinafter referred to as the "I.T.C. amended No.6") shall be deleted.

Article 2. 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 of the I.T.C. amended No. 6) exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

2. The sum of all claims in Article 1-1 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. amended No. 6 shall be limited to the following sum respectively, independently of other claims under the other terms and conditions of this insurance.

- a) amount of claims under Clause 8.1
three-fourths of the insured value specified in the Schedule
- b) amount of claims under Clause 8.3
three-fourths of the insured value specified in the Schedule
- c) amount of claims under Clause 13
the insured value specified in the Schedule

Article 3. Article 2-1 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 of the I.T.C. amended No. 6 arising from the same accident or occurrence.

1/4/2010

DEDUCTIBLE CLAUSES (G)

(for Institute Time Clauses Hulls Amended No.5)

Article 1. 1. No claim for Particular Average stipulated in Clause 6 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) (hereinafter referred to as "I.T.C. Amended No.5") shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

2. The sum of claims in Article 1-1 and claims under clause 11 of the I.T.C. Amended No.5 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under 8.1, 8.3 and 13 of the I.T.C. Amended No.5 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.

Article 2. Article 1-1 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 of the I.T.C. Amended No. 5 arising from the same accident or occurrence.

1/4/2010

DEDUCTIBLE CLAUSES (G)

(for Institute Time Clauses Hulls Amended No.6)

Article 1. This provision of Clause 12.1 of the Institute Time Clauses - Hulls 1/10/83 Amended for Japanese Clauses Class No.6 (4/2010) (hereinafter referred to as "I.T.C. Amended No.6") shall be deleted.

Article 2. 1. No claim for the cost of repairs arising from perils enumerated in Clause 6 of the I.T.C. Amended No.6 and heavy weather and perils enumerated in the Institute Additional Perils Clauses - Hulls 1/10/83 Amended (4/2010) shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

2. The sum of claims in Article 2-1 and claims under Clauses 11 of the I.T.C. Amended No.6 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 8.1, 8.3 and 13 of the I.T.C. Amended No.6 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.

Article 3. Article 2-1 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 of the I.T.C. Amended No.6 arising from the same accident or occurrence.

DEDUCTIBLE CLAUSES (G)

(for Institute Time Clauses Hulls)

Article 1. This provision of Clause 12.1 of the Institute Time Clauses-Hulls 1/10/83 (hereinafter referred to as "I.T.C.") shall be deleted.

Article 2. 1. No claim for the cost of repairs arising from perils enumerated in Clause 6 of I.T.C. shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

2. The aggregate of all claims payable under Article 2-1 and Clause 11 of I.T.C. shall be always limited to the insured value specified in the Schedule.

Article 3. Article 2-1 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 of I.T.C. arising from the same accident or occurrence.

DEDUCTIBLE CLAUSE

(for P.A.)

No claim for Particular Average arising from a peril insured against shall be payable hereunder unless the aggregate of such claims arising out of each separate accident or occurrence exceeds the amount stated in this Policy in which case this sum shall be deducted. Nevertheless this clause shall not apply to Diver's fee reasonably incurred for sighting the bottom of the

Vessel in case of stranding, grounding or contact with any external substance other than water.

DEDUCTIBLE CLAUSES (FOR WORK BOAT ETC. AMENDED No.5)

Article 1. 1. No claim for the cost of repairs arising from sinking, stranding, grounding, burning, fire, collision or contact with any external object other than water shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Schedule in which case this sum shall be deducted.
2. The sum of all claims for the cost of repairs in Article 1-1 shall be always limited to the insured value specified in the Schedule.

Article 2. Article 1-1 shall not apply to a claim under Expense of Sighting the Bottom Clause.

FIRE AND POLLUTION HAZARD CLAUSES (A)

Article 1. In the event of the Vessel suffering loss or damage as the result of the undermentioned emergency measures taken by the Japanese or foreign government authorities (hereinafter referred to as "loss or damage caused by emergency measures"), such loss or damage shall be deemed to be caused by the maritime accident which has necessitated the emergency measures and shall be indemnified subject to the terms and conditions of this insurance.
Provided, however, that the cost of repairs arising from the loss or damage caused by emergency measures is recoverable only when the Company is liable to pay, under the provisions of this insurance, the cost of repairs of the damage to the Vessel caused by the maritime accident which has necessitated such emergency measures.

(1) Emergency measures taken to extinguish a fire which is covered by this insurance and/or to prevent the fire from spreading and/or to save human life when it has broken out on the Vessel.

(2) Emergency measures taken for the same purpose as is stipulated in paragraph (1) when the Vessel is about to catch fire in consequence of the damage to the Vessel which was caused by the maritime accident covered by this insurance (hereinafter referred to as "damage by insured perils").

(3) Emergency measures taken to prevent or to mitigate pollution, where the Vessel has suffered damage by insured perils and the oil or any other substance which has leaked or been discharged from the Vessel pollutes or threatens to pollute seas, waters, rivers, etc.

Article 2. Notwithstanding the preceding Article 1, the Company shall not be liable for loss or damage caused by emergency measures in case such emergency measures have resulted from want of due diligence by the Person(s) effecting this insurance, the Assured, the Owners or Managers of the Vessel or any of them prevent or mitigate such hazard or threat thereof. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of these clauses should they hold shares in the Vessel.

Article 3. The company shall not be liable for the cost or expense incurred as the result of the emergency measures unless these are recoverable under the provisions of the other clauses of this insurance.

Article 4. These clauses shall prevail notwithstanding anything contained in this insurance inconsistent therewith.

FIRE AND POLLUTION HAZARD CLAUSES (B)

Article 1. In the event of the Vessel suffering loss or damage as the result of the undermentioned emergency measures taken by the Japanese or foreign government authorities, total loss (actual or constructive) of the Vessel in consequence thereof shall be deemed to be caused by the maritime accident which has necessitated the emergency measures and shall be indemnified for subject to the terms and conditions of this insurance.

(1) Emergency measures taken to extinguish a fire which is covered by this insurance and/or to prevent the fire from spreading and/or to save human life when it has broken out on the Vessel.

(2) Emergency measures taken for the same purpose as is stipulated in paragraph (1) when the Vessel is about to catch fire in consequence of the damage to the Vessel which was caused by the maritime accident covered by this insurance (hereinafter referred to as "damage by insured perils").

(3) Emergency measures taken to prevent or to mitigate pollution, where the Vessel has suffered damage by insured perils and the oil or any other substance which has leaked or been discharged from the Vessel pollutes or threatens to pollute seas, waters, rivers, etc.

Article 2. Notwithstanding the preceding Article 1, the Company shall not be liable for loss or damage caused by emergency measures in case such emergency measures have resulted from want of due diligence by the Person(s) effecting this insurance, the Assured, the Owners or Managers of the Vessel or any of them to prevent

or mitigate such hazard or threat thereof. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of these clauses should they hold shares in the Vessel.

Article 3. The Company shall not be liable for the cost or expense incurred as the result of the emergency measures unless these are recoverable under the provisions of the other clauses of this insurance.

Article 4. These clauses shall prevail notwithstanding anything contained in this insurance inconsistent therewith.

1/4/2021

LAID UP RETURN CLAUSES (HULLS)

Article 1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including laying-up on the slip way or in the dock-hereinafter to be so interpreted) for a period of 30 or more consecutive days during the insured period, the Company shall return the premium specified in the succeeding Article after natural expiry of the insurance, provided always that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance.

Article 2. The return premium shall be calculated for each period of 30 consecutive days separately, (any fraction of 30 days shall be ignored.) but if the non-approved lay-up period is included in the period for which a return is claimable, the return shall be calculated pro rata to the number of days which excluded the non-approved lay-up period.

Article 3. In asking for a return of premium under the preceding two Articles the Assured shall, prior to laying-up the Vessel, give notice of the fact to the Company in writing and obtain the Company's approval to the lay-up location and mooring arrangements.

Article 4. When the lay-up period is terminated, the person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company and provide the documents duly certified by the maritime authorities having jurisdiction over the waters where the Vessel is laid up and any other documents that may be required by the Company.

Article 5. The Company shall not return the premium specified in Article 1 and 2, when the circumstances contrary to any specified conditions or any part thereof of the Lay-up Endorsement have occurred.

Article 6. In these Clauses;

1. "Lay-up" shall be defined as the condition in which the Vessel shall not be used for navigation, such as drydocking for repairs (whether by insured peril or otherwise), and/or structural alterations, mooring, berthing, or lying.
2. "Lay-up Endorsement" shall be defined as the Endorsement issued by the Company when the person effecting the insurance or the Assured obtained the Company's approval for lay-up.
3. "Non-approved lay-up period" shall be defined as the period stated as follows;
 - a) Period for the repair, structural alteration or statutory survey, however, this shall not include any repairs in respect of ordinary wear and tear to the Vessel and/or following recommendations of the Vessel's Classification Society survey.
 - b) Period for lay-up in the Special Approved Area including where the Vessel is lying in exposed or unprotected waters, as long as the Company has specially approved and specified this in the Endorsement as a lay-up area.

Article 7. In respect of the insurance which has cancelled before expiry, the Company shall return the premium in accordance with preceding Articles, provided that such cancellation has resulted from changing the insurance by the following reason;

- (1) extension of coverage, change of insured value, change of insured amount, change of currency of insured value, change of crew
- (2) change of type of the vessel, change of gross tonnage, change of ocean going/coastal
- (3) rearrangement of the period of insurance by rational reason

1/4/2014

LAID UP RETURN CLAUSES (DISBURSEMENTS)

Article 1. The Company shall return the premium specified in the succeeding paragraph after natural expiry of the insurance, provided that a return of premium shall be made under the LAID UP RETURN CLAUSES (HULLS) attached hereto.

Article 2. The return premium shall be *as arranged* for each period of 30 consecutive days separately (any fraction of 30 days shall be ignored.).

Article 3. In respect of the insurance which has cancelled before expiry, the Company shall return the premium in accordance with preceding Articles, provided that such cancellation has resulted from changing the insurance by the following reason;

- (1) extension of coverage, change of insured value, change of insured amount, change of currency of insured value, change of crew
- (2) change of type of the vessel, change of gross tonnage, change of ocean going/coastal

(3) rearrangement of the period of insurance by rational reason

AFFILIATED COMPANIES CLAUSE

In respect of the vessel(s) insured hereunder it is agreed that this policy also covers the Assured, and affiliated companies of the Assured be they owners, subsidiaries or inter-related companies and as bareboat 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.

Provided however, that in the event of any claim being made by an 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.

It is further agreed that these insurers waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured excepting to the 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 provisions of this policy with respect to change of ownership or management shall govern.

BARGE LINE SYSTEM CLAUSES (FOR PUSHER BARGE - CLASS NO.2 WITH COLLISION LIABILITIES)

Article 1. The Company shall not be liable for Collision damages caused by collision between the Vessel and the Connected Vessel which is connected to the Vessel for the purpose of pushing the Vessel as a barge line system (including any other barges connected for the purpose of being pushed as a barge line system. Hereinafter referred to as "the Connected Vessel").

Article 2. When either vessel of the flotilla of the Vessel and the Connected Vessel comes into collision with any other vessel not belonging thereto (hereinafter referred to as "the Other Vessel"), and as result of which legal liability for losses caused to the Other Vessel including the cargo and/or other property thereon arises, the Company shall at first deem that the liability was assumed by the Assured of the hull insurance of the pusher tug in consequence of the collision of the pusher tug. And only when the amounts of collision damages and/or sue and labour expenses (limited to that which have been incurred for preventing or minimizing collision liabilities) exceed the respective amounts of the hull insurance policy of the pusher tug, shall the Company be liable to indemnify the Assured in accordance with Clause 1 of Collision Liability Clause for the respective amounts in excess of amount of such policy (hereinafter referred to as "the Excess Liabilities"), provided, however, when the pusher tug is not insured or when the hull insurance policy of the pusher tug does not cover collision damages, the Company shall not be liable to indemnify any such Excess Liabilities.

Article 3. If the form of the Institute Protection and Indemnity Clauses Hulls - Time Amended (4/92) (hereinafter referred to as "IPIC-Amended") is attached to this Policy and should legal liabilities under Clause 1 of IPIC-Amended arise in consequence of using or managing the Vessel or the Connected Vessel, the Company shall at first deem the Assured of the hull insurance policy of the pusher tug to be liable, irrespective of which of the two vessels the legal liability is assumed by. And, only when the amount of the damage indemnified under IPIC-Amended of the pusher tug exceeds the limit of liability of such policy, the Company shall be liable to indemnify Assured in accordance with the provisions of IPIC-Amended for the Excess Liabilities by deeming that the liability was assumed by the Assured.

Article 4. When the Person effecting the insurance and/or the Assured of the Vessel and those of the Connected Vessel are not the same person, the preceding two Articles shall not be applied unless agreement is reached between the two persons.

BARGE LINE SYSTEM CLAUSES (FOR PUSHER BARGE - CLASS NO.2 WITH P.&I.)

Article 1. In case legal liabilities under Clause 1 of Institute Protection and Indemnity Clauses Hulls-Time Amended(4/92)(hereinafter referred to as "IPIC-Amended") should arise in consequence of using or managing the Vessel and the Connected Vessel which is connected to the Vessel for the purpose of pushing the Vessel as a barge line system(including any other barges connected for the purpose of being pushed as a barge line system), the Company shall deem that the liability was assumed by the Assured of the hull insurance of the Connected Vessel, irrespective of which of the two vessel the legal liability is assumed by. And only when the amounts of the damages indemnified under IPIC-Amended of the Connected Vessel exceeds the limit of liability of such policy, the Company shall be liable to indemnify Assured in accordance with the provision of IPIS-Amended for the respective amounts in excess of mount of such policy(hereinafter referred to as "the Excess Liabilities").

This Article shall be equally applied also when the owner of the

Connected Vessel is a member of the Ship Owners' Mutual Protection and Indemnity Association.

Provided, however, when the Connected vessel is not insured or when the hull insurance policy of the Connected Vessel does not cover the respective legal liability, the Company shall not be liable to indemnify any such Excess Liabilities.

Article 2. When the Person effecting the insurance and/or the Assured of the Vessel and those of the Connected Vessel are not the same person, the Article 1 of this Clause shall not be applied unless agreement is reached between the two persons.

1/4/2010

BARGE LINE SYSTEM CLAUSES (FOR PUSHER BARGE - CLASS NO. 5)

Article 1. Notwithstanding the provisions of Clause 8 of Institute Time Clauses - Hulls Amended for Japanese Clauses Class No.5 (4/2010) (hereinafter referred to as "ITC-Amended Class No.5"), the Company shall be liable only for the cost of repairs to the damage sustained by the Vessel as result of collision or contact with the vessel which is connected to the Vessel for the purpose of being pushed as a barge line system (including any other barges connected for the purpose of being pushed as a barge line system. Hereinafter referred to as "the Connected Vessel") , provided that the collision or contact between the Vessel and the Connected Vessel was caused as result of either of the vessels having encountered sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water or the Connected Vessel, or any general average act.

Article 2. The Company shall not be liable for collision damages caused by collision between the Vessel and the Connected Vessel.

Article 3. When either vessel of the flotilla of the Vessel and the Connected Vessel comes into collision with any other vessel not belonging thereto (hereinafter referred to as "the Other Vessel"), and as result of which legal liability for losses caused to the Other Vessel including the cargo and/or other property thereon arises, the Company shall at first deem that the liability was assumed by the Assured of the hull insurance of the pusher tug in consequence of the collision of the pusher tug. And only when the amounts of collision damages and/or sue and labour expenses (limited to that which have been incurred for preventing or minimizing collision liabilities) exceed the respective amounts of the hull insurance policy of the pusher tug, shall the Company be liable to indemnify the Assured in accordance with Clause 8.1 of ITC-Amended Class No.5 for the respective amounts in excess of amount of such policy (hereinafter referred to as "the Excess Liabilities"), provided, however, when the pusher tug is not insured or when the hull insurance policy of the pusher tug does not cover collision damages, the Company shall not be liable to indemnify any such Excess Liabilities.

Article 4. If the form of the Institute Protection and Indemnity Clauses Hulls-Time Amended (4/92) (hereinafter referred to as "IPIC-Amended") is attached to this Policy and should legal liabilities under Clause 1 of IPIC-Amended arise in consequence of using or managing the Vessel or the Connected Vessel, the Company shall at first deem the Assured of the hull insurance policy of the pusher tug to be liable, irrespective of which of the two vessels the legal liability is assumed by. And, only when the amount of the damage indemnified under IPIC-Amended of the pusher tug exceeds the limit of liability of such policy, the Company shall be liable to indemnify Assured in accordance with the provisions of IPIC-Amended for the Excess Liabilities by deeming that the liability was assumed by the Assured.

Article 5. When the Person effecting the insurance and/or the Assured of the Vessel and those of the Connected Vessel are not the same person, the preceding two Articles shall not be applied unless agreement is reached between the two persons.

BARGE LINE SYSTEM CLAUSES (FOR PUSHER TUG - CLASS NO.2 WITH P.&I.)

Article 1. In case legal liabilities under Clause 1 of Institute Protection and Indemnity Clauses Hulls-Time Amended(4/92)(hereinafter referred to as "IPIC-Amended") shold arise in consequence pf using or managing the Vessel and the Connected Vessel which is connected to the Vessel for the propose of pussing the Vessel as a barge line system(including any other barges connected for the purpose if being pushed as a barge line system), the Company shall be liable to indemnify the Assured in accordance with the provision of IPIC-Amended irrespectvi of which of tht two vessels the lagal liability is assumed by.

Article 2. When the Person effecting the insurance and/or the Assured of the Vessel and those of Connected Vessel are not the same person, the Artical 1 of this Clause shall not be applied unless agreement is reached between the two persons.

1/4/2010

BARGE LINE SYSTEM CLAUSES (FOR PUSHER TUG - CLASS NO.5)

Article 1. Notwithstanding the provisions of Clause 8 of Institute Time Clauses-Hulls Amended for Japanese Clauses Class No.5 (4/2010) (hereinafter referred to as "ITC-Amended Class No.5"), the Company shall be liable only for the cost of repairs to the damage sustained by the Vessel as result of collision or contact with the vessel which is connected to the Vessel for the purpose of being pushed as a barge line system (hereinafter referred to as "the Connected Vessel"), provided that the collision or contact between the Vessel and the Connected Vessel was caused as result of either of the vessels having encountered sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water or the Connected Vessel, or any general average act.

Article 2. The Company shall not be liable for collision damages caused by collision between the Vessel and the Connected Vessel.

Article 3. When either vessel of the flotilla of the Vessel and the Connected Vessel comes into collision with any other vessel not belonging thereto (hereinafter referred to as "the Other Vessel"), and as result of which legal liability for losses caused to the Other Vessel, the cargo and/or other property thereon, arises, the Company shall be liable to indemnify the losses enumerated in Clause 8.1 of ITC-Amended Class No.5 by deeming that the legal liability was assumed by the Assured as result of the Vessel coming into collision.

Article 4. If the form of Institute Protection and Indemnity Clauses Hulls-Time Amended (4/92) (hereinafter referred to as "IPIC-Amended") is attached to this Policy and should legal liabilities under Clause 1 of IPIC-Amended arise in consequence of using or managing the Vessel or the Connected Vessel, regardless of the fact as to which of the two vessels the legal liability is assumed by, the Company shall indemnify the Assured in accordance with the provisions of IPIC-Amended by deeming that the liability was assumed by the Assured.

Article 5. When the Person effecting the insurance and/or the Assured of the Vessel and those of the Connected Vessel are not the same person, the preceding two Articles shall not be applied unless agreement is reached between the two persons.

1/4/2017

SLINGING RISK CLAUSE

It is hereby noted and agreed that in the event of the insured vessel being slinging by cranes, the company shall be liable to pay for any loss or damage occurring to the insured vessel, subject to the clauses specified in this policy.

BERING SEA TRANSIT CLAUSES (01/04/22)

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, or the Vessel may enter or leave through the Amchitka, Amukta or Attu Passes
- (3) the vessel is equipped and properly fitted with at least one global positioning system receiver (such as US GPS, Russian GLONASS, European Galileo, Chinese Compass), and
- (4) a radio transceiver and GMDSS, a weather facsimile recorder (or alternative equipment for the receipt of weather and routeing information) and a gyrocompass, in each case to be fully operational and manned by qualified personnel.

BERING SEA TRANSIT CLAUSES (01/04/22) (AMENDED)

Article 1 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) the Vessel shall pass the following waters:
 - (a) Unimak Pass
 - (b) Amukta Pass
 - (c) Amchitka Pass
 - (d) between Buldir Island and Agattu Island
 - (e) between Agattu Island and Attu Island
 - (f) west of Attu Island
and
- (3) the Vessel is equipped and properly fitted with the following, all fully operational and manned by qualified personnel.
 - (a) at least one global positioning system receiver (such as US GPS, Russian GLONASS, European Galileo, Chinese Compass)
 - (b) a radio transceiver and GMDSS
 - (c) a weather facsimile recorder (or alternative equipment for the receipt of weather and routeing information)

(d) a gyrocompass

Article 2 In the event of a breach of whole or a part of the conditions stated in the above, the Company shall not be liable to indemnify for any loss or damage occurring thereafter, except when the Company's written consent has been obtained.

CROSS LIABILITY CLAUSE

Each of the parties comprising the Insured shall for the purpose of this policy be considered as a separate and distinct unit and the words 'the Insured' shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties and the Company hereby agree to waive all rights of subrogation or action which they may have or acquire against any of the aforesaid parties arising out of any accident in respect of which any claim made hereunder provided nevertheless that nothing in this clause shall be deemed to increase the Limit of Indemnity in respect of any one occurrence or series of occurrences as stated in the Schedule.

DEFERRED PREMIUM PAYMENT CLAUSE (Payable Quarterly)

It is understood and agreed that the premiums due for this insurance shall be paid in the following manner:

Payment in cash of 1/4 of the premium at the time of inception of the risk. Payment in three equal installments at 3, 6 & 9 months respectively from the date of inception of the risk for the remaining 3/4 of the premium.

ELECTRONIC DATE RECOGNITION EXCLUSION CLAUSES

Article 1. 1.1 For the purpose of this clause, electronic devices shall include, but not be limited to, a computer system, hardware, integrated circuit, microchip, software, operating system, programming and data, whether these be on board the Vessel or not.

1.2 For the purpose of this clause, the electronic date recognition defect (hereinafter called "the EDR defect") shall mean failure of electronic devices to recognize any time, year, date or date-like code, data or information correctly.

Article 2. 2.1 The Company shall in no case pay any loss, damage, liability or expense directly or indirectly caused by or in any way connected with the EDR defect of any electronic devices belonging to or in possession or control of the person effecting the insurance, the assured or the manager of the Vessel.

2.2 The Company shall in no case pay any loss, damage, liability or expense directly or indirectly caused by any measures implemented or attempted to remedy or detect the EDR defect or the anticipated EDR defect of any electronic devices belonging to or in possession or control of the person effecting this insurance, the assured or the manager of the Vessel.

Article 3. 3.1 Notwithstanding the provisions of Article 2 the Company shall pay, subject to other provisions of this insurance, loss or damage to the Vessel caused by or in any way connected with the EDR defect, provided always that either of the following be proven by the person effecting the insurance or by the assured:
(a) such loss or damage occurred despite the fact that the person effecting the insurance and/or the assured had implemented necessary or appropriate measures with due diligence to remedy the EDR defect of electronic devices in accordance with the instructions given by the manufacturers of such devices or by other experts.

(b) such loss or damage was caused by necessary or appropriate measures implemented by the person effecting the insurance or by the assured with due diligence to remedy or detect the EDR defect or the anticipated EDR defect of such devices in accordance with the instructions given by the manufacturers of such devices or by other experts.

3.2 Notwithstanding the provisions of Article 3.1 the Company shall in no case pay any cost of changing, modifying, remedying, restoring or detecting the following, nor any consequential loss incurred thereby:
(a) the EDR defect of any electronic devices
(b) any non-use or unavailability for use or malfunction of any electronic devices directly or indirectly caused by the EDR defect of such devices
(c) any loss of or damage to any software, programming, operating system, code or data directly or indirectly caused by the EDR defect of any electronic devices

HELICOPTER CLAUSE

It is understood and agreed that the practice of using Helicopters for the transfer of pilots, stores and the like will not prejudice this insurance.

HELICOPTER PERMISSION CLAUSE

The Assured shall have permission to enter into any contract concerning the use of helicopters and this insurance shall not be prejudiced when the terms thereof limit or exempt the liability of helicopters and/or their owners and/or operators, subject to the recommendations and procedures

contained in the International Chamber of Shipping report entitled "Guide to Helicopter/Ship Operations" being carried out.

INSTITUTE GENERAL AVERAGE - POLLUTION EXPENDITURE CLAUSE HULLS (For use only with the Institute Time Clauses 1/11/95)

In consideration of an additional premium to be agreed, where the contract of affreightment provides for adjustment according to the York-Antwerp Rules 1994 this insurance is extended to cover vessel's proportion of General Average expenditure, reduced in respect of any under insurance, which is allowable under Rule XI (d) of the York-Antwerp Rules 1994 and which would be recoverable under Clause 10 of the Institute Time Clauses-Hulls 1/11/95 but for Clause 10.5.2 therein.

This clause is subject to English law and practice.

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the American Institute Hull Clauses)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in lines 79/80 and 83/84 of the American Institute Hull Clauses (June 2, 1977) or from barratry, or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of (as policy 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 the Deductible Clause of the American Institute Hull Clauses.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

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 the deductible of (as policy 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 SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provisions elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein. Subject to the Underwriters' rights set forth above:

(a) It is further agreed that the Assured may serve process upon any senior partner in the firm of:

**Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, N.Y.
10019-6829**

and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

- (b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.
- (c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of such mortgagee.
- (d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of

Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

If this clause is attached to a contract of reinsurance the terms insurance and Assured shall mean reinsurance and Reassured respectively.

PARTS REMOVED CLAUSE

This insurance is extended to cover loss of or damage to parts removed from the Vessel whether such parts are ashore and/or under repair and/or in transit and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to the terms, conditions and exclusions. The Underwriters' liability for such parts removed which are covered under this clause shall not exceed 5% of the insured value of the Vessel.

If at the time of loss of or damage to the parts removed from the Vessel such parts are covered by or would be covered by any other insurance but for this clause, then this insurance shall only be excess to such other insurance.

Cover in respect of parts shall be limited to 30 days whilst removed. Period in excess of 30 days held covered at terms to be given to the Underwriters prior to the expiry of the 30 day extension.

PARTICULAR AVERAGE BY FIRE CLAUSE

The Company agrees to indemnify the Assured for reasonable cost of repairs to damage sustained by the Vessel as a consequence of fire provided that such cost of repairs exceeds the Deductible specified in the Schedule in which case the Deductible shall be deducted from the sum payable under this clause.

PASSENGER EQUIPMENT CLAUSE

This insurance is extended to include bar stores, equipment for passengers amusements, saloon and passenger 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.

PILOT NON-LIABILITY CLAUSE

This Insurance shall not be prejudiced by reason of any agreement limiting or exempting the liability of Pilots and/or Tugs and/or Tow Boats and/or their owners when the Assured and/or Charterers accept such contracts in accordance with established local practice or are compelled to accept such contracts.

SPECIAL CLAUSE FOR TOWING EXPENSES

This insurance shall extend to cover the reasonable cost of towing the Vessel in distress to the nearest port of repairs, whether it be the nearest port of refuge or not, under the provision of Clause 9 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.2 (4/90).

1/4/2014

TOWER'S LIABILITY CLAUSES

(Liability for Indemnification - 1)

Article 1. In the case of the Vessel towing any other vessels and/or other property (hereinafter referred to as "property in tow"), the Company shall only indemnify the Assured for the losses the Assured sustained by reason of the Assured assuming the following legal liabilities (hereinafter referred to as "liability") or bearing expenses for the losses that property in tow has caused to the third parties outside of the towing row during the time from the commencement of the towing operation to its termination. Provided always that in respect of liabilities the Company shall only indemnify the Assured in discharge of his liability (hereinafter referred to as "compensation") and that the prior written consent of the Company should be obtained for such payment of the compensation and/or expenses:

- (1) Liability for loss of life, personal injury or illness, caused by the property in tow, to the person outside of the towing row. Provided always that as to the liability in respect of the employees or sub-contractors (including their employees) of the Assured, regardless of the insurance protection under the Workmen's Accident Compensation Insurance Law, the Seamen's Insurance Law or any other accident compensation law of Japan or any other country, having been secured or not, the amount subjected to such laws, recoverable thereunder or not, shall be deducted from the indemnity payable hereunder.
- (2) Expenses, in respect of the above (1), borne by the Assured in saving life, searching for human remains, delivering human remains and/or human ashes and/or articles left by the deceased and funeral fees. Such expenses covered under the above (1) shall, however, be excluded.
- (3) Liability for loss of or damage, caused by the property in tow, to any other vessel or cargo or other property thereon

(including loss of use of the other vessel arising from the damage caused to her), not being in the towing row.

(4) Liability for loss of or damage, caused by the property in tow, to port facilities or any other fixed or movable things, which are not on board the vessel, including sea products but excluding property mentioned in the above (3).

(5) Liability for costs and expenses which the Assured incurs in raising or removing the wreck of the other vessel and/or cargo or other property thereon as provided for in the above (3) , or property located outside of the towing row as provided for in the above (4) . The value of all salved stores and materials the Assured acquired as well as that of the wreckage itself shall, however, be deducted from such costs and expenses.

(Liability for Indemnification - 2)

Article 2. The Company shall indemnify the Assured for sue and labour expenses (as provided for Clause 13 of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) -hereinafter referred to as the "I.T.C. amended No.5" or No.6 (4/2010) -hereinafter referred to as the "I.T.C. amended No.6" and Clause 11 of the Institute Time Clause Hulls Amended for Japanese Clauses Class No.2 (4/90) -hereinafter referred to as the "I.T.C. amended No.2") incurred and borne by the Assured in averting or minimizing loss or damage which would be recoverable under the preceding Article.

(Exclusions)

Article 3. The Company shall not indemnify the Assured against the following liabilities the Assured assumed and/or expenses incurred and borne by the Assured:

(1) Liability for loss of life, personal injury or illness to the employees or sub-contractors (including their employees) of the Assured under the labour agreement, the employment regulations, the accident compensation regulations, the contract of service or employment, or any other similar regulations and contracts.

(2) Liability for loss or damage in case towing under the directions from the owner side of the property in tow.

(3) Liability or expenses arising from where the property in tow is under improper condition to make a safe voyage or where the towage is carried under improper condition at the sailing (including sailing from a port of call).

(4) Liability or expenses arising from leakage or discharge of oil, harmful liquid, waste or any other pollutants irrespective of whether there be causes or not.

(5) Liability or expenses arising in respect of loss of or damage to specie, bullion, or rare metals or stone, jewellery, bank notes or other forms of currency, bonds or other negotiable instruments, or other similar property.

(6) Additional liability specially assumed by the Assured under a contractual agreement.

(Loss of or damage to another vessel, outside the towing row, belonging to or demise-chartered by the Assured)

Article 4. 1. Should the property in tow give loss of or damage to another vessel and/or property thereon, outside the towing row, belonging to or demise-chartered by the Assured (excluding the launch belonging to the vessel), these clauses shall be applicable as if the other vessel and/or property thereon were belonging to or demise-chartered by a third party. In such case, the degree and proportion of fault and the amount of loss on each vessel shall be determined by the agreement between the Assured and the Company.

2. Unless such agreement as provided for in the preceding paragraph can be reached, the matter shall be referred to as a sole arbitrator to be appointed by the agreement between the Assured and the Company. Unless such appointment can be made, the Assured and the Company shall appoint an arbitrator respectively and then two arbitrators thus appointed shall appoint a third arbitrator, and the award shall be decided by the majority vote of such three arbitrators.

(Limit of Indemnity)

Article 5. The amount of indemnity to be paid by the Company under these Special Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy, independently of any other claims recoverable under clauses other than these Special Clauses. Provided, however, it shall not exceed the Limit of Liability specified in this Policy.

(Relations with the General Clauses)

Article 6. In the event of the whole or a part of any provisions of the I.T.C. amended No.5, I.T.C. amended No.6 or I.T.C. amended No.2 being inconsistent with these Special Clauses, these Special Clauses shall prevail.

**POLLUTION RISKS CLAUSES
(FOR TOWER'S LIABILITY)**

Article 1. Notwithstanding the provisions of Article 3 (4) of the Special Clauses for Tower's Liability (hereinafter referred to as "the Special Clauses") , the Company shall indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities enumerated in Article 1 of the Special Clauses or costs or expenses paid by the Assured arising in consequence of leakage or discharge of oil, noxious object, waste or any other pollutants, subject to the provisions of the Special Clauses. Provided, however, the Company shall not indemnify the Assured for loss, costs or expenses arising from radioactive contamination.

Article 2. 1. The following item shall be added to Article 1 of the Special Clauses and the Company shall indemnify the Assured for loss provided in such item, subject to the Special Clauses: "Liability for costs and expenses, which the Assured is liable, of necessary measures taken for the purpose of prevent or mitigate pollution (excluding radioactive contamination) , or threat thereof, of seas, rivers, etc. by oil, noxious object, waste or any other pollutant spilled or discharged from any property in tow, other vessel outside of the towing row or property".
2. The provisions of Article 3 (4) of the Special Clauses shall not apply to the preceding Articles.

Article 3. 1. Notwithstanding the provisions of Article 5 of the Special Clauses, the amount of indemnity to be paid by the Company under these Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy, independently of any other claims recoverable under the clauses other than these Clauses. Provided, however, it shall not exceed the Limit of Liability specified in this Policy,
2. The amount of indemnity to be paid by the Company in case of the loss under the Special Clauses and the loss under these Clauses occurring arising from one accident shall be the balance of loss after deducting the larger sum of the following deductibles independently of any other loss recoverable under the Special Clauses and these Clauses. Provided, however, it shall not exceed the Limit of Liability as provided for in Article 5 of the Special Clauses.
(1) Deductible as provided for in Article 5 of the Special Clauses
(2) Deductible as provided for in the preceding Paragraph

WAGES AND MAINTENANCE RECOVERABLE IN PARTICULAR AVERAGE

It is agreed that the following sentence is added at the end of the clause 16 of the Institute Time Clauses-Hulls 1/10/83.

This exclusion shall not apply to overtime or similar extraordinary payments to Officers or Crew members incurred in shifting the vessel for tank cleaning or repairs or while specifically engaged in these activities, either in part or at sea.

EARTHQUAKE RISKS EXCLUSION CLAUSE

The Company shall not be liable for any loss, damage and occurrence caused by earthquake and volcanic eruption, including Tsunami and fire arising out of them.

SPECIAL EXCLUSION CLAUSE FOR COLLISION LIABILITY IN RESPECT OF CAISSON

In no case shall this insurance cover loss, damage, liability or expense under collision liability clauses in this policy arising from collision or contact of the floating dock insured or the cargo thereon with caissons being docked on, undocked from or on board the floating dock insured.

1/4/2010

SOIL IMPROVEMENT BARGE CLAUSE(A)

Notwithstanding the provision of Clause 8 of Institute Time Clauses-Hulls Amended for Japanese Clauses Class No.5(4/2010), the Company shall not be liable for the repair cost of damage to the Vessel sustained during the soil improvement operation due to collision or contact between the Vessel's impeller or impeller shaft and earth or any other substance in earth.

VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION CLAUSE - FOR USE WITH INSTITUTE TIME CLAUSES HULLS 1/10/83

Where the hull and machinery insurance of the vessel is written on terms which include the Institute Time Clauses Hulls 1/10/83, the said clauses are hereby amended as follows:

1 Clause 4.1 shall be deleted and replaced by the following:

"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 1/10/83 as amended by Violent Theft, Piracy and Barratry Extension Clause - for use with the Institute Time Clauses Hulls 1/10/83 such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society."

- 2 Clause 6.1.3 shall be deleted
- 3 Clause 6.1.5 shall be deleted
- 4 Clause 6.2.5 shall be deleted
- 5 "23(a)," shall be inserted between "23," and "24" in Clause 21.1.8
- 6 The words "(barratry and piracy excepted)" shall be deleted from Clause 23.2
- 7 A new Clause 23(a) shall be inserted after Clause 23 and before Clause 24 as follows:
"23(a) VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by
23(a).1 violent theft by persons from outside the Vessel
23(a).2 piracy
23(a).3 barratry of Master Officers or Crew."

VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION CLAUSE - FOR USE WITH INSTITUTE TIME CLAUSES HULLS DISBURSEMENTS AND INCREASED VALUE (TOTAL LOSS ONLY, INCLUDING EXCESS LIABILITIES) 1/10/83

Where the disbursements insurance of the vessel is written on terms which include the Institute Time Clauses Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83, the said clauses are hereby amended as follows:

- 1 Clause 4.1 shall be deleted and replaced by the following:
"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, withdrawal or expiry 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 1/10/83 (amended to cover Disbursements including Excess Liabilities) as amended by Violent Theft, Piracy and Barratry Extension Clause - for use with the Institute Time Clauses Hulls 1/10/83 such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society,"

- 2 Clause 6.1.3 shall be deleted
- 3 Clause 6.1.5 shall be deleted
- 4 Clause 6.2.5 shall be deleted
- 5 The words "(barratry and piracy excepted)" shall be deleted from Clause 12.2
- 6 A new Clause 12(a) shall be inserted after Clause 12 and before Clause 13 as follows:
"12(a)VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION
In no case shall this insurance cover loss damage liability or expense caused by
12(a).1 violent theft by persons from outside the Vessel
12(a).2 piracy
12(a).3 barratry of Master Officers or Crew."

TERRITORIAL AND CONFLICT EXCLUSION CLAUSE

- 1. This policy excludes all loss, damage, liability, cost or expense:
 - (a) caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or
 - (b) in any area or territory or territorial waters where Russian armed forces, Russian-backed forces, and/or Russian authorities, are engaged in conflict within the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.
 - (c) arising from capture, seizure, arrest, detainment, confiscation, nationalisation, expropriation, deprivation or requisition for title or use, or the restraint of movement of vessels and cargo in the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

JL2022-019
21st December 2022

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 at least one global positioning system receiver (such as US GPS,

- 1.3 Russian GLONASS, European Galileo, Chinese Compass
- 1.4 a radio transceiver and GMDSS
- 1.5 a weather facsimile recorder or alternative equipment for the receipt of weather and routeing information
- 1.6 a gyrocompass, incorporating latitude corrections approved by manufacturers or their agents, when North of 70° N. Lat.

in each case all navigational aids, radar, arpa (automatic radar plotting aid), echo sounders, speed logs, navtex, compasses, chronometers, communication systems etc should be fully operational and operated by qualified personnel; and

- 2. the vessel shall be in possession of appropriate navigational charts corrected to the last available notice to mariners, sailing directions, lists of radio signals, log signals, lights 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.

JH2011/002
8th March 2011

1/4/2010

SPECIAL CLAUSE IN RESPECT OF THE AGREED MATTER EXTENDING OVER TWO SUCCESSIVE POLICIES

- Article 1 In the event of the period of insurance of the Policy expiring while the agreed matter stated in this Endorsement goes on, the Company shall not be liable to pay for any loss or damage occurring after such expiration, unless this Policy has been renewed with the Company or extended until the agreed matter has been completed.
- Article 2 In the event of the Policy being renewed, the Company's liability in respect of this Endorsement shall be subject to the terms and conditions of the renewed Policy.
- Article 3 If the Company recognize that the terms and conditions of the renewed Policy increase the Company's liability in respect of this Endorsement in comparison with this Policy, the Assured shall pay an additional premium required by the Company.
- Article 4 If the Company recognize that the terms and conditions of the renewed Policy shall decrease the Company's liability in respect of this Endorsement in comparison with this Policy, the Company shall return a part of the additional premium already paid.

EXCLUSION CLAUSE FOR COST OF REPAIRS IN RESPECT OF LOSS OR DAMAGE UNDER WATERLINE

The Company shall not be liable to indemnify for any cost of repairs in respect of loss or damage under waterline unless such loss or damage has obviously occurred during the period of this policy and the Company has agreed.

The above treatment shall not be applied to loss or damage, which occurred after the Vessel has dry-docked and the Company has confirmed the existence of loss or damage under waterline.

WORLD-WIDE TRADING WARRANTY

Trading world-wide, but excluding the waters mentioned below:

- 1. Atlantic Coast of North America (including its rivers and adjacent islands), but limited to the following waters:
 - A) North of 52°10' N. Lat. and west of 50° W. long.
 - B) Gulf of St. Lawrence (the area bounded by lines drawn between Battle Harbour/Pistole Bay; Cape Ray/Cape North; Port Hawkesbury/Port Mulgrave and Baie Comeau/Matane) between 21st December and 30th April, b.d.i.
 - C) St. Lawrence River west of a line between Baie Comeau and Matane and east of Montreal between 1st December and 30th April, b.d.i.
- 2. The Great Lakes and St. Lawrence Seaway west of Montreal, (excluding Montreal).
- 3. Greenland waters.
- 4. Pacific Coast of North America (including its rivers and adjacent islands) west of 130°50' W. Long. and North Pacific waters north of 54° 30' N. Lat. and east of 160° W. Long., excluding, however, the passing through these waters for the purpose of navigating between ports or places in the aforementioned warranty.
- 5. Baltic Sea or adjacent waters east of 15° E. Long. but limited to the waters and the period stipulated below:
 - 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. excluding Mo and Vasa)
 - B) East of a line between Viipuri (28°47' E. Long.) and Narva (28°12' E. Long.) between 15th December and 15th May, b.d.i. (excluding Viipuri and Narva).
 - C) North of a line between Stockholm (59°20' N. Lat.) and Tallinn (59°24' N. Lat.) between 8th January and 5th May, b.d.i. (excluding Stockholm and Tallinn).
 - D) East of 22° E. Long. and south of 59° N. Lat. between 28th December and 5th May b.d.i.
- 6. North of 70° N. Lat., excluding, however, round voyages to and from Norwegian Coast (including its rivers and adjacent islands) or Kola Bay.

7. Bering Sea.
8. Siberian Coast (including its rivers and adjacent islands) and the Asian waters north of 46° N. Lat. and west of 180° E. Long., excluding, however, the waters mentioned below:
 - A) Vladivostock and Nakhodka.
 - B) Proceeding to ports or places on the coast of Sakhalin or on the Siberian Coast (including its rivers and adjacent islands) from Nikolaevsk and Mago to Vladivostock, between 15th March and 14th November, b.d.i., provided, however, that the Vessel must leave by 14th November the last port on the above coasts for a port in the aforementioned warranty.
 - C) Passing through the above waters for the purpose of navigating between ports or places in the aforementioned warranty.
9. Kerguelen and Croset Islands.
10. Waters south of 50° S. Lat., but excluding the following:
 - A) Patagonia, Chile and Falkland Islands.
 - B) Passing through the above waters for the purpose of navigating between ports or places in the aforementioned warranty.

INSTITUTE WARRANTIES

1. Warranted no : -
 - (a) Atlantic Coast of North America, its rivers or adjacent islands,
 - (i) north of 52° 10' N. Lat. and west of 50° W. Long.;
 - (ii) south of 52° 10' N. Lat. in the area bounded by lines drawn between Battle Harbour / Pistolet Bay; Cape Ray/ Cape North; Port Hawkesbury / Port Mulgrave and Baie Comeau / Matane, between 21st December and 30th April both days inclusive.
 - (iii) west of Baie comeau / Matane (but not west of Montreal) between 1st December and 30th April both days inclusive.
 - (b) Great Lakes or St. Lawrence Seaway west of Montreal.
 - (c) Greenland Waters.
 - (d) Pacific Coast of North America its rivers or adjacent islands north of 54° 30' N. Lat., or west of 130° 50' W. Long.
2. Warranted no Baltic Sea or adjacent waters east of 15° E. Long.
 - (a) North of a line between Mo (63°24' N. Lat.) and Vasa (63°06' N. Lat.) between 10th December and 25th May b.d.i.
 - (b) East of a line between Viipuri (Vyborg) (28°47' E. Long.) and Narva (28° 12' E. Long.) between 15th December and 15th May b.d.i.
 - (c) North of a line between Stockholm (59° 20' N. Lat.) and Tallinn (59° 24' N. Lat.) between 8th January and 5th May b.d.i.
 - (d) East of 22° E. Long, and south of 59° N. Lat. between 28th December And 5th May b.d.i.
3. Warranted not North of 70° N. Lat. other than voyages direct to or from any port or place in Norway or Kola Bay.
4. Warranted no Bering Sea, no East Asian waters north of 46° N. Lat. and not to enter or sail from any port or place in Siberia except Nakhodka and/or Vladivostock.
5. Warranted not to proceed to Kerguelen and/or Croset Islands or south of 50° S. Lat., except to ports and/or places in Patagonia and/or Chile and/or Falkland Islands, but liberty is given to enter waters south of 50° S. Lat., if en route to or from ports and/or places not excluded by this warranty.
6. Warranted not to sail with Indian Coal as cargo : -
 - (a) between 1st March and 30th June, b.d.i.
 - (b) between 1st July and 30th September, b.d.i., except to ports in Asia, not West of Aden or East of or beyond Singapore.

INDIAN COAL CLAUSE (FOR INSTITUTE WARRANTIES)

It is hereby noted and agreed that Article 6 of INSTITUTE WARRANTIES shall not be applied to this policy.

AMERICAN INSTITUTE TRADE WARRANTIES

(July 1,1972)

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 Croset 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.

TRADING WARRANTY - FISHING BOAT (1)

WARRANTED TRADING the Pacific Ocean and the Indian Ocean, east of 94° E. Long., west of 180° E. Long., south of 48° N. Lat. and north of 13° S. Lat.

TRADING WARRANTY - FISHING BOAT (2)

WARRANTED confined to the Pacific Ocean and the Indian Ocean, east of 20° E. Long., south of 50° N. Lat. and north of 50° S. Lat., but not to proceed to or from:

- (1) the Pacific Ocean north of 48° N. Lat. and west of 135° W. Long.;
- (2) Kerguelen and/or Croset Islands.

TRADING WARRANTY - FISHING BOAT (3)

WARRANTED TRADING the Pacific Ocean south of 50° N. Lat., north of 50° S. Lat., the Indian Ocean north of 50° S. Lat., and the Atlantic Ocean south of 60° N. Lat., north of 50° S. Lat., but not to or from.

- (1) the Pacific Ocean north of 48° N. Lat., west of 135° W. Long.
- (2) the Atlantic Ocean north of 43° 40' N. Lat., west of 20° W. Long.
- (3) Baltic Sea.
- (4) Kerguelen and/or Croset Islands.

WAR AND STRIKES

1/10/83

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE WAR AND STRIKES CLAUSES

Hulls-Time

This insurance is subject to English law and practice

1. PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the vessel caused by

- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereof
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war
- 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5 any terrorist or any person acting maliciously or from a political motive
- 1.6 confiscation or expropriation

2. INCORPORATION

The Institute Time Clauses-Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3. DETAINMENT

In the event that the vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the vessel for a continuous period of 12 months then for the purpose of ascertaining whether the vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the vessel without any likelihood of recovery.

4. EXCLUSIONS

This insurance excludes

- 4.1 loss damage liability or expense arising from
 - 4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
 - 4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
 - United Kingdom, United States of America, France,
the Russian Federation,
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 whosoever 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 Russian Federation,
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.

INSTITUTE WAR AND STRIKES CLAUSES

Hulls-Time Amended (1/4/2010)

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 thereof
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war
- 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5 any terrorist or any person acting maliciously or from a political motive
- 1.6 confiscation or expropriation

*

2. INCORPORATION

The Institute Time Clauses-Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3. DETAINMENT

In the event that the vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the vessel for a continuous period of 12 months then for the purpose of ascertaining whether the vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the vessel without any likelihood of recovery.

4. EXCLUSIONS

This insurance excludes

- 4.1 loss damage liability or expense arising from
 - 4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
 - 4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
 - United Kingdom, United States of America, France,
 - the Russian Federation,
 - 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 whosoever 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:

* 1.7 violent theft by persons from outside the Vessel or piracy

** the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) or No.6 (4/2010) and the attached clauses thereof which are applied to marine insurance on the vessel

*** of the Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.6 (4/2010)

**** 1994

United Kingdom, United States of America, France,
the Russian Federation,
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.

INSTITUTE WAR AND STRIKES CLAUSES

Hulls-Time Amended to cover Disbursements etc. against TLO (1/4/2010)

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 thereof
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war
- 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5 any terrorist or any person acting maliciously or from a political motive
- 1.6 confiscation or expropriation

2. INCORPORATION**

The Institute Time Clauses-Hulls *** 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3. DETAINMENT

In the event that the vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the vessel for a continuous period of 12 months then for the purpose of ascertaining whether the vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the vessel without any likelihood of recovery.

4. EXCLUSIONS

This insurance excludes

- 4.1 loss damage liability or expense arising from
 - 4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
 - 4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
 - United Kingdom, United States of America, France,
 - the Russian Federation,
 - 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 whosoever 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

* total loss (actual or constructive) of the subject-matter insured caused by

** 1.7 violent theft by persons from outside the Vessel or piracy

*** Disbursement and Increased Value (Total Loss Only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90) (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 11, 12, 13, 14 and 15

**** Disbursement and Increased Value (Total Loss Only, including Excess Liabilities) 1/10/83 Amended for Japanese Clauses Class No.5 (4/90) or No.6 (4/90)

***** 1994

countries:

United Kingdom, United States of America,
France, the Russian Federation,
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.

AMERICAN INSTITUTE HULL WAR RISKS AND STRIKES CLAUSES

(Including Automatic Termination and Cancellation Provisions)

For Attachment to American Institute Hull Clauses (December 1, 1977)

This insurance, subject to the exclusions set forth herein, covers only those risks which would be covered by the attached Policy (including collision liability) in the absence of the WAR, STRIKES AND RELATED EXCLUSIONS clause contained therein but which are excluded thereby and which risks shall be construed as also including:

1. Any mine, bomb or torpedo not carried as cargo on board the vessel;
2. Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
3. Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom;
4. Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power;
5. Malicious acts or vandalism to the extent only that such risks are not covered by the attached Policy;
6. Hostilities or warlike operations (whether there be a declaration of war or not) but this paragraph (6) shall not include 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.

EXCLUSIONS

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

- (a) Any hostile detonation of any weapon of war described above in paragraph (2);
- (b) Outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom, France, the Russian Federation or the People's Republic of China;
- (c) Delay or demurrage;
- (d) Requisition or preemption;
- (e) Arrest, restraint or detainment under customs or quarantine regulations and similar arrests, restraints or detainments not arising from actual or impending hostilities;
- (f) Capture, seizure, arrest, restraint, detainment, or confiscation by the Government of the United States or of the country in which the vessel is owned or registered.

HELD COVERED AND OTHER PROVISIONS

The held covered clause appearing under the heading ADVENTURE in the attached Policy is deleted and the following clause substituted therefore:-

"Subject to the provisions of the Automatic Termination and Cancellation Clauses below, held covered in the event of any breach of conditions as to loading or discharging of cargo at sea, or towage or salvage activities 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."

If at the natural expiry time of this insurance the Vessel is at sea, this insurance will be extended, provided previous notice be given to the Underwriters, for an additional premium at a rate to be named by the Underwriters, until midnight Local Time of the day on which the Vessel enters the next port to which she proceeds and for 24 hours thereafter, but in no event shall such extension affect or postpone the operation of the Automatic Termination and Cancellation Clauses below.

Warranted not to abandon in case of capture, seizure or detention, until after condemnation of the property insured.

The provisions of the attached Policy with respect to constructive Total Loss shall apply only to claims arising from physical damage to the Vessel.

AUTOMATIC TERMINATION AND CANCELLATION CLAUSES

- A. This insurance and any extension thereof, unless sooner terminated by the provisions of section B or C, shall terminate automatically upon and simultaneously with the occurrence of any hostile detonation of any nuclear weapon of war as defined above, wheresoever or whensoever such detonation may occur and whether or not the vessel may be involved.
- B. This insurance and any extension thereof, unless sooner terminated by the provisions of section A or C, shall terminate automatically upon and simultaneously with the outbreak of war, whether there be a declaration of war or not, between any of the following countries: United States of America, United Kingdom, France, the Russian Federation or the People's Republic of China.
- C. This insurance and any extension thereof, unless sooner terminated by section A or B, shall terminate automatically if and when the Vessel is requisitioned, either for title or use.
- D. This insurance and any extension thereof may be cancelled at any time at the Assured's request, or by Underwriters upon 14 days' written notice being given to the Assured, but in no event shall such cancellation affect or postpone the operation of the provisions of sections A, B or C. Written or telegraphic notice sent to the Assured at his (its) last known address shall constitute a complete notice of cancellation and such notice mailed or telegraphed to the said Assured, care of the broker who negotiated this insurance, shall have the same effect as if sent to the said Assured direct. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation shall be 14 days from midnight Local Time of the day on which such notice was mailed or telegraphed as aforesaid. Underwriters agree, however, to reinstate this insurance subject to agreement between Underwriters and the Assured prior to the effective date and hour of such cancellation as to new rate of premium and/or conditions and/or warranties.

RETURNS OF PREMIUM

The RETURNS OF PREMIUM clause of the attached Policy is deleted and the following substituted therefore:-

"In the event of an automatic termination or cancellation of this insurance under the provisions of sections A, B, C or D above, or if the Vessel be sold, pro rata net return of premium will be payable to the Assured, provided always that a Total Loss of the Vessel has not occurred during the currency of this Policy. In no other event shall there be any return of premium."

THIS INSURANCE SHALL NOT BECOME EFFECTIVE IF, PRIOR TO THE INTENDED TIME OF ITS ATTACHMENT, THERE HAS OCCURRED ANY EVENT WHICH WOULD HAVE AUTOMATICALLY TERMINATED THIS INSURANCE UNDER THE PROVISIONS OF SECTIONS A, B, OR C HEREOF HAD THIS INSURANCE ATTACHED PRIOR TO SUCH OCCURRENCE.

LONDON BLOCKING AND TRAPPING ADDENDUM
(FOR USE WITH INSTITUTE WAR AND STRIKES CLAUSES HULLS-TIME 1/10/83 AMENDED (1/4/2010))

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 term "restraint" appearing in Clause 3 of the Institute War and Strikes Clauses Hulls-Time 1/10/83 Amended (1/4/2010) provided that such closure has arisen through the blockage of the waterway by a warlike act or act of national defence.

1/4/2022

WAR RISK PROTECTION AND INDEMNITY CLAUSES (HULLS)

- Article 1. This insurance is extended to cover the liability of the Assured for Protection and Indemnity against the risks excluded from the Marine Protection and Indemnity Policy by reason of the F.C. and S. Clause and the liability of the Assured for Protection and Indemnity Risks as a result of strikes, lockout, political or labour disturbances, riots, civil commotions or acts of persons acting maliciously. 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 Limited. -Protection and Indemnity Club.
- Article 2. In the event that the Marine Protection and Indemnity Policy omits and/or excludes any of Protection and Indemnity Risks covered by The United Kingdom Mutual Steam Ship Assurance Association Limited, such omitted and/or excluded Protection and Indemnity Risks shall be deemed to be included in such insurance.
- Article 3. Notwithstanding the provisions of Clause 1, this insurance is not extended to cover the liability of the Assured to the crew of the insured vessel except for Contractual Repatriation Expense of any member of the crew as a result of the perils covered by the above.
- Article 4. Claims for which these Underwriters shall be liable under these clauses shall not be subject to any deduction.
- Article 5. The liability of Underwriters under these clauses in respect of any accident or series of accidents arising out of the same casualty shall be limited to the sum hereby insured.
- Article 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 provided for in the Automatic Termination Clauses of the Hull War Risk Policy.

**WAR RISK PROTECTION AND INDEMNITY CLAUSES
(DISBURSEMENTS)**

- Article 1. If the amount of the liability for Protection and Indemnity Risks under the War Risk Protection and Indemnity Clauses(Hulls) attached hereto exceeds the sum insured by the Hull War Risk Policy, this insurance is extended to cover the excess.
- Article 2. The liability of Underwriters under these clauses in respect of any accident or series of accidents arising out of the same casualty shall be limited to the sum hereby insured.
- Article 3. This Protection and Indemnity insurance shall terminate automatically at the same time as the Disbursements Insurance against War Risks and upon the terms and conditions provided for in the Automatic Termination Clauses of the Disbursements War Risk Policy.

WAR RISK PROTECTION AND INDEMNITY CLAUSES (CREW LIABILITY)

(Liability of Indemnification)

Article 1. Notwithstanding the provision of Article 3 of the WAR RISK PROTECTION AND INDEMNITY CLAUSES (HULLS), the Company shall indemnify the Assured, according to Article 1 of the WAR RISK PROTECTION AND INDEMNITY CLAUSES (HULLS) and these WAR RISK PROTECTION AND INDEMNITY CLAUSES(CREW LIABILITY), for any sum or sums paid by the Assured to Master, Officers or Crew of the Vessel (hereinafter called the "seaman")or their bereaved families by reason of the Assured assuming the liabilities mentioned in (1), (2) and (6) below under the statutory obligation or under the Labour Agreement, the Employment Regulations, the Accident Compensation Regulations or the Contracts of Service or Employment, including such expenses incurred by the Assured as listed below, incidental to the liabilities or otherwise.

Provided always that

- (a) such payments of liabilities or expenses shall have been made by the Assured with the prior written consent of the Company
- (b) the amount recoverable under the Workmen's Accident Compensation Insurance Law, the Seamen's Insurance Law and other workmen's accident compensation laws or ordinances of Japan or any other country shall not be indemnified hereunder.

- (1) Liability for loss of life of the seaman (including presumption of death due to being missing; hereinafter to be so interpreted)
- (2) Liability for the permanent physical handicaps of the seaman in the performance of his duties
- (3) Compensation for medical treatment (as provided for in Articles 89 and 90 of the Seamen's Law of Japan), injury or sickness allowances, convalescence allowances and travelling expenses for nursing in cases where the seaman has sustained an injury or contracted a sickness in the performance of his duties
- (4) Expenses incurred in saving the life of the seaman, searching for dead body of the seaman, delivering the remains of, ashes of, and articles left by the seaman and funeral expenses
- (5) Missing allowances in cases where the seaman has become missing in the performance of his duties
- (6) Liability for loss of or damage to the effects of the seaman
- (7) Necessary expenses incurred in sending a substitute to replace the seaman in consequence of his loss of life, injury or sickness
- (8) Wages payable to the seaman who has lost employment in consequence of an Actual or Constructive Total Loss of the Vessel

(Legal Costs)

Article 2. The Company shall also pay the necessary or useful legal costs incurred by the Assured, in taking proceedings or defensive legal action with the prior written consent of Company or referring the dispute to arbitration upon consultation with the Company, for the purpose of averting or minimising a loss which would be recoverable under these clauses.

(Relation to Other Insurances)

Article 3. In case of the whole or a part of the sums to be paid under these clauses being recoverable under other insurances, the Company shall only pay the sums which exceed the amount recoverable under such insurances.

(Limit of Liability for Indemnification)

Article 4. The indemnity under these clauses shall be in addition to the indemnity recoverable under the other terms and conditions of this insurance, but it shall be always limited to the following amount per capita in respect of any one accident:

- (1) the limit of liability specified in the Schedule in respect of the aggregate sums of the liabilities and the expenses mentioned in Article 1. (1) to (3) and (8)
- (2) the amount equivalent to 20% of the limit of liability specified in the Schedule in respect of the aggregate sums of the liabilities and the expenses mentioned in Article 1. (4) to (7) and Article 2. in addition to the indemnity recoverable under (1) above.

BLOCKING AND TRAPPING ETC. WORDING
(LOSS OF HIRE/LOSS OF TIME) (1/4/2014)

1. Interest Insured Hereunder

Hire, reward, charterage, or expenditure in respect of the vessel specified in attached Schedule (hereinafter called the Vessel).
Schedule also to contain daily indemnity and excess, 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 Hulls-Time (1/10/83), piracy, violent theft, and barratry of Master Officer or Crew but average irrespective of percentage
- (II) the confiscation, expropriation, nationalization or detention of the Vessel by, or under the order of any government or local authority
- (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 the Vessel be prevented from earning hire or reward, or be prevented from earning anticipated hire or reward, or be obliged to continue to 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 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 the 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 Vessel 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 Vessel having become a Total Loss (Actual or Constructive or Arranged or Compromised)

(E) due to loss damage liability or expense arising from

- (I) 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
- (II) 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

(III) requisition or pre-emption

(IV) confiscation and/or nationalization and/or any other act of government or local authority of the country stated in the space of the "Flag" in Schedule

(V) capture, seizure, arrest, restraint, detainment, confiscation or nationalization by the government of the country in which the Vessel is owned or registered

(VI) arrest, restraint or detainment under quarantine regulations or by reason of infringement of any customs or trading regulations

(VII) the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause

4. Warranties

(A) The Assured shall make all reasonable efforts to obtain the release of the Vessel, and shall subrogate to Underwriters all rights against any other parties.

(B) Warranted that the Assured 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.

(C) Warranted all necessary permits obtained.

5. Termination

(A) This insurance may be cancelled by either (he 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:

(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 nuclear weapon of war as defined in Clause 3 (E) (1) wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
- (II) upon the outbreak of war (whether there be a deduction 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
- (III) in the event of the Vessel being requisitioned, either for title or use
- (IV) upon any sale or other change of management or ownership unless with the prior consent of Underwriters

(C) In the event either of cancellation by notice or 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 concerned. In no other circumstance shall any return of premium be due once this insurance is effected except with the specific agreement of Underwriters.

1/4/2010

INCORPORATION CLAUSE

The Institute Time Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No.6 (4/2010) (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 6, 12, 23, 24 and 25 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of the Institute War and Strikes Clauses Hulls-Time 1/10/83 Amended (1/4/2010). 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.

1/4/2023

INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS CLAUSE-HULLS, ETC. AMENDED

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. Cancellation

Cover hereunder in respect of the risks of war etc. may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). Notwithstanding the foregoing, where the circumstances involve one of the five powers (United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China), the Notice shall be 72 hours (such cancellation becoming effective on the expiry of 72 hours 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:
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 Exclusions

This insurance excludes

3.1 loss damage liability or expense arising from
3.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

3.1.2 requisition either for title or use.

3.2 loss damage liability or expense directly or indirectly caused by or arising from

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

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

3.2.3 any weapon of war employing atomic or nuclear fusion 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 acceptable by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

1/4/2023

INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS CLAUSE-HULLS, ETC. (For Institute War and Strikes Clauses Amended etc.)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. Cancellation

Cover hereunder in respect of the risks of war etc. may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). Notwithstanding the foregoing, where the circumstances involve one of the five powers (United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China), the Notice shall be 72 hours (such cancellation becoming effective on the expiry of 72 hours 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:
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 Exclusions

This insurance excludes

3.1 loss damage liability or expense arising from
3.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China

3.1.2 requisition either for title or use.

3.2 loss damage liability or expense directly or indirectly caused by or arising from

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

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

3.2.3 any weapon of war employing atomic or nuclear fusion 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 acceptable 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.

LONDON BLOCKING AND TRAPPING ADDENDUM (for use with Institute War and Strikes Clauses Hulls-Time 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 term "restraint" appearing in Clause 3 of the Institute War and Strikes Clauses Hulls-Time 1/10/83 provided that such closure has arisen through the blockage of the waterway by a warlike act or act of national defence.

**VIOLENT THEFT, PIRACY AND BARRATRY EXTENSION
CLAUSE-FOR USE WITH THE INSTITUTE WAR & STRIKES
CLAUSES HULLS-TIME 1/10/83**

Where the war and strikes insurance of the vessel is written on terms which include the Institute War & Strikes Clauses Hulls-Time 1/10/83, the said clauses are hereby amended as follows:

- 1 Three new clauses shall be inserted after clause 1.6 as follows:
 - 1.7 violent theft by persons from outside the Vessel
 - 1.8 piracy
 - 1.9 barratry of Master Officers or Crew"
- 2 Clause 4.1.7 shall be deleted
- 3 Clause 4.2 shall be deleted and replaced by the following:
"loss damage liability or expense covered by the Institute Time Clauses Hulls Time 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof, as amended by Violent Theft, Piracy and Barratry Exclusion Clause-for use with the Institute Time Clauses Hulls 1/10/83,"
- 4 A new clause 4(a) shall be inserted after clause 4 as follows:
"4(a) No claim arising from a peril insured against under clause 1.7 or clause 1.8 above shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including any associated sue and labour, general average and salvage or collision liability claims) exceeds the deductible amount agreed (if any) in which case this sum shall be deducted. This clause 4(a) 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 sue and labour claim arising from the same accident or occurrence."

**VIOLENT THEFT, PIRACY AND BARRATRY EXTENSION
CLAUSE- FOR USE WITH THE INSTITUTE WAR & STRIKES
CLAUSES HULLS - TIME (AMENDED TO COVER
DISBURSEMENTS INCLUDING EXCESS LIABILITIES) 1/10/83**

Where the war and strikes insurance of the vessel is written on terms which include the Institute War & Strikes Clauses Hulls - Time (Amended to cover Disbursements including Excess Liabilities) 1/10/83, the said clauses are hereby amended as follows:

- 1 Three new clauses shall be inserted after clause 1.6 as follows:
 - 1.7 violent theft by persons from outside the Vessel
 - 1.8 piracy
 - 1.9 barratry of Master Officers or Crew"
- 2 Clause 4.1.7 shall be deleted
- 3 Clause 4.2 shall be deleted and replaced by the following:
"loss damage liability or expense covered by the Institute Time Clauses Hulls Disbursements and Increased Value (Total Loss only, including Excess Liabilities) 1/10/83 (including 4/4ths Collision Clause), as amended by Violent Theft, Piracy and Barratry Exclusion Clause-for use with the Institute Time Clauses Hulls 1/10/83,"

**HULL WAR SPECIAL CLAUSE IN RESPECT OF FISHING
OR REEFER BOAT**

The Company shall not be liable to pay for any loss or damage caused in consequence of the Vessel being engaged in, or about to be engaged in illegal fishing (including carriage of fish and/or fishery products from fishing grounds) which is in violation of the laws or regulations of Japan or any other country, or of the treaties ratified between Japan and any other country, or in consequence of the Vessel being charged with such violation irrespective of actual guilt.

1/4/2010

**INSURED VALUE CLAUSES FOR WAR AND STRIKES
LOSS OF TIME (A)**

(IN CASE OF TIME CHARTER HIRE TO BE THE INSURED VALUE)

It is a condition of this insurance that the Time Charter Party of the Vessel exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

**INSURED VALUE CLAUSES FOR WAR AND STRIKES LOSS OF
TIME (B)**

(IN CASE OF FREIGHT INCOME TO BE THE INSURED VALUE)

It is a condition of this insurance that the contract of carriage which the freight income of the Vessel is based upon exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

**FULL PREMIUM IF CLAIM CLAUSES
(BLOCKING AND TRAPPING ETC.)**

- Article 1. In the event that the total period of the Company's indemnity for Blocking and Trapping etc. wording (Loss of Hire / Loss of Time) under this Policy shall reach up to (as policy schedule) days, the Person effecting insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon
- Article 2. If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

1/11/2021

**SPECIAL CLAUSE IN RESPECT OF THE AGREED
MATTER EXTENDING OVER TWO SUCCESSIVE
POLICIES (FOR WAR AND STRIKES)**

- Article 1 Even in the event of the period of insurance of the Policy expiring while the agreed matter, limited to breach of the trading warranty specified in the Policy (hereinafter referred to as "Deviation"), stated in this Endorsement goes on, the Company's liability in this Endorsement and the duties, also in this Endorsement, of the Person effecting the insurance or the Assured shall be subject to the terms and conditions of the Policy notwithstanding the expiration of the period of insurance of the Policy, provided that the aforementioned shall be limited to the period until the Deviation is terminated.
- Article 2 In the case of the preceding Article, the Person effecting the insurance shall pay the full amount of the additional premium for the Endorsement to the Company under the Policy, notwithstanding the expiration of the period of insurance of the Policy,
- Article 3 The preceding two Articles shall be applied even when any other policies covering risks of war, mines, torpedoes or any other explosives, seizure, capture, strikes or social commotions or other risks such like them are newly concluded after the expiration of the Policy.

LOSS OF TIME / HIRE

<BASIC CLAUSES>

LOSS OF CHARTER HIRE INSURANCE—EXCLUDING 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),
(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 (*as policy schedule*) days in respect of any accident, then this insurance shall pay (*as policy schedule*) 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 (*as policy schedule*) days in respect of any one accident or occurrence (and not exceeding (*as policy schedule*) 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 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.
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 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.
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 event 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 detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
 - 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 labor 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 an explosive
 - 15.2 any weapon of warand 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) AMENDED (1/4/2023)

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 (*as policy schedule*) days in respect of any accident, then this insurance shall pay (*as policy schedule*) 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 (*as policy schedule*) days in respect of any one accident or occurrence (and not exceeding (*as policy schedule*) 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 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 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 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 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 and Automatic Termination of Cover Clause for War.
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 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 1 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 Russian Federation, 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 wheresoever or whencever 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 Russian Federation, 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.

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS (AMENDED) (FOR ABS WORDING)

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

FIRE AND POLLUTION HAZARD CLAUSES (FOR LOSS OF TIME)

Article 1 If, in consequence of the undermentioned emergency measures taken by the Japanese or foreign government authorities, the Vessel specified in the Policy (hereinafter called "the Vessel") is prevented from earning hire, such loss of time shall be deemed to be caused by the maritime accident which has necessitated the emergency measures and shall be indemnified subject to the terms and conditions of this Policy.

- (1) Emergency measures taken to extinguish a fire which is covered by this Policy and/or prevent the fire from spreading and/or to save human life when it has broken out on the Vessel.
- (2) Emergency measures taken for the same purpose as is stipulated in Paragraph (1) when the Vessel is about to catch fire in consequence of the damage to the Vessel which was caused by the maritime accident covered by this Policy (hereinafter referred to as "damage by insured perils").
- (3) Emergency measures taken to prevent or to mitigate pollution, where the Vessel has suffered damage by insured perils and the oil or any other substance which has leaked or been discharged from the Vessel pollutes or threatens to pollute seas, waters, rivers, etc.

Article 2 These special clauses shall prevail notwithstanding anything contained in this Policy inconsistent therewith.

FULL PREMIUM IF CLAIM CLAUSES (LOSS OF TIME)

Article 1 In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to (as policy schedule) days, the Person effecting insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2 If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified

ADDENDUM TO LOSS OF CHARTER HIRE INSURANCE INCLUDING WAR (ABS 1/10/83 Wording) AMENDED (1/4/2023)

Clause 1.(a) is amended to read:

Loss, damage or occurrence covered by Institute Time Clauses-Hulls 1/10/83 including Violent Theft, Piracy and Barratry Exclusion Clause – for use with the Institute Time Clauses Hulls 1/10/83 and also loss, damage or occurrence covered by Institute War and Strikes Clauses-Hulls 1/10/83 including Violent Theft, Piracy and Barratry Extension Clause – for use with the Institute Time Clauses Hulls 1/10/83

ADDENDUM TO LOSS OF CHARTER HIRE INSURANCE EXCLUDING WAR (ABS 1/10/83 Wording)

Clause 1.(a) is amended to read:

Loss, damage or occurrence covered by Institute Time Clauses-Hulls 1/10/83 including Violent Theft, Piracy and Barratry Exclusion Clause – for use with the Institute Time Clauses Hulls 1/10/83

LAID UP RETURN CLAUSES (LOSS OF TIME)

Article 1 In the case of insurance effected for a period of one year, if the Vessel is laid up (including laying-up on the slip way or in the dock - hereinafter to be so interpreted) for a period of 30 or more consecutive days during the insured period, the Company shall return the premium specified in the succeeding Article after natural expiry of the insurance, provided always that a total loss of the Vessel, whether by insured perils or otherwise, has not

occurred during the period covered by this insurance.

The return premium shall be calculated for each period of 30 consecutive days separately, (any fraction of 30 days shall be ignored.) but if the non-approved lay-up period is included in the period for which a return is claimable, the return shall be calculated to the number of days which excluded the non-approved lay-up period.

Article 3 In asking for a return of premium under the preceding two Articles, the person effecting the insurance or the Assured shall, give promptly notice of the fact to the Company in writing and obtain the Company's approval to the lay-up location and mooring arrangements.

Article 4 When the lay-up period is terminated, the person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company and provide the documents duly certified by the maritime authorities having jurisdiction over the waters where the Vessel is laid up and any other documents that may be required by the Company.

Article 5 The Company shall not return the premium specified in Articles 1 and 2, when the circumstances contrary to any specified conditions or any part thereof of the Lay-up Endorsement have occurred.

Article 6 In these Clauses:

- (1) "Lay-up" shall be defined as the condition in which the Vessel shall not be used for navigation, such as drydocking for repairs (whether by insured perils or otherwise), and/or structural alterations, mooring, berthing, or lying.
- (2) "Lay-up Endorsement" shall be defined as the Endorsement issued by the Company when the person effecting the insurance or the Assured obtained the Company's approval for lay-up.
- (3) "Non-approved lay-up period" shall be defined as the period stated as follows:

- (a) Period for the repair, structural alteration, or statutory survey, however, this shall not include any repairs in respect of ordinary wear and tear to the Vessel and/or following recommendations of the Vessel's Classification Society survey.

Period for lay-up in the Special Approved Area including where the Vessel is lying in exposed or unexposed waters, as long as the Company has specially approved and specified this in the Endorsement as a lay-up area.

Article 7 In respect of the insurance which has been cancelled before expiry, the Company shall return the premium in accordance with preceding Articles, provided that such cancellation has resulted from changing the insurance by following reasons

- (1) The cancellation of insurance resulting from switching the Policy by following reasons;
 - (a) extension of coverage
 - (b) change of the insured value or the insured amount
 - (c) change of currency of the insured value
 - (d) change of the type of the vessel
 - (e) change of gross tonnage
 - (f) change of ocean going/coastal
 - (g) change of the deductible
 - (h) change of the owner of the vessel, with no change of the person effecting insurance
- (2) The rearrangement of the period of insurance by rational reason
- (3) The cancellation by reason of extinction of the insured interest

BUILDERS' / SHIP REPAIRERS' RISKS

<BASIC CLAUSES>

1/6/88

INSTITUTE CLAUSES FOR BUILDERS' RISKS Amended (4/2010)

(This insurance is subject to English law and practice)

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	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this sub-section (A) is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section (A) which is at such locations shall attach from the time:-

- (i) of inception of this Section I if such item has already been allocated to the Vessel;
- (ii) of delivery to Builders of such item (if allocated) when delivered after inception of this Section I;
- (iii) of allocation by Builders if allocated after inception of this Section I.

(B) MACHINERY etc. insured hereon whilst under construction by Sub-Contractors.

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this sub-section (B) is covered whilst at Sub-Contractors' works and at Sub-Contractors' premises elsewhere within the port or place of construction at which the Sub-Contractors' works are situated and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section (B) which is at such locations shall attach from the time:-

- (i) of inception of this Section I if such item has already been allocated to the Vessel;
- (ii) of delivery to the Sub-Contractors of such item (if allocated) when delivered after inception of this Section I;
- (iii) of allocation by the Sub-Contractors if allocated after inception of this Section I.

The subject-matter of this sub-section (B) is also covered whilst:-

- (a) in transit to Builders if the transit is within the port or place of construction at which the Builders' Yard is situated;
- (b) at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations.

SECTION II. Provisional Period from
 but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.

MACHINERY etc. insured hereon from delivery to Builders.

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject-matter of this Section II is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations. The Underwriters' liability in respect of each item of this Section II shall attach from the time of delivery to Builders.

1 INSURED VALUE

- 1.1 Whereas the value stated herein is provisional, it is agreed that the final contract price, or the total building cost plus % whichever is the greater, of the subject-matter of this insurance shall be the insured value;
- 1.2 Should the insured value, determined as above,
 - 1.2.1 exceed the provisional value stated herein, the Assured agree to declare to the Underwriters hereon the amount of such excess and to pay premium thereon at the full policy rates, and the Underwriters agree to accept their proportionate shares of the increase,
or
 - 1.2.2 be less than the provisional value stated herein, the sum insured by this insurance shall be reduced proportionately and the Underwriters agree to return premium at the full policy rates on the amounts by which their respective lines are reduced.
- 1.3 Nevertheless, should the insured value exceed 125% of the provisional value, then the limits of indemnity under this insurance shall be 125% of the provisional value, any one accident or series of accidents arising out of the same event.
- 1.4 Notwithstanding the above it is understood and agreed that any variation of the value for insurance on account of a material alteration in the plans or fittings of the Vessel or a change in type from that originally contemplated does not come within the scope of this clause and such a variation requires the specific agreement of the Underwriters.

2 TRANSIT

Held covered at a premium to be arranged for transit not provided for in Section I or H above.

3 DELAYED DELIVERY

Held covered at a premium to be arranged in the event of delivery to Owners being delayed beyond *the provisional period(s) mentioned above, but in no case shall any additional period of cover extend beyond 30 days from completion of Builders' Trials.

4 DEVIATION OR CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

5 PERILS

- 5.1 SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS this insurance is against all risks of loss of or damage to the subject-matter insured caused and discovered during the period of this insurance including the cost of repairing, replacing or renewing any defective part condemned solely in consequence of the discovery therein during the period of this insurance of a latent defect. In no case shall this insurance cover the cost of renewing faulty welds.
- 5.2 In case of failure of launch, the Underwriters to bear all subsequent expenses incurred in completing launch.

6 EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by earthquake or volcanic eruption **. This exclusion applies to all claims including claims under Clauses 13, 17, 19 and 20.

7 POLLUTION HAZARD

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

8 FAULTY DESIGN

Notwithstanding anything to the contrary which may be contained in the Policy or the clauses attached thereto, this insurance includes loss of or damage to the subject-matter insured caused and discovered during the period of this insurance arising from faulty design of any part or parts thereof but in no case shall this insurance extend to cover the cost or expense of repairing, modifying, replacing or renewing such part or parts, nor any cost or expense incurred by reason of betterment or alteration in design.

9 NAVIGATION

- 9.1 With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under own power, loaded or in ballast, as often as required, for fitting out, docking, trials or delivery, within a distance by water of 250 nautical miles of the port or place of construction, or held covered at a premium to be arranged in the event of such distance being exceeded.
- 9.2 Any movement of the Vessel in tow outside the port or place of construction held covered at a premium to be arranged, provided previous notice be given to the Underwriters.

10 DEDUCTIBLE

- 10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 13, 17, 19 and 20) exceeds the amount 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 10.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 20 arising from the same accident or occurrence.
- 10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

* the period specified in the Schedule.

**, or tidal wave arising therefrom

- 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 UNREPAIRED DAMAGE

- 11.1 The measure of indemnity in respect of claims for unrepaid damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaid damage, but not exceeding the reasonable cost of repairs.
- 11.2 In no case shall the Underwriters be liable for unrepaid damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 11.3 The Underwriters shall not be liable in respect of unrepaid damage for more than the insured value at the time this insurance terminates.

12 CONSTRUCTIVE TOTAL LOSS

- 12.1 In ascertaining whether the subject-matter insured is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value shall be taken into account.
- 12.2 No claim for constructive total loss based upon the cost of recovery and/or repair shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 GENERAL AVERAGE AND SALVAGE

- 13.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.
- 13.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 13.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, *1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.
- 13.4 No claim under this Clause 13 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

14 NOTICE OF CLAIM

In the event of loss damage liability or expense which may result in a claim under this insurance, prompt notice shall be given to the Underwriters prior to repair and, if the subject-matter is under construction abroad, to the nearest Lloyd's Agent ** so that a surveyor may be appointed to represent the Underwriters should they so desire.

15 CHANGE OF INTEREST

Any change of interest in the subject-matter insured shall not affect the validity of this insurance.

16 ASSIGNMENT

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

17 COLLISION LIABILITY

- 17.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
 - 17.1.1 loss of or damage to any other vessel or property on any other vessel
 - 17.1.2 delay to or loss of use of any such other vessel or property thereon
 - 17.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.
- 17.2 The indemnity provided by this Clause 17 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:
 - 17.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 17 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
 - 17.2.2 In no case shall the Underwriters' total liability under Clause 17.1 and 17.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.
- 17.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

- 17.4 Provided always that this Clause 17 shall in no case extend to any sum which the Assured shall pay for or in respect of
 - 17.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
 - 17.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

* 1994

** of the Company

- 17.4.3 the cargo or other property on, or the engagements of, the insured Vessel
- 17.4.4 loss of life, personal injury or illness
- 17.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

18 SISTERSHIP

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

19 PROTECTION AND INDEMNITY

- 19.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as Owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:
 - 19.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 17
 - 19.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same
 - 19.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port
 - 19.1.4 loss of life, personal injury, illness or payments made for life salvage.
- 19.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:
 - 19.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea
 - 19.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore
 - 19.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member
 - 19.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured
 - 19.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

- 19.3 Notwithstanding the provisions of Clauses 19.1 and 19.2 this Clause 19 does not cover any liability cost or expense arising in respect of:
 - 19.3.1 any direct or indirect payment of the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by * the Assured or ** others on or about or in connection with the Vessel or her cargo materials or repairs
 - 19.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement
 - 19.3.3 punitive or exemplary damages, however described
 - 19.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 19.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel
 - 19.3.5 loss of or damage to property, owned by builders or repairers or for which they are responsible, which is on board the Vessel
 - 19.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured
 - 19.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member
 - 19.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member
 - 19.3.9 fines or penalties arising from overloading or illegal fishing
 - 19.3.10 pollution or contamination of any real or personal property or thing whatsoever ***.
- 19.4 The indemnity provided by this Clause 19 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.
- 19.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 19 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.
- 19.6 ****In no case shall the Underwriters' liability under this Clause 19 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.

* If several parties are named as Assured(s) in the Schedule, only ship-builder(s) are deemed to be as Assured(s) hereupon.

** SUB-CONTRACTORS

*** before the Vessel is launched

**** The Underwriters' liability under Clause 19.1.4 in respect of each separate accident or occurrence or series of accidents arising out of the same event, shall not exceed the amount of Limit of Liability specified in the Schedule.

19.7 PROVIDED ALWAYS THAT

- 19.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 19 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 19
- 19.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 19 without the prior written consent of the Underwriters.

20 DUTY OF ASSURED (SUE AND LABOUR)

- 20.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 20.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 20.4) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 19 are not recoverable under this Clause 20.
- 20.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 20.4 When a claim for total loss of the subject-matter insured is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the subject-matter insured and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the subject-matter insured.
- 20.5 The sum recoverable under this Clause 20 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

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

21 WAR EXCLUSION

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

- 21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereof
- 21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES EXCLUSION

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

- 22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 22.2 any terrorist or any person acting from a political motive.

23 MALICIOUS ACTS EXCLUSION

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

- 23.1 the detonation of an explosive
- 23.2 any weapon of war

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

24 NUCLEAR EXCLUSION

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

- 24.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 24.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 24.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

PERILS CLAUSE (Earthquake Risks Only)

The provisions of Clauses 5 and 6 of the Institute Clauses for Builders' Risks 1/6/88 Amended (4/2010) shall be replaced by the following.

5 PERILS

5.1 SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS this insurance covers loss of or damage to the subject-matter insured caused by earthquake, volcanic eruption or tidal wave arising therefrom and discovered during the period of this insurance. In no case shall this insurance cover the cost of renewing faulty welds.

5.2 In case of failure of launch caused by earthquake, volcanic eruption or tidal wave arising therefrom, the Underwriters to bear all subsequent expenses incurred in completing launch.

6 EXCLUSION

This insurance excludes loss damage liability or expense covered by the Institute Clauses for Builders' Risks 1/6/88 Amended (4/2010) and the attached clauses thereof under separate insurance Policy (POLICY NO.: *as in schedule*) on the subject-matter insured or would be recoverable thereunder but for Clause 10 thereof.

1/6/88

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE CLAUSES FOR BUILDERS' RISKS 1/6/88 Amended (4/96) (FOR SHIPREPAIRERS' RISKS INSURANCE)

This insurance is subject to English law and practice

VESSELBUILDERSBUILDERS' YARDS

SUBJECT TO INSURANCE

(Where more than one part of the subject-matter insured is described in Section(A), Section(B) or Section II below, then the respective wording of Section I (A), Section I (B) or Section II shall be applied to each part separately.)

SECTION I. Provisional Period from
..... but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.

(A) HULL and MACHINERY etc. under construction at the yard or other premises of the Builders:

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject matter of this sub-section(A) is covered whilst at Builder's Yard and at Builder's premises elsewhere within the port or place of construction at which the Builder's Yard is situated and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section(A) which is at such locations shall attach from the time:--

- (i) of inspection of this Section I if such item has already been allocated to the Vessel;
- (ii) of delivery to Builders of such item(if allocated) when delivered after inception of this Section I;
- (iii) of allocation by Builders if allocated after inception of this Section I

(B) MACHINERY etc. insured hereon whilst under construction by Sub-Contractors:

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject matter of this sub-section(B) is covered whilst at Sub-Contractors' works and at Sub-Contractors' premises elsewhere within the port or place of construction at which the Sub-Contractors' works and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section(B) which is at such locations shall attach from the time:--

- (i) of inspection of this Section I if such item has already been allocated to the Vessel;
- (ii) of delivery to the Sub-Contractors of such item(if allocated) when delivered after inception of this Section I;

(iii) of allocation by the Sub-Contractors if allocated after inception of this Section I
 The subject matter of this sub-section(B) is also covered whilst:—
 (a) In transit to Builders if the transit is within the port or place of construction at which the Builders' Yard is situated;
 (b) at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations;

SECTION II . Provisional Period from
 but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.
 MACHINERY etc. insured hereon from delivery to Builders:

Description	Contract or Yard No.	Provisionally valued at	To be built at/by

The subject matter of this Section II is covered whilst at the Builders' Yard and Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such location. The Underwriters' liability in respect of such time of this Section II shall attach from the time of delivery to Builders:

1 INSURED VALUE

1.1 Whereas the valued started herein is provisional, it is agreed that the final contract price or the total building cost plus whichever is the greater of the subject-matter of this insurance shall be the insured value.
 1.2 Should the insured determined the above:
 1.2.1 exceed the provisional value stated herein the Assured agree to declare to the Underwriters hereon the amount of such excess and to pay premium thereon at the full policy rates and the Underwriters agree to accept their proportionate shares of the increase:
 or
 1.2.2 be less than the provisional value stated herein the sum insured by this insurance shall be reduced proportionately and the Underwriters agree to return premium at the full policy rates on the amounts by which their respective lines are reduced
 1.3 Nevertheless should the insured value exceed 125% of the provisional value then the limits of indemnity under this insurance shall be 125% of the provisional value any one accident or series of accidents arising out of the same event.
 1.4 Notwithstanding the above it is understood and agreed that any variation of the value for insurance on account of a material alteration of listing of the Vessel or a change in type from that originally contemplated does not come within the scope of this clause and such a variation requires the specific agreement of the Underwriters:

2 TRANSIT

Held covered at a premium to be arranged for transit not provided for Section I or II above.

3 DELAYED DELIVERY

Held covered at a premium to be arranged in the event of *delivery to Owners being delayed beyond the provisional period(s) mentioned above, but in no case shall any additional period of cover extend beyond 30 days from completion of Builders' Trials:

4 DEVIATION OR CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage provided notice given to the Underwriters' immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

5 PERILS

5.1 SUBJECT ALWAYS TO ITS TERMS CONDITIONS AND EXCLUSIONS this insurance is against all risks of loss of or damage to the subject matter insured caused and discovered during the period of this insurance including the cost of repairing replacing or renewing any defective part condemned solely in consequence of the discovery therein during the period of this insurance of a latent defect. In no case shall this insurance cover the cost of renewing faulty welds.
 5.2 in no case of failure of launch the Underwriters to bear all subsequent expenses incurred in completing launch.

6 EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense cause by earthquake or volcanic eruption.**
 This exclusion applies to all claims including claims under Clause 13, 17, 19 and 20.

7 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers visited 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 the meaning of this Clause 7 should they hold shares in the Vessel:

8 FAULTY DESIGN

Notwithstanding anything to the contrary which may be contained in the Policy or the clauses attached thereto, this insurance includes loss of or damage to the subject-matter insured caused and discovered during the period of this insurance arising from faulty design of any part or parts thereof but in no case shall this insurance extend to cover the cost or expense of repairing, modifying, replacing or renewing such part or parts nor any cost or expense incurred by reason of betterment or alteration in design.

* redelivery from Repairer being delayed beyond the period specified in the Schedule.
 **, or tidal wave arising therefrom

9 NAVIGATION

- 9.1 With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under own power loaded or in ballast, as often as required, for fitting out, docking, trials or delivery, within a distance by water of 250 nautical miles of the port or place of construction, or held covered at a premium to be arranged in the event of such distance being exceeded.
- 9.2 Any movement of the Vessel in tow outside the port or place of construction held covered at a premium to be arranged provided previous notice be given to the Underwriters.

10 DEDUCTIBLE

- 10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clause 13, 17, 19 and 20) exceeds the amount specified in the Schedule in which case this sum shall be deducted. Nevertheless the expenses of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 20 arising from the same accident or occurrence.
- 10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage.
The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.
- 10.3 Excluding any interest compromised 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 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 UNREPAIRED DAMAGE

- 11.1 The measure of indemnity in respect of claims for unrepaid damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaid damage but not exceeding the reasonable cost of repairs.
- 11.2 In no case shall the Underwriters be liable for unrepaid damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 11.3 The Underwriters shall not be liable in respect of unrepaid damage for more than the insured value at the time this insurance terminates.

12 CONSTRUCTIVE TOTAL LOSS

- 12.1 In ascertaining whether the subject matter insured is a constructive total loss the insured value shall be taken as the repaired value and nothing in respect of damaged or break up value shall be taken into account.
- 12.2 No claim for constructive total loss based upon the cost of recovery and/or repair shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

13 GENERAL AVERAGE AND SALVAGE

- 13.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.
- 13.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject: but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 13.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules 1994 (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 arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.
- 13.4 No claim under this Clause 13 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

14 NOTICE OF CLAIM

In the event of loss damage liability or expense which may result in a claim under this insurance, prompt notice shall be given to the Underwriters prior to repair and, if the subject-matter is under construction abroad, to the nearest Lloyd's Agent* so that a surveyor may be appointed to represent the Underwriters should they so desire.

15 CHANGE OF INTEREST

Any change of interest in the subject-matter insured shall not affect the validity of this insurance.

16 ASSIGNMENT

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

17 COLLISION LIABILITY

- 17.1 The underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
 - 17.1.1 loss of or damage to any other vessel or property on any other vessel
 - 17.1.2 delay to or loss use of any such other vessel or property thereon
 - 17.1.3 general average of, salvage of, or salvage under contract of, any other such vessel or property thereon, where

*of the Company

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

17.2 The indemnity provided this Clause 17 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

17.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 17 shall be calculated on the principle of cross liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

17.2.2 In no case shall the Underwriters' total liability under Clause 17.1 and 17.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

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

EXCLUSIONS

17.4 Provided always that this Clause 17 shall in no case extend to any sum which the Assured shall pay for or in respect of

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

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

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

17.4.4 loss of life, personal injury or illness

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

18 SISTERSHIP

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

19 PROTECTION AND INDEMNITY

19.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as Owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance

19.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 17

19.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same

19.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port

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

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

19.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick of injured persons or stowaways, refugees, or persons saved at sea

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

19.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

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

19.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

19.3 Notwithstanding the provisions of Clause 19.1 and 19.2 this Clause 19 does not cover any liability cost or expense arising in respect of:

19.3.1 any direct or indirect payments of the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo materials or repairs

19.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement

19.3.3 punitive or exemplary damages, however described

19.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 19.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

19.3.5 loss of or damage to property, owned by **builders or repairers or** * for which they are responsible, which is on board the Vessel

19.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

19.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

*shipowner

- 19.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member
- 19.3.9 fines or penalties arising from overloading or illegal fishing
- 19.3.10 pollution or contamination of any real or personal property or thing whatsoever*
- 19.4 The indemnity provided by this Clause 19 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.
- 19.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 19 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation
- 19.6 In no case shall the Underwriters' liability under this Clause 19 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.
- 19.7 **PROVIDED ALWAYS THAT**
 - 19.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the assured which may give rise to a claim under this Clause 19 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 19
 - 19.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 19 without the prior written consent of the Underwriters.

20 DUTY OF ASSURED (SUE AND LABOUR)

- 20.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance
- 20.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 20.4) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 19 are not recoverable under this Clause 20.
- 20.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party
- 20.4 When a claim for total loss of the subject-matter insured is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the subject-matter insured and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the subject-matter insured.
- 20.5 The sum recoverable under this Clause 20 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

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

21 WAR EXCLUSION

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

- 21.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 21.2 capture seizure arrests restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat
- 21.3 derelict mines torpedoes bombs or other derelict weapons of war

22 STRIKES EXCLUSION

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

- 22.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 22.2 any terrorist or any person acting from a political motive

23 MALICIOUS ACTS EXCLUSION

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

- 23.1 the detonation of an explosive

- 23.2 any weapon of war

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

24 NUCLEAR EXCLUSION

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

- 24.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 24.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 24.3 any weapon of war employing atomic or nuclear fission and/or fusion or other radioactive force or matter.

*before the Vessel is launched

**INSTITUTE WAR CLAUSES
BUILDERS' RISKS** Amended (4/2022)

(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 thereof
- 2.3 derelict mines torpedoes bombs or other derelict weapons of war.

3. PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitations of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88*, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88* which is excluded by Clauses 21, 22.2 and 23.

Provided however that such cover shall not attach until the vessel is launched.

4. INCORPORATION

The Institute Clauses for Builders' Risks 1/6/88* except Clauses 4, 5.1 and 5.2, 7, 8, 21, 22, 23 and 24** are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses.

5. DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint or detainment, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

6. EXCLUSION

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 Russian Federation, 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 whosoever such detonation may occur and whether or not the Vessel may be involved

* Amended (4/2010)

** , and the attached clauses thereof which are applied to marine insurance on the subject-matter insured (excluding the Institute Strikes Clauses Builders' Risks 1/6/88 Amended (4/2010)

*** 1994

7.2.2 — upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China

7.2.3 — in the event of the Vessel being requisitioned, either for title or use.

7.3 — In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7 pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 7 above.

INSTITUTE STRIKES CLAUSES BUILDERS' RISKS Amended (4/2010)

(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 subjectmatter insured caused by

- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.2 any terrorist or any person acting maliciously or from a political motive.

2 PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitation of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88*, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88* which is excluded by Clause 22.1.

3 INCORPORATION

The Institute Clauses for Builders' Risks 1/6/88* are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses, but this insurance excludes any claim which would be recoverable under the said clauses.

4 RETURNS OF PREMIUM

No return of premium hereunder unless specially agreed.

5 EXCLUSIONS

This insurance excludes

- 5.1 any loss of or damage to the subject-matter insured covered by the Institute War Clauses Builders' Risks 1/6/88*
- 5.2 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974**
- 5.3 piracy (but this exclusion shall not affect cover under Clause 1.1)
- 5.4 any claim based upon loss of or frustration of any voyage or contract for sale or other adventure.

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

6 WAR EXCLUSION

In no case shall this insurance cover loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

7 NUCLEAR EXCLUSION

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

- 7.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 7.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 7.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

* Amended (4/2010)
** 1994

1/4/2010

INSURED VALUE CLAUSES (for Builders' Risks Insurance)

The insured value shall be determined at not less than the building contract price of the Vessel (if any parts are to be supplied by the Orderer, the value thereof shall be added to the building contract price of the Vessel ; hereinafter to be so interpreted).

1/4/2010

PROCEEDING CLAUSE

Notwithstanding the provisions of the Clause 9 of the Institute Clauses for Builders' Risks 1/6/88 Amended (4/2010), it is agreed that the Vessel shall have leave to proceed under own power within a distance by water of the number of nautical miles specified in the Schedule, or in tow within a distance by water of 25 nautical miles of the port or place of construction, loaded or in ballast, as often as required, for fitting out, docking, trials or delivery without notice to the Company.

1/4/2010

REPAIR CLAUSES (for I.B.C. Amended (4/2010))

Article 1 Notwithstanding anything to the contrary contained in this insurance, it is understood and agreed that the cost of repairing damage to the Vessel caused by an insured peril shall be adjusted subject to Japanese law and practice.

Article 2 1. If the Vessel sustains damage by an insured peril, the Assured shall repair the damage without delay.
2. The Company shall indemnify the Assured for the cost of repairs of such damage as referred to in the preceding paragraph after the repairs have been completed but in case the Assured fails to repair the damage without delay and repairs it later the Company shall indemnify the Assured for the cost of repairs within the limit of the estimated cost of repairs which would have been required had the repairs been made without delay.

Article 3 Notwithstanding the preceding Article 2, if the Vessel damaged by an insured peril is sold in the unrepainted condition, the Company shall indemnify the Assured for the reasonable estimated cost of repairs within the limit of the reasonable depreciation in value of the Vessel due to the said damage, provided that the Company should have been liable to indemnify the Assured for the cost of repairs been made.
However, this Article 3 shall not affect Clauses 11.2 and 11.3 of the Institute Clauses for Builders' Risks 1/6/88 Amended (4/2010)

SUBJECT-MATTER INSURED CLAUSE (for Builders' Risks Insurance)

The subject-matters insured by this insurance shall be those enumerated below which belong to the Assured (including those supplied by the orderer of the Vessel, if any) and which are within the trading warranty specified in the Schedule.

- (1) hull, machinery, electric apparatus, navigational aids, equipment, fittings, etc. of the Vessel and building materials thereof.
- (2) blueprints, moulds and wooden models used for building the Vessel
- (3) fuel and lubricating oil used in trial trip or voyage for fitting out, docking or delivering the Vessel

VOYAGE RISKS

<BASIC CLAUSES>

1/10/83

INSTITUTE VOYAGE CLAUSES HULLS

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

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

3 ASSIGNMENT

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

4 PERILS

- 4.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.1.1 perils of the seas rivers lakes or other navigable waters
 - 4.1.2 fire, explosion
 - 4.1.3 violent theft by persons from outside the Vessel
 - 4.1.4 jettison
 - 4.1.5 piracy
 - 4.1.6 breakdown of or accident to nuclear installations or reactors
 - 4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 4.1.8 earthquake volcanic eruption or lightning.
- 4.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.2.1 accidents in loading discharging or shifting cargo or fuel
 - 4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 4.2.3 negligence of Master Officers Crew or Pilots
 - 4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 4.2.5 barratry of Master Officers or Crew,
provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

6 3/4THS COLLISION LIABILITY

- 6.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
 - 6.1.1 loss of or damage to any other vessel or property on any other vessel
 - 6.1.2 delay to or loss of use of any such other vessel or property thereon
 - 6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.
- 6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:
 - 6.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be

calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.

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

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

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

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

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

6.4.4 loss of life, personal injury or illness

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

7 SISTERSHIP

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

8 NOTICE OF CLAIM AND TENDERS

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

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

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

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

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

8.4 In the event of failure to comply with the conditions of this Clause 8 a deduction of 15% shall be made from the amount of the ascertained claim.

9 GENERAL AVERAGE AND SALVAGE

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

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

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

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

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(as policy 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 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

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

10.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into

account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

11 DUTY OF ASSURED (SUE AND LABOUR)

- 11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.
- 11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

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

- 13.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 13.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
areas of plating damaged during the course of fairing, either in place or ashore,
- 13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above,

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

14 WAGES AND MAINTENANCE

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

15 AGENCY COMMISSION

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

16 UNREPAIRED DAMAGE

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

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

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

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

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

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

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

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

19.1.8 *Insurance irrespective of amount against:* Any risks excluded by Clauses 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.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

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

20 WAR EXCLUSION

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

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

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

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

21 STRIKES EXCLUSION

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

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

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

22 MALICIOUS ACTS EXCLUSION

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

22.1 the detonation of an explosive

22.2 any weapon of war

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

23 NUCLEAR EXCLUSION

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

INSTITUTE VOYAGE CLAUSES HULLS

(AMENDED TO COVER 4/4 THS COLLISION LIABILITY)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

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

3 ASSIGNMENT

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

4 PERILS

- 4.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.1.1 perils of the seas rivers lakes or other navigable waters
 - 4.1.2 fire, explosion
 - 4.1.3 violent theft by persons from outside the Vessel
 - 4.1.4 jettison
 - 4.1.5 piracy
 - 4.1.6 breakdown of or accident to nuclear installations or reactors
 - 4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 4.1.8 earthquake volcanic eruption or lightning.
- 4.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.2.1 accidents in loading discharging or shifting cargo or fuel
 - 4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
 - 4.2.3 negligence of Master Officers Crew or Pilots
 - 4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the Vessel.

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.

*four-fourths

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of **three-fourths*** of the insured value of the Vessel hereby insured in respect of any one collision.

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

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

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

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

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

6.4.4 loss of life, personal injury or illness

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

7 SISTERSHIP

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

8 NOTICE OF CLAIM AND TENDERS

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

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

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

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

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

8.4 In the event of failure to comply with the conditions of this Clause 8 a deduction of 15% shall be made from the amount of the ascertained claim.

9 GENERAL AVERAGE AND SALVAGE

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

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

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

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

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(as policy 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 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

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

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

*four-fourths

11 DUTY OF ASSURED (SUE AND LABOUR)

- 11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.
- 11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.
- 11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

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

- 13.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 13.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
areas or plating damaged during the course of fairing, either in place or ashore,
- 13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above,

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

14 WAGES AND MAINTENANCE

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

15 AGENCY COMMISSION

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

16 UNREPAIRED DAMAGE

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

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

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- 19.1 Additional insurances as follows are permitted:

- 19.1.1 *Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.* A sum not exceeding 25% of the value stated herein.
- 19.1.2 *Freight, Chartered Freight or Anticipated Freight, insured for time.* A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 19.1.1.
- 19.1.3 *Freight or Hire, under contracts for voyage.* A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
- 19.1.4 *Anticipated Freight if the Vessel sails in ballast and not under Charter.* A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured.
- 19.1.5 *Time Charter Hire or Charter Hire for Series of Voyages.* A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 19.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 19.1.2 and 19.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
- 19.1.6 *Premiums.* A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
- 19.1.7 *Returns of Premium.* A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
- 19.1.8 *Insurance irrespective of amount against:* Any risks excluded by Clauses 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.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

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

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

21 STRIKES EXCLUSION

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

- 21.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 21.2 any terrorist or any person acting from a political motive.

22 MALICIOUS ACTS EXCLUSION

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

- 22.1 the detonation of an explosive
- 22.2 any weapon of war

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

23 NUCLEAR EXCLUSION

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

INSTITUTE VOYAGE CLAUSES HULLS
 (AMENDED FOR JAPANESE CLAUSES CLASS NO.5 (4/2010))

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

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

3 ASSIGNMENT

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

4 PERILS

- 4.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.1.1 perils of the seas rivers lakes or other navigable waters
 - 4.1.2 fire, explosion
 - 4.1.3 violent theft by persons from outside the Vessel
 - 4.1.4 jettison
 - 4.1.5 piracy
 - 4.1.6 breakdown of or accident to nuclear installations or reactors
 - 4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 4.1.8 earthquake volcanic eruption or lightning.
- 4.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.2.1 accidents in loading discharging or shifting cargo or fuel
 - 4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull*
 - 4.2.3 negligence of Master Officers Crew or Pilots
 - 4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

**

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that 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.

* except any accident to painting only (including such accident arising from the cause mentioned in 4.2.4 below)

** 4.4 Notwithstanding any provision herein no claim under this Clauses 4 shall be allowed in respect of particular average unless caused by the Vessel sinking, stranding, grounding, burning, being on fire or in collision or contact with any external substance other than water.

6 **3/4THS*** COLLISION LIABILITY

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

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

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

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of **three-fourths*** of the insured value of the Vessel hereby insured in respect of any one collision.

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

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

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

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

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

6.4.4 loss of life, personal injury or illness

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

7 SISTERSHIP

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

8 NOTICE OF CLAIM AND TENDERS

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

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

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

Due credit shall be given against the allowance as above agree 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.

8.4 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.

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.

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.

* four-fourths

** which the Assured becomes legally liable to pay to any other person or persons

*** of the Company

**** 1994

10 DEDUCTIBLE

10.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clause 6, 9 and 11) exceeds *(as policy 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 10.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

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

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

11 DUTY OF ASSURED (SUE AND LABOUR)

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

11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.

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

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

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

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

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

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

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

13.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs;
areas or plating damaged during the course of fairing, either in place of shore;

13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above;

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

14 WAGES AND MAINTENANCE

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

15 AGENCY COMMISSION

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

16 UNREPAIRED DAMAGE

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

16.2 In no case shall the Underwriters be liable for unrepaid 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 unrepaid 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 insurances as follows are permitted:

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

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

19.1.3 *Freight or Hire, under contract 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 23, 24, 25 and 26 below.

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

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

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 thereof

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

*

21 STRIKES EXCLUSION

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

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

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

* 20.4 violent theft persons from outside the Vessel or piracy.

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.

INSTITUTE VOYAGE CLAUSES HULLS

(AMENDED FOR JAPANESE CLAUSES CLASS NO.6 (4/2010))

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

2 CHANGE OF VOYAGE

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

3 ASSIGNMENT

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

4 PERILS

- 4.1 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.1.1 perils of the seas rivers lakes or other navigable waters
 - 4.1.2 fire, explosion
 - 4.1.3 ~~violent theft by persons from outside the Vessel~~
 - 4.1.4 jettison
 - 4.1.5 ~~piracy~~
 - 4.1.6 breakdown of or accident to nuclear installations or reactors
 - 4.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
 - 4.1.8 earthquake volcanic eruption or lightning.
- 4.2 This insurance covers loss of or damage to the subject-matter insured caused by
 - 4.2.1 accidents in loading discharging or shifting cargo or fuel
 - 4.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull*
 - 4.2.3 negligence of Master Officers Crew or Pilots
 - 4.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
 - 4.2.5 barratry of Master Officers or Crew,

provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 4.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 4 should they hold shares in the Vessel.

5 POLLUTION HAZARD

This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that 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.

* except any accident to painting only (including such accident arising from the cause mentioned in 4.2.4 below)

6 **3/4THS*** COLLISION LIABILITY

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

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

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

6.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.

6.2 The indemnity provided by this Clause 6 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

6.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 6 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

6.2.2 In no case shall the Underwriters' total liability under Clauses 6.1 and 6.2 exceed their proportionate part of **three-fourths*** of the insured value of the Vessel hereby insured in respect of any one collision.

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

EXCLUSIONS

6.4 Provided always that this Clause 6 shall in no case extend to any sum which the Assured shall pay for or in respect of

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

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

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

6.4.4 loss of life, personal injury or illness

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

7 SISTERSHIP

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

8 NOTICE OF CLAIM AND TENDERS

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

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

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

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

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

8.4 In the event of failure to comply with the conditions of this Clause 8 a deduction of 15% shall be made from the amount of the ascertained claim.

9 GENERAL AVERAGE AND SALVAGE

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

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

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

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

* four-fourths

** which the Assured becomes legally liable to pay to any other person or persons

*** of the Company

**** 1994

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(as policy 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 10.1 shall not apply to a claim for total or constructive total loss of the Vessel, or in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

10.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 10.2 shall be deemed to include contact with floating ice.

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

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

11 DUTY OF ASSURED (SUE AND LABOUR)

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

11.2 Subject to the provisions below and to Clause 10 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5) and collision defence or attack costs are not recoverable under this Clause 11.

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

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

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

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

12 NEW FOR OLD

Claims payable without deduction new for old.

13 BOTTOM TREATMENT

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

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

13.2 gritblasting and/or other surface preparation of:

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

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

13.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 13.1 and 13.2 above;

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

14 WAGES AND MAINTENANCE

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

15 AGENCY COMMISSION

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

16 UNREPAIRED DAMAGE

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

16.2 In no case shall the Underwriters be liable for unrepainted damage in the event of a subsequent total loss

* for Particular Average arising from perils enumerated in Clauses 4.1.6, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5 and heavy weather
** of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water

(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 unrepaid 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 insurances as follows are permitted:

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

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

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

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

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

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

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

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

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

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

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 thereof

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

*

21 STRIKES EXCLUSION

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

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

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

22 MALICIOUS ACTS EXCLUSION

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

22.1 the detonation of an explosive

22.2 any weapon of war and caused by any person acting maliciously or from a political motive.

23 NUCLEAR EXCLUSION

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

*20.4 violent theft persons from outside the Vessel or piracy.

<SPECIAL CLAUSES>

1/4/2012

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS (AMENDED) (FOR IVC AMENDED NO.6)

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 Vesselcovered 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 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, Owner or Manager, Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

* Amended for Japanese Clauses Class No.6 (4/2010)

** 4.2.2

*** Voyage

INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE

(For use only with the Institute Voyage Clauses-Hulls 1/10/83)

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 4.2.2 to 4.2.5 inclusive of the Institute Voyage Clauses-Hulls 1/10/83 or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of (as policy 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 10.1 of the Institute Voyage Clauses-Hulls 1/10/83.

The provisions of Clauses 10.3 and 10.4 of the Institute Voyage Clauses-Hulls 1/10/83 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a claim for total or constructive total loss of the Vessel.

1/4/2012

EXCESS COLLISION LIABILITY CLAUSE (A) (FOR 4/4THS IVC AMENDED)

This insurance is extended to cover liability (four-fourths) not recoverable in full under Clauses 6 and 7 of the Institute Voyage Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No. 5 (4/2010) or No.6 (4/2010) by reason of such liability exceeding the insured value on hull and machinery in which case the amount recoverable under this clause shall be such proportion of the difference so arising as the insured amount on hull and machinery bears to the insured value thereon.

The Company's liability under this clause, in respect of any one claim, shall not exceed the difference between the insured value and the limitation under the appropriate law and/or convention in respect of limitation of liability for maritime claim.

1/4/2012

DEDUCTIBLE CLAUSES (G) (for Institute Voyage Clauses Hulls Amended No.5)

- Article 1. 1. No claim for Particular Average stipulated in Clause 4 of the Institute Voyage Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.5 (4/2010) (hereinafter referred to as "I.V.C. Amended No.5") shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.
2. The sum of claims in Article 1-1 and claims under clause 9 of the I.V.C. Amended No.5 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under 6.1, 6.3 and 11 of the I.V.C. Amended No.5 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.
- Article 2. Article 1-1 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 of the I.V.C. Amended No. 5 arising from the same accident or occurrence.

1/4/2012

DEDUCTIBLE CLAUSES (G) (for Institute Voyage Clauses Hulls Amended No.6)

- Article 1. This provision of Clause 10.1 of the Institute Voyage Clauses-Hulls 1/10/83 Amended for Japanese Clauses Class No.6 (4/2010) (hereinafter referred to as "I.V.C. Amended No.6") shall be deleted.
- Article 2. 1. No claim for the cost of repairs arising from perils enumerated in Clause 4 6 of the I.V.C. Amended No.6 and heavy weather and perils enumerated in the Institute Additional Perils Clauses-Hulls 1/10/83 Amended (For I.V.C.) (4/2012) shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Schedule in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom of the Vessel, with the consent of the Company, immediately after her stranding, grounding, collision or contact with any external object other than water, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.
2. The sum of claims in Article 2-1 and claims under Clauses 9 of the I.V.C. Amended No.6 shall be always limited to the insured value specified in the Schedule. Provided that each amount of claims under Clauses 6.1, 6.3 and 11 of the I.V.C. Amended No.6 shall be limited to the insured value specified in the Schedule respectively, independently of other claims under the other terms and conditions of this insurance.
- Article 3. Article 2-1 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 of the I.V.C. Amended No.6 arising from the same accident or occurrence.

P O R T R I S K S

<BASIC CLAUSES>

20/7/87

INSTITUTE TIME CLAUSES HULLS PORT RISKS

This insurance is subject to English law and practice

1 NAVIGATION

The Vessel has leave to proceed to and from any wet or dry docks harbours ways cradles and pontoons, within the limits specified in this insurance.

2 TERMINATION

This Clause 2 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

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

- 2.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 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, or salvage under contract of, any such other vessel or property thereon, where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.
- 7.2 The indemnity provided by this Clause 7 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:

7.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 7 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

7.2.2 In no case shall the Underwriters' total liability under Clauses 7.1 and 7.2 exceed their proportionate part of the insured value of the Vessel hereby insured in respect of any one such collision.

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

EXCLUSIONS

7.4 Provided always that this Clause 7 shall in no case extend to any sum which the Assured shall pay for or in respect of:

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

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

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

7.4.4 loss of life, personal injury or illness

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

8 SISTERSHIP

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

9 PROTECTION AND INDEMNITY

9.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

9.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 7

9.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove, or destroy the same

9.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

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

9.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

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

9.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

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

9.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

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

9.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

9.3 Notwithstanding the provisions of Clauses 9.1 and 9.2 this Clause 9 does not cover any liability cost or expense arising in respect of:

9.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo, materials or repairs

9.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement

9.3.3 punitive or exemplary damages, however described

9.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 9.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel

9.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

9.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

9.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

- 9.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member
- 9.3.9 fines or penalties arising from overloading or illegal fishing
- 9.3.10 pollution or contamination of any real or personal property or thing whatsoever (This Clause 9.3.10 shall not exclude any amount recoverable under Clause 9.1.5)
- 9.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable under Clauses 7, 11 and 13 by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate.
- 9.4 The indemnity provided by this Clause 9 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.
- 9.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 9 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.
- 9.6 In no case shall the Underwriters' liability under this Clause 9 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the Vessel.
- 9.7 **PROVIDED ALWAYS THAT**
- 9.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 9 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 9.
- 9.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 9 without the prior written consent of the Underwriters.

10 NOTICE OF CLAIM AND TENDERS

- 10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.
- 10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.
- 10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.
- Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.
- Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.
- 10.4 In the event of failure to comply with the conditions of this Clause 10, a deduction of 15% shall be made from the amount of the ascertained claim.

11 GENERAL AVERAGE AND SALVAGE

- 11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.
- 11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 11.3 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

12 DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 7, 9, 11 and 13) exceeds(as policy 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 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 labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

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

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

14 NEW FOR OLD

Claims payable without deduction new for old.

15 BOTTOM TREATMENT

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

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

15.2 gritblasting and/or other surface preparation of:
the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
areas of plating damaged during the course of fairing, either in place or ashore,

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

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

16 WAGES AND MAINTENANCE

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

17 AGENCY COMMISSION

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

18 UNREPAIRED DAMAGE

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

18.2 In no case shall the Underwriters be liable for unrepainted 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 unrepainted 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.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 thereof

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.

<SPECIAL CLAUSES>

SPECIAL CLAUSES FOR MOORING RISKS (A)

(Mooring location and mooring arrangements)

Article 1. In the event of noncompliance with the whole or a part of the undermentioned warranties, the Company shall not be liable to pay for any loss or damage occurring thereafter, except where the Company's consent in writing has been given:

- (1) Warranted that the vessel is moored at the place specified in the policy in a proper way;
- (2) Warranted that the vessel is moored in compliance with the mooring conditions specified in the policy;
- (3) Warranted that the vessel is not appropriated, whether for profitmaking or not, for storehouse, accommodations or any other use.

(Exclusions-earthquake and volcanic eruption)

Article 2. The Company shall not be liable to pay for any loss or damage directly or indirectly caused by earthquake or volcanic eruption (including tidal wave and fire arising therefrom).

(Termination of insurance contract)

Article 3. When the vessel has commenced loading of cargo or other preparations with the object of operations, this insurance contract shall terminate forthwith, even though the period stated in the policy has not expired.

(Relation with other clauses)

Article 4. These special clauses shall prevail notwithstanding anything contained in this policy inconsistent therewith.

SPECIAL CLAUSES FOR MOORING RISKS (B)

(Mooring location and mooring arrangements)

Article 1. In the event of noncompliance with the whole or a part of the undermentioned warranties, the Company shall not be liable to pay for any loss or damage occurring thereafter, except where the Company's consent in writing has been given:

- (1) Warranted that the vessel is moored at the place specified in the policy in a proper way;
- (2) ~~Warranted that the vessel is moored in compliance with the mooring conditions specified in the policy;~~
- (3) Warranted that the vessel is not appropriated, whether for profitmaking or not, for storehouse, accommodations or any other use.

(Exclusions-earthquake and volcanic eruption)

Article 2. The Company shall not be liable to pay for any loss or damage directly or indirectly caused by earthquake or volcanic eruption (including tidal wave and fire arising therefrom).

(Termination of insurance contract)

Article 3. When the vessel has commenced loading of cargo or other preparations with the object of operations, this insurance contract shall terminate forthwith, even though the period stated in the policy has not expired.

(Relation with other clauses)

Article 4. These special clauses shall prevail notwithstanding anything contained in this policy inconsistent therewith.

PROTECTION AND INDEMNITY

20/7/87

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

INSTITUTE PROTECTION AND INDEMNITY CLAUSES

HULLS – TIME Amended (1/06)

This insurance is subject to English law and practice

1. PROTECTION AND INDEMNITY

1.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

1.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 8 of the Institute Time Clauses Hulls 1/10/83 with 4/4ths substituted for 3/4ths in line nos. 80, 81, 98 and 99

1.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove or destroy the same

1.1.3 liability assumed by the Assured under contracts * of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading

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

1.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

**

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

1.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

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

1.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

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

1.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

1.3 Notwithstanding the provisions of Clauses 1.1 and 1.2 this Clause 1 does not cover any liability cost or expense arising in respect of:

1.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in or 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.

* for the customary towage of the Vessel

** 1.1.6 liabilities, costs and expense incurred by the other Vessel as set out in Clause 1.2.7 and/or 1.2.8

*** or her cargo

**** 1.2.6 reasonable costs incurred by the Assured in respect of saving of the life

1.2.7 liability of the Assured to pay special compensation to a salvor of the Vessel in respect of work done or measures taken to prevent or minimize damage to the environment, but only to the extent that such liability is imposed on the Assured pursuant to Article 14 of the International Convention on Salvage, 1989, Article 805 of the Commercial Code or the equivalent terms of a standard form of Salvage Agreement approved by the Underwriters

1.2.8 liability of the Assured to pay special compensation to a salvor of the Vessel under the terms of the Special Compensation P&I Clubs Clause(SCOPIC) of Lloyd's Standard Form of Salvage Agreement or the similar terms of a standard form of Salvage Agreement approved by the Underwriters

***** , or property in the care, custody or control of the Assured or as to which the Assured is for any purpose exercising physical control

***** the expenses of the removal of the wreck of the cargo

(This Clause 1.3.10 shall not exclude any amount recoverable under Clause 1.1.6, 1.2.7 and 1.2.8)

1.4 PROVIDED ALWAYS THAT

1.4.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim hereunder and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured hereunder.

1.4.2 the Assured shall not admit liability for or settle any claim for which he may be insured hereunder without the prior written consent of the Underwriters.

2. LIMITS

2.1 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this insurance in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

2.2 In no case shall the Underwriters' liability under this insurance exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

3. DEDUCTIBLE

3.1 Notwithstanding the provisions of Clause 1 no claim shall be payable under this insurance unless such claim, or the aggregate of all such claims arising out of each separate accident or occurrence, exceeds the amount specified in the Schedule in which case this sum shall be deducted.

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

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

4. NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers without the prior written agreement to 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 termination shall not operate.

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

6. BREACH OF WARRANTY

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

7. ASSIGNMENT

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

8. DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9. RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 5 provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

10. WAR, STRIKES, MALICIOUS ACTS AND NUCLEAR RISKS PARAMOUNT EXCLUSION

In no case shall this insurance cover liability cost or expense arising as a result of the operation of one or more of the following perils:

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

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

10.3 derelict mines torpedoes bombs or other derelict weapons of war

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

10.5 any terrorist or any person acting from a political motive

10.6 the use of any weapon of war, or the detonation of an explosive, by any person acting maliciously or from a political motive

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

***** 1.3.13 passenger on board the Vessel

1.3.14 when the Vessel is towing another vessel or object, liability for losses to any other person or persons caused by such vessel or object

1.3.15 liability assumed by the Assured under any contract or agreement excluding the case in Clause 1.1.3

1.3.16 any direct or indirect payment by the Assured under the Workmen's Accident Compensation Insurance Law, the Seamen's Insurance Law and other ordinance of Japan or any other country, in respect of accident to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured in on or about or in connection with the Vessel or her cargo materials or repairs

INSTITUTE PROTECTION AND INDEMNITY CLAUSES

HULLS – TIME Amended (1/06)(for Class No.2 RDC)

This insurance is subject to English law and practice

1. PROTECTION AND INDEMNITY

1.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the Vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:

1.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the Vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by ^{* Clause 8 of the Institute Time Clauses Hulls 1/10/83 with 4/4ths substituted for 3/4ths in line nos. 86, 81, 98 and 99}

1.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove or destroy the same

1.1.3 liability assumed by the Assured under contracts ^{** of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading}

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

1.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.

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

1.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the Vessel sick or injured persons or stowaways, refugees, or persons saved at sea

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

1.2.3 fines imposed on the Vessel, on the Assured, or on any Master Officer crew member or agent of the Vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the Vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

1.2.4 the expenses of the removal of the wreck of the Vessel ^{****} from any place owned, leased or occupied by the Assured

1.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

1.3 Notwithstanding the provisions of Clauses 1.1 and 1.2 this Clause 1 does not cover any liability cost or expense arising in respect of:

1.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the Vessel or her cargo materials or repairs

1.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any persons employed under a contract of service or apprenticeship by the other party to such agreement

1.3.3 punitive or exemplary damages, however described

1.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel ^{*****} but this Clause 1.3.4 shall not exclude any claim in respect ^{*****} of the extra cost of removing cargo from the wreck of the Vessel

1.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel

1.3.6 liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the Vessel and which is owned or leased by the Assured

1.3.7 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the Vessel, or non-essential personal effects of any Master, Officer or crew member

1.3.8 fuel, insurance, wages, stores, provisions and port charges arising from delay to the Vessel while awaiting a substitute for any Master, Officer or crew member

1.3.9 fines or penalties arising from overloading or illegal fishing

1.3.10 pollution or contamination of any real or personal property or thing whatsoever ^{*****} (This Clause 1.3.10 shall not exclude any amount recoverable under Clause 1.1.5)

1.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable by reason of the agreed value and/or the amount insured in respect of the Vessel

* Collision Liability Clauses(4/90) attached to this Policy

** for the customary towage of the Vessel

*** 1.1.6 liabilities, costs and expense incurred by the other Vessel as set out in Clause 1.2.7 and/or 1.2.8

**** or her cargo

***** 1.2.6 reasonable costs incurred by the Assured in respect of saving of the life

1.2.7 liability of the Assured to pay special compensation to a salvor of the Vessel in respect of work done or measures taken to prevent or minimize damage to the environment, but only to the extent that such liability is imposed on the Assured pursuant to Article 14 of the International Convention on Salvage, 1989, Article 805 of the Commercial Code or the equivalent terms of a standard form of Salvage Agreement approved by the Underwriters

1.2.8 liability of the Assured to pay special compensation to a salvor of the Vessel under the terms of the Special Compensation P&I Clubs Clause(SCOPIC) of Lloyd's Standard Form of Salvage Agreement or the similar terms of a standard form of Salvage Agreement approved by the Underwriters

***** , or property in the care, custody or control of the Assured or as to which the Assured is for any purpose exercising physical control
***** the expenses of the removal of the wreck of the cargo

***** (This Clause 1.3.10 shall not exclude any amount recoverable under Clause 1.1.6, 1.2.7 and 1.2.8)

1.3.12 being inadequate

earthquake or volcanic eruption.

1.4 PROVIDED ALWAYS THAT

1.4.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim hereunder and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured hereunder.

1.4.2 the Assured shall not admit liability for or settle any claim for which he may be insured hereunder without the prior written consent of the Underwriters.

2. LIMITS

2.1 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this insurance in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

2.2 In no case shall the Underwriters' liability under this insurance exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

3. DEDUCTIBLE

3.1 Notwithstanding the provisions of Clause 1 no claim shall be payable under this insurance unless such claim, or the aggregate of all such claims arising out of each separate accident or occurrence, exceeds
 the amount specified in the Schedule in which case this sum shall be deducted.

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

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

4. NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers without the prior written agreement to 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 termination shall not operate.

5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

6. BREACH OF WARRANTY

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

7. ASSIGNMENT

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

8. DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

9. RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 5 provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

10. WAR, STRIKES, MALICIOUS ACTS AND NUCLEAR RISKS PARAMOUNT EXCLUSION

In no case shall this insurance cover liability cost or expense arising as a result of the operation of one or more of the following perils:

- 10.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 10.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt threat
- 10.3 derelict mines torpedoes bombs or other derelict weapons of war
- 10.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 10.5 any terrorist or any person acting from a political motive
- 10.6 the use of any weapon of war, or the detonation of an explosive, by any person acting maliciously or from a political motive
- 10.7 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1.3.13 passenger on board the Vessel
1.3.14 when the Vessel is towing another vessel or object, liability for losses to any other person or persons caused by such vessel or object
1.3.15 liability assumed by the Assured under any contract or agreement excluding the case in Clause 1.1.3
1.3.16 any direct or indirect payment by the Assured under the Workmen's Accident Compensation Insurance Law, the Seamen's Insurance Law and other ordinance of Japan or any other country, in respect of accident to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured in on or about or in connection with the Vessel or her cargo materials or repairs

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The Assurer hereby undertakes to make good to the Assured or the Assured's executors, administrators and/or successors, all such loss and/or damage and/or expense as the Assured shall as owners of the vessel named herein have become liable to pay and shall pay on account of the liabilities, risks, events and/or happenings herein set forth:

Loss of Life, injury and illness	<p>1. Liability for loss of life of, or personal injury to, or illness of, any person, excluding, however, unless otherwise agreed by endorsement hereon, liability under any Compensation Act to any employee of the Assured, (other than a seaman) or in case of death to his beneficiaries or others.</p> <p>Protection hereunder for loss of life or personal injury arising in connection with the handling of cargo of the vessel named herein shall commence from the time of receipt by the Assured of the cargo on dock or wharf or on craft alongside the said vessel for loading thereon and shall continue until delivery thereof from dock or wharf of discharge or until discharge from the said vessel on to another vessel or craft.</p>
Hospital, medical, or other expenses	<p>2. Liability for hospital, medical, or other expenses necessarily and reasonably incurred in respect of loss of life of, personal injury to, or illness of any member of the crew of the vessel named herein or any other person. Liability hereunder shall also include burial expenses not exceeding Two Hundred (\$200) Dollars, when necessarily and reasonably incurred by the Assured for the burial of any seaman of said vessel.</p>
Repatriation expenses	<p>3. Liability for repatriation expenses of any member of the crew of the vessel named herein, necessarily and reasonably incurred, under statutory obligation, excepting such expenses as arise out of or ensue from the termination of any agreement in accordance with the terms thereof, or by mutual consent, or by sale of the said vessel, or by other act of the Assured. Wages shall be included in such expenses when payable under statutory obligation, during unemployment due to the wreck or loss of the said vessel.</p>
Damage to other vessel or property on board caused by collision Principle of cross liabilities to prevail	<p>4. Liability for loss of, or damage to, any other vessel or craft, or to the freight thereof, or property on such other vessel or craft, caused by collision with the vessel named herein, insofar as such liability would not be covered by full insurance under the <i>Marine policy</i> (including the four-fourths running-down clause).</p> <p>(a) Claims under this clause shall be settled on the principle of cross-liabilities to the same extent only as provided in the running-down clause above mentioned.</p> <p>(b) Claims under this clause shall be divided among the several classes of claims enumerated in this policy and each class shall be subject to the deduction and special conditions applicable in respect of such class.</p> <p>(c) Notwithstanding the foregoing, if any one or more of the various liabilities arising from such collision has been compromised, settled or adjusted without the written consent of the Assurer, the Assurer shall be relieved of liability for any and all claims under this clause.</p>
Damage to other vessel or property on board not caused by collision	<p>5. Liability for loss of or damage to any other vessel or craft, or to property on such other vessel or craft, not caused by collision, provided such liability does not arise by reason of a contract made by the assured. Where there would be a valid claim hereunder but for the fact that the damaged property belongs to the Assured, the Assurer shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under any other insurance applicable on the property.</p>
Damage to docks, piers, etc.	<p>6. Liability for damage to any dock, pier, harbor, bridge, jetty, buoy, lighthouse, breakwater, structure, beacon, cable, or to any fixed or movable object or property whatsoever, except another vessel or craft, or property on another vessel or craft.</p> <p>Where there would be a valid claim hereunder but for the fact that the damaged property belongs to the Assured, the Assurer shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under any other insurance applicable on the property.</p>
Removal of wreck	<p>7. Liability for cost or expenses of, or incidental to, the removal of the wreck of the vessel named herein when such removal is compulsory by law, provided, however, that:</p> <p>(a) There shall be deducted from such claim for cost or expenses, the value of any salvage from or which might have been recovered from the wreck, inuring, or which might have inured, to the benefit of the Assured.</p> <p>(b) The Assurer shall not be liable for such costs or expenses which would be covered by full insurance under the <i>Marine policy</i> or claims arising out of hostilities or war-like operations, whether before or after declaration of war.</p>
Cargo	<p>8. Liability for loss of, or damage to, or in connection with cargo or other property, excluding mail and parcel post, including baggage and personal effects of passengers, to be carried, carried, or which has been carried on board the vessel named herein:</p> <p>Provided, however, that no liability shall exist under this provision for:</p> <p>(a) Loss, damage or expense arising out of or in connection with the custody, care, carriage or delivery of specie, bullion, precious stones, precious metals, jewelry, silks, furs, bank notes, bonds or other negotiable documents or similar valuable property, unless specially agreed to and accepted for transportation under a form of contract approved, in writing, by the Assurer.</p>
Specie, bullion, precious stones, etc.	<p>(b) Loss of, or damage to, or in connection with cargo requiring refrigeration unless the space, apparatus and means used for the care, custody, and carriage thereof have been surveyed by a classification surveyor or other competent disinterested surveyor under working conditions before the commencement of each voyage and found in all respects fit, and unless accepted for transportation under a form of contract approved, in writing, by the Assurer.</p>
Refrigeration	<p>(c) Loss, damage, or expense in connection with any passenger's baggage or personal effects, unless the form of ticket issued to the passenger shall have been approved, in writing, by the Assurer.</p>
Passengers' effects	<p>(d) Loss, damage, or expense arising from stowage of underdeck cargo on deck or stowage of cargo in spaces not suitable for its carriage, unless the Assured shall show that every reasonable precaution has been taken by him to prevent such improper stowage.</p>
Stowage in improper places	<p>(e) Loss, damage, or expense arising from any deviation, or proposed deviation, not authorized by the contract of affreightment, known to the Assured in time to insure specifically the liability therefor, unless notice thereof is given to the Assurer and the Assurer agrees, in writing, that such insurance is unnecessary.</p>
Deviation	<p>(f) Freight on cargo short delivered, whether or not prepaid or whether or not included in the claim and paid by the Assured.</p>
Freight on cargo short delivered	<p>(g) Loss, damage, or expense arising out of or as a result of the issuance of Bills of Lading which, to the knowledge of the Assured, improperly describe the goods or their containers as to condition or quantity.</p>
Misdescription of Goods	

Failure to surrender Bill of Lading	(h) Loss, damage, or expense arising out of delivery of cargo without surrender of Bill of Lading. And provided further that
Protective clauses required in contract of affreightment	(aa) Liability hereunder shall in no event exceed that which would be imposed by law in the absence of contract. (bb) Liability hereunder shall be limited to such as would exist if the Charter Party, Bill of Lading or Contract of Affreightment contained the following clause (in substitution for the clause commonly known as the Jason Clause): "In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the shipowner is not responsible, by statute or contract or otherwise, the shippers, consignees or owners of the cargo shall contribute with the shipowner in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the cargo." When cargo is carried by the vessel named herein under a bill of lading or similar document of title subject or made subject to the Carriage of Goods by Sea Act, April 16, 1936, liability hereunder shall be limited to such as is imposed by said Act, and if the Assured or the vessel named herein assumes any greater liability or obligation than the minimum liabilities and obligations imposed by said Act, such greater liability or obligation shall not be covered hereunder. When cargo is carried by the vessel named herein under a charter party, bill of lading or contract of affreightment not subject or made subject to the Carriage of Goods by Sea Act, April 16, 1936, liability hereunder shall be limited to such as would exist if said charter party, bill of lading, or contract of affreightment contained the following clauses: a clause limiting the Assured's liability for total loss or damage to goods shipped to Two Hundred and Fifty (\$250) Dollars per package, or in case of goods not shipped in packages, per customary freight unit, and providing for pro rata adjustment on such basis for partial loss or damage; a clause exempting the Assured and the vessel named herein from liability for losses arising from unseaworthiness, even though existing at the beginning of the voyage, provided that due diligence shall have been exercised to make the vessel seaworthy and properly manned, equipped, and supplied; a clause providing that the carrier shall not be liable for claims in respect of cargo unless notice of claim is given within the time limited in such Bill of Lading and suit is brought thereon within the limited time prescribed therein; and such other protective clauses as are commonly in use in the particular trade; provided the incorporation of such clauses is not contrary to law. The foregoing provisions as to the contents of the Bill of Lading and the limitation of the Assurer's liability may, however, be waived or altered by the Assurers on terms agreed, in writing.
Limit per package	
Assured's own cargo	(cc) Where cargo on board the vessel named herein is the property of the Assured, such cargo shall be deemed to be carried under a contract containing the protective clauses described in the preceding paragraph, and such cargo shall be deemed to be fully insured under the usual form of cargo policy, and in case of loss thereof or damage thereto the Assured shall be insured hereunder in respect of such loss or damage only to the extent that they would have been covered if said cargo had belonged to another, but only in the event and to the extent that the loss or damage would not be recoverable under a cargo policy as hereinbefore specified.
Cotton Bills of Lading	(dd) The Assured's liability for claims under Custody Cotton Bills of Lading issued under the conditions laid down by the Liverpool Bill of Lading Conference Committee, is covered subject to previous notice of contract and payment of an extra premium of two (2¢) cents per ton gross register per voyage, but such additional premium shall be waived provided every bale is re-marked at port of shipment on another portion of the bale.
Land transportation not included	(ee) No liability shall exist hereunder for any loss, damage or expense in respect of cargo or other property being transported on land or on another vessel. No liability shall exist hereunder for any loss, damage or expense in respect of cargo before loading on or after discharge from the vessel named herein caused by flood, tide, windstorm, earthquake, fire, explosion, heat, cold, deterioration, collapse of wharf, leaky shed, theft or pilferage unless such loss, damage or expense is caused directly by the vessel named herein, her master, officers or crew.
Customs, immigration or other fines or penalties	9. Liability for fines and penalties, including expenses necessarily and reasonably incurred in avoiding or mitigating same, for the violation of any of the laws of the United States, or of any State thereof, or of any foreign country; provided, however, that the Assurer shall not be liable to indemnify the Assured against any such fines or penalties resulting directly or indirectly from the failure, neglect, or default of the Assured or his managing officers or managing agents to exercise the highest degree of diligence to prevent a violation of any such laws.
Mutiny or other misconduct	10. Expenses incurred in resisting any unfounded claim by the master or crew or other persons employed on the vessel named herein, or in prosecuting such persons in case of mutiny or other misconduct.
Extraordinary expenses in case of quarantine, etc.	11. Liability for extraordinary expenses resulting from outbreak of plague or other contagious disease, including such expenses incurred for disinfection of the vessel named herein or persons on board, or for quarantine, but excluding the ordinary expenses of loading and/or discharging, and the wages and provisions of crew and passengers; each claim under this provision is subject to a deduction of Two Hundred (\$200) Dollars. It is provided further, however, that if the vessel named herein be ordered to proceed to a port when it is or should be known that calling there will subject the vessel to the extraordinary expenses above mentioned, or to quarantine or disinfection there or elsewhere, the Assurer shall be under no obligation to indemnify the Assured for any such expenses.
Deviation for purpose of landing injured or ill	12. Net loss due to deviation incurred solely for the purpose of landing an injured or sick seaman in respect of port charges incurred, insurance, bunkers, stores, and provisions consumed as a result of the deviation.
Cargo's proportion of general average	13. Liability for, or loss of, cargo's proportion of general average, including special charges, in so far as the Assured cannot recover same from any other source; subject however, to the exclusions of Section (8) and provided, that if the Charter Party, Bill of Lading, or Contract of Affreightment does not contain the quoted clause under Section 8(bb) the Assurer's liability hereunder shall be limited to such as would exist if such clause were contained therein.
Costs and charges	14. Costs, charges, and expenses, reasonably incurred and paid by the Assured in defense against any liabilities insured against hereunder in respect of the vessel named herein, subject to the agreed deductibles applicable, and subject further to the conditions and limitations hereinafter provided.

GENERAL CONDITIONS AND/OR LIMITATIONS

Prompt notice of claim	Warranted that in the event of any occurrence which may result in loss, damage and/or expense for which this Assurer is or may become liable, the Assured will use due diligence to give prompt notice thereof and forward to the Assurer as soon as practicable after receipt thereof, all communications, processes, pleadings and other legal papers or documents relating to such occurrences.
Settlement of claims	The Assured shall not make any admission of liability, either before or after any occurrence which may result in a claim for which the Assurer may be liable. The Assured shall not interfere in any negotiations of the Assurer, for settlement of any legal proceedings in respect of any occurrences for which the Assurer is liable under this policy; provided, however, that in respect of any occurrence likely to give rise to a claim under this policy, the Assured are obligated to and shall take steps to protect their (and/or the Assurer's) interests as would reasonably be taken in the absence of this or similar insurance. If the Assured shall fail or refuse to settle any claim as authorized by Assurer, the liability of the Assurer to the Assured shall be limited to the amount for which settlement could have been made.
Assured to assist with evidence in defense, etc.	Whenever required by the Assurer the Assured shall aid in securing information and evidence and in obtaining witnesses and shall cooperate with the Assurer in the defense of any claim or suit or in the appeal from any judgment, in respect of any occurrence as hereinbefore provided.
Law costs	<p>The Assurer shall not be liable for the cost or expense of prosecuting or defending any claim or suit unless the same shall have been incurred with the written consent of the Assurer, or the Assurer shall be satisfied that such approval could not have been obtained under the circumstances without unreasonable delay, or that such costs and charges were reasonably and properly incurred, such cost or expense being subject to the deductible.</p> <p>The cost and expense of prosecuting any claim in which the Assurer shall have an interest by subrogation or otherwise, shall be divided between the Assured and the Assurer, proportionately to the amounts which they would be entitled to receive respectively, if the suit should be successful.</p> <p>The Assurer shall be liable for the excess where the amount deductible under this policy is exceeded by (A) the cost of investigating and/or successfully defending any claim or suit against the Assured based on a liability or an alleged liability of the Assured covered by this insurance, or (B) the amount paid by the Assured either under a judgment or an agreed settlement based on the liability covered herein including all costs, expenses of defense and taxable disbursements.</p>
Subrogation	<p>The Assurer shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment made under this policy, to the extent of such payment, and the Assured shall, upon the request of the Assurer, execute all documents necessary to secure to the Assurer such rights.</p> <p>The Assurer shall be entitled to take credit for any profit accruing to the Assured by reason of any negligence or wrongful act of the Assured's servants or agents, up to the measure of their loss, or to recover for their own account from third parties any damage that may be provable by reason of such negligence or wrongful act.</p>
Cover elsewhere	Provided that where the Assured is, irrespective of this insurance, covered or protected against any loss or claim which would otherwise have been paid by the Assurer, under this policy, there shall be no contribution by the Assurer on the basis of double insurance or otherwise.
Assignments	No claim or demand against the Assurer under this policy shall be assigned or transferred, and no person, excepting a legally appointed receiver of the property of the Assured, shall acquire any right against the Assurer by virtue of this insurance without the expressed consent of the Assurer.
Actions against Assurers	No action shall lie against the Assurer for the recovery of any loss sustained by the Assured unless such action is brought against the Assurer within one year after the final judgment or decree is entered in the litigation against the Assured, or in case the claim against the Assurer 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.
Time limitation	The Assurer shall not be liable for any claim not presented to the Assurer with proper proofs of loss within six (6) months after payment thereof by the Assured.

Lay-up returns

At the expiration of this policy, the Assurer is to return (*as policy schedule*) for each thirty (30) consecutive days during the term of this insurance the vessel may be laid up in a safe port; or (*as policy schedule*) for each thirty (30) consecutive days during the term of this insurance the vessel may be laid up in a safe port without loading and/or discharging and without crew or cargo on board, provided the Assured give written notice to the Assurer as soon as practicable after the commencement and the termination of such lay-up period.

Cancellation provisions:

- (a) If the vessel named herein should be sold or requisitioned and this policy be cancelled and surrendered, the Assurer to return (*as policy schedule*) for each thirty (30) consecutive days of the unexpired term of this insurance.
- (b) In the event of non-payment of premium within sixty (60) days after attachment, this policy may be cancelled by the Assurer upon five (5) days' written notice being given the Assured.
- (c) In the event that Sections 182 to 189, both inclusive, of U. S. Code, Title 46, or any other existing law or laws determining or limiting liability of shipowners and carriers, or any of them, shall, while this policy is in force, be modified, amended or repealed, or the liabilities of shipowners or carriers be increased in any respect by legislative enactment, the Assurer shall have the right to cancel said insurance upon giving thirty (30) days' written notice of their intention so to do, and in the event of such cancellation, make return of premium upon a pro rata daily basis.

Notwithstanding anything to the contrary contained in this policy, no liability attaches to the Assurer:

For any loss, damage, or expense which would be payable under the terms of the (*as policy schedule*) form of policy on hull and machinery, etc., if the vessel were fully covered by such insurance sufficient in amount to pay such loss, damage, or expense.

For any loss, damage or expense sustained by reason of capture, seizure, arrest, restraint or detainment, or the consequence thereof or of any attempt thereto; or sustained in consequence of military, naval or air action by force of arms, including mines and torpedoes or other missiles or engines of war, whether of enemy or friendly origin; or sustained in consequence of placing the vessel in jeopardy as an act or 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 liability therefor is based on negligence or otherwise, and whether before or after a declaration of war.

For any loss, damage, or expense arising from the cancellation or breach of any charter, bad debts, fraud of agents, insolvency, loss of freight hire or demurrage, or as a result of the breach of any undertaking to load any cargo, or in respect of the vessel named herein engaging in any unlawful trade or performing any unlawful act, with the knowledge of the Assured.

For any loss, damage, expense or claim arising out of or having relation to the towage of any other vessel or craft, whether under agreement or not, unless such towage was to assist such other vessel or craft in distress to a port or place of safety, provided, however, that this clause shall not apply to claims under this policy for loss of life or personal injury to passengers and/or members of the crew of the vessel named herein arising as a result of towing.

For any claim for loss of life or personal injury in relation to the handling of cargo where such claim arises under a contract of indemnity between the Assured and his sub-contractor.

It is expressly understood and agreed if and when the Assured under this policy has any interest other than as a shipowner in the vessel or vessels named herein, in no event shall the Assurer be liable hereunder to any greater extent than if such Assured were the owner and were entitled to all the rights of limitation to which a shipowner is entitled.

Unless otherwise agreed by endorsement to this policy, liability hereunder shall in no event exceed that which would be imposed on the Assured by law in the absence of contract.

Liability hereunder in respect of any one accident or occurrence is limited to the amount hereby insured.

<SPECIAL CLAUSES>

LIABILITY CLAUSE IN RESPECT OF CONTRACT OF USE OF CRANE

Notwithstanding the provision of Clause 1.3.15 of the Institute Protection and Indemnity Clauses Hulls-Time 20/7/87 Amended (4/92) or the Institute Protection and Indemnity Clauses Hulls-Voyage 20/7/87 Amended (4/92) attached to this Policy, this insurance shall cover liability assumed by the Assured under his contract of use with owner or operator of crane or other appliance used in the operation of loading or discharging the Vessel, subject to the provisions of the Institute Protection and Indemnity Clauses Hulls-Time 20/7/87 Amended (4/92) or the Institute Protection and Indemnity Clauses Hulls-Voyage 20/7/87 Amended (4/92) attached to this Policy.

POLLUTION RISKS CLAUSE

Notwithstanding the provision of Clause 1.3.10 of the Institute Protection and Indemnity Clauses Hulls-Time 20/7/87 Amended (4/92) or the Institute Protection and Indemnity Clauses Hulls-Voyage 20/7/87 Amended (4/92) attached to this Policy, this insurance shall cover liability cost or expense arising in consequence of pollution or contamination of oil or other substance, and also cover liability under Clause 1 (a) of Lloyd's Standard Form of Salvage Agreement 1980 in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement, also liability for special compensation payable under Article 14 of the International Convention on Salvage 1989 or under that Article as incorporated in Lloyd's standard Form of Salvage Agreement 1990, subject to the provisions of the Institute Protection and Indemnity Clauses Hull-Time 20/7/87 Amended (4/92) or the Institute Protection and Indemnity Clauses Hull-Voyage 20/7/87 Amended (4/92) attached to this Policy.

FULL PREMIUM IF CLAIM CLAUSES (PROTECTION AND INDEMNITY)

Article 1 In the event that the total amount of the Company's indemnity for Protection and Indemnity under Policy shall reach up to a limit of liability as specified in the Policy, the Person effecting the insurance shall pay an additional premium to the Company at the rate representing the difference between the annual rate and the rate paid hereon.

Article 2 If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

SPECIAL CLAUSE FOR THE LAWS ON LIABILITY FOR OIL POLLUTION DAMAGE OF JAPAN

Article 1. Subject to the provisions of Special Clauses for Protection and Indemnity (hereinafter referred to as "the Special Clauses") and this special clause, the Company shall indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities for pollution damage and wreck removal damage in accordance with the Laws on Liability for Oil Pollution Damage of Japan (hereinafter referred to as "the Laws").

Article 2.

1. Notwithstanding the provisions of Article 6 of the Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard, the amount of indemnity to be paid by the Company under these Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy from the sum recoverable under the Special Clauses, Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and this special clause, independently of any other claims recoverable under the clauses other than the Special Clauses, Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and this special clause. Provided, however, it shall not exceed the Limit of Liability specified in this Policy.
2. In the event that there are both loss or damage recoverable under the Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and loss or damage recoverable under this special clause in an accident or occurrence, the Company shall indemnify the loss or damage recoverable under this special clause on a priority basis.

Article 3.

1. In the event that any claim for compensation is brought against the Company from the aggrieved party in accordance of Article 15, 43 and 51 of the Laws, the Company shall indemnify subject to the Limit of Liability specified in this Policy.
2. Against the claim as above, the Company may invoke the defenses which the Assured would have been entitled to invoke.
3. In the event that the Company indemnifies in accordance with paragraph 1, it would be regarded as the indemnification to the Assured in accordance with this special clause to the extent of the sum paid under Article 3.1 of this special clause.
4. In the event that the Assured indemnifies the aggrieved party and the Company indemnifies the Assured for the payment made by

the Assured to the aggrieved party, the Company would be immune from the responsibility to the aggrieved party to the extent of the sum paid to the Assured.

Article 4.

In the event that the Company makes any payment under the preceding Article, the Company may require that the Assured returns the following sums.

- (1) The sums which the Company paid to the aggrieved party in the event that the Company shall not be liable to the loss in accordance with any provisions of all clauses attached to the Policy, and the sums deducted by the Company from the amount of loss in accordance with paragraph 2 and 3 of Article 25 and paragraph 2 of Article 26 of General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").
- (2) The sums which we should have been immune from our responsibility if the deductible specified in the Policy have been deducted in accordance with paragraph 1 of Article 2 of this special clause.

Article 5

1. The provisions of paragraph 1 and 2 of Article 16 of the General Clauses would not be applied to this special clause. However, the Company may cancel this contract of insurance by written notice to the Person effecting the insurance.
2. Cancellation of this contract of insurance under any provisions of any clauses attached to the Policy shall take effect only for the future from the day following to the date when three months have passed since the Company reported about this cancellation to Minister of Land, Infrastructure, Transport and Tourism of Japan in accordance with Article 14.4, Article 42.4 and Article 50.4 of the Laws.
3. In the event that the Company has paid for any loss or damage arising from any accidents or occurrences happened from when any events causing cancellation specified in the preceding Article appeared to when the cancellation took effect, the Company may require that the Assured returns the sums. However, in no case shall this paragraph applicable to the loss or damage appeared within 10 days from the date when the Company gave the previous notice of cancellation to the Person effecting the insurance or the Assured in case of the cancellation due to the causes enumerated in paragraph 4 of Article 14 of the General Clauses.

Article 6

In the event of the whole or a part of any provisions of the General Clauses or other Special clauses being inconsistent with this special clause, this special clause shall prevail.

Article 7

Notwithstanding paragraph 1 of Article 11 of the General Clauses, the Company shall be liable to indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities in accordance with the Laws and caused by

- (1) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives.
- (2) seizure, capture, detainment, confiscation or expropriation whether by public authorities or otherwise.
- (3) actions by terrorists or any other persons acting maliciously or from a political motive.

Article 8

Notwithstanding Article 30 of the General Clauses, in the event that any War and Strikes Insurance covering the whole or a part of loss or damage to be covered under this special clause is insured, the Company shall deduct the sums paid by any War and Strikes Insurance from the sum to be paid by this special clause.

Article 9

In the event that the insured vessel is used for international voyage, territorial water and exclusive economic zone of Japan shall be incorporated into the trading limit of this insurance for loss or damage stipulated in Article 42.1 and Article 50.1 of the Laws.

Article 10

In case that this special clause is attached to Institute Protection and Indemnity Clauses Hulls – Time Amended (1/06) or Institute Protection and Indemnity Clauses Hulls – Time Amended (1/06) (for Class No.2 RDC), both of which would be hereinafter referred to as IPIC, rather than the General Clauses, Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard, such clauses as referred in this special clause shall be regarded as follows.

- Article 6 of the Special Clauses means Article 3 of IPIC.
- Article 6 of Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard means Article 3 of IPIC.
- Paragraph 2 and 3 of Article 25 of the General Clauses mean Article 2 and 8 of IPIC.
- For Paragraph 2 of Article 26 of the General Clauses, no reference is made in IPIC.
- For Paragraph 1 and 2 of Article 16 of the General Clauses, no reference is made in IPIC.
- For Paragraph 4 of Article 14 of the General Clauses, no reference is made in IPIC.
- Paragraph 1 of Article 11 of the General Clauses means Article 10 of IPIC.
- For Article 30 of the General Clauses, no reference is made in IPIC.

O T H E R S

<BASIC CLAUSES>

1/4/2014

“J” Form (Revised 1973) amended

CHARTERERS' LIABILITY FOR VESSELS OTHER THAN TANK VESSELS

Not applicable to vessels on Demise or Bareboat Charters

VESSELS NOT ENTERED FOR CHATERERS' RISKS (excluding liability for cargo)

This insurance is only to indemnify the Assured in respect of 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, and:

which are covered in The United Kingdom Mutual Steam Ship Assurance Association Limited. Standard form of Certificate for Charterers' Risks for Dry Cargo Vessels published and in effect at the inception of this insurance, but subject to the limits of this policy and further Underwriters herein all the rights reserved by the Association in said certificate; claims this section shall be subject to a deductible of (*as policy schedule*) any one accident or event, except that cargo claims shall be subject to a single deductible of (*as policy schedule*)

- (a) In respect of all bills of lading issued at each separate loading port
OR
- (b) Each single voyage.
(DELETE (a) or (b) AS APPLICABLE).

- (2) In respect of liabilities for loss or damage to the chartered vessel, but only to pay claims subject to a deductible of (*as policy schedule*) any one accident or event.

No coverage is afforded herein for any liability or contributions in General Average, Salvage or Salvage Charges, other than liability for contributions in respect of charterer's freight at risk, or contributions which are attributable to the chartered vessel and which arise directly because of loss or damage to the chartered vessel following upon an accident for which the charterer is legally liable and which is covered under this insurance.

Except for demurrage payments arising under the terms of the charter party and which directly arise due to an accident to the vessel for which the charterer is legally liable and which liability is covered under this insurance, nothing herein shall be construed as insuring any liability, costs or expenses which the Assured may incur by reason of delay, detention or loss of use of the chartered vessel or cargo.

With the exception of insurance expressly to apply in excess of the limits of this policy, this insurance is in excess of and not contributory with any other insurance available to the Assured covering any liability insured herein.

Contractual or assumed liabilities other than to the Shipowner under the Charter Party (which is to be approved by Underwriters herein at inception of risk) or under any Bill of Lading issued pursuant to the said Charter Party, are excluded herein, except with prior agreement of Underwriters and an additional premium if required, paid therefor.

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, defense 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 defense and control of any claim, suit or proceeding which in the opinion of Underwriters is likely to involve this insurance, in which event the Assured and Underwriters shall co-operate in such defense to the mutual advantage of both.

Costs

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' liability under this insurance shall not exceed (*as policy schedule*) in respect of any one loss or series of losses arising out of one accident or event.

Exclusion

In no case shall this insurance cover loss, damage, or expense caused by or resulting from:

- 1) capture, seizure, arrest, restraint or detainment of any attempt threat or, any taking of the vessel, by requisition or otherwise; also from all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but the foregoing shall not exclude collision or contract with aircraft, rockets or similar missiles, or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire, or explosion 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 war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.
- 2) war, civil war, revolution, rebellion, insurrection or civil strike arising therefrom, or piracy.
- 3) derelict mines torpedoes bombs or other derelict weapons of war.
- 4) strikes, lock-out workmen, or persons taking part in labor disturbances, riots or civil commotion.

- 5) any terrorist or any person acting from a political motive.
- 6) the detonation of an explosive.
- 7) any weapon of war and caused by any person acting maliciously or from a political motive.
- 8) willful act or gross negligence of the assured.
- 9) nuclear reacting of, ionizing radiation from or radioactive contamination with nuclear fuels or radioactive products or waste expect radioisotopes used in or intended to be used for any industrial, commercial, agricultural, medical or scientific purpose.
- 10) inherent quality, defect or vice of cargo.
- 11) delay or loss of market.

Premium

Hull Liability and PI: *(as policy schedule)*

Deposit premium will be advanced quarterly and adjusted on occasion quarterly payment effected.

Charter Party

The premium charged hereunder is based upon the use of customary forms of charter parties such as, but not limited to New York Produce Exchange form, Baltime, Gencon, Warship Voyage, Balto Form G, Coal CP form, Core-7, Sugar (West Indies Sugar, Bulk Sugar USA), Fosfo, Amertankvoy, General gross Form, Vegoilvoy and Welsh Coal. Subject to the conditions of this Policy, liability arising out of any amendments, extensions, deletions or agreements entered into by the Assured or Charterer shall be held covered hereunder provided prompt notice of such changes is given to these underwriters by the Assured who agrees to pay an additional premium, if required.

Voyage Warranty

Trading world-wide.

Subrogation

The underwriters shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment made under this insurance, to the extent of such payment, and the Assured shall upon the request of the Underwriters execute all documents necessary to secure to these Underwriters such rights (except in respect of the provisions of the Affiliated Company and sub-charterer Clauses herein).

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 advice and amended terms of cover and any additional premium required by them be agreed.

Cargo liability Exclusion Clauses

Notwithstanding anything contrary contained in this Policy, this insurance shall not indemnify the Assured in respect of losses, costs, and expense incurred by the Assured in respect of liabilities contained in Section 17, Section 19, Section 22-(B) of the Rule 2 and Appendix B to the Rule of The United Kingdom Mutual Steam Ship Assurance Association Limited.

Affiliated Company and sub-charterer Clauses

In respect of the Vessel(s) insured hereunder, it is agreed that this Policy also covers the Assured and Affiliated Companies of the Assured, Sub-charterer or inter-related companies. It is further understood that these insurers waive any rights of subrogation against any subsidiary, affiliated or inter-related company of the Assured excepting to the extent that any such company is insured against the liability assured. Further underwriters agree to include, subject to payment of an additional premium and amendment of the terms and conditions under this policy, if required, interest of sub-charterers in respect of vessels they sub-charter from *(as policy schedule)* and also interest of disponent owners, time-chartered own vessels which are sub-chartered to *(as policy schedule)*.

Pollution Risks Exclusion Clauses

Notwithstanding anything contrary contained in this Policy, the Underwriters shall not indemnify the Assured against liabilities arising from pollution of oil or any other substance for which the Assured shall become liable nor for any expenses incurred by the Assured and arising from such pollution.

OPA Warranty

Warranted this Policy of insurance is not evidence of financial responsibility under oil pollution act of 1990 and any similar Federal or State Laws and may not be shown or tendered to the U.S. Coast Guard or any Federal or State agency as evidence of financial responsibility or evidence of insurance.

The insurers do not consent to be guarantors.

CHARTERERS' LIABILITY FOR VESSELS OTHER THAN TANK VESSELS
Not applicable to vessels on Demise or Bareboat Charters
VESSELS NOT ENTERED FOR CHATERERS' RISKS

This insurance is only to indemnify the Assured in respect of 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, and:

which are covered in The United Kingdom Mutual Steam Ship Assurance Association Limited. Standard form of Certificate for Charterers' Risks for Dry Cargo Vessels published and in effect at the inception of this insurance, but subject to the limits of this policy and further Underwriters herein all the rights reserved by the Association in said certificate; claims this section shall be subject to a deductible of *(as policy schedule)* any one accident or event, except that cargo claims shall be subject to a single deductible of *(as policy schedule)*

(a) In respect of all bills of lading issued at each separate loading port

—OR—

(b) Each single voyage.

~~(DELETE (a) or (b) AS APPLICABLE)~~

(2) In respect of liabilities for loss or damage to the chartered vessel, but only to pay claims subject to a deductible of *(as policy schedule)* any one accident or event.

No coverage is afforded herein for any liability or contributions in General Average, Salvage or Salvage Charges, other than liability for contributions in respect of charterer's freight at risk, or contributions which are attributable to the chartered vessel and which arise directly because of loss or damage to the chartered vessel following upon an accident for which the charterer is legally liable and which is covered under this insurance.

Except for demurrage payments arising under the terms of the charter party and which directly arise due to an accident to the vessel for which the charterer is legally liable and which liability is covered under this insurance, nothing herein shall be construed as insuring any liability, costs or expenses which the Assured may incur by reason of delay, detention or loss of use of the chartered vessel or cargo.

With the exception of insurance expressly to apply in excess of the limits of this policy, this insurance is in excess of and not contributory with any other insurance available to the Assured covering any liability insured herein.

Contractual or assumed liabilities other than to the Shipowner under the Charter Party (which is to be approved by Underwriters herein at inception of risk) or under any Bill of Lading issued pursuant to the said Charter Party, are excluded herein, except with prior agreement of Underwriters and an additional premium if required, paid therefor.

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, defense 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 defense and control of any claim, suit or proceeding which in the opinion of Underwriters is likely to involve this insurance, in which event the Assured and Underwriters shall co-operate in such defense to the mutual advantage of both.

Costs

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' liability under this insurance shall not exceed *(as policy schedule)* in respect of any one loss or series of losses arising out of one accident or event.

Exclusion

In no case shall this insurance cover loss, damage, or expense caused by or resulting from:

- 1) capture, seizure, arrest, restraint or detainment of any attempt threat or, any taking of the vessel, by requisition or otherwise; also from all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but the foregoing shall not exclude collision or contract with aircraft, rockets or similar missiles, or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire, or explosion 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 war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.
- 2) war, civil war, revolution, rebellion, insurrection or civil strike arising therefrom, or piracy.
- 3) derelict mines torpedoes bombs or other derelict weapons of war.
- 4) strikes, lock-out workmen, or persons taking part in labor disturbances, riots or civil commotion.
- 5) any terrorist or any person acting from a political motive.
- 6) the detonation of an explosive.
- 7) any weapon of war and caused by any person acting maliciously or from a political motive.
- 8) willful act or gross negligence of the assured.
- 9) nuclear reacting of, ionizing radiation from or radioactive contamination with nuclear fuels or radioactive products or waste expect radioisotopes used in or intended to be used for any industrial, commercial, agricultural, medical or scientific purpose.
- 10) inherent quality, defect or vice of cargo.
- 11) delay or loss of market.

* and owners of cargo carried by the chartered vessel

Premium

Hull Liability and PI: *(as policy schedule)*.

Deposit premium will be advanced quarterly and adjusted on occasion quarterly payment effected.

Charter Party

The premium charged hereunder is based upon the use of customary forms of charter parties such as, but not limited to New York Produce Exchange form, Baltime, Gencon, Warship Voyage, Balto Form G, Coal CP form, Core-7, Sugar (West Indies Sugar, Bulk Sugar USA), Fosfo, Amertankvoy, General gross Form, Vegoilvoy and Welsh Coal. Subject to the conditions of this Policy, liability arising out of any amendments, extensions, deletions or agreements entered into by the Assured or Charterer shall be held covered hereunder provided prompt notice of such changes is given to these underwriters by the Assured who agrees to pay an additional premium, if required.

Voyage Warranty

Trading world-wide.

Subrogation

The underwriters shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment made under this insurance, to the extent of such payment, and the Assured shall upon the request of the Underwriters execute all documents necessary to secure to these Underwriters such rights (except in respect of the provisions of the Affiliated Company and sub-charterer Clauses herein).

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 advice and amended terms of cover and any additional premium required by them be agreed.

Affiliated Company and sub-charterer Clauses

In respect of the Vessel(s) insured hereunder, it is agreed that this Policy also covers the Assured and Affiliated Companies of the Assured, Sub-charterer or inter-related companies. It is further understood that these insurers waive any rights of subrogation against any subsidiary, affiliated or inter-related company of the Assured excepting to the extent that any such company is insured against the liability assured. Further underwriters agree to include, subject to payment of an additional premium and amendment of the terms and conditions under this policy, if required, interest of sub-charterers in respect of vessels they sub-charter from *(as policy schedule)* and also interest of disponent owners, time-chartered own vessels which are sub-chartered to *(as policy schedule)*.

Pollution Risks Exclusion Clauses

Notwithstanding anything contrary contained in this Policy, the Underwriters shall not indemnify the Assured against liabilities arising from pollution of oil or any other substance for which the Assured shall become liable nor for any expenses incurred by the Assured and arising from such pollution.

OPA Warranty

Warranted this Policy of insurance is not evidence of financial responsibility under oil pollution act of 1990 and any similar Federal or State Laws and may not be shown or tendered to the U.S. Coast Guard or any Federal or State agency as evidence of financial responsibility or evidence of insurance.

The insurers do not consent to be guarantors.

INSTITUTE MORTGAGEES INTEREST CLAUSES HULLS (30/5/86) AMENDED (1/4/2023)

This contract is subject to English law and practice

1 SUBJECT-MATTER INSURED

- 1.1 This contract commences on (*as policy schedule*) and is to insure, subject to the conditions stated herein, the interest of (*as policy schedule*) 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 (*as policy schedule*) in respect of any one vessel unless specially agreed. In the event of loss after provisional but before final declaration the basis of valuation shall be the amount of the loan not exceeding the sound market value of the vessel at the time of the granting of the loan.

4 WARRANTIES

It is warranted in respect of each vessel that:

- 4.1 Hull and Machinery Policies on terms equivalent to Institute Time Clauses Hulls or American Institute Hull Clauses and where applicable Increased Value Policies equivalent to Institute Time Clauses – Hulls Disbursements and Increased Value (Total Loss Only including Excess Liabilities) or American Institute Increased Value and Excess Liabilities Clauses, also War Risks Policies equivalent to Institute War and Strikes Clauses Hulls – Time and full Protection and Indemnity Risks (hereafter referred to as “the Owners’ Policies and Club Entries”) have been taken out and shall be maintained throughout the currency of this contract.
- 4.2 the Owners’ Policies and Club Entries, warranted in 4.1 above, shall be taken out and maintained in respect of each vessel at all times for an insured value and limit of liability not less than the amount insured hereunder or the amount of the outstanding loan.
- 4.3 each of the Owners’ Policies and Club Entries is endorsed to the extent of the Assured’s interest.

5 CHANGE OF OWNERSHIP OR CONTROL

This insurance will terminate automatically at the time of any change of ownership, management or control, of which the Assured hereunder has knowledge or privity, unless the Assured gives prompt notice of such change in writing to the Underwriters hereon and agrees to pay an additional premium, if required.

6 INDEMNITY

- 6.1 This contract is to indemnify the Assured for loss resulting from loss of or damage to or liability of each vessel which is *prima facie* covered by the Owners’ Policies or Club Entries but in respect of which there is subsequent non-payment (or reduced payment which is approved in advance by the Underwriters hereon):
 - 6.1.1 by reason of any act or omission of any one or more of the Owners, Operators, Charterers or Managers of the vessel or their servants or agents including breach or alleged breach of warranty or condition whether expressed or implied or non-disclosure or alleged non-disclosure of any fact or circumstances of any kind whatsoever.
 - 6.1.2 by virtue of any alleged deliberate, negligent or accidental act or omission or any knowledge or privity of any one or more of the Owners, Operators, Charterers or Managers of the vessel or their servants or agents, including the deliberate or negligent casting away or damaging of the vessel or the vessel being unseaworthy.
- 6.2 The cover provided under Clause 6.1 above shall only apply while any such act, omission, non-disclosure, breach of warranty or conditions, knowledge or privity occurs or exists without the privity of the Assured.
- 6.3 The indemnity payable hereunder shall be an amount equal to whichever shall be the least of:
 - 6.3.1 the unrecoverable claim or part thereof under Owners’ Policies and/or Club Entries
 - 6.3.2 the outstanding indebtedness under the declared loan at the time for payment under Clause 8 hereof
 - 6.3.3 the sum insured,provided that if the subject-matter insured is not fully insured hereunder by reason of Clause 3 or otherwise, the indemnity shall be reduced in proportion to the under-insurance.

7 EXCLUSIONS

- 7.1 Excluding the Assured’s legal costs and expenses incurred in relation to any claim under Hull Policies and/or Club Entries.
- 7.2 In no case shall this insurance cover loss damage liability or expense arising from:
 - 7.2.1 the relevant Owners’ Policies or Club Entries having been lawfully terminated by the Underwriters thereof due to non-payment of premium or call
 - 7.2.2 insolvency or financial default of any of the Underwriters of the Owners’ Policies or Club Entries
 - 7.2.3 inability of any party to transmit funds
 - 7.2.4 any fluctuation in exchange rates
 - 7.2.5 the operation of any franchise deductible or provision for self-insurance.

8 TIME FOR PAYMENT

- 8.1 There shall be deemed to be a non-payment by the Underwriters of the Owners’ Policies and/or Club Entries
 - 8.1.1 when a final court judgment is delivered in favour of those Underwriters, or
 - 8.1.2 at such earlier time as the Assured can demonstrate to the satisfaction of the Underwriters hereon that there is no reasonable prospect of the Owners and/or Assured succeeding in the claim against the Underwriters of the Owners’ Policies and/or Club Entries. In the event of disagreement between the Assured and the Underwriters hereon this issue shall be referred to a sole arbitrator to be agreed upon between the Underwriters hereon and the Assured.
- 8.2 Thereafter the Assured shall formally present their claim hereunder and any amount recoverable hereunder shall be payable within three calendar months of the date on which the Assured shall have presented their properly documented claim to the Underwriters of this contract.

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 or the 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 Clause 12.2.2 and 12.2.3 shall become effective at 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 the 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.

MORTGAGEES INTEREST INSURANCE ADDITIONAL PERILS (POLLUTION)

In consideration of an agreed premium the Assured is indemnified hereunder against Additional Perils that arise as a direct consequence of the vessel and/or owners and/or operators and/or charterers and/or managers their servants or agents being responsible or liable for a discharge of oil and/or other hazardous substances for which the total liability amounts payable in compensation for pollution damage and clean up costs exceed amounts, if any, paid and/or recoverable therefor either under the Owners Policies and Club Entries, (including Owners excess Liability insurances, if any) or as a consequence of a compromised or discretionary settlement thereunder

Additional Perils insured as a direct consequence of the above.

- a) Expropriation or Sequestration of any vessel, insured hereunder, or the imposition of a lien, or encumbrance of any kind, having priority to the Mortgagage of the Assured on any vessel, and/or
- b) Sequestration or confiscation of claim settlements under the Owners Policies and Club Entries that are assigned or otherwise payable to Assureds, or in which the Assureds have rights, and/or the imposition of a "Mareva" injunction, or other equivalent legal restraint, on such claims settlements

by a court or by a recognised authority under or by operation of any law, statute government order or decree of the jurisdiction in which such liability arose. The imposition of new laws or amendments to existing laws to be held covered subject to adjustment of premium to be agreed.

Claims shall become payable immediately the Assureds shall have determined their net loss that will be irrecoverable after the happening of Additional Peril a) and b).

Warranties:

1. As under Institute Mortgagees Interest Clauses - Hulls (30/5/86) AMENDED (1/4/2023)
2. Full Certification both from U.S. Coast Guard (Certificate of Financial Responsibility for Water Pollution) and also Civil Liability Convention for oil pollution damage.
3. Excess Liability Insurances taken out by Owners and agreed by Underwriters hereto at inception to be maintained throughout the period of this insurance; or held covered subject prompt advice to Underwriters hereto and agreed adjustment of premium, if required.
4. As under Institute Mortgagees Interest Clauses - Hulls (30/5/86) AMENDED (1/4/2023)

Clause 5 (Change of Ownership or Control).

Exclusion:

As under Institute Mortgagees Interest Clauses - Hulls (30/5/86) AMENDED (1/4/2023) Clause 7.2 (including 7.2.1., 7.2.2., 7.2.3., 7.2.4., and 7.2.5.). In respect of 7.2.5. it being understood that any insufficient liability insurance cover is not deemed to be under-insurance.

INNOCENT OWNERS INTEREST INSURANCE CLAUSES (S)

This insurance is subject to English law and practice

Subject to the conditions of this wording, this policy shall indemnify the Assured as Innocent Owner/Lessor for any amount up to the sum insured as stated in this policy and/or schedule attaching hereto on the vessel(s) named in the policy under:-

1. COVERAGES

This insurance to indemnify the Insured for loss of, or damage to, or liability, which is *prima facie* covered by the Operators Policies and/or Club Entries as per Section 3 arising in connection with the vessel.

- (i) But in respect of which, there is subsequent non-payment or partly non-payment by Underwriters of the Operators Policies and/or Club Entries resulting from any act or omission of any one or more of the Lessee/Demise Charterer and/or Operators and/or Charterers and/or Managers of the vessel concerned and/or their Servants and/or Agents or anyone else held responsible (hereinafter together called the "Relevant Parties") including any breach of warranty or condition whether expressed or implied or any misrepresentation or non-disclosure or alleged non-disclosure of any fact or circumstances of any kind whatsoever, or the application of any provision for a time limitation on the presentation of claims.
- (ii) Which occurs by virtue of any alleged deliberate, negligent or accidental act or omission or any knowledge or privity of any of the Relevant Parties including the deliberate or negligent casting away or damaging of the vessel or the vessel being unseaworthy or inadequately equipped, manned or certified (including but not limited to requirements set out in Conventions and/or by Class Societies).
- (iii) Which, by virtue of any act or omission, any breach or alleged breach of warranty or condition whether expressed or implied, any misrepresentation or non-disclosure, any deliberate, negligent, or accidental act or omission or any knowledge or privity of any of the Relevant Parties, including the deliberate or negligent casting away or damaging of the vessel or the vessel being unseaworthy or

inadequately equipped, manned, or having breached the stipulated geographical warranties or has deviated from the designated or usual and customary route which results in a compromise settlement by Underwriters of the Operators Policies or Club Entries.

- (iv) Which arises following the occurrence of a Third Party claim in connection with the vessel resulting in the exercise of a lien having priority over the Assured's title/interest in the vessel, the amount of which is not recoverable from Underwriters of the Operators Policies or the Club Entries by virtue of the privity of any of the Relevant Parties.
- (v) In the event of total Loss of the Leased/bareboat chartered vessel which is not recoverable under Operators policies on the grounds that the loss has not been proved to have been proximately caused by a peril insured under those policies and is not otherwise excluded from payment by any exclusion or other provision therein.
- (vi) In the event of any of the Operators Policies or Club Entries being cancelled, suspended or terminated under the provisions of a Hull Classification Clause or as a result of non-compliance with ISM requirements or any other cancellation, suspension or termination provision in the Operators Policies or Club Entries then such cancellation, suspension or termination of the Operators Policies or Club Entries will not be held to be a breach under the terms and conditions provided by this policy subject to no explicit consent of the Assured to any act or omission that would result in such cancellation, suspension or termination.

2. CLAUSES PARAMOUNT

IT IS EXPRESSLY AGREED AND HEREBY DECLARED THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED, THE COVER PROVIDED HEREIN SHALL APPLY FOR SO LONG AS SUCH ACT, OMISSION, NON-DISCLOSURE, BREACH OF WARRANTY OR CONDITIONS, KNOWLEDGE OR PRIVITY AS AFORESAID OCCURS OR EXISTS WITHOUT THE PRIVITY OF THE ASSURED (REGARDLESS OF WHETHER OR NOT THE ASSURED IS A JOINT ASSURED UNDER THE LESSEE'S/ DEMISE CHARTERER'S POLICIES). UPON THE ASSURED HAVING PRIVITY TO ANY OF THE ABOVE ACTS OR TO TERMINATION OF OPERATORS POLICIES OR CLUB ENTRIES (FOR ANY REASON) COVER HEREUNDER SHALL CONTINUE UNTIL SAFE ARRIVAL AT THE NEXT PORT OF CALL AND TERMINATE THEREAFTER, OR FOR VESSELS NOT CURRENTLY ON A VOYAGE COVER HEREUNDER SHALL CONTINUE FOR A PERIOD OF 4 BUSINESS DAYS AND TERMINATE THEREAFTER. UPON THE PRIVITY OF THE ASSURED COVER UNDER THIS CLAUSE SHALL RESPOND (UNTIL TERMINATION OF COVER HEREON) TO THE EXTENT OF COVERAGE PROVIDED ON THE SAME PERILS AS PER OPERATORS POLICIES AND CLUB ENTRIES.

3. WARRANTIES

- (i) In respect of the vessel(s) to which this policy relates, the Lease Agreement/Bareboat Charter Agreement, and any endorsements thereto, require that:-
 - (a) Hull and Machinery Policies on terms equivalent to Institute Time Clauses (Hulls) and/or American Institute Hull Clauses and/or Norwegian and/or German Conditions and where applicable, Increased Value Policies equivalent to Institute Time Clauses - Hulls Disbursements and Increased Value Total Loss only including Excess Liabilities and/or American Increased Value and Excess Liabilities Clauses or Norwegian Hull Interest Clauses or German Increased Value Clauses, also War Risks Policies equivalent to Institute War and Strikes Clauses Hulls - Time or American, Norwegian or German War Clauses and Protection and Indemnity Risks (herein referred to as "the Operators Policies and Club Entries") have been taken out and shall be maintained throughout the currency of this policy, provided always that the Assured shall be covered as per Clause 2 herein after any notice of termination to Assured by the Insurers, or the brokers acting on behalf of the Insurers under the Operators Policies or Club Entry.
 - (b) The Operators Policies and Club Entries, warranted in 3.(i) (a) above, shall be taken out on insured values and limit of liability not less than the amount insured hereunder.
 - (c) Each of the Operators Policies and Club Entries are endorsed noting the Assured's interest in such Policies/Certificate of Entry.
- (ii) Where Operators policies are partly or fully arranged on restricted conditions it is hereby noted and agreed that this policy shall only respond to the extent of failure to pay claims that are *prima facie* insured by Operators policies. Such restricted conditions shall not be a breach of warranty as defined in Clause 3.(i) (a).
- (iii) Noted and agreed that Clause 3. (i) (a) is to apply to Operators Policies and Club Entries separately.

4. INDEMNITY

- (i) The indemnity payable hereunder shall not be determined by reference to the sound market value of the vessel or Insurable value of the vessel but shall be an amount equal to whichever is the least

of either:-

(a) the amount not paid under the Operators Policies/Club Entries by reason of the circumstances specified in Clause 1 (COVERAGES) of the wording.

or

(b) the total indebtedness due to the Assured as Lessor of the Vessel(s) at the time of payment under Clause 4 (iii) hereof.

or

(c) the sum insured stated in this policy and/or declaration attaching hereto.

"Total Indebtedness" includes all sums of money due and owing or to become due and owing by the Lessee/Demise Charterer to the Assured under the Lease Agreement/Bareboat Charter including: any principal sum, interest, costs, commission, expenses and any and all other sums whatsoever due or to become due to the Assured from the Lessee/Demise Charterer or for their account, whether alone or jointly with others, including any outstanding liabilities then incurred by the Assured for the Lessee/Demise Charterer and all liabilities to the Assured or incurred by the Assured on the Operators behalf of any Bills, Guarantees or otherwise howsoever.

(ii) The indemnity payable under Clause 4 (i) hereof shall be payable notwithstanding the existence of other security in respect of the amount due to the Assured as Lessor of the vessel(s) covered.

5. DUTY OF THE ASSURED (SUE AND LABOUR)

- (i) 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 but it is understood that such measures do not include those which may be taken against Lessee/Demise Charterer/Managers/Charterers or any other security apart from Operators Policies and Club Entries.
- (ii) The Underwriters will reimburse charges properly and reasonable incurred by the Assured or their servants or agents for such measures.
- (iii) Measures taken by the Assured or the Underwriter 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.
- (iv) The sum recoverable under this Clause 5 shall be in addition to the loss otherwise recoverable under this contract.

6. SUBROGATION

- (i) Upon payment to the Assured of a claim hereunder, the Underwriters shall be subrogated to all rights and remedies of the Assured up to the amount of such payment, always limited to the rights and remedies that the Assured may have under the Operators Policies and Club Entries related to the particular vessel.
- (ii) 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.

7. CHANGE OF LESSEE / OPERATOR/CANCELLATION

If during the policy period the vessel is transferred to another Lessee/Demise Charterer with the Assured's written approval then, in absence of agreement to the contrary, this policy shall, other than as provided in clause 2 herein, automatically terminate. However, this insurance shall continue after the change of Lessee/Demise Charterer if the Assured still is lessor/innocent owner of the vessel.

8. KNOWLEDGE OF THE ASSURED CLAUSE

For the purposes of this policy (and in respect of any duty of disclosure owed to the Underwriters prior to the date of this policy) the Assured shall not be deemed to have, or have attributed to it, any actual, constructive or presumed information, knowledge or awareness of any matter, fact or circumstance other than that which is actually known or which in the ordinary course of the Assured's business ought to be known to:

- (i) Any employee of the Assured directly responsible for negotiating and administering the Agreements/Secured Facility and/or
- (ii) Any employee of the Assured directly responsible for arranging this insurance or dealing with any matter in connection therewith.

9. WAR RISKS - NOTICE AND AUTOMATIC TERMINATION OF COVER CLAUSE

Notwithstanding the provisions of Operators Policies War Risks coverage hereon is subject to the Notice of Cancellation and Automatic Termination of Cover Clause as follows:-

- (i) 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.
- (ii) Whether or not such notice of cancellation has been withdrawn cover shall TERMINATE AUTOMATICALLY:
 - (a) 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 whenssoever such detonation may occur and whether or not the insured vessel(s) may be involved, and this insurance excludes loss damage liability or expense arising from such occurrence

- (b) 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
 - and this insurance excludes loss damage liabilities or expense arising from such outbreaks of war.
- (c) in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use and this insurance excludes loss damage liability or expense arising from such requisition. Cover in respect of the risks of war, etc., shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this Clause.

It is agreed that notwithstanding any Automatic Termination of War Risks coverage hereon, that such coverage will reinstate hereon automatically upon reinstatement (whether automatic or otherwise) of prima facie War Risks coverage on the Operators Policies and Club Entries.

Agreed cover is automatically reinstated at termination of the notice period without trading warranties when general Notice on War Risks is given.

10. EXCLUSIONS

- (i) Underwriters of this Policy shall have no liability to the Assured if at the date on which any such loss, damage or liability as aforesaid arises, the relevant Operators Policies or Club Entries (as the case may be) have been lawfully terminated by the Underwriters thereof due solely to non-payment of premium or call, other than as provided in Clause 2 herein.
- (ii) No claim that would be recoverable hereunder as a result of non-payment or part payment of a claim under any of the Operators Policies or Club Entries will be payable if such non-payment or part payment (as the case may be) arises solely from:-
 - (a) Insolvency of the Underwriters under the Operators Policies and/or Club Entries, or
 - (b) Inability of any Underwriters under the Operators Policies or Club Entries to remit funds by reason only of laws in force and imposed in the country or jurisdiction in which such party mainly conducts its business.

11. TIME FOR PAYMENT

- (i) There shall be deemed to be a non-payment by the Underwriters of the Insurance Policies and/or Club Entries
 - (a) when a final court judgment is delivered in favour of those Underwriters, or
 - (b) at such earlier time as the Assured can demonstrate to the satisfaction of the Underwriters hereon that there is no reasonable prospect of the lessees and/or Assured succeeding in the claim against the Underwriters of the Insurance 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.
- (ii) Thereafter the Assured shall formally present their claim hereunder and any amount recoverable hereunder shall be payable within three calendar months of the date on which the Assured shall have presented their properly documented claim to the Underwriters of this contract.

DISCLOSURE OF MATERIAL FACTS CLAUSE

Every Proposer or Insured when seeking new insurance or renewing an existing Policy must disclose any information which might influence the Insurer in deciding whether or not to accept the risk, what the terms should be, or what premiums to charge. Failure to do so may render the insurance voidable from inception and enable the Insurer to repudiate liability.

LESSORS AND / OR INNOCENT OWNERS INTEREST ADDITIONAL PERILS (POLLUTION) INSURING CONDITIONS (S)

1. INSURING CLAUSE

- 1.1. Whereas the Insured has entered into Legal Agreements, commensurate with which the Insured maintains ownership of the chartered vessel and endorsements of its interests on the Operators Policies and Club Entries as collateral security.
- 1.2. Now this Policy will indemnify the Insured 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 for amounts in excess of the Limits of Liability under the Operators Policies and Club Entries, as warranted herein.
- 1.3. The indemnity payable hereunder shall be the amount of the Insured's Loss, not exceeding the Insured's interest on the

Responsible Vessel and not exceeding the sum insured for the responsible vessel. The indemnity shall be payable from the date that both 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 Owners interest, or
- 2.1.4. Expropriation or sequestration of claim settlements for loss or damage under the Operators Policies and 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 Insured 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 Operators Policies and Club Entries.

2.3. Operators 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 vessel may be situated.

2.4. Legal Liabilities - Means:

The liability of the 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 Operators Policies and Club Entries.

2.5. Proof of Claim - Means:

Demonstration by the Insured that the amount of the Legal Liabilities exceeds the limits of liability insured for pollution under Operators 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 Insured (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 Insured and Underwriters hereon is not commercially appealable, such lawyers' fees to be borne by the Insured) in a court of competent jurisdiction of the responsibility for and amount of Legal Liabilities of the Operator as well as the ranking of relevant maritime liens on the Responsible Vessel vis a vis the Owners' interest, or 2) at such earlier date as agreed by Underwriters hereto on the evidence presented by the Insured (provided that the Underwriters may in their absolute discretion decline to pay before 1.) above.

2.6. Net Loss - Means at the option of the Insured either:

- 1) The Insured's loss under the Legal Agreement to the extent secured by the Responsible Vessel net of any amounts recovered and deemed recoverable under all security arrangements contained in or collateral to the Legal Agreement including but not limited to any floating and fixed liens, security interests, guarantees, insurance policies and pledges (but shall not include any Legal Agreements on any other vessels owned by the Insured).

The amount of the Insured's Net Loss may be established by an opinion from a firm of lawyers as agreed by the Insured 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 Insured, or,

- 2) The Insured's equity in the responsible vessel 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:

Notwithstanding any provision of this Clause 2.6 it is hereby noted and agreed that the Legal Agreement on each vessel insured (or not insured) hereon shall be held to stand alone and not cross-collateralised for the determination of Net Loss. This insurance is to indemnify the Insured up to the insured amount 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. Vessel - Means:

Each vessel owned by the Insured, 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 Insured (or any agent, sub or contractor of the Insured or to the extent that any rights or remedies are subject of an assignment in favour of the Insured, Charterers, managers or operators of the Responsible Vessel) to pursue any possible right or remedy against any third party tortfeasor to mitigate the Insured'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 Operators 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 Operators 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 Lessors Interest Clauses.
- 3.4. any liability of the Insured including but not limited to any liability for cleaning costs, penalties, damage or expenses.

4. INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR EXCLUSIONS CLAUSE – HULLS, ETC. (CL. 359) 1/1/95

Paragraph 3.2 to 3.2.3 inclusive of Cl. 359 is deemed replaced by Cl. 370.

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 RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE (CL. 370)

As attached.

6. WARRANTIES

6.1. It is warranted in respect of each Vessel that:

- 6.1.1. Operators 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; 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 Vessel trades in an amount not less than an amount as declared each declaration and in respect of "War" Perils to the applicable limit as is customarily available under the Operators Policies and/or extensions to Club Entries.
- 6.1.2. Each of the Operators Policies and Club Entries is endorsed to the extent of the Insured's interest,

7. CHANGE OF OWNERSHIP OR CONTROL

This policy will terminate automatically at the time of any change of operator, management or control of a Vessel of which the Insured has knowledge or privity, unless the Insured 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 Insured 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 Insured'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 Insured shall do and concur in doing all things reasonably practical to minimise any claim hereunder.

10. PAYMENT OF CLAIMS

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.

It is hereby expressly agreed that payment of a claim by the Underwriters under the instructions of the Insured discharges the Underwriters from all liability with respect to such claim whether or not the claims proceeds are received by the Insured or are subsequently confiscated from the Insured.

11. SUBROGATION

Underwriters shall retain their rights of subrogation in respect of any claim paid hereunder. These rights shall be limited to the Insured's rights and remedies only on the Responsible Vessel in respect of which a payment of a claim is made hereunder.

12. OTHER INSURANCE

- 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, Lessors Interest Additional Perils (Pollution) and Passive Investors Insurance in respect of a Responsible Vessel shall not exceed the insured total loss value on the Responsible Vessel under Operators 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 Lessors Interest Additional Perils (Pollution) shall be paid in order of priority 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 Insured's interest is not fully insured at the time of an Event, the indemnity payable hereunder shall be reduced in proportion to the under insurance.

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 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 Insured 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.

LOSS PAYABLE CLAUSES (A)

- Article 1. In case the Company shall be liable to pay any loss or damage other than a total loss, such loss or damage shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

LOSS PAYABLE CLAUSES (B)

- Article 1. Any loss or damage shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

LOSS PAYABLE CLAUSES (C)

- Article 1. In case the Company shall be liable to pay a total loss, such loss shall be payable to the payee specified in the schedule of this policy.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

LOSS PAYABLE CLAUSES (FOR GENERAL)

- Article 1. In case the Company shall be liable to pay a total loss, such loss shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

LOSS PAYABLE CLAUSES (FOR CO-OWNED VESSEL)

- Article 1. In case the Company shall be liable to pay a total loss, such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

LOSS PAYABLE CLAUSES (FOR BAREBOAT CHARTER)

- Article 1. In case the Company shall be liable to pay a total loss, such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy according to Japanese civil law is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

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