

EF MARINE'S INSURANCE SOLUTION FOR SHIPOWNERS


Shipowners' P&I

1/2022 TERMS & CONDITIONS



Claims Emergency

Our claims response service is available 24/7/365 and provides immediate global assistance. Calling the emergency contact number provides a quick and effective way to speak directly to a duty claims handler in the event of an incident or casualty involving an Insured Vessel. During office hours the emergency number will redirect to the relevant corresponding office switchboard.


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Our Assured's and brokers are supported by a global network of Correspondents, our local experts who are readily available to provide practical, local advice and support. Contact details of EF Marine's approved Correspondents can be found online at:

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Part 1 - Introductory

A. TERMS AND SCOPE OF COVER

1. The Assured is insured on the terms set out in these Terms and Conditions, the Certificate of Insurance and any Endorsement thereto hereinafter referred to as The Insurance.
2. The Assured is insured for liabilities, losses, costs and expenses which arise;
 - 2.1. in direct connection with the operation of the Insured Vessel by the Assured in the Assured's capacity as owner of the Insured Vessel,
 - 2.2. in respect of the Assured's interest in the Insured Vessel, and
 - 2.3. out of an Event taking place during the period of insurance.
3. The Assured is only covered for such of those risks specified in Part 2 and any additional covers as are expressly prior agreed between the Assured and the Company and when stated in the Certificate of Insurance or any Endorsement thereto.

B. DURATION OF COVER

This Insurance shall commence on the date prescribed in the Certificate of Insurance and be effective for the duration of the period of insurance mentioned in the Certificate of Insurance, unless and until cover ceases or the insurance expires or is terminated in accordance with section 34.

C. GENERAL PROVISIONS

Words which start with a capital letter in these Terms & Conditions are defined in and shall have the meanings set out in Part 9 - Definitions.



Part 2 – Insurance cover provided

1. POLLUTION

1. Cover provided:

- 1.1. Liability arising out of the actual or threatened escape or discharge of oil or other polluting substance,
- 1.2. costs of measures reasonably taken for preventing or minimizing pollution, and
- 1.3. costs incurred to comply with an order of any government or authority for preventing or minimizing actual or threatened pollution.

EXCLUSIONS:

This Insurance shall not cover the Assured's liability or costs in respect of pollution,

- 1.4. which are required as part of the normal operation, salvage or repair of the Insured Vessel.
- 1.5. resulting from the presence in or the threatened escape or discharge from any land-based dump, site, storage or disposal facility of any substance previously carried on the Insured Vessel as cargo, fuel, stores, waste or otherwise, or
- 1.6. which would be recoverable in general average if the Assured had incorporated the un-amended York-Antwerp Rules.
- 1.7. when the Assured is solely held liable as owner of the Cargo.
- 1.8. when the Assured is being held liable under the Oil Pollution Act of 1990. Any Certificate of Insurance or confirmation of cover pursuant to this policy shall not be deemed to be evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar federal or State law and may not be shown or tendered to the United States Coast Guard or any federal or State agency as evidence of financial responsibility or evidence of insurance. The Company does not consent to be a guarantor.
- 1.9. In respect of recovery from the Company under this section the value of any property that is or may be deemed to be a hazardous substance which may cause pollution and in respect of which the Assured has obtained any proceeds of sale or other financial recovery whatsoever shall be deducted from and set off against the Company's liability to pay.

2. WRECK REMOVAL

2. Cover provided:
 - 2.1. liability for costs arising out of the raising, removal, destruction, lighting or marking of the wreck of the Insured Vessel, or any other Insured Vessel, or their equipment, bunkers or cargo lost because of a casualty, provided that
 - 2.1.1. the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction to navigation or the costs are legally recoverable from the Assured under a contract approved by the Company, and
 - 2.1.2. the realized value of the wreck and other property saved shall be credited to the Company.
 - 2.2. Liability for cost because of the presence or involuntary shifting of the wreck of the Insured Vessel or any cargo or other property which is or was carried on board such wreck or because of the Assured's failure to raise, remove, destroy, light or mark such wreck or such cargo or other property.

EXCLUSIONS:

This Insurance shall not cover liability, costs, or expenses

- 2.3. which are covered under the Insured Vessel's hull policies,
- 2.4. where the Assured transfers his interest in the wreck or other property saved otherwise than by abandonment,
- 2.5. when the occurrence or event giving rise to the wreck of the Insured Vessel did not arise during the Period of Insurance of the Insured Vessel,
- 2.6. arising out of the removal of cargo carried on a semi-submersible heavy-lift vessel or any other vessel designed exclusively for the carriage of heavy-lift cargo, unless the cargo is being carried under a contract on unamended Heavycon terms or any other contract prior written approved by the Company.

3. COLLISION WITH OTHER SHIPS AND NON-CONTACT DAMAGE

3. Cover provided:

3.1. Collision with other ships

3.1.1. liability for cost to any other person arising out of the collision of the Insured Vessel and another vessel, but only to the extent that such liabilities are not recoverable under the collision liability clause contained in the Hull Policies and provided that it has been agreed in writing between the Company and the Assured prior to the Attachment Date what proportion of the Insured Vessel's collision liability is covered under this section.

3.1.2. If a claim arises under this section in respect of a collision involving two vessels belonging wholly or partly to the same owner, the Assured shall be entitled to recover from the Company, and the Company shall have the same rights, as if the vessels had belonged to different owners.

3.1.3. In any instance in which both vessels involved in a collision are to blame and the liability of either or both vessels becomes limited by law, any recovery of the Assured from the Company will be settled on the principle of single liability. In all other instances, a claim for recovery by the Assured from the Company under this section shall be settled on the principle of cross liabilities, as if the owner of each vessel had been compelled to pay the other owner such proportion of the latter's damages or as may have been properly allowed in ascertaining the balance payable by or to the former.

3.2. Non-contact damage

3.2.1. Liability to pay for loss of or physical damage to any other ship or cargo or other property there in caused by the wash of the Insured Vessel.

EXCLUSIONS:

3.3. There shall be no recovery from the Company of any deductible applicable under the Hull Policies.

3.4. Recovery from the Company under this section shall be limited to the excess, if any, of the amount which would have been recoverable under the Hull Policies if that vessel had been insured at a value which at the discretion of the Company would have been her full market value.

4. CREW

4. Cover provided:
 - 4.1. The Assured's liability arising in respect of Crew for
 - 4.1.1. injury, illness or death,
 - 4.1.2. costs of wages, repatriation and maintenance ashore
 - 4.1.2.1. due to illness, injury or death,
 - 4.1.2.2. due to a major casualty to the Insured Vessel which renders the Insured Vessel unseaworthy and necessitates the signing off of the Crew,
 - 4.2. reasonable costs of providing a substitute to replace a Crew member repatriated under 4.1.2.1 or 4.1.2.2 above. The Assured must satisfy the Company that the substitute was needed in order to ensure that the Insured vessel was properly manned and seaworthy, and that the remaining Crew members could not manage to operate the Insured vessel safely in the absence of the repatriated or deceased Crew member.
 - 4.3. wages to serving Crew members or, if deceased, their dependents because of injury, illness or death,
 - 4.4. wages and compensation payable to a Crewmember signed off due to a major casualty to the Insured Vessel which renders the Insured Vessel unseaworthy and necessitates the signing off of the Crew,
 - 4.5. the costs of the funeral and sending home of the coffin or ashes, and personal effects of a deceased Crew member, and
 - 4.6. loss of or damage to personal effects other than Valuables.

EXCLUSIONS:

- 4.7. This Insurance shall not cover liabilities, costs and expenses which arise under the terms of a crew contract or other agreement, unless those terms have been approved by the Company.
- 4.8. Cover under 4.2. is not available for such costs if the repatriation of the injured or ill Crew member occurs at the time when he would have travelled home in any event since such costs are considered to be part of the Assured's normal operational costs. Also cover is not available for the wages of substitute Crew members as such costs are also considered to be normal operational costs. Cover is available for the travel expenses and associated maintenance costs incurred in sending to the vessel one substitute for each replaced Crew member. If a temporary substitute is subsequently replaced by a permanent substitute, cover is available only for costs incurred in relation to one of the two replacements.
- 4.9. MLC-2006 EXTENSION CLAUSE
 - 4.9.1. This clause is provided in compliance with financial security demand of Maritime Labour Convention 2006, as amended (hereinafter referred to as MLC-2006).
 - 4.9.2. The financial security is provided in the form of P&I Insurance and the following applies:

- 4.9.3. Where the Assured has failed to discharge a legal liability to pay damages or compensation for personal injury, illness or death of a crew member, or costs of repatriation, due wages and other due entitlements under the MLC-2006, any materially similar enactment or equivalent domestic legislation by a State Party to the MLC-2006, the Company herewith agrees to discharge or pay such claim on behalf of the Assured as follows:
- 4.9.3.1. Liabilities in respect of repatriation of a Crew Member together with costs and expenses incidental thereto and in the event of his abandonment including outstanding wages in accordance with Regulation 2.5, Standards A2.5.1, A2.5.2 and Guideline B2.5 of MLC-2006; and
 - 4.9.3.2. Liabilities in respect of compensating a Crew Member in the event of the death or long-term disability of a Crew Member due to an occupational injury, illness or hazard, in accordance with Regulation 4.2, Standards A4.2.1, A4.2.2 and Guidelines B4.2.1, B4.2.2 of MLC-2006.
- 4.9.4. Notwithstanding Sections 26.1.8 and 38.13 of these Terms & Conditions, the Company shall discharge or pay claims mentioned under paragraphs 4.9.3.1 and 4.9.3.2 on the Assured's behalf directly to the Crew Member or dependents thereof, provided always that:
- 4.9.4.1. The Crew Member or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated,
 - 4.9.4.2. Payments shall always be made directly to the Crew Member or dependents thereof,
 - 4.9.4.3. The amount of compensation for death or long-term disability of a Crew Member payable by the Company shall under no circumstances exceed the amount which the Assured would otherwise have been able to recover from the Company under the Assured's terms of cover as per its Certificate of Insurance, and
 - 4.9.4.4. Any payment in respect of damages or compensation for personal injury, illness or death of a Crew Member, or costs of repatriation, due wages and other due entitlements for repatriation made under this Extension shall be done by the Company as agent of the Assured only and the Assured shall be liable to reimburse the Company in full for any claim paid under paragraph 4.9.3.1 and 4.9.3.2 unless recoverable under section 4.1.2.1 or 4.1.2.2 of these Terms and Conditions.
- 4.10. There shall be no payment under paragraph 4.9.3.1 or paragraph 4.9.3.2 if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.
- 4.11. The Extension may be cancelled in respect of War Risks by the Company on 30 days' notice to the Assured (such cancellation becoming effective on the expiry of 30 days from midnight of the day on which notice of cancellation is issued).

- 4.12. Whether or not such notice of cancellation has been given the Extension hereunder shall terminate automatically in respect of the War Risks:
- 4.12.1. 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;
 - 4.12.2. In respect of any ship, in connection with which cover is granted hereunder, in the event of such ship being requisitioned either for title or use.
- 4.13. The Extension excludes loss, damage, liability or expense arising from:
- 4.13.1. The outbreak of war (whether there be a declaration of war or not) between any of the following: the UK, the USA, France, The Russian Federation, the People's Republic of China;
 - 4.13.2. Requisition for title or use.
- 4.14. Any dispute arising out of or in connection with the Extension shall be resolved in accordance with section 54.
- 4.15. All abovementioned terms and conditions of this Extension meet the conditions and standards of MLC-2006 in full.

5. PERSONAL INJURY

5. Cover provided:
Liability for injury, illness or death of persons other than Crew or Passengers, where such liability arises on board the Insured Vessel or during her operation, unless arisen under the terms of any contract or indemnity and would not have arisen but for those terms, unless those terms were previously approved by the Insurer in writing in accordance with Section 13 (Contracts and Indemnities).

6. PASSENGERS

6. When specifically agreed (see also 26.1.7) by the Company the following cover is provided:

The Assured's liabilities, costs and expenses arising in respect of Passengers carried on board the Insured Vessel and in respect of:

- 6.1. Injury, illness or death
- 6.2. costs of repatriation and maintenance ashore of embarked Passengers
 - 6.2.1. due to illness, injury or death,
 - 6.2.2. under a deportation order,
 - 6.2.3. arising out of a casualty involving either collision, stranding, explosion, fire or other similar cause affecting the physical condition of the Insured Vessel so as to render it incapable of safe navigation to its intended destination or a threat to the life, health or safety of passengers in general
 - 6.2.4. Fines imposed in respect of the Insured Vessel by any court, tribunal or authority in accordance with section Fines notwithstanding the exclusions and limitations thereof.
- 6.3. loss of or damage to baggage and personal effects other than Valuables.

EXCLUSIONS:

- 6.4. This shall not cover liabilities, costs and expenses which are in excess of the liability which would have arisen under the contract of carriage had the Assured restricted liability to the maximum extent permitted under the applicable law.
- 6.5. There shall be no cover under this policy in respect of liabilities incurred because of the carriage of any passenger by air, except when such liability occurs during repatriation by air of injured or sick passengers, or of passengers following a casualty to the Insured Vessel.
- 6.6. There shall be no cover under this policy in respect of liabilities incurred when a passenger is on an excursion from the Insured Vessel where either:
 - 6.6.1. a separate contract has been entered into by the passenger for the excursion, whether or not with the assured; or
 - 6.6.2. the Assured has waived any rights of recourse against any sub-contractor or other third party in respect of the excursion.

7. CARGO

7. Cover provided:

7.1. Liability for cargo loss, shortage, damage, delay, or other responsibility when they relate to Cargo intended to be or being or having been carried in, on or by the Insured Vessel.

EXCLUSIONS:

7.2. This Insurance shall not cover liabilities, losses, expenses or costs arising out of

- 7.2.1. failure to arrive or late arrival of the Insured Vessel at the port of loading, other than liabilities, costs and expenses arising under a bill of lading already issued,
- 7.2.2. loss, shortage, damage or delay occurring prior to loading, except insofar as loss, shortage or damage occurs in the port of loading within 21 days of the date on which loading of the cargo on the Insured Vessel commences or should commence,
- 7.2.3. loss, shortage, damage or delay occurring whilst the cargo is in the custody of another carrier or during lightering operations, except insofar as lightering is approved by the Company, or occurs in port and is customary,
- 7.2.4. failure to load or delay in loading any particular cargo in the Insured Vessel, other than any liabilities, costs and expenses arising under a bill of lading already issued,
- 7.2.5. the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage which,
 - 7.2.5.1. is antedated or postdated,
 - 7.2.5.2. contains a description of the cargo or its quantity or condition which the Assured or an officer of the Insured Vessel knows is incorrect, or
 - 7.2.5.3. should be claused to show that the cargo is carried on deck and is not so claused,
- 7.2.6. carriage of cargo on terms less favorable to the Assured than the Hague or Hague-Visby Rules, except insofar as the contract of carriage is on less favorable terms solely because of the compulsory application of the Hamburg Rules by virtue of the place of loading or discharge,
- 7.2.7. carriage of cargo on terms which are contrary to terms required by the Company,
- 7.2.8. carriage of cargo under a contract providing for carriage partly in the Insured Vessel and partly by some other means of transport, except insofar as the Company approves the contract,

- 7.2.9. carriage of Valuables,
- 7.2.10. carriage under an ad valorem bill of lading, waybill or other document containing or evidencing the contract of carriage in which a value in excess of USD2,500 per unit, piece or package is declared or stated, except insofar as liability does not exceed USD2,500 per unit, piece or package,
- 7.2.11. deviation or departure from the contractually agreed voyage or adventure which deprives the Assured of the right to rely on defences or rights of limitation which would otherwise be available,
- 7.2.12. delay, except insofar as liability arises because of the application of the Hague or Hague-Visby Rules or compulsory law,
- 7.2.13. discharge of the cargo at a port or place other than the port or place provided for in the contract of carriage,
- 7.2.14. failure to discharge all the cargo on board, except insofar as the Assured takes all reasonable steps to discharge the cargo,
- 7.2.15. delivery of cargo carried under
 - 7.2.15.1. a negotiable bill of lading or similar document of title (including an electronic bill of lading) without production (or equivalent in the case of an electronic bill of lading) of that bill of lading or document by the person to whom delivery is made, except where cargo has been carried either on the Insured Vessel under the terms of a non-negotiable bill of lading, waybill or other non-negotiable document and has been properly delivered as required by that document, and liability arises under a negotiable bill of lading or other similar document of title issued by or on behalf of a party other than the Assured providing for carriage partly by a means of transport other than the Insured Vessel, or under the terms of an approved Electronic Trading System and has been properly delivered to the person so entitled in accordance therewith, or
 - 7.2.15.2. a non-negotiable bill of lading, waybill or similar document, without production of the original document by the person to whom delivery is to be made where such production is required by the express terms of that document or the law to which that document, or the contract of carriage contained in or evidenced by it, is subject, except where the Assured is required by any other law to deliver or relinquish custody or control of the cargo without production of such document.
- 7.2.16. loss, shortage, damage or delay occurring on land after discharge, except insofar as it occurs in the port of discharge within 21 days of discharge from the Insured Vessel,

- 7.2.17. participation in or use of an ElectronicTradingSystem, unless such system has been approved in writing by the Company, or
- 7.2.18. the carriage of livestock, unless prior approved by the Company.
- 7.2.19. the carriage of Cargo on deck, unless:
 - 7.2.19.1. the Insured Vessel is designed and/or permanently fitted and equipped for the carriage of Cargo on deck, which has been confirmed and approved by the Classification Society of the Insured Vessel in writing, and
 - 7.2.19.2. the Cargo carried on deck has been properly stowed and secured in accordance with the Cargo Securing Manual and/or other any other additional requirements as provided by the Classification Society of the Insured Vessel or by any competent authority, and
 - 7.2.19.3. the carriage of Cargo on deck has been agreed to in writing by each party with an interest in the Cargo carried on deck, and
 - 7.2.19.4. each Bill of Lading has incorporated a wording stating that the Cargo is being carried on deck and exonerating themselves from liability: "shipped on deck at shippers/charterer's risk and responsibility without liability on the part of the owners/carrier for any expenses, delays, loss or damage howsoever caused and even if caused by the negligence of the owners/carriers or their agents, or by the unseaworthiness of the vessel", or
 - 7.2.19.5. the Company, in its sole discretion, has prior written approved the carriage of Cargo on deck at terms and conditions to be agreed.
- 7.2.20. Loss of market.
- 7.2.21. Loss of or damage to cargo carried on a semi-submersible heavy-lift vessel or any other vessel designed exclusively for the carriage of heavy-lift cargo.
- 7.2.22. Liability for Finished Steel Products carried as Cargo unless the Assured has arranged and paid for a steel pre-loading survey by a surveyor approved by the Company at the port of shipment and the Insured Vessel has been approved for carriage of the Cargo and any Bills of Lading or documents of title have been clausured with the surveyor's findings.

8. EXTRA CARGO HANDLING COSTS

8. Cover provided:
extra costs, and liability for extra costs, in connection with or because of handling and disposing of cargo, where such costs are necessarily, reasonably and solely incurred, as a direct result of:
- 8.1. damage to cargo on board the Insured Vessel,
 - 8.2. damage to the Insured Vessel which is of a type that would be covered under a standard hull policy, or
 - 8.3. the consignee's rejection of cargo carried on board the Insured Vessel.

EXCLUSIONS:

- 8.4. This insurance shall not cover costs, or liability for costs, which,
- 8.4.1. are claimable in general average or for which the Assured has a right of recourse against any other party,
 - 8.4.2. result from the Insured Vessel being overloaded or improperly stowed,
 - 8.4.3. are incurred in order to make the Insured Vessel seaworthy to receive the cargo,
 - 8.4.4. are for work which could have been carried out by the crew or by reasonable use of the Insured Vessel and her equipment or are normal costs of operating and trading the Insured Vessel,
 - 8.4.5. are in respect of packing, rebagging, sorting and other measures taken to comply with ordinary obligations under the contract of carriage, or
 - 8.4.6. result from any of the matters referred to in the exclusions mentioned in section 8.

9. DAMAGE TO PROPERTY (INCLUDING FIXED AND FLOATING OBJECTS)

9. Cover provided:

9.1. Liability to pay damages or compensation for any loss of or damage to any property (including infringement of rights in connection with that property) whether on land or water and whether fixed or moveable, not being another ship or Cargo and incurred during the Operation of the Insured Vessel.

EXCLUSIONS:

9.2. This Insurance shall not cover costs, or liability for costs, which,

9.2.1. arises under the terms of any contract or indemnity and would not have arisen but for those terms, unless those terms were previously approved by the Company in writing.

9.2.2. arises in respect of loss of or damage to property that is owned, leased or otherwise within the possession, custody or control of the Assured.

10. FINES

10. Cover provided:

liability for fines imposed by any court, tribunal, or authority of competent jurisdiction upon the Assured or upon any person for whom the Assured is legally liable to reimburse, for any of the following:

10.1. Short or over delivery of Cargo or for failing to comply with regulations concerning declarations relating to goods or Cargo or to the Insured Vessel's documents.

10.2. Accidental pollution by oil or other substance.

10.3. Smuggling or any infringement of any customs law or regulation relating to the Cargo or the Insured Vessel.

10.4. Breach of immigration laws or regulations.

10.5. Any act, neglect or default, other than those specified above, of any servant or agent of the Assured during their duties in respect of the Insured Vessel.

EXCLUSIONS:

10.6. This insurance shall not cover fines because of:

10.6.1. overloading of the Insured Vessel.

10.6.2. the presence on board the Insured Vessel of a greater number of Passengers than is legally permitted.

- 10.6.3. contravention of any law, regulation or requirement in respect of fishing.
- 10.6.4. entry of the Insured Vessel into prohibited waters.
- 10.6.5. disregarding of routing regulations.
- 10.6.6. criminal activity of which the Assured had actual or constructive knowledge, recklessly disregarded or failed to take reasonable steps to prevent.
- 10.6.7. failure to maintain the Insured Vessel's lifesaving and/or navigational equipment and/or to keep prescribed certificates on board.
- 10.6.8. landing of a member of the Crew, stowaway or refugee without permission of the necessary authorities.
- 10.6.9. inspection fees, including follow-up survey fees or fines of any sort arising out of or relating to a Port State Control detention or other order.
- 10.6.10. infringement of MARPOL regulations where the ship's oily water separator or similar pollution prevention device has been bypassed or rendered inoperable.

11. TOWAGE

11. Cover provided:

11.1. Towage of the Insured Vessel

This insurance shall cover the Assured's liability arising:

- 11.1.1. under a contract entered into in the ordinary course of trading
- 11.1.2. for entering, leaving or maneuvering within a port when customary; or
- 11.1.3. when the Insured Vessel is entered as a barge or other vessel which is habitually towed from port to port or from place to place.
- 11.1.4. under a contract for towage of an Insured Vessel other than customary towage which has been prior written approved by the Company at terms and conditions to be agreed.

11.2. Towage by the Insured Vessel

11.2.1 The Assured's liability arising out of the towage of another vessel or floating object by the Vessel on contractual terms which have been approved by the Company provided that the Insured Vessel is insured as a tug or other vessel engaged in towage in the ordinary course of business.

12. SALVAGE

12. Cover provided:

This insurance shall cover liabilities, costs and expenses in respect of:

- 12.1. salvage operations conducted by the Insured Vessel for saving life at sea, and
- 12.2. life salvage payable to third parties because of saving or attempting to save the life of a person on or from the Insured Vessel, to the extent that payment is not recoverable from hull insurers or any other underwriters, and
- 12.3. liability to pay special compensation to a salvor in respect of the Insured Vessel under the provisions of Article 14 of the International Convention on Salvage 1989, or under a Lloyd's Open Form of salvage agreement, or any standard form of salvage agreement approved by the Company, or under the Special Compensation P&I Club's (SCOPIC) clause.

12.4. EXCLUSIONS:

- 12.4.1. No claim shall be recoverable under this section insofar as such special compensation is payable by any third party also having an interest in property which is the subject of salvage services.
- 12.4.2. No claim shall be recoverable from the Company if the Company has not been notified of the salvage requiring Event by the Assured within 24 hours from the time in which they gained knowledge or could have been reasonably expected to gain knowledge.
- 12.4.3. In respect of a recovery from the Company under this section the value of the wreck or of any related appurtenances, equipment, Cargo, bunkers and apparel in respect of which the Assured has obtained any proceeds of sale or other financial recovery whatsoever shall be deducted from and set-off against the Company's liability to pay.

13. CONTRACTS AND INDEMNITIES

13. Cover provided:

Liability for loss of life, illness or personal injury, or for loss of or damage to property under the terms of any contract or indemnity made or given by the Assured in respect of facilities or services rendered or to be rendered to the Insured Vessel during her Operation, but only if and to the extent such terms have been agreed and cover for the liability has been approved by the Company in writing.

14. GENERAL AVERAGE

14. Cover provided:

14.1. Unrecoverable general average contributions - Cargo

The proportion of general average expenditure (including salvage) and special charges which the Assured is entitled to claim from Cargo interests or from some other party to the maritime adventure, but which are not legally recoverable solely by reason of a breach of the contract of carriage.

14.2. Ship's proportion of general average - Hull

Ship's proportion of general average expenditure (including salvage) and sue and labour expenses which are not recoverable under the Hull Policies and Excess Liabilities by reason of the value of the Insured Vessel being assessed for contribution to general average or salvage at a sound value in excess of the insured value under such policies. If the amount insured under the Hull Policies is less than the proper value, then the proper value shall be determined by the Company in their sole discretion and the Assured shall only be entitled to recover the excess of the amount which would have been recoverable under the Hull Policies if the Insured Vessel had been insured at the proper value.

15. QUARANTINE EXPENSES

15. Cover provided:

liability to pay damages or compensation and/or additional expenses incurred by the Assured as a direct consequence of an outbreak of a Communicable Disease on the Insured Vessel during her Operation, including quarantine and disinfection expenses and the net loss to the Assured in respect of bunkers, insurance, wages, stores, provisions and port charges.

16. ENQUIRY EXPENSES

16. Cover provided:

Expenses reasonably incurred at the discretion of the Company by the Assured in defending itself and/or protecting its interests before a formal enquiry into a casualty involving the Insured Vessel during her Operation.



17. SUE & LABOUR AND LEGAL COSTS

17. Cover provided:

17.1. Costs, including legal costs, and expenses reasonably incurred by the Assured, on the occurrence of an Event or matter liable to give rise to a claim, in avoiding or seeking to avoid or minimize any liability or expenditure or loss against which it is insured by the Company, provided that no such costs or expenses shall be recoverable unless either they have been incurred with the Company's prior agreement or the Company determines that such costs or expenses were reasonably incurred.

17.2. Unless otherwise agreed the costs and expenses incurred under section 17.1. shall bear the same Deductible as the liability or expenditure so avoided or reduced would have borne.

EXCLUSIONS:

17.3. This insurance shall not cover liability for costs,

17.3.1. which are claimable in general average.

17.3.2. which result from the Insured Vessel being overloaded or improperly stowed.

17.3.3. which are incurred to make the Insured Vessel seaworthy to receive the Cargo.

17.3.4. which form part of the daily running of the Insured Vessel.

17.3.5. for work which could have been carried out by the Crew or by reasonable use of the Insured Vessel and her equipment.

17.3.6. which are related to ransom demands, extortion, blackmail, bribery or any illegal payments.

18. OMNIBUS

18. Cover provided:

the Company may, in exceptional circumstances and in its absolute and sole discretion, cover the Assured's liability, loss, costs or expense which are incidental to the business of ship owning and which would not otherwise be covered under This Insurance, to the extent that the Company considers that such cover would be appropriate.

19. DIVERSION EXPENSES

19. Cover provided:

19.1. Liability for costs incurred because of diversion or delay of the Insured Vessel which was made necessary for the following reasons:

- 19.1.1. obtaining necessary medical treatment ashore of a sick or injured member of the Crew or Passenger;
- 19.1.2. awaiting a substitute for a deceased, sick or injured member of the Crew who has been landed for treatment;
- 19.1.3. landing of a body of a deceased person when reasonably necessary.

19.2. Exclusions and Limitations:

- 19.2.1. Cover under this Section is limited to the Insured's net loss in respect of port charges, bunkers, insurance, stores, provisions and crew wages.
- 19.2.2. There shall be no recovery under this Section for loss of profit, hire, freight or sums otherwise incurred.

20. STOWAWAYS, DIVERSIONS AND RELATED COSTS

20. Cover provided:

20.1. Liability to pay additional port and other costs reasonably, necessarily and solely incurred for landing or dealing with stowaways, refugees or persons saved at sea or for diverting to obtain necessary medical treatment for injured or sick persons or for assisting in the search for or rescue of persons in distress at sea, including the cost of extra fuel consumed as a result.

EXCLUSIONS:

20.2. This Insurance shall not cover costs

- 20.2.1. which are recoverable from another party or insurer, or
- 20.2.2. which are incurred in respect of
 - 20.2.2.1. the loss of freight or hire for the Insured Vessel, or
 - 20.2.2.2. demurrage on, detention of or delay to the Insured Vessel.

Part 3 – DEFENCE

The cover set out below is subject to the terms and conditions of this policy and the provisions of the General Terms & Conditions mentioned in Part 7 and the provisions of section 21 below. The Company has the liberty to exclude, limit, modify or otherwise alter the standard cover by special terms, which have been agreed between the Company and the Assured and if so agreed any special terms will appear on the Certificate of Insurance.

21. COVER

21. The Company shall cover the Assured's reasonable costs for necessary legal assistance in relation to disputes which are directly connected with the operation of the entered Insured Vessel and which are in respect of any of the following:
 - 21.1. Hire or off-hire, freight, dead freight, laytime, demurrage, despatch or other claim or dispute relating to the Charter Party, Bill of Lading or other contract of carriage in respect of the Insured Vessel.
 - 21.2. Supplies to the Insured Vessel.
 - 21.3. Charges, disbursements and accounts received from agents, stevedores, customs, brokers, harbor authorities or other servants of the Assured.
 - 21.4. Loading, stowing, trimming, discharging, lightening of Cargo on, or from the Insured Vessel.
 - 21.5. Loss of, damage to or detention of the Insured Vessel.
 - 21.6. General or particular average contributions or charges.
 - 21.7. Salvage or towage services rendered to the Insured Vessel.
 - 21.8. Representation of the Assured at official investigations or other inquiries in relation to the Insured Vessel.
 - 21.9. Actions by, or against Passengers intended to be or being or having been carried on the Insured Vessel, provided the carriage of Passengers was approved by the Company.
 - 21.10. Actions by, or against, Crew members, or their personal representatives, dependents or stowaways.
 - 21.11. Actions by, or on behalf of, a State or any public body against the Assured or the Insured Vessel, but not taxes or dues payable in countries where the ship is registered or where the Assured is resident or where the Assured has a permanent place of business.

- 21.12. Amounts due from or to insurers, other than the Company.
- 21.13. Sale and purchase of the Insured Vessel.
- 21.14. Actions by or against builders and/or repairers of the Insured Vessel.
- 21.15. Any other issue or matter in connection with the Insured Vessel. Any claim under this section must have arisen from occurrences or circumstances, which have taken place after the Attachment Date under this policy and must be notified to the Company within the Period of Insurance.

EXCLUSIONS:

There will be no recovery under this insurance, if:

- 21.16. The claim, liability or dispute would or could have been covered under the Assured's Protection & Indemnity cover.
- 21.17. There is no reasonable relationship between the amount in dispute or the prospects of successfully obtaining payment (due to financial position of the other party or otherwise) and the costs which are likely to be incurred.
- 21.18. The claim or position adopted by the Assured is tainted with illegality or serious impropriety or is based on conduct or matters which give rise to an exclusion of cover under either this or any other policy of insurance concluded between the Assured and the Company, including the Company's General Terms and Conditions incorporated therein.
- 21.19. Any recovery under this Class of Insurance shall be subject always to the following:
- 21.19.1. The Company shall be entitled in its absolute discretion to support the Assured in connection with any claim or dispute referred to in section 10 to such stage or extent and in such manner and on such terms as the Company may think fit, including but not limited to a term that the amount that the Assured will be reimbursed by the Company shall be capped at a particular amount or alternatively that the Assured shall not be reimbursed in respect of any specified amount or proportion of the costs and expenses incurred or to be incurred.
- 21.19.2. The Company shall be entitled at any time in its absolute discretion to discontinue its support or to refuse further support in connection with any claim or dispute referred to in section 19, notwithstanding any previous decision by the Company to support the same.
- 21.19.3. Notwithstanding section 38.8 of Part 7 of This Insurance, the Company shall have an absolute discretion as to the conduct of any claim or dispute referred to in section 17 and may at any time direct an Assured and its appointed lawyers, surveyors or other persons to take whatever course in connection therewith as the Company may at its sole discretion require and upon such terms as the Company may deem appropriate and to continue or discontinue any legal proceedings.

- 21.19.4. In the event of a failure by the Assured to act as directed by the Company whether under the sub-section 21.19.3. or howsoever, the Assured shall not be entitled to be reimbursed by the Company in respect of any legal costs and expenses so incurred unless and insofar as the Company shall, in its absolute discretion, otherwise determine.
- 21.19.5. The Company shall be entitled either directly on its own behalf or with the full cooperation of the Assured to take all such steps as it deems an appropriate to satisfy itself that the legal costs and expenses incurred in respect of this Part 3 are reasonable. The Company shall have full authority and right to make enquiry of any appointed lawyers and to negotiate with them, to require a full schedule of costs and disbursements and to tax or assess the same as the Company in its sole discretion shall consider appropriate whether formally or otherwise and the Assured shall provide all consents as may be necessary in this regard.
- 21.19.6. Where a dispute falls within This Insurance, the Assured shall not settle or compromise the dispute or make any admissions without the prior approval of the Company, failing which the Company may in its absolute discretion decline cover and/or require reimbursement from the Assured forthwith of any legal costs and/or expenses that it has already incurred in respect of the dispute. If a claim by the Assured has been compromised or settled on terms that either are inclusive of legal costs or make no provision as to costs, the Company shall in its absolute discretion be entitled to determine what part of any sum thus received by the Assured shall be deemed attributable to legal costs, and require that part to be paid forthwith to the Company to the extent that the Company has already incurred such costs.

Part 4 – OWNERS' WAR RISKS

The cover set out below is subject to the terms and conditions of this policy and the provisions of the General Terms & Conditions mentioned in Part 7 and the provisions of section 22 below. The Company has the liberty to exclude, limit, modify or otherwise alter the standard cover by special terms, which have been agreed between the Company and the Assured and if so agreed any special terms will appear on the Certificate of Insurance.

22. COVER

22. The Company shall cover the Assured's liability, cost and expense for Events mentioned in Part 2 and, when applicable, in Part 3 that have occurred during the Period of Insurance, directly incurred in respect of the operation of the Insured Vessel 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;
 - 22.3. derelict mines, torpedoes, bombs or other derelict weapons of war;
 - 22.4. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 22.5. any terrorist or any person acting maliciously or from a political motive;
 - 22.6. confiscation or expropriation.

EXCLUSIONS:

This Insurance will not cover liability, loss, damage, costs or expenses arising from

- 22.7. requisition, either for title or use, or pre-emption;
- 22.8. capture, seizure, arrest, restraint or detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Insured Vessel is owned or registered;
- 22.9. arrest, restraint, detainment, confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations;
- 22.10. the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause;
- 22.11. any claim for any sum recoverable under any other insurance on the Insured Vessel or which would be recoverable under such insurance but for the existence of this insurance;

22.12. any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994.

22.13. any claim for liability, costs or expenses arising from Insured Vessel navigating to, in or from Joint War Committee listed areas, unless agreed by the Company in writing prior to navigation to, in or from these areas, at terms and conditions to be agreed, for an additional premium.

Notice of cancellation and war automatic termination of cover:

22.14. Cover hereunder may be cancelled by either the Company or the Assured giving 48 hours' notice (such cancellation becoming effective on the expiry of 48 hours from midnight of the day on which notice of cancellation is issued by or to the Company). The Company agrees however to reinstate cover subject to agreement between the Company and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/ or warranties.

22.15. Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, shall terminate automatically:

22.15.1. upon the occurrence of any hostile detonation of any weapon of war employing atomic or nuclear fission and/ or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur, whether or not the Insured Vessel(s) may be involved, and this insurance excludes loss, damage, liability or expense arising from such occurrence;

22.15.2. 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 and this insurance excludes loss, damage, liability or expense arising from such outbreak of war;

22.15.3. in respect of any Insured Vessel, in connection with which cover is granted hereunder, in the event of such Insured Vessel being requisitioned either for title or use and this insurance excludes loss, damage, liability or expense arising from such requisition.

22.15.4. Cover in respect of the risks of war shall not become effective if, subsequent to acceptance by the Company 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 section.

22.15.5. In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Termination Clause, or of the sale of the Insured Vessel, a pro rata net return of premium shall be payable to the Assured.

Part 5 – OWNERS' BUNKER

The cover provided under this clause is the loss of owned bunker on board an Insured Vessel. Indemnification will be provided to the Assured for the value of bunkers lost due to a casualty of the Insured Vessel. Eligible are Assured's who have taken out a P&I insurance from the Company with an insurable interest in the bunker. Full details of this insurance (including applicable limits) can be obtained from The Company on request.



Part 6 – SHIPOWNERS' LIABILITY TO CARGO (SOL)

Shipowners' Liability to Cargo (SOL) Insurance is a comprehensive insurance covering various risks related to breaches of the contract of carriage of cargo. It is available to Shipowners and Charterers who have taken out an underlying Shipowners' P&I or Charterers' Liability Insurance from the Company. The Company must have confirmed in writing to provide SOL Insurance.

Normally you, in your capacity as the contractual carrier, will have several defences available under a contract of carriage next to your right to limit liability. In some cases, those defences or the right to limit liability may not be available.

Typical examples of such cases are when cargo is carried on deck, but the Bill of Lading states that it is carried under deck, when a vessel suddenly needs dry docking with the cargo still on board or when a vessel needs to deviate from the contractual agreed voyage because of having to collect spare parts, bunkers, stores etc. or to perform a crew change. More situations are possible, but the common factor of these situations is that they were not prior agreed in the governing contract of carriage. Consequently, cargo interests may argue that the contract of carriage has not been honored, depriving you from your rights under that contract. And on top of that and as a result, the standard P&I cover could be prejudiced.

SOL Insurance acts as a "buy back" of your full P&I cover for future breaches of a contract of carriage. Risks that may be covered are the following:

- a. Liability to cargo by reason of the carriage of cargo on deck with an under deck Bill of lading,
- b. Liability to cargo by reason of vessel deviating from the contractual agreed voyage,
- c. Liability to cargo by reason of goods being transhipped at any port or ports, place or places (including both under carriage and over carriage of cargo) instead of being carried on board the original vessel to the destination stated in the Bill of Lading and / or reforwarded. It includes loading and unloading operations and storage of goods not exceeding 90 days in an approved warehouse,
- d. Liability towards cargo by reason of goods being discharged from and reloaded back to the same vessel, including storage on quay, at any port or place of shipment or destination and / or at any port or place between the port of shipment and port of destination,
- e. Liability to cargo by reason of being shifted within the confines of the vessel for any reason whatsoever, at any port or place of shipment or destination and / or at any port or place between the port of shipment and the port of destination,
- f. Liability to by reason of cargo being carried on an ad valorem Bill of Lading and / or Freight being calculated on an ad valorem basis,
- g. Liability to cargo by reason of being carried on vessel other than stated in the Bill of Lading,
- h. Liability to cargo by reason of dry docking or repairing of a ship with cargo on board,

- i. Liability to cargo by reason of goods having to undergo overland carriage/through transit by rail and/or road or by other recognized/proven mode of transport,
- j. Liability to cargo by reason of goods being discharged to lighters prior to surrender of the Bill of Lading by consignees or their representatives,
- k. Liability to cargo by reason of lighterage amounting to deviation at the port of loading or discharge and/or discharged to self-propelled lighters and carried to another than scheduled unloading berth or alternative port,
- l. Liability cargo by reason of being loaded and/or discharged in a port different from that stated in the Bill of Lading,
- m. Liability to cargo by reason of issuing shipped and/or antedated and/or postdated Bills of Lading,
- n. Liability to cargo by reason of issuance of Bills of Lading against shipping line bill of lading, where the assured is not the operator or charterer of the vessel, provided no waiver of subrogation rights against the shipping line (issuer of the original Bill of Lading),
- o. Liability to cargo by reason of carriage of any bullion and/or specie and/or gold and/or precious metals and/or precious stones and/or jewellery and/or silks and/or furs and/or banknotes and/or bonds and/or negotiable documents,
- p. Liability to cargo by reason of delivery of goods without production of the Bill of Lading.

Eligible are Assured's who have taken out a Shipowners' P&I or Charterers' Liability insurance from the Company. Full details of this insurance (including applicable limits) can be obtained from the Company on request.

Part 7 – GENERAL TERMS AND CONDITIONS

23. APPLICATION OF TERMS

Any contract of insurance effected pursuant to the Marine Liability Policy for Shipowners shall incorporate the general terms and conditions and the terms and conditions of Part 1 and Part 2. The terms and conditions set out in each Class of Insurance in this policy shall prevail over the general terms and conditions in the event of a conflict between them, but any terms appearing in the Certificate of Insurance shall prevail above all others.

24. APPLICATION FOR INSURANCE

The contract of insurance between the Company and the Assured shall rely on the information and particulars provided by the Assured in the form supplied by the Company at the time of applying for insurance.

The Assured is required to submit a fully completed and signed application form prior to attachment and issuance of the Certificate of Insurance.

25. CERTIFICATE OF INSURANCE

25.1. On acceptance of the application for insurance by the Company, a Certificate of Insurance will be issued by the Company evidencing the terms and conditions of the contract of insurance between the Company and the Assured, which shall also state:

- 25.1.1. Name of Assured on whose behalf the Insured Vessel is insured, the name of the Ship manager of the Insured Vessel and name of any Co-assured.
- 25.1.2. The Class of Insurance and any special terms and/or warranties.
- 25.1.3. The name and main details of the Insured Vessel(s).
- 25.1.4. The Attachment Date of the Insured Vessel(s) and the Period of Insurance.
- 25.1.5. The maximum amount insured.
- 25.1.6. The applicable Deductibles.

25.2. If at any time during the Period of Insurance the terms relating to any Insured Vessel vary the Company will issue an endorsement stating the terms and effective date of such variation. Any change of information related to the Insured Vessel mentioned in the Certificate of Insurance or information that will influence the insurance risk shall be notified to the Company forthwith.

25.3. Every Certificate of Insurance issued by the Company shall be conclusive evidence as to the terms of the contract of insurance or as to the variation of such terms as the case may be.

26. EXCLUSIONS AND LIMITATIONS

- 26.1. The Assured shall not be entitled to recover under any Part of This Insurance, if:
- 26.1.1. The Assured has failed to exercise reasonable care in the chartering, ownership, operation or management of the Insured Vessel.
 - 26.1.2. The Assured has failed to promptly provide the Company or its nominated representative with any information or documentation relating to any claim or dispute under this policy.
 - 26.1.3. The claim or dispute is between Joint Assureds or between Associated persons.
 - 26.1.4. The claim or dispute arose out of or consequent upon the Insured Vessel carrying illegal goods, contraband, blockade running or the Assured recklessly or intentionally employed or caused the Insured Vessel to be employed in an unlawful or unduly hazardous or improper trade or voyage or that the Cargo carried and/or the method of its securing or unsecuring, carriage, loading, discharging, inspection, maintenance, treatment or lack thereof during the voyage or discharging was unduly hazardous, patently inappropriate or improper.
 - 26.1.5. The liabilities, costs, losses or expenses are caused by:
 - 26.1.5.1. war (actual or threatened), act of war, war-like operations, civil war, revolution, rebellion, insurrection, martial law, state of emergency, civil strife arising therefrom, or any hostile act by or against a belligerent power or by any act of terrorism;
 - 26.1.5.2. occupation by armed or unarmed fighting forces whether of regular or irregular nature;
 - 26.1.5.3. capture, seizure, arrest, restraint or detention (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
 - 26.1.5.4. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 26.1.5.5. blockades or threatened blockades of whatsoever nature;
 - 26.1.5.6. confiscation or expropriation;
 - 26.1.5.7. any weapons of war, (save for those liabilities, losses or expenses which arise solely by reason of the transport of any such weapons whether on board the Insured Vessel or not) but provided always that this exclusion shall not apply to the use of such weapons, whether as a direct result of government order or with the agreement of the Insurer where the reason for such use is the mitigation of liabilities, losses or expenses which would otherwise fall within the cover given by the Insurer;

- 26.1.5.8. Nuclear risks;
- 26.1.5.9. Cargoes that are not carried in accordance with the specific international guidelines applicable including, but not limited to, the IMDG, IBC or IMSBC Code; or which are carried on Insured Vessels that do not comply with the requirements as set for the carriage of such Cargoes;
- 26.1.5.10. Willful misconduct on the part of the Assured, such misconduct being an act intentionally done, or a deliberate omission by the Assured, with knowledge that the performance or omission will probably result in injury, or an act done or omitted in such way as to allow inference of a reckless disregard of the probable consequences.
- 26.1.5.11. The Insured Vessel has been, or is intended to be, employed in trades or areas other than those agreed with the Company.
- 26.1.5.12. The liability is imposed on the Assured as punitive or exemplary damages, howsoever described.
- 26.1.5.13. The Company shall not be deemed to provide cover and the Company shall not 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 the Company to an sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America [LMA3100].
- 26.1.5.14. The claim, liability or expenses are covered under any other policy.
- 26.1.6. The claim is in respect of liability, losses, costs and expenses incurred during the course of performing Specialists Operations, to the extent that these arise as a consequence of:
 - 26.1.6.1. Claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not) in respect of the specialist nature of the operations; or
 - 26.1.6.2. The failure to perform such Specialist Operations by the Assured or the fitness for purpose and quality of the Assured's work, products or services, including any defect in the Assured's work, products or services; or
 - 26.1.6.3. Any loss of or damage to the contract work including, but not limited to materials, components, parts, machinery, fixtures, equipment and any other property which is or is destined to become a part of the completed project which is the subject of the contract under which the ship is working, or to be used up or consumed in the completion of such project.

This exclusion shall not apply to liabilities, losses, costs and expenses incurred by the Assured in respect of:

- A loss of life, injury or illness of Crew and other personnel on board the Insured Vessel; or
 - B the wreck removal of the Insured Vessel; or
 - C oil pollution from the Insured Vessel;
 - D but only to the extent that such liabilities, losses, costs and expenses are covered by the Company in accordance with the policy wording.
- 26.1.7. the claim is in respect of liability, losses, costs and expenses arising out of the carriage of Passengers, unless agreed by the Company in writing prior to the Attachment Date.
- 26.1.8. the liability arises under the terms of any contract or indemnity and would not have arisen but for those terms, unless those terms were previously approved by the Company in writing.
- 26.1.9. liabilities, losses, costs and expenses arising from irrecoverable debts or the insolvency of the Assured or any other party, or fraud of any agents or an associated company or of employees of the Assured acting as agent.
- 26.1.10. the claim is in respect of liability, losses, costs and expenses arising out of ransom demands, extortion, blackmail, bribery or any illegal payments.
- 26.1.11. consequential loss, general monetary loss, or loss of time, loss through price, market or currency fluctuations, loss of market or similar loss, loss of production, depreciation, loss of opportunity, loss of profit, or similar loss, except where the Assured is legally liable to a third party for such loss and such liability is covered under these Terms and Conditions.
- 26.1.12. any claim for liquidated damages.

- 26.2. Coronavirus Limitation [LMA 5395] (amended)
- 26.2.1. This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.
- 26.2.2. This insurance excludes coverage for:
- 26.2.2.1. subject only to section 26.2.3., any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:
 - a) Coronavirus disease (COVID-19);
 - b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
 - c) any mutation or variation of SARS-CoV-2; or from any fear or threat of a), b) or c)above;
 - 26.2.2.2 subject only to section 26.2.3, any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;
 - 26.2.2.3 any 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 any of a), b) or c) above or the fear or the threat thereof.
- 26.2.3. The exclusions under section 26.2.2.1 and 26.2.2.2 above, only apply to any loss, damage, liability, cost or expense of the Assured which exceed(s) USD 25 Million per Event.
- 26.2.4. All other terms, conditions and limitations of the insurance remain the same.

27. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION [CL 370]

- 27.1. This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.
- 27.2. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
- 27.2.1. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - 27.2.2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - 27.2.3. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - 27.2.4. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - 27.2.5. 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;
 - 27.2.6. Any chemical, biological, bio-chemical, or electromagnetic weapon.

28. INSTITUTE CYBER ATTACK EXCLUSION [LMA5403]

- 28.1. Subject only to paragraph 28.3 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.
- 28.2. 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.
- 28.3. 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.

29. DECLARED COMMUNICABLE DISEASE LIMITATION

- 29.1. 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.
- 29.2. The exclusion in section 29.1. will not apply to any liability of the Company 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 Assured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
- 29.3. However even if the requirements of section 29.2. 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 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 Declared Communicable Disease;
 - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
- 29.4. The exclusions under section 29.1. and 29.3. above, only apply to any loss, damage, liability, cost or expense of the Assured which exceed(s) USD 25 Million per Event.
- 29.5. This limitation shall not extend this insurance to any loss, damage, liability, cost or expenses which would not have been covered under this insurance had this limitation not been included.

30. PAYMENTS TO THE COMPANY

- 30.1. Section 53 of the Marine Insurance Act shall not apply unless otherwise agreed.
- 30.2. The Assured shall pay the premium strictly as required by the Company in the Certificate of Insurance or as the Company shall specify from time to time. Time shall be of the essence about any due date as hereinafter defined.
- 30.3. If the Certificate of Insurance or other written notification by the Company requires payment to be made in full by a given date or within the period there set out this shall be the due date by which the Assured must pay.
- 30.4. If the Certificate of Insurance or other written notification by the Company requires payment to be made in installments by a series of dates or periods as there set out, then each date or period shall count as a due date by which the Assured must pay although it is expressly agreed that the installment payments do not render the policy severable.
- 30.5. The Company may require the Assured to pay all or any part of any premium due in such currency as the Company may specify.
- 30.6. No claim of any kind whatsoever by the Assured against the Company shall constitute any right of set-off against the premiums or other sums due to the Company or shall entitle the Assured to withhold or delay payment of any premiums or other sums due under this policy on the due date.
- 30.7. Where the Assured has failed to pay, either in whole or in part, any premium or other sums due to the Company by a due date notwithstanding that, in relation to installment payments, the Assured may have paid any prior amount(s) by the due date(s), the Company shall have the right to serve a notice upon the Assured requiring him to pay the premium by any date specified in such notice, not being less than seven days from the date on which notice is given. If the Assured fails to make such payment in full on or before the date so specified, this insurance can be cancelled forthwith without further notice or any other formality. The effect of such cancellation shall be as set out in section 34.1 below. Notwithstanding that the insurance has been cancelled by virtue of this section, the Assured shall be liable for all or any amounts which have fallen due under this policy prior to such cancellation.
- 30.8. The Company shall be entitled, once premiums and other sums have become due and payable, to commence an action against the Assured or any other liable person, for the recovery of these amounts.
- 30.9. The Assured shall indemnify the Company and hold it harmless in respect of any liability, cost or expense incurred or amount paid by the Company in respect of any Insurance Premium Tax for which the Assured is liable.

30.10. For the avoidance of doubt, in relation to schedule payments the Assured may not elect or seek to appropriate any one premium payment to a particular schedule payment. Its obligation is to pay each schedule payment as it falls due in strict rotation. The Company may serve a notice pursuant to section 30.7 in respect of any failure to pay by a due date and its right of cancellation pursuant to section 30.7, and the effect thereof pursuant to section 35.1, shall subsist and there shall be no waiver in respect thereof even if an earlier or later schedule payment(s) has been made by a due date(s). Should the Assured electronically transmit funds after a due date or after the notice period specified in the Company's notice under section 30.7 has expired then the acceptance of such funds is conditional only and the Company in its sole discretion may unequivocally accept or reject the late payment. If the Company rejects the late payment, then this insurance shall be effectively cancelled as from the expiry of the notice period and section 35.1 shall be fully effective.

30.11. Reimbursement of deductibles, interest, costs or expenses and any other claims, which the Company is entitled to recover from the Assured, are due on demand.

31. PREMIUM PAYMENT WARRANTY

31.1. Warranted all premiums and/or other sums due to the Company are payable as per an invoice to be issued by the Company.

31.2. If, prior to completion of the payment of a premium, a payment of a claim is to be made, the Assured shall, before receipt of payment of the claim, pay the total of overdue instalments premium.

31.3. In case of an Actual Total Loss and/or Constructive Total Loss of the Insured Vessel, an Assured is to effect immediate payment of full premium for the whole period of cover.

31.4. In case of late payment, notwithstanding section 31.2 and section 31.3 the Company may at its sole discretion ask for full payment, or cancel the insurance as per section 30.10.

31.5. Breach of Premium Payment Warranty gives the Company the right to reject all claims at its discretion, whether occurred before or after the breach.

32. PAYMENT BY THE INSURER

- 32.1. The cover afforded to an Assured is indemnity only but not liability.
- 32.2. Unless the Company in its discretion otherwise determine, it shall be a condition precedent of an Assured's right to recover from the funds of the Company in respect of any loss, damage, liabilities, costs or expenses that he shall first have discharged or paid the same.
- 32.3. Without prejudice to anything elsewhere contained in these Terms & Conditions it shall be a condition precedent of an Assured's right to recover from the funds of the Company in respect of any loss, damage, liabilities, costs or expenses that all such premiums or other sums whatsoever as shall have become due from the Assured to the Company shall have been paid in full without any set-off or discount.
- 32.4. An Assured shall have no right of recovery of interest on any claim it may have against the Company.
- 32.5. An Assured shall have no right to recover any losses suffered because of delay or of the Company to reimburse the Assured.

33. SECURITY

The Company may at any time require, as a condition of insurance or continued insurance of an Insured Vessel, that an Assured shall provide to the Company by such date as the Company may determine a guarantee or other security in respect of the Assured's liability to pay premiums or any other amount due to the Company, such guarantee or other security to be in such form and amount and upon such terms as the Company in its sole discretion may deem to be appropriate in the circumstances.

34. CESSER OF INSURANCE AND TERMINATION

The Assured shall automatically cease to be insured by the Company in respect of all Insured Vessels upon the happening of any of the following:

- 34.1. In respect of the Assured:
 - 34.1.1. If there is a change of management or ownership of the Insured Vessel.
 - 34.1.2. If the Assured is served in accordance with section 30.7 with a notice by the Company requiring him to pay any amount due to the Company and he fails to pay such amount on or before the date specified in such notice.
 - 34.1.3. Where the Assured is an individual, upon his death or if a receiving order shall be made against him or if he shall become bankrupt or make any composition or arrangement with his creditors generally or if he shall become incapable by reason of mental disorder of managing and administering his property and affairs.

34.1.4. Where the Assured is a corporation, upon the passing of any resolution for voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation) or upon an order being made for compulsory winding up or upon dissolution or upon a receiver or manager of all or part of the corporation's business or undertaking being appointed or upon possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge.

34.2. In respect of the Insured Vessel:

34.2.1. If the Insured Vessel becomes a total loss or is accepted under the Hull or War Risks Policies as being a constructive, compromised or arranged total loss. The Company will then be entitled to receive full annual premium and any outstanding payment will become immediately due in case the Insured Vessel becomes a total loss or is accepted under the Hull or War Risks Policies as being a constructive, compromised or arranged total loss.

34.2.2. If the Insured Vessel is missing for 10 days from the date she was last heard of, or upon her being posted at Lloyd's as missing, whichever shall be the earlier.

34.2.3. If the Insured Vessel is requisitioned by a State or government authority.

34.3. Termination by the Company:

34.3.1. The Company may terminate cover of any or all of the Assured's vessels covered, on such notice in writing as the Company may decide where, in the opinion of the Company, the Assured has exposed or may expose the Company to the risk of being or becoming subject to a sanction, prohibition, restriction or other adverse action by a state or international organisation or competent authority.

34.3.2. The Company may terminate the insurance of any Insured Vessel with 30 days prior notice without giving any reason.

35. EFFECT OF CESSER OF INSURANCE

35.1. If the cesser of the insurance occurs because of a cancellation for failure to pay premiums, the Assured shall cease to be insured as from the Attachment Date and the Company shall not be liable for any claims of whatsoever nature in respect of any Insured Vessel under this policy, whether the incident giving rise to such claim occurred before or after the cesser of this insurance and notwithstanding the Company may have admitted liability for or appointed lawyers, surveyors or any other person to deal with any claims or the Company has posted or promised security. The Assured must in all cases make alternative arrangements for the defence or prosecution of any claims and for the provision of substitute security and do all things necessary to take over and handle any claims as prudent uninsured.

35.2. If the cesser of insurance occurs for any other reason, the Company shall remain liable for all claims under this policy arising from any incident which occurred before the cesser but shall be under no liability in respect of any claim arising out of any occurrence or Event after the cesser.

36. FLEET INSURANCE

If it is agreed between the Assureds and the Company that if the Insured Vessels are subject to Fleet Insurance then the debts of any one Assured in respect of any such Insured Vessel shall be treated as a debt to the Company of all other Assureds whose vessels are or were insured as part of the same fleet and the Company shall be entitled to act as if all the vessels forming part of the fleet were entered by the same Assured.

37. DOUBLE INSURANCE

- 37.1. There shall be no recovery from the Company of any claim in respect of liabilities or expenses which are recoverable under any other insurance effected by the Assured.
- 37.2. The Company shall not be liable for any franchise, deductible or deduction of a similar nature borne by the Assured under such other insurance.

38. CLAIMS

Any accident or occurrence in relation to an Insured Vessel likely to lead to a claim hereunder shall be notified immediately in writing to the Company, who will have full control over claims handling without interference by other parties.

- 38.1. Upon the occurrence of any casualty, Event or matter liable to give rise to a claim by the Assured against the Company, it should be the duty of the Assured and his agents to take and continue to take all such steps as may be reasonable for the purpose of averting or minimizing any expense or liability in respect of which he may be insured by the Company. If the Assured commits any breach of this obligation the Company may reject any claim by him.
- 38.2. It is a condition precedent to the Company's liability hereunder that the Assured shall give prompt notice in writing to the Company of any claim, dispute, matter or Event which has arisen or has occurred and which is liable to give rise to a claim under this policy, and shall provide the Company with all relevant facts of which the Assured has knowledge at the time of any notification.
- 38.3. If the Assured makes any request for payment under this policy knowing it to be fraudulent or false in any respect (or in circumstances where it ought reasonably to be known to be so) or where the Assured colludes with a third party with a view to making a fraudulent claim hereunder then this policy shall be rendered automatically void and the Assured will forfeit all benefit under it and it shall be of no further effect. The Company shall be entitled to retain all and any premium already paid and to obtain a full indemnity from the Assured in respect of any costs and disbursements incurred by the Company in relation to the claim and in relation to the investigation of the Assured's conduct.
- 38.4. If the Assured becomes insolvent during the course of any claim to which the Company has given support, the Company shall thereupon reserve the right to withdraw that support forthwith.
- 38.5. The Assured must at all times promptly provide the Company of any documents, reports, evidence or other information relevant to any claim, dispute, matter or Event which has led, or which is liable to lead to a claim under this policy, and which are in the possession or power of the Assured or his agents or otherwise within his knowledge.

- 38.6. When so requested by the Company, the Assured shall promptly produce, or cause his agents promptly to produce, all such documents or information of whatsoever nature which are or may be relevant to the Assured's claim or intended claim.
- 38.7. The Assured shall permit the Company or his appointed agent or servant to interview any servant or agent or other person who may have been working for the Assured at the material time or at any time thereafter or whom the Company considers likely to have any direct or indirect knowledge of the matter giving rise to a claim under this policy.
- 38.8. Any lawyer, surveyor or other expert or adviser shall be selected by the Company. The Company may, at its sole discretion, approve or decline any suggestions of the Assured in this regard. A lawyer, surveyor, expert or other adviser so selected shall be appointed and employed solely on the basis:
- 38.8.1. That they are employed by the Assured who shall be deemed their principal.
 - 38.8.2. That they have standing instructions from the Assured at all times to give advice and report to the Company directly without prior reference to the Assured and shall produce to the Company any and all relevant documents or information obtained by them whether from the Assured or howsoever and whether or not such advice, reports, documents or information would otherwise be the subject of legal or any form of privilege as if they had been appointed to act at all times and had at all times been acting on behalf of the Company and the Company may at any time whatsoever rely upon such advice, reports and documentation or information as it in its absolute discretion deems fit, including but not limited to, the provision of further support and on coverage under the policy.
 - 38.8.3. That notwithstanding section 38.8.2 above, any reports or advices given pursuant to this section shall not bind the Company to any course of action.
 - 38.8.4. That they shall provide costs and disbursement estimates to the Company at the Company's request. If so advised by the Company in writing, no legal costs and expenses shall be incurred by them without the Company's express prior approval.
- 38.9. The Company is under no obligation to provide bail or other security on behalf of the Assured, but from time to time the Company may in its sole discretion decide to provide bail or other security on such terms and in such form as the Company in its sole discretion may consider appropriate.
- 38.10. Where legal steps or other proceedings are undertaken by lawyers or other parties appointed by the Assured or its agents, the Company has the discretion to decline to pay for such legal services. The Company furthermore has the right to control or direct the conduct of handling of any case or legal and other proceedings relating to any matter in respect whereof legal and other costs are covered and to require the Assured to settle, compromise or otherwise dispose of the case or legal and other proceedings in such manner and upon such terms as the Company deems necessary. The Company shall be under no liability to reimburse an Assured for costs incurred before the Company has been notified of a claim under the cover.
- 38.11. The provision by the Company of bail or other security, or otherwise acting on behalf of the Assured, shall not constitute an admission of liability by the Company for the claim in respect of which the bail or other security is given.

- 38.12. The provision by the Company of bail or other security is always subject to payment to the Company of the applicable Deductible(s) and all outstanding premiums.
- 38.13. It is a condition precedent to the Assured's right of recovery under this policy with regard to any claim by the Assured in respect of any loss, expense or liability, that the Assured shall first have discharged any loss, expense or liability.
- 38.14. Where the Company has indemnified the Assured for any claim under this policy, the Company shall be entitled to any recovery from a third party in respect of that claim and the Assured shall, upon first request of the Company, provide all documents to enable the Company to exercise the Assured's rights of recovery.
- 38.15. Where the Assured as a consequence of an event which is covered by the Company obtains extra revenue, saves expenses or avoids liability or loss which otherwise would have been incurred and which would not have been covered by the Company, the Company shall be entitled to recover from the Assured or retain from any sum which would otherwise be payable to the Assured, an amount equivalent to the benefit obtained by the Assured.
- 38.16. Where an Assured or Co-assured is entitled to limit any liability covered by the Company, there shall be no recovery in respect of such liability for more than the amount to which liability could have been limited.

39. MAXIMUM INSURED AMOUNT

- 39.1. The maximum liability of the Company under this policy in respect of each accident or occurrence relating to the Insured Vessel and falling within the Period of Insurance shall be limited to the amount(s) specified in the Certificate of Insurance.
- 39.2. Where more than one limit applies, the Company's liability shall not exceed the lowest applicable limit.

40. DEDUCTIBLES

- 40.1. Any claim recoverable under this policy shall be limited to the excess of the Deductibles specified in the Certificate of Insurance.
- 40.2. The Assured shall pay the Deductible on or before the date specified by the Company.
- 40.3. Where an Assured has failed to pay, either in whole or in part, any amount due from the Assured to the Company, the Company shall have the right to serve a notice upon the Assured requiring him to pay such amount by any date specified in such notice, not being less than seven (7) days from the date on which notice is given. If the Assured fails to make such payment in full on or before the date so specified, the insurance of the Assured shall be cancelled forthwith without further notice or formality. Notwithstanding that the insurance has been cancelled by virtue of this clause, the Assured shall be liable for all or any amounts which have fallen due under this policy prior to such cancellation.
- 40.4. The Company shall be entitled, once Deductibles have become due and payable, to commence an action against the Assured or any other person liable, to recover any unpaid Deductible.

41. JOINT ASSUREDS AND CO-ASSUREDS

41.1. Joint Assureds:

- 41.1.1. The Company may accept an Insured Vessel owned by more than one party or managed by another company than the Assured, in which case each party shall be a Joint Assured.
- 41.1.2. Joint Assureds shall be jointly and severally liable to pay all amounts due to the Company.
- 41.1.3. If an application is made for two or more vessels forming part of a fleet through a Ship Manager with a view to obtaining terms which would not have been available had the vessels been offered for insurance separately, such insurance may be accepted on the basis that the Ship Manager shall sign the appropriate Application Form and be treated as a Joint Assured and shall together with the Assured be jointly liable as Assured.

41.2. Co-assureds:

- 41.2.1. The Company may agree to extend cover under the Policy of Insurance to a Co-assured named in the Certificate of Insurance.
- 41.2.2. The cover afforded to the Assured shall extend only insofar as such Co-assured may be found liable to pay in the first instance for loss or damage which is properly the responsibility of the Assured (or, in the case of Defence cover, insofar as such Co-assured may be required to resist a claim arising from such a liability), and nothing herein contained shall be construed as extending cover in respect of any amount which would not have been recoverable from the Company by the Assured had the claim in respect of such loss or damage been made or enforced against him.
- 41.2.3. A Co-assured shall not be liable for amounts due to the Company by the Assured, unless they approach the Company for cover in which case they will be jointly and severally liable to pay all amounts due to the Company.
- 41.2.4. Contractors Co-Assurance: the Company agrees to extend the cover afforded to the Assured under Part 2 of the policy to a co-assured named in the Certificate of Insurance who is a person who has entered into a contract with the Assured for the provision of services to or by the Insured Vessel, provided that the contract has been approved by the Company, includes a knock for knock agreement and the Assured has not waived any rights of limitation otherwise available to him under applicable law. The liability of the Company to any persons benefiting from the cover by way of above provision shall only be in respect of liabilities, costs and expenses which are to be borne by the Assured under the terms of the contract and which would be recoverable by them from the Company.

41.3. Terms of cover:

- 41.3.1. Any payment by the Company to the Assured or any one of the Joint Assureds, or any Co-assured, shall be deemed to be complete payment to the Assured and to all Joint Assureds and Co-assureds jointly and shall fully discharge the obligations of the Company in respect of that payment.
- 41.3.2. The contents of any communication between the Company and the Assured, or any Joint Assured or any Co-assured, shall be deemed to be within the knowledge of the Assured and all Joint Assureds and Co-assureds.
- 41.3.3. Any failure by the Assured, or any Joint Assured, or any Co-assured to comply with any of the obligations under this Policy of Insurance, shall be deemed to be a failure of the Assured and all Joint Assureds and Co-assureds.
- 41.3.4. Any conduct or omission (including misrepresentation or non-disclosure) by the Assured, or any Joint Assured or any Co-assured, which would have entitled the Company to reject or reduce any claim shall be deemed to have been the failure of the Assured and all Joint Assureds and Co-assureds.
- 41.3.5. The Company shall not cover any liability, loss, expense or costs in respect of any dispute between the Assured and any Joint Assured, Co-Assured or Affiliate, or between Joint Assureds, or between Co-assureds and Affiliates.
- 41.3.6. The total liability of the Company in respect of any one Event, to the Assured, and to any Joint Assured or Co-assured shall not exceed such sum as would have been recoverable from the Company only by the Assured.
- 41.3.7. In the event that the total liability of the Company is less than the total sum claimed by the Assured and by any Joint Assured or Co-assured, the Company shall be entitled to apportion payment in proportion to the respective amounts claimed.

42. DISPUTES BETWEEN ASSURED

In the event of a dispute between Assureds insured with the Company, the Company may insist that the dispute in question shall be submitted to the Company and/or to a legal, technical or other expert appointed by the Company, for an opinion prior to the commencement of court proceedings or arbitration. Any such opinion may not be referred to in any subsequent proceedings but may be taken into account by the Company in determining to what extent the Company shall cover the costs of either Assured.

43. INTEREST AND SET OFF

- 43.1. In no case whatsoever shall interest be paid on any amount due from the Company.
- 43.2. The Company shall be entitled to set off any amount due from the Assured against any amount due to the Assured.

44. DOCUMENTATION

It is warranted that the Insured Vessel, its Crew and its Cargo shall, always, be properly documented, unless otherwise agreed in writing between the Assured and the Company. Should the Insured Vessel at any time to the knowledge of the Assured or any of its officers, or should any of them be reckless in relation thereto, carry false papers relating to the operation of the Vessel, the qualifications, number or competence of the Crew, or as to the nature or condition of the cargo then this policy shall be rendered automatically void and the Assured will forfeit all benefit under it and it shall be of no further effect.

45. FLAG STATE & STATUTORY REGULATIONS

- 45.1. It is warranted that the Insured Vessel is registered in a particular country and sails under a particular flag and/or management and shall remain so during the entire Period of Insurance.
- 45.2. It is warranted that the Assured shall comply with all statutory regulations, laws, and directions relating to the construction, adaptation, condition, fitment and equipment of the Insured Vessel throughout the entire Period of Insurance.
- 45.3. It is warranted that the Assured shall maintain the validity of all statutory or other certificates as are issued by or on behalf of the Insured Vessel's flag State in relation to the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code throughout the entire Period of Insurance.
- 45.4. It is warranted that the Insured Vessel is to be crewed and manned in accordance with the statutory regulations, laws and directions applying to the Insured Vessel by virtue of its registry or flag and shall comply with the statutory regulations, laws or decrees relating to crewing and manning in each port which the Insured Vessel visits, whether or not in the course of its employment.

46. CLASSIFICATION

Unless otherwise agreed in writing between the Assured and the Company the following shall apply to every Insured Vessel:

- 46.1. It is warranted that the Insured Vessel is and shall remain throughout the Period of Insurance fully classed with a Classification Society approved by the Company, and that any change of Classification Society shall forthwith be notified to the Company in writing. The Assured shall fully and timely comply with all rules, recommendations and requirements of the Classification Society and will promptly report to the Classification Society and the Company any incident or condition in connection with the Insured Vessel.
- 46.2. The Assured irrevocably authorize the Company to inspect and copy information relating to the maintenance of classification either in the Assured's possession or in the possession of the Classification Society and the Assured will at the request of the Company confirm in writing that the Company is entitled to inspect and copy such records of the Classification Society for whatever purpose the Company may deem necessary.
- 46.3. It is warranted that during the Period of Insurance the Insured Vessel shall be classed and maintained in class without any extensions or postponements from the Classification Society of their survey dates. It is further warranted that any recommendations by the Classification Society in relation to the Insured Vessel will be complied with immediately.

47. CONDITION, OTHER SURVEYS AND INSPECTIONS

The provisions of this section shall not derogate from the warranties of the Assured in relation to those matters set out in sections 44,45 and 46. This section contains the entitlement of the Company to review the condition of the Insured Vessel at any time throughout the Period of Insurance and in appropriate circumstances to amend, suspend or terminate the insurance coverage provided.

- 47.1. All references herein to a "Condition Surveyor" shall be to a surveyor who shall be nominated by the Company yet appointed by the Assured or, at the Company's option, a Company Staff Surveyor. The Condition Surveyor must report directly to the Company as the Surveyor's Principal, with a copy to the Assured. The Assured alone shall be responsible for the Condition Surveyor's fees and for the attendance of the Condition Surveyor on board the Insured Vessel to comply with any survey warranty time limits.
- 47.2. The Assured shall provide the Company with all information, documents and photographic or other evidence including VDR and other electronic data, Class records, if any, as to the condition, maintenance and operation of the Insured Vessel, including her whereabouts, prior to the Attachment Date and throughout the entire Period of Insurance and on renewal as the Company may reasonably request. It is a continuing non-delegable obligation upon the Assured to promptly notify and provide the Company with all relevant documentation concerning any incident or matter that may affect the Insured Vessel's condition during the Period of Insurance including, but not limited to, intervention by Port State Control, a casualty, a direction or other order by a State or port regulatory authority that requires repairs, improvement or some remedial step to the Insured Vessel. A failure by the Assured to comply with this subclause may entitle the Company to treat the policy as at an end or to limit or exclude its liability thereunder.

- 47.3. The Assured shall strictly comply with any survey warranty set out in the Certificate of Insurance relating to the Insured Vessel. In the cases of a survey warranty for new entry or a survey warranty for renewal the Company may on a held covered basis or on such other terms as it in its sole discretion may decide, require the Insured Vessel to be surveyed by a Condition Surveyor on a date and at a place satisfactory to the Company, but at the Assured's expense and always within the survey warranty's time limit which shall be the Assured's sole responsibility. The Report of the Condition Surveyor shall, if competently carried out, form part of the Company's Risk Assessment.
- 47.4. The Assured shall permit the Company, at any time and in addition to any survey warranty requirements pursuant to 47.3 above, to carry out a survey or surveys (including follow-up surveys) of the Insured Vessel by a Condition Surveyor at the Assured's expense on a date and at a place satisfactory to the Company.
- 47.5. In the light of the surveyor's findings and recommendations and/or Company's Risk Assessment following any survey pursuant to 47.3 and/ or 47.4 above the Company shall advise whether the Insured Vessel is in a fit and proper condition and, in the case of a survey warranty pursuant to 47.3 above, whether the same has been fully complied with and the subjectivity removed. Alternatively, in the light of the surveyor's findings and recommendations and/or Company's Risk Assessment the Company shall be entitled:
- 47.5.1. To impose conditions and/or restrictions or otherwise vary the Policy of Insurance as the Company may, in its sole discretion, deem appropriate including, without limitation, the exclusion of all or part of the perils insured against under Part 2 of the Policy, on provision to the Assured of the Company's Risk Assessment Report. Any condition, restriction, variation or exclusion shall remain in full force and effect unless and until the Company advises the Assured that the Company is satisfied that the Assured has complied with the recommendations of the Risk Assessment Report whether as to repairs or such other action and within such time as may be specified by the Company.
- 47.5.2. To suspend the Policy of Insurance immediately on provision to the Assured of the Risk Assessment Report when the Assured shall have no right to recover from the Company in respect of any insured peril, liability, costs or expense occurring or incurred during the period commencing from the date and time the Company informed the Assured of the suspension until the Company advises the Assured that it is satisfied that the Assured has complied with the recommendations of the Risk Assessment Report as to repairs or such other action as necessary, when coverage shall be reinstated for the residue of the Policy period but in no circumstances retrospectively during the period of suspension.
- 47.5.3. To terminate the Policy of Insurance immediately when the Assured shall cease to be insured. In the case of a survey warranty for new entry or for renewal the assured shall cease to be insured from the Attachment Date. In all other cases the Company shall tender an appropriate pro-rata premium return, if applicable, as soon as reasonably practicable.

- 47.5.4. Should the Assured decline to accept the suspension of the Policy of Insurance ("the suspension") pursuant to Section 47.5.2 above or to accept any condition, restriction, variation or exclusion imposed by the Company pursuant to section 47.5.1 above ("the amended terms") then it shall have the option of terminating the Policy of Insurance within 7 days of its receipt of the Company's advice of the suspension or of the amended terms when the Company shall tender an appropriate pro-rata premium return, if applicable, as soon as reasonably practicable.
- 47.5.5. In all cases the Company's decision shall be recorded by endorsement that shall confirm, vary, suspend or terminate the Policy of Insurance as the case may be and on the terms there set out.
- 47.6. The Company's Condition Survey Guidelines, as from time to time amended and the Company's Risk Assessment Reports insofar as they relate to the Insured Vessel, shall be patent to the Assured as the basis of the Company's assessments pursuant to section 47.5 above.
- 47.7. Any recommendations or observations of a Condition Surveyor acting under any part of any one of the sub-clauses set out herein shall be treated as within the actual knowledge of the Assured.

48. ASSIGNMENT

- 48.1. No insurance provided by the Company and no interest in any contract between the Company and the Assured may be assigned without the written consent of the Company, who shall have the right in its sole discretion to give or refuse such consent without stating any reason or to give consent upon any such terms or conditions as the Company may deem fit.
- 48.2. The Company shall be entitled, before paying any claim to an assignee of the Assured, to deduct or retain such amount as the Company may then estimate to be sufficient to discharge any liabilities of the Assured to the Company, whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.

49. FORBEARANCE AND WAIVER

No act, omission, course of dealing, forbearance, delay or indulgence by the Company, whether by its officers, servants, agents or otherwise, shall be treated as a waiver of any of his rights in respect of any of the terms and conditions in this policy.

50. ADMISSION AND SETTLEMENT

The Assured shall make no admission of liability nor settle any claim or dispute, or proceedings instituted by or against it without prior written approval of the Company. If the Assured admits liability or settles the claim or dispute without such prior written approval or refuses to settle the claim, notwithstanding that the Company shall have required it to do so, the Company shall not be liable to indemnify the Assured and the Assured will be liable to refund the Company all or part of any costs paid by the Company either to the Assured or to lawyers, surveyors or other persons.

51. SUBROGATION

- 51.1. The Company shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment or promise of payment made in accordance with this policy, to the extent of such payment or that promise of payment, and the Assured shall, upon the request of the Company, execute all documents necessary to secure to the Company such rights.
- 51.2. The Company shall have the right to sue in the name of the Assured, and the Assured shall execute all papers and documents in connection therewith, as requested by the Company, and shall lend all assistance to the prosecution of any suit. The balance of any amount recovered after full reimbursement of the Company for its loss and all expenses incurred shall be paid to the Assured. Compliance with this requirement may, in the Company's discretion, be made a condition of the payment of a loss.

52. NOTIFICATION AND TIME LIMIT

- 52.1. Without prejudice to the duty of prompt notification contained in section 38.2, the Assured's claim against the Company shall be extinguished and the Company shall be under no further liability in respect thereof, if an Assured:
- 52.1.1. Fails to notify the Company of any casualty, Event or claim referred to in section 38.2 within one year after he has knowledge thereof or ought to have had knowledge thereof or;
- 52.1.2. fails to submit a claim to the Company for reimbursement of any liabilities, costs or expenses within one year after discharging the same.

53. TOTAL ASBESTOS EXCLUSION

There shall be no recovery from the Company in respect of any liabilities, costs and expenses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

54. LAW AND JURISDICTION

- 54.1. This policy shall be governed by and construed in accordance with English Law.
- 54.2. The High Court in London shall have exclusive jurisdiction to hear and determine any claim or dispute under this policy.
- 54.3. The Insurance provided by the Company shall not, nor is it intended to, confer any right or benefit on any third party under the Contracts (Rights of Third Parties) Act 1999 or any similar provision, enactment or principle of law contained in the laws of any State which purports to do so.

55. INSURANCE ACTS

- 55.1. This policy and all contracts of insurance made by the Company shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 and the Insurance Act 2015 of the United Kingdom and any statutory modification thereof except insofar as such Acts or modifications may have been expressly excluded by this policy or by any term of such contracts.
- 55.2. The following provisions of the Insurance Act 2015 ("the Act") are excluded from this policy and any contract of insurance as follows:
- 55.2.1. Section 8 of the Act, on remedies for breach of duty of fair presentation, is excluded. As a result, any breach of the duty of fair presentation shall entitle the Company to avoid the policy, regardless of whether the breach of the duty of fair presentation is innocent, deliberate or reckless.
- 55.2.2. Section 10 of the Act, on breach of warranty, is excluded. As a result, all warranties in this policy or any contract of insurance must be strictly complied with and if the Assured or any insured party fails to comply with any warranty the Company shall be discharged from liability from the date of the breach, regardless of whether the breach is subsequently remedied.
- 55.2.3. Section 11 of the Act, on terms not relevant to the actual loss, is excluded. As a result the policy and all terms of the contract of insurance between the Company and the Assured and any insured party, including terms which tend to reduce the risk of loss of a particular kind, loss at a particular location and/ or loss at a particular time, must be strictly complied with and if the Assured or any insured party fails to comply with any such term, the Company's liability may be excluded, limited or discharged in accordance with this policy notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
- 55.2.4. Section 13 of the Act, on remedies for fraudulent claims in group insurance, is excluded. As a result, the Company shall be entitled to exercise its right to terminate the contract of insurance in respect of the Assured and all insured parties if a fraudulent claim is submitted by or on behalf of the Assured and/or any insured party and/or any affiliated or associated company of the Assured.
- 55.2.5. Section 13A of the Act, on implied term on payment of claims, is excluded. As a result the policy and the contract of insurance between the Company and the Assured and any insured party shall not be subject to nor shall the Company be in breach of any implied term that they will pay any sums due in respect of a claim within a reasonable time save where the breach is deliberate or reckless and Section 13A of the Act is excluded to this extent.
- 55.2.6. Section 14 of the Act, on good faith, is excluded. As a result, the contract of insurance between the Company, the Assured and any insured party shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Company to avoid the contract of insurance.

56. SANCTIONS LIMITATION AND EXCLUSION CLAUSE

The Company shall not be deemed to prove cover and shall not 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 the Company to a sanction, prohibition or any adverse action by a state or international organization or competent authority.



Part 8 – ADDITIONAL COVERS AND SPECIAL CLAUSES

The Company may agree to extend or amend the cover afforded to the Assured with any of the below mentioned optional additional covers and/or special clauses. The additional covers and special clauses shall only be valid when their validity is confirmed by the Company in writing or when they are specifically mentioned in the Certificate of Insurance or any Endorsement thereto.

CLAUSE 1 - TOWAGE LIABILITY CLAUSE

The coverage is hereby extended to include those liabilities, costs and expenses, including those assumed by reason of contract, to the extent they may be incurred by the Assured while performing towage.

Unless otherwise specifically agreed in writing by the Company there is neither liberty to tow rigs or platforms nor to tow under contract governed by American law.

The contracts set out under sections (1) and (2) of this clause (below) are approved if they are not amended so as to increase the liability of the Insured Vessel. In countries where the terms of those contracts would not be enforceable at law the Company may approve, on a case by case basis, contracts in which the Assured contracts on the basis most likely to be effective in upholding the right to limit liability provided always that the towage contract should not impose upon the tug any liability for the negligence of any other party

1. Where there is a contract with the owner of the tow:
 - 1.1. the United Kingdom, Netherlands, Scandinavian or German standard towage conditions;
 - 1.2. the international Ocean Towage Agreement's "Towhire" or "Towcon" conditions;
 - 1.3. Lloyd's Standard Form of Salvage Agreement 1980 (LOF 1980), or Lloyd's Standard Form of Salvage Agreement 1990 (LOF 1990), or Lloyd's Standard Form of Salvage Agreement 1995 (LOF 1995), or Lloyd's Standard Form of Salvage Agreement 2000 (LOF 2000);
 - 1.4. terms as between the owner of the Insured Vessel on the one part, and the owner of the tow and the owners of any cargo or property on board the tow on the other part, that each shall be responsible for any loss or damage to his own vessel, cargo or other property on his own vessel and for the loss of life or personal injury of his own employees or contractors, without any recourse whatsoever against the other, that is "knock for knock" terms.
2. Where there is no direct contractual relationship with the owner of the tow, a charter, which contains:
 - 2.1. "Knock for knock" terms, as in note 1.4. above, covering the property of co-ventures or other contractors of the charterers as well as the property of the charterer themselves.
 - 2.2. A separate clause within the charter requiring that all towage be carried out on terms no less favorable than "knock for knock" terms.

CLAUSE 2 - DUTCH CREW CLAUSE

Excluding all claims arising from loss of life, personal injury or illness, or loss of Personal effects of any Crew member where such liability arises or the costs or expenses are incurred under the terms of a crew contract or other contract of service or employment, which follows or goes beyond the Collective Labour Agreements and which are capable of being covered by the Dutch Social Insurance Institutions such as "Zee - risico 1967" and/or "Het Noorden" and/or "UWV" on the widest conditions of cover available therefrom.

The Assured's right of recovery to remain fully intact regarding recourse actions, and claims for special damages, as well as in respect of the liability for costs and expenses not normally covered by the Dutch Social Insurance Institutions such as extraordinary funeral and repatriation expenses of dead bodies, substitution and diversion, in accordance with the applicable Policy of Insurance.

A contract of employment or other contract of service or employment drafted in accordance with the Collective Labour Agreement shall be deemed to be a contract "seen and approved" by the Company.

CLAUSE 3 - SALVORS CLAUSE

1. Liabilities which an Assured, being a professional salvor, may incur, arising out of salvage operations performed by him where the Insured Vessel is a salvage tug or other ship intended to be used in salvage operations, but only where such cover has been first agreed by the Company. Such liabilities must relate to the risks set out in Part 2 of this policy.
2. Liabilities in respect of oil pollution arising out of salvage operations where such liabilities do not arise in relation to the Insured Vessel but arise in connection with the Assured's business as a professional salvor.
3. Liabilities other than oil pollution arising out of salvage operations where such liabilities do not arise in relation to the Insured Vessel but arise in connection with the Assured's business as a professional salvor.
4. EXCLUSIONS:
There shall be no recovery under paragraphs 1 and 2 for liabilities insured under contract where they would not have arisen but for the existence of such a contract, unless they are assumed in respect of sub-contractors' tortious and/or statutory liability. There shall be no recovery under paragraphs 1 to 3 for liabilities:
 - 4.1 For which the Assured is covered if the Insured Vessel is entered for standard risks with the Company or another insurer affording equally wide cover;
 - 4.2 Relating to any of the risks which are excluded in the Assured's Certificate of Insurance, unless otherwise agreed by the Company.

CLAUSE 4 - EXTENDED COVER FOR SPECIALIST OPERATIONS

The cover provided under this Clause is the Assured's liability arising from performing Specialist Operations.

Under the Extended Cover for Specialist Operations cover is provided for:

1. Specialist Operations and incidental salvage under an offshore contract
2. Seafarer's Additional Cover
3. Contractual Liability
4. Remotely Operated Vehicles (ROV's)

Eligible are Assured's who have taken out a basic P&I cover from the Company. Full details of this insurance (including applicable limits) can be obtained from the Company on request.

CLAUSE 5 - BAGGED CARGO CLAUSE

Should the Insured Vessel be required to load bagged Cargo, the Assured will promptly advise the Company and will arrange for an approved surveyor at the Assured's expenses, to conduct a pre-loading survey at the port(s) of shipment to supervise the loading and stowage, to tally the bagged Cargo and note the apparent condition of the bagged Cargo as it is loaded aboard the ship. All bills of lading issued in respect of such Cargo are to be clausured in accordance with any findings of the surveyor.

On discharge of the bagged Cargo, a discharge survey is to be organized using a surveyor approved by the Company at the Assured's expense to supervise the discharge, tally the bagged Cargo and determine the nature of any apparent damage or torn bags, any shortage of Cargo and any loss or damage attributable to stevedores.



CLAUSE 6 - TIMBER CLAUSE

Warranted that all the special requirements must be met in every voyage in case of carriage of timber cargo (As defined in TDC 2011) on deck, as follows:

1. Full compliance with the Code of Safe Practice for Ships Carrying Timber Deck Cargoes, 2011 (adopted as IMO Resolution A.1048 (27)) and with applicable national regulations of flag and port of loading;
2. The following Insured Vessel's documentation should be available and approved by the Flag Administration or its Recognized Organization.
 - 2.1. Timber Deck Cargo loading and securing manual;
 - 2.2. Stability information for Timber Deck Cargo;
 - 2.3. Certificates of lashing equipment for securing Timber Deck Cargo.
3. All lashing and components for securing Timber Deck Cargo should be tested, marked and certified by Class and their quantity should be in full compliance with the Timber Deck Cargo loading and securing manual.
4. Satisfactory Final stability calculation should be produced by the master.
5. In every voyage when Timber Deck Cargo is carried, the cargo should be stowed and lashed in full compliance with the requirements of Timber Deck Cargo loading and securing manual and Stability information for Timber Deck Cargo.
6. The Company may request to check the satisfactory loading, deck cargo securing and vessel's stability by the surveyor approved by the Company at the Assured's expense in port of loading before departure.
7. In the event of non-compliance with any condition of this Timber Clause, no claim of whatsoever nature arising out of such carriage is covered under this insurance.

Notwithstanding paragraphs 1-6 of this Timber Clause, there shall be no recovery from the Company for liabilities, costs or expenses in respect of timber cargo carried on deck unless the conditions set out at Part 2, paragraph 7.2.19. are complied with.

CLAUSE 7 - ORE FINES & MINERAL CONCENTRATES CLAUSE

It is a condition of This Insurance that an Assured who intends to load any cargoes which may be subject to liquefaction notifies the Company as early as possible before loading.

1. The following cargoes may be subject to liquefaction:
 - 1.1. Group A cargoes mentioned in the International Maritime Solid Bulk Cargoes (IMSBC) code - Appendix 1
 - 1.2. Nickel Ore
 - 1.3. Iron Ore Fines and Iron Concentrate (sinter feed)
 - 1.4. Bauxite
 - 1.5. Zinc concentrate
2. The Assured is further required to immediately notify the Company if a bulk cargo is not mentioned in the above summary, but of which it is suspected that the moisture content is excessive. Such notice provided to the Company shall be in writing and shall include the following information where possible:
 - 2.1. ship name
 - 2.2. port/anchorage of loading and estimated time of arrival
 - 2.3. date of intended loading
 - 2.4. charterer/shipper's details
 - 2.5. agent's details
 - 2.6. a copy of the shipper's cargo declaration and supporting certificates
3. The Company may, at its sole discretion, require that a survey of the cargo be conducted, at the Assured's cost and on behalf of the Assured, to determine the condition of such cargo before loading can commence. That survey may be continued into loading operations. Unless the Company in its sole discretion determines otherwise, there shall be no recovery from the Company in respect of the Assured's liabilities, losses, costs or expenses to the extent that they result from events relating directly or indirectly to the condition of the cargo where the above specified written notice has not been provided in advance of the loading of the cargo, or where any subsequent requirement or recommendation of the Company in relation to the cargo has not been complied with.

CLAUSE 8 - H&M INSURANCE CLAUSE

Unless otherwise prior written agreed by the Company it is a condition precedent of This Insurance that the Insured Vessel(s) has to be insured in respect of Hull and Machinery on terms no less than those of the Institute Time Clauses 1.10.83 or 1.11.95 Edition (as per the clause attached hereto) or, in the case of fishing vessel(s) only, Institute Fishing Vessel Clauses 20.7.87.

The Hull and Machinery Insurance must be:

1. for an insured value no less than the market value of the Insured Vessel(s) from time to time. Such market value shall be determined by the Company in its sole discretion
2. valid throughout the Period of Insurance of This Insurance.



PART 9 – DEFINITIONS

Affiliate	A person who is affiliated to or associated with the Assured and to whom the Company has agreed (subject to restrictions) to extend the cover afforded to the Assured.
Application Form	An application for insurance, duly signed by the Assured, in the standard format stipulated by the Company, providing information material to the risk to be insured and which shall be attached and form part of the Policy of Insurance.
Associated person	A company or other legal entity which controls or is controlled by or is under common control with the Assured.
Assured	The Person insured under the Policy of Insurance and who is stated to be the Assured in the Certificate of Insurance.
Attachment Date	The first day on which the insurance commences.
Cargo	Goods which are the subject of a contract of carriage and are intended to be, are, or were carried on the Insured Vessel, other than containers leased and/or owned by the Assured.
Certificate of Insurance	The document issued by the Company stating the details of risks attached and which is evidence of the contract of insurance including the endorsements provided under the Policy of Insurance.
Charter Party	A time charter party, a voyage charter party, including contracts of affreightment and booking notes or a space charter party.
Co-assured	A party, other than the Assured, who is named on the Certificate of Insurance, to whom the Company has agreed (subject to restrictions) to extend the cover afforded to the Assured.
Communicable Disease	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 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.
Company heading	The carriers as mentioned in the Certificate of Insurance under the Security.
Crew	Any person (including the Master) employed or engaged to serve on board the Insured Vessel under Articles of Agreement or other crew agreement or contract of service of or employment, including a substitute for such person.
Deductible	The proportion, percentage or the limited sum of money to be borne by the Assured in respect of any claim.

Electronic Trading System (E.T.S.)	<p>1. an E.T.S. is any system which replaces or is intended to replace paper documents used for the sale of goods and/ or their carriage by sea or partly by sea and other means of transport and which:</p> <ul style="list-style-type: none"> - are documents of title, or - entitles the holder to delivery or possession of the goods referred to in such documents, or - evidences a contract of carriage under which the rights and \ obligations of either of the contracting parties may be transferred to a third party. <p>2. a "document" shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.</p>
Events	Any event, including any occurrence or occurrences arising out of any such event unless the Company decides to treat each occurrence as a separate event. An event shall be deemed to have taken place at the time of the first occurrence that results in a claim or claims.
Finished Steel Products	Steel products which are not billets, blooms, scrap, swarf or pig iron.
Fleet Insurance	Coverage of two or more vessels by one or more Assureds on the basis that the Insured Vessels will be treated as a fleet of vessels, which will be subject to a combined loss record.
Hague Visby Rules	The International Convention for the Unification of Certain Rules Relating to Bills of Lading signed in Brussels on 25th August 1924, as amended by the Protocol to that Convention signed in Brussels on 23rd February 1968.
Hamburg Rules	The United Nations Convention on the Carriage of Goods by Sea, 1978.
Hull Policies	The insurance policy or policies effected on the hull and machinery of the Insured Vessel, including any interest, increased value, excess liability, war & strikes risks and other total loss policies.
Insured Vessel	The Vessel which name appears in the Certificate of Insurance. Joint Assured Where the Certificate of Insurance names more than one Person as the Assured, any of those so named.
Legal Liability	Liability arising out of a final and unappealable judgement or award from competent court, tribunal or other judicial body.
Marine Insurance Act	The Marine Insurance Act of 1906 of England and Wales.
Operation	All functions performed by the Insured Vessel whilst trading or in ballast including repairs at sea, at an anchorage or at a berth.
Passenger	Any person who is carried in the ship under a contract of carriage, or who, with the consent of the carrier, is accompanying a vehicle or live animals covered by a contract for the carriage of the goods.
Period of Insurance	Twelve months as from the Attachment Date of insurance of the Insured Vessel or such lesser period as the Company shall agree.

Person	A natural person, an incorporated or unincorporated body or a combination both.
Personal effects	Personal property including clothes, documents, navigation and other technical instruments and tools but excluding valuables and any other articles which, in the opinion of the Company, are not reasonably required by a crew member.
Policy of Insurance	The Company's Terms and Conditions for P&I and Legal Defence for Ship Owners, consisting of the General Terms and Conditions, together with those terms and conditions specified in the separate Parts of Insurance and the Certificate of Insurance.
Ship manager	A Ship Manager or other managing agent acting on behalf of the owner of the Insured Vessel.
Specialist Operations	Specialist operations are considered to be salvage, firefighting, exploration, surveying, drilling, production, and associated services in respect of oil, gas or minerals, oil storage, underwater operations by a submarine or other submersible, commercial diving and underwater surveying, construction, including pile driving, blasting, and the transport and construction of offshore installations, dredging and the removal and discharge of dredging or other spoil, cable or pipeline laying or recovery, including preparatory surveying, laying or recovery operations, maintenance, waste incineration or disposal, pollution control, professional oil spill response and tank cleaning (other than on the Insured Vessel), search and rescue at sea, research at sea, leisure, accommodation and catering services on board a permanently moored vessel.
This Insurance	These Terms and Conditions, the Certificate of Insurance and any Endorsement issued by the Company.
Valuables	Cash, banknotes or other forms of currency, bullion, works of art, precious or rare metals or stones, plate or other objects of a rare or precious nature, specie, bonds or other negotiable instruments.

