

DANISH TIME CLAUSES – HULLS 01.01.1992
(Denmark)

This is a free translation of the Danish Time Clauses – Hulls 01.01.1992.
In case of doubt the Danish Wording to prevail.

This insurance is subject to the provision of the Danish Marine Insurance Convention of 2nd April 1934, Danish Marine Insurance Practices and the following conditions :

1. The extend of the insurance

This insurance shall cover the vessel i.e.

1. Hull
2. Machinery
3. Equipment, and
4. Spare gear

This insurance also to include items 1 – 4 even though these items do not belong to the Assured, but are borrowed, rented, leased or hired by him with an obligation to insure.

This insurance to exclude owners' out.. and crew's effects.

2. Attachment and termination

2.1 Period of insurance

This insurance shall be in force during the period of insurance stated on the front page of the policy.

Attachment and termination to be determined according to the date and time of the vessel's position.

2.2 Continuation

Should the vessel at the expiration of this insurance be at sea or at a port of refuge, this insurance shall continue to be in force during the remaining part of the voyage to the first port or place at which the vessel is scheduled to call and during its stay there, however not beyond midnight of the day of arrival.

Should the vessel at the expiration of this insurance be under repair of damage covered by this insurance, it is to be continued until such repairs have been completed. If such repairs are imminent, this insurance may be continued at the Assured's request.

In the event of continuation as above a pro rata additional premium per day of the annual premium is to be paid.

2.3 Automatic termination

This insurance is to terminate automatically :

1. If the vessel change classification society or its class is changed, suspended, discontinued or withdrawn.
2. If the vessel changes its flag
3. If the vessel is transferred to new management or chartered away on bareboat conditions.
4. If the vessel is sold,
5. If the vessel with the Assured's knowledge or consent is used for smuggling or other illegal purpose.
6. If the vessel is transferred to a foreign power or requisitioned for title or use by Danish legal or illegal authorities.

The termination shall occur at the time of the event in question unless otherwise agreed in advance.

As to items 2 and 3 the termination shall, however, not occur until 14 days after the event in question.

A pro rata return of annual premium is to be paid.

3. Scope of cover

3.1 All loss or damage

Unless otherwise stipulated in the Danish Marine Insurance Convention of the 2nd April 1934 or in the provisions of this policy, this insurance is to cover all loss or damage to the subject matter insured caused by a fortuitous accident.

3.2 Pollution, Hazard, etc.

This insurance covers loss of or damage to the subject matter insured caused by any governmental authority to prevent or mitigate pollution or other damage to third party property originating from a fortuitous accident covered by this insurance.

3.3 Machinery damage

The provisions of Sec. 155 of the Convention are deleted.

4. Exclusions

4.1 Loss of earnings etc.

This insurance does not cover loss of earning, loss of market or increase in ordinary costs caused by delay or similar losses or expenditures.

4.2 Arrest

This insurance does not cover loss of or damage to the subject matter insured caused by arrest or other legal action by the Assured's creditors unless such action is due to a claim covered by the insurance and provided that the Assured cannot be blamed that such arrest or other action has not been avoided.

4.3 Nuclear Exclusion

Notwithstanding anything to the contrary in the provisions of the policy and of the Danish marine Insurance Convention of the 2nd April 1934, this insurance does not cover loss or damage caused by :

1. Nuclear reaction e.g. nuclear fission, nuclear fusion or nuclear fail-out.
2. Radioactivity, explosion or contamination from any nuclear fuel, any nuclear waste or from any nuclear installation, nuclear assembly or nuclear components.

Irrespective of whether such loss or damage occurs in time of war or in time of peace.

4.4 War exclusion etc.

This insurance shall not cover :

1. risks of war including damage resulting from warlike events,
2. damage resulting from such riots or such civil commotions where weapons of war are used,
3. expropriation, seizure, detention or similar action from Danish or foreign legal or illegal authorities.

This insurance shall cover loss or damage caused by such weapons of war without nuclear charges, which have not been fired or laid for the purpose of war or imminent war, or riots or civil commotions as mentioned in 2 above.

If it is evident or if there is prevailing likelihood that any loss or damage is due to sabotage or similar act, such loss or damage shall be deemed war damage unless it is assumed or most probable that the act is not motivated by war or is not in any other way caused by war, warlike events or riots or civil commotions where weapons of war are used.

If the vessel is insured with the Institute of Underwriters of War Risks Insurance on Danish Ship set up under Act n° 183 of the 4th May 1939 as amended by Act N°141 of the 29th April 1955 governing the insurance of Danish ships against war or on similar conditions, the following rules are to apply :

If the vessel has disappeared or is lost and it is not possible to ascertain whether such loss is due to any cause within the scope of this insurance or within the scope of the War Risks Insurance, such loss shall be made good under the insurance in accordance with the rules applying in so far as the loss will not be made good under the War Risks Insurance according to Sec. 14 of the conditions of the war risks policy of the Underwriters of the War Risks Insurance of Danish Ships or under a war risks insurance written on the same conditions in case of a dispute as to whether the loss is to be made good wholly or for one half under this insurance or whether it is to be made good wholly under the War Risks Insurance , the Assured may at maturity as provided for by Sec. 90 Subs 2 of the Convention has been reached , claim payment on account from the Insurer of a sum without interest equal to half the amount of the loss made up in accordance with the rules applying to this insurance. At the payment of such sum on account the insurers shall have the right of subrogation to the same extend in respect of any claim on the part of the Assured against the Underwriters of the War Risks Insurance for final settlement of the entire claim.

4.5 Unseaworthiness

This insurance does not cover loss or damage due to the fact that the vessel at departure from last port or place was not seaworthy, properly equipped and manned, provided with the required documents regarding vessel and cargo and properly loaded unless it can be assumed that the Assured neither knew nor should have known the existence of the fault.

4.6 Laying-up

This insurance does not cover loss or damage due to the fact that the vessel during laying-up is not in a proper condition, properly laid-up or under proper supervision unless no blame herefore can be attached to the Assured.

4.7 Breach of Safety Regulations

In the event of the Assured's breach of safety regulations given by Danish or foreign public authorities or by internationally recognised organisations in respect of loading, transportation and discharge of cargo, or the Assured can be blamed for others having breached such safety regulations, the Assured shall only be entitled to claim compensation to the extend that it can be established that such breach had no influence on the occurrence of the insurance event and the extend of the damage.

4.8 Salvage, lightening and towage

This insurance does not cover loss or damage due to the fact that the vessel without being insured as a salvage vessel with the consent of the Assured undertakes salvage operations for which there is no due course.

In other cases compensation for loss or damage arising from the vessel undertaking salvage operations may only be claimed to the extend that such loss or damage has not been recovered through the salvage award.

The above provisions shall also apply when the vessel renders other assistance then salvage e.g. lightening and towage.

4.9 Fines, etc.

This insurance does not cover fines imposed and does not pay compensation or seizure or confiscation of the vessel, which takes place because the master of the vessel, the crew or any other party has defrauded or is suspected of having defrauded the customs, violated import or export prohibitions or the like or attempts thereon.

4.10 Ordinary use

This insurance does not cover loss or damage to any par of the subject matter insured caused by ordinary use.

5. Limitations in the scope of cover

5.1 Faulty design etc.

If damage is caused by faulty design or defective material, this insurance does not cover damage to the defective part of the vessel.

When the vessel is classified in the highest class with a recognized classification society and the part is approved, this insurance shall irrespective of the provisions of the first paragraph cover damage to the machinery due to :

1. defective material irrespective of the defective part being damaged or not
2. faulty design if found in boiler, air receiver or parts of the main engine and if resulting in bursting, breaking, cracking, bending or similar damage. By main engine to be understood the propelling machinery and any units appertaining to or working together with the propelling machinery, propeller, propeller shaft and sterntube.

5.2 Wear and tear etc.

If damage is caused by wear and tear, age, rust, corrosion or the like, this insurance does not cover damage to the affected part of the vessel.

5.3 Moveable equipment

Loss or damage to moveable equipment shall only be covered if caused by :

1. fire or explosion,
2. sinking, capsizing, stranding or grounding of the vessel,
3. collision between the vessel or its equipment with any fixed or floating object outside the vessel including ice,
4. malicious damage or robbery including piracy
5. theft from locked room assumed not to have been committed by crew or passenger.

5.4 Theft during laying-up

During laying-up and port call, this insurance does not cover theft of parts of the machinery, spare gear, furniture or cabin equipment unless there is a permanent watchman onboard. One watchman may attend two vessels moored alongside each other.

5.5 Ice damage

Without special agreement with the insurer, this insurance does not cover ice damage sustained in the Skagerrak, the Kattegat, the Baltic, the Gulf of Botnia, the Finnish Gulf, including all adjacent bays, channels, inlets, canals and lakes, in the Kiel Canal, during navigation to and from German North Sea ports and Delfzijl, as well as ports in the west coast of Jutland.

5.6 Renewal of Iron and steel part

If a complete repair of damage to iron and steel parts will result in excessive costs of repairs and provided the vessel can with a less extensive repair be brought back into a fully seaworthy condition, and if it is classed, maintain the class, this insurance will only cover the cost of such repairs. In such cases, the Assured shall not be entitled to claim any compensation for depreciation in value.

5.7 Maximum for the Insurer's Liability

The liability of the Insurer cannot for each claim or series of claims arising out of the same event exceed :

1. the sum insured for loss of or damage to the vessel,
2. an amount equal to the sum insured for compensation to 3rd party cf. §7 and costs and expenses as stated in Sec. 61 of the Convention.

6. Expenses related to repairs

6.1 Bottom painting

This insurance does not cover expenses in respect of scraping and painting of the vessel's bottom and waterline.

6.2 Wages and maintenance

This insurance does not cover wages and maintenance or other expenses to or for the crew of the vessel. In accordance with the provisions of Sec. 51 – 55 of the Convention this insurance will, however, pay the vessel's contribution to wages and maintenance etc. allowed in General Average and also wages and maintenance incurred during shifting of the vessel cf. § 6.10 and § 6.11.

6.3 Docking expenses

When repairs of damage recoverable under this insurance and work under private contracts with the assured are being executed in dock at the same time, the following rules shall apply :

If docking has been decided upon solely for the purpose of work under a private contracts with the Assured, this insurance shall, in case repairs of damage necessitating docking and covered under this policy are also being executed, make good one half of the cost of entering and leaving the dock and of the dockage in respect of the time during which the said work under private contracts with the Assured and repairs of damage covered under this policy are being simultaneously executed, as well as the full amount of dockage in respect of any time by which the repair of damage covered under this policy may prolong the docking period.

However, if any such docking has been decided upon solely or also for the purpose of repairing damage covered under this policy, this insurance shall make good the cost of entering and leaving the dock and the full amount of dockage in respect of any time required for such repairs. If such docking takes place more than 24 months after the vessel last left dock, this insurance shall make good only one half of the cost of entering and leaving the dock and dockage in respect of which repairs covered under this policy and scraping and painting of the vessel's bottom and waterline are being executed simultaneously.

6.4 Other expenses incidental to repairs

When repairs of damage covered under this insurance and work under private contracts with the Assured are being simultaneously executed, the compensation in respect of shifting berths, engine room necessaries, harbour dues and other such expense in connection with docking, stay at shipyard or elsewhere shall be fixed in accordance with the rules applying to docking expenses cf. § 6.3.

6.5 Classification fees

This insurance covers without the application of the deductible any fees paid to classification societies in respect of surveys in connection with damage covered under this policy. Other classification fees cannot be claimed.

6.6 Survey fees

This insurance covers, without the application of the deductible, necessary costs to determine whether a fortuitous accident has caused damage recoverable under this policy and for ascertainment of the extend of such damage.

This insurance does not cover travel expenses or other expenses to or for the Assured's superintendents or other technical expertise representing the Assured at surveys and at repairs.

6.7 Adjustment fees

This insurance covers costs for the adjustment of compensation to be paid under this policy.

6.8 Temporary repairs

This insurance covers expenses for temporary repairs, which are necessary because final repairs cannot or cannot within reasonable costs be executed at the location of the vessel.

In other cases claims for temporary repairs are only recoverable to the extent that other expenses are saved for the insurer.

6.9 Repairs executed in overtime

This insurance only covers cost of repairs executed in overtime by the Assured's order to the extent other expenses are saved for the insurer.

6.10 Costs of shifting

If it is necessary for the vessel to be shifted to a place of repair for the purpose of repairing damage, which cannot be postponed or if such postponement will cause further damage, this insurance will cover the costs of such shifting.

Costs of shifting include wages and maintenance, consumption of fuel and other engine room necessities during shifting and related harbour dues.

6.11 Invitations for tenders

In case of a significant damage the insurer as well as the Assured may demand tenders to be invited from various yards.

If tenders are invited, the cheapest tender which the Assured may reasonably be expected to accept shall form the basis if the calculation of the compensation.

Are tenders invited with the Insurer's consent, this insurance covers costs of docking, wages and maintenance, consumption of fuel and other engine room necessities and similar expenses during stay caused hereby. Furthermore, this insurance cover costs of shifting cf. § 6.10.

6.12 Interest

The provisions of Sec. 88 and 89 of the Convention regarding interest are deleted, interest in respect of losses or expenses which under other circumstances are made good to the Assured is to be allocated to the Insurers to the extent that he has paid compensation or made payment on account for such losses or expenses.

7. Collision Liability to third party

7.1 Scope of cover

With the exclusion mentioned in §7.2 this insurance covers the compensation which the Assured must pay to third party for collision damage caused by the vessel as well as the necessary costs of litigation, arbitration or settlement negotiations in relation to such compensation.

Sec. 160 subs 2 of the Convention is deleted.

There is collision when the vessel or its equipment collides with another vessel or fixed or floating object or when another vessel or fixed or floating object collides with the vessel or its equipment.

7.2 Exclusions

This insurance does not cover compensations payable to third party as a result of :

1. loss of life or personal injury,
2. damage to the vessel's own cargo or other property including crew's effects which are onboard the vessel,
3. pollution damage or other damage caused by cargo or outfit of the insured vessel or of any other vessel, or of any other fixed or floating object. If the insured vessel has collided with any other vessel, or any other fixed or floating object, this insurance will, however, cover any compensation which the Assured must pay for such damage to any other vessel or any other object or their cargo,
4. compensation to charterers or any other parties whose interests are attached to the vessel,
5. compensation which is solely founded in a contract or an agreement with a towage company, shipyard or any other party, unless such contract or agreement is considered customary.

8. General Average, salvage etc.

8.1 General Average

When a general average act has been undertaken to have the vessel and other contributory interests from a peril insured against, the vessel's general average contribution as stated in a lawful adjustment is recoverable under this insurance cf. Sec. 51 – 55 of the Convention.

8.2 Average disbursements

If under a voyage expenditures are incurred which may be considered a general average expenditure, the Assured must without delay take out a customary general average disbursements insurance.

Should the Assured fail to do so, any expenditure that would have been covered by such an insurance will not be recoverable under this insurance.

8.3 General Average compensation settled in particular average.

Even though loss of the vessel or partial damage to the vessel may be made good in general average wholly or partly, the Assured may claim compensation for such loss or damage in accordance with the provisions governing compensation for particular average.

To the extent that the Insurer has paid compensation for loss or damage recoverable in general average, he enters into rights of the Assured to such general average compensation.

8.4 General Average interest and commission

The Insurer is entitled to interest and commission on general average expenditures paid by them. Has the insurer made payment on account for the Assured's general average sacrifices and expenditures, he is entitled to interest on the amount paid on account, calculated as from the date of such payment.

8.5 General average for vessel sailing in ballast

If the vessel sails in ballast and there are no other contributory interests, this insurance covers general average damage to the vessel in accordance with the provisions of the latest York-Antwerp Rules, unless otherwise stipulated in a charter party, provided the act causing the damage was undertaken to save the vessel from a perils insured against. No commission or interest is payable.

8.6 Salvage expenses etc.

In addition to the instances mentioned in §§8.1 and 8.5, this insurance covers expenses and sacrifice reasonably incurred or undertaken to save the vessel from an imminent peril or to limit damage, provided, however, that the said peril or damage is covered under this insurance.

9. Total loss of the vessel

9.1 Compensation for or as for total loss

The Assured is entitled to compensation for or as for total loss in accordance with the provisions of Sec. 126 – 136 of the Convention.

9.2 Unrepaired damage

Notwithstanding the provisions of Sec. 84 subs 2 of the convention, no deductions shall be made in the sum insured in case of compensation for total loss or constructive total loss for previous damage to the vessel that had not been repaired at the time of the total loss, unless such damage made the vessel unseaworthy. In respect of damage which is subject to no such deductions, the Assured shall have no right of compensation under any other insurance.

After such total loss of the vessel the Assured shall not be entitled to obtain compensation for previously incurred, unrepaired damage which did not make the vessel unseaworthy. This rule shall apply even where such total loss is not covered by any insurance.

9.3 Compensation as for total loss

If the vessel has sunk, stranded or otherwise perished and the insurer holds that the cost of the salvage combined with the cost of the repairing the damage to the vessel will exceed the sum insured, he shall have the right by making good the value of the vessel in accordance with the rules applying to constructive total loss, or free himself from any liability in respect of any expenses and consequences of salvage measures for which the Assured is not already liable at the time when he is advised of the intention of the insurer to avail himself to this right.

If compensation is paid under this rule the provisions of Sec. 72 of the convention shall not apply. This insurance shall cease at the time mentioned above and the provisions in Sec. 41 of the Convention shall not apply.

9.4 Full annual premium

In case of compensation for or as for total loss cf. provisions of § 9.1 and § 9.3 the insurer is entitled to receive the full premium for the entire agreed period of insurance.

10. Deductions from compensation

10.1 Deductible

The deductible agreed for this insurance shall be deducted from each and every claim recoverable under this insurance.

Damages sustained during the period between the departure from one port or place and the arrival at the next port or place, port of refuge excluded, or during one single stay in port shall be deemed one damage.

10.2 Separate deductible for machinery claims

For damage to the vessel's machinery which is not directly caused by :

1. Fire or explosion of anything but the machinery,
2. The sinking, capsizing, stranding or grounding of the vessel,
3. The vessel's collision with another fixed or floating object including ice
4. Malicious damage or robbery including piracy,
5. Theft presume not to have been committed by crew and passengers,
6. The main engine room being wholly or partly flooded,

A separate deduction of 25% is made from the amount otherwise recoverable. This deduction shall for each separate claim be subject to the minimum and maximum deductibles stated in the policy.

For damage occurring or being discovered after more than 7000 running hours, or if special records of running hours are not kept, more than 12 months after a completed end by the classification society approved repair, a new minimum respective maximum deductible shall be applied cf. Sec. 1.

The deductible referred to in § 10.1 is not to be applied to claims where the separate machinery deductible is applied.

Damages caused by heavy weather and sustained during the departure from one port or place and the arrival at the next port or place shall be deemed one damage.

10.3 Claims payable without application of the deductibles

The deductibles referred to in §§ 10.1 and 10.2 are not to be applied to claims for or as for total loss, general average, salvage costs and salvage expenses.

10.4 Deductions "new for old"

The provisions of Sec. 154 and 157 of the convention about deductions and franchises are deleted.

11. Payments of compensation

11.1 Payments on account

If the Assured has defrayed expenses in respect of which the insurer is liable, or if payment of such expenses are imminent and if the particulars required to make the fixation of a payment on account are procurable, and provided no final compensation can be fixed or settled, the Assured as well as the Insurer may demand that the fixation of a payment on account be made. If payment on account is calculated as above, the insurer must pay not later than 14 days after the calculation of the payment on account is at hand.

11.2 Final compensation

Compensation for partial damage must be paid by the Insurer, except in the case mentioned in Sec. 85 of the Convention, within 14 days from the day the computation of the compensation has been made.

Compensation for or as for total loss and partial damage according to the provisions of Sec. 85 of the Convention must be paid by the Insurer not later than 2 months from the production of evidence required. If the right of the Assured to claim compensation as for total loss occurs after the expiry of a time limit, the insurer must pay the compensation within 14 days of the expiry of the time limit. In the event of the required evidence not being produced at the expiry of the time limit, compensation to be paid 14 days after it has been produced.

11.3 Interest

If the insurer does not make payment on account cf. §11.1 or final compensation cf. §11.2 on time, interest must be paid according to the provisions of the interest Rate Act as from the day, when compensation should have been paid till compensation is paid.

12. Other provisions

12.1 Disbursement Warranty

It is agreed that any amount insured or being insured on the vessel's hull interests, freight and/or freight interests or the like cannot exceed 40% of the hull value.

This rule shall not apply to unvaluated insurance for owner's outfit, freight for anyone voyage undertaken by the vessel or freight stipulated in the time charter party under the which the vessel is trading, provided that such insurance has not been taken out in combination with insurance of interests. This provision does not apply to insurances covering insurance premiums, loss of hire and third party liability.

12.2 Sisterships

If the insured vessel collides with, salves or is salved by another vessel belonging to the same owner, the liability of the insurer shall be determined as if the vessels belonged to different owners. This provision shall also apply if the insured vessel collides with, salves or is salved by anything other than a vessel.

12.3 Hull value/market value

Provided that the hull value is not less than the market value of the vessel in a good and sound condition at the time the insurance attaches, the rule is the last paragraph of Sec. 160 of the convention regarding reduction of the insurer's liability for compensation to third party for damage caused by collision and the rules of Sec. 163 and 165 of the Convention regarding reduction of compensation for general average contributions and salvage moneys shall apply only if the above market value of the vessel exceeds the hull value by more than 25%, in which case the reduction shall be calculated on the basis of the hull value plus 25%.

12.4 Return of premium for lay-up

If the vessel is laid up in a good and safe port or at an anchorage approved in advance by the insurer for an uninterrupted period of not less than 15 days, a pro-rata return per day of the annual premium shall be allowed ; but for continued laid-up risks a premium of 20 % of the annual premium is charged, however not less than 0,4% and not more than 0,8% per annum.

If the vessel is laid up with cargo onboard, the laying up premium for continued risks shall be increased by 25%.

No return premium shall be allowed during lay-up to average or damage repairs.

12.5 Trading warranty

This insurance covers navigation within the trading area specified on the front page of the policy.

12.6 Insurer's access to the vessel's classification papers

The insurer shall through the intermediary of the Assured be granted access to the classification papers related to the insured vessel.

12.7 Venue

The insurer and the Assured agree upon the Copenhagen Maritime and Commercial Court as court of venue and with the Danish Supreme Court as court of appeal in any dispute arising from this insurance.