

For Information Only

LOSS PAYABLE AND CANCELLATION CLAUSE

By an agreement between ..... (called the "Owner" of the vessel ....) and ..... (called the "Operator" of the vessel .....), it is agreed that :

All claims for 100 % basis shall be payable to the Owner unless the Owner gives its prior written consent that such claim shall be released to any other party

Underwriter agree that the Owner shall be given at least fourteen (14) days' prior telegraphic notice of cancellation, alteration, termination or expiry of this policy or any failure by the Operator to pay premiums as and when due. Underwriter s(insurers) shall promptly advise the Owner of any act or omission of which the Underwriters are aware that might void policy or make the same invalid or unenforceable in whole or in part.

Date :

This clause must be signed by authorized people representing each of the parties.

LOSS PAYABLE CLAUSE

It is noted by an Assignment in writing dated the ..... day of ..... the Owner, ..... assigned to ..... (the "Mortgagee") this policy and all benefit hereof including all claims of whatsoever nature hereunder. Claims hereunder payable in respect of an actual or constructive or agreed or arranged or compromised total loss or requisition for title or other compulsory acquisition of the Vessel and claims hereunder payable in respect of any major casualty that is to say any casualty in respect whereof the claim or the aggregate of the claim exceeds two hundred and fifty thousand United States Dollars (US\$ 250,000) shall be payable to the Mortgagee. Subject thereto all other claims, unless and until the Underwriters have received notice from the Mortgagee of a default under the Mortgage in which event all claims under this Policy of Insurances shall be payable direct to the Mortgagee up to its mortgage interest, shall be released directly for repairs salvage or other charges involved or to the Owner as reimbursement if it has fully repaired the damage and paid all of the salvage or other charges.

LOSS PAYABLE CLAUSES  
(Hull and War Risks)

Loss, if any, payable to [Name of Mortgagee], Mortgagee. for distribution by it to itself and to [Name of the owner] , owner, as their respective interest may appear, or order, except that, unless Underwriters have been otherwise instructed by notice in writing from the Mortgagee, in the case of any loss involving any damage to the Vessel or liability of the Vessel, the Underwriters may pay directly for the repair, salvage, liability or other charges involved or, if the Owner shall have first full repaired the damage and paid the cost thereof, or discharged the liability or paid all of the salvage or other charges then the Underwriters may pay the Owner as reimbursement therefor, provided, however, that if such damage involves a loss in excess of USD 200,000 or its equivalent the Underwriters shall not make such payment without first obtaining the written consent thereto of the Mortgagee.

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In the event of an actual or constructive total loss or a compromised or arranged total loss or requisition of title, all insurance payments thereof shall be paid to the Mortgagee, for distribution by it in accordance with the terms of the Indenture of Mortgage.

LOSS PAYABLE CLAUSE

By a first assignment of the insurance on the motor vessel ..... (the "Vessel") contained in a General Assignment dated ..... and made between ..... (the "Owner") and ..... (the "Mortgagee"), the Owner assigned to the Mortgagee (inter alia) this insurance and the benefits thereof, including all claims of whatsoever nature in respect of the Vessel, return of premium, and each and every right hereunder.

It is further noted and agreed :

- (a) that in the event of actual or constructive or compromised or arranged total loss of the Vessel, all proceeds of insurance of whatsoever amount shall be paid to the Mortgagee ;
- (b) that all other losses not exceeding ..... shall be paid to the Owner, or the Bareboat charterers, or their respective order (as their respective interests may appear), unless and until the Owner shall be in default under a First Preferred Panamanian Ship Mortgage of the Vessel in favour of the Mortgagee and if the Underwriters or Insurers shall have been so notified by the Mortgagee, then such losses shall be paid to the Mortgagee;
- (c) that all other losses exceeding ..... shall be paid to the Mortgagee.

LOSS PAYABLE CLAUSE

By an assignment of the insurances on the motor vessel ..... (the "Vessel") contained in a Deed of Covenants made by ..... (the "Owner") and ..... (the "Demise Charterer") in favour of ..... (the "Mortgagee"), the Owner and the Demise Charterer (inter alia) assigned to the Mortgagee this insurance and the benefits thereof, including all claims of whatsoever nature in respect of the Vessel, return or premium, and each and every right hereunder.

It is further noted and agreed :

- (a) that in the event of actual or constructive or compromised or arranged total loss of the Vessel, all proceeds of insurance of whatsoever amount shall be paid to the Mortgagee ;
- (b) that all other losses not exceeding ..... shall be paid to the Owner and the Demise Charterer or their order unless and until the Owner or the Demise Charterer shall be in default under Deed of Covenants of the Vessel in favour of the Mortgagee and if the Underwriters or Insurers shall have been so notified by the Mortgagee, then such losses shall be paid to the Mortgagee;
- (c) that all other losses exceeding ..... shall be paid to the Mortgagee.

LOSS PAYABLE CLAUSE

Insured :  
Vessel :

It is noted that by an assignment dated ..... and made between the Insured and ..... (the "Assignee") the Insured assigned absolutely unto the Assignee this policy and all benefits hereof

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including all claims of whatsoever nature hereunder and including the right to negotiate and settle at any time whether any claim is a claim in respect of a total loss ("Total Loss"); and that :

(i) Claims hereunder in respect of a Total Loss shall be payable to the Assignee or as the Assignee may direct.

(ii) Until such time as the Assignee may direct to the contrary, all other losses hereunder shall be payable to the Assignee except that claims ( or the aggregate of claims) in respect of any one accident not exceeding ..... including any deductible or franchise shall be paid to the Insured, unless and until the (Insured(s)) (Underwriter(s)) receive notice that there has occurred an event of default under the First Preferred Mortgage on the Vessel granted or to be granted by the Insured to the Assignee when such insurance proceeds shall be paid directly to the Assignee from distribution by it firstly o itself and/or to its order.

Notwithstanding anything contained herein to the contrary, however, in cases where a surety has paid or is liable to pay any claims covered under the provisions of the collision and/or salvage clauses in the policies on hull and machinery the proceeds under such provisions shall be payable directly to the surety to the necessary extend.

### LOSS PAYABLE CLAUSE - ADDITIONAL PROVISIONS

Notwithstanding anything herein to the contrary :

Claims for liability to a third party, falling on the insurers, can be settled by the insurers directly to the third party.

Insurers shall be empowered to arrange for Guarantees to be given in respect of such third party claims and in respect of any claims covered under the provisions of the collision and/or salvage clauses in the policy on Hull & Machinery.

When a guarantee(s) has been arranged by the Insurers as aforesaid and the Guarantor has paid or become liable to pay any sum thereunder, there shall be payable directly to Guarantor out of the proceeds of the said Policy a sum equal to the sum so paid or payable under the Guarantee.

Insurers shall also be empowered to arrange for Guarantees to be given to Repairers/Repairs yards in respect of repairs costs covered under the Hull & Machinery Policy, in which event there shall be payable directly to the Guarantor out of the proceeds of the said policy a sum equal to the sum so paid or payable under the Guarantee.