



**SHIP REPAIRERS LIABILITY CLAUSES
(November 3, 1977)**

To be attached to and form part of Policy No. of the	1
.....	2
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 by law to be inserted in the policy.	3
	4
1. This Policy insures	5
.....	6
..... (hereinafter referred to as the Assured).	7
2. Policy Period: From to 12:01 A.M. Standard Time at the Assured's premises as stated in Clause 3.	8
	9
3. In consideration of the payment of premium as hereinafter provided, and subject to the limits of liability, exclusions, conditions and other terms of this Policy, this Company agrees to pay on behalf of the Assured all sums which the Assured, as Ship Repairer, shall become legally obligated to pay:	10
	11
	12
A. By reason of the liabilities imposed upon the Assured by law for physical loss of or damage to watercraft and their equipment, cargo or other interests on board, occurring only while such watercraft are in the care, custody or control of the Insured for the purpose of repair or alteration at	13
.....	14
..... (hereinafter referred to as the Assured).	15
.....	16
or while such watercraft are being moved via inland waters for a distance not in excess of miles in connection with repairs or alteration;	17
	18
B. By reason of the liabilities imposed upon the Insured by law as damages because of property damage caused by a watercraft covered under "A" above while in the care, custody, or control of the Assured and being navigated or operated away from premises described in "A" above within permitted waters by an employee or employees of the Assured or in tow of a tug not owned by or demise chartered to the Assured. It is a condition of this Clause 3B that any employee of the Assured engaged in the navigation of a watercraft described herein shall possess such license as is required by the United States Coast Guard or any other applicable regulatory authority to perform the duties being carried out by said employee;	19
	20
	21
	22
	23
	24
C. For the cost of defending any suit against the Assured on any claim based on a liability or an alleged liability of the Assured covered by this insurance if the amount of the claim hereunder exceeds the amount deductible under this Policy, but this Company shall not be liable for the cost or expense of prosecuting or defending any suit unless the same shall have been incurred with the written consent of this Company. This Company, however, reserves the right to conduct the defense of any actions or suits at its own expense. The cost and expense of prosecuting any claim in which the Assured shall have an interest by subrogation or otherwise, shall be divided between the Assured and this Company, proportionately to the amounts which they would be entitled to receive, respectively, if the suit should be successful.	25
	26
	27
	28
	29
	30
	31
4. The maximum liability of this Company on account of any one occurrence shall be:	32
A. \$ with respect to each watercraft including its equipment, cargo, and other interests on board covered by Clause 3A;	33
	34
B. \$ any one occurrence with respect to liability covered by Clause 3B;	35
	36
C. The legal costs, fees and expenses covered by Clause 3C.	36
The maximum aggregate liability of this Company on account of anyone occurrence with respect to the coverage afforded under Sections 4 A, B and C above shall be \$	37
	38
5. The Assured, by acceptance of this Policy, agrees to keep an accurate record of all Gross Charges for operations covered under the terms and conditions of this Policy, which record shall be open to examination by representatives of this Company at all times during business hours, during the term of this Policy or thereafter, and further agrees to report to this Company on or before the last day of each month the total amount thereof (collected and uncollected) for the preceding month or such period of time as is within the term of this Policy: the earned premium hereunder to be computed thereon at the rate of \$ per each \$100.00 and applied against the Deposit Premium until same is exhausted, following which all further earned premium shall be due and payable to this Company at time of filing the report on which the earned premium is due: and any unearned premium, being the amount by which the Deposit Premium exceeds the earned premium, shall be refunded upon expiration or cancellation of this Policy. This Company shall have the right of setoff against the claims payable under this Policy of any premiums due hereunder. It is agreed that, except in the event of cancellation of this Policy by this Company, the Minimum Premium hereunder shall be \$ The Deposit Premium, payable upon attachment of this Policy, shall be \$	39
	40
	41
	42
	43
	44
	45
	46
	47
	48
	49
6. NOTWITHSTANDING THE FOREGOING , it is hereby expressly understood and agreed that this Policy does not cover against nor shall any liability attach hereunder for:	50
	51
A. The first \$ of any claim or claims, including legal fees and expenses, arising out of the same occurrence and insured against hereunder;	52
	53
B. Death or personal injury;	54
	55
C. Any liability assumed under contract or otherwise in extension of the liability which would have been imposed upon the Assured by law in the absence of contract;	56
	57
D. Loss, damage or expense arising in connection with work on any vessel which has carried flammable or combustible liquid in bulk as fuel or cargo or any vessel which has carried flammable compressed gas in bulk, unless such work is done in accordance with the requirements of the rules and regulations of the National Fire Protection Association applicable to such work;	58
	59
	60
E. Demurrage, loss of time, loss of freight, loss of charter and/or similar and/or substituted expenses;	61
	62
F. Loss, damage or expense which may be recoverable under any other insurance inuring to the benefit of the Assured except as to any excess over and above the amount recoverable thereunder;	63
	64
G. Collision liability, tower's liability or liabilities insured against under the customary forms of hull or protection and indemnity policies arising out of the operation of any watercraft owned by, or demise chartered to, the Assured or any affiliated or subsidiary concern or party;	65
	66

(Continued)

H.	Loss of or damage to property owned, leased to, or in the possession of the Assured (other than watercraft which are in the custody of the Insured for the purpose of repair or alteration) or utilized by the Assured in its business as a ship repairer;	67 68
I.	Loss of or damage to watercraft placed in the care, custody, or control of the Assured for the purpose of storage regardless of whether any work is also to be performed on the watercraft; provided that this exclusion shall not apply to any physical loss or damage to the watercraft (otherwise covered under this Policy) resulting directly from repairs or alterations to said watercraft carried out during such storage period;	69 70 71 72
J.	The expense of redoing the work improperly performed by or on behalf of the Assured or the cost of replacement of materials, parts or equipment furnished in connection therewith;	73 74
K.	The cost or expense of repairing, replacing or renewing any faultily designed part or parts which cause(s) loss of or damage to the watercraft, or for any expenditure incurred by reason of a betterment or alteration in design;	75 76
L.	Any loss of, or damage to watercraft occurring while in the care, custody or control of the Assured and otherwise covered under Section 3A hereof, but not discovered within sixty days of the delivery of the watercraft to the owner or demise charterer, or within sixty days after work is completed, whichever first occurs;	77 78 79
M.	Loss, damage or expense caused by, resulting from or incurred by:	80
	(a) Capture, seizure, arrest, taking, restraint, detention, confiscation, preemption, requisition or nationalization, and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise;	81 82
	(b) Any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter, or by any mine, bomb or torpedo;	83 84
	(c) Hostilities or warlike operations (whether there be a declaration of war or not), but the phrase, "hostilities or warlike operations (whether there be a declaration of war or not)" shall not exclude collision or contact with aircraft, rockets or similar missiles or with any fixed or floating object, stranding, heavy weather, fire or explosion unless caused directly (independently of the nature of the voyage or service which the watercraft 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; for the purposes of the foregoing, power includes any authority maintaining navy, military or air forces in association with a power. In addition to the foregoing exclusions this insurance shall not cover any loss, damage or expense to which a warlike act or the use of military or naval weapons is a contributing cause, whether or not the Assured's liability therefore is based on negligence or otherwise, and whether in time of peace or war. The embarkation, carriage and disembarkation of troops, combatants, or materiel of war, or the placement of the watercraft in jeopardy as an act or measure of war taken in the actual process of a military engagement, with or without the consent of the Assured, shall be considered a warlike act for the purposes of this Policy.	85 86 87 88 89 90 91 92 93 94 95 96
	(d) The consequences of civil war, revolution, rebellion, insurrection, military or usurped power, the imposition of martial law, or civil strife arising therefrom, or piracy, or from any loss, damage or expense caused by or resulting directly or indirectly from the act or acts of one or more powers, whether or not agents of a sovereign power, carried out for political or terrorist purposes, and whether any loss, damage or expense resulting therefrom is accidental or intentional.	97 98 99 100 101
	(e) Malicious acts or vandalism, strikes, lockouts, political or labor disturbances, civil commotions, riots, or the acts of any person or persons taking part in such occurrence or disorder;	102 103
N.	The firing or testing of any weapon of war on the watercraft;	104
O.	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;	105 106 107 108
P.	Any sums paid with respect to any loss, damage, cost, liability, expense, fine or penalty of any kind or nature whatsoever and whether statutory or otherwise, incurred by or 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, 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, or such liability, are (is) covered elsewhere under the terms and conditions of this Policy.	109 110 111 112 113 114
7.	A. In the event of an occurrence with respect to which insurances are afforded under this Policy, written notice containing particulars sufficient to identify the Assured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of available witnesses, shall be given by or for the Assured to this Company as soon as practicable.	115 116 117 118
	B. If claim is made or suit is brought against the Assured, the Assured shall immediately forward to this Company every demand, notice, summons or other process received by him or his representative.	119 120
	C. The Assured, shall cooperate with this Company and, upon this Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Assured because of injury or damage with respect to which insurance is afforded under this Policy; and the Assured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. This Policy shall be void and of no force or effect, in respect of any accident or occurrence, in the event the Assured shall make or shall have made any admission of liability either before or after such accident or occurrence in the event the Assured shall interfere in any negotiations of this Company for settlement or in any legal proceedings in respect of any claim for which this Company is or may be liable under this Policy.	121 122 123 124 125 126 127 128
8.	It is expressly understood and agreed that no liability shall attach under this Policy until the liability of the Assured has been determined by final judgment against the Assured or by agreement between the Assured and the plaintiff with the written consent of this Company. In the event the Assured shall fail or refuse to settle any claim as authorized by this Company, the liability of this Company to the Assured shall be limited to the amount for which settlement could have been made.	129 130 131 132
9.	No action shall lie against this Company for the recovery of any loss sustained by the Assured unless such action be brought against this Company within one year after the final judgment or decree is entered in the litigation against the Assured, or in case the claim against this Company accrues without the entry of such final judgment or decree, unless such action be brought within one year from the date of the payment of such claim, provided, however, that where such limitation of time is prohibited by the law of the State wherein this Policy is issued, then and in that event no action under this Policy shall be sustainable unless commenced within the shortest limitation permitted under the law of such State.	133 134 135 136 137 138
10.	This Policy may be cancelled either by the Company or by the Assured giving 30 days' written or telegraphic notice to the other. Notice by the Company may be sent to the Assured's last known address, or in care of the broker who negotiated the placement of this Policy or the broker of record at the time the aforesaid notice is given.	139 140 141