

**American Institute  
BUILDER'S RISK CLAUSES  
(FEB. 8, 1979)**

13-L



To be attached to and form a part of Policy No. .... of the .....	1
.....	2
<b>The terms and conditions of the following clauses are to be regarded as substituted for those of the policy form to which they are attached, the latter being hereby waived, except provisions required by law to be inserted in the Policy. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.</b>	3
	4
	5
<b>ASSURED</b>	6
This Policy insures .....	7
..... hereinafter referred to as the Assured.	8
If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner, had claims been made by the Owner as an Assured named in this Policy.	9
	10
Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by an of the aforesaid companies, or with respect to any loss, damage or expense against which such companies are insured.	11
	12
	13
<b>LOSS PAYEE</b>	14
Loss, if any, payable to .....	15
..... or order.	16
Provided, however, Underwriters shall pay claims to others as set forth in the Collision Liability or the Protection and Indemnity clauses and may make direct payment to persons providing security for the release of the Vessel in Salvage cases.	17
	18
<b>SUBJECT MATTER</b>	19
The Subject Matter of this insurance (herein referred to as the Vessel is the hull, launches, lifeboats, rafts, furniture, bunkers, stores, tackle, fittings, equipment, apparatus, machinery, boilers, refrigeration machinery, insulation, motor generators and other electrical machinery, ordnance, munitions, and appurtenances, including materials, plans, patterns and moulds, staging, scaffolding and similar temporary construction (to the extent only that the cost of any of the foregoing is included in the Agreed Value) incorporated in or allocated to Hull No. .... Type ..... building at the yard of the Builder at .....	20
	21
	22
	23
	24
In the event of any material change in the specifications or design of the Vessel from that originally represented to the Underwriters, such as change is held covered provided (a) notice is given to the Underwriters immediately followed such change, and (b) any amended terms of cover and any additional premium required by the Underwriters are agreed to by the Assured.	25
	26
	27
This Policy insures only while the Vessel (ashore or afloat) is at the building location named above; while in transit within the port of construction to and from such location; and while on trial trips (including proceeding to and returning from the trial course), as often as required, within a distance by water of 250 nautical miles of the port of construction, or held covered at an additional premium to be named by the Underwriters in the event of a deviation of voyage, provided prompt notice thereof is given to the Underwriters.	28
	29
	30
	31
<b>DURATION OF RISK</b>	32
From the ..... day of ..... 19 ....., ..... time.	33
to the ..... day of ..... 19 ....., ..... time	34
or until delivery, if delivered at an earlier date.	35
In the event of delivery not being effected by the aforesaid expiration date, this Policy may be extended at ..... per month, provided prompt notice be given to the Underwriters but not for more than ..... months from the date of original attachment, but held covered for an additional period of time provided prompt notice is given to the Underwriters and any amended terms of cover and any additional premium required by the Underwriters are agreed to by the Assured; provided, however, in no case shall this Policy extend beyond delivery of the Vessel.	36
	37
	38
	39
	40
In event of payment by the Underwriters for Total Loss of the Vessel in this Policy shall thereupon automatically terminate.	41
<b>PREMIUM</b>	42
The Underwriters to be paid in consideration of this insurance .....	43
..... Dollars being at the rate of .....	44
per cent., which premium shall be due on attachment.	45
<b>RETURNS OF PREMIUM</b>	46
In event of delivery prior to the expiration date, or any extension thereof, to return pro rata daily of ..... cents per cent. net per month.	47
	48
<b>AGREED VALUE</b>	49
The Vessel, for so much as concerns the Assured, by agreement between the Assured and the Underwriters in this Policy, is and shall be valued at the completed contract price plus the value of materials and equipment destined for the Vessel but not included in such price. If no amount is stated for such materials and equipment, Underwriters shall have no liability for any loss, damage or expense thereto or in connection therewith, and such materials and equipment shall not be deemed a part of the Vessel.	50
	51
	52
	53
The Agreed Value is provisionally declared as \$ ....., being the contract price of \$ .....and \$ ..... for materials and equipment destined for the Vessel but not included in the contract price.	54
	55
<b>ESCALATION</b>	56
In the event of any increase or decrease in the cost of labor or materials, or in the event of any change in the specifications or design of the Vessel (not constituting a material change for purposes of the held covered provisions of the Subject Matter clause), the Agreed Value shall be adjusted accordingly, but any increase shall be limited to ..... per cent. of the Agreed Value as provisionally declared, and the Amount Insured shall be adjusted proportionately; provided that the Assured shall pay premium at the full Policy rate on the total construction cost of the Vessel of this insurance, but the Underwriters shall in no event be liable under this Policy for more than the Agreed Value provisionally declared plus said percentage thereof.	57
	58
	59
	60
	61
	62
<b>AMOUNT INSURED HEREUNDER</b>	63
..... Dollars.	64
In the event of a claim becoming payable under this Policy, the Underwriters shall not be liable for a greater proportion thereof than the Amount Insured Hereunder bears to the Agreed Value.	65
	66

(Continued)

**DEDUCTIBLE** 67  
 Notwithstanding anything in this Policy to the contrary, there shall be deducted from the aggregate of all claims (including claims 68  
 under the Sue and Labor, Collision Liability, and Protection and Indemnity clauses) arising out of each separate accident, the sum of \$ 69  
 ..... unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply. 70  
 A recovery from other interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims 71  
 arising out of one separate accident, if unreduced by such recovery exceeds that sum. For purpose of this clause each accident shall be 72  
 treated separately, but it is agreed that (a) a sequence of damages arising from the same accident shall be treated as due to that accident 73  
 and (b) all heavy weather damage, or damage caused by contact with floating ice, which occurs during a single sea passage between two 74  
 successive ports shall be treated as though due to one accident. 75

**PART I – HULL SECTION** 76

**HULL RISKS** 77  
 This Policy insures against al/ risks of physical loss of or damage to the Vessel occurring during the currency of this Policy, except 78  
 as hereinafter provided. 79

In the event that faulty design of any part or parts should cause physical loss of or damage to the Vessel, this insurance shall not 80  
 cover the cost or expense of repairing, replacing or renewing such part or parts, nor any expenditure incurred by reason of betterment or 81  
 alteration in design. 82

**DELIBERATE DAMAGE (Pollution Hazard)** 83  
 Subject to the terms and conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by 84  
 governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from 85  
 damage to the Vessel for which the Underwriters are liable under this Policy, provided such act of governmental authorities has not 86  
 resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such 87  
 hazard or threat. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold 88  
 shares in the Vessel. 89

**FAILURE TO LAUNCH** 90  
 In case of failure to launch, the Underwriters shall bear, up to the Amount Insured Hereunder, their proportion of all necessary 91  
 expenses incurred in completing launch. 92

**GENERAL AVERAGE AND SALVAGE** 93  
 General Average and Salvage shall be payable as provided in the contract of affreightment, or failing such provision or there be 94  
 no contract of affreightment, payable at the Assured's election either in accordance with York-Antwerp Rules, 1950 or 1974 or with 95  
 the laws and Usages of the Port of New York. Provided always that when an adjustment according to the laws and usages of the port of 96  
 destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly. 97

In the event of salvage, towage or other assistance being rendered to the Vessel by any vessel belonging in part or in whole to 98  
 the same Owners or Charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be 99  
 ascertained by arbitration in the manner provided for under the Collision liability clause in this Policy, and the amount so awarded so far 100  
 as applicable to the interest hereby insured shall constitute a charge under this Policy. 101

When the contributory value of the Vessel is greater than the Agreed Value herein, the liability of the Underwriters for General 102  
 Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total 103  
 contribution due from the Vessel which the amount insured hereunder bears to the contributory value; and if, because of damage for 104  
 which the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the 105  
 amount of such Particular Average damage recoverable under this Policy shall first be deducted from the Amount Insured Hereunder, 106  
 and the Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value. 107

**TOTAL LOSS** 108  
 There shall be no recovery for a constructive Total loss under this Policy unless the expense of recovering and restoring the Vessel 109  
 (as insured hereunder) to the stage of her construction at time of loss would exceed her value at such stage of construction (which value 110  
 shall be taken to be the cost of labor actually expended by the Builder in the construction of the Vessel and material actually incorporated 111  
 therein at the time of loss, including accrued overhead and profit on such labor and material, not exceeding the Agreed Value). In making 112  
 this determination only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the 113  
 same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall not be considered if such are to 114  
 be claimed separately under the Sue and labor clause. 115

No claim for Total loss (actual or constructive) shall exceed this Policy's proportion of the value of the Vessel at the stage of her 116  
 construction at time of loss as computed in the manner set forth in the preceding paragraph. This Policy shall also pay its proportion of 117  
 any physical loss or damage to material insured hereunder and not yet installed in the Vessel. 118

In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period 119  
 covered by this Policy, or any extension thereof. 120

**SUE AND LABOR** 121  
 And in case of any loss or Misfortune, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to 122  
 sue, labor and travel for, in and about the defense, safeguard and recovery of the Vessel, or any part thereof, without prejudice to this 123  
 insurance, to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and 124  
 agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the Vessel shall be considered as a waiver or 125  
 acceptance of abandonment. 126

In the event of expenditure under the Sue and labor clause, the Underwriters shall pay the proportion of such expenses that the 127  
 Amount Insured Hereunder bears to the Agreed Value, or that the Amount Insured Hereunder (less loss and/ or damage payable under 128  
 this Policy) bears to the actual value of the salvaged property; whichever proportion shall be less; provided always that their liability for 129  
 such expenses shall not exceed their proportionate part of the Agreed Value. 130

If claim for Total loss is admitted under this Policy and sue and labor expenses have been reasonably incurred in excess of any 131  
 proceeds realized or value recovered, the amount payable under this Policy will be the proportion of such excess that the Amount 132  
 Insured Hereunder (without deduction for loss or damage) bears to the Agreed Value or to the sound value of the Vessel at the time 133  
 of the accident, whichever value was greater; provided always that Underwriters' liability for such expenses shall not exceed their 134  
 proportionate part of the Agreed Value. The foregoing shall also apply to expenses reasonably incurred in salvaging or attempting to salvage 135  
 the Vessel and other property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel. 136

**PART II – LIABILITY SECTION** 137

**COLLISION LIABILITY** 138

And it is further agreed that: 139

- (a) if the Vessel shall come into collision with any other ship or vessel, and the Assured' or the Surety in consequence of the 140  
 Vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum 141

(Continued)

or sums in respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid, such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in respect to anyone such collision shall not exceed their proportionate part of the Agreed Value;	142 143 144
(b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been contested, or proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.	145 146 147
When both vessels are to blame, then, unless the liability of the owners or charterers of one or both such vessels becomes limited by law, claims under the Collision Liability clause shall be settled on the principle of Cross-Liabilities as if the owners or charterers of each vessel had been compelled to pay to the owners or charterers 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.	148 149 150 151 152
The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the Assured and one to be appointed by the majority (in amount) of Hull Underwriters interested; the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single Arbitrator, or of any two of such three Arbitrators, appointed as above, to be final and binding.	153 154 155 156 157 158
Provided always that this clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay or shall pay in consequence of, or with respect to:	159 160
(a) removal or disposal of obstructions, wrecks or their cargoes under statutory powers or otherwise pursuant to law;	161
(b) injury to real or personal property of every description;	162
(c) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description whatsoever;	163 164
(d) cargo or other property on or the engagements of the Vessel;	165
(e) loss of life, personal injury or illness.	166
Provided further that exclusions (b) and (c) above shall not apply to injury to other vessels or property thereon except to the extent that such injury arises out of any action taken to avoid, minimize or remove any discharge, spillage, emission or leakage described in (c), above.	167 168 169
<b>PROTECTION AND IDEMNITY</b>	170
It is further agreed that if the Assured shall by reason of his interest in the Vessel, or the Surety in consequence of its undertaking, become liable to pay and shall pay any sum or sums in respect of any responsibility, claim, demand, damages, and/or expenses arising from or occasioned by any of the following matters or things during the currency of this Policy, that is to say:	171 172 173
(a) Loss of or damage to any other vessel or goods, merchandise, freight, or other things or interests whatsoever on board such other vessel, caused proximately or otherwise by the Vessel, insofar as the same is not covered by the Collision Liability clause in this Policy; but the foregoing shall not be construed to cover liability in excess of the amount recoverable under the Collision liability clause;	174 175 176 177
(b) Loss of or damage to any goods, merchandise, freight or other things or interests whatsoever, other than as aforesaid, whether on board the Vessel or not, which may arise from any cause whatsoever; provided that this subparagraph (b) shall not include Builder's gear, material or cargo on the Vessel;	178 179 180
(c) Loss of or damage to any harbor, dock (graving or otherwise), slipway, way, gridiron, pontoon, pier, quay, jetty, stage, buoy, telegraphic cable or other fixed or movable thing whatsoever, or to any goods or property in or on the same, howsoever caused;	181 182 183
(d) Loss of life of, or bodily injury to, or illness of any person (other than an employee of an Assured under this Policy);	184
(e) Payments made on account of life salvage;	185
(f) Any attempted or actual raising, removal or destruction of the wreck of the Vessel or the cargo thereof or any neglect or failure to raise, remove or destroy the same; however, for the purpose of this paragraph only, the Assured shall be deemed liable for expenses, after deducting any proceeds of the salvage, actually incurred by the Assured in removing the wreck of the Vessel from any place owned, leased or occupied by the Assured;	186 187 188 189
(g) Any sum or sums for which the Assured may become liable or incur from causes not hereinbefore specified, but which are recoverable under the Protection and Indemnity policy form known as Lazard No. SP 23;	190 191
the Underwriters will pay the Assured or the Surety such proportion of such sum or sums so paid, or which may be required to indemnify the Assured or the Surety for such loss, as their respective subscriptions bear to the Agreed Value. Where the liability of the Assured has been contested with the consent in writing of a majority (in amount) of the Underwriters, the Underwriters shall have the option of naming the attorneys who will defend the Vessel and the Assured and will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay; provided that the total liability of the Underwriters under all sections of these Protection and Indemnity clauses in respect of anyone accident or series of accidents arising out of the same event is limited to the Amount Insured Hereunder, plus costs as hereinabove provided.	192 193 194 195 196 197 198
Notwithstanding anything to the contrary contained in these Protection and Indemnity clauses, the Underwriters shall not be liable for nor indemnify the Assured against any sum(s) paid with respect to any loss, damage, cost, liability, expense, fine, or penalty of any kind or nature whatsoever, and whether statutory or otherwise, imposed on the Assured directly or indirectly in consequence of, or with respect to, the actual or potential discharge, emission, spillage, or leakage upon or into the seas, waters, land or air, of oil, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever. This exclusion, however, shall not apply to sums paid or payable, or liability of the Assured, for the physical loss of the property discharged, emitted, spilled, or leaked, provided that such sums are covered elsewhere under the terms and conditions of this Policy.	199 200 201 202 203 204 205
In the event that Sections 182 to 189, both inclusive, of U.S. Code, Title 46, or any existing law or laws determining or limiting liability of shipowners and carriers, or any of them, shall, while this Policy is in force, be modified, amended or repealed, or the liabilities of shipowners or carriers be increased in any respect by legislative enactment, the Underwriters shall have the right to cancel the insurances afforded by these Protection and Indemnity clauses upon giving thirty (30) days' written notice in the manner prescribed in the Non-Payment of Premium clause; in the event of such cancellation, Underwriters shall make an appropriate return of premium.	206 207 208 209 210
Underwriters' liability under these Protection and Indemnity clauses shall in no event exceed that which would be imposed on the Assured by law in the absence of contract.	211 212
<b>PART III – GENERAL PROVISIONS</b>	213
A. In the event of any accident or occurrence which could give rise to a claim under PART I of this Policy, prompt notice thereof shall be given to the Underwriters, and:	214 215
(a) where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor, if they so desire;	216 217

(Continued)

(b)	the Underwriters shall be entitled to decide where the Vessel shall proceed for docking and/ or repair (allowance to be made to the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement);	218 219
(c)	the Underwriters shall have the right of veto in connection with any repair firm proposed;	220
(d)	the Underwriters may take tenders or may require in writing that tenders be taken for the repair of the Vessel, in which event, upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent. per annum on the amount insured, for each day or pro rata for part of a day, for time lost between the issuance of 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 the tender is accepted without delay after receipt of the Underwriters' approval;	221 222 223 224 225
(e)	due credit shall be given against the allowances in (b) and (d) above for any amount recovered:	226
(1)	in respect of fuel, stores, and wages and maintenance of the Master, Officers or Crew allowed in General or Particular Average;	227 228
(2)	from third parties in respect of damages for detention and/ or loss of profit and/ or running expenses; for the period covered by the allowances or any part thereof.	229 230
	No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers or Crew, except when incurred solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips made only to test average repairs, in which cases wages and maintenance will be allowed only while the Vessel is under way. This exclusion shall not apply to overtime or similar extraordinary payments to Officers or Crew members incurred in shifting the Vessel for tank cleaning or repairs or while specifically engaged in these activities, either in port or at sea.	231 232 233 234 235
	General and Particular Average shall be payable without deduction, new for old.	236
	The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.	237 238
	No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.	239
	No claim for unrepaired damages shall be allowed, except to the extent that the aggregate damage insured against under the Policy and left unrepaired at the expiration thereof shall be demonstrated by the Assured to have diminished the actual market value of the Vessel on that date if undamaged.	240 241 242
B.	In the event of any occurrence which may result in a loss, damage or expense for which the Underwriters are or may become liable under PART II of this Policy the Assured will give prompt notice thereof and forward to the Underwriters as soon as practicable after receipt thereof all communications, processes, pleadings and other legal papers or documents relating to such occurrence.	243 244 245
	No action shall lie against the Underwriters under PART II of this Policy for the recovery of any loss sustained by the Assured unless such action is brought against the Underwriters within one year after the final judgment or decree is entered in the litigation against the Assured, or in case the claim against the Underwriters accrues without the entry of such final judgment or decree, unless such action is brought within one year from the date of the payment of such claim by the Assured.	246 247 248 249
	<b>NON-PAYMENT OF PREMIUM</b>	250
	In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy. Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable. In the event of Total loss of the Vessel occurring prior to any cancellation or termination of this Policy full premium shall be considered earned.	251 252 253 254 255
	<b>WAR, STIKES AND OTHER EXCLUSIONS</b>	256
	The following conditions shall be paramount and shall supersede and nullify any contrary provisions of the Policy.	257
	This Policy does not cover any loss, damage, liability or expense caused by, resulting from, or incurred as a consequence of:	258
(a)	Capture, seizure, arrest, restraint or detention, or any attempt thereat; or	259
(b)	Any taking of the Vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or	260
(c)	Any mine, bomb or torpedo not carried as cargo on board the Vessel; or	261
(d)	Any weapon of war employing atomic or nuclear fission and/ or fusion or other like reaction or radioactive force or matter; or	262 263
(e)	Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy; or	264
(f)	Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power; or	265
(g)	Malicious acts or vandalism, unless committed by the Master or Mariners and not excluded elsewhere under this War Strikes and Related Exclusions clause; or	266 267
(h)	Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (h) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent 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. As used herein, "power" includes any authority maintaining naval, military or air force in association with a power; or	268 269 270 271 272 273
(i)	Delay or disruption of any type whatsoever, including, but not limited to, loss of earnings or use of the Vessel, howsoever caused, except to the extent, if any, covered by the Collision liability or the Protection and Indemnity clauses of this Policy; or	274 275 276
(j)	The firing or testing of any weapon of war from, by or on the Vessel. This exclusion is in addition to and is not to be considered in whole or part as a substitution for or modification of any other exclusion herein set forth; or	277 278
(k)	Damage to docks, slipways, tools or any other property of the shipyard not intended to be incorporated in the Vessel, except as covered in Lines 12 through 16, and any damage to slipways occurring during a successful launch; or	279 280
(l)	Any nuclear incident, reaction, radiation or any radioactive contamination, whether controlled or uncontrolled, and whether the loss, damage, liability or expense be proximately or remotely caused thereby, or be in whole or in part caused by, contributed to, or aggravated by the risks and liabilities insured under this Policy, and whether based on the Assured's negligence or otherwise; or	281 282 283 284
(m)	Placing the Vessel in jeopardy as an act or measure of war taken in the actual process of a military engagement, including embarking or disembarking troops or material of war in the immediate zone of such engagement; and any such loss, damage, liability or expense shall be excluded from this Policy without regard to whether the Assured's liability in respect thereof is based on negligence or otherwise, and whether in time of peace or war.	285 286 287 288