

INSTITUTE TIME CLAUSES
HULLS
1/6/64

1 . It is further agreed that if the Vessel: hereby insured shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision, the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions hereto bear to the value of the Vessel hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionate part of three-fourths of the value of the Vessel hereby insured, and in cases of which the liability of the Vessel has been contested, or proceeding have been taken to limit liability with the consent in writing of the Underwriters, they will also pay a like proportion of free-fourths of the costs which the Assured shall thereby incur or be compelled to pay ; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this Clause shall in no case extend to any sum which the Assured may become liable to pay or shall pay for removal of obstructions under statutory powers, for injury to harbours wharves piers stages and similar structures or any goods or property thereon or on land, consequent upon such collision ; or in respect of the cargo or engagements of the insured Vessel, of for loss of life or personal injury.

2. Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this Policy as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services tendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

3. The Vessel is covered subject to the provisions of this Policy at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners and/or Managers and/or Charterers. This clause shall not exclude customary towage in connection with loading and discharging.

4. Should the Vessel at the expiration of this Policy be at sea or in distress or at a port of refuge or of call, she shall. provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

5. Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given immediately after receipt of advices and any additional premium be agreed.

6. If the Vessel is sold or transferred to new management then unless the Underwriters agree in writing to continue the insurance this Policy shall become cancelled from the time of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, in either of which cases such cancellation shall, if required, be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A pro rata daily return of premium shall be made.

This clause shall prevail notwithstanding any provision whether written, typed or printed in the Policy inconsistent therewith.

7. This insurance also specially to cover (subject to the free or average warranty) loss of or damage to the subject matter insured directly caused by the following :

Accidents in loading discharging or shifting cargo or fuel

Explosions on shipboard or elsewhere

Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere

Bursting of boilers breakage of shafts or any latent defect in the machinery or hull

Contact with aircraft

Negligence of Master Officers Crew or Pilots

Provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

Masters Officers Crew or Pilots not to be considered as part Owners within the meaning of this clause should they hold shares in the Vessel.

8. General average and salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends. as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to York-Antwerp Rules.

When the Vessel sells in ballast. not under charter, the provisions of the York-Antwerp Rules, 1950 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or lace thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

9. (a) In the event of expenses being incurred pursuant to the Suing and Labouring Clause, the liability under this Policy shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where Underwriters have admitted a claim for total loss and property insured by this Policy is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

(b) Where a claim for total loss of the Vessel is admitted under this Policy and expenses have been reasonably incurred in salving or attempting to save the Vessel and other property and then are no proceeds, or the expenses exceed the proceeds, then this Policy shall bear its pro-rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel ; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount irrecoverable under this clause shall be reduced in proportion to the under insurance.

10. Average payable on each evaluation separately or on the whole without deduction new for old, whether the average be particular or general.

11. Electrical plant not supplying power for propulsion or for main engines, donkey or auxiliary boilers with their condensers, winches, cranes, windlasses and steering gear shall be deemed to be part of the hull and not part of the machinery. Refrigerating machinery and installation, unless separately valued, shall be deemed to be part of the hull.

12. Warranted free from particular average under 3 per cent., but nevertheless when the Vessel shall have been stranded, sunk, on fire, or in collision with any other vessel, Underwriters shall pay the damage occasioned thereby. The expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found.

13. No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

14. Grounding in the Panama Canal, Suez Canal, Manchester Ship Canal or its connections, River Mersey above Rock Ferry Slip, River Plate (above a line drawn from the North Basin Buenos Aires to the mouth of the San Pedro River) or its tributaries, Danube or Demerara Rivers or on the Yenikale Bar, shall not be deemed to be a stranding.

15. The provisions of Clause 12 shall be applicable to each voyage as if separately insured and, for the purpose of this Clause 15, a voyage shall commence with any passage below defined and may continue until the Vessel has completed not more than three passages or not more than two passages with cargo, which may first occur.

A passage shall be deemed to be :

(1) If the vessel sails with cargo :

From the commencement of loading at the first port or place of loading until completion of discharge at the last port or place of discharge and further until the Vessel begins to load cargo or sails therefrom whichever may first occur.

(2) If the Vessel sails in ballast :

From the port or place of departure until arrival at the first port or place thereafter, other than a port or place of refuge or a port or place of call for bunkering only, and further until the Vessel begins to load cargo or sails in ballast.

Should a passage as above defined include a period of 30 days or more in a port or place, other than a port or place of refuge, that passage shall be deemed to have terminated on the expiry of 30 days : each subsequent period of 30 days or part thereof prior to the

commencement of loading cargo or sailing, as the case may be, shall be deemed to be a passage.

(3) Periods in port not included in the preceding paragraphs :

Any period of 30 days or part thereof

Notwithstanding with the provisions of paragraph (3) above, in the case of newly acquired Vessels or Vessels delivered to Owners on termination of demise charter, the period between the date of the delivery to the Owners and the commencement of a passage may be added and become part of such passage provided such period is less than 30 days.

Should the vessel sail in ballast from one port or place to another to effect repairs of damage for which Underwriters are liable under the Policy current at the time of sailing, such passage may be added to the previous passage and become part thereof.

For the purpose of ascertaining whether the stipulated franchise has been attained, particular average occurring outside the period covered by this Policy may be added to particular average occurring within such period provided both occur on the same voyage as defined herein and during the same ownership, but only that portion of the claim arising within the period of this Policy shall be recoverable hereunder. Particular average which would not have been recoverable under the conditions of this Policy shall not be included to the calculation.

A voyage shall not be so fixed that it overlaps another voyage on which a claim is made on this or the preceding or succeeding policy.

16. In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent total loss sustained during the period covered by this Policy or any extension thereof under Clause 4.

17. In ascertaining whether the Vessel is a constructive total loss the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value.

18. In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

19. In the event of accident whereby loss or damage may result in a claim under this Policy, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent Underwriters should they so desire. Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm. Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where a tender so taken is accepted with the approval of Underwriters an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender and the acceptance of a tender to the extent that such time is lost solely as the result of

tenders having been taken and provided that the tender is accepted without delay after receipt of Underwriters' approval ,

Due credit shall be given against the allowance as above for any amount recovered:

(a) in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof allowed in general or particular average,

(b) from third parties in respect of damages for detention and/or loss of profit and/or running expenses,

for the period covered by the tender allowance or any part thereof.

Where a part of the cost of average repairs other than a fixed deductible franchise is not recoverable from Underwriters the allowance shall be reduced by a similar proportion.

In the event of failure to comply with the conditions of this clause, 15% shall be deducted from the amount of the ascertained claim.

20. Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat ; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not ; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power ; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

21. Additional insurances as follows are permitted:

(a) Disbursements. Managers' Commissions, Profits or Excess or increased Value of Hull and Machinery. A sum not exceeding 10% of the value stated herein.

(b) Freight, Chartered Freight or Anticipated Freight, insured for time. A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under Section (a).

(c) Freight or Hire, under contracts for voyage. A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under Section (b) to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.

(d) Anticipated Freight if the Vessel sails in ballast and not tinder Charter. A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably

estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under Section (b) to be taken into account and only the excess thereof may be insured.

(e) Time Charter Hire or Charter Hire for Series of Voyages. A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under Section (b) to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums Insured under Sections (b) and (e) does not exceed 50 Y. of the gross hire still to be earned under the charter. An insurance tinder this Section may begin on the signing of the charter.

(J) Premiums. A sum not exceeding the actual premiums or all interests insured for a period not exceeding 12 months (excluding premiums insured tinder the foregoing sections but including, if required the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro-rata monthly.

(g) Returns of Premium. A sum not exceeding the actual returns which arc recoverable subject to 'and arrival' under any policy of insurance.

(h) Insurance irrespective of amount against:

Risks excluded by the free of Capture etc. Clause and risks enumerated in the Institute War and Strike Clauses.

Warranted that no insurance on any interests enumerated in the foregoing Sections (a) to (g) in excess of the amounts permitted therein and no other insurance P.P.I., F.I.A. or subject to any other like term, is or shall be effected to operate during the currency of this Policy by or for account of the Assured. Owners, Managers or mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach.

22. To return as follows:

per cent. net for each uncommenced month if this Policy be cancelled by agreement.
and for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area approved by the Underwriters (with special liberties as hereinafter allowed):

(a) per cent. net not under repair.

(b) per cent. net under repair

If the Vessel is under repair during part only of a period for which a return is claimable, the return payable shall be calculated pro-rata to the number of days under (a) and (b) respectively.

Provided always that

(i) in no case shall a return be allowed when the within named Vessel is lying in exposed or unprotected waters. or in a lay-up area not approved by Underwriters but days during which the Vessel is laid up in such non approved lay-up area may be added to days in port or in an approved lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved lay-up area

(ii) loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo

(iii) in the event of a return for special trade or any other reason being recoverable. the above rates of return of premium shall be reduced accordingly.

In the event of any return recoverable under this clause being based on 30 consecutive days which fall on successive policies, effected for the same Assured, this Policy shall only be liable for an amount calculated at pro-rata of the period rates (a) and/or (b) above for the number of days which come within the period of this Policy and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under (a) or (b) or (i) above.

23. It is agreed that no assignment of or interest in this Policy or in any money which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured. and by the assignor in the case of subsequent assignment, is endorsed on this Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder: but nothing in this clause is to have effect as an agreement by the Underwriters to a sale or transfer to new management.