

**INSTITUTE CLASSIFICATION CLAUSE 01/01/2001****QUALIFYING VESSELS**

1). This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction classed with a Classification Society which is:

- 1.1. a Member or Associate Member of the International Association of Classification Societies (IACS\*), or
- 1.2. a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. **Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.**

**AGE LIMITATION**

2). Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions **subject to an additional premium to be agreed.**

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they :

- 2.1. have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
- 2.2. were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

**CRAFT CLAUSE**

3). The requirements of this Clause do not apply to any craft used to load or unload the vessel within the port area.

**NATIONAL FLAG SOCIETY**

4). A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

**PROMPT NOTICE**

5). **Where this insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependent upon compliance with that obligation.**

**LAW AND PRACTICE**

6). This insurance is subject to English law and practice.

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\* For a current list of IACS Members and Associate Members please refer to the IACS website at: [www.iacs.org.uk](http://www.iacs.org.uk)