



PROTECTION AND INDEMNITY CLAUSES (Great Lakes)

To be attached to and form a part of Policy No. 1
of the 2
(Hereinafter referred to as Assurer) 3
Amount \$..... Rate Premium 4

Which, In Consideration of the Stipulations Herein 5

and of the above stated premium DOES INSURE..... 6
(Hereinafter referred to as the Assured)
loss, if any, payable to 7
in the sum of..... 8
(Amount insured hereunder)
being part of 9
(Total amount of insurance)

at and from the..... day of 19..... , Standard Time 10
until the day of 19..... , Standard Time, 11
but to return per cent. net for every 15 consecutive days the Vessel may be laid up and out of commission in a safe port 12
during the navigation period without cargo on board (except coal, ore or stone), and arrival, 13

Against the Assured's liabilities as hereinafter described and subject to the terms and conditions hereinafter set forth in respect of the 14
Vessel called the : 15

If the Assured, as owner of said Vessel, shall have become liable to pay, and shall have in fact paid, any sum or sums arising from or 16
occasioned by any of the following matters or things occurring during the currency of this policy, that is to say: 17

(A) Loss or damage in respect of any other vessel, or in respect of any goods, merchandise, freight or other things or interests 18
whatsoever, on board such other vessel; 19

In the event of collision when both vessels are to blame, then, unless the liability of the owner of one or both of such vessels 20
becomes limited by law, claims under this clause shall be settled on the principle of cross liabilities, as if the owner of each vessel 21
had been compelled to pay to the owner of the other of such vessels such one-half or other proportion of the latter's damages as 22
may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision; 23

(B) Loss or damage in respect of any harbor, bridge, dock, pontoon, pier, jetty, buoy, cable, or other fixed or movable thing whatsoever 24
or to any goods or other property, excepting properties named in paragraph C below; 25

Where there would be a valid claim under (A) or (B) herein but for the fact that the damaged property belongs to the Assured, the 26
Assurer shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under 27
any other insurance applicable on the property; 28

(C) Loss of or damage to cargo of the Vessel named herein (excluding mail or parcel post, and excluding specie, bullion, precious 29
stones, precious metals, jewelry, silks, furs, bank notes, bond or other negotiable documents or similar valuable property, unless 30
specially agreed to and accepted for transportation under a form of contract approved in writing by the Assurer), and 31

Loss of or damage to baggage and personal effects of passengers or crew to the extent that liability would exist if there were a 32
passenger ticket or crew contract limiting property liability to an amount not exceeding \$500; 33

(D) Loss of life, personal injury, illness and payments made on account of life salvage, including: 34

(a) funeral expenses of crew members not exceeding \$500 (this limit to be applied after application of the policy deductible) 35
regardless of the Assured's liability therefor, 36

(b) repatriation expenses of crew members, and 37

(c) wages of licensed officers payable under their employment agreement while they are disabled during the navigating season 38
because of injury or illness sustained in the service of the Vessel during the navigating season, said navigating season to 39
begin when the first crew member reports on board the Vessel for "fit-out" and to terminate when the last crew member 40
leaves the Vessel at the end of "lay-up"; 41

(d) Payments under the United States Longshoremen's & Harbor Workers' Act or any Canadian compensation act, provided 42
that the Assured has fully complied with the provisions of said acts, it being understood that this policy is not intended to 43
render the Assurer a qualifying insurance carrier under the provisions of said acts; 44

(E) Any attempted or actual raising, removal or destruction of the wreck of any vessel (including the Vessel named herein) or the cargo 45
thereof, or any neglect or failure to raise, remove or destroy the same, less the value of all stores and materials which have been 46
saved and of the wreck itself, if any; 47

(F) Liability assumed by or imposed upon the Assured by reason of their acceptance of or signature to a contract for Tug services 48
which includes the Eastern Canadian Tugboat Owners' Association's standard towing conditions, effective in 1948 and approved 49
by the Assurer, not including, however, any liabilities which would be covered under the American Institute Lake Time Clauses- 50
Hulls-endorsed as follows: 51

"Where in accordance with established local practice the Assured or the Charterer enters into towage contracts under which 52
the Assured or the Charterer assumes liability for any damages resulting from collision of the Vessel insured with another 53
ship or vessel, including the towing vessel, and agrees to indemnify the towboat and/or her owners against loss or liability 54
for any such damage, it is agreed that amounts paid by the Assured or Charterer pursuant to such agreement, in respect of 55

(Continued)

	such damage caused by collision between the Vessel insured and any other ship or vessel, shall be deemed payments by way of damages to any other person or persons within the meaning of the Collision Clause in this policy to the extent that such payments would have been covered under the said Collision Clause if the insured Vessel had been responsible for the damage in the absence of any agreement”;	56 57 58 59
	(G) Fines imposed by Customs, Immigration or other Government or Local Authorities for any neglect or default of the Master, Officers or Crew of the Ship;	60 61
	(H) Cargo’s proportion of General Average, including Special Charges, which is not legally recoverable solely by reason of a breach of the Contract of Carriage;	62 63
	(I) Expenses of prompt investigation incurred by or on behalf of the Assured and, subject to the consent in writing of a majority of the Assurers in amount, costs in contesting liability of the Assured, in respect of any of the aforesaid matters and in respect of unfounded claims of the crew;	64 65 66
	THE ASSURER WILL PAY TO THE ASSURED , subject to the reservations herein mentioned, such proportion of the sum or sums so paid as the amount insured by this Policy (as specified above) bears to the total amount of insurance (as specified above).	67 68
	NOTWITHSTANDING THE FOREGOING, NO LIABILITY SHALL ATTACH HEREUNDER IN RESPECT OF:	69
	(1) The first \$500 of the total of all claims (including expenses) hereunder arising out of any one occurrence;	70
	(2) Any loss, damage, liability or expense insurable either under the current American Institute Lake Time Clauses, Hulls or American Institute Lake Time (Increased Value including Excess Liabilities) Clauses, or both, whether or not any such insurance is in force and regardless of any deductible thereunder or insufficiency thereof, nor shall liability attach hereunder as excess over any such insurance.	71 72 73 74
	(3) Freight, passage money, hire, demurrage or any other loss of revenue of the Vessel named herein, cancellation or breach of any charter or contract, bad debts, fraud of agents, insolvency; or in respect of the Vessel named herein engaging in any unlawful trade, or performing any unlawful act, with the knowledge of the Assured;	75 76 77
	(4) Shortage of cargo consequent on Custom or Bill of Lading guarantee;	78
	(5) Loss or damage (other than loss of life of, or personal injuries to, passengers or members of the crew of the Vessel named herein) arising out of or having relation to the towage of any other vessel, whether under agreement or not, but this exclusion shall not apply to ordinary salvage services, not contracted for, rendered in an emergency to a vessel in distress;	79 80 81
	(6) Loss of life, personal injury or illness occurring to any employee of the Assured, whether a member of the crew or not, engaged in work in the nature of major repairs or reconstruction. This exclusion, however, does not apply to usual, ordinary or emergency repairs, whenever made, or to persons employed as shipkeepers or watchmen when the Vessel is laid up. The liabilities excluded in this clause #6 are held covered subject to prompt notice being given to the Assurer and an additional premium being paid if required.	82 83 84 85 86
	(7) Any nuclear incident, reaction, radiation or any radioactive contamination, 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, in so far as the same arises out of or in consequence of the radioactive, toxic, explosive, or other hazardous properties of nuclear fuels or radioactive products or waste carried by, or in the custody of, the Assured, or for which the Assured is responsible, with the exception of radio isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purpose.	87 88 89 90 90 91
	CARRIAGE OF CARGO	92
Protective Clauses Required	It is understood and agreed that liability hereunder shall be limited to such as would exist if there were a charter party, bill of lading or contract of affreightment containing:	93 94
	(a) A provision that shipments are subject either to the Harter Act 1893 or to the (U.S.A.) Carriage of Goods by Sea Act 1936 if from a United States port, or to the (Canadian) Water Carriage of Goods Act 1936 if from a Canadian port, and also to the minimum valuations per package or freight unit and to all the exemptions from liability permitted by said Acts;	95 96 97
	(b) A negligence general average clause reading:	98
	“In the event of accident, danger, damage, or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the shipowner is not responsible, by statute or contract or otherwise, the shippers, consignees or owners of the cargo shall contribute with the shipowner in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo”;	99 100 101 102 103
	(c) A provision that cargo shall be at shipper’s risk if carried on deck;	104
	(d) A clause providing that the Assured and the Vessel named herein shall have the benefit of all statutory limitations and exemptions from liability permitted to vessel owners;	105 106
	(e) A Liberties Clause commonly used in the trade in which the Vessel is engaged; (f) Such clauses, if any, as are required by law to be stated therein.	107 108
	CARRIAGE OF GRAIN and/or SEED CARGO	109
	In addition to the general provisions set forth above for the Carriage of Cargo, the following special provisions shall apply to the carriage of Grain and/or Seed cargo:	110 111
Approved Vessel Only	No liability shall attach hereunder for loss of or damage to cargoes of grain and/or seed unless the Vessel be approved for the carriage of such cargoes by the United States Salvage Association or Salvage Association, London or a recognized classification society which subscribes to the requirements of the United States Salvage Association and Salvage Association, London and such approval be maintained throughout such carriage.	112 113 114 115
Barge Sailings	Notwithstanding the foregoing, no liability shall attach hereunder for loss of or damage to cargoes of grain and/or seed by barges sailing after Midnight, October 31st, Central Standard Time, unless approved by such Association or Society before such sailing.	116 117
Approved Loading and Stowage Practice	Warranted that cargoes of grain and/or seed transported by steamers sailing from ports of the United States or Canada to ports on the Great Lakes or the St. Lawrence River will be loaded and stowed in accordance with the custom and practice which have been generally approved and followed on the Great Lakes, provided that, with respect to flaxseed or linseed cargoes, the loading and stowage of such cargoes shall be approved before the vessel leaves port by one of the Associations or Societies named in the second preceding paragraph. If, however, a flaxseed or linseed cargo is partially discharged at an intermediate St. Lawrence River port, a re-inspection of stowage is not required, provided the destination of the cargo invoked is not below Quebec.	118 119 120 121 122 123

(Continued)

	STORAGE OF CARGO (INCLUDING GRAIN AND/OR SEED)	124
Approved Vessel Only	No liability shall attach hereunder for loss of or damage to storage cargoes, except coal, ore or stone, unless the Vessel and cargo be approved for such storage by the United States Salvage Association or Salvage Association, London or a recognized classification society which subscribes to the requirements of the United States Salvage Association and Salvage Association.	125 126 127
	London and such approval be maintained throughout such storage, and an additional premium paid as required.	128
Protective Clauses Required	It is understood and agreed that liability hereunder in respect of storage cargo shall be limited to such as would exist if there were a storage contract containing clauses equivalent to those referred to in lines 107-113 hereof (but covering also the period of storage), lines 115 and 116 hereof and also clauses providing:	129 130 131
	(1) That the Vessel is not to be considered as a warehouse, and that the Assured assumes no obligation with respect to inspecting, ventilating, or conditioning the cargo, during the storage period;	132 133
	(2) That the Assured warrants only to use due diligence to furnish a seaworthy vessel, including her appliances and fittings; and shall not be liable for loss of or damage to the cargo, whensoever and howsoever occurring (unless due to his negligence or the negligence of his servants or employees), nor for loss of or damage to the cargo by collisions, perils of the sea, fault or error in the navigation of the Vessel, or by fire unless the fire is caused by the neglect or design of the Assured.	134 135 136 137
Additional Premium	Additional premium for storage grain and/or seed at 2½¢ per cent for each period of 30 consecutive days entered upon between midnight, November 30th, and midnight April 15th, but not less than a minimum of 10¢ per cent irrespective of duration of storage period except that	138 139 140
	(a) no charge shall be made if discharge is completed within 72 hours from time of commencement of loading or from time of vessel's arrival at final port or from midnight, November 30th;	141 142
	(b) 5¢ per cent. minimum is to be paid if discharge is completed after 72 hours but within 30 days from time of commencement of loading or from time of vessel's arrival at final port or from midnight November 30th;	143 144
	When the Vessel is valued at less than \$75 per gross ton, the additional premium shall be calculated on the \$75 per gross ton basis.	145
Extension Privilege	Subject to previous notice being given to the Assurer it is agreed that, should the Vessel at the expiration of this policy be laden with a storage cargo of grain and/or seed, this insurance shall be extended until discharge of such cargo for an additional premium calculated at pro rata daily of season rate for each day's extension with such cargo on board.	146 147 148
	PORT PRIVILEGES	149
	The Insured Vessel is hereby permitted to dock, undock and change docks, to go on slipway, gridiron or pontoon, to adjust compasses, and to move (in tow or otherwise) within the limits of a port, also to take in and retain cargo on board in accordance with the provisions for storage cargo as contained in the clauses of this Policy.	150 151 152
	PORT RISK ONLY CARGOES	153
	In the event that the terms and conditions of this policy cover port risk only, it is agreed that if, during the currency of such port risk insurance the Vessel shall be laden with cargo other than coal, ore or stone, the Assured shall be held covered provided prior notice be given to the Assurer, survey held if required, and an additional premium paid if required.	154 155 156
	NAVIGATION LIMITS	157
	Warranted that the Vessel shall navigate only the waters, bays, harbors, rivers, canals and other tributaries of the Great Lakes and the St. Lawrence River not East of 65° West Longitude.	158 159
	POST AND PRE-SEASON NAVIGATION	160
	Warranted that the Vessel shall not be engaged in navigation between November 30th midnight and April 15th midnight Central Standard Time, but in the event of the Vessel being on a voyage at midnight the 30th day of November, Central Standard Time, this Policy to continue at pro rata of the season rate until arrival at destination, provided notice thereof be given by the Assured to the Agents of the Underwriters prior to midnight of the 30th day of November, Central Standard Time, the term "voyage" as used in this clause being intended to mean only a continuous trip from one port of loading to one port of discharge; or in case of the Vessel going light, a continuous trip from her port of departure to a port of loading, call or otherwise; and any breach of this warranty shall vitiate this Insurance during the continuance of such breach only.	161 162 163 164 165 166 167
	It is hereby understood and agreed that in consideration of additional premium at rates specified below, the Vessel is held covered but not beyond the expiration date of this Policy if navigating between noon, April 1st and midnight, April 15th, Central Standard Time; also between midnight, November 30th and midnight, December 27th, Central Standard Time; but warranted by the Assured that notice in writing be given by the Assured to the Agents of the Underwriters prior to the commencement of any navigation specified below:	168 169 170 171
	Navigation between noon, April 1st and midnight, April 15th, two times pro rata daily of the navigating rate from time of first sailing to midnight, April 15th.	172 173
	Navigation after midnight, November 30th, held covered at the following multiples of pro rata daily of the navigating rate:	174
	Between November 30th, midnight and December 3rd, midnight pro rata daily.	175
	Between December 3rd, midnight and December 6th, midnight 2 times pro rata daily.	176
	Between December 6th, midnight and December 9th, midnight 3 times pro rata daily.	177
	Between December 9th, midnight and December 12th, midnight 4 times pro rata daily.	178
	Between December 12th, midnight and December 27th, midnight 5 times pro rata daily.	179
	In the event the Vessel is at Sea on December 27th, midnight, extension into port held covered at rate to be agreed.	180
	The above multiples shall apply to each day or part thereof between midnight, November 30th, Central Standard Time and date of arrival at final port of discharge; provided, however, that should the Vessel be at sea at midnight, November 30th, Central Standard Time, the provisions of this Policy relating to Extension into Port shall apply until arrival at destination, and in such event the above multiples shall become applicable as of midnight on the date of arrival at such port of destination; provided further, however, that in the event the Vessel arrives at such port of destination and departs on a post season sailing prior to midnight of the same day, the above multiples shall become applicable as of 12:01 A.M. of that day in lieu of which no charge for Extension into Port shall be made for that day.	181 182 183 184 185 186
	On trips light for lay-up, the above multiples shall apply for each 24 hours or part thereof between midnight of date of arrival at final port of discharge and date of arrival at port of winter lay-up; with the exception of St. Lawrence River navigation, the maximum will be 2½¢ per lake, including connecting waters.	187 188 189
	Sailings after December 12th, midnight, shall be subject to approval of the United States Salvage Association, Inc., or Salvage Association London.	190 191

(Continued)

	GENERAL CONDITIONS	192
Prompt Notice	It is agreed that, when any matter arises which is likely to lead to a claim under this Policy, notification thereof shall be promptly forwarded to the Assurer, and it is further agreed that the Assured will not admit any liability in any matter connected with this insurance to the prejudice of the Assurer without the prior consent in writing of a majority of the Assurers in amount.	193 194 195
Automatic Cancellation for Non-Payment of Premium	In the event the said premium shall not be paid to the Assurer within ninety days after the date of attachment of insurance this insurance shall automatically terminate upon such ninetieth day, at noon. Such proportional part of the premium, however, as shall have been earned up to the time of such termination shall thereupon remain and become immediately due and payable.	196 197 198
Contractual Liability	Unless otherwise agreed by stipulation herein or by endorsement hereto, liability hereunder shall in no event exceed that which would be imposed upon the Assured by law in the absence of contract.	199 200
Assured's Interest Other Than as Shipowner	It is expressly understood and agreed that, if and when the Assured under this Policy has any interest other than as a shipowner in the Vessel or Vessels named herein, in no event shall the Assurer be liable hereunder to any greater extent than if such Assured were the owner and were entitled to all the rights of limitation to which a shipowner is entitled.	201 202 203
Sale or Transfer of Vessel	Should the Vessel be sold or requisitioned or transferred to other ownership or should the Vessel be placed under new management, then, unless the Assurer agrees thereto in writing, this Policy shall thereupon become cancelled from the time of such change unless the Vessel has cargo on board and has already sailed from her loading port, or is at sea in ballast, then such cancellation shall be suspended until arrival at final port of discharge if with cargo or at a port of destination if in ballast.	204 205 206 207
Other Insurance	Where the Assured is, irrespective of this insurance, covered or protected against any loss or claim which would otherwise have been paid by the Assurer under this policy, there shall be no contribution by the Assurer on the basis of double insurance or otherwise, except as provided in Section (d) of Insuring Clause (D).	208 209 210
Limitation of Liability Laws	In the event that Sections 182 to 189, both inclusive, of U. S. Code, Title 46, or any other 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 Assurer shall have the right to cancel said insurance upon giving thirty (30) days' written notice of their intention so to do, and in the event of such cancellation, make return of premium upon a pro rata daily basis.	211 212 213 214 215
Payment of Loss	Losses shall be payable within sixty days after proof of loss, including the amount thereof and the interest of the Assured therein, shall have been made and presented at the office of the Assurer; the amount of premium of this Policy, if unpaid, and all other indebtedness due the Assurer, being first deducted.	216 217 218
Policy Limit of Liability	The total aggregate liability under this Policy in respect of any one occurrence is limited to the amount insured hereunder.	219
F.C. & S.	Warranted free of any claim for loss, damage, or expense sustained by reason of piracy, civil war, revolution, rebellion, insurrection, or civil strife, arising therefrom, or capture, seizure, arrest, restraint or detainment, or the consequences thereof, or of any attempt thereat, or any taking of the Vessel by requisition or otherwise, whether lawful or otherwise; or sustained in consequence of military, naval, or air action by force of arms; or sustained or caused by mines and torpedoes or other missiles or engines of war, whether of enemy or friendly origin; or sustained or caused by any weapon of war, or any experimental or other device in the nature thereof, employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter, or the consequences thereof; or sustained in consequence of 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 and expense shall be excluded from this Policy without regard to whether the Assured's liability therefor is based on negligence or otherwise, and whether in time of peace or war.	220 221 222 223 224 225 226 227 228 229
Suit	No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any Court of Law, Equity or Admiralty unless the same be commenced within one year after final payment of the amount claimed has been made by the Assured; if, however, applicable law requires that a greater period of time be allowed, then such claim shall be voided unless such suit, action or proceeding be commenced within the shortest limit of time permitted by such law.	230 231 232 233