



“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”.

1/11/03

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

## INTERNATIONAL HULL DISBURSEMENTS AND INCREASED VALUE CLAUSES

(Total Loss only and Excess Collision Liabilities)

(For use only where the insurances on hull and machinery include  
the International Hull Clauses)

### 1 PERILS

- 1.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
  - 1.1.1 perils of the seas, rivers, lakes or other navigable waters
  - 1.1.2 fire, explosion
  - 1.1.3 violent theft by persons from outside the vessel
  - 1.1.4 jettison
  - 1.1.5 piracy
  - 1.1.6 contact with land conveyance, dock or harbour equipment or installation
  - 1.1.7 earthquake, volcanic eruption or lightning
  - 1.1.8 accidents in loading, discharging or shifting cargo, fuel, stores or parts
  - 1.1.9 contact with satellites, aircraft, helicopters or similar objects, or objects falling therefrom.
- 1.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
  - 1.2.1 bursting of boilers or breakage of shafts
  - 1.2.2 any latent defect in the machinery or hull
  - 1.2.3 negligence of Master, Officers, Crew or Pilots
  - 1.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured under this insurance
  - 1.2.5 barratry of Master, Officers or Crewprovided that such loss has not resulted from want of due diligence by the Assured, Owners or Managers.
- 1.3 Master, Officers, Crew or Pilots shall not be considered Owners within the meaning of this Clause 1 should they hold shares in the vessel.

### 2 EXCESS COLLISION LIABILITY

- 2.1 This insurance covers collision liability (three-fourths) recoverable under the 3/4ths Collision Liability (Clause 6) and Sistership (Clause 7) Clauses of the International Hull Clauses (01/11/03) in the insurances on hull and machinery but not payable in full by reason of such three-fourths liability exceeding three-fourths of the insured value of the vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.
- 2.2 In no case shall the total liability of the Underwriters under Clause 2.1 exceed the amount insured hereunder in respect of any one collision.

### 3 POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard or damage to the environment or threat thereof, resulting directly from damage to the vessel caused by a peril covered by Clause 1 of this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage or threat thereof. Master, Officers, Crew or Pilots shall not be considered Owners within the meaning of this Clause 3 should they hold shares in the vessel.

### 4 CONSTRUCTIVE TOTAL LOSS

- 4.1 In ascertaining whether the vessel is a constructive total loss, 80% (or such greater percentage agreed in the insurances on hull and machinery (if any)) of the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account.
- 4.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the vessel shall be recoverable hereunder unless such cost would exceed 80% (or such greater percentage agreed in the insurances on hull and machinery (if any)) of the insured value in the insurances on hull and machinery. In making this determination:
  - 4.2.1 only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account
  - 4.2.2 where there is a claim under Clause 1.2.1, the costs of repairing or replacing the boiler which bursts or the shaft which breaks shall be excluded
  - 4.2.3 where there is a claim under Clause 1.2.1, account shall be taken of one half of the costs common to the repair of the burst boiler or the broken shaft and to the repair of the loss or damage caused thereby
  - 4.2.4 where there is a claim under Clause 1.2.2, the costs of correcting the latent defect shall be excluded
  - 4.2.5 where there is a claim under Clause 1.2.2, account shall be taken of one half of the costs common to the correction of the latent defect and to the repair of the loss or damage caused thereby
  - 4.2.6 no account shall be taken of the remainder of the costs as referred to under Clauses 4.2.3 or 4.2.5.
- 4.3 Provided that the Constructive Total Loss Clause (Clause 21) in the International Hull Clauses (01/11/03) (unamended, save that the applicable percentage may be greater than 80%) is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the vessel.
- 4.4 Should the vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 4.

## 5 COMPROMISED TOTAL LOSS

In the event of a claim for total loss or constructive total loss being settled on the insurances on hull and machinery as a compromised total loss the amount payable hereunder shall be the same percentage of the amount insured as is paid on the said insurances.

## 6 INCORPORATION

6.1 Clauses 1.2-1.4, 12, 22-23, 25-28, 34, 36, 48 and 50 of the International Hull Clauses (01/11/03) are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of this insurance.

6.2 Clauses 34 and 36 of Part 2 and Clauses 48 and 50 of Part 3 of the International Hull Clauses (01/11/03) shall be those current at the date of inception of the insurances on hull and machinery.

**These Clauses 7 and 8 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.**

## 7 CLASSIFICATION AND ISM

7.1 At the inception of and throughout the period of this insurance and any extension thereof

7.1.1 the vessel shall be classed with a Classification Society agreed by the Underwriters

7.1.2 there shall be no change, suspension, discontinuance, withdrawal or expiry of the vessel's class with the Classification Society

7.1.3 any recommendations, requirements or restrictions imposed by the vessel's Classification Society which relate to the vessel's seaworthiness or to her maintenance in a seaworthy condition shall be complied with by the dates required by that Society

7.1.4 the Owners or the party assuming responsibility for operation of the vessel from the Owners shall hold a valid Document of Compliance in respect of the vessel as required by chapter IX of the International Convention for the Safety of Life at Sea (SOLAS) 1974 as amended and any modification thereof

7.1.5 the vessel shall have in force a valid Safety Management Certificate as required by chapter IX of the International Convention for the Safety of Life at Sea (SOLAS) 1974 as amended and any modification thereof.

7.2 Unless the Underwriters agree to the contrary in writing, in the event of any breach of any of the provisions of Clause 7.1, this insurance shall terminate automatically at the time of such breach, provided

7.2.1 that if the vessel is at sea at such date, such automatic termination shall be deferred until arrival at her next port

7.2.2 where such change, suspension, discontinuance or withdrawal of her class under Clause 7.1.2 has resulted from loss or damage covered by Clause 1 or by Clause 3 or by Clause 22.1.2 (if applicable) or which would be covered by an insurance of the vessel subject to current Institute War and Strikes Clauses Hulls-Time, such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society.

A pro rata daily net return of premium shall be made provided that a total loss of the vessel, whether by perils insured under this insurance or otherwise, has not occurred during the period of this insurance or any extension thereof.

## 8 MANAGEMENT

8.1 Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of

8.1.1 any change, voluntary or otherwise, in the ownership or flag of the vessel

8.1.2 transfer of the vessel to new management

8.1.3 charter of the vessel on a bareboat basis

8.1.4 requisition of the vessel for title or use

provided that, if the vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the vessel is at sea or in port.

8.2 Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of the vessel sailing (with or without cargo) with an intention of being broken up, or being sold for breaking up.

8.3 In the event of termination under Clause 8.1 or Clause 8.2, a pro rata daily net return of premium shall be made provided that a total loss of the vessel, whether by perils insured under this insurance or otherwise, has not occurred during the period of this insurance or any extension thereof.

8.4 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance and any extension thereof to

8.4.1 comply with all statutory requirements of the vessel's flag state relating to construction, adaptation, condition, fitment, equipment, operation and manning of the vessel

8.4.2 comply with all requirements of the vessel's Classification Society regarding the reporting to the Classification Society of accidents to and defects in the vessel.

In the event of any breach of any of the duties in this Clause 8.4, the Underwriters shall not be liable for any loss, damage, liability or expense attributable to such breach.

## 9 NAVIGATION PROVISIONS

Unless and to the extent otherwise agreed by the Underwriters in accordance with Clause 10

9.1 the vessel shall not breach any provisions of this insurance as to cargo, trade or locality (including, but not limited to, Clause 11)

9.2 the vessel may navigate with or without pilots, go on trial trips and assist and tow vessels or craft in distress, but shall not be towed, except as is customary (including customary towage in connection with loading or discharging) or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers

9.3 the Assured shall not enter into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners except where the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice

9.4 the vessel shall not be employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft).

## 10 BREACH OF NAVIGATION PROVISIONS

In the event of any breach of any of the provisions of Clause 9, the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence during the period of breach, unless notice is given to the Underwriters immediately after receipt of advices of such breach and any amended terms of cover and any additional premium required by them are agreed.

## 11 NAVIGATING LIMITS

Unless and to the extent otherwise agreed by the Underwriters in accordance with Clause 12, the vessel shall not enter, navigate or remain in the areas specified below at any time or, where applicable, between the dates specified below (both days inclusive):

### Area 1 – Arctic

- (a) North of 70° N. Lat.
- (b) Barents Sea

except for calls at Kola Bay, Murmansk or any port or place in Norway, provided that the vessel does not enter, navigate or remain north of 72° 30' N. Lat or east of 35° E. Long.

### Area 2 – Northern Seas

- (a) White Sea.
- (b) Chukchi Sea.

### Area 3 – Baltic

- (a) Gulf of Bothnia north of a line between Umea (63° 50' N. Lat.) and Vasa (63° 06' N. Lat.) between 10th December and 25th May.
- (b) Where the vessel is equal to or less than 90,000 DWT, Gulf of Finland east of 28° 45' E. Long. between 15th December and 15th May.
- (c) Vessels greater than 90,000 DWT may not enter, navigate or remain in the Gulf of Finland east of 28° 45' E. Long. at any time.
- (d) Gulf of Bothnia, Gulf of Finland and adjacent waters north of 59° 24' N. Lat. between 8th January and 5th May, except for calls at Stockholm, Tallinn or Helsinki.
- (e) Gulf of Riga and adjacent waters east of 22° E. Long. and south of 59° N. Lat. between 28th December and 5th May.

### Area 4 – Greenland

Greenland territorial waters.

### Area 5 – North America (east)

- (a) North of 52° 10' N. Lat. and between 50° W. Long. and 100° W. Long.
- (b) Gulf of St. Lawrence, St. Lawrence River and its tributaries (east of Les Escoumins), Strait of Belle Isle (west of Belle Isle), Cabot Strait (west of a line between Cape Ray and Cape North) and Strait of Canso (north of the Canso Causeway), between 21st December and 30th April.
- (c) St. Lawrence River and its tributaries (west of Les Escoumins) between 1st December and 30th April.
- (d) St. Lawrence Seaway.
- (e) Great Lakes.

### Area 6 – North America (west)

- (a) North of 54° 30' N. Lat. and between 100° W. Long. and 170° W. Long.
- (b) Any port or place in the Queen Charlotte Islands or the Aleutian Islands.

### Area 7 – Southern Ocean

South of 50° S. Lat. except within the triangular area formed by rhumb lines drawn between the following points

- (a) 50° S. Lat.; 50° W. Long.
- (b) 57° S. Lat.; 67° 30' W. Long.
- (c) 50° S. Lat.; 160° W. Long.

### Area 8 – Kerguelen/Crozet

Territorial waters of Kerguelen Islands and Crozet Islands.

### Area 9 – East Asia

- (a) Sea of Okhotsk north of 55° N. Lat. and east of 140° E. Long. between 1st November and 1st June.
- (b) Sea of Okhotsk north of 53° N. Lat. and west of 140° E. Long. between 1st November and 1st June.
- (c) East Asian waters north of 46° N. Lat. and west of the Kurile Islands and west of the Kamchatka Peninsula between 1st December and 1st May.

### Area 10 – Bering Sea

Bering Sea except on through voyages and provided that

- (a) the vessel does not enter, navigate or remain north of 54° 30' N. Lat.; and
- (b) the vessel enters and exits west of Buldir Island or through the Amchitka, Amukta or Unimak Passes; and
- (c) the vessel is equipped and properly fitted with two independent marine radar sets, a global positioning system receiver (or Lorán-C radio positioning receiver), a radio transceiver and GMDSS, a weather facsimile recorder (or alternative equipment for the receipt of weather and routing information) and a gyrocompass, in each case to be fully operational and manned by qualified personnel; and
- (d) the vessel is in possession of appropriate navigational charts corrected up to date, sailing directions and pilot books.

## 12 PERMISSION FOR AREAS SPECIFIED IN NAVIGATING LIMITS

The vessel may breach Clause 11 and Clause 10 shall not apply, provided always that the Underwriters' prior permission shall have been obtained and any amended terms of cover and any additional premium required by the Underwriters are agreed.

## 13 PREMIUM PAYMENT

13.1 The Assured undertakes that the premium shall be paid

13.1.1 in full to the Underwriters within 45 days (or such other period as may be agreed) of inception of this insurance; or

13.1.2 where payment by instalment premiums has been agreed

- (a) the first instalment premium shall be paid within 45 days (or such other period as may be agreed) of inception of this insurance, and
- (b) the second and subsequent instalments shall be paid by the date they are due.

- 13.2 If the premium (or the first instalment premium) has not been so paid to the Underwriters by the 46th day (or the day after such period as may have been agreed) from the inception of this insurance (and, in respect of the second and subsequent instalment premiums, by the date they are due), the Underwriters shall have the right to cancel this insurance by notifying the Assured via the broker in writing.
- 13.3 The Underwriters shall give not less than 15 days prior notice of cancellation to the Assured via the broker. If the premium or instalment premium due is paid in full to the Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, this insurance shall automatically terminate at the end of the notice period.
- 13.4 In the event of cancellation under this Clause 13, premium is due to the Underwriters on a pro rata basis for the period that the Underwriters are on risk but the full premium shall be payable to the Underwriters in the event of loss, damage, liability or expense arising out of or resulting from an accident or occurrence prior to the date of termination which gives rise to a recoverable claim under this insurance.
- 13.5 Unless otherwise agreed, the Leading Underwriter(s) designated in the slip or policy are authorised to exercise rights under this Clause 13 on their own behalf and on behalf of all co-subscribing Underwriters. Nothing in this Clause 13.5 shall, however, prevent any co-subscribing Underwriter from exercising rights under this Clause on its own behalf.
- 13.6 Where the premium is to be paid through a Market Bureau, payment to the Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

#### **14 LEADING UNDERWRITER(S)**

- 14.1 Where there is co-insurance in respect of this insurance, all subscribing Underwriters agree that the Leading Underwriter(s) designated in the slip or policy may act on their behalfs so as to bind them for their respective several proportions in respect of the following matters (in addition to Clause 13.5)
  - 14.1.1 the appointment of surveyors, experts, average adjusters and lawyers, in relation to matters which may give rise to a claim under this insurance
  - 14.1.2 the duties and obligations to be undertaken by the Underwriters including, but not limited to, the provision of security
  - 14.1.3 claims procedures, the handling of any claim (including, but not limited to, agreements under Clause 15.2) and the pursuit of recoveries
  - 14.1.4 all payments or settlements to the Assured or to third parties under this insurance other than those agreed on an 'ex-gratia' basis.

Notwithstanding the above, the Leading Underwriter(s), or any of them, may require any such matters to be referred to the co-subscribing Underwriters.
- 14.2 The co-subscribing Underwriters shall, to the extent of their respective several proportions, indemnify and hold harmless the Leading Underwriter(s) in respect of all liabilities, costs or expenses incurred by the Leading Underwriter(s) in respect of the matters in Clause 14.1.
- 14.3 If the Leading Underwriter(s) require expenses incurred for or on behalf of the Underwriters to be collected for a party instructed by the Leading Underwriter(s), the collecting party shall be entitled to charge 5% of the amount collected for this service or such other amount as may be agreed in advance by the Leading Underwriter(s), such fee to be paid by the Underwriters.
- 14.4 The agreement in this Clause 14 between the Leading Underwriter(s) and co-subscribing Underwriters is subject to the exclusive jurisdiction of the English High Court of Justice and is subject to English law and practice.

#### **15 NOTICE OF CLAIMS**

- 15.1 In the event of an accident or occurrence whereby loss, damage, liability or expense may result in a claim under this insurance, notice must be given to the Leading Underwriter(s) as soon as possible after the date on which the Assured, Owners or Managers become aware of such loss, damage, liability or expense so that a surveyor may be appointed if the Leading Underwriter(s) so desire.
- 15.2 If notice is not given to the Leading Underwriter(s) within 180 days of the Assured, Owners or Managers becoming aware of such loss, damage, liability or expense, no claim shall be recoverable under this insurance in respect of such loss, damage, liability or expense, unless the Leading Underwriter(s) agree to the contrary in writing.

#### **16 DUTIES OF THE ASSURED**

- 16.1 The Assured shall, upon request and at their own expense, provide the Leading Underwriter(s) with all relevant documents and information that they might reasonably require to consider any claim.
- 16.2 Upon reasonable request, the Assured shall also assist the Leading Underwriter(s) or their authorised agents in the investigation of any claim, including, but not limited to
  - 16.2.1 interview(s) of any employee, ex-employee or agent of the Assured
  - 16.2.2 interview(s) of any third party whom the Leading Underwriter(s) consider may have knowledge of matters relevant to the claim
  - 16.2.3 survey(s) of the subject-matter insured
  - 16.2.4 inspection(s) of the classification records of the vessel.
- 16.3 It shall be a condition precedent to the liability of the Underwriters that the Assured shall not at any stage prior to the commencement of legal proceedings knowingly or recklessly
  - 16.3.1 mislead or attempt to mislead the Underwriters in the proper consideration of a claim or the settlement thereof by relying on any evidence which is false
  - 16.3.2 conceal any circumstance or matter from the Underwriters material to the proper consideration of a claim or a defence to such a claim.
- 16.4 Clause 16.3 does not require the Assured at any stage to disclose to the Underwriters any document or matter which under English law is protected from disclosure by legal advice privilege or by litigation privilege.

#### **17 DUTIES OF THE UNDERWRITERS IN RELATION TO CLAIMS**

- 17.1 The Leading Underwriter(s) may, at their sole discretion, upon the notification of loss, damage, liability or expense arising from an accident or occurrence which may result in a claim under this insurance
  - 17.1.1 instruct a surveyor who shall report to the Leading Underwriter(s) concerning the cause and extent of damage, the necessary repairs and the fair and reasonable cost thereof and any other matter which the Leading Underwriter(s) or the surveyor consider relevant
  - 17.1.2 confirm the appointment of an independent average adjuster to assist the Assured in the preparation of the claim. If not already agreed, the Assured shall propose the average adjuster to be appointed who may be a Fellow of the Association of Average Adjusters of the United Kingdom or any other average adjuster mutually acceptable to the Assured and the Leading Underwriter(s).

- 17.2 Where such appointments are made, the Underwriters shall be responsible for payment of reasonable fees directly to the surveyor and the average adjuster irrespective of whether a claim ultimately arises under this insurance. However, the Underwriters' liability for the fees of the appointed average adjuster shall cease no later than at such time as the Underwriters pay, settle or communicate their intention to deny the claim under this insurance or when it becomes apparent that any claim is unlikely to arise under this insurance.
- 17.3 The making of such appointments is not an admission by the Underwriters that the accident, occurrence or resulting claim is covered under this insurance or a waiver of any rights or defences that the Underwriters may have under this insurance or at law.
- 17.4 The reports of the surveyor shall, subject to no conflict of interest being identified by the Leading Underwriter(s), be released without delay to the Assured and the appointed average adjuster.
- 17.5 The Leading Underwriter(s) shall be entitled to request the appointed average adjuster to provide status reports at any stage.
- 17.6 The Leading Underwriter(s) shall give prompt consideration to the making of a payment on account upon the recommendation of the appointed average adjuster or, if no adjuster is appointed, upon the request of the Assured supported by appropriate documentation.
- 17.7 The Leading Underwriter(s) shall make a decision in respect of any claim within 28 days of receipt by them of the appointed average adjuster's final adjustment or, if no adjuster is appointed, a fully documented claim presentation sufficient to enable the Underwriters to determine their liability in relation to coverage and quantum. If the Leading Underwriter(s) request additional documentation or information to make a decision, they shall make a decision within a reasonable time after receipt of the additional documents or information requested, or a satisfactory explanation as to why such documents and information are not available.

## 18 PROVISION OF SECURITY

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 vessel, due to an accident or occurrence giving rise to a claim alleged to be covered under this insurance, the Underwriters shall give due consideration to assisting the Assured by providing security on behalf of the Assured or counter-security in a form to be determined by the Leading Underwriter(s).

## 19 RECOVERIES

- 19.1 The Assured shall, whether or not the Underwriters have paid a claim or agreed to pay a claim or potential claim under this insurance, take reasonable steps to
- 19.1.1 assess as soon as possible whether there are any prospects of a recovery from third parties in respect of matters giving rise to a claim or to a potential claim under this insurance
- 19.1.2 protect any claims against such third parties if necessary by the commencement of proceedings and the taking of appropriate steps to obtain security for the claim from third parties
- 19.1.3 keep the Leading Underwriter(s) and the appointed average adjuster (if any) advised of the recovery prospects and any action taken against third parties
- 19.1.4 co-operate with the Leading Underwriter(s) in the taking of such steps as may be reasonably required to pursue any claims against third parties.
- 19.2 Underwriters shall pay the reasonable costs incurred by the Assured pursuant to this Clause 19 in the same proportion as the insured losses bear to the total of the insured and uninsured losses (as defined in Clause 19.4.2).
- 19.3 Where the Assured have incurred reasonable costs pursuant to Clause 19.1.2 and where no claim is recoverable under this insurance, provided always that the Underwriters' written agreement to the reimbursement of such costs shall have been obtained prior to the incurring of such costs, the Underwriters shall reimburse such costs to the extent agreed, notwithstanding that no claim is recoverable under this insurance.
- 19.4 In the event of recoveries from third parties which exceed the amounts recoverable and payable under the insurances on hull and machinery and in respect of claims which have been paid in whole or in part under this insurance, such recoveries shall be distributed between the Underwriters and the Assured as follows
- 19.4.1 the reasonable costs and expenses incurred in making such recoveries from the third party shall be deducted first and returned to the paying party
- 19.4.2 the balance shall be apportioned between the Underwriters and the Assured in the same proportion that the insured losses and uninsured losses bear to the total of the insured and uninsured losses. For the purposes of Clause 19.2 and this Clause 19.4.2, uninsured losses shall mean any uninsured loss of or damage to the subject-matter insured and any liability or expense which would have been recoverable under this insurance, but for the application of the limits of this insurance.
- 19.5 In the event that under this insurance coverage is not provided in accordance with Clause 2, the following shall apply
- 19.5.1 Where the insured vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, any recovery due to the Underwriters shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.

## 20 FIXED AND FLOATING OBJECTS

If the Underwriters have expressly agreed in writing and if Clauses 6 and 7 of the International Hull Clauses (01/11/03) in the insurances on hull and machinery have been amended by Clause 37 of the said Clauses, then Clause 2.1 is amended to read as follows:

- 2.1 This insurance covers liability recoverable under the 3/4ths Collision Liability (Clause 6) and Sistership (Clause 7) Clauses of the International Hull Clauses (01/11/03) (as amended by Clause 37 (Fixed and Floating Objects) of the said clauses) in the insurances on hull and machinery but not payable in full by reason of such three-fourths liability exceeding three-fourths of the insured value of the vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.

## 21 4/4THS COLLISION LIABILITY

If the Underwriters have expressly agreed in writing and if Clause 6 of the International Hull Clauses (01/11/03) in the insurances on hull and machinery has been amended by Clause 38 of the said clauses, then Clause 2.1 is amended such that the words "three-fourths" and "three fourths of" are deleted on each occasion in which they appear in Clause 2.1.

## **22 ADDITIONAL PERILS**

- 22.1 If the Underwriters have expressly agreed in writing and if Clause 41 of the International Hull Clauses (01/11/03) applies in the insurances on hull and machinery, then
- 22.1.1 Clauses 4.2.2 and 4.2.4 are hereby deleted and account shall be taken of the whole of the common costs referred to in Clauses 4.2.3, 4.2.5 and 4.2.6
- 22.1.2 this insurance covers total loss (actual or constructive) of the vessel caused by any accident or by negligence, incompetence or error of judgment of any person whatsoever provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 22.2 Master, Officers, Crew or Pilots shall not be considered Owners within the meaning of Clause 22.1 should they hold shares in the vessel.

**The following Clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.**

## **23 WAR AND STRIKES EXCLUSION**

In no case shall this insurance cover loss, damage, liability or expense caused by

- 23.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 23.2 capture, seizure, arrest, restraint or detention (barratry and piracy excepted), and the consequences thereof or any attempt thereat
- 23.3 derelict mines, torpedoes, bombs or other derelict weapons of war
- 23.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions.

## **24 TERRORIST, POLITICAL MOTIVE AND MALICIOUS ACTS EXCLUSION**

In no case shall this insurance cover loss, damage, liability or expense arising from

- 24.1 any terrorist
- 24.2 any person acting from a political motive
- 24.3 the use of any weapon or the detonation of an explosive by any person acting maliciously or from a political motive.

## **25 RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION**

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from

- 25.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 25.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 25.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 25.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this Clause 25.4 does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- 25.5 any chemical, biological, bio-chemical or electromagnetic weapon.

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