

## 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.