1. Activities of VHT for the Hamburg Marine Insurance Market

For the hull and builder's risk policies led by them the members have transferred the following activities to the VHT:

- Condition surveys according to "Übernahmeklausel"
- Risk consultancy, especially in cases of transfer and laid-up vessels Approvals
- Surveys, ascertainment and certification of damages Enquiries and evaluation of quotations (tender bids) as well as assistance with tenders
- Consultancy and support e.g. with:
  - particular average
  - cases of distress
  - salvage and assistance - collisions
  - recoveries

The acknowledgment of the damage or loss is reserved to the respective leading underwriter.

At the instigation of the leading underwriter the VHT is available for further activities. In individual cases and with the consent of the board of directors and the executive management the VHT accepts to carry out activities also for non-members.

In cases of damage that have to be deal t with under different policies led by VHT-members, the leading underwriters together with the insured agree on which activities to hand over to the VHT, in order to avoid a conflict of interests when ascertaining the damage or when carrying out any other of the activities mentioned above.

All activities are based on the "Allgemeine Geschäftsbedingungen fiir Dienstleistungen des Verein Hamburger Transportversicherer e.V." ("General Terms and Conditions for Services Performed by the Verein Hamburger Transportversicherer e.V.") in the latest valid version, as well as on the following conditions:

2. The Adjustment of a Damage in the Hamburg Marine Insurance Market

2.1. Information about casualties and survey of damage

The casualty must be immediately reported to the leading underwriter through the VHT. The VHT organizes the survey, ascertainment and certification of the damage, to be carried out by their staff surveyors and 1 or by surveyors appointed by the VHT's average agents.

The insured invites for such a survey and if he wishes se, participates himself by means of a surveyor or his superintendent.

2.2. Certification, Docking- and General Costs

2.2.1. The VHT draws up the certification together with the owner's surveyor if the latter's involvement is desired.

If the damage is not ascertained by a VHT staff surveyor but another surveyor instead, the leading underwriter may have the VHT - if desired, with the involvement of the owner's surveyor - certify the latter's ascertainment, i.e. confirm the extent and amount of the damage.

2.2.2. Docking- and general costs of a covered loss will be refunded according to the VHT form "Dock- und Reparatur-Nebenkosten".
2.3. **Fees, Disbursements and Expenses**

2.3.1. The underwriters will refund the following fees, disbursements and expenses:

- for condition surveys according to "Übernahmeklausel", but only if and when cover is obtained:
- for the fees for the VHT activities, i.e. staff surveyor(s) and administration fees including expenses
- for the fees and expenses of a surveyor appointed by the VHT and of an average agent reasonable and usual fees of a surveyor appointed by the insured, as far as their expenses were justified by the circumstances or fees
- for the activities of the owner's superintendent up to the amount payable to surveyors appointed by the VHT under the condition that the loss is covered.

2.3.2. The fees, disbursements and expenses will be refunded by all co-underwriters, even if they are no members of the VHT, in relation to their share of the policy.

2.3.3. If the VHT does not receive an entire refund of their fees, disbursements and expenses from the underwriters, the remaining amount has to be paid by the insured.

3. **Trading customs**

In the event of uncertainty the trading customs of the Hamburg Marine Insurance Market prevail.

In the event of any difference between the wording of this "Marine Hull Claims Practice" and the German language version, the latter shall prevail.

**DOCK AND GENERAL EXPENSES GENERAL HANDLING IN HAMBURG AND BREMEN**

**A) Dock Expenses**

*Definition*: Dock expenses comprise all costs necessary in order to dock (floating dock I graving dock I slipway) a vessel for repairs or maintenance works and to get it back from the dock to the pier.

These include:

- **Shifting** from the discharge or yard pier into the dock and from the dock back to discharge or yard pier (i.e. expenses for pilots, tugs and line handling - exclusive overtime charges).

- **Docking and undocking of vessel**, 

- **Lay days**, 

- **Surcharges** for docking and undocking outside of normal working hours (expenses up to the amount of saved lay days).

*Calculation of dock expenses*

- **Shifting expenses** (expenses for pilot, tugs and line handling exclusive of overtime charges) from the discharge or yard pier into the dock and from the dock back to the discharge or yard pier.
Docking and undocking of vessel
If the vessel is being docked for both damages and Owners' repairs, Owners and Underwriters pay 50 % of the dock expenses each.

Surcharges for docking and undocking outside of normal working hours (expenses up to the amount saved by the reduced number of lay days).
If by docking and undocking outside of normal working hours the number of docking days is reduced the expenses are borne by the Owners and the Underwriters at a rate of 50 % each.

Lay days
The expenses for lay days have to be apportioned in relation to the costs of the repairs (Owners' repairs, average 1, average 2 etc.).

B) General Expenses

Definition: General expenses comprise all costs apart from the docking, repair and/or maintenance expenses arising for a vessel's stay at a yard.

Handling of General Expenses

Expenses for shifting to the yard (pilot, tugs, line handling)
Owners and Underwriters bear 50 % each.

Fire hose convection
Owners and Underwriters bear 50 % each.

Fire safety guard during vessel's stay at yard
Depends on the particular case.
Pro-rate with the extent of the damage repaired or Owner's account.

Gasfreeing for repairs
Owner and Underwriters bear 50 % each.

Gasfree certificate
Depends on the particular case.
Pro-rate with the extent of the damage repaired or Owner's account.

Current connection
Owners and Underwriters bear 50 % each.

Current supply
1. For repairs due to average cases afloat and 1 or in a dock where vessel's current supply can be used the colts are defined as general operating expenses. These are not reimbursed.
2. For repairs due to average cases in a dock where vessel's current supply is impossible 1/3 of the colts of current supplied by the yard will be reimbursed by the Underwriters.

Telephone connection
Owners and Underwriters bear 50 % each.

Telephone charges (crew members' private calls excepted)
Depends on the particular case.
Pro-rate with extent of the damage repaired or Owner's account.
**Connection and supply of fresh water during vessel's stay at yard**
No reimbursement under the terms of the policy.

**Connection and supply of cooling water during vessel's stay at yard**
No reimbursement under the terms of the policy.

**Supply of garbage bins**
No reimbursement under the terms of the policy.

**C) Further Expenses**

Gangway guards during vessel’s stay at yard No reimbursement under the terms of the policy. Exception: Fishing vessels as these are usually unattended during the stay at the yard.

**Air freight**
25 % of average related air freight will be reimbursed by Underwriters.

**Crew colts for average repairs**
1/173 of the valid crew wages in connection with average repairs will be reimbursed by the Underwriters. For German crew members the German hire tariff is applicable, for foreign crew members the Owner has to prove the respective hire rate unless the ITF tariff is applicable.

**Tank clearing by the crew**
The expenses for tank cleaning depend on the particular case and on the degree of soil: "Clean products" are based on EUR 0,26/m3 whereas "dirty products" are based on rates of EUR 0,92 to 1,021 m3.

If both, damage repairs and Owner's repairs are carried out, Owners and Underwriters pay 50 % each.

**Agency fees**
Depends on the particular case if the agency is involved in damage repairs.

**Example of how to calculate and apportion dock expenses**

Dock expenses:
| Expenses for shifting to the dock etc. | EUR 1.480 |
| Docking and undocking | EUR 1.900 |
| Surcharges for undocking outside regular working hours | EUR 1.400 |
| 1 lay day saved as agreed | EUR 1.300 |

Total | EUR 4.680 |

This amount is split 50 % for Owners | EUR 2.340 |
Underwriters | EUR 2.340 |

Duration of repairs:
| Expenses for lay days EUR 1.300/day for 7 days | EUR 9.100 |

Vessel docks 12.05. Vessel undocks 19.05.
Total docking time: 7 days

Owner's repairs (routine) Bottom damage
Shell plating damage (under water)
3 days apportioned 3/14
7 days apportioned 7/14
4 days apportioned 4/14

Total: 14 days

Proportion of
Owner's repairs apportioned 3/14 EUR 1.950, + 2.340,
Bottom damage apportioned 7/14 EUR 4.550, + 1.170,
Shell plating damage apportioned 4/14 EUR 2.600, + 1.170

Complete dock expenses:
Owner's repairs EUR 1.950,- + 2.340,- = EUR 4.290
Bottom damage EUR 4.550,- + 1.170,- = EUR 5.720
Shell plating damage EUR 2.600,- + 1.170,- = EUR 3.770

If due to damage the vessel is docked immediately and only that damage is repaired then 100 % of the dock expenses will be reimbursed by the Underwriters. However, if the Owner uses the docking to also carry out his own repairs then the dock expenses are apportioned according to the above example.