

Charterer's Legal Liability Rider (Single Voyage) (May, 1960)

SP-42A



1. In consideration of the stipulations hereinafter named and the payment of premiums as hereinafter provided, and subject to the limits of liability, exclusions, conditions and other terms of this policy, this Company agrees to indemnify the Insured to the extent of this policy's proportion as hereinafter stated of all sums which the Insured as charterer of vessels hereinafter described shall become obligated to pay as follows:
 - (a) By reason of liabilities for physical loss or damage to the chartered vessel, including demurrage and/or detention liability directly resulting therefrom, imposed on the Insured by reason of charter party provisions with respect to "safe berths", "safe ports" or the vessel lying "safely afloat", or liabilities for such loss or damage arising out of loading and/or unloading operations.
 - (b) By reason of the liabilities imposed upon the Insured as such charterer by law for property damage, loss of life or bodily injury other than that covered by Clause 1 (a):
 - (c) By reason of legal costs and/or fees or expenses of counsel occasioned by the defense of any claim against the Insured for any liability or alleged liability of the Insured covered by this policy, provided that such costs, fees and/or expenses are incurred with the prior written consent of this Company.
2. This policy is applicable only in respect to the Charter of the MS/SS
for a voyage from
to
sailing on or about with a cargo
consisting of
3. Notwithstanding anything to the contrary contained in this policy, it is hereby expressly understood and agreed that this Insurance does not cover any liability:
 - (a) Assumed by the Insured beyond that imposed by law in the absence of contract except as provided in Clause 1(a);
 - (b) Arising from a bareboat or demise charter of any vessel;
 - (c) For detention and demurrage except as provided in Clause 1(a) and claims for demurrage resulting from quarantine existing at a port of discharge, loading or call without the knowledge of the Insured shall, however, be covered by this policy;
 - (d) For loss, damage or expense to cargo carried or to be carried on the vessel chartered, whether on board or not; or for general overage, salvage, sue and labor costs, or collision liability in respect to such cargo or applicable to freight or charter hire;
 - (e) Arising as the result of the carriage, custody or handling of cargo of a kind prohibited by the terms of the charter party or contrary to law;
 - (f) Arising as the result of the carriage, custody or handling as cargo on the chartered vessel of explosives, ammonium nitrate, or toxic or corrosive materials, except such as are described in paragraph 2 hereof;
 - (g) Arising as the result of the Insured ordering the vessel to enter any ice-bound port or place or any place where lights, lightships, marks or buoys on vessel's arrival are or are likely to be withdrawn by reason of ice, or where there is risk that ordinarily the vessel will not be able on account of ice to enter, reach or leave such port or ports;
 - (h) Caused by or resulting from (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack: (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or (b) by military, naval or air forces: or (c) by an agent of any such government, power, authority or forces; (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
 - (i) For loss, damage and/or expense caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such occurrence or disorder;
 - (j) For loss, damage and/or expense which may be recoverable under any other insurance, carried by or for the account of the Insured, except as to any excess over and above the amount recoverable thereunder;
 - (k) For death or injuries to passengers carried or for loss or damage to their baggage or personal effects for which the Insured may be directly or indirectly liable.
4. This Company shall be liable only for this policy's proportion of the excess over and above \$ of the aggregate of claims under coverages 1(a), 1(b) and 1(c) arising out of any one loss, accident or occurrence, and its maximum liability in respect of the aggregate of claims under coverages 1(a), 1(b) and 1(c) arising out of any one loss, accident or occurrence shall be \$ This policy's proportion of any claim shall be that which the maximum liability of this Company herein stated bears to the sum of \$
5. The premium for this policy shall be \$
6. It is further stipulated and is a consideration for this insurance that in the event of any occurrence which may result in loss, damage and/or expense, for which this Company is or may become liable under this insurance, notice thereof shall be given to this Company as soon as practicable, and further, that any and every process, pleading and paper of any kind relating to such occurrence shall be forwarded promptly to this Company.
7. In respect of any accident or occurrence likely to give rise to a claim under this insurance, the Insured is obligated to and shall take such steps to protect its (and this Company's) interests as would reasonably be taken in absence of this or similar insurance. This insurance, however, shall be void and of no force or effect, in respect of any accident or occurrence, in the event the Insured shall make or shall have made any admission of liability either before or after such accident or occurrence.
8. It is expressly understood and agreed that no liability shall attach under this insurance until the liability of the Insured has been determined by final judgment against the Insured or by agreement between the Insured and the Claimant with the written consent of this Company; in the event the Insured shall fail or refuse to settle any claim, as authorized by this Company, the liability of this Company to the Insured shall be limited to the amount for which settlement could have been made.
9. Whenever required by this Company, the Insured shall aid in securing information, evidence, obtaining of witnesses, and cooperate with this Company in all matters which this Company may deem necessary in the defense of any claim or suit or appeal from any judgment in respect of any occurrence as hereinbefore provided.

(Continued)

10. The Company shall have the option of naming attorneys to represent the Insured in the defense of any claim, insured hereunder, made against the Insured, and this Company may exercise exclusive direction and control of the said defense. The Insured shall cooperate with this Company and shall not assume any obligations, admit any liability, or incur any expense for which this Company may be liable, without prior written approval.
11. In the event of any accident, loss, damage or injury for which claim may be made under this policy, the Insured agrees to subrogate to this Company all rights which the Insured may have against any other person or entity with respect to said accident, loss, or occurrence. In case of any agreement or act, past or future, by the Insured, whereby any right of recovery of the Insured, against any person or entity, is released or lost, which would, on payment of loss by this Company, belong to this Company but for such agreement or act, this insurance shall be vitiated to the extent that this Company's right of subrogation has been impaired thereby; provided, however, that the right of this Company to retain or recover any premium paid or due hereunder shall not be affected. The cost and expense of prosecuting any claim, suit, action or arbitration in which this Company as Insurer shall have an interest by subrogation or otherwise, shall be divided between the Insured and this Company proportionately to the amount which they would be entitled to receive respectively if such prosecution should be successful. It is agreed that this Company waives any right of subrogation against any subsidiary, affiliated or inter-related Company of the Insured, excepting to the extent that any such Company is insured against the liability asserted.
12. No claim or demand against this Company under this policy shall be assigned or transferred, and no person, excepting a legally appointed Receiver of the property of the Insured, shall acquire any rights against this Company by virtue of this insurance without the expressed consent of this Company.
13. No action shall lie against this Company for the recovery of any loss sustained by the Insured unless such action be brought against this Company within one (1) year after the final judgment or decree is entered in the litigation against the Insured, 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 (1) year from the date of the payment of such claim; provided, however, that where such limitation of time is prohibited by the laws 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 laws of such State.
14. All other terms and conditions of this policy not in conflict herewith remain unchanged.

Attached to and forming part of Policy No. of
 Agent.