

## RIGHTS AND DUTIES ON THE VESSEL CLAUSES 1/4/90

### Article 1

The Assured may not make a claim for total loss by way of abandonment of the Vessel to the Company under this insurance.

### Article 2

When the Vessel becomes a total loss and the Company indemnifies therefore, the Company shall be entitled to choose whether or not to acquire the proprietary right of the Vessel.

### Article 3

In the case the Company does not acquire the proprietary right of the Vessel in accordance with the preceding Article, the Company shall so inform the Assured before making the payment of indemnity.

### Article 4

In the case that the Company acquires the proprietary rights of the Vessel in accordance with Article 2 above, the Company shall by the payment of total loss, acquire the proprietary right of the Vessel in such proportion as the insured amount bears to the insured value.

### Article 5

When the Vessel becomes a total loss, the Assured or the Beneficiary must inform the Company of the following facts before they make a claim for the indemnity of total loss :

- (1) Existence or non-existence of any preferential right, pledge, mortgage, right of charter-by-demise, lien and any other rights existing on the Vessel which may restrict the proprietary right thereof and, if there exists any, the contents thereof.
- (2) Existence or non-existence of any legal liabilities attaching to the Vessel either under the public or private law or any fact that may give rise to such liabilities.

### Article 6

The Company may withhold the payment of indemnity until the information is provided by the Assured or the Beneficiary in accordance with the preceding Article.

### Article 7

Even after the Company has acquired the proprietary right of the Vessel in accordance with Article 2 above, any sum of money necessary to satisfy or extinguish the right enumerated in item (1) or Article 5 above, or, to discharge the liabilities stipulated in item (2) of Article 5 above, shall be borne by the Assured or the Beneficiary.