

B RULES

2023/24*

CHARTERERS' LIABILITY INSURANCE TERMS & CONDITIONS

* POLICY YEAR

BRITANNIA P&I
TRUSTED SINCE 1855

TABLE OF CONTENTS

PART I RISKS COVERED

- Clause 1 Risks covered
- Clause 2 Costs and expenses, Sue and labour

PART II CHARTERERS' INSURANCES

Section A Charterers' Liability Insurance (CSL)

- Clause 1 Definitions and interpretation
- Clause 2 Liability to and in respect of the Chartered Ship
- Clause 3 Liabilities in respect of Crewmembers
- Clause 4 Liabilities in respect of Passengers
- Clause 5 Liabilities in respect of illness or injury or death of third parties
- Clause 6 Liabilities in respect of stowaways or persons saved at sea
- Clause 7 Diversion expenses
- Clause 8 Repatriation
- Clause 9 Life salvage
- Clause 10 Liabilities arising from collisions (RDC)
- Clause 11 Damage to property (FFO)
- Clause 12 Non-contact damage to ships
- Clause 13 Pollution
- Clause 14 Removal of wreck
- Clause 15 Towage
- Clause 16 Contracts of indemnity or guarantee
- Clause 17 Quarantine
- Clause 18 Responsibilities in respect of cargo
- Clause 19 Unrecoverable General Average contribution
- Clause 20 Fines
- Clause 21 Liabilities arising out of salvage services
- Clause 22 Liabilities arising out of the carriage of cargo
- Clause 23 Risks specifically excluded
- Clause 24 Exclusion of certain specialist risks

Section B Charterers' Bunkers

- Clause 1 Charterers' bunkers (Limited conditions)
- Clause 2 Charterers' bunkers (All risks)

Section C Cargo Owners' Legal Liability

- Clause 1 Cargo Owners' Legal Liability

PART III EXTENSIONS TO COVER

- Clause 1 War and strikes risks

Part IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

- Clause 1 Excluded risks
- Clause 2 Sanctions

- Clause 3 Imprudent trading
- Clause 4 Cyber risks
- Clause 5 Communicable Disease risks
- Clause 6 War and strikes risks
- Clause 7 Nuclear risks
- Clause 8 Other insurances
- Clause 9 Limitation of liability
- Clause 10 Classification and condition of Ships
- Clause 11 Byelaws

PART V CLAIMS

- Clause 1 Obligations of the Assured in respect of claims
- Clause 2 Powers of the Managers relating to the handling and settlement of claims
- Clause 3 Powers of the Association relating to the settlement of claims on the Association

PART VI GENERAL TERMS & CONDITIONS

- Clause 1 Articles of Association
- Clause 2 Definitions
- Clause 3 Extent of cover
- Clause 4 Sanctions
- Clause 5 Insurance Act 2015
- Clause 6 Right of recovery, Subrogation, Set-off, Incident, Currency, Sanctions (Entitlement to recover)
- Clause 7 Application for insurance, Fair presentation of the risk, Certificate of Insurance, Variation, Contract of insurance, Refusal of application
- Clause 8 Coassureds
- Clause 9 Period of Insurance
- Clause 10 Premium and amounts payable to the Association
- Clause 11 Mortgagees
- Clause 12 Associated Companies
- Clause 13 Termination of all insurances
- Clause 14 Termination of insurance of Ship
- Clause 15 Effect of termination
- Clause 16 Premium due on termination of insurance
- Clause 17 Reinsurance
- Clause 18 Forbearance
- Clause 19 Assignment
- Clause 20 Delegation
- Clause 21 Disputes and differences
- Clause 22 Notices
- Clause 23 Jurisdiction

PART I RISKS COVERED

Clause	Risks Covered
1	<p>Risks covered</p> <p>Liabilities, costs and expenses arising out of events occurring during the Policy Period and insured by the Association on the terms set out in the Association's <i>Certificate of Insurance</i> and incorporating <i>inter alia</i> the following:</p> <ul style="list-style-type: none"> 1.1 Part I Risks Covered 1.2 Part II Charterers' Insurances as referenced in the <i>Certificate of Insurance</i> 1.3 Part III Extensions to Cover as referenced in the <i>Certificate of Insurance</i> 1.4 Part IV Exclusions, Limitations and Warranties 1.5 Part V Claims 1.6 Part VI General Terms & Conditions 1.7 - Such other terms and conditions as may be agreed between the Association and the Assured as set out in the <i>Certificate of Insurance</i>.
2	<p>Costs and expenses, Sue and labour</p> <ul style="list-style-type: none"> 2.1 Costs and expenses Costs and expenses, including legal fees, which the Assured may incur in respect of any liability or expenditure against which the Assured is insured. 2.2 Sue and labour Losses, costs and expenses necessarily incurred by the Assured after an incident in order to avoid or reduce a liability or expenditure against which the Assured is insured by the Association, even if such losses, costs and expenses would otherwise be excluded by the terms of the insurance. Administrative expenses incurred by the Assured including the salary or retainer of any employee or third party shall be excluded. 2.3 Special direction Losses, costs and expenses which the Assured may be required to incur by special direction of the Association in cases in which the Association decides that it is in the interests of the Association that the direction be given, even if such losses, costs and expenses would otherwise be excluded by the insurance. 2.4 PROVIDED ALWAYS THAT: <ul style="list-style-type: none"> 2.4.1 no such losses, costs or expenses shall be recoverable unless either they have been incurred with the prior agreement of the Managers or the Association shall determine that such losses, costs and expenses were reasonably incurred; 2.4.2 unless otherwise agreed any losses, costs and expenses incurred under Clauses 2.1 to 2.3 shall bear the same deductible as the liability

PART I RISKS COVERED

Clause Risks Covered

- or expenditure so avoided or reduced would have borne;
- 2.4.3** costs and expenses incurred in respect of a formal enquiry shall be recoverable to such extent only as the Association may determine;
 - 2.4.4** losses, costs and expenses arising from or related to ransom demands or extortion shall be recoverable only to such extent as the Association may determine.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

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| 1 Definitions and interpretation | <p>1.1 Charterer
An Assured who has an interest in a Ship other than as an owner or disponent owner; and, subject to the terms and conditions as agreed by the Managers in writing and as provided for in the <i>Certificate of Insurance</i>, may include <i>inter alia</i> an Assured engaged in time charters, voyage charters, space charters, slot charters, slot swaps, slot contracts, freight forwarding contracts, contracts of affreightment, shipping and/or trading and/or receiving cargo, and pool operations.</p> <p>1.2 Chartered Ship
A Ship as defined in Part VI Clause 2 employed by the Assured as Charterer and shall include a Ship in which cargo is intended to be carried, or is being carried or has been carried.</p> <p>1.3 It is in the nature of the exposures which a charterer faces and to which a charterer is subject that claims can arise either directly against the charterer or indirectly as a claim against another party with an interest in the ship, typically the shipowner, and/or the cargo carried on board the ship. The heads of cover and detailed clauses which follow should therefore be construed as covering one or other of these scenarios and, in many instances, both.</p> |
| 2 Liability to and in respect of the Chartered Ship | <p>2.1 Liability to and in respect of the Chartered Ship
Liabilities, losses, costs and expenses incurred by the Assured:</p> <p>2.1.1 Physical loss of or damage to the Chartered Ship
in respect of the Assured's liability to owners and/or disponent owners and/or other parties with an interest in the Chartered Ship (hereafter referred to as "owners") for physical damage to and/or loss of the Chartered Ship and/or its equipment and/or outfit and/or stores and/or supplies;</p> <p>2.1.2 General Average, Salvage and Salvage charges
in respect of the Assured's liability to owners for the Chartered Ship's proportion of:</p> <p style="margin-left: 20px;">2.1.2.1 salvage; and/or</p> <p style="margin-left: 20px;">2.1.2.2 salvage charges; and/or</p> <p style="margin-left: 20px;">2.1.2.3 General Average as stated in the General Average adjustment or as determined by a court, competent tribunal or independent adjuster appointed by the Association or as otherwise agreed;</p> <p>2.1.3 Costs of averting or minimising loss
in respect of the Assured's liability to owners for losses, costs and expenses reasonably incurred for the purpose of averting and/or minimising physical damage to and/or loss of the Chartered Ship and/or its equipment and/or outfit and/or stores and/or supplies;</p> |

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

2.1.4 Loss of employment of the Chartered Ship

in respect of the Assured's liability to owners for demurrage and/or loss of use and/or hire of the Chartered Ship and/or any similar financial loss:

2.1.4.1 arising out of an incident for which the Assured is responsible and in respect of which the Assured incurs, as a direct consequence of that incident, liabilities, losses, costs and expenses indemnified under Clauses 2.1.1 to 2.1.3; and/or

2.1.4.2 arising out of an incident for which the Assured is responsible and in respect of which the Assured incurs, as a direct consequence of that incident, a liability to owners otherwise than in Clause 2.1.4.1 above;

2.1.5 Costs and expenses

in respect of the Assured's liability to owners for surveyors' fees and disbursements and/or engineers' fees and disbursements and/or other experts' fees and disbursements and/or legal fees and disbursements and/or similar expenditure arising out of Clauses 2.1.1 to 2.1.4.

2.2 Assured's interests

Liabilities, losses, costs and expenses incurred by the Assured:

2.2.1 General Average, salvage and salvage charges

in respect of the Assured's contribution to General Average and/or salvage and/or salvage charges in respect of the Assured's interest in bunkers and/or other property (excluding cargo and/or containers) and/or hire and/or freight; and/or

2.2.2 Costs of averting or minimising loss

in respect of losses, costs and expenses reasonably incurred by the Assured for the purpose of averting and/or minimising physical damage to and/or loss of the Assured's interest in bunkers and/or other property (excluding cargo and/or containers) and/or hire and/or freight.

2.3 Assured's costs and expenses

Costs and expenses incurred by the Assured:

2.3.1 Costs of averting or minimising loss

losses, costs and expenses reasonably incurred for the purpose of averting and/or minimising liabilities, losses, costs and expenses otherwise covered by Clauses 2.1 and 2.2; and/or

2.3.2 Costs and expenses

surveyors' fees and disbursements and/or engineers' fees and disbursements and/or other experts' fees and disbursements and/or legal fees and disbursements and/or similar expenditure.

2.4 Indemnities exclusion

In no event does this insurance indemnify the Assured for liabilities, losses,

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

costs and expenses assumed expressly or impliedly under any form of indemnity or undertaking without the prior agreement of the Association.

3 Liabilities in respect of Crewmembers

Liabilities in respect of Crewmembers

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, in respect of Crewmembers. The following shall be recoverable:

3.1 Illness, injury and death

Medical, hospital, funeral and other expenses necessarily incurred and wages, maintenance, compensation and damages payable by reason of the illness or death of, or injury to, a Crewmember.

3.2 Shipwreck unemployment indemnity

Wages payable to a Crewmember during unemployment in consequence of the wreck or loss of a Chartered Ship and other payments made to Crewmembers in consequence of such wreck or loss under statutory obligation *provided always*

3.2.1 that any such wages and other payments which exceed two months' basic wages shall not be recoverable from the Association.

3.3 Loss of effects

Compensation in respect of loss of or damage to the Personal Effects of a Crewmember or a relative of a Crewmember while on board the Chartered Ship.

3.4 Substitutes

Expenses necessarily incurred in providing a substitute for a Crewmember who is unfit for duty, or has been left behind for any reason where liability for such expenses could not reasonably have been avoided *provided always*

3.4.1 that wages shall only be recoverable as part of the said expenses when the Assured is legally obliged to pay wages to two Crewmembers simultaneously for the same job and is unable to recover such double wages from any other source.

3.5 Distressed Crewmembers, deserters and strikers

Expenses incurred by or chargeable to the Assured under statutory obligation in respect of a distressed Crewmember or in respect of Crewmembers who desert or go on strike, where such expenses are not recoverable under any other clause of this Clause 3 and where such expenses cannot be recovered from the Crewmember.

3.6 Diversion

Diversion expenses associated with liabilities covered under this Clause which are payable in accordance with Clause 7 *Diversion expenses*.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

3.7 Repatriation

Repatriation expenses associated with liabilities covered under this Clause which are payable in accordance with Clause 8 *Repatriation*.

3.8 Collective and special agreements

The liabilities, costs and expenses covered under this Clause may be extended to include those for which the Assured may be liable under collective or special agreements which have received the prior approval of the Managers. However, there shall be no recovery under this Clause arising out of the Assured's liability under a contract of indemnity or guarantee between the Assured and a third party (see Clause 16 *Contracts of indemnity or guarantee*).

3.9 PROVIDED ALWAYS THAT:

3.9.1 There shall be no recovery under this Clause 3 in respect of liabilities, costs or expenses:

3.9.1.1 which arise as a result of the termination of an agreement of service in accordance with the terms thereof, or by mutual consent, or from any other discretionary act of the owners, or from the sale of the Chartered Ship; or

3.9.1.2 in respect of Crewmembers employed as catering staff on board the Chartered Ship when moored (otherwise than on a temporary basis) and open to the public as a hotel, restaurant, bar or other place of entertainment.

4 Liabilities in respect of Passengers

Liabilities in respect of Passengers

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, in respect of Passengers. The following shall be recoverable:

4.1 Illness, injury and death

Liabilities arising out of the illness or death of, or injury to, a Passenger, including the diversion and repatriation expenses specified in Clause 7 *Diversion expenses* and Clause 8 *Repatriation* associated therewith.

4.2 Baggage

Liability arising out of the loss of or damage to a Passenger's baggage.

4.3 Casualty

Liability to a Passenger consequent upon an incident or condition on board involving either:

4.3.1 collision, stranding, explosion, fire or any other cause affecting the physical condition of the Chartered Ship so as to render it incapable of safe navigation to its intended destination; or

4.3.2 a threat to the life, health or safety of Passengers.

4.4 PROVIDED ALWAYS THAT:

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

- 4.4.1** the ticket of passage shall relieve the Assured of liability, costs and expenses to the maximum extent permitted by the appropriate law, and
- 4.4.2** there shall be no recovery in respect of the cost of forwarding Passengers to their destination or returning them to their port of embarkation, or of their maintenance ashore except insofar as such costs may arise as a consequence of an incident covered under Clauses 4.1 and 4.3.
- 4.4.3** there shall be no recovery in respect of liabilities arising out of any contract other than the ticket of passage or a charter party.
- 4.4.4** there shall be no recovery in respect of liabilities arising or remaining with the Assured as a result of any waiver of rights of recourse against any third party in respect of an excursion by a passenger away from the Chartered Ship.
- 4.4.5** there shall be no recovery in respect of liabilities, costs or expenses incurred as a result of the carriage of a Passenger by air except where such liabilities, costs or expenses arise during the repatriation of a Passenger by air in circumstances covered under Clauses 4.1 and 4.3 or, subject always to the proviso in Clause 4.4.3, during an excursion from the Chartered Ship.
- 4.4.6** there shall be no recovery in respect of loss of or damage to specie, bullion, precious or rare materials or stones, plate, jewellery or other objects of a rare or precious nature, bank notes or other forms of currency, bonds or other negotiable instruments whether carried as cargo or a Passenger's baggage, unless the value has been declared to the Managers prior to any such carriage, any additional premium paid and any directions made by the Managers for safe custody and carriage complied with.

5 Liabilities in respect of illness or injury or death of third parties

Liabilities in respect of illness or injury or death of third parties

Compensation and damages for which the Assured is liable which are payable by reason of the illness or death of, or injury to, any person, other than a Crewmember or Passenger, and the diversion expenses specified in Clause 7 *Diversion expenses* associated with the said illness, death or injury.

5.1 PROVIDED ALWAYS THAT:

- 5.1.1** cover under this Clause 5 is limited to liabilities, costs and expenses arising out of a negligent act or omission on board or in relation to the operation of the Chartered Ship, or in relation to the handling of the Chartered Ship's cargo from the time of receipt of that cargo at the port of shipment until delivery of that cargo at the port of discharge; and
- 5.1.2** the Assured shall take all appropriate steps permitted by law to recover such liabilities, costs and expenses from any other person or insurer

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

concerned with such third party; and

5.1.3 there shall be no recovery under this Clause 5:

5.1.3.1 unless the Managers have (except in the case of a relative of a Crewmember) approved of the presence of the third party to travel on board the Chartered Ship and the terms and conditions on which the third party is carried; and the Assured had paid or agreed to pay such additional premium as may be required by the Association; or

5.1.3.2 in respect of personnel (other than those employed for marine purposes) on board the Chartered Ship employed by someone other than the Assured where the Chartered Ship is providing accommodation to such personnel in relation to their employment on or about an oil or gas production or exploration facility unless there has been a contractual allocation of risks as between the Assured and the employer of the said personnel which has been approved by the Association (see Clause 16 *Contracts of indemnity or guarantee*); or

5.1.3.3 in respect of hotel, restaurant, bar or other guests or visitors and catering crew on board the Chartered Ship when moored (other than on a temporary basis) and open to the public as a hotel, restaurant, bar or other place of entertainment.

6 Liabilities in respect of stowaways or persons saved at sea

Liabilities in respect of stowaways or persons saved at sea

The cost to the Assured necessarily incurred in maintaining, landing, deporting or repatriating stowaways or persons saved at sea, including diversion expenses under Clause 7 *Diversion expenses* and repatriation expenses under Clause 8 *Repatriation*.

6.1 PROVIDED ALWAYS THAT:

6.1.1 the Assured shall take all appropriate steps permitted by law to recover such expenses from the stowaway or person saved at sea, or from any other person or insurer, or from any national or international bodies or organisations concerned with such persons; and

6.1.2 there shall be no recovery in respect of any consequential loss of profit or depreciation.

7 Diversion expenses

Diversion expenses

The cost to the Assured in respect of diversion expenses in circumstances which could entitle the Assured to recover under Clause 3 *Liabilities in respect of Crewmembers*, Clause 4 *Liabilities in respect of Passengers*, Clause 5 *Liabilities in respect of illness or injury or death of third parties* (notwithstanding the proviso in Clause 5.1.1) or Clause 6 *Liabilities in respect of stowaways or persons saved at sea*,

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

but confined to the net loss to the Assured (over and above the expenses that would have been incurred but for the diversion or delay) in respect of port charges, bunkers, insurance, Crewmembers' wages, stores and provisions necessarily incurred as a result of the diversion, while securing medical attention for sick or injured persons on board the Chartered Ship, or while awaiting a substitute, or for the purpose of attempting to save life at sea.

8 Repatriation

Repatriation

The cost to the Assured of maintaining, repatriating or deporting persons in circumstances which would entitle the Assured to recover under Clause 3 *Liabilities in respect of Crewmembers*, Clause 4 *Liabilities in respect of Passengers*, Clause 5 *Liabilities in respect of illness or injury or death of third parties* (notwithstanding the proviso in Clause 5.1.1) or Clause 6 *Liabilities in respect of stowaways or persons saved at sea*.

9 Life salvage

Life salvage

Sums awarded to third parties by reason of the fact that they have saved or attempted to save the life of any person on or from the Chartered Ship but only if, and to the extent that, such payments are not recoverable from any other party or their insurers.

10 Liabilities arising from collisions (RDC)

Liabilities arising from collisions (RDC)

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, as a result of a collision between the Chartered Ship and any other ship. The following shall be recoverable:

10.1 Loss of or damage to the other ship

Loss of or damage to any other ship

10.2 Collision liability to cargo

Loss of or damage to cargo carried in the Chartered Ship arising out of a collision between the Chartered Ship and another ship caused by the fault both of the Chartered Ship and of the other ship, for which the Assured may be liable to indemnify the owner or charterer of such other ship solely by reason of responsibility for such loss or damage being determined in a country where the liability for such loss or damage is joint and several and the *Both to Blame Collision Clause* is held invalid *provided always*

10.2.1 that there shall be no cover under this Clause 10.2 unless the Assured shall have covered the Assured's liabilities in respect of cargo under Clause 18 *Responsibilities in respect of cargo* and cover under this Clause 10.2 shall be in accordance with the provisions of Clause 18.

10.3 Injury and death

The liability of the Assured for the injury to, or death of, Crewmembers or others

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

insofar as such liability may be covered under Clause 3 *Liabilities in respect of Crewmembers*, Clause 4 *Liabilities in respect of Passengers*, Clause 5 *Liabilities in respect of illness or injury or death of third parties*.

10.4 Property damage

Liability for loss of or damage to property (other than the ship with which the Chartered Ship collided, or cargo or other property in that other ship) insofar as such liability may be covered under Clause 11 *Damage to property*.

10.5 Non-contact damage to ships

Liability for losses caused to any other ship or cargo or damage to other property therein insofar as such liability may be covered under Clause 12 *Non-contact damage to ships*.

10.6 Pollution

Liability in respect of an escape or discharge or threatened escape or discharge of oil or any other substance insofar as such liability may be covered under Clause 13 *Pollution*.

10.7 Removal of wreck

Liability for removal of wrecks insofar as such liability may be covered under Clause 14 *Removal of wreck*.

10.8 Cargo

The liability of the Assured for cargo insofar as such liability may be covered under Clause 18 *Responsibilities in respect of cargo*.

11 Damage to property (FFO)

Damage to property (FFO)

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, to pay damages or compensation for any loss of, or damage to, or infringement of rights in connection with, property. The following shall be recoverable:

11.1 Fixed and floating objects

Liability arising out of any loss of or damage to any harbour, dock, pier, jetty, land or anything whatsoever moveable or immovable (not being another ship or cargo or other property therein or cargo or other property carried in the Chartered Ship) by reason of contact between the Chartered Ship and such harbour, dock, pier, jetty, land or moveable or immovable object.

11.2 Passengers' baggage

Liability arising out of the loss of or damage to a Passenger's baggage insofar as such liability may be covered under Clause 4 *Liabilities in respect of Passengers*.

11.3 Non-contact damage to ships

Liability for losses caused to the owner of any other ship, or cargo or other property therein, insofar as such liability may be covered under Clause 12 *Non-*

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

contact damage to ships.

11.4 Pollution

Liability in respect of an escape or discharge or threatened escape or discharge of oil or any other substance insofar as such liability may be covered under Clause 13 *Pollution*.

11.5 Removal of Wreck

Liability for the removal of wrecks insofar as such liability may be covered under Clause 14 *Removal of wreck*.

11.6 Other property losses

Liability for loss of, or damage to, or infringement of rights in connection with, the property of any person (other than those persons interested in cargo carried in the Chartered Ship) *provided always*

11.6.1 that this Clause excludes liabilities which may be covered under Clauses 11.1 to 11.5 hereof.

11.7 PROVIDED ALWAYS THAT:

11.7.1 there shall be no recovery under this Clause 11 in respect of expenditure arising out of the Assured's liability under a contract of indemnity or guarantee between the Assured and a third party (see Clause 16 *Contracts of indemnity or guarantee*);

11.7.2 there shall be no recovery under this Clause 11 in respect of any liabilities which the Assured may incur to persons interested in another ship, or cargo or other property therein, by reason of a collision between the Chartered Ship and that other ship (see Clause 10 *Liabilities arising from collisions*) or to persons interested in cargo carried in the Chartered Ship (see Clause 18 *Responsibilities in respect of cargo*);

11.7.3 if the loss, damage or expense relates to any property belonging to the Assured (other than that carried on board the Chartered Ship (see Clause 23.1 *Equipment*)), the Assured shall be entitled to recover from the Association, and the Association shall have the same rights, as if such property belonged to a third party, but to the extent only that such loss, damage or expense is not recoverable under any other insurances upon the said property.

12 Non-contact damage to ships

Non-contact damage to ships

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, as a result of damage caused to another ship otherwise than by collision between that other ship and the Chartered Ship. The following shall be recoverable:

12.1 Other ship or cargo

Liability for loss of or damage to any other ship, or other cargo property therein,

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

together with damages resulting therefrom.

12.2 Injury and death

Liability for the injury to, or death of, Crewmembers or others insofar as such liability may be covered under Clause 3 *Liabilities in respect of Crewmembers*, Clause 4 *Liabilities in respect of Passengers*, Clause 5 *Liabilities in respect of illness or injury or death of third parties*.

12.3 Pollution

Liability in respect of an escape or discharge or threatened escape or discharge of oil or any other substance insofar as such liability may be covered under Clause 13 *Pollution*.

12.4 Removal of wreck

Liability for the removal of wrecks insofar as such liability may be covered under Clause 14 *Removal of wreck*.

12.5 PROVIDED ALWAYS THAT:

12.5.1 If the loss or damage relates to any ship, or cargo or other property therein, belonging to the Assured, the Assured shall be entitled to recover from the Association and the Association shall have the same rights, as if such ship or cargo or other property belonged to a third party, but to the extent only that such loss or damage is not recoverable under any other insurance upon the said ship, cargo or other property.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

13 Pollution

Pollution

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, as the result of an escape or discharge or threatened escape or discharge of oil or any other substance from the Chartered Ship or from other property. The following shall be recoverable:

13.1 Damages

Liability for damages or compensation payable to any person arising from an escape or discharge or threatened escape or discharge of oil or any other substance from the Chartered Ship or from other property.

13.2 Clean-up

The costs of any measures reasonably taken for the purpose of preventing, minimising or cleaning up an escape or discharge of oil or any other substance from the Chartered Ship or from other property together with any liability for losses or damages arising from any measures so taken *provided always*

13.2.1 that the value of any ship or wreck and of any stores and materials, or cargo or other property, removed and saved as the result of any such measures shall be deducted from any recovery due from the Association.

13.3 Agreement

Liability which the Assured may incur, together with costs and expenses incidental thereto, as a party to any agreement relating to oil pollution, for loss, damage or expenses, including expenditure reasonably incurred in accordance with the Assured's obligations under such agreement *provided always*

13.3.1 that such agreement has been approved by the Managers and the Assured has paid or agreed to pay such additional premium as may be required by the Association.

13.4 Government order

The costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority as a consequence of an incident involving an escape or discharge or threatened escape or discharge of oil or any other substance for the purpose of preventing or reducing any such escape, discharge or threat or damage incidental thereto *provided always*

13.4.1 that such costs or liabilities shall not be recoverable where the compliance with such an order or direction is a requirement prior to the normal operation or salvage or repair of the Chartered Ship.

13.5 Salvors' special compensation

Liability which the Assured may incur to pay special compensation to a salvor of the Chartered Ship under the compensation terms of the Special Compensation P&I Club (SCOPIC) Clause or in respect of work done or measures taken to prevent or minimise damage to the environment under the provisions of Article 14 of the International Convention on Salvage 1989 or the

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

terms of a standard form salvage agreement equivalent thereto approved by the Association.

13.6 Fines

Liability which the Assured may incur for the payment of fines in respect of an escape or discharge or threatened escape or discharge of oil or any other substance insofar as such liability may be covered under Clause 20 *Fines*.

13.7 PROVIDED ALWAYS THAT:

13.7.1 there shall be no recovery in respect of losses, liabilities, or the costs and expenses incidental thereto, arising as the result of an escape or discharge or threatened escape or discharge of oil or any other substance other than under this Clause 13; and

13.7.2 there shall be no recovery under this Clause 13 of any liabilities in respect of cargo which come within the provisions of Clause 18 *Responsibilities in respect of cargo*; and

13.7.3 there shall be no recovery under this Clause 13 of any liabilities in respect of expenditure which forms or could form a part of General Average expenditure under any unamended version of the York/Antwerp Rules; and

13.7.4 there shall be no recovery under this Clause 13 of any liabilities arising as a consequence of the escape or discharge or threatened escape or discharge of any oil or other substance (previously carried on the ship) from any land-based dump, storage or disposal facility, unless the escape or discharge results directly from an error in the management or navigation of the ship, or unless the Association in its discretion decides otherwise.

14 Removal of wreck Removal of wreck

Liabilities which the Assured may incur, together with costs and expenses incidental thereto, in respect of:

14.1 Chartered Ship

The raising, removal, destruction, lighting or marking of the wreck of the Chartered Ship, or of any cargo, equipment or other property which is or was carried on board the Chartered Ship;

14.2 The presence or involuntary shifting of the wreck of the Chartered Ship, including any cargo, equipment or other property which is or was carried on board;

14.3 Other ship

The raising, removal, destruction, lighting or marking of the wreck of any other ship, and of any cargo or other property which is or was on board any other ship;

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

14.4 PROVIDED ALWAYS THAT:

- 14.4.1** the costs of raising, removal, destruction, lighting or marking were compulsory by law, or the costs thereof were legally recoverable from the Assured under a contract approved by the Managers;
- 14.4.2** the value of the wreck itself and of the stores and materials, or cargo or other property, saved shall either be credited to the Association or deducted from any recovery due from the Association;
- 14.4.3** there shall be no recovery under this Clause 14 if the Assured shall, without the consent of the Managers in writing, transfer the Assured's interest in the wreck, cargo or other property (otherwise than by abandonment) prior to the said raising, removal, destruction, lighting or marking.

15 Towage

15.1 Towage of the Chartered Ship

It is customary for shipowners to enter into contracts for the provision of towage services; where, exceptionally, the Assured whether under the terms of the charterparty or otherwise, agrees to act as principal when contracting for towage services, the Assured should contact the Association for advice and to establish what, if any, cover can be provided.

15.2 Towage by the Chartered Ship

Liability which the Assured may incur, together with costs and expenses incidental thereto, arising out of the towage by the Chartered Ship of any ship or object *provided always* that:

- 15.2.1** the Chartered Ship, specially designed or converted for the purpose of towage, shall have been declared as such to the Managers at the time cover was agreed or at the time of conversion for the purpose of towage; and
- 15.2.2** the towage contract has been approved by the Managers and the Assured has paid or agreed to pay such additional premium as may be required by the Association; or
- 15.2.3** the Association in its discretion shall, having regard to all the circumstances, consider the terms of the towage contract as reasonable and the liability as coming within the scope of the cover afforded by the Association; however
- 15.2.4** there shall be no recovery from the Association in respect of any liability for loss of, damage to or removal of wreck of, a towed ship or object or of any cargo or other property carried thereon, whether such liability arises under the terms of a contract or otherwise, unless the Managers have agreed in writing to cover such liability.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

- 16 Contracts of indemnity or guarantee**
Contracts of indemnity or guarantee
Liability which the Assured may incur, together with costs and expenses incidental thereto, for illness or death of, or injury to, any person or for loss of, or damage to, cargo or other property, arising under the terms of a contract made by the Assured in relation to services to be provided to or by the Chartered Ship *provided always*:
- 16.1** that the contract has been approved by the Managers and the Assured has paid, or agreed to pay, such additional premium as may be required by the Association.
- 17 Quarantine**
Quarantine
Extraordinary expenses incurred by the Assured, as a direct consequence of an outbreak of infectious disease, for disinfection of the Chartered Ship or the cargo or persons on board such Ship, or in respect of quarantine *provided always* that:
- 17.1** the ordinary expenses of loading and discharging cargo, and of provisions for Crewmembers or Passengers, and of bunkers during the period of detention while in quarantine, shall be deducted from the actual expenses incurred and the balance only shall be recoverable;
- 17.2** in the case of the Chartered Ship, proceeding to a port where it is known or should be reasonably anticipated that such Ship will, as a result, be subjected to quarantine there or elsewhere there shall be no recovery of expenses arising at, or consequent upon the Ship having been at, such port.
- 18 Responsibilities in respect of cargo**
Responsibilities in respect of cargo
Liabilities which the Assured may incur, or expenditure which the Assured may be unable to recover, together with costs and expenses incidental thereto, in respect of cargo intended to be, or being, or having been carried in the Chartered Ship, which arises out of a breach by the Assured or by persons for whose acts, neglect or default the Assured is liable, of the Assured's obligations or duties as a carrier properly to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or out of unseaworthiness or unfitness of the Chartered Ship. The following shall be recoverable:
- 18.1 Loss, shortage or damage**
Liability for loss or shortage of, or damage to, or other responsibility for, cargo (other than cargo carried under a contract of through carriage).
- 18.2 Damaged cargo**
The additional costs of discharging, disposing of, or restowing, damaged cargo insofar as these costs cannot be recovered from any other party.
- 18.3 Unrecoverable expenditure**
The additional costs of discharging and disposing of, or of restowing, cargo which are necessarily incurred in order to continue the safe prosecution of the

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

voyage following a casualty, insofar as these costs cannot be recovered from any other party and could not form part of General Average expenditure.

18.4 Through transit

Liability for loss or shortage of, or damage to, or other responsibility for cargo carried under a contract of through carriage, including transit by land, water or air to or from the Chartered Ship *provided always*

18.4.1 that such contract has been approved by the Managers and the Assured has paid, or agreed to pay, such additional premium as may be required by the Association; and

18.4.2 it is a condition precedent to the Association's liability that the Assured preserves all rights of subrogation against any carrier to whom the Assured subcontracts the contract of carriage.

18.5 Contracts of indemnity

Liabilities arising from the terms of a contract of indemnity which relates to the handling or custody of cargo insofar as such liability may be covered under Clause 16 *Contracts of indemnity or guarantee*.

18.6 Collision liability to cargo

Liability for loss of or damage to cargo carried in the Chartered Ship under Clause 10.2 *Collision liability to cargo*.

18.7 Disposing of cargo

The additional costs of storing and disposing of cargo rejected or not collected by receivers insofar as these costs cannot be met out of the salvaged value of such cargo or recovered from any other party, even where such rejection or failure to collect does not arise out of a breach by the Assured or any other person of their obligations or duties as a carrier *provided always* that

18.7.1 there shall be no recovery in respect of storage costs for the first 30 days following discharge.

18.8 PROVIDED ALWAYS THAT:

18.8.1 *Hague Visby Rules*

unless special cover has been agreed in writing by the Managers, if the Assured enters into a contract of carriage by sea which is on terms less favourable to the carrier than those contained in the Hague or Hague Visby Rules, the Association may in its discretion reject any claim or reduce it to the extent by which the Association considers such claim would have been reduced had the contract of carriage been on terms as favourable to the carrier as those contained in the Hague or Hague Visby Rules;

18.8.2 *Deviation*

there shall be no recovery where the Assured has become liable in consequence of a deviation from the contractually agreed voyage

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

unless in the case of a deviation authorised by the Assured, prior notice of the intended deviation has been given to the Managers or, in the case of a deviation without the Assured's authority, the earliest possible notice has been given to the Managers after the Assured has received information thereof and, in either case, the Managers have confirmed to the Assured that cover under this Clause continues unprejudiced. Nevertheless, the Association may allow such a claim either in part or in whole if, in its discretion, it considers that the Assured had reasonable grounds for believing that no deviation was to be or had been made. If, upon receiving information of the deviation, the Managers advise the Assured that cover under this Clause is prejudiced and the Assured then requests the Managers to arrange a special insurance to cover the Assured's liabilities under this Clause, the cost of such insurance shall be borne by the Assured.

18.8.3 Loading and Discharge

unless the Association shall, in its discretion, otherwise determine there shall be no recovery in respect of the Assured's liability:

18.8.3.1 for the cost of carrying cargo to the port of destination stipulated in the contract of carriage from another port at which the cargo was discharged from the Chartered Ship, or for storage or other charges; or

18.8.3.2 arising, otherwise than under a bill of lading already issued, out of the failure to arrive or late arrival of the Chartered Ship at a port of loading, or out of failure to load, or late loading of, any particular cargo or cargoes in the Chartered Ship; or

18.8.3.3 arising out of the delivery of cargo carried under a negotiable bill of lading or similar document of title (including an electronic bill of lading) without production (or the equivalent thereof in the case of an electronic bill of lading) by the person to whom delivery is made of the relevant bill of lading or document of title, except where cargo has been carried on the Chartered Ship either 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 the terms of a negotiable bill of lading or other similar document of title issued on behalf of a party other than the Assured providing for carriage partly by a means of transport other than the Chartered Ship or under the terms of an approved electronic trading system and has been properly delivered to the person so entitled in accordance therewith; or

18.8.3.4 arising out of the delivery of cargo carried under a non-negotiable bill of lading, waybill or similar document without

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

production of such document by the person to whom delivery is 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; or

18.8.3.5 arising out of the discharge of cargo at a port or place other than the port or place provided in the contract of carriage; or

18.8.3.6 arising from the mistaken, imprudent or illegal exercise of a lien over cargo; or

18.8.3.7 in respect of the issue of an ante-dated or post-dated bill of lading, waybill or other document containing or evidencing the contract of carriage; or

18.8.3.8 in respect of a bill of lading, waybill or other document containing or evidencing the contract of carriage issued with an incorrect description of the cargo, its quantity or condition, or of its port of loading or discharge with the knowledge either of the Assured (or of any agent appointed by the Assured in which the Assured has a substantial interest) or of the Master of the Chartered Ship.

18.8.4 *ad valorem bills of lading*

where cargo or other property is carried under an *ad valorem* bill of lading or other document of title, contract of carriage or waybill in which a value of more than two thousand five hundred Dollars (USD 2,500) (or the equivalent in any other currency) is declared and/or inserted by reference to a unit, piece, package or otherwise, where the effect of such a declaration / insertion is to deprive the Assured of any right or rights of limitation to which the Assured would otherwise have been entitled and cause the Assured to incur a greater liability than the Assured would have done but for such declaration / insertion, to the extent that such liability thereby exceeds two thousand five hundred Dollars (USD 2,500) (or the equivalent in local currency) in respect of any such unit, piece or package there shall be no recovery, unless the Assured has given notice as soon as practicable of such higher valuation to the Managers to enable the Managers to insure the excess at the expense of the Assured;

18.8.5 *Rare and valuable cargo*

there shall be no recovery in respect of loss of or damage to specie, bullion, precious or rare metals or stones, plate, jewellery or other objects of a rare or precious nature, bank notes or other forms of currency, bonds or other negotiable instruments, unless the contract of carriage and the spaces, apparatus and means used for the carriage

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

and the instructions given for the safe custody thereof, have been approved by the Managers prior to any such carriage and any directions made by the Managers have been complied with;

18.8.6 Refrigerated cargo

the Managers may at any time require to be satisfied as to the spaces, plant and apparatus used, and the instructions given, for the carriage of cargo in insulated or refrigerated chambers or containers and the terms of the contract of carriage under which such cargo is to be carried, and the Assured shall upon request supply the relevant information to the Managers. If the Managers are not so satisfied and therefore withhold their approval, and so notify the Assured, the Assured shall not be entitled to recover from the Association in respect of any loss of or damage to such cargo the carriage of which began after the serving of such notice;

18.8.7 Assured's own cargo

where the cargo in respect of which a claim arises belongs to the Assured, the Assured shall be entitled to recover from the Association, and the Association shall have the same rights, as if such cargo belonged to a third party and that third party had entered into a contract of carriage with the Assured;

18.8.8 Paperless trading

there shall be no recovery from the Association for any liability, cost or expense arising from the use of any electronic trading system, other than an electronic system approved in writing by the Managers, to the extent that such liability, cost or expense would (save insofar as the Association in its discretion otherwise determines) not have arisen under a paper trading system. For the purposes of this proviso:

18.8.8.1 an electronic trading system 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 which;

18.8.8.1.1 are documents of title, or

18.8.8.1.2 entitle the holder to delivery or possession of the goods referred to in such documents, or

18.8.8.1.3 evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party.

18.8.8.2 a "document" shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.

18.8.9 Slot charters

The Assured who is a slot or space charterer of a Chartered Ship may

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

recover under this Clause liabilities, together with costs and expenses incidental thereto, to persons interested in other cargoes carried in the Chartered Ship, whether or not the Assured is a carrier;

18.8.10 Deck cargo

there shall be no recovery where the Assured has become liable in consequence of the carriage of cargo on deck unless the cargo is suitable for carriage as loaded on the deck of the Chartered Ship and either:

18.8.10.1 special cover has been agreed by the Managers after receiving prior notice from the Assured or the earliest possible notice after the Assured has received notice of the said carriage; or

18.8.10.2 the contract of carriage is specially claused to the effect that the cargo is carried on deck and either provides that the carrier is free from all liability for loss or damage to such cargo or provides the carrier with rights, immunities and limitations no less favourable than those contained in the Hague Rules or Hague Visby Rules; or

18.8.10.3 the contract of carriage contains an appropriate liberty to carry cargo on deck and provides for the Hague Rules or Hague Visby Rules to apply to such cargo; or

18.8.10.4 where the contract of carriage is compulsorily subject to the Hamburg Rules by operation of law, the Assured has complied with the provisions of paragraphs 1 and 2 of Article 9 thereof.

18.8.10.5 Nevertheless, the Association may allow such a recovery in whole or in part if, in its discretion, it considers that the Assured had reasonable grounds for believing that the conditions of this proviso had been complied with.

19 Unrecoverable General Average contribution

Unrecoverable General Average contribution

The cost to the Assured of that proportion of General Average expenditure (including salvage) and special charges which should be paid by cargo or by some other party to the maritime adventure, but which are not so paid after the exhaustion of all legal remedies against such parties solely by reason of a breach of the contract of carriage subject always to the provisos in Clauses 18.8.1, 18.8.2, 18.8.3 and 18.8.8 insofar as they are capable of application *provided always*

19.1 that General Average shall be adjusted according to the York / Antwerp Rules 1974, 1994 or 2016 or on other contractual terms approved by the Managers. If it is not, then any recovery from the Association shall be limited to what would be recoverable if General Average were adjusted according to the law and practice of the place where the adventure ended.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

20 Fines

Fines

Fines or other penalties, together with costs and expenses incidental thereto, imposed in respect of the Chartered Ship by any court, tribunal, or authority of competent jurisdiction, upon the Assured or upon any Crewmember or person whom the Assured may be legally liable to reimburse (other than under the terms of a contract or indemnity, unless and only to the extent such terms have been previously approved by the Managers) or reasonably reimburses with the approval of the Managers, for:

20.1 Cargo

Short or over delivery of cargo or failure to comply with regulations relating to declaration of goods or to documentation of the cargo (other than fines or penalties arising from the smuggling of goods or cargo or any attempt thereat), subject always to the Assured having cover for the Assured's responsibilities in respect of cargo under Clause 18 *Responsibilities in respect of cargo*.

20.2 Immigration laws

Breach of any immigration law or regulation.

20.3 Pollution

The accidental escape or discharge of oil or any other substance subject always to the Assured having cover for the Assured's liabilities together with the costs and expenses incidental thereto, in respect of such accidental escape or discharge under Clause 13 *Pollution*.

20.4 Other faults

Any other act, neglect or default of a Crewmember or other servant or agent of the Assured in the course of their duties in respect of the Chartered Ship and which, in the discretion of the Association comes within the scope of the cover afforded by the Association.

20.5 PROVIDED ALWAYS THAT:

There shall be no recovery from the Association of a fine or other penalty (nor of the costs and expenses relating thereto):

20.5.1 imposed for the overloading of the Chartered Ship; or

20.5.2 imposed for illegal fishing (including the costs and expenses incurred in defending any allegation of illegal fishing); or

20.5.3 imposed for the infringement of regulations relating to safe navigation (including the maintenance of proper charts), unless the Association is satisfied that the Assured had taken all reasonable steps to prevent the infringement which gave rise to the fine or other penalty; or

20.5.4 imposed for a criminal activity which the Assured had knowledge of, recklessly disregarded, or failed to take reasonable steps to prevent; or

20.5.5 imposed for an infringement of MARPOL regulations where the Chartered Ship's oily water separator or similar pollution prevention device has been bypassed or rendered inoperable;

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

20.5.6 involving the confiscation of the Chartered Ship by reason of the infringement of any customs law or customs regulation unless the Association in its discretion authorises the recovery, in whole or in part, by the Assured of the Assured's loss arising by reason of such confiscation.

The Association in exercising its discretion under proviso 20.5.6 shall take account of the following:

20.5.6.1 the amount recoverable from the Association shall in no circumstances exceed the market value (without commitment) of the Chartered Ship at the date of the confiscation;

20.5.6.2 the Assured shall satisfy the Association that the Assured took all reasonable steps to prevent the infringement which gave rise to the confiscation.

21 Liabilities arising out of salvage services

Liabilities arising out of salvage services

The Assured may be insured against liabilities, together with costs and expenses incidental thereto, which may be incurred in connection with any salvage service or attempted salvage service provided to a ship by the Assured or by any subcontractor of the Assured or any of their respective servants or agents. The following may be covered:

21.1 Salvage ships

Liabilities, together with costs and expenses incidental thereto, arising in respect of the Assured's interest in the Chartered Ship out of events occurring during the period of insurance of the Ship by the Association and in connection with the employment of the Chartered Ship.

21.2 Oil pollution

Liabilities, together with costs and expenses incidental thereto, caused by an escape or discharge of oil which occurs during such salvage services in accordance with the provisions of Clause 13 *Pollution*, whether or not they are in respect of the Assured's interest in the Chartered Ship.

21.3 Salvors' liabilities

Liabilities, together with costs and expenses incidental thereto, caused by events occurring during such salvage services, and which are not covered under Clauses 21.1 and 21.2 above, whether or not they are in respect of the Assured's interest in the Chartered Ship.

21.4 PROVIDED ALWAYS THAT:

21.4.1 *Specific cover*

there shall be no recovery under this Clause 21 unless cover has been specifically extended in writing by the Managers and the Assured has

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

paid or agreed to pay such additional premium as may be required by the Association;

21.4.2 Risks covered

the cover given under this Clause 21 in connection with any salvage or attempted salvage service provided to a ship shall be in all respects the same as that given under Clauses 3 to 20 inclusive in respect of the employment of the Chartered Ship, save that in the case of cover given under Clause 21.2 and 21.3 the liability need not have been imposed or incurred in respect of the Chartered Ship;

21.4.3 Contracts of indemnity or guarantee

there shall be no recovery against any liability which would not have been incurred but for the provisions of a contract of indemnity or guarantee given by the Assured or the Assured's subcontractor, or any of their respective servants or agents, unless the Managers shall have approved such contract in advance and the Assured has paid or agreed to pay such additional premium as may be required by the Association (see Clause 16 *Contracts of indemnity of guarantee*).

22 Liabilities arising out of the carriage of cargo

Liabilities arising out of the carriage of cargo

The Assured may be insured against liabilities, together with costs and expenses incidental thereto, arising out of the carriage of any cargo or container by or on behalf of the Assured. The following may be covered on such special terms as may be agreed in writing by the Managers:

22.1 Illness, injury and death

Compensation and damages for which the Assured is liable which are payable by reason of the illness or death of, or injury to, any person, other than a Crewmember, Passenger or any person on board the Chartered Ship.

22.2 Damage to property

Liability of the Assured for loss of or damage to any fixed property or moveable property whatsoever (not being cargo or other property carried in the Chartered Ship).

22.3 PROVIDED ALWAYS THAT:

22.3.1 there shall be no recovery under this Clause 22 for liabilities arising out of the carriage of any cargo or container whilst it is on board the Chartered Ship; and

22.3.2 the cargo or container, as the case may be, is intended to be or has been carried on the Chartered Ship; and

22.3.3 the liability does not arise out of the terms of a contract of indemnity or guarantee between the Assured and a third party (see Clause 16 *Contracts of indemnity of guarantee*); and

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

22.3.4 the liability does not fall within the terms of Clause 18 *Responsibilities in respect of cargo*; and

22.3.5 there shall be no recovery under this Clause 22 for loss of or damage to any ship and/or water borne conveyance in which the cargo or container is carried.

23 Risks specifically excluded

Risks specifically excluded

There shall be no recovery from the Association, except as otherwise provided in this Clause, in respect of:

23.1 Equipment

Loss of, or damage to, any equipment on board the Chartered Ship or any containers, lashings, stores, spares or fuel thereon to the extent that the same are owned or leased by the Assured or by any Associated Company of the Assured or by any company under the same management as the Assured.

23.2 Towing and salvage

Liabilities arising out of the towing, salvage or removal of wreck by the Chartered Ship of any other ship or object save where such towing, salvage or removal of wreck was necessary for the purpose of saving or attempting to save life at sea, unless such liabilities are covered under the terms of Clause 15.2 *Towing by the Chartered Ship* or Clause 21 *Liabilities arising out of salvage services*.

23.2 Diving

Losses or liabilities arising out of the activities of professional or commercial divers where the Assured is responsible for such activities, unless:

23.2.1 cover has been extended in respect of such operations under the terms of Clause 21 *Liabilities arising out of salvage services*; or

23.2.2 the activities are incidental to and carried out in relation to the inspection, repair or maintenance of the Chartered Ship or in relation to damage caused by the Chartered Ship; or

23.2.3 the activities are recreational

23.3 PROVIDED ALWAYS THAT:

the foregoing exceptions shall not apply to losses, costs and expenses incurred under this Clause 23 either to avoid or reduce a liability or expenditure or by the special direction of the Association.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

24 Exclusion of certain specialist risks

Exclusion of certain specialist risks

There shall be no recovery from the Association in respect of any claim relating to liabilities, costs and expenses of the Chartered Ship which is:

24.1 Salvage tugs

A salvage tug or other ship used or intended to be used for salvage operations, when the claim arises as a result of any salvage and/or removal of wreck service or attempted salvage and/or removal of wreck service, unless cover has been specifically extended for such operations under the terms of Clause 21 *Liabilities arising out of salvage services*.

24.2 Heavy lift Ships

A semi-submersible heavy lift ship or other ship designed exclusively for the carriage of heavy lift cargo where the claim arises out of the loss of or damage to or removal of wreck of cargo, unless the cargo is being carried under a contract on HEAVYCON terms or any other contract approved by the Managers in writing.

24.3 Drilling and production operations

Used for drilling, core sampling, or production operations in connection with oil or gas exploration or production when the claim arises out of or during such operations. In respect of any Chartered Ship employed to carry out production operations in connection with oil or gas production, the exclusion shall apply from the time that a connection, whether directly or indirectly, has been established between the Chartered Ship and the well pursuant to a contract under which the Chartered Ship is employed, until such time that the Chartered Ship is finally disconnected from the well in accordance with that contract.

24.4 Storage Ships

Used for the storage of oil when either:

24.4.1 oil is transferred directly from a producing well to the Chartered Ship and the claim arises out of or during such transfer; or

24.4.2 the Chartered Ship has oil and gas separation equipment on board and gas is being separated from oil whilst on board (other than by natural venting) and the claim arises out of or during such separation.

24.5 Waste Ships

Used for waste incineration or waste disposal operations, when the claim arises out of those operations.

24.6 Entertainment Ships

Moored on a permanent basis open to the public as a hotel, restaurant, bar or other place of entertainment, when the claim arises in respect of hotel or restaurant guests or other visitors or the catering crew of the Chartered Ship.

24.7 Underwater operations

Used as or in connection with the operation of a submarine, mini-submarine, diving bell or remotely operated underwater vehicle.

PART II CHARTERERS' INSURANCES

Section A / Clause Charterers' Liability Insurance (CSL)

24.8 Specialist operations

Used for dredging, blasting, pile-driving, well-intervention, cable or pipelaying, construction, installation or maintenance work, core sampling, mining, depositing of spoil, and power generation and decommissioning, and such other operations as may be determined by the Managers from time to time, to the extent that such liabilities, costs and expenses arise as a consequence of:

24.8.1 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); or

24.8.2 the failure to perform such specialist operations by the Assured or the fitness for purpose or quality of the Assured's work, products or services; or

24.8.3 any loss of or damage to the contract work.

24.8.4 PROVIDED ALWAYS THAT:

24.8.4.1 special cover may be agreed between the Assured and the Managers.

24.8.4.2 to the extent that the Assured has cover under this Section A, the exclusion in this Clause 24.8 shall not apply to liabilities, costs and expenses incurred by the Assured in respect of:

24.8.4.2.1 loss of life, injury or illness of crew and other personnel on board the Chartered Ship;

24.8.4.2.2 the removal of wreck of the Chartered Ship;

24.8.4.2.3 oil pollution emanating from the Chartered Ship or the threat thereof.

PART II CHARTERERS' INSURANCES

Section B / Clause Charterers' Bunkers

1 Charterers' bunkers
Limited conditions

Charterers' bunkers (*Limited conditions*)
Based on Institute Bulk Oil Clauses 1/2/83 (CL.273)

This insurance is to indemnify the Assured in respect of loss of or damage to bunkers belonging to the Assured on board the Chartered Ship on the following terms:

- 1.1 Institute Bulk Oil Clauses 1/2/83 (CL. 273) *Clause 2 deleted;*
- 1.2 Institute Malicious Damage Clause 1/8/82 (CL. 266) *the term 'In consideration of an additional premium,' deleted;*
- 1.3 Average not to apply.
- 1.4 In the event of actual total loss of the Chartered Ship and bunkers, the sum payable shall be the value of bunkers on the Chartered Ship when leaving the last port of call.

2 Charterers' bunkers
All risks

Charterers' bunkers (*All risks*)
Based on Institute Cargo Clauses (A) 01/01/1982 (CL. 252)

This insurance is to indemnify the Assured in respect of loss of or damage to bunkers belonging to the Assured on board the Chartered Ship on the following terms:

- 2.1 *Risks Clause*
This insurance covers all risks of loss of or damage to the bunkers insured except as provided in Clause 2.4 and Clause 2.5 below.
- 2.2 *General Average Clause*
 - 2.2.1 This insurance covers General Average and salvage charges, adjusted or determined according to the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clause 2.4 and Clause 2.5 below or elsewhere in this insurance.
 - 2.2.2 Average shall not apply to the adjustment or determination of General Average and salvage charges.
- 2.3 *Malicious Damage Clause*
This insurance is extended to cover, except as provided in Clause 2.4 and Clause 2.5 below,
 - 2.3.1 loss of or deliberate damage to or deliberate destruction of the bunkers or any part thereof by the wrongful act of any person or persons
 - 2.3.2 loss of or damage to the bunkers insured caused by malicious acts vandalism or sabotage, subject always to the other exclusions contained in this insurance.

PART II CHARTERERS' INSURANCES

2.4 *General Exclusions Clause*

In no case shall this insurance cover

- 2.4.1** loss damage or expense attributable to wilful misconduct of the Assured
- 2.4.2** ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the bunkers insured
- 2.4.3** loss damage or expense caused by inherent vice or nature of the bunkers insured
- 2.4.4** loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2.2 above)
- 2.4.5** loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel.

2.5 *Unseaworthiness and Unfitness Exclusion Clause*

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

- 2.5.1.1** unseaworthiness of vessel or craft,
- 2.5.1.2** unfitness of vessel craft or conveyance,

where the Assured or the Assured's servants are privy to such unseaworthiness or unfitness, at the time the bunkers insured are loaded therein.

2.5.2 The Association waives any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the bunkers insured to destination, unless the Assured or the Assured's servants are privy to such unseaworthiness or unfitness.

2.6 *Insurable Interest Clause*

2.6.1 In order to recover under this insurance the Assured must have an insurable interest in the bunkers insured at the time of the loss.

2.6.2 Subject to Clause 2.6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured was aware of the loss and the Association was not.

2.7 *Constructive Total Loss Clause*

No claim for constructive total loss shall be recoverable hereunder unless the bunkers insured are reasonably abandoned either on account of their actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the bunkers to the destination to which they are insured would exceed its value on arrival.

PART II CHARTERERS' INSURANCES

Section B / Clause Charterers' Bunkers

2.8 Actual Total Loss of Ship Clause

In the event of actual total loss of the ship and bunkers the sum payable shall be the value of bunkers on board the ship when leaving the last port of call.

2.9 Duty of Assured Clause

It is the duty of the Assured and the Assured's servants and agents in respect of loss recoverable hereunder

2.9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,

and

2.9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Association will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

2.10 Waiver Clause

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

2.11 Deductible Clause

2.11.1 Claims hereunder for actual total loss or constructive total loss of bunkers and/or total loss of bunkers following total loss of the ship shall be subject to a deductible of nil.

2.11.2 All other claims hereunder shall be subject to the deductible stated in the Assured's *Certificate of Insurance*.

PART II CHARTERERS' INSURANCES

Section C / Clause Cargo Owners' Legal Liability

1 Cargo Owners' Legal Liability

Cargo Owners' Legal Liability

For use with Charterers' Liability Insurance (CSL) only

This insurance is to indemnify the Assured in respect of those liabilities, losses, costs and expenses incurred by the Assured in respect of the risks set out in Section A *Charterers' Liability Insurance (CSL)* to include the Assured's liability for the said risks in the Assured's capacity as the owner of cargo on board the Chartered Ship (as opposed to or in addition to the Assured's capacity as charterer of the Ship) subject to the following terms, conditions and exclusions:

- 1.1** Coverage under this Clause shall attach no earlier than coverage under Section A attaches; and shall cease no later than coverage under Section A ceases.
- 1.2** For the purpose of this Section C Clause 1:
 - 1.2.1** the 'owner of cargo' shall include the buyer, seller or holder of the bill of lading; and
 - 1.2.2** 'cargo' shall mean any lawful and merchantable commodity or goods intended to be or being or having been carried on board the Chartered Ship pursuant to a contract of carriage but shall exclude any other equipment, stores, fuel (unless carried as cargo) or substance of whatsoever nature and shall further exclude waste and residues of cargo and/or of other equipment, stores, fuels and/or substances.

PART III EXTENSIONS TO COVER

Clause War and Strikes Risks

1 War and strikes risks

War and strikes risks

Where separately and expressly agreed by the Managers in writing it is hereby agreed in accordance with the provisions of Part IV Clause 6 *War and strikes risks* that cover is extended to include such losses, liabilities, costs and expenses as would be covered by the Association but for the exclusion of war and strikes risks as set out in Part IV Clause 6.1. Accordingly, the following shall be additionally recoverable:

- 1.1** Liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:
 - 1.1.1** war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 1.1.2** capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat;
 - 1.1.3** derelict mines, torpedoes, bombs, or other derelict weapons of war;
 - 1.1.4** strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 1.1.5** terrorism, or any person acting maliciously or from a political motive;
 - 1.1.6** confiscation, nationalisation, expropriation, deprivation or requisition.
- 1.2** In no case shall the cover afforded under this Clause 1 cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.
- 1.3** *Association's right to give Notice of Cancellation*
Notwithstanding any other term or condition of this insurance, coverage under this Clause 1 may be cancelled by the Association giving 48 hours' notice (such cancellation becoming effective on the expiry of 48 hours from 24:00:00 Greenwich Mean Time on the day on which notice of cancellation is issued by the Association) and the Association may at any time after the issue of notice of such cancellation resolve to reinstate this cover pursuant to Part IV Clause 6.2 on such terms and conditions and subject to such limit as the Association in its discretion may determine.
- 1.4** *Association's right to determine Prohibited Areas*
In accordance with Part IV Clause 6.3, the Association may in its discretion at any time or times before, or at the commencement of, or during the currency of any Policy Year of the Association, determine that any ports, places, countries, zones or areas (whether on land or sea) and/or any conflicts be excluded from the coverage provided by this insurance for war and strikes risks (Prohibited Areas). Save as otherwise provided by the Association this insurance shall cease in respect of Prohibited Areas at 24:00:00 Greenwich Mean Time 48 hours following the issue of notice of such determination in accordance with Part IV Clause 6.3. Unless and to the extent that the Association in its discretion otherwise decides there shall be no recovery from the Association

PART III EXTENSIONS TO COVER

Clause War and Strikes Risks

under this Clause 1 in respect of any liability, loss, damage, cost or expense howsoever arising out of any event, accident or occurrence within the Prohibited Areas after such date.

1.5 Without prejudice to the provisions of Part IV Clause 6.3 coverage under this Clause 1 is subject to the following:

1.5.1 *Five Powers War Exclusion*

This insurance excludes loss damage liability or expense arising from:

1.5.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

United Kingdom
United States of America
France
The Russian Federation
The People's Republic of China;

1.5.1.2 requisition either for title or use.

1.5.2 Cover under this Clause 1 shall not become effective if, subsequent to acceptance by the Association 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 Clause 1.

1.6 *Automatic Termination of Cover*

Whether or not notice of cancellation has been given in accordance with Clause 1.3 above cover hereunder in respect of the risks of war and strikes shall TERMINATE AUTOMATICALLY:

1.6.1 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and/or

1.6.2 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.

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause	Exclusions, Limitations and Warranties
1 Excluded risks	<p>There shall be no recovery from the Association, except as otherwise provided in the <i>Certificate of Insurance</i>, in respect of:</p> <p>1.1 Charterparties Loss arising out of breach of or cancellation of a charter or other engagement of an insured Ship.</p> <p>1.2 Road vehicles Liabilities which an Assured may incur as the owner or operator of a road vehicle.</p> <p>1.3 Employers' liability The breach of any obligation to an employee (other than Crewmembers) owed by the Assured as an employer.</p> <p>1.4 Bad debts Loss arising out of irrecoverable debts or out of the insolvency of any person.</p> <p>1.5 Fraud Loss arising out of the fraud of agents, or of an Associated Company or of employees of the Assured acting as an agent, unless the Association shall, in its discretion, otherwise determine.</p> <p>1.6 Demurrage and delay Claims relating to demurrage on or detention of an insured Ship.</p>
2 Sanctions	<p>There shall be no recovery from the Association in respect of losses or liabilities where the provision of cover or a payment by the Association in respect thereof may expose the Association or the Managers to the risk of being subject to any Sanction, penalty, prohibition or any adverse action by a state, international or supranational organisation or other competent authority.</p>
3 Imprudent trading	<p>The Association shall not insure the Assured against any liabilities, costs or expenses arising out of or consequent upon an insured Ship carrying contraband, blockade running, or being employed in an unlawful trade, or performing any voyage or being employed in any trade if the Association having regard to all the circumstances shall be of the opinion that the nature of the carriage, trade or voyage in which the Ship was engaged was imprudent, unsafe, unduly hazardous or improper.</p>
4 Cyber risks	<p>4.1 Unless otherwise agreed in writing, subject only to Clause 4.3 below, there shall be no recovery from the Association against any loss, damage, liability, cost 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,</p>

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

computer process or any other electronic system.

- 4.2** Subject otherwise to the terms and conditions of this insurance, the indemnity otherwise recoverable under this insurance 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.
- 4.3** Where this insurance otherwise affords cover in respect of the risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 4.1 shall not operate to exclude losses (which would otherwise be recoverable) 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.

5 Communicable Disease risks
(PHEIC Limitation Clause)

Limitation of liability in relation to a Communicable Disease following a Public Health Emergency of International Concern

- 5.1** 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*), recovery under this insurance for any loss, damage, liability, cost or expense otherwise recoverable hereunder directly arising from any transmission or alleged transmission of the *Declared Communicable Disease* shall be limited to the amounts stated in Clause 5.6.
- 5.2** The limitation in Clause 5.1 shall not apply to any liability of the Assured 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*.
- 5.3** However, irrespective of whether the requirements of Clause 5.2 are met, there shall in any event be no recovery from the Association for any:
 - 5.3.1** 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;
 - 5.3.2** 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*;
 - 5.3.3** loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the *Declared Communicable Disease*.

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

- 5.4** As used in this Clause 5, *Communicable Disease* means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
- 5.4.1** 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
 - 5.4.2** 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
 - 5.4.3** 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.
- 5.5** This Clause 5 shall not extend this insurance to cover any liability which would not otherwise have been covered under this insurance.
- 5.6** Recovery from the Association where this Clause 5 applies
- 5.6.1** shall be limited to:
 - 5.6.1.1** USD 5,000,000 (see Clause 5.6.2.1 below); and
 - 5.6.1.2** USD 10,000,000 in the annual aggregate per Assured.
 - 5.6.2** For the avoidance of doubt and for the purposes of this Clause 5 only:
 - 5.6.2.1** the sublimit and annual aggregate limit in Clause 5.6.1 replace the Limit of liability stated in the *Certificate of Insurance* and are not in addition to that Limit of liability; and
 - 5.6.2.2** the sublimit shall not serve to increase the amount otherwise recoverable under this insurance.
 - 5.6.3** Recovery from the Association in respect of the *PHEIC Limitation Clause* applying to any and all coverages and/or insurances afforded by the Association is limited to USD 10,000,000 in the annual aggregate per Assured. For the purposes of the *PHEIC Limitation Clause*, 'Assured' shall mean, taken together as the Managers may determine:
 - 5.6.3.1** a Member insured under the Association's *Rules of Class 3*;
 - 5.6.3.2** a Member insured under the Association's *Rules of Class 6*;
 - 5.6.3.3** an Assured insured under the Association's *Charterers' Liability Insurance*;

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

and 'annual' in the term 'annual aggregate' shall mean the 12-month period commencing at the inception of the first coverage or insurance to which the *PHEIC Limitation Clause* applies.

Based on JL2021-014
08 March 2021

- 6 War and strikes risks**
- 6.1** Unless otherwise agreed in writing there shall be no recovery from the Association against any liability, loss, damage, cost or expense caused by, arising out of or in any way connected with one or more of the following risks:
- 6.1.1** war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 6.1.2** capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat;
 - 6.1.3** derelict mines, torpedoes, bombs, or other derelict weapons of war;
 - 6.1.4** strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 6.1.5** terrorism, or any person acting maliciously or from a political motive;
 - 6.1.6** confiscation, nationalisation, expropriation, deprivation or requisition,
- PROVIDED ALWAYS THAT:
- 6.1.7** the exclusion set out in this Clause 6.1 shall be subject to Clause 7.2.
- 6.2** Where the Association has agreed in writing to provide cover against any or all of the risks set out in Clause 6.1 above such cover shall be subject to such terms and conditions as may have been agreed between the Assured and the Managers including any war and strikes risks clause endorsement applicable to the *Certificate of Insurance*.
- 6.3** The Association shall have the power to declare Prohibited Areas (territorial and/or conflict exclusions) which
- 6.3.1** may at any time and from time to time be changed by the Association giving 48 hours' notice of such change, such notice running from 24:00:00 Greenwich Mean Time on the day the notice is given;
 - 6.3.2** shall automatically extend to all countries, zones, areas, ports and places
 - 6.3.2.1** upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur, and/or
 - 6.3.2.2** upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

United States of America
France
The Russian Federation
The People's Republic of China; or

6.3.2.3 upon requisition either for title or use;
and there shall be no cover in respect of the event giving rise to such automatic extension.

7 Nuclear risks

7.1 Unless otherwise agreed in writing there shall be no recovery from the Association in respect of any liabilities, losses, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Assured or the Assured's servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or cost or expense is incurred, was directly or indirectly caused by or arises from:

- 7.1.1** ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 7.1.2** the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 7.1.3** any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 7.1.4** the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;

PROVIDED ALWAYS THAT this exclusion shall not apply to liabilities, losses, costs or expenses arising out of the carriage of "excepted matter" (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulation made thereunder) as cargo in an insured Ship and agreed by the Managers in writing.

7.2 Certificates

Notwithstanding the exclusions in Clauses 6.1 and 7.1, the Association will discharge on behalf of the Assured liabilities, costs and expenses arising under a demand made pursuant to the issue by the Association on behalf of the Assured of:

- 7.2.1** a guarantee or other undertaking given by the Association to the Federal Maritime Commission under Section 2 of US Public Law 89-777, or
- 7.2.2** a certificate issued by the Association in compliance with Article VII of the International Convention on Civil Liability for Oil Pollution Damage

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

- 1969 or 1992 or any amendments thereof, or
- 7.2.3** an undertaking given by the Association to the International Oil Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement 2006 (STOPIA 2006), or
 - 7.2.4** a certificate issued by the Association in compliance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, or
 - 7.2.5** a non-war certificate issued by the Association in compliance either with Article IV *bis* of the Athens Convention relating to Carriage of Passengers and their Luggage by Sea, 2002 and Guidelines for its implementation or Regulation (EC) No. 392/2009 of the European Parliament and of the Council which gives effect thereto, or
 - 7.2.6** a certificate issued by the Association in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007, or
 - 7.2.7** certificates in compliance with Regulation 2.5.2, Standard A2.5.2, Regulation 4.2 and Standard A4.2.1(b) of the Maritime Labour Convention 2006, as amended (MLC 2006) or domestic legislation by a state party implementing MLC 2006.

PROVIDED ALWAYS THAT:

- 7.2.8** The Assured shall indemnify the Association to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Assured complied with the terms and conditions thereof, and
- 7.2.9** The Assured agrees that:
 - 7.2.9.1** any payment by the Association under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any policy of insurance or extension to the cover provided by the Association, be by way of loan; and
 - 7.2.9.2** there shall be assigned to the Association to the extent and on the terms that it determines in its discretion to be practicable all the rights of the Assured under any other insurance and against any third party.

8 Other insurances

8.1 Double insurance

Unless the Association shall, in its discretion, otherwise determine there shall be no contribution by the Association to liabilities, costs or expenses recoverable under any other insurance or which would have been so

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

recoverable:

8.1.1 apart from any terms in such other insurance excluding or limiting liability on the ground of double insurance; and

8.1.2 if the Assured had not been insured by the Association with cover against the risks set out in the *Certificate of Insurance*.

8.2 Certification

Where the Assured has provided evidence of financial responsibility to any authority in respect of any liability, cost or expense, or potential liability, cost or expense, by producing to that authority evidence of insurance other than evidence of insurance under the *Certificate of Insurance*, there shall be no contribution by the Association to the Assured or to any other person in respect of such liability, cost or expense.

PROVIDED ALWAYS THAT:

8.3 This Clause 8 may be waived either:

8.3.1 by prior agreement with the Association in writing or,

8.3.2 if the Association in its discretion so decides.

9 Limitation of liability

Subject to any special terms and conditions set out in the *Certificate of Insurance*, the Association insures the liability of the Assured as this liability may ultimately be determined and fixed by law, including any laws pertaining to limitation of liability. The Association shall in no circumstances be liable for any sum in excess of such legal liability.

10 Classification and condition of Ships

Responsibility for adherence to and maintenance of a Chartered Ship's classification and condition rests with the owner and/or bareboat charterer of the Ship; and arguably, where a subcharter is involved, with the disponent owner. As none of these interests is insured under these terms and conditions, this Clause 10 is disappplied.

Nevertheless, the Assured should exercise due diligence to ensure that a Ship taken on charter is seaworthy, remains in class and is suitable for its intended employment.

Other references to classification, classification societies and condition of ship in these Charterers' Insurances Terms & Conditions should be construed accordingly.

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

10.1 Classification

The Assured warrants that every Ship in respect of which application for insurance is made is and shall remain throughout the period of insurance fully classed with a classification society approved by the Managers and that throughout such period the Assured will fully and timely comply with all the rules, recommendations and requirements of such society relating to the insured Ship *provided always* that the Association may in its discretion waive compliance with this warranty for such periods and upon such terms as it thinks fit.

10.2 Change of classification

Any change of classification or classification society shall forthwith be notified to the Managers in writing, together with all outstanding recommendations, requirements or restrictions specified by any classification society as at the date of such change.

10.3 Information from the Assured

Where required by the Managers it is a condition precedent to the Assured's right of recovery from the Association that the Assured shall first have provided to them an assurance that the insured Ship's class has been maintained, as well as a list of recommendations, requirements or restrictions specified by any classification society and where any periodic docking survey or any special survey of hull, machinery or equipment is overdue, a statement as to whether or not an extension has been permitted by the classification society. If the Managers so require, such information shall be certified by the classification society.

10.4 Statutory requirements

Every Assured

10.4.1 shall comply with all the statutory requirements of the state of the Ship's flag relating to the construction, adaptation, condition, fitment, equipment, manning and loading of the insured Ship; and

10.4.2 must at all times maintain the validity of any statutory certificates which are required and issued by or on behalf of the state of the Ship's flag *provided always* that the Association may in its discretion waive compliance with this Clause for such periods and upon such terms as it thinks fit.

10.5 Information from classification society

Should the Association wish to approach the classification society direct for information, the Assured will provide the necessary authorisation.

10.6 Survey before insurance

The Managers may as a condition of insurance of a Ship by the Association require the Assured or prospective Assured to submit the Ship to survey by a surveyor appointed by the Managers. The Managers in their discretion may require the Assured or prospective Assured to bear the expense of such survey.

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

In the light of such survey the Managers may:

10.6.1 refuse the insurance of the Ship; or

10.6.2 refuse the insurance of the Ship until repairs or other action recommended by the surveyor have been carried out to the satisfaction of the Managers within any time limit prescribed by the Managers; or

10.6.3 agree to insure the Ship on such special terms as the Managers may in their discretion decide.

10.7 Ship management appraisal

Without prejudice to any warranties or other duties and obligations imposed on the Assured under the *Certificate of Insurance* or the general law, the Managers may at any time and from time to time require the Assured to undergo an appraisal of the management systems ashore or on board Ship relating to the operation of Ships managed or operated by the Assured by a surveyor appointed by the Managers on a date and at a place agreed between the Assured and the Managers and within such time limit as may be specified by the Managers. The Managers may in their discretion require the Assured to bear the expense of such appraisal or they may treat it as an expense reimbursable by the Association under Part I Clause 2 *Costs and expenses, Sue and labour*. In the light of such appraisal or in the event of failure by the Assured to undergo such appraisal within the time limit specified by the Managers, the Managers shall have the power, in their discretion to:

10.7.1 terminate the insurance of all Ships insured by the Association forthwith; or

10.7.2 amend, vary or impose special terms on the insurance of that Assured with immediate effect in such manner as they think fit, including the exclusion of all or part of the risks specified in the *Certificate of Insurance* for such time or period as they may specify *provided always* that if the Assured does not accept such amendment, variation or condition the Assured shall have the option of cancelling the insurance of the Assured's Ships forthwith.

10.8 Condition survey

Without prejudice to any warranties or other duties and obligations imposed on the Assured under the *Certificate of Insurance* or the general law, the Managers may at any time and from time to time require the Assured to submit the insured Ship to survey by a surveyor appointed by the Managers on a date and at a place agreed between the Assured and the Managers and within such time limit as may be specified by the Managers. The Managers may in their discretion require the Assured to bear the expense of such survey or they may treat it as an expense reimbursable by the Association under Part I Clause 2 *Costs and expenses, Sue and labour*.

In the light of such survey or in the event of failure by the Assured to submit the insured Ship to such survey within the time limit specified by the Managers, the

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

Managers shall have the power, in their discretion, to:

10.8.1 terminate the insurance of the Ship forthwith; or

10.8.2 amend, vary or impose special terms on the insurance of the Ship with immediate effect in such manner as they think fit, including the exclusion of all or part of the risks specified in the *Certificate of Insurance* for such time or period as they may specify

provided always that if the Assured does not accept such amendment, variation or condition the Assured shall have the option of terminating the insurance of the Assured's Ship forthwith.

10.9 Right of adjudication

If any difference or dispute between the Assured and the Managers shall arise concerning the actions taken by the Managers under this Clause 10, the Assured shall have the right to refer the matter to adjudication by the Association under Part VI Clause 21 *Disputes and differences*. Pending such adjudication, any such action taken by the Managers shall bind the Assured.

10.10 Obligation of the Assured

Notwithstanding the provisions of this Clause 10 nothing shall relieve the Assured of the Assured's obligation to keep the Assured's insured Ship at all times in a proper condition. Any recommendations or observations of a surveyor acting under any part of this Clause shall be treated as within the actual knowledge of the Assured. Any failure by the Assured to implement the said recommendations shall entitle the Association in its discretion to refuse, in whole or in part, a claim for recovery from the Association in respect of any incident whatsoever occurring after such recommendations have been made.

11 Byelaws

11.1 Byelaws

The Association shall have power to pass byelaws ordering and prescribing the conditions and/or the form of contracts of carriage generally, or for use in any particular trade, or for any particular port or place.

11.2 Recommendations

The Association may also recommend the use of any particular form of contract of carriage in any particular trade. Assureds whose Ships are engaged in such trades shall endeavour to use the appropriate form of contract of carriage when the circumstances of the fixture or engagement of such Ships permit.

11.3 Notice

Notice shall be sent by the Managers to all Assureds upon the passing of any such byelaw or issue of such recommendation. The byelaws or recommendation shall come into operation on the date stated in the notice and shall thereupon be assumed to be incorporated in the *Certificate of Insurance* and shall be included in, or with, every copy of these *Charterers' Insurances Terms & Conditions* issued by the Association as soon as may be conveniently

PART IV EXCLUSIONS, LIMITATIONS AND WARRANTIES

Clause Exclusions, Limitations and Warranties

possible. If the Assured shall commit a breach of such byelaw the Association may reject or reduce any claim made by the Assured to the extent to which it would not have arisen if the Assured had complied with the byelaw and the burden of proving in each case that the claim (or portion thereof) could not have been avoided by such a compliance shall be on the Assured. The Association may further impose such terms upon the Assured as it may think fit as a condition of the continuance of the insurance of the Assured's Ship or Ships.

PART V CLAIMS

Clause	Claims
<p>1 Obligations of the Assured in respect of claims</p>	<p>1.1 Notice Every Assured shall be bound to give prompt notice in writing to the Managers of every incident likely to give rise to a claim under the <i>Certificate of Insurance</i> and of any legal or arbitration proceedings commenced against the Assured. The Assured shall furnish the Managers as soon as reasonably possible thereafter with all documents or information relevant thereto.</p> <p>1.2 Mitigation of loss Upon the occurrence of any incident which may give rise to of a claim under the <i>Certificate of Insurance</i>, the Assured shall take such steps as at the time shall appear proper for the purpose of averting or minimising any loss, damage, expense or liability in respect of which the Assured may be insured under the <i>Certificate of Insurance</i>.</p> <p>1.3 Information The Assured must at all times promptly notify the Managers of any information, documents or reports in the Assured's or the Assured's agents' possession or knowledge relevant to any incident referred to under Clause 1.1 above. Further the Assured shall, whenever so requested by the Managers, give the Association or its representatives free access to such information, documents or reports with liberty to inspect and copy the same. Such free access shall include the right to conduct a survey, or to interview any officer, servant or agent of the Assured who may in the opinion of the Association be in possession of information relevant to the said incident.</p> <p>1.4 Time limit for notice Every claim against the Assured in respect of an incident referred to in Clause 1.1 above, shall be notified to the Association as soon as possible, but in no case later than twelve months after the Assured has received notice that the claim is being, or may be, made against the Assured in respect of such incident. The Assured shall give notice to the Association in writing of the commencement of any legal or arbitration proceedings against the Assured as soon as possible, but in no case later than 30 days after the Assured has received service of the said proceedings.</p> <p>1.5 Time limit for reimbursement All requests by the Assured for reimbursement of any losses, costs or expenses recoverable from the Association under the <i>Certificate of Insurance</i> must be made to the Association within twelve months of the incurring of the loss or the payment of the cost or expense by the Assured.</p>
<p>2 Powers of the Managers relating to the handling and settlement of claims</p>	<p>2.1 Control The Managers shall have the right, if they so decide, to control or direct the conduct of any claim or legal or other proceedings relating to any matter which may result in loss, damage, expense or liability in respect of which the Assured is or may be insured under the <i>Certificate of Insurance</i> and to require the</p>

PART V CLAIMS

Clause

Claims

Assured to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.

2.2 Refusal

If the Assured does not settle, compromise or dispose of a claim or proceedings in accordance with the requirements of the Managers under Clause 2.1 above, any eventual recovery by the Assured in respect of such claim or proceedings from the Association shall be limited to the amount the Assured would have recovered if the Assured had acted as required by the Managers.

2.3 Abandonment

In the event of an insured Ship becoming an actual or constructive total loss, the Association shall, subject to the hull underwriters' rights in the matter, be entitled to request the Assured concerned to abandon the Ship to the Association or to such other person (including the world at large) as the Association shall nominate. If the Assured concerned does not abandon the Ship having received such a request from the Association, the Association shall not be responsible for any claim that could have been avoided had the Assured abandoned the Ship as aforesaid, and the burden of proving that the claim could not have been avoided by such abandonment shall be upon the Assured.

2.4 Appointment of experts

2.4.1 Without prejudice to any other provision of the *Certificate of Insurance* and without waiving any of the Association's rights hereunder, the Managers may at any and all times appoint on behalf of the Assured, upon such terms as the Managers may think fit, lawyers, surveyors or other persons with a view to advising them upon investigating or dealing with any matter which may result in loss, damage, expense or liability in respect of which the Assured is or may be insured under the *Certificate of Insurance*, including taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.

2.4.2 All lawyers, surveyors or other persons appointed by the Managers on behalf of the Assured, or appointed by the Assured with the prior consent of the Managers, shall at all times be and be deemed to be appointed and employed on the terms:

2.4.2.1 that they have been instructed by the Assured at all times (both while so acting and after having retired from the matter) to give advice and to report to the Association in connection with the matter without prior reference to the Assured and to produce to the Association without prior reference to the Assured any documents or information in their possession or power relating to such matter, all as if

PART V CLAIMS

Clause

Claims

such person had been appointed to act and had at all times been acting on behalf of the Association;

2.4.2.2 that any advice they may give to the Assured is that of an independent contractor employed by the Assured and shall in no way bind the Association.

2.5 Bail

2.5.1 The Association is under no obligation to provide bail or other security on behalf of any Assured, but where the same is provided it shall be on such terms as the Managers may consider appropriate and shall not constitute any admission of liability by the Association for the claim in respect of which the bail or other security is given. In no case shall cash deposits be made by the Association.

2.5.2 It shall be a condition of the provision of bail or other security on behalf of the Assured, that the Assured shall indemnify the Association for any costs associated with the provision of such bail or other security and for any liability the Association may incur to a third party under or in connection with such bail or other security *provided always* that the indemnity shall not extend to those amounts that the Assured would have been entitled to recover from the Association under the *Certificate of Insurance* had the Assured paid them directly.

2.6 Recovery of costs

Insofar as costs are covered under the *Certificate of Insurance*, the Association shall be entitled to any sum which the Assured recovers in respect of such costs pursuant to any award, judgment or settlement agreement. If any claims, disputes or proceedings are settled or compromised for a lump sum which includes costs recoverable from any other party, or without any or adequate provision as to the payment of such costs, then in any of those events the Association shall be entitled to recover from the Assured such reasonable sum as the Managers may in their sole discretion determine as being attributable to costs.

3 Powers of the Association relating to the settlement of claims on the Association

3.1 Meetings

The Association shall meet as often as may be required for settlement of claims which shall be paid by the Association as the Association may determine in accordance with the *Certificate of Insurance*, but the Association shall have power from time to time to authorise the Managers to effect payment of claims without prior reference to the Association. The Assured shall not participate in any meeting of the Association while it is engaged in the settlement of any claim in which the Assured is interested.

3.2 Claims

Without prejudice to any other provisions of the *Certificate of Insurance* the

PART V CLAIMS

Clause

Claims

Association shall have power in its discretion to reject a claim or reduce the sum payable by the Association in respect thereof, if:

- 3.2.1** in the opinion of the Association the Assured making the claim has not taken such steps before, at the time of, or after the incident or events giving rise to the claim, to protect the Assured's interests as the Assured should have done or as the Assured would have done if the Assured had not been insured;
- 3.2.2** the Ship in respect of which the claim is submitted has ceased before the incident which gave rise to the claim to be fully classed by a classification society approved by the Managers or if the Assured has failed fully and timely to comply with all the rules, recommendations and requirements of such society and the Assured has failed to give notice of this cesser or failure to the Managers;
- 3.2.3** the Assured has failed fully to comply with the recommendations of a surveyor appointed by the Managers under Part IV Clause 10 *Classification and condition of Ships*;
- 3.2.4** the claim shall have been settled, or any liability shall have been admitted, by or on behalf of, the Assured without the prior consent in writing of the Managers;
- 3.2.5** the Assured failed to comply with a recommendation or directive made at any time by the Association or the Managers to the Assured, in connection with the handling or settlement of the claim or potential claim;
- 3.2.6** the Assured shall have failed to comply with any of the Assured's obligations under Clause 1 above.

3.3 Interest

Save only as provided in Part VI Clause 5 the Assured shall not be entitled to be paid interest on the Assured's claim against the Association.

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions														
1 Articles of Association	These <i>Charterers' Insurances Terms & Conditions</i> are subject to the Articles of Association of The Britannia Steam Ship Insurance Association Europe or The Britannia Steam Ship Insurance Association Limited as applicable.														
2 Definitions	<p>The words standing in the first column of the table below shall bear the meanings set opposite them respectively in the second column thereof, if not inconsistent with the subject or context:</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 30%;">The Association</td> <td>The Britannia Steam Ship Insurance Association Europe or The Britannia Steam Ship Insurance Association Limited as named in the <i>Certificate of Insurance</i>.</td> </tr> <tr> <td style="vertical-align: top;">Associated Company</td> <td>A person or company affiliated or associated with the Assured and to whom the benefit of the cover afforded by the Association to the Assured is extended in accordance with the <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i>.</td> </tr> <tr> <td style="vertical-align: top;">Assured</td> <td>A party afforded the benefit of cover by the Association.</td> </tr> <tr> <td style="vertical-align: top;">The Board</td> <td>The Directors for the time being of the Association or as the context may require those Directors present at a duly convened meeting of the Board at which a quorum is present.</td> </tr> <tr> <td style="vertical-align: top;">Certificate of Insurance</td> <td>A document and any endorsement thereto issued by the Association in accordance with these <i>Charterers' Insurances Terms & Conditions</i> which evidences the contract of insurance.</td> </tr> <tr> <td style="vertical-align: top;">The Committee</td> <td>The Representatives for the time being of the Association or as the context may require those Representatives present at a duly convened meeting of the Committee at which a quorum is present.</td> </tr> <tr> <td style="vertical-align: top;">Convention Limit</td> <td>The limit of liability of the owner of a Ship for Claims (other than claims for loss of life or personal injury) determined in accordance with Article 6.1 (b) of the International Convention on Limitation of Liability for Maritime Claims 1976. Any Ship insured under a <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i> shall be deemed to be a seagoing ship to which the Convention applies, notwithstanding any provision in the Convention to the contrary.</td> </tr> </table>	The Association	The Britannia Steam Ship Insurance Association Europe or The Britannia Steam Ship Insurance Association Limited as named in the <i>Certificate of Insurance</i> .	Associated Company	A person or company affiliated or associated with the Assured and to whom the benefit of the cover afforded by the Association to the Assured is extended in accordance with the <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i> .	Assured	A party afforded the benefit of cover by the Association.	The Board	The Directors for the time being of the Association or as the context may require those Directors present at a duly convened meeting of the Board at which a quorum is present.	Certificate of Insurance	A document and any endorsement thereto issued by the Association in accordance with these <i>Charterers' Insurances Terms & Conditions</i> which evidences the contract of insurance.	The Committee	The Representatives for the time being of the Association or as the context may require those Representatives present at a duly convened meeting of the Committee at which a quorum is present.	Convention Limit	The limit of liability of the owner of a Ship for Claims (other than claims for loss of life or personal injury) determined in accordance with Article 6.1 (b) of the International Convention on Limitation of Liability for Maritime Claims 1976. Any Ship insured under a <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i> shall be deemed to be a seagoing ship to which the Convention applies, notwithstanding any provision in the Convention to the contrary.
The Association	The Britannia Steam Ship Insurance Association Europe or The Britannia Steam Ship Insurance Association Limited as named in the <i>Certificate of Insurance</i> .														
Associated Company	A person or company affiliated or associated with the Assured and to whom the benefit of the cover afforded by the Association to the Assured is extended in accordance with the <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i> .														
Assured	A party afforded the benefit of cover by the Association.														
The Board	The Directors for the time being of the Association or as the context may require those Directors present at a duly convened meeting of the Board at which a quorum is present.														
Certificate of Insurance	A document and any endorsement thereto issued by the Association in accordance with these <i>Charterers' Insurances Terms & Conditions</i> which evidences the contract of insurance.														
The Committee	The Representatives for the time being of the Association or as the context may require those Representatives present at a duly convened meeting of the Committee at which a quorum is present.														
Convention Limit	The limit of liability of the owner of a Ship for Claims (other than claims for loss of life or personal injury) determined in accordance with Article 6.1 (b) of the International Convention on Limitation of Liability for Maritime Claims 1976. Any Ship insured under a <i>Certificate of Insurance</i> and/or these <i>Charterers' Insurances Terms & Conditions</i> shall be deemed to be a seagoing ship to which the Convention applies, notwithstanding any provision in the Convention to the contrary.														

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions
Crewmember	A person (including the Master) engaged under articles of agreement or otherwise contractually obliged to serve on board the insured Ship including a substitute for such person and also including such persons while proceeding to or from such Ship.
Fleet Insurance	The insurance of more than one Ship on the basis that those Ships will be treated together as a fleet for underwriting purposes.
The Hague Visby Rules	The International Convention for the Unification of Certain Rules relating to bills of lading signed at Brussels on 25 August 1924 as amended by the Protocol to that Convention signed at Brussels on 23 February 1968.
Hull Policies	Policies effected on the hull and machinery of a ship including any excess liability policy.
Insurance	Any insurance or reinsurance against the risks specified in the <i>Certificate of Insurance</i> and these <i>Charterers' Insurances Terms & Conditions</i> .
The Managers	The Managers for the time being of the Association including, if the Managers are a firm, each partner of the Managers or, if the Managers are a limited or unlimited company, each director of the Managers.
Knock for Knock	A provision or provisions stipulating that <ul style="list-style-type: none"> (a) each party to a contract shall be similarly responsible for <ul style="list-style-type: none"> (i) loss of or damage to, and/or death of or injury to, any of its own property or personnel, and/or the property or personnel of its contractors and/or of its and their subcontractors and/or of other parties and/or; (ii) liability arising out of the ownership or operation of its own property, and that (b) such responsibility shall be without recourse to the other party and arise notwithstanding any fault or neglect of any party, and that (c) each party shall, in respect of those losses, damages or liabilities for which it has assumed responsibility, correspondingly indemnify the other against any liability that that party shall incur in relation thereto.

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions
Member	A Member of the Association as defined in Article 3 of the Articles of Association.
Passenger	A person carried on board the insured Ship by virtue of holding a ticket of passage.
Personal Effects	Personal property, documents, navigational or other technical instruments and tools brought on board, or being taken to or from, the insured Ship by a Crewmember but excluding cash, valuables, or any other article which in the opinion of the Association is not an essential requirement for a Crewmember.
Policy Period	Such period in respect of which the Association agrees to afford cover as set out in the <i>Certificate of Insurance</i> .
Premium	Consideration for the benefit of cover afforded by the Association.
Prohibited Area	Any country, zone, area, port or place and/or conflict which the Association from time to time may declare to be excluded from cover provided under the <i>Certificate of Insurance</i> or otherwise in respect of war and strikes risks.
Sanction	Any applicable economic, financial or trade sanction or embargo.
Ship	In the context of a ship afforded cover by the Association, any ship, boat, hydrofoil, hovercraft or other description of vessel whether completed or under construction (including a lighter, barge or similar vessel howsoever propelled but excluding <ul style="list-style-type: none"> (a) a unit or vessel constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production and (b) a fixed platform or fixed rig and (c) a wing-in-ground craft) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part of such ship or any proportion of the tonnage thereof or any share therein.
Tonnage	The gross full tonnage of a Ship as measured in accordance with the International Convention on Tonnage Measurement of Ships, 1969 and certified or

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

stated in the Certificate of Registry or other official document relating to the registration of such Ship. In case of doubt the tonnage under the said Convention shall prevail.

United Kingdom

Great Britain and Northern Ireland

Interpretation of these Charterers' Insurances Terms & Conditions

Writing shall include printing, typewriting, lithography, facsimile and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include individuals, partnerships, corporations and associations.

The headings and sub-headings as set out in these Charterers' Insurances Terms & Conditions are for convenience and ease of reference only and do not affect the construction of any term or condition.

3 Extent of cover

3.1 The cover provided by the Association is as set out in the *Certificate of Insurance* and provides insurance for the Assured against loss, damage, liability or expense incurred by the Assured which arises:

3.1.1 in respect of the Assured's interest in a Ship; and

3.1.2 out of events occurring during the period of the insurance; and

3.1.3 in connection with the operation or employment of the Ship

3.1.4 or as otherwise provided in the *Certificate of Insurance*.

3.2 The cover provided by the Association shall incorporate Part IV *Exclusions, Limitations and Warranties*, Part V *Claims* and Part VI *General Terms & Conditions*. In the event of a dispute arising out of a difference between the cover afforded by the *Certificate of Insurance* and Parts IV, V and VI, the former shall prevail.

4 Sanctions

Notwithstanding and without prejudice to any other provision of the *Certificate of Insurance*, these *Charterers' Insurances Terms & Conditions* and the provisions of the Articles of Association, the *Certificate of Insurance* and/or these *Charterers' Insurances Terms & Conditions* may, on such notice as the Association may in its discretion decide, be amended at any time (including with effect during the course of a Policy Period) to such extent as the Association may in its discretion determine is

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

necessary as a result of the potential or actual implementation of or change in any Sanction, prohibition, restriction, legislation, regulation or requirement to obtain any licence or approval, by any state, international or supranational organisation or other competent authority.

5 Insurance Act 2015

The following provisions of the Insurance Act 2015 (the Act) are excluded from the *Certificate of Insurance* and these *Charterers' Insurances Terms & Conditions*:

- 5.1** Section 8 of the Act is excluded. As a result any breach of the duty of fair presentation shall entitle the Association to avoid the contract of insurance, regardless of whether the breach of the duty of fair presentation is innocent, deliberate or reckless.
- 5.2** Section 10 of the Act is excluded. As a result all warranties in the contract of insurance must be strictly complied with and if the Assured or any party afforded the benefit of cover by the Association fails to comply with any warranty the Association shall be discharged from liability from the date of the breach, regardless of whether the breach is subsequently remedied.
- 5.3** Section 11 of the Act is excluded. As a result the contract of insurance between the Association and the Assured or any party afforded the benefit of cover by the Association, 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 party afforded the benefit of cover by the Association fails to comply with any such term, the Association's liability may be excluded, limited or discharged in accordance with the contract of insurance notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
- 5.4** Section 13 of the Act is excluded. As a result the Association shall be entitled to exercise its right to terminate the contract of insurance in respect of the Assured and any party afforded the benefit of cover by the Association in the event that a fraudulent claim is submitted by or on behalf of the Assured or any party afforded the benefit of cover by the Association.
- 5.5** Section 13A of the Act is excluded. As a result the contract of insurance between the Association and the Assured and any party afforded the benefit of cover by the Association shall not be subject to nor shall the Association or the Managers 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.
- 5.6** Section 14 of the Act is excluded. As a result the contract of insurance between the Association, the Assured and any party afforded the benefit of cover by the Association 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 Association to avoid the contract of insurance.

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions
6 Right of recovery, Subrogation, Set-off, Incident, Currency, Sanctions (Entitlement to recover)	<p>6.1 Right of recovery If the Assured shall become liable as set out in the Association's <i>Certificate of Insurance</i> in damages or otherwise, or shall incur any costs or expenses in respect of the Ship insured by the Association at the time of the casualty or event giving rise to such liability, costs or expenses, the Assured shall be entitled to recover from the Association the amount of such liability, costs or expenses to the extent and upon the terms, conditions and exceptions set out in the Association's <i>Certificate of Insurance provided always</i> that unless the Association in its discretion otherwise determines it shall be a condition precedent to the Assured's right to recover from the funds of the Association in respect of any liability, costs or expenses that the Assured shall have first discharged or paid them.</p> <p>6.2 Subrogation Any recovery by the Assured from the Association is subject to the Association's rights of subrogation and the Assured will, on request of the Managers, sign a Certificate of Subrogation.</p> <p>6.3 Set-off Without prejudice to any other part of the <i>Certificate of Insurance</i> the Association shall be entitled to set-off any amount due from the Assured against any amount due to the Assured from the Association</p> <p>6.4 Incident Any liabilities, costs and expenses which the Assured may incur in accordance with Clause 6.1 above in respect of the insured Ship arising from any one incident or occurrence, including any claim in respect of liability for the removal or non-removal of any wreck, shall be as if they were one claim by the Assured for recovery of the total amount of such liabilities, costs and expenses out of the funds of the Association.</p> <p>6.5 Currency Where the Assured is entitled to a recovery from the Association in respect of a loss suffered by the Assured in a currency other than the currency specified in the Assured's <i>Certificate of Insurance</i> (the specified currency), that loss shall be converted into the specified currency at the rate of exchange ruling on the day the relevant credit note is issued by the Association to the Assured.</p> <p>6.6 Sanctions (Entitlement to recover) The Assured shall have no entitlement to recovery from the Association in respect of that part of any liabilities, costs and expenses which is not recovered by the Association under any reinsurance(s) arranged by the Association or the Managers, because, and to the extent of any shortfall in recovery from such parties or reinsurers by the Association which would result in a violation of any Sanction, or any prohibition or adverse action administered by any state, international or supranational organisation or other competent authority or the risk thereof if payment were to be made by such parties or reinsurers. For the</p>

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

purposes of this Clause 6.6 "shortfall" includes any failure or delay in recovery by the Association by reason of such parties or reinsurers making payment into a designated account in compliance with the requirements of any state, international or supranational organisation or other competent authority.

7 Application for insurance, Fair presentation of the risk, Certificate of Insurance, Variation, Contract of insurance, Refusal of application

7.1 Application for insurance

Any person seeking cover from the Association shall apply for such cover in such form as may from time to time be required by the Managers and shall furnish any particulars and information requested by the Managers.

7.2 Fair presentation of the risk

The person seeking cover from the Association and any agent:

7.2.1 must make to the Association and the Managers a fair presentation of the risk by providing the Managers with all material particulars and information together with any additional particulars and information as the Managers may require;

7.2.2 will ensure that every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

In accordance with Clause 5.1, Section 8 of the Insurance Act 2015 is excluded. Any breach of Clauses 7.2.1 or 7.2.2 above shall entitle the Association to avoid the contract of insurance, regardless of whether the breach is innocent, deliberate or reckless.

The person seeking cover from the Association is obliged to disclose any change in any material information relating to the insurance. Upon such disclosure, or failure to disclose, the Managers may amend the Assured's premium rating or the terms of the insurance or terminate the insurance with effect from the time of disclosure or failure to disclose.

7.3 Certificate of Insurance

As soon as reasonably practicable after accepting any application for insurance by the Association, the Managers shall issue a *Certificate of Insurance* which shall state, as applicable:

7.3.1 Name of the Assured

7.3.2 Period of the insurance

7.3.3 Ships covered by the insurance

7.3.4 Interest for which the Assured is covered

7.3.5 Limit of liability of the insurance

7.3.6 Deductible or retention to be borne by the Assured

7.3.7 Trading limits of the insurance

7.3.8 Conditions of the insurance

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions
	<p>7.3.9 Premium</p>
	<p>7.4 Variation If at any time the Managers and the Assured agree to vary the terms and conditions of the insurance, the Managers, as soon as reasonably practicable thereafter, shall issue an endorsement to the <i>Certificate of Insurance</i> stating the nature of such variation and the date from which such variation is to be effective.</p>
	<p>7.5 Contract of insurance Every <i>Certificate of Insurance</i> issued as aforesaid shall be conclusive evidence of the contract of insurance.</p>
	<p>7.6 Refusal of application The Managers may in their discretion and without giving any reason refuse an application by any person for insurance.</p>
8 Coassureds	<p>8.1 Payments Unless otherwise agreed by the Managers, where insurance is afforded in the names of or on behalf of more persons than one (hereafter Coassureds) they shall be jointly and severally liable to pay all premiums and other sums due to the Association in respect of such insurance; and the receipt by any Coassured of any payment by the Association shall be deemed to be the receipt by all Coassureds jointly and shall fully discharge the obligations of the Association in respect of such payment.</p>
	<p>8.2 Disclosure Failure by any Coassured to disclose material information within the Coassured's knowledge shall be deemed to have been failure of all Coassureds.</p>
	<p>8.3 Conduct Conduct of any Coassured which would have entitled the Association to decline to indemnify the Coassured shall be deemed the conduct of all the Coassureds.</p>
	<p>8.4 Extent of cover The Association shall not insure any Coassured against any liabilities, costs or expenses which arise other than out of the risks set out in the <i>Certificate of Insurance</i>.</p>
	<p>8.5 Limits of cover Where any insurance is in the names of or on behalf of Coassureds, any limits on the cover provided by the Association and set out in the <i>Certificate of Insurance</i> shall apply to the Coassureds in the aggregate as if the insurance had been in the name of the Assured alone.</p>
	<p>8.6 Communications Unless the Managers have otherwise agreed in writing, all communication from</p>

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

or on behalf of the Association to any Coassured shall be deemed to be within the knowledge of all the Coassureds and any communication from any Coassured to the Association or to the Managers shall be deemed to have been made with the full approval and authority of all the Coassureds.

PROVIDED ALWAYS THAT there shall be no recovery in respect of any liabilities, costs or expenses which arise as the result of a claim brought between Coassureds.

- 9 Period of Insurance** The cover afforded by the Association shall begin at the time / date set out in the *Certificate of Insurance* and shall cease at the time / date set out in the *Certificate of Insurance*.
- 10 Premium and amounts payable to the Association**
- 10.1 Premium**
The premium payable by the Assured to the Association shall be as set out in the *Certificate of Insurance* and/or in the associated premium debit note raised by the Association.
- 10.2 Payment**
The premium payment terms shall be as set out in the *Certificate of Insurance* and/or in the associated premium debit note raised by the Association.
- 10.3 Tax**
The Assured shall pay on demand to the Association the amount of any tax or other financial demand, relating to sums due from or paid by the Assured to the Association, for which the Managers determine the Association has or may become liable.
- 10.4 Set-off**
No claim of any kind whatsoever by the Assured against the Association shall constitute any set-off against sums of whatsoever nature due to the Association or shall entitle the Assured to withhold or delay payment of any such sums.
- 10.5 Penalty for late payment**
Without prejudice to the rights and remedies of the Association under Part VI Clause 13.1 *Termination of all insurances – Failure to pay*, if any premium, instalment or part thereof or any other sum of whatsoever nature due from the Assured is not paid by such Assured on or before the date specified for payment thereof the Association may order such Assured to pay interest on the amount not so paid, from and including the date so specified down to the date of payment, at such rate as the Association may from time to time determine.
- 10.6 Effect of non-payment**
Without prejudice to the provisions of Part VI Clause 13 *Termination of all insurances* and Part VI Clause 14 *Termination of insurance of Ship*, if any premium or other payment due from the Assured to the Association is not paid

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

within thirty days of the date of service on the Assured of a debit note, notice or other demand for payment there shall be no recovery from the Association in respect of any liabilities incurred by the Assured otherwise insured by the Association *provided always* that the Managers may serve a notice extending the time for payment and the Assured may then make arrangements satisfactory to the Managers prior to the expiry of the period of grace allowed in the said notice for the payment of any such premium or other payment.

10.7 Recovery

All monies from time to time payable by the Assured may be recovered by action commenced under the instructions of the Managers in the name of the Association.

10.8 Lien

The Association shall have a lien on all ships owned or bareboat chartered by the Assured in respect of monies payable by the Assured to the Association.

10.9 Other jurisdiction

Nothing in the *Certificate of Insurance* and/or these *Charterers' Insurances Terms & Conditions* (including the provisions of Part VI Clause 21 *Disputes and differences* and Part VI Clause 23 *Jurisdiction* shall affect or prejudice the right of the Association to take action in accordance with local law in any jurisdiction to enforce a right in rem or exercise a lien on ships or to obtain security by seizure, attachment or arrest of assets for any amounts payable to the Association.

10.10 Fleet insurance

Where one or more Ships have been insured as a Fleet Insurance then the debts of any one Assured in respect of any insured Ship shall be treated as the debt of all the other assureds whose Ships are or were insured as part of the same Fleet Insurance and the Association shall be entitled to act as if all the Ships forming part of the Fleet Insurance were insured for the account of the same Assured.

11 Mortgagees

At the request of a mortgagee and with the consent of the Assured, the Managers may in their discretion, and subject to the provisions of Part VI Clause 19 *Assignment*, agree:

11.1 to pay to the mortgagees, or to their order, any recovery the Assured is entitled to receive from the Association in respect of any liability, costs or expenses incurred by the Assured on receipt of notice from the mortgagees that the Assured is in default under the mortgage;

11.2 to give the mortgagees 14 days' notice of the Association's intention to cancel the insurance of the Assured by reason of the Assured's failure to pay when due and demanded any sum due from the Assured to the Association.

PART VI GENERAL TERMS & CONDITIONS

Clause	General Terms & Conditions
12 Associated Companies	<p>12.1 Cover for Associated Companies The Managers may afford cover upon terms that the benefit of the cover afforded by the Association to the Assured shall be extended to Associated Companies of the Assured. The rights and obligations as between the Association and any such Associated Company shall be such as may be agreed between the Assured and the Managers.</p> <p>12.2 Conditions of reimbursement The liability of the Association to the Assured and to Associated Companies to whom cover is extended in accordance with Clause 12.1 shall be limited in amount to reimbursement of claims relating to liabilities, costs or expenses incurred by one or more of the Associated Companies to the extent and amount only that the Assured:</p> <p>12.2.1 would have incurred the same liabilities, costs and expenses if the same claims had been pursued against the Assured; and</p> <p>12.2.2 would thereafter have been entitled to obtain reimbursement from the Association in accordance with the terms of the insurance by the Association.</p> <p><i>provided always</i> that conduct of any Associated Company which would have entitled the Association to decline to indemnify that company shall be deemed to be the conduct of the Assured.</p> <p>12.3 Receipt of reimbursement The receipt by the Assured, or any Associated Company to whom cover has been extended in accordance with Clause 12.1, of any reimbursement by the Association shall be deemed to be the receipt by the Assured and all such Associated Companies jointly and shall fully discharge the Association from any further liability to the Assured and any Associated Companies in respect of the loss and damage in respect of which the claim was brought.</p> <p>PROVIDED ALWAYS THAT the provisions of Part IV Clause 9 <i>Limitation of liability</i> shall apply to any cover given under this Clause 12 so that in circumstances where the Assured could have (in the opinion of the Association) or has limited the Assured's liability, then the amount to which the Assured could have (in the opinion of the Association) or has so limited the Assured's liability shall be the total amount recoverable from the Association.</p>
13 Termination of all insurances	<p>The Assured shall cease to be insured by the Association upon the happening of any of the following events:</p> <p>13.1 Failure to pay If, having failed to pay when due and demanded by the Managers any sum due from the Assured to the Association, the Assured is served with a notice by or on behalf of the Managers or the Association requiring the Assured to pay such sum and the Assured fails to pay such sum in full on, or before, the date</p>

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

specified in such notice.

13.2 Failure of individual

If, being an individual, he or she shall die, or becomes of unsound mind, or otherwise mentally unfit, becomes bankrupt or makes any arrangement or composition with his or her creditors generally.

13.3 Failure of corporation

If, being a corporation, an effective resolution is passed for voluntary winding up or it applies to the court to be wound up or an order is made by the court for its compulsory winding up or it is dissolved or upon the appointment of a receiver or manager in respect of all or part of the corporation's business or upon possession being taken of any property of the corporation under the provisions of a charge secured upon that property or upon its entering into or becoming subject to any composition or arrangement with its creditors or upon its commencing or being the subject of any proceedings before a court, arbitration tribunal, dispute resolution body or equivalent, of competent jurisdiction under any bankruptcy or insolvency laws to seek protection from its creditors or to re-organise its affairs.

13.4 Sanctions

If, by virtue of any Sanction, prohibition or any adverse action by a state, international or supranational organisation or other competent authority, the Association is prohibited from insuring the Assured.

14 Termination of insurance of Ship

The Assured shall cease to be insured by the Association in respect of an insured Ship upon the happening of any of the following events in relation to such Ship:

14.1 Transfer of interest

If the Assured shall cease to have a legal, beneficial or other interest in the Ship, or if entire control and possession is transferred whether by demise charter or otherwise.

14.2 Change of management

If the managers or operators of the Ship shall be changed.

14.3 Total loss

If the Ship becomes a total loss or is accepted by the hull underwriters as being a constructive, compromised or arranged total loss, except as regards liabilities flowing from the casualty which gave rise to such total loss of the Ship.

14.4 Ship missing

If the Ship shall be missing for ten days from the date the Ship was last heard of or from the Ship being posted at Lloyd's as missing, whichever shall be the earlier.

14.5 Mortgage

If the Ship be mortgaged or otherwise hypothecated, unless an undertaking or

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

guarantee approved by the Managers is given to pay all premiums due or to become due in respect of the Ship *provided always* that the Managers may waive this provision.

14.6 Classification

If the Assured fails to meet the requirements of Part IV Clause 10 *Classification and condition of Ships*.

14.7 Termination

If the insurance of the Ship shall have been terminated in accordance with Part IV Clause 10.7 *Ship management appraisal* or Part IV Clause 10.8 *Condition survey*.

14.8 Sanctions

If, by virtue of any Sanction, prohibition or any adverse action by a state, international or supranational organisation or other competent authority, the Association is prohibited from insuring the insured Ship.

15 Effect of termination

15.1 For failure to pay

If the termination of insurance shall have occurred by virtue of Clause 13.1 *Failure to pay* the Association shall not be liable for any claims under the *Certificate of Insurance*, whether the incident giving rise to such claim occurred before or after the termination of the insurance.

15.2 For any other reason

If the termination of insurance shall have occurred by virtue of any other reason, the Association shall remain liable for all claims under the *Certificate of Insurance* arising by reason of any incident which occurred before the termination but shall be under no liability whatsoever by reason of any incident which occurred after the termination *provided always* that:

15.2.1 the provisions of Clause 15.1 shall apply to the contract of insurance even if the insurance of the Ship shall have ceased under the provisions of Clause 13.2 *Failure of individual*, Clause 13.3 *Failure of corporation* or Clause 14 *Termination of insurance of Ship* before the notice specified in Clause 15.1 shall have been issued or taken effect.

15.2.2 the Association may in its discretion admit either wholly or partly any claim for which the Association is under no liability under this Clause whether the incident giving rise to such claim occurred before or after the termination of insurance.

15.3 No waiver of rights

Without prejudice to the generality of Clause 18.1 *Forbearance* no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Association nor the granting of time, nor the acceptance by the Association (whether express or implied) of liability for, or the recognition of,

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

any claim and whether occurring before or after the termination of insurance, shall derogate from the effect of Clause 13 *Termination of all insurances* and Clause 14 *Termination of insurance of Ship* or be treated as a waiver of any of the Association's rights thereunder.

16 Premium due on termination of insurance

16.1 Premium due on termination of insurance

The Assured who ceases to be insured by the Association for any reason, shall be and remain liable to pay to the Association all premium which such Assured would have been liable to pay had the insurance not been terminated *provided always* that the Assured shall be liable for the premium for the Policy Year in which the insurance ceases pro rata only for the period beginning with the date of commencement of the insurance and ending with the happening of the event that occasioned the termination of the insurance if:

16.1.1 such termination arises upon the happening of any of the events specified under Clauses 14.1 to 14.6 and the Assured gives notice of the event in writing to the Managers within one month of the date thereof; or

16.1.2 such termination arises by virtue of Clause 13.1 *Termination of all insurances – Failure to pay* in such case the Assured's liability to pay shall include the sum specified in the notice given under that Clause.

16.2 Set-off

For the purpose of determining whether any (and, if so, what) sum is due for the purposes of Clause 16.1 or otherwise under the *Certificate of Insurance* no account shall be taken of any amount due or alleged to be due by the Association to the Assured for any reason whatsoever, and no set-off of any kind (including any set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Assured) shall be allowed against such sum (whether or not any set-off against premium has been allowed at any time in the past), except to the extent (if any) to which any sum demanded by the Managers as due, and required to be paid in a notice served under Clause 13.1 *Termination of all insurances – Failure to pay*, may (in the Managers' discretion) in itself have already allowed for a set-off or credit in favour of the Assured.

17 Reinsurance

17.1 Individual risks

The Managers may reinsure on behalf of the Association the whole or any part of risks arising in connection with any insurance upon such terms and with such reinsurers as the Managers shall consider appropriate.

17.2 Risks of the Association

The Managers may reinsure or cede on behalf of the Association the whole or any part of the risks of the Association with such reinsurers and on such terms as the Managers shall consider appropriate.

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

17.3 Reinsurance recoveries

Notwithstanding the LIMIT OF LIABILITY stated in the *Certificate of Insurance* and/or Part IV Clause 9 *Limitation of liability* and/or Part VI Clause 7.3.5 *Limit of liability of the insurance*, unless otherwise agreed in writing, where reinsurance is arranged in accordance with Clause 17.1 and/or Clause 17.2 above, the Assured shall have no entitlement to recovery from the Association excess of the net amount recoverable and collected under such reinsurance arrangements together with that portion (if any) of the risk or risks retained by the Association.

18 Forbearance

18.1 Forbearance

No act, omission, forbearance or conduct of the Association whatsoever and whensoever occurring, whether by or through its officers, servants or agents or otherwise, shall constitute any admission or promise that the Association will forgo any of its rights under the *Certificate of Insurance*.

18.2 Advice of experts

Any person appointed under Part V Clause 2.4 *Appointment of experts* is appointed to assist the Assured, and any recommendations and advice which the person may give shall in no way bind, prejudice or affect the rights and remedies of the Association under the *Certificate of Insurance*.

18.3 Waiver by Association

Notwithstanding any neglect or non-compliance with, or breach of, any of the terms of the *Certificate of Insurance* by the Assured the Association may in its sole discretion waive any of the Association's rights arising therefrom and may pass and pay in full or in part any claim which it thinks fit. The Association shall nevertheless at all times and without notice be entitled to insist on the strict application of the terms of the *Certificate of Insurance*.

19 Assignment

19.1 Assignment

No insurance afforded by the Association, and no interest under terms of the *Certificate of Insurance* or under any contract between the Association and the Assured, may be assigned without the written consent of the Managers who shall have the right in their discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as they may think fit.

19.2 Set-off

The Association shall be entitled before making any payment to an assignee of the Assured to deduct or retain such amount as the Managers may then estimate to be sufficient to discharge any liabilities or potential liabilities of the Assured to the Association.

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

20 Delegation

20.1 Delegation by the Association

Whenever any power, duty or discretion is stated in the terms of the *Certificate of Insurance* to be vested in the Association, such power, duty or discretion shall be exercisable by the Board unless the same shall have been delegated to any sub-committee of the Board, or to the Managers, in accordance with the provisions as regards delegation contained in the Articles of Association of the Association in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

20.2 Delegation by the Managers

Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of the terms of the *Certificate of Insurance*, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in the terms of the *Certificate of Insurance* be exercised by any one or more of the Managers or by any employee of the Managers to whom the same shall have been delegated or sub-delegated.

21 Disputes and differences

21.1 Adjudication

If any difference or dispute between the Association or the Managers and any other person shall arise out of or in connection with the *Certificate of Insurance* or any contract of insurance between the Association and the Assured such difference or dispute shall in the first instance be referred to and adjudicated by the Board notwithstanding that the Board may have already considered the matter before any such difference or dispute arose. Such reference and adjudication shall be on written submissions only.

21.2 Arbitration

If such other person does not accept the decision of the Board, or if the Board shall fail to make any award within three months of the reference to it, the difference or dispute shall then be referred to arbitration in London.

21.2.1 The arbitration shall be conducted by two arbitrators, one to be appointed by each of the parties, and in case the arbitrators shall not agree then the difference or dispute shall be referred to the decision of an umpire to be appointed by them.

21.2.2 No Assured of the Association nor the Managers nor any employee of the Managers shall act as arbitrator or umpire.

21.2.3 The evidence and proceedings upon any arbitration may in the discretion of the arbitrators or umpire be taken in a mercantile way without regard to legal technicalities respecting evidence.

21.2.4 The arbitrators or umpire may, in case any point of law shall arise, take the opinion of such counsel or solicitor as they may think fit, and may act upon any such opinion, and unless the arbitrators or umpire taking such an opinion otherwise direct, the costs of and incidental thereto

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

shall be deemed to be part of the costs of the award.

21.2.5 The costs of and incidental to any such reference and award shall be in the discretion of the arbitrators or umpire respectively.

21.2.6 The submission to arbitration and all the proceedings therein shall be subject to the provisions of the Arbitration Act, 1996 or any statutory modification or re-enactment thereof.

21.3 Sole remedy

No such other person shall be entitled to maintain any action, suit or other legal proceedings against the Association otherwise than in accordance with the procedures laid down in this Clause 21 and may only commence proceedings, other than the arbitration under Clause 21.2 above, so as to enforce an award under such arbitration and then only for such sum, if any, as the award may direct to be paid by the Association. The sole obligation of the Association to such other person under these *Charterers' Insurances Terms & Conditions*, and any *Certificate of Insurance*, in respect of such difference or dispute shall be to pay such sum as may be directed by such an award.

22 Notices

22.1 Notices on the Association

A notice required under the *Certificate of Insurance* to be served on the Association may be served by sending it through the post in a pre-paid letter or by sending it by facsimile message or by electronic mail to the Association at the Association's registered office for the time being.

22.2 Notices on the Assured

A notice required under the *Certificate of Insurance* to be served on the Assured may be served by sending it through the post in a pre-paid letter or by sending it by facsimile message or by electronic mail to such Assured at the Assured's address or at any place of business of a broker or other intermediary through whom the insurance to which the notice relates is or was afforded by the Association. In the case of Coassureds a notice shall be served on any Coassured and such service shall be sufficient service upon all Coassureds.

22.3 Addresses

Any Assured not domiciled within the United Kingdom who shall from time to time give the Association an address within the United Kingdom at which notices may be served upon the Assured, shall be entitled to have notices served upon the Assured at such address.

22.4 Date of service

Any notice or other document if served by post shall be service deemed to have been served on the day following the day on which the letter containing the same was put in the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post in a pre-paid envelope. Any notice served by facsimile machine or

PART VI GENERAL TERMS & CONDITIONS

Clause General Terms & Conditions

electronic mail, shall be deemed to have been served on the day after it was despatched and in proving such service it shall be sufficient to prove that the notice was duly despatched.

22.5 Successors

The successors of anyone who is or was at any time the Assured of the Association shall be bound by a notice or other document served as aforesaid if sent to the last such address of such Assured notwithstanding that the Association may have notice that the Assured has become of unsound mind or is otherwise mentally unfit, or of the Assured's death, bankruptcy or liquidation.

23 Jurisdiction

23.1 English Law

The *Certificate of Insurance* and any contract of insurance between the Association and the Assured shall be governed by and construed in accordance with English law *provided always* that it is not intended that any benefit or rights should be acquired through the operation of The Contracts (Rights of Third Parties) Act 1999 or other similar legislation.

23.2 Jurisdiction

Any dispute or difference with the Association (including disputes over the interpretation, effect or application of Clause 21 above shall (subject to Clause 21) be decided exclusively by the High Court in London.