

GENERAL HULL INSURANCE CONDITIONS (Finland)

MAIN WORDING (dd. 1. 1. 1968)

AMENDEMENTS dd. 1. 1. 1976, dd. 1. 1. 1992,
dd. 1. 1. 1995, dd. 1. 1. 1996.

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ADDITIONAL CLAUSES

WARNING :

The attached clauses have been copied from various documents received from our producer and should not be considered as an official version. In case of litigation, Readers must keep in mind that the Original wording in the Original language will prevail.

Note :

The English version of the GHIC is not completely updated compared with the official Finnish wording.

GENERAL HULL INSURANCE CONDITIONS (FINLAND) 1. 1. 1968

In case of dispute concerning these General Insurance Conditions Clauses and Supplementary Clauses, the original Finnish text shall prevail.

General provisions

§ 1 • Basis of Insurer's liability

1 • The Insurer is liable under these General Hull Insurance Conditions and clauses agreed and also any special insurance conditions inserted in the policy or attached to it, and under the Insurance Contracts Act (ICA) in force at the time of conclusion of the contract of insurance, in so far as the Act contains provisions that are imperative or not inconsistent with the conditions aforementioned.

2 • Any special insurance conditions and provisions written in or stamped on the policy or attached to it shall be paramount to the corresponding provisions in the General Insurance Conditions and other conditions.

3 • At the time of concluding the contract of insurance the Assured shall give the Insurer all particulars about the vessel that the latter may request, and disclose every material fact which the Assured realizes would influence the judgment of the Insurer when assessing the risk.

4 • In these insurance conditions the word Assured also means Policy Holder.

§ 2 • Clauses and supplementary clauses, stranding

1 • The policy shall specify under which of the following clauses and supplementary clauses the contract of insurance has been concluded :

- 1 - Total Loss Clause
- 2 - Total Loss and Salvage Clause
- 3 - Stranding Clause
- 4 - Perils of the Sea Clause
- 5 - General Average Supplementary Clause

- 6 - Collision Liability supplementary Clause
- 7 - Fire Risk Supplementary Clause,
- 8 - Machinery damage and Faulty Material Supplementary Clause,
- 9 - Port Risk Supplementary Clause.

2 • Within the meaning of the clauses and these conditions, stranding shall signify that the vessel has touched bottom, stranded, struck another vessel - even when navigating in ice - or another floating or fixed object, including an iceberg in the open sea but no other form of ice, capsized or sunk, or that the vessel has been damage by fire, explosion or lightning. In the event of a collision with another vessel when navigating in ice, the stranding is deemed not to cover ice damage caused through the collision.

3 • The extend of the insurance appears from the clause or clauses attached to the policy.

§ 3 • Subject-matter insured

1 • Hull insurance covers :

- a) the vessel's hull, including parts firmly attached to it as well as the rudder with stick, pins, bushes, boxes, bearings and quadrant or its equivalent, and mast with rig, spars, booms, jibs, davits, ventilators and fitting, air and sounding pipes and also hatch beams and hatches of steel or other metal, permanently fixed ballast and cementing, and suchlike;
- b) the vessel's machinery, including all units belonging to the propelling machinery or interacting with it, also boilers and pressure vessels, shafts, piping and other leads, valves, bearings, propellers, those parts of stern-tubes that have to be renewed periodically on account of wear and tear, tube boxes, engines necessary for utilizing the vessel, auxiliary engines, winches, hoists and apparatus of all kinds, as well as rudder leads, electrical installations, fixed communication appliances and such like ;
- c) the vessel's materials and fitting, including her boat and lifesaving rafts with appertaining normal equipment, anchors and chain, towing and mooring gear, cargo hatches of woods and hatch tarpaulins, the vessel's interior movables and other objects of a more permanent nature which, having regard to the type of vessel and the trade concerned in each separate case, are usually employed for utilizing her ; and
- d) the vessel's spare gear, intended for replacement of parts of her hull or machinery.

2 • An object which is not on board is covered by the insurance only where it has been temporarily removed from the vessel on account of repairs, rebuilding or suchlike or otherwise in the service of the vessel, provided that the object is to be taken on board before the departure of the vessel.

3 • Hull insurance does not cover :

- a) cargo tarpaulins, loose shifting board, extra ceiling, timber or other material intended for shoring, securing, lashing or separating the cargo.
- b) provisions, fuel, engine stores, paints or other material or equipment intended for consumption; nor, unless otherwise specially agreed :
- c) works of art and other ornaments on board ;
- d) boats or equipment intended for use in fishing or hunting, and mechanical appliances fro preparing catch or other products ; nor
- e) installations or objects on board not belonging to the Shipowners.

§ 4 • Insurable value and sum insured

1 • The insurable value of the vessel means her full value at any particular time while the insurance is in force. the sum insured means the sum for which the insurance was effected.

2 • In the case of a valued policy, the agreed value is binding on the parties to the contract, though not on the Insurer, however, if at the time of concluding the contract of insurance the Assured submitted misleading information for assessing the value of the vessel.

3 • In the case of an unvalued policy, the Insurance Contracts Act § 39 sect. 1 shall apply to over-insurance and § 40 of the Act to under-insurance.

4 • This insurance shall be deemed to have been effected on a valued policy basis unless otherwise expressly stated.

5 • Insurance of 1/1 hull means insurance of the full insurable value of the vessel ; insurance of a certain part of the vessel (e.g. 3/4 hull) means the corresponding part of that value.

§ 5 • Seaworthiness

1 • In respect of construction, and fittings, equipment, maintenance, manning, loading and ballasting, the vessel shall be seaworthy, supplied with requisite ship's papers, and otherwise comply with the regulations issued by the supervisory authorities or classification society and the requirements specified by the Insurer when the insurance was effected.

2 • The insurance does not cover loss or damage that is as consequence of the vessel having been in an unseaworthy condition, provided that the Assured was or ought to have been aware of the vessel's defects at such a time as would enable him to intervene.

3 • The onus of proof shall be upon the Assured to prove that he neither was nor ought to have been aware of the vessel's unseaworthiness. If the vessel has sprung a leak whilst afloat, the Assured shall have the further onus of proving that the loss or damage was not attributable to unseaworthiness.

§ 6 • Exclusions

The insurance does not cover :

a) war or any other comparable risk as covered by the Finnish War Insurance Conditions for Hulls generally in force at the time when the insurance was effected ;

b) cost of repairing or renewing any part of the vessel in consequence of faulty construction or material, wear and tear, age, corrosion, rust, rot, insufficient maintenance and care or any similar cause, fractures or other similar damage in the vessel's bulkheads or in other internal parts of the hull being deemed to have been occasioned by such cause, unless they are a direct result of established external damage to the vessel or of another identified marine casualty and the Assured proves that the internal damage arose solely as a result thereof ;

c) indirect loss to the Assured such as loss of time or interest, or loss owing to market fluctuations, loss of market or increase in costs ;

d) costs occasioned by stay in quarantine or incurred by reason of embargo ;

e) particular, partial or total loss or damage or contribution to general average or other loss or cost incurred as a result of freezing or of ice, but not including damage due to the vessel being iced or striking an iceberg in the open sea ; damage to a vessel which has been navigating in or lying in ice shall be deemed to be ice damage unless the Assured proves that the damage was due to some other cause than ice, or it is manifest that it could not have been due to ice ;

nor damage to the insured vessel caused by :

f) explosion of nuclear weapons or other release of nuclear energy ;

g) embargo, arrest, requisition, confiscation or other measures by civil or military authorities, unless such measure has been taken for the purpose of averting or minimizing environmental injury ;

h) strikes, lockouts, riots, civil commotions, sabotage, plundering, mutiny or piracy ;

i) infringement of current import and export regulations or unlawful transport or any other similar offence or punishable attempt at such, of which the Assured was aware ;

j) normal use of the vessel, her machinery or material and fitting.

Period of insurance, premium and return premium

§ 7 • Commencement and termination of insurance in voyage policies

1 • Where the vessel is insured for a voyage, the insurance shall attach when the vessel starts to load cargo or ballast, or, if neither cargo or ballast is loaded when the vessel begins to leave anchor or let go her moorings in order to sail. The insurance shall continue until the vessel has anchored or

moored in the customary manner at the destination specified in the insurance contract or in another place where the voyage terminates prior to that. If, however, the vessel is to discharge cargo or ballast, the insurance shall continue until discharging has been completed, but for no longer than thirty days for a loaded and three days for a ballasted vessel, counting from the time when the vessel anchored or moored.

2 • Where the vessel is insured for a voyage and it subsequently appears that the voyage commenced before the insurance contract was concluded, loss or damage sustained shall be recoverable only if the Assured proves that the loss or damage occurred after the contract was concluded.

§ 8 • Commencement and termination in time policies

1 • Where the vessel is insured for a certain period, the insurance shall attach at the beginning of the agreed day of commencement and terminate at the expiry of the agreed final date. Date and hours shall be decided according to the time at the place where the vessel is.

2 • If at the expiry of the insurance the vessel is at sea, the insurance shall nevertheless remain in force until the end of the day when she arrives at the first port and has anchored or moored there in the customary manner.

3 • If at the expiry of the insurance the vessel is damaged or repairing recoverable damage, and consequently is unseaworthy, the insurance shall be prolonged until she has been repaired or condemned.

4 • Where a vessel which is missing at the expiry of the insurance is recovered without the Assured having the right to total loss indemnity, the insurance shall continue in the manner stated in sect. 2.

5 • If the insurance is in force for a period for which premium has not been paid, for such period premium shall be payable calculated pro rata of the premium for the period of insurance.

§ 9 • Payment of premium

1 • IN the case of a time policy, the premium shall fall due on the date on which the insurance comes into force, and in the case of a voyage policy, as soon as the contract has been concluded. In the case of an annual policy, the premium shall be paid by equal instalments quarterly in advance.

2 • A policy for a shorter period than one year in force until the expiry of the current calendar year ranks equally with a yearly policy, provided an agreement has been made to renew the policy for the subsequent calendar year.

3 • Any additional premium shall be due for payment as soon as the contract has been concluded.

4 • If the premium is not paid at the proper time, the Insurer may terminate the contract at three days' notice (Insurance Contract Acts § 13). If the premium is paid during the period of notice, the notice shall be without effect.

§ 10 • Laying-up returns

1 • In the case of an annual policy, returns of premium shall be made, according to the further provisions in this article and the special conditions, for the period that the vessel is laid up or otherwise withdrawn from service at a place approved by the Insurer for at least fifteen consecutive days. During the laid-up period the insurance shall remain in force.

2 • The laid-up period shall not be deemed to be interrupted by the vessel being shifted inside the port area. Furthermore, the vessel's being laid up in port with no cargo on board shall not be deemed to be interrupted by her being removed to another good port solely for the purpose of continuing to be laid up there, but full premium shall be charged for the time taken for her removal.

3 • No return of premium shall be made if a recoverable total loss has occurred.

4 • The laid-up period shall not include the day of arrival at and the day of departure from the port where she is laid up, nor any time required for discharging or loading of cargo.

5 • Where the vessel while laid up for a period of at least fifteen consecutive days repairs recoverable damage, there shall be deducted from laid-up period as many days as would have been required for the average repairs if they had been carried out separately, return of premium being paid of the remainder of the laid-up period.

6 • Any claim for returns of premium in respect of laying-up shall be submitted in writing to the Insurer not later than three months after the expiry of the insurance. The claims shall be accompanied by an extract of the vessel's logbook or other requisite documents substantiating the laying-up.

7 • Returns of premium shall not be settled before the expiry of the insurance.

8 • Should the insurance be renewed on termination while the vessel is laid up, the total laid-up period is to be taken into account in calculating the return of premium.

9 • If as a result of strike or congestion the vessel lies idle in a sheltered port for at least fifteen consecutive days, one half of the return or premium allowed under the provision of this article shall be paid.

§ 11 • Lapsing of insurable interest

Where for some reason other than the transfer of the vessel to a new Owner the interest of the Assured in the insured vessel lapses after the insurance has attached, the insurance shall terminate, and the Insurer shall be entitled to the premium that would have been payable if an insurance has been effected, in the case of a time policy, only for the period in force, and in case of a voyage policy, only for the shorter voyage.

Security provisions

§ 12 • Regulation to be observed

1 • For each propeller shaft there shall be available a serviceable spare propeller of satisfactory quality.

2 • The vessel shall have sufficient supply of bunkers for the intended voyage, bearing in mind that weather conditions may cause the voyage to last longer than normally.

3 • The insurance does not cover any extra costs arising from non-compliance with the provisions stated above in this article.

4 • Deck cargo may be carried only in such a quantity and stowed in such a manner that the vessel's seaworthiness shall not be affected.

5 • Goods having a tendency to shift must not be carried in bulk unless satisfactory arrangements have been made in order to prevent their shifting.

6 • If by reason of non compliance with the provision of sect. 2,4 and 5, the vessel is unseaworthy, the provision of § 5 apply.

7 • Pilots shall be employed where existing statutes so provide. Where the vessel is laid up or withdrawn from service, she shall be safely moored and under supervision, and also such requisite measures shall be taken as may be prescribed by the Insurer or otherwise be required with respect of the safety of the vessel.

8 • Non compliance with the provision of sect. 4, 5 and 7 shall be subject to the consequences stipulated in the Insurance Contracts Act § 51.

§ 13 • Dangerous Goods

Inflammable, explosive or otherwise dangerous goods must not be carried as cargo, without the consent of the Insurer, unless the vessel is intended for the carriage of such goods. Loading and stowing of such goods shall be carried out in compliance with the regulations issued by supervisory authorities or given by the Insurer. Non compliance with this provision shall be subject to the consequences stipulated in the Insurance Contracts Act § 51.

§ 14 • Right of Survey

The Insurer shall have the right at any time during the period of insurance to survey the vessel and also to check that the requirements and regulations set out under §§4, 12 and 13 are complied with. Should the Insurer not be permitted to avail himself of that right, the provisions of the Insurance Contract Act § 51 shall apply.

Measures in the event of loss or damage

§ 15 • Average or other recoverable casualty

1 • Where an average or other recoverable casualty is apprehended or has occurred, the Assured shall

– on pain of what is stated in the Insurance Contracts Act § 21 :

a) notify the Insurer or his average agent at the place of the casualty as soon as possible and keep him informed of further developments ; and

b) as far as possible, in good time before any maritime declaration and survey, notify the Insurer of his agent thereof ; and

– on pain of what is stated in the Insurance Contracts Act § 52 :

c) to the best of his ability take such measures as circumstances require for the purpose of averting and diminishing any damage ;

d) take requisite measures for the preservation of the rights against a third party, where the latter is, or may be presumed to be, liable to pay indemnity or to participate in general average ; and

e) comply as far as possible with any directions given by the Insurer in connection with the casualty.

2 • An average or other recoverable casualty is deemed to have come to the knowledge of the Assured when it has been entered in the vessel's logbook.

§ 16 • Average Survey

1 • If the vessel has sustained damage which may be assumed to be covered by the insurance, the damage shall be surveyed as soon as possible and as far as practicable as directed by the Insurer. Where circumstances do not permit of such directions being obtained, the Master shall notwithstanding, if the damage is considerable, arrange an official survey or else have the damage surveyed in a customary manner.

2 • Damage caused to the vessel by a third party or by the vessel to a third party shall, as far as possible, be surveyed jointly.

3 • At the survey, as far as possible the cause of the damage, the time of its occurrence, its extent and the most suitable method of repairs shall be ascertained, and the cost thereof estimated.

4 • If the survey has not taken place as stated above or if the Insurer has not been afforded an opportunity to attend, although this was reasonably possible, and if it can be assumed that this has prejudiced his interests, he shall be entitled to a reasonable deduction from the indemnity that would otherwise have been payable, or to be completely exempted from liability.

5 • Should the insurance terminate and not be renewed on the same conditions, the Assured shall, if he wishes to present a claim for damage, have the vessel surveyed at the termination of the insurance as stipulated in this article. Should this not be done, any damage to the vessel subsequently detected shall be deemed not to affect the insurance, unless the Assured proves that the damage occurred while the insurance was in force.

§ 17 • Average disbursements

1 • The Assured shall, as soon as possible, notify the Insurer of disbursements made or liabilities incurred during a voyage, in respect of the vessel, freight and cargo, that may be assumed to be allowable in general average. he shall also give the Insurer any such further information as is required to enable the latter to arrange customary insurance of average disbursements. Non

compliance with this obligation shall be subject to the consequences stipulated in the Insurance Contracts Act § 52.

2 • If, notwithstanding that requisite particulars were made available to him, the Insurer has failed to effect insurance as stated in sect 1, and if as a result the Assured becomes liable for damage s to another party concerned in the average, the Insurer shall be answerable for such liability.

Basis of indemnity and settlements of claims, etc.

§ 18 • Costs of averting loss and limits of indemnity

1 • The insurance shall make good any reasonable expenses or sacrifice for any unexpected, unusual and justified measure which, when a casualty has occurred or may be imminent, may be taken for the purpose of averting or diminishing a recoverable loss, and which is not of the nature of a general average not is intended to save a ballasted vessel under circumstances that, if the vessel had been loaded, it would be allowed as general average under the York-Antwerp Rules.

2 • The Insurer shall be liable, subject to the limitation stipulated in these conditions, up to the sum insured anyone casualty, but, should the liability concern the Assured's third party liability, including costs or sacrifice incurred for the purpose of averting or diminishing such loss, a total indemnity shall be paid up to the sum insured, irrespective of whether indemnity shall be payable for another loss as well under this insurance.

3 • Even if the sum insured is exceeded, the Insurer shall allow the following costs, to the extend that they are covered by the insurance :

- a) cost of averting loss as stated in sect. 1, with the limitation stated in sect. 2 ;
- b) the vessel's contribution to general average ;
- c) reasonable cost of preserving any right of indemnity from a third party and defending a claim from a third party and providing security for damages claimed ;
- d) reasonable cost of providing security for salvage ;
- e) cost of average adjustment.

4 • Where loss or damage has occurred, the Insurer shall have the right to exempt himself from further liability by paying the full sum insured, or, in the case of total loss, the sum payable in such an event as specially provided in the policy, and what may in addition be required for discharging the liability of the Assured to pay third party damages, also in that respect not exceeding the sum insured, and also, with the limitation stated in sect. 2, by making good any expenditure or reasonable sacrifice which the Assured has had to bear for averting or diminishing the loss, before he received notice of the Insurer's wish to exercise the right now mentioned. In such a case as is referred to here, the Insurer shall acquires no title to such part of the subject-matter insured as may remain.

5 • Where the Insurer exempts himself from further liability under the provisions of sect. 4, he shall have the right to deduct any unpaid premiums not fallen due for the insurance. If, in case of a short time policy or a voyage policy, the full annual premium has been stated in the policy, this shall be deducted, less the premium paid, from the indemnity.

§ 19 • Deductible (Cancelled)

§ 20 • Temporary Repairs

1 • The Insurer shall allow without deductions the cost of temporary repairs of recoverable damage, if permanent repairs cannot at all, or cannot without substantially increased cost, be effected at the place where the vessel is, and the temporary repairs are required for the removal of the vessel. In other cases the cost of temporary repairs shall be allowed only to such extend as other recoverable costs are thereby saved to the Insurer.

2 • Necessary temporary repairs shall likewise be allowed if permanent repairs are deferred at the Insurer's request.

3 • Deductions in respect of "new for old" in temporary repairs, shall be subject to the provision of § 24 sect. 2.

§ 21 • Time and method of repairs

1 • Before the Assured arranges for repairs of presumably recoverable damage, he shall, where possible, obtain the Insurer's consent regarding the time and place of repairs and the methods to be applied.

2 • The Insurer shall have the right to decide from whom tenders shall be obtained and also that repairs shall be effected in accordance with the lowest tender, should that be deemed acceptable.

3 • Should repairs be deferred without the Insurer's written consent for more than one year, the Insurer shall not be liable for any increase in the cost of repairs caused by the deferment, due to rise in prices. If repairs are not effected within six years after the date of the casualty, the Assured shall forfeit his right to indemnity, unless otherwise specially agreed.

4 • Where permanent repairs would involve unreasonable costs, and the vessel can be put into a seaworthy condition and retain her class by less expensive repairs or by the use of other material than the original kind, the insurance shall cover only the cost of such repairs. However, depreciation of the vessel if incurred through such repairs shall be made good.

5 • The cost of renewal of a propeller or of metal hull part shall be allowed only if it is not possible to fair, weld, join or in any other way repair the same more cheaply, or if renewal is required by the classification society or supervisory authorities.

6 • Where repairs are effected in a more elaborate manner or by using heavier or otherwise more expensive materials than that required to restore the vessel to the same condition as prior to the casualty, the Insurer shall allow the cost of repairs only after reasonable deduction of any increase in costs caused thereby.

7 • If for the purpose of gaining time, repairs are effected at extra cost, or if for such reason, any other special costs are incurred, they shall be made good only to the extent that other costs are saved to the Insurer.

8 • Where satisfactory repairs can be effected more cheaply or expediently at a place of repairs other than that where the vessel is, the Assured shall not oppose removal of the vessel, provided that it can take place without considerable inconvenience to him and that the insurance shall make good the cost of removal in addition to the costs of repairs.

9 • Where in cases as stated above, the Assured fails to obtain or disregards the Insurer's instructions, the Insurer shall not be obliged to make good the extra costs arising thereby.

§ 22 • Indemnity for unrepaired damage

Indemnity for unrepaired damage shall be paid only if the Assured proves that, in the event of the vessel being sold or other change of Owner, or in the event of Total Loss, he has suffered loss as a result of the damage. In this connection the provisions of these conditions regarding indemnity for repairs, particularly the provisions of § 16 sect. 5, shall be observed as far as applicable, bearing in mind that indemnity shall not exceed the amount that would have been payable for the damage, excluding docking and other costs, if repairs had been effected. When estimating the damage, the Assured must not invoke, as evidence of the extent of the damage, any contract concluded in this connection between him and a third party.

§ 23 • Damage to certain parts of the vessel

1 • If partial damage has been sustained as a result of a recoverable casualty, other than stranding as stated in § 2 sect. 2, damage to the rudder, including stock, pins, bushes, boxes, bearings and quadrant or its equivalent, or to protective plates of any kind whatsoever, or to the vessel's machinery, materials and fitting or spare gear under § 3 shall not be made good.

2 • Where breaking seas or deck cargo shifting damages the vessel's windlass, winch or crane or any object belonging to the vessel's materials and fitting, and the insurance covers such damage, it

shall be made good irrespective of the provisions of sect. 1 but only provided the object was in its right place at the time of occurrence of the damage, duly fastened and protected.

3 • In the case of an explosion, damage to the exploding object shall not be made good.

§ 24 • Deductions "new for old"

1 • Where indemnity is computed for partial damage, unless otherwise agreed, deduction shall be made from the cost of repairs for "new for old" under Rule XIII of the York-Antwerp Rules, contained in § 3 of the Ordinance on General Average of 30.12.1955 (614/55) with the following alterations, that

a) the age of the vessel shall be calculated from the end of the month when the new-built vessel was delivered from the shipyard until the day when repairs commenced ;

b) metal work on the vessel's hull and parts firmly attached to it, but no other parts mentioned in § 3 sect. 1, sub-sect. a), shall be allowed in full, irrespective of the age of the vessel ;

c) costs of painting (scraping, brushing, cleaning, coating) of the bottom up to the light waterline shall be allowed in full, if at the first repainting after the average not more than six (6) months have passed since the preceding painting, that period being calculated from the day when the vessel was launched up to the day when she was drydocked for such average repairs as require drydocking, but one third (1/3) shall be deducted if the vessel navigated in ice during the said period ;

d) one fifth (1/5) shall be deducted off painting other than bottom painting and painting of the belt and cement washing ; if since the preceding painting the vessel has been navigating in ice, painting of the belt or part thereof shall be subject to a deduction of one third (1/3) ; and that

e) where damage to the vessel's machinery under § 3 occurred as a result of a stranding as stated in § 2 sect. 2, without the damage having been detected within the first three months after the vessel resumed trading after the casualty, and the Assured did not report it to the Insurer as soon as possible after its detection, the damage shall be allowed subject to a deduction of one fourth (1/4) or the larger deduction represented by the deduction in respect of "new for old".

2 • If such temporary repairs as are mentioned in § 20 can be deemed permanent, the deduction in respect of "new for old" shall apply to that extent.

§ 25 • General expenses during repairs.

1 • For the period that, after a recoverable casualty, the vessel is delayed because of a survey or because of repairs of average damage, indemnity shall be paid for necessary costs occasioned by the repairs, such as harbour dues, towage and pilotage to and from the shipyard, de-gassing, drydocking, watchmen from shore, electric current and water for the refrigerating machinery. However, wages and maintenance and other expenses of running the vessel shall not be made good.

2 • In the event of delay in obtaining or accepting tenders invited by the Insurer, and in the event of such removal of the vessel as is mentioned in § 21 sect. 8, besides the costs mentioned in sect. 1, there shall be made good loss of time arising from the delay, calculated from the date of despatch of the request for tenders until the date of acceptance, at 20 per cent per annum calculated on the sum insured on hull.

3 • When the tenders are compared, the costs of the vessel's removal, if any, shall be added to the amounts of the tenders. the Insurers shall have the right to limit his liability to the amount of the lowest tender plus costs of removal, with an addition of 20 per cent per annum calculated on the sum insured on hull for the time which, according to the tender, the Assured saves by accepting another tender. Where the Assured has plausible reasons for opposing the repairs being effected at a certain tendering yard, he shall have the right to demand that yard's tender be disregarded.

4 • If not recoverable repairs, maintenance or classification work is effected by others than the crew of the vessel during the period referred to in Sect. 1, the Assured shall notify the Insurer and supply particulars of the nature and extent of that work. In such case, of the recoverable joint costs mentioned in the said paragraph, the Insurer shall pay the part corresponding to the ratio between, on the one hand, the estimated time for effecting, consecutively, and separately, repairs of recoverable

average damage, and, on the other hand, that time plus the estimated time for effecting the other work, likewise consecutively and separately.

§ 26 • Damage to salving vessel

1 • Notwithstanding that the vessel has not been insured as a salvage vessel, the Insurer shall, when she is used for salvage or rescue under such circumstances that the measure must be deemed justifiable, make good any damage to the vessel arising from such change in risk. However, damage to towing and mooring gear shall not be made good.

2 • The liability of the Insurer shall lapse to the extent that the salvage or other remuneration covers the amount of the damage. If the remuneration is insufficient to cover the amount of the damage, it shall be divided between the Insurer and the Assured in proportion to the recoverable and nonrecoverable part of the damage to the vessel. If the Insurer has made good the damage before the remuneration is paid, he shall be subrogated to all rights and remedies of the Assured for his share in such remuneration.

§ 27 • Irrecoverable expenses

1 • Unless otherwise agreed, the insurance shall not make good the Assured's exertions or traveling expenses, costs for agent or other expenses for safeguarding the Assured's own interests in connection with a casualty or repairs.

2 • Costs resulting from a non recoverable damage shall not be made good.

§ 28 • Claims and how they are dealt with

1 • Where the Assured files a claim, he shall establish that the loss or damage is recoverable and also prove its extent.

2 • It shall be the duty of the Assured to submit to the Insurer as soon as possible all documents and particulars which may be of consequence for determining the Insurer's liability, and which can be reasonably be procured.

3 • When the requisite documents and particulars for determining the average have reached the Insurer, he shall deliver his adjustment to the Assured within 14 days in a case of a Total Loss, and otherwise within three months. If the Assured approves the adjustment, or if an agreement is made otherwise regarding the amount of the indemnity, it shall be paid within one month.

4 • If the Insurer or the Assured so desires, the claim shall be deferred to the decision of an Average Adjuster of Finland. In such case the indemnity shall be payable within 14 days after the decision has acquired legal force, or, if an appeal is lodged, within one month after the judgment of the court has acquired legal force.

5 • If the claim is not paid at the proper time, the Assured shall be entitled to interest at six (6) per cent per annum calculated from the date when the claim should have been paid.

6 • If the Assured fraudulently has stated or failed to disclose or suppressed any material circumstance for adjusting a claim, he shall forfeit his right to indemnity for such claim, subject however to the provisions in the insurance Contracts Act § 23 sect. 1.

7 • An Assured who files a claim for a recoverable casualty shall, at the request of the Insurer, supply particulars of any insurance covering the same interest against the same perils with another insurer. Should he fail so to do, unless such particulars have been supplied previously, the Insurer shall be exempt from liability.

8 • If loss or damage attributable to general average is to be wholly or partly made good by a third party as participant in the average, the Assured shall be entitled, without waiting for the adjustment of the average, to receive from the Insurer indemnity for the loss or damage under this insurance, provided that the Assured has taken all measures that may be required for preserving and securing the right from general average contribution from another participant in the average. If the general average contribution is not forthcoming, by reason of failure to take such measures, that loss shall not be made good.

§ 29 • Interest on average disbursement

On recoverable particular average disbursement which the Assured pays, interest shall be payable at six (6) per cent per annum, unless otherwise specially agreed, calculated from the date of payment of the account until indemnity is paid.

§ 30 • Advances and security

1 • The insurer shall not be obliged to advance any recoverable average disbursements affecting the Assured. If such advance is made, however, the Insurer shall be entitled to interest at six (6) per cent per annum, unless otherwise agreed, calculated from the date of payment until indemnity is paid.

2 • Where a third party has presented a claim for salvage or damages against the Assured and security has to be provided in order to prevent arrest or to secure release of the vessel, the Insurer shall provide such security, but only to the extent that the claim can be deemed to be covered by the insurance.

3 • The fact that the Insurer has advanced payment or provided security must not be invoked as evidence of the Insurer's liability.

§ 31 • Right of set-off

The Insurer shall have the right to set off advance, indemnity or return premium which he shall have to pay the Assured, against any sum due from the latter.

§ 32 • Average Disbursements - Currency

1 • Average disbursements in Finnish Marks shall be made good in that currency, irrespective of the currency in which the policy is effected. Should any other average disbursements be paid in a currency other than that of the policy, conversion to Finnish Marks shall be made at the official selling rate of the Bank of Finland or at a rate that may otherwise be deemed reasonable, on the date that the disbursements were paid, or, in the event of payment being delayed without reasonable cause and the rate of exchange having risen, on the date that the disbursements should have been paid. Should the Insurer make good disbursement not yet paid, conversion to Finnish Marks shall be made at the rate of exchange on the date that the Insurer's adjustment is submitted.

2 • Average disbursements also means the Assured's contribution to general average.

§ 33 • Trading limits

1 • If the insured vessel is taken with the consent of the Assured outside the prescribed or specially agreed trading limits, or, without any special agreement being made with the Insurer, to waters that in sect. 5 below or by special agreement are excluded from the trading limits, or if she deviates from the route which was agreed upon or must be deemed to be taken for granted, the insurance shall terminate. The same applies where the Assured did not give the Master adequate instructions concerning such trading limits or waters or agreed route.

2 • When the vessel is returned to the trading limits or the route contemplated in the insurance, the insurance shall be reinstated, but the insurance shall cover any average that subsequently occurs only in the event of the Assured proving that the transgression or deviation did not have any bearing upon the occurrence of the average or the extend of the damage and that the vessel or her cargo sustained while the insurance was out of force.

3 • Where the Assured sends the vessel outside her trading limits, he shall, if the Insurer so requires, have the vessel surveyed in dock at his own expenses immediately before and after the period that the insurance is out of force, and shall notify the Insurer in good time beforehand.

4 • Sect. 1 shall not apply if the transgression or deviation takes place by reason of a casualty covered by the insurance, or for the purpose of saving life or preventing personal injury or damage to property, and if the measure may be deemed justifiable and the vessel returns as soon as possible to waters covered by the insurance.

5 • Unless otherwise agreed, the following trading limits are excluded from the insurance :

a) Arctic Waters :

1 - north of 72°N. Lat and east of 45°E Long.

2 - White Sea within the area bounded by a line drawn between Cape Swiatoi - Cape Kainin between 1st November and 11th May.

3 - Greenland and Jan Mayen ;

b) Atlantic Coast of North America, its rivers and adjacent islands north of 52°10'N. Lat.

c) St. Lawrence estuary between lines drawn between Cape St. Charles - Cape Bauld, Cape North - Cape Ray and Port Mulgrave - Port Hatsings as well as St. Lawrence Seaway west of Montreal, between 1st December and 5th April, both days inclusive ;

d) Great Lakes and waters west of Montreal ;

e) Pacific Coast of North America, its rivers or adjacent islands north of 54°30'N. Lat., or west of 130°50'W. Long. ;

f) Behring Sea and East Asian waters north of 46°N. Lat. as well as any port of place in Siberia except Vladivostok ;

g) waters south of 50°S Lat. as well as Prince Edwards, Crozet Islands and Kerguelen ;

h) waters where lights have been extinguished or light vessels withdrawn as a results of ice conditions ; and

i) discharging or loading places where the vessels rest against the bottom at low tide.

6 • If the Assured intends to let the vessel leave her trading limits or deviate from an agreed or contemplated route, or if that occurs with his consent, he shall notify the Insurer as soon as possible. The same applies if the Assured learns that the Master is undertaking a voyage outside the trading limits without his consent.

7 • In the case of a time policy, the Insurer shall return premium pro-rata parte temporis for the period during which the insurance was out of force under the provisions of this article.

8 • The insurer's right to give notice to terminate the insurance where the vessel deviates from her trading limits or route shall be subject to the provisions of § 40.

Other provisions

§ 34 • Duties of the Assured

1 • The Assured shall at the commencement of the insurance let the Master have a copy of the vessel's hull policy, supplied by the Insurer for that purpose, and instruct the Master to observe its provision carefully.

2 • The Assured shall particularly instruct the Master to report to him as soon as possible any casualty apprehended or occurred, and also in urgent cases to notify the Insurer direct in the quickest way.

3 • Should there be a change of Master during the period of insurance, the Assured shall see to it that the new Master receives the copy of the policy.

§ 35 • Increase of risk and duty of disclosure

1 • Where there is an increase of risk, the provisions of the Insurance Contracts Act §§ 45 - 50 shall apply. If the risk has increased, and the Insurance nevertheless remains in force by reason of the provisions of §§ 45 and 46 of the Act, the Insurer shall have the right to a reasonable additional premium.

2 • If after the conclusion of the contract the Assured becomes aware of any material fact, he shall disclose it to the Insurer without delay, under penalty of the provisions in the Insurance Contract Act §§ 4 -7 and 9.

§ 36 • Damage through wilful misconduct and negligence

1 • The insurance shall not inure to the benefit of any person wilfully causing damage.

2 • In the case of damage caused by the Assured through gross negligence, the provisions of the Insurance Contracts Act § 18 sect. 2 shall apply.

3 • Wilful misconduct or negligence of the Master, officers and crew or other persons in the vessel's service, including a part-owner of the vessel other than the principal Owner, cannot be pleaded by the Insurer for exemption from or reduction in liability.

4 • The provisions of sect. 1 and 2 shall not be applied in cases mentioned in the Insurance Contracts Act § 19. The right of the Insurer to give notice to terminate the insurance where the Assured has caused damage wilfully or through gross negligence, shall be subject to the provision of § 40.

§ 37 • Double insurance

1 • The Assured shall be obliged to notify the Insurer if a hull or hull interest policy on the same vessel has been effected during the period of insurance with another insurer, stating where and for what amount it has been effected. Should the Assured fail so to do, and if the failure can be deemed to have been prejudicial to the Insurer, the latter is entitled to that extend to a reasonable reduction of the indemnity or to complete exemption from liability.

2 • If the Assured effects hull insurance with another insurer as well, the Insurer shall be exempt from liability to the extend that the Assured can obtain indemnity under the other policy. If the other insurer has also stipulated such exemption from liability fro himself as is mentioned in this section, the provisions of the insurance Contracts Act § 43 sect. 1, sentence 2 shall apply.

3 • If the Assured disregards any provision of the insurance contract that a certain part of the interest concerned shall be uninsured, the contract shall not be binding on the Insurer.

4 • The Insurer's right to give notice to terminate the insurance contract in the case of double insurance shall be subject to the provisions of § 40.

§ 38 • Insurance of third party's interest

The insurance shall not inure to the benefit of an Owner of the vessel other than the Assured. However, the insurance shall inure to the benefit of a mortgagee or other third party, provided that the Insurer has consented thereto by an endorsement on or an addendum to the policy.

§ 39 • Right of recovery

1 • Should the Insurer pay indemnity to or in favour of the Assured, he shall be subrogated to a corresponding extend to all rights and remedies of the Assured against a third party, even if the latter has caused the loss or damage through negligence which cannot be described as gross. In the case of under-insurance or part-insurance, the right of recovery shall be limited to such part as corresponds to the ratio between the sum insured and the insurable value. A claim for recovery shall also include interest as well as any rise in the rate of exchange and any other increases incurred.

2 • If, before or after the occurrence of a recoverable casualty, the Assured has wholly or partly renounced his rights against a third party, the Insurer shall be exempt from liability to a corresponding extend, unless this leads to manifest unfairness.

§ 40 • Premature notice of termination

1 • The Insurer shall have the right to give notice to terminate the insurance contract before expiry in the following special cases :

a) where the vessel proves to be in such a weak or unsuitable construction that she cannot be deemed seaworthy for such trades or cargoes for which she is employed :

b) where the vessel is being employed in such a manner as may, with regards to her type, size and draught and to the season of the year and other circumstances bearing on the matter, be deemed to involve a risk different from the one contemplated when the insurance was effected ;

c) where the vessel has become unseaworthy in consequence of a casualty or otherwise and the Assured does not have her restored to a seaworthy conditions within a reasonable time ;

d) where the vessel – without notification being given to the Insurer, and without the circumstances being such that the action envisaged in § 33 sect. 4 can be deemed permissible – deviates from the trading limits or route agreed upon or anticipated, or if the Assured fails to have the vessel surveyed in the case mentioned in sect. 3 of the said article ;

e) where the vessel is used for illegal imports or exports or of any other illegal purpose, unless the Assured neither was not ought to have been aware thereof at such a time that it would have been possible for him to intervene ;

f) where war breaks out and the vessel is not insured against war risks, or is insured against such risks at a lower amount or on conditions less comprehensive than in the insurance contract ;

g) where the Assured in spite of having effected with the Insurer a valued 1/1 hull policy, insures the same interest elsewhere against the same perils or enters into a contract for insurance of hull interest or other shipowner's interest for an aggregate amount exceeding 25 % of the insurable value of the vessel ;

h) where the Assured has caused, or attempted to cause the occurrence of a recoverable casualty through wilful misconduct or gross negligence, unless it came about in the cases mentioned in the Insurance Contracts Act § 19 ;

i) where the vessel is time-chartered and that may be deemed to involve risk different from what may be assumed to have been contemplated when the insurance was effected, or if she is transferred to another person to be employed in trading for his account, or is requisitioned by a government authority ;

j) where the majority holding in a shipping partnership owning the vessel passes into other hands ;

k) where a new manager is appointed to run the shipowning business under a contract with the Owner of the vessel on the latter's behalf, or, in a shipping partnership, a new principal Owner ;

l) where the Assured is declared bankrupt ; and

m) where on account of fluctuations in market values the value of the vessel has changed substantially since the insurance was effected, in which case the Assured also has the right of giving notice.

2 • In the cases listed above in sub-sect a) – l), notice may be given to terminate the insurance forthwith, in the other cases after 14 days. If the vessel is at sea when the insurance is thus to terminate, the insurance shall, however, remain in force until she has anchored or moored in the customary manner in the first port of call and on the day of arrival during her stay there.

3 • In the cases mentioned in sub-sect. b) and i) – l), the Assured shall notify the Insurer without unreasonable delay. The duty of disclosure in the case of double insurance shall be subject to the provisions of § 28 sect. 7 and § 37.

4 • The right of the Insurer to terminate in cases other than those mentioned in this article, and the period of notice in such cases, shall be subject to the provisions of the Insurance Contracts Act.

5 • If, by reasons of the Insurer giving notice of termination by virtue of the provisions of the Insurance Contracts Act or under the provisions of sub-sect. d), e) g) and h), the insurance terminates before the expiry of the period agreed, the Insurer shall be entitled to charge premium, in the case of a time policy, only for the time during which it was in force, and in the case of a voyage policy, only for the shorter voyage.

6 • If the insurance is made to terminate before the expiry of the period agreed for any reason other than that stated in sect. 5, the premium shall be calculated according to the Insurance Contracts Act § 16 sect. 2 for the period that the insurance has been in force.

§ 41 • Limitation of the right to make a claim

Limitation of the right to make a claim under this insurance contract, shall be subject to the provisions of the Insurance Contracts Act § 29, however, if the Insurer has wholly or partly rejected a claim, he is entitled to enjoin the Assured in writing to refer the claim within a certain period, not less than six months upon receipt of the injunction, to the Average Adjuster of Finland. If the Assured fails

to avail himself of this respite, or if he does not follow up the case with the Adjuster, he forfeits his right against the Insurer.

Amendments to the General Hull Insurance Conditions (Finland) dated 1. 1. 1976

in § 2, the clauses and supplementary clauses have been renumbered :

- 1 - Total Loss Clause
- 2 - Total Loss and Salvage Clause
- 3 - Perils of the Sea Clause
- 4 - General Average Supplementary Clause
- 5 - Collision Liability supplementary Clause
- 6 - Fire Risk Supplementary Clause,
- 7 - Machinery damage and Faulty Material Supplementary Clause,
- 8 - Port Risk Supplementary Clause.

§ 19 • Deductibles

1 • A deductible, stated in the policy, which refers to the full insured value of the vessel (1/1 hull), shall be subtracted from each loss when paying a claim. Heavy weather damage arising after sailing from one port until arrival at the next port shall be deemed to be one loss.

2 • No deductible shall be applied when paying a claim for total loss, general average contribution, sacrifice intentionally made and direct costs incurred for the purpose of saving a ballasted vessel which, had the vessel been loaded, would have been allowed in general average, costs for averting loss as per § 18 of the General Hull Insurance Conditions as well as costs for determining the loss and adjusting the claim.

3 • The above deductible shall be applied after other deductions, if any, stated in the general or special conditions, have been made.

§ 24 • Deduction "new for old" has been discontinued. Instead the following clause has been adopted.

§ 24 • Painting of bottom and certain deductions

1 • Costs of painting (scraping, brushing, cleaning, coating) of the bottom up to the light waterline shall be allowed in full, if at the first repainting after the average not more than six (6) months have passed since the preceding painting, that period being calculated from the day when the vessel was launched up to the day when she was drydocked for such average repairs as require drydocking, but one third (1/3) shall be deducted if the vessel navigated in ice during the said period.

2 • Where damage to the vessel's machinery under § 3 occurred as a result of a stranding as stated in § 2 sect. 2 without damage having been detected within the first three months after the vessel resumed trading after the casualty, and the Assured did not report it to the Insurer as soon as possible after its detection, the damage shall be allowed subject to a deduction of one fourth (1/4).

3 • If such temporary repairs as are mentioned in § 20 can be deemed permanent, the deductions shall apply to that extent.

Amendments to the General Hull Insurance Conditions (Finland) dated 1. 1. 1992

§ 14 • Provisions concerning class and survey

1 • The Insurer shall have the right at any time during the period of insurance to survey the vessel and also to check that the requirements and regulations set out under §§ 5, 12 and 13 are

complied with. Should the Insurer not be permitted to avail himself of that right, the provisions of the Insurance Contracts Act § 51 shall apply.

2 • Unless otherwise agreed the insured vessel shall at all times be classed in a classification society approved by the Insurer. The insurance shall terminate automatically if the vessel is transferred to another classification society or if the vessel loses its class. If the vessel loses its class while at sea, the insurance shall not terminate until the vessel has reached the next port.

3 • The vessel's class shall be regarded as lost if :

- The owner or someone on his behalf requests that the vessel's class be cancelled,
- the class is suspended, interrupted, cancelled or withdrawn, unless caused by a recoverable loss,
- periodic surveys are not carried out within the time limits fixed by the classification society.

If the classification society expressly extended the time limit for completion of the surveys and the assured has complied with the conditions that may be given for the extension, then the class is not deemed as lost until the extended time limit has expired.

4 • The Insurer is authorized by the Assured to require directly from the Classification Society such information about the vessel he find justifiable. Before requiring such information the Insurer is, however, obliged to inform the Assured about the matter.

Amendments to the General Hull Insurance Conditions (Finland) dated 1. 1. 1995

§ 10 • Premium return for lay-up of vessel

1 • In the case of an annual policy, return of premium can be made, in accordance with the provisions of this paragraph and the special terms and conditions attached to the insurance policy, for the period that the vessel is laid up, detained or otherwise withdrawn from service at a place approved by the Insurer, for at least fifteen consecutive days.

The laid-up period shall commence at 0000 hours on the day following the arrival of the vessel at the approved place and shall cease at 2400 hours local time on the day preceding the day of the vessel's departure therefrom. the laid-up period shall not include the time required for discharging or loading cargo.

2 • No premium shall be returned if the vessel has sustained a recoverable total loss during the validity of the insurance or if the Insurer has paid or will pay, for a loss which occurred while the insurance was in force, an indemnity exceeding double the premium for the annual policy.

3 • The laid-up period shall not be deemed to be interrupted by the vessel being shifted inside the port area. Nor shall the lay-up of an unloaded vessel in a port be deemed to be interrupted if the vessel is removed to another approved port for the sole purpose of continued lay-up there ; however, a full premium shall be charged for the days the vessel was removed.

In the event that the insurance expires and another insurance granted by the same Insurer takes effect during the laid-up period, the premium return shall be calculated for the entire laid-up period.

4 • Where the vessel, while being laid up for a minimum of 15 consecutive days undergoes repairs owing to a recoverable average, the laid-up period shall be reduced by the number of days required for the repairs, and premium return shall be made for the remaining laid-up period.

5 • Any premium return shall be paid only after the insurance has expired. An application for premium return, together with the required clarifications concerning the lay-up , shall be submitted in writing to the Insurer not later than three months after the expiry of the insurance.

6 • If the vessel, owing to a strike or traffic congestion, is compelled to lie idle in a sheltered port for at least 15 consecutive days, the premium return shall total a maximum half the annual premium, calculated pro rata parte temporis for the period during which the vessel was detained from service.

7 • No premium return shall be made where the vessel is laid up or withdrawn from service in an area referred to in § 33 subsection 5, or dry-docked in a shipyard.

§ 29 • Interest on average disbursements

On recoverable particular average disbursements which the Assured has paid, annual interest shall be payable, unless otherwise agreed, in accordance with the 12-months Helibor rate confirmed by the Bank of Finland and in force on the first banking day of the calendar year in which the insurance was underwritten. Interest shall be paid for the period from the payment of the invoice to the payment of indemnity.

§ 30 • Advance and security

1 • The Insurer shall not be obliged to pay an advance for the settlement of recoverable average disbursements incumbent on the Assured. However, should such an advance be paid, the Insurer shall have the right to take into consideration an annual interest on the advance in accordance with the 12-months Helibor rate confirmed by the Bank of Finland and in force on the first banking day of the calendar year in which the insurance was underwritten. Interest shall be calculated for the period from the payment of the advance to the payment of indemnity.

2 • Where a third party has presented the Assured with a claim for salvage or damages and a security corresponding to the claim is required in order to avoid or cancel seizure of the vessel, the Insurer shall provide such security, but only to the extent that the claim can be deemed to be covered by the insurance.

3 • The fact that the Insurer has paid an advance or provided security shall not be invoked as evidence of the Insurer's liability to pay indemnity.

Amendments to the General Hull Insurance Conditions (Finland) dated 1. 1. 1996

§ 9 • 5 If the premium is not paid at the time stipulated in the Insurance Conditions or in the Contract of Insurance, the Insurer shall be entitled to interest on delayed payment in the Provision of the Finnish Interest Act.

§ 28 • 4 If the claim is not paid within the time mentioned in sect. 3 above, the Assured shall be entitled to interest under the provisions of the Finnish Interest Act calculated from the date the claim should have been paid.

Warning

The following provisions which should be included in the contract :

- The Insurance Contract Act of 28 June 1994 (543/1994) shall not apply to this insurance agreement.
- Instead the provisions of the Insurance Contracts Act of 12 May 1933 (132/1933) and addendums/alterations made to it later, where applicable, shall apply.
- Interpretation of the provisions in the latter mentioned Act will be subject to established insurance and law practice arisen during the time it was in force.
- It is possible to depart from all the provisions of the Insurance Contracts Act (132/1933) by including conditions in writing in this agreement.

1 • Total Loss Clause

The insurance covers actual and constructive total loss under the General Hull Insurance Conditions and the provisions below.

A • Actual Total Loss

§ 1

1 • There is an actual total loss where the vessel has been irretrievably lost.

2 • There is deemed to be an actual total loss also

a) where in consequence of a casualty covered by the insurance the vessel has got into such a position through sinking, stranding or otherwise that she cannot be salvaged, or else has been damaged to such an extent that she cannot be made serviceable ;

b) 1 - where the vessel has sailed and no news of her has been received for three times as long as a period can be assumed to be required for her voyage from the place she was last heard of to the nearest destination, but not less than three months ;

2 - where the vessel has put to sea an indefinite time and no news of her has been received for at least three months from the date of her expected arrival ;

3 - where the vessel has been abandoned by her crew and has not been recovered within three months thereafter.

§ 2 1 • If the vessel has not been salvaged within six months after a casualty, without this being due to the Assured or if attempts to salvage her have been previously abandoned, there shall be a case of total loss. If ice, water level or weather conditions have prevented the salvage operations, the time limit shall be extended correspondingly, but no more than twelve months.

2 • The Insurer shall have the right to attempt to salvage the vessel at his own expenses and responsibility. The Assured shall in such case do all that is expected of him to enable the Insurer to effect the salvage.

B • Constructive Total Loss

§ 3 1 • The Assured shall be entitled to total loss indemnity where the cost of repairs of average damage to the vessel is estimated to at least 80 per cent of her insurable value, or of her value in repaired condition, where that exceeds her insurable value. When deciding whether the Assured shall be entitled to recover for constructive total loss, such unrepaired average shall also be taken into consideration as has occurred and been reported to and surveyed by the Insurer concerned in the course of the last three years prior to the casualty giving rise to the claim. The estimate of costs shall include all costs for removal to the place of repairs and for repairs – without deduction of “new for old” – but no salvage charges.

2 • The right to total loss indemnity shall be determined by such a survey as is mentioned in § 16 sect. 1 of the General Hull Conditions and by invitation of tenders.

§ 4 1 • If the survey report states that the vessel has been so badly damaged that she cannot be repaired or is not worth repairing (i.e. has been condemned), the Insurer shall nevertheless have the right, if he deems that tenders by which constructive total loss may be avoided are obtainable elsewhere, to decide without unreasonable delay that the vessel shall be moved there. If such tender is obtained, the survey shall not be binding on the Insurer. In such a case the cost of removal shall be

made good by the Insurer under the provisions of § 25 sect. 2 of the General Hull Conditions and shall not be included in the cost of repairs.

2 • If damage is sustained during removal, that is to be included in the damage caused through the casualty.

C • Total Loss Indemnity

§ 5 1 • If the Assured is entitled to indemnity for actual or constructive total loss, in the case of a valued policy he shall have the right to collect the sum insured, unless otherwise provided in § 4 sect. 2 of the General Hull Insurance Conditions. In the case of an unvalued policy the indemnity payable shall correspond to the value of the vessel at the time of the occurrence of the casualty, but not exceeding the sum insured.

2 • The sum insured means the sum insured agreed upon for total loss.

3 • Where total loss indemnity is paid, the Insurer shall be subrogated to all rights of the Assured to the vessel in the manner provided in the Insurance Contracts Act § 73, unless he renounces that right before the payment is effected. If the Insurer abstains from taking over the vessel, he shall not be entitled to deduct from the indemnity the remaining value, if any, of the vessel.

4 • Where the Insurer pays total loss indemnity, he shall have the right to deduct any unpaid premiums not fallen due for the insurance. If, in the case of a short time policy or a voyage policy, the full annual premium has been stated in the policy, this shall be deducted, less the premium paid, from the indemnity.

D • Other provisions

§ 6 Irrespective of the provisions of § 6 sub-sect. e) of the General Hull Insurance Conditions, the insurance shall cover total loss caused by a collision with another vessel even if occurred during navigation in ice.

§ 7 The Insurer shall not be obliged to made good the costs fro removal of the wreck or of any other object lost covered by the insurance.

§ 8 There shall be no case of total loss where the Assured, without the vessel having been lost, has paid indemnity to a third party equivalent to or exceeding the full value of the vessel.

§ 9 If, by reason of total loss, indemnity is or would be apportioned under the War Insurance Conditions mentioned in § 6 sub-sect. a) of the General Hull Insurance Conditions, the part of the sum insured not covered by a the war insurance shall be payable under this policy.

2 • Total Loss and Salvage Clause

The insurance covers actual and constructive total loss and salvage charges for the vessel under the General Hull Insurance Conditions and the provisions below.

(§§ 1 – 9 are the same as §§ 1 – 9 of the Total Loss Clause)

E • Salvage

§ 10 The Insurance covers salvage charges and direct salvage costs for the vessel whether total loss indemnity for the vessel is payable or not, but not for any other cost whatsoever.

3 • Stranding Clause

The insurance shall be subject to the General Hull Insurance Conditions and clause (2), Total Loss and Salvage, and shall also cover any partial loss or damage to the vessel directly caused by stranding as stated in § 2 sect. 2 of the General Conditions, and shall furthermore be subject to the supplementary clauses

- (5) General Average, and
- (6) Collision Liability.

4 • Perils of the Sea Clause

The insurance shall be subject to the General Hull Insurance Conditions and clause (2), Total Loss and Salvage, and shall also cover any partial loss or damage to the vessel directly caused by stranding as stated in § 2 sect. 2 of the General Conditions, or by any other casualty, subject to the limitations mentioned in the general Conditions, and shall furthermore be subject to the supplementary clauses

- (5) General Average, and
- (6) Collision Liability.

5 • General Average Supplementary Clause

1 • The insurance shall cover the vessel's contribution to general average subject to the General Hull Insurance Conditions, in accordance with an average adjustment that has been approved or has acquired legal force and which has been drawn up according to the current York-Antwerp Rules. If there is no provisions in the contract of affreightment as to where the adjustment is to be drawn up, it shall be drawn up in the place decided by the Owner. The vessel's contribution shall be made good in accordance with the adjustment even if the contributory value exceeds the insurable value of the vessel.

2 • Irrespective of the provisions of § 6 sub-sect. e) of the General Hull Insurance Conditions, contribution to general average shall be made good for ice damage to the vessel if the damage arose while the vessel was entering or leaving an ice-bound port or one blocked by ice in order to escape from a peril occasioned by a casualty other than an ice average.

3 • If the vessel carries no cargo, such intentional sacrifice and direct costs for saving her shall be made good which, if she had been loaded, would have been recoverable under the York-Antwerp Rules as general average. In this connection the rules for indemnity for particular average shall apply, if that is more favourable to the Assured.

4 • The right of the Assured to obtain indemnity under the insurance for damage to the insured vessel without waiting for adjustment of general average, shall be subject to the provisions of § 28 sect. 8 of the General Hull Insurance Conditions.

6 • Collision Liability Supplementary Clause

1 • The insurance shall cover subject to the General Hull Insurance Conditions the indemnity that the Assured shall be obliged to pay to a third party, by reason of general rules or special rules of law regarding damages, and with regards to the present statues about the limitation of shipowner's liability, for damage which the vessel, or a boat of hers when used when used in her service, has caused through a collision or other impact. This insurance shall not, however, cover :

- a) a liability for personal injury ;
- b) loss caused to the passengers or crew of the insured vessel ;
- c) liability for damage to or loss of goods on board the insured vessel ;
- d) liability for loss suffered by the charterer or any other person whose interest is connected with the insured vessel ;
- e) liability for pollution and damage resulting from fire or explosion caused by oil, chemicals, gas, steam or similar solid, liquid or volatile substances, nor for contamination caused by radioactive material ; but if the insured vessel has collided with another vessel, the insurance shall cover liability for any damage mentioned under this sub-section to the other vessel with fittings and cargo ;
- f) liability for loss or damage caused by the insured vessel's use of anchor, towing or mooring gear, loading or discharging lines, gangways or suchlike, or for any such object belonging to a third party being damage or lost ;
- g) liability for loss or damage caused by swell or suction from the insured vessel ;
- h) liability for removal of the wreck of the insured vessel ; nor
- i) refund to a third party who has paid indemnity for loss or damage mentioned in sub-sects a)–h).

2 • If the insured vessel has caused loss or damage to another vessel or goods on board her through manoeuvring, without the vessels colliding, the insurance shall cover liability for that but no other loss or damage.

3 • If the Assured is liable to a third party with vessel and freight, the Insurer shall make good only the vessel's proportion.

4 • If the insured vessel is used for salvage, rescue or towage, the insurance shall not cover liability for loss or damage caused to another party in the course of such operations. If, however, salvage has taken place under such circumstances that the measure must be deemed justifiable, indemnity shall be payable subject to the provisions of sect. 1, but not in respect of towing or mooring gear.

5 • If a vessel or any object which the insured vessel strikes belongs to the same owner as the latter, that circumstance shall not affect this insurance.

6 • If without the consent of the Insurer, the Assured accepts a claim presented by a third party, the Insurer shall be exempt from liability to the extend that the claim was manifestly unfounded or for an unreasonable amount.

With effect from 1. 1. 76, the Collision Liability Supplementatry Clause has been renamed to 5 • Collision Liability Supplementatry Clause and amended as follows :

(Section 1.e)

e) liability for pollution and damage resulting from fire or explosion caused by oil, chemicals, gas, steam, or similar solid, liquid, or volatile substances or for boom laying or other measures taken for the purpose of preventing such damage notwithstanding the fact that the loss constitutes costs for averting damage or will be allowed in general average, nor for contamination caused by radioactive material ; but if the insured vessel has collided with another vessel, the insurance shall cover liability for any damage mentioned under this sub-section to the other vessel with fitting and cargo ;

7 • Fire Risk Supplementary Clause

(Supplement to the Total Loss Clause or the Total Loss and Salvage Clause)

The insurance shall be subject to the General Hull Insurance Conditions and shall also cover any partial loss or damage to the vessel directly caused by fire, explosion or lightning.

8 • Machinery Damage and Faulty Material Supplementary Clause

(Supplement to the Stranding Clause and to the Perils of the Sea Clause)

1 • Notwithstanding the provision of § 23 of the General Hull Insurance Conditions, but retaining the limitations mentioned in § 6 sub-sect. b), the insurance shall cover damage to the vessel's machinery under § 3 even if it is a consequence of a casualty other than stranding stated in § 2 sect. 2. IN such a case the damage shall be made good notwithstanding the provision of § 24 of the General Conditions, subject to a deduction of one fourth but a deduction of "new for old" if that exceeds one fourth. If however, the damage is a result of the engine-room becoming completely or partially flooded in consequence of a casualty other than stranding, deduction shall be made from the cost of repairs under the provision of § 24.

2 • Indemnity for temporary repairs shall be subject to § 2. The Provisions of sect. 1 regarding deductions shall apply in so far as temporary repairs can be deemed permanent.

3 • Notwithstanding the provisions of § 6 sub-sect. b), the insurance shall cover the cost of repairing or renewing any faulty part of the vessel, if the part has been approved by the classification society and the damage

a) is attributable to faulty materials, or

b) a boiler or pressure vessel or part of the main machinery displays fractures or cracks, and the fracturing or cracking is not attributable to wear and tear, corrosion, rust or insufficient maintenance and care.

4 • Damage to a cylinder liner shall be made good only if the liner is fractured or displays a crack.

5 • Main machinery means the vessel's propelling machinery and units belonging to it or interacting with it, propellers with shafts and stern tubes.

6 • If the damage is due to the combination of several different causes and one or more of those causes is not covered by the insurance, the damage shall be apportioned between the different causes in proportion that each of them is deemed to have affected the occurrence and extend of the damage, and the insurance shall make good only that part of the damage which corresponds to the cause of the damage covered by this supplementary clause.

7 • If the Assured without urgent reasons causes machinery damage to be repaired without providing Insurer with an opportunity of having the damage surveyed, no indemnity shall be paid unless the Assured can prove that the damage is covered by the insurance.

9 • Port Risk Supplementary Clause

The insurance shall be in force only when the vessel is laid up or otherwise withdrawn from service in a place approved by the Insurer.

CLAUSE A : Vessel not surveyed by the Insurer (5.4.1989)

As the insurer has not had the opportunity of surveying the insured vessel, the following restriction shall apply until survey is carried out :

The insurer is liable for damage to the insured vessel only if the Assured can prove that the damage occurred after the inception of the insurance.

CLAUSE B : Vessel not surveyed below the water-line (5.4.1989)

As the Insurer has not had the opportunity of surveying the insured vessel below the water-line in drydock, the following restriction shall apply until such survey has been carried out :

The Insurer is liable for damage to the insured vessel's hull only if the Assured can prove that the damage occurred after the inception of the insurance.

Ice Risk Clause

Where a hull policy concerning a vessel belonging to any of the Finnish Board of Shipping and Navigation ice dues classes IA, IB, IC or II covers total loss and/or salvage charges and/or general average contribution, this insurance covers, notwithstanding the stipulation of Art 6 subsection e) the General Hull Insurance Conditions, the corresponding risks also in the case of average caused by ice.

Ice Risk Additional Clause

§ 1 Notwithstanding the stipulation of § 6 subsection b) of the General Hull Insurance Conditions but these conditions being in other request applicable, this insurance covers such particular average to the vessel as is caused by ice.

§ 2 Indemnity for ice damage shall be calculated in accordance with the stipulations of General Hull Insurance Conditions, however, neither bottom painting nor painting of the belt shall be made good.

§ 3 If the vessel's ice dues class gets reduced or the vessel is fitted with a cast iron propeller, the insurance against ice risk shall terminate for the duration of such changed circumstances.

§ 4 Return of premium shall be made subject to the stipulations laid down by the Finnish Marine Underwriters' Association.

Ice Risk Additional Clause (1.1.1982)

§ 1 Notwithstanding the stipulation of § 6 subsection e) of the General Hull Insurance Conditions but these conditions being in other request applicable, this insurance covers such particular average to the vessel as is caused by ice.

Notwithstanding the stipulation in §23 sect. 1 of the General Conditions, this insurance covers damage to the propeller, rudder with stock and pins and steering gear directly caused by ice.

§ 2 Indemnity for ice damage shall be calculated in accordance with the stipulations of General Hull Insurance Conditions, however, neither bottom painting nor painting of the belt shall be made good.

§ 3 If the vessel's ice dues class is reduced or the vessel is fitted with a cast iron propeller, the insurance against ice risk shall terminate for the duration of such changed circumstances.

§ 4 Return of premium shall be made subject to the stipulations laid down by the Finnish Marine Underwriters' Association.

Inert Gas Clause (5.4.1989)

The installation of the inert gas system must be approved by the Classification Society of the vessel.

The Owner shall issue directives to the effect that the gas system shall always be operated in accordance with the Manufacturer's instructions. Every operation is to be entered into the Log Book.

Non-compliance with the provisions of this clause shall be subject to the consequences stipulated in § 51 of the Insurance Contracts Act.

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Nuclear Damage Clause (1.1.1991)

Notwithstanding the provisions of § 6 sect. f) and of Collision Liability Supplementary Clause sect. 1e) of the General Hull Insurance Conditions the insurance does not cover damage, loss, liability, or expense directly or indirectly caused by or contributed to by or arising from

ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,

the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

any weapons of war employing atomic or nuclear fission and/or fusion or otherlike reaction or radioactive force or matter.

Tanker Clause

Notwithstanding the stipulation of § 23 sect. 1 damage caused by breaking seas to the tanker's deck pipe line system, if covered by the insurance, shall be made good. However, damage caused to pipe insulation shall not be made good. The damage shall be allowed subject to a deduction of one fourth but a deduction of "new for old" as per § 24 if that exceeds one fourth.

Tanker Clause (5.4.1989)

Notwithstanding the stipulation of § 23 sect. 1 damage caused by breaking seas to the tanker's deck pipe line system, if covered by the insurance, shall be made good. However, damage caused to pipe insulation shall not be made good. The damage shall be allowed subject to a deduction of one fourth.

Wages, Maintenance and Fuel Supplementary Clause.

§ 1 Notwithstanding the provisions in § 25 sect. 1 of the General Hull Insurance Conditions, there shall be allowed, as specified below, wages and maintenance of the master, officers and crew of the vessel and also fuel consumption for the time the vessel is surveyed, de-gassed and repaired in dock or at a shipyard or workshop by reason of a recoverable damage.

§ 2 Indemnity shall be payable at a fixed sum per day agreed upon in advance. Irrespective of whether one or several averages are repaired at one and the same time, indemnity shall not exceed 30 times the daily sum agreed. For all averages that have occurred during the period of insurance, the total indemnity shall not exceed 90 times the daily sum agreed.

§ 3 If the time taken for average repairs is longer than estimated at the survey, indemnity shall be payable only for the time of repairs as estimated in the survey.

§ 4 In accordance with § 12 sects. 1 and 3 of the General Hull Conditions, indemnity shall not be payable for any extension of the time of repairs resulting from a suitable spare propeller not being available.

§ 5 If, during repairs of recoverable average damage, average damage from other periods of insurance is repaired concurrently, indemnity shall be payable, subject to § 2 above, for that part of the whole repair period covering the first-mentioned repairs. Apportionment shall be made in proportion to the times that would be required for repairs of the various averages if they were effected separately.

If, in conjunction with average repairs, Owner's work is also effected, indemnity shall be payable as stated in sect. 1 of this article for the time that would be required if no Owner's work were effected.