

1/10/70

## INSTITUTE STANDARD T.L.O. CLAUSE (HULLS)

1. This insurance covers only

**Total Loss (Actual or Constructive) of the Vessel**

(including total loss directly caused by: -

- 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
- Negligence of Master Officers Crew or Pilots
- Negligence of repairers provided such repairers are not Assured(s) hereunder
- Contact with aircraft
- Contact with any land conveyance, dock or harbour equipment or installation
- Earthquake, volcanic eruption or lightning

provided such loss 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.)

In ascertaining whether the Vessel is a constructive total loss the insured value in the policies on hull and machinery 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 in the policies on hull and machinery.

2. (a) 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 to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This clause shall not exclude customary towage in connection with loading and discharging.

(b) In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a barge, lighter or similar harbour or inshore craft) no claim shall be recoverable under this insurance for loss of the Vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.

3. 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 to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

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. 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.

6. 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 provided such port or lay-up area is 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 Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or 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 port or 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.

7. No assignment of or interest in this Policy or in any moneys 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.

**Unless deleted by the Underwriters the following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.**

8. 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 the 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.

9. Warranted free from loss arising from: -

- (a) the detonation of an explosive
- (b) any weapon of war

and caused by any person acting maliciously or from a political motive.

10. Warranted free from loss arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

and arrival