

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

27/11/01



JOINT HULL COMMITTEE BAIL CLAUSE

If the Assured is obliged to provide security to a third party in order to prevent the arrest of, or to obtain the release of, the Insured Vessel, due to a loss, occurrence or claim alleged to be covered under this Insurance, Underwriters may, at their discretion, assist the Assured by providing the appropriate security e.g. the approved "short form counter security". The providing of security by Underwriters is not an admission that the loss, occurrence or claim giving rise to the security demand is covered under the Insurance.

The agreement of the two leading Underwriters to assist the Assured by providing security shall be binding on all following Underwriters subscribing to the Insurance to the extent of their signed proportions. In the event of agreement to provide security pursuant to this clause, Underwriters' liability is several and not joint or one with the other and is limited to each Underwriter's signed proportion of the Insurance and shall not exceed each Underwriter's liability in accordance with the terms of the Insurance.

In the event that Underwriters provide security pursuant to this clause, any payment(s) made by Underwriters under the security shall extinguish or reduce the Underwriters' liability under the Insurance in respect of the claim made against the Assured and/or the Insured Vessel to the extent of such payment(s). Should the loss, occurrence or claim giving rise to the security demand not be covered under the Insurance any payment(s) made by Underwriters under the provisions of this clause shall be promptly reimbursed to them.

Unless otherwise agreed by Underwriters, the Assured undertakes to pay the deductible amount. In addition, any Mortgagees, and/or Assignees, and/or any other party who may have an interest in the Insurance or the proceeds of claims recoverable under the Insurance shall provide their written agreement to the terms on which security is provided, including the terms of this clause.

Where the loss, occurrence or claim giving rise to the security demand is covered under the Insurance, all fees reasonably incurred in connection with the provision of security may form part of any recoverable claim.

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