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APPENDIX 1

INSTITUTE TIME CLAUSES HULLS

This insurance is subject to English law and practice

I	NAVIGATION	1
1.1	The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary 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. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.	2 3 4 5 6 7
1.2	In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.	8 9 10 11 12 13
1.3	In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.	14 15 16 17 18 19
2	CONTINUATION	20
	Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.	21 22 23
3	BREACH OF WARRANTY	24
	Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.	25 26 27
4	TERMINATION	28
	This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.	29 30
	Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of	31
4.1	change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance 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,	32 33 34 35 36 37 38
4.2	any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, 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.	39 40 41 42 43 44 45
	A pro rata daily net return of premium shall be made.	46
5	ASSIGNMENT	47
	No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.	48 49 50 51
6	PERILS	52
6.1	This insurance covers loss of or damage to the subject-matter insured caused by	53
6.1.1	perils of the seas rivers lakes or other navigable waters	54
6.1.2	fire, explosion	55
6.1.3	violent theft by persons from outside the Vessel	56
6.1.4	jettison	57
6.1.5	piracy	58
6.1.6	breakdown of or accident to nuclear installations or reactors	59
6.1.7	contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation	60 61
6.1.8	earthquake volcanic eruption or lightning.	62

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6.2	This insurance covers loss of or damage to the subject-matter insured caused by	63
6.2.1	accidents in loading discharging or shifting cargo or fuel	64
6.2.2	bursting of boilers breakage of shafts or any latent defect in the machinery or hull	65
6.2.3	negligence of Master Officers Crew or Pilots	66
6.2.4	negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder	67
6.2.5	barratry of Master Officers or Crew,	68
	provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.	69 70
6.3	Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.	71 72
7	POLLUTION HAZARD	73
	This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat.	74 75 76 77
	Master Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.	78 79
8	3/4THS COLLISION LIABILITY	80
8.1	The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for	81 82 83
8.1.1	loss of or damage to any other vessel or property on any other vessel	84
8.1.2	delay to or loss of use of any such other vessel or property thereon	85
8.1.3	general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,	86 87
	where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.	88 89
8.2	The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:	90 91
8.2.1	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, the indemnity under this Clause 8 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.	92 93 94 95 96
8.2.2	In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.	97 98
8.3	The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.	99 100 101
	EXCLUSIONS	102
8.4	Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of	103 104
8.4.1	removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever	105
8.4.2	any real or personal property or thing whatsoever except other vessels or property on other vessels	106
8.4.3	the cargo or other property on, or the engagements of, the insured Vessel	107
8.4.4	loss of life, personal injury or illness	108
8.4.5	pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).	109 110
9	SISTERSHIP	111
	Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.	112 113 114 115 116
10	NOTICE OF CLAIM AND TENDERS	117
10.1	In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.	118 119 120
10.2	The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.	121 122 123 124
10.3	The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.	125 126 127 128 129 130
	Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.	131 132 133 134 135
	Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.	136 137
10.4	In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.	138 139

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11	GENERAL AVERAGE AND SALVAGE	140
11.1	This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.	141 142 143
11.2	Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.	144 145 146
11.3	When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.	147 148 149 150 151 152
11.4	No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.	153 154
12	DEDUCTIBLE	155
12.1	No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.	156 157 158 159 160 161 162
12.2	Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.	163 164 165 166 167 168
12.3	Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.	169 170 171
12.4	Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.	172 173 174 175
13	DUTY OF ASSURED (SUE AND LABOUR)	176
13.1	In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.	177 178 179
13.2	Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.	180 181 182 183
13.3	Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	184 185 186
13.4	When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouering exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.	187 188 189 190 191 192 193
13.5	When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.	194 195 196 197 198 199 200
13.6	The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.	201 202 203
14	NEW FOR OLD	204
	Claims payable without deduction new for old.	205

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15	BOTTOM TREATMENT	206
	In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that	207 208
15.1	gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,	209 210
15.2	gritblasting and/or other surface preparation of: the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of plating damaged during the course of fairing, either in place or ashore,	211 212 213 214
15.3	supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,	215 216
	shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.	217
16	WAGES AND MAINTENANCE	218
	No claim shall be allowed, other than in general averages for wages and maintenance of the Master, Officers and Crew, or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.	219 220 221 222
17	AGENCY COMMISSION	223
	In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.	224 225 226 227
18	UNREPAIRED DAMAGE	228
18.1	The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.	229 230 231
18.2	In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.	232 233 234
18.3	The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.	235 236
19	CONSTRUCTIVE TOTAL LOSS	237
19.1	In ascertaining whether the Vessel is a constructive total loss, the insured value 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.	238 239 240
19.2	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 the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.	241 242 243 244
20	FREIGHT WAIVER	245
	In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.	246 247
21	DISBURSEMENTS WARRANTY	248
21.1	Additional insurances as follows are permitted:	249
21.1.1	<i>Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.</i> A sum not exceeding 25% of the value stated herein.	250 251
21.1.2	<i>Freight, Chartered Freight or Anticipated Freight, insured for time.</i> A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1.	252 253
21.1.3	<i>Freight or Hire, under contracts for voyage.</i> A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage, such insurance to include, if required, a preliminary and an intermediate ballast passage, plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.	254 255 256 257 258 259 260 261
21.1.4	<i>Anticipated Freight if the Vessel sails in ballast and not under Charter.</i> A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.	262 263 264 265
21.1.5	<i>Time Charter Hire or Charter Hire for Series of Voyages.</i> A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.	266 267 268 269 270 271 272
21.1.6	<i>Premiums.</i> A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.	273 274 275 276
21.1.7	<i>Returns of Premium.</i> A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.	277 278 279
21.1.8	<i>Insurance irrespective of amount against:</i> Any risks excluded by Clauses 23, 24, 25 and 26 below.	280 281
21.2	Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.	282 283 284 285 286 287

22	RETURNS FOR LAY-UP AND CANCELLATION	288
22.1	To return as follows:	289
22.1.1	Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.	290
22.1.2	For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)	291 292 293
	(a).....per cent net not under repair	294
	(b).....per cent net under repair.	295
	If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.	296 297
22.2	PROVIDED ALWAYS THAT	298
22.2.1	a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof	299 300
22.2.2	in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area	301 302 303 304 305 306 307
22.2.3	loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes	308 309 310
22.2.4	in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly	311 312
22.2.5	in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.	313 314 315 316 317 318 319
	The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.	320 321
23	WAR EXCLUSION	322
	In no case shall this insurance cover loss damage liability or expense caused by	323
23.1	war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power	324 325
23.2	capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat	326 327
23.3	derelict mines torpedoes bombs or other derelict weapons of war.	328
24	STRIKES EXCLUSION	329
	In no case shall this insurance cover loss damage liability or expense caused by	330
24.1	strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions	331 332
24.2	any terrorist or any person acting from a political motive.	333
25	MALICIOUS ACTS EXCLUSION	334
	In no case shall this insurance cover loss damage liability or expense arising from	335
25.1	the detonation of an explosive	336
25.2	any weapon of war and caused by any person acting maliciously or from a political motive.	337 338
26	NUCLEAR EXCLUSION	339
	In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.	340 341

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE TIME CLAUSES HULLS

This insurance is subject to English law and practice

1	NAVIGATION	1
1.1	The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary 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. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.	2 3 4 5 6 7
1.2	This insurance shall not be prejudiced by reason of the Assured entering 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 when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.	8 9 10 11
1.3	The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.	12 13
1.4	In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.	14 15 16 17 18 19 20
1.5	* In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clauses 8 and/or 10.	21 22 23 24 25 26
2	CONTINUATION	27
	Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.	28 29 30 31
3	BREACH OF WARRANTY	32
	Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.	33 34 35
4	CLASSIFICATION	36
4.1	It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that	37 38
4.1.1	the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,	39 40
4.1.2	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 are complied with by the dates required by that Society.	41 42 43
4.2	In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port.	44 45 46 47
4.3	Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.	48 49 50
4.4	Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.	51 52

5	TERMINATION	53
	This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.	54
	Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of	55
5.1	change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance 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 or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,	56 57 58 59 60 61 62 63 64 65 66 67
5.2	any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, 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.	68 69 70 71 72 73 74
	A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.	75 76
6	PERILS	77
6.1	This insurance covers loss of or damage to the subject-matter insured caused by	78
6.1.1	perils of the seas rivers lakes or other navigable waters	79
6.1.2	fire, explosion	80
6.1.3	violent theft by persons from outside the Vessel	81
6.1.4	jettison	82
6.1.5	piracy	83
6.1.6	contact with land conveyance, dock or harbour equipment or installation	84
6.1.7	earthquake volcanic eruption or lightning	85
6.1.8	accidents in loading discharging or shifting cargo or fuel.	86
6.2	This insurance covers loss of or damage to the subject-matter insured caused by	87
6.2.1	bursting of boilers breakage of shafts or any latent defect in the machinery or hull	88
6.2.2	negligence of Master Officers Crew or Pilots	89
6.2.3	negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder	90 91
6.2.4	barratry of Master Officers or Crew	92
6.2.5	contact with aircraft, helicopters or similar objects, or objects falling therefrom	93
	provided that such loss or damage has not resulted from want of due diligence by the Assured. Owners, Managers or Superintendants or any of their onshore management.	94 95
6.3	Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.	96 97
7	POLLUTION HAZARD	98
	This insurance covers loss of or damage to 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 for which the Underwriters are liable under 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 not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.	99 100 101 102 103 104
8	3/4THS COLLISION LIABILITY	105
8.1	The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for	106 107 108
8.1.1	loss of or damage to any other vessel or property on any other vessel	109
8.1.2	delay to or loss of use of any such other vessel or property thereon	110
8.1.3	general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,	111 112
	where such payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel.	113 114
8.2	The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:	115 116
8.2.1	where the insured Vessel is in collision with another vessel and both vessels are to blame than, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 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,	117 118 119 120 121 122
8.2.2	in no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.	123 124 125
8.3	The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.	126 127 128

EXCLUSIONS	129
8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of	130 131
8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever	132
8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels	133
8.4.3 the cargo or other property on, or the engagements of, the insured Vessel	134
8.4.4 loss of life, personal injury or illness	135
8.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof, save that this exclusion shall not extend to any sum which the Assured shall pay for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.	136 137 138 139 140 141 142
9 SISTERSHIP	143
Should the Vessel hereby insured come into collision with or receiver salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.	144 145 146 147 148 149
10 GENERAL AVERAGE AND SALVAGE	150
10.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.	151 152 153 154
10.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.	155 156 157
10.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules Xld), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.	158 159 160 161 162 163
10.4 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.	164 165
10.5 No claim under this Clause 10 shall in any case be allowed for or in respect of	166
10.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance	167 168 169
10.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.	170 171 172
10.6 Clause 10.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.	173 174 175 176
11 DUTY OF ASSURED (SUE AND LABOUR)	177
11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.	178 179 180
11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clause 10.5 and collision defence or attack costs are not recoverable under this Clause 11.	181 182 183 184
11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	185 186 187
11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouing exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.	188 189 190 191 192 193 194
11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 10.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.	195 196 197 198 199 200 201 202
11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.	203 204 205
12 DEDUCTIBLE	206
12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such claim, to any associated claim under Clause 11 arising from the same accident or occurrence.	207 208 209 210 211 212 213

12.2	Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.	214 215 216 217 218 219 220
12.3	Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.	221 222 223
12.4	Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.	224 225 226 227
13	NOTICE OF CLAIM AND TENDERS	228
13.1	In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire. If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.	229 230 231 232 233 234 235
13.2	The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.	236 237 238 239
13.3	The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval. Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and store and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof. Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters allowance shall be reduced by a similar proportion.	240 241 242 243 244 245 246 247 248 249 250 251 252 253
13.4	In the event of failure by the Assured to comply with the conditions of Clauses 13.2 and/or 13.3 a deduction of 15% shall be made from the amount of the ascertained claim.	254 255
14	NEW FOR OLD	256
	Claims payable without deduction new for old.	257
15	BOTTOM TREATMENT	258
	In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that	259 260
15.1	gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,	261 262
15.2	gritblasting and/or other surface preparation of: the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs, areas of plating damaged during the course of fairing, either in place or ashore,	263 264 265 266
15.3	supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above,	267 268
	shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.	269 270
16	WAGES AND MAINTENANCE	271
	No claim shall be allowed, other than in general average, for wages and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.	272 273 274 275
17	AGENCY COMMISSION	276
	In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.	277 278 279 280
18	UNREPAIRED DAMAGE	281
18.1	The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.	282 283 284
18.2	In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.	285 286 287
18.3	The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.	288 289

19	CONSTRUCTIVE TOTAL LOSS	290
19.1	In ascertaining whether the Vessel is a constructive total loss, the insured value 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.	291 292 293
19.2	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 the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.	294 295 296 297
20	FREIGHT WAIVER	298
	In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.	299 300
21	ASSIGNMENT	301
	No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.	302 303 304 305 306
22	DISBURSEMENTS WARRANTY	307
22.1	Additional insurances as follows are permitted:	308
22.1.1	<i>Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.</i> A sum not exceeding 25% of the value stated herein.	309 310
22.1.2	<i>Freight, Chartered Freight or Anticipated Freight, insured for time.</i> A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 22.1.1.	311 312
22.1.3	<i>Freight or Hire, under contracts for voyage.</i> A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.	313 314 315 316 317 318 319 320
22.1.4	<i>Anticipated Freight if the Vessel sails in ballast and not under Charter.</i> A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.	321 322 323 324
22.1.5	<i>Time Charter Hire or Charter Hire for Series of Voyages.</i> A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.	325 326 327 328 329 330 331
22.1.6	<i>Premiums.</i> A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.	332 333 334 335
22.1.7	<i>Returns of Premium.</i> A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.	336 337 338
22.1.8	<i>Insurance irrespective of amount against:</i> Any risks excluded by Clauses 24, 25, 26 and 27 below.	339 340
22.2	Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.	341 342 343 344 345 346
23	RETURNS FOR LAY-UP AND CANCELLATION	347
23.1	To return as follows:	348
23.1.1.	pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,	349
23.1.2	for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters	350 351
	(a) per cent net not under repair	352
	(b) per cent net under repair.	353
23.1.3	The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.	354 355 356 357 358
23.1.4	If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 23.1.2 (a) and (b) respectively.	359 360
23.2	PROVIDED ALWAYS THAT	361
23.2.1	a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof	362 363
23.2.2	in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters	364 365
23.2.3	loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes	366 367 368
23.2.4	in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly.	369 370

23.2.5	in the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 23.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(a) or (b) above.	371 372 373 374 375 376 377
	The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.	378 379
24	WAR EXCLUSION	380
	In no case shall this insurance cover loss damage liability or expense caused by	381
24.1	war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power	383
24.2	capture seizure arrest restraint or detention (barratry and piracy excepted), and the consequences thereof or any attempt thereat	384 385
24.3	derelict mines torpedoes bombs or other derelict weapons of war.	386
25	STRIKES EXCLUSION	387
	In no case shall this insurance cover loss damage liability or expense caused by	388
25.1	strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions	389
25.2	any terrorist or any person acting from a political motive.	390
26	MALICIOUS ACTS EXCLUSION	391
	In no case shall this insurance cover loss damage liability or expense arising from	392
26.1	the detonation of an explosive	393
26.2	any weapon of war	394
	and caused by any person acting maliciously or from a political motive.	395
27	RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE	396
	In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from	397 398
27.1	ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel	399 400
27.2	the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof	401 402
27.3	any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.	403 404

INSTITUTE WAR AND STRIKES CLAUSES

Hulls—Time

This insurance is subject to English law and practice

1 PERILS	1
Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by	2
1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power	3
1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat	4
1.3 derelict mines torpedoes bombs or other derelict weapons of war	5
1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions	6
1.5 any terrorist or any person acting maliciously or from a political motive	7
1.6 confiscation or expropriation.	8
2 INCORPORATION	9
The Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.	10
Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.	11
3 DETAINMENT	12
In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.	13
4 EXCLUSIONS	14
This insurance excludes	15
4.1 loss damage liability or expense arising from	16
4.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war	17
4.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:	18
United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China	19
4.1.3 requisition or pre-emption	20
4.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered	21
4.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations	22
4.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause	23
4.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4),	24
4.2 loss damage liability or expense covered by the Institute Time Clauses—Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof,	25
4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,	26
4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.	27
5 TERMINATION	28
5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.	29
5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY	30
5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved	31
5.2.2 upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:	32
United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China	33
5.2.3 in the event of the Vessel being requisitioned, either for title or use.	34
5.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.	35

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

INSTITUTE WAR AND STRIKES CLAUSES

Hulls-Time

This insurance is subject to English law and practice

1 PERILS	1
Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by	2
1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power	3
1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat	4
1.3 derelict mines torpedoes bombs or other derelict weapons of war	5
1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions	6
1.5 any terrorist or any person acting maliciously or from a political motive	7
1.6 confiscation or expropriation	8
2 INCORPORATION	11
The Institute Time Clauses-Hulls 1/11/95 (including $\frac{3}{4}$ ths Collision Liability Clause amended to $\frac{1}{2}$ ths) except Clauses 1.4, 2, 3, 4, 5, 6, 12, 22.1.8, 23, 24, 25, 26 and 27 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.	12
Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.	13
	14
	15
	16
3 DETAINMENT	17
In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free-use and disposal of the Vessel for a continuous period of 12 months, then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.	18
	19
	20
	21
	22
4 NOTICE OF CLAIM AND TENDERS	23
In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.	24
	25
	26
	27
If notice is not given to Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.	28
	29
	30
5 EXCLUSIONS	31
This insurance excludes	32
5.1 loss damage liability or expense arising from	33
5.1.1 the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China	34
	35
	36
	37
5.1.2 requisition, either for title or use, or pre-emption	38
5.1.3 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered	39
	40
	41
5.1.4 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations	42
	43
5.1.5 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause	44
	45
5.1.6 piracy (but this exclusion shall not affect cover under Clause 1.4),	46
5.2 loss damage liability or expense directly or indirectly caused by or contributed to by or arising from	47
5.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel	48
	49
5.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof	50
	51
5.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,	52
	53
5.3 loss damage liability or expense covered by the Institute Time Clauses-Hulls 1/11/95 (including $\frac{3}{4}$ ths Collision Liability Clause amended to $\frac{1}{2}$ ths) or which would be recoverable thereunder but for Clause 12 thereof,	54
	55
	56
5.4 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,	57
	58
5.5 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1994.	59
	60

6	TERMINATION	61
6.1	This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.	62 63 64 65 66
6.2	Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY	67 68
6.2.1	upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China	69 70 71 72
6.2.2	in the event of the Vessel being requisitioned, either for title or use.	73
6.3	In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 6, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.	74 75 76

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 6 above.

APPENDIX 2

Joint War Committee

Suite 358, Lloyd's, One Lime Street
London EC3M 7DQ
Tel+44 (0)20 7327 3333 Fax +44 (0)20 7327 4443

Enquiries To: Neil Roberts
Direct Dial: +44 (0)20 7327 8375
neil.roberts@lmalloyds.com

JWLA/018
1 August 2011

Hull War, Strikes, Terrorism and Related Perils

Listed Areas

The Joint War Committee has recently reviewed the Listed Areas, last altered 3rd March 2011, and has agreed the following changes which are incorporated in the new list as attached.

Amended: Nigeria

Added: Benin

Added: Gulf of Guinea, but only the waters of the Beninese and Nigerian Exclusive Economic Zones north of Latitude 3° N.

This list will be published on the LMA and IUA websites and will be accessible to all on www.lmalloyds.com and www.iua.co.uk.

The application of this list on individual contracts will be a matter for specific negotiation.

Neil Roberts
Secretary

Information relating to the work of the Joint War Committee(JWC), including an outline of key issues under discussion, circulars and Listed Areas, can be accessed from the JWC page of the LMA website via the following link: www.lmalloyds.com/lma/jointwar



LLOYD'S MARKET ASSOCIATION
A Joint Committee of the LMA and IUA



JWC Hull War, Strikes, Terrorism and Related Perils Listed Areas (1 August 2011)
Africa
Benin
Djibouti excluding transit
Eritrea, but only South of 15° N
Gulf of Guinea, but only the waters of the Beninese and Nigerian Exclusive Economic Zones north of Latitude 3° N
Ivory Coast
Libya
Nigeria
Somalia
Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea
Waters as defined overleaf
Asia
Pakistan
Eastern Europe
Georgia
Indonesia / Malaysia
The port of Balikpapan (SE Borneo) including waters out to 25 nautical miles
Borneo, but only the north east coast between the ports of Kudat and Tarakan inclusive
The port of Jakarta
Sumatera (Sumatra), but only the north eastern coast between 5° 40' N and 0° 48' N, excluding transit
Middle East
Bahrain excluding transit
Iran
Iraq, including all Iraqi offshore oil terminals
Israel
Lebanon
Qatar excluding transit
Saudi Arabia excluding transit
Yemen
Philippines, but only
Mindanao, between the ports of Polloc Harbour and General Santos inclusive
Sulu Archipelago including Jolo, as defined overleaf
South America
Venezuela, including all offshore installations in the Venezuelan EEZ



Definitions:

Named Countries shall include their coastal waters up to 12 nautical miles offshore, unless specifically varied above.

Named Ports shall include all facilities/terminals within areas controlled by the relevant port authority/ies (or as may be more precisely defined by Insurers) including offshore terminals/facilities, and all waters within 12 nautical miles of such but not exceeding 12 nautical miles offshore unless specifically stated.

Sulu Archipelago

The area enclosed between:

- a) on the western side, a straight line between Tanjung Bidadari ($5^{\circ}49'6N$, $118^{\circ}21'0E$) to position $3^{\circ}32'0N$, $118^{\circ}57'0E$
- b) on the south eastern side, a straight line from there to position $5^{\circ}50'0N$, $122^{\circ}31'0E$, and thence northwards to position $7^{\circ}06'6N$, $122^{\circ}31'0E$
- c) on the northern side, a straight line from there to Batorampon Point Light ($7^{\circ}06'6N$, $121^{\circ}53'8E$)
- d) and on the north western side, a straight line from there back to Tanjung Bidadari.

Indian Ocean / Arabian Sea / Gulf of Aden / Gulf of Oman / Southern Red Sea

The waters enclosed by the following boundaries:

- a) On the north-west, by the Red Sea, south of Latitude 15° N
- b) on the west of the Gulf of Oman by Longitude 58° E
- c) on the east, Longitude 78° E
- d) and on the south, Latitude 12° S

excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.



A Joint Committee of the LMA and IUA



APPENDIX 3

LONDON BLOCKING AND TRAPPING ADDENDUM
(For use with Institute War and Strikes Clauses Hulls - 1/10/83)

It is hereby agreed that the inability of the Vessel to sail from any port, canal, waterway or other place to the high seas for a continuous period of 12 months as a result of the closure of the connecting channel to all vessels of such size or draft is within the term "restraint" appearing in Clause 3 of the Institute War and Strikes Clauses - Hulls 1.10.83 provided that such closure has arisen through the blockage of the waterway by a warlike act, or act of national defence.

LPO444 (3/84)

APPENDIX 4

LETTER OF UNDERTAKING (A)
September 2007

Vessels, names and types

To: The Assignee of insurance policies in respect of the above

Dated:

Our Ref:

Dear Sirs

....., as Owners

We confirm that:

- (1) we have effected insurances for the account of the above Owners as set out in Appendix "A" attached,
- (2) the said insurances include the Loss Payable Clause(s) set out in Appendix "B" attached, and
- (3) the Notice of Assignment in the form of Appendix "C" attached has been acknowledged by Underwriters in accordance with Market practice.

Pursuant to instructions received from the above Owners and/or their authorised Manager or Agents and in consideration of your approving us as the appointed Brokers in connection with the insurances covered by this letter, we hereby undertake:-

1. to hold
 - (a) the Insurance Slips or Contracts, and
 - (b) the Policies if and when issued, and
 - (c) until the time of the issue of any new or replacement letter of undertaking, any renewals of such Contracts or Policies or any Contracts or Policies substituted therefor with your consent as may be arranged through ourselves, and
 - (d) the benefit of the insurances thereunder to your order in accordance with the terms of the said Loss Payable Clause(s); and
2. to arrange for the said Loss Payable Clause(s) to be included on the Contracts or Policies if and when issued; and
3. to have endorsed on each and every Contract or Policy as and when the same is issued a copy of the said Notice of Assignment; and
4. to advise you promptly if we cease to be the Broker for the Assured or in the event of any material changes which we are aware have been made to the said insurances; and
5. following a written application received from you not later than one month before expiry of these insurances to notify you within fourteen days of the receipt of such application in the event of our not having received notice of renewal instructions from the Owners and/or their authorised Managers or Agents, and in the event of our receiving instructions to renew to advise you promptly of the details hereof; and
6. to forward to you promptly any notices of cancellation that we receive from Underwriters; and
7. following a written application from you to advise you promptly of the premium payment situation where such premium is paid or payable through our intermediary.

If and where we are responsible for the payment of premium to Underwriters, our above undertakings are given subject to our lien on the Contracts or Policies for premiums and subject to our right of cancellation on default in payment of such premiums but we undertake not to exercise such rights of cancellation without giving you ten days notice in writing either by letter or electronically transmitted message and a reasonable opportunity for you to pay any premiums outstanding.

It is understood and agreed that the operation of any Automatic Termination of Cover, Cancellation or Amendment Provisions contained in the Policy conditions shall override any Undertakings given by us as Brokers.

Notwithstanding anything to the contrary contained herein or in any prior Letter of Undertaking or in any Loss Payable Clause or in any Notice of Assignment,

- (A) the provisions of this letter of undertaking shall only apply to the Insurances set out in the said Appendix 'A' and until the time of the issue of any new or replacement letter of undertaking, to any renewals thereof effected through ourselves, and
- (B) the undertakings given above shall be the limit of our obligations to you.

We DO NOT accept any actual or constructive notice of any interest you may claim in any other insurance effected on the Vessels referred to in the said Appendix 'A' UNLESS AND UNTIL you give us specific notice of that interest in the particular insurance and such notice is confirmed by the Owner.

Notwithstanding the terms of the said Loss Payable Clause(s) and the said Notice of Assignment, unless and until we receive written notice from you to the contrary, we shall be empowered

- (i) to pay all returns of premium to the Assured or its order;
- (ii) to arrange for a collision and/or salvage guarantee to be given in the event of bail being required in order to prevent the arrest of the vessel or to secure the release of the vessel from arrest following a casualty. Where a guarantee has been given as aforesaid and the guarantor has paid any sum under the guarantee in respect of such claim, there shall be payable directly to the guarantor out of the proceeds of the said Policies a sum equal to the sum so paid.

This undertaking shall terminate automatically if the addressee of this letter ceases to have any interest in the insurances set out in Appendix "A"

This undertaking shall be governed by and construed in accordance with English law and any disputes arising out of or in any way connected with this undertaking shall be submitted to the exclusive jurisdiction of the English courts.

This undertaking is subject to all claims and returns of premiums being collected through us as Brokers.

Yours faithfully

Authorised Signatory of the Broker

APPENDIX 5

Our Reference
LOU/4155/303090

Date
10th July 2006



The Managers' London Agents
Thomas Miller P&I Ltd.
International House
26 Creechurch Lane
London EC3A 5BA

Tel: +44 20 7283 4646
Fax: +44 20 7621 9761
underwriting.ukclub@thomasmler.com
www.ukpandi.com

Letter of Undertaking

Dear Sirs,

We acknowledge receipt of a letter giving Notice of Assignment in respect of the above ship. So far as this Association is concerned, the Managers do not consent to such Assignment for the purpose of Rule 15, other than to give efficacy to the Loss Payable Clause set out below and subject always to the Association's rights under Rule 15(B).

We do confirm however that such ship is entered in this Association for Protection and Indemnity risks on the terms and conditions set out or to be set out in the Certificate of Entry. Furthermore, in consideration of your agreeing to the entry or continuing entry of the ship in this Association, the Managers agree:

- (a) That the Owner shall not cease to be insured by the Association in respect of that ship by reason of such assignment (see Rule 29(B)(i)); and
- (b) That notwithstanding that the ship is mortgaged to you the Owner does not cease to be insured by reason of the operation of Rule 29(B)(ii).

It is further agreed that the following Loss Payable Clause will be included in the Certificate of Entry:

Loss Payable Clause

Payment of any recovery to which _____ and _____ are entitled to make out of the funds of the Association in respect of any liability, costs or expenses incurred by them shall be made to _____ and _____ or to their order unless and until the Association receives notice from _____ that _____ and _____ are in default under the First Priority Mortgage in which event all recoveries shall thereafter be paid to _____ or their order; provided that no liability whatsoever shall attach to the Association, its Managers or their agents for failure to comply with the latter obligation until after the expiry of two clear business days from the receipt of such notice.

Our Reference
LOU/4155/303090

Date
10th July 2006



The Managers' London Agents
Thomas Miller P&I Ltd.
International House
26 Creechurch Lane
London EC3A 5BA

Tel: +44 20 7283 4646
Fax: +44 20 7621 9761
underwriting.ukclub@thomasmiller.com
www.ukpandi.com

The Association undertakes:

(a) To inform you if the Directors give the Owner of the above ship notice under Rule 18 that his insurance in the Association in respect of such ship is to cease at the end of the then current Policy Year;

(b) to give you fourteen days notice of the Association's intention to cancel the insurance of the Owners by reason of his failure to pay, when due and demanded, any sum due from him to the Association.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Julian South".

Julian South
Thomas Miller P&I Ltd.
as Agents for Thomas Miller (Bermuda) Ltd.

APPENDIX 6



HELLENIC WAR RISKS

Agents to the Managers
 THOMAS MILLER (ISLE OF MAN) LIMITED
 16-17 MOUNT HAVESLOCK
 DOUGLAS
 ISLE OF MAN IM1 2QG

TEL: +44 1624 645215
 FAX: +44 1624 645211

E-Mail: Elaine.cannell@thomasmillier.com

Date 19 July, 2006

Our Reference HWR3/M126/2006

Your Reference

Dear Sirs,

On behalf of Thomas Miller (Bermuda) Ltd we confirm that this ship is entered in this Association in accordance with the rules of the Association and in accordance with the terms of the Certificate of Entry (and any endorsements thereon) on the following value:

Hull and machinery etc.	USD \$ 30,000,000
Increased Value	USD \$ 7,000,000
Freight etc.	USD \$ Nil

In accordance with an assignment made by _____ and in consideration of your approval of the insurance referred to in this letter the Association undertakes:

1. to hold the benefits of the said insurance and any renewal thereof to your order in accordance with the Loss Payable Clause set out on the reverse of this letter; and
2. to arrange for the said Loss Payable Clause to be endorsed on the Certificate of Entry; and
3. to advise you promptly if the ship's entry for insurance in the Association should be terminated; and
4. to give you not less than 14 days' notice of cancellation of the ship's entry on default in payment of sums due to the Association and an opportunity of paying those sums within such notice period.

Yours faithfully,

FOR THOMAS MILLER (ISLE OF MAN) LTD
 As agents for THOMAS MILLER (BERMUDA) LTD
 For and on behalf of
 HELLENIC MUTUAL WAR RISKS ASSOCIATION (BERMUDA) LIMITED

P.T.O.



HELLENIC WAR RISKS

Agents to the Managers
 THOMAS MILLER (ISLE OF MAN) LIMITED
 16-17 MOUNT HAVELOCK
 DOUGLAS
 ISLE OF MAN IM1 2QG

TEL: +44 1824 646215
 FAX: +44 1824 645211

E-Mail: Elaine.cannell@thomasmiller.com

ENDORSEMENT

COPY

attaching to and forming part of
 War Risks Time Policy and Certificate of Entry No

in respect of the ship

For the account of

Commencing

It is hereby as First Mortgagee under Notice of Assignment dated 29th March 2006 as per the terms of the following Loss Payable Clause.

LOSS PAYABLE CLAUSE

The Certificate of Entry and any renewal thereof will include the following Loss Payable Clause:

"It is noted in Notice of Assignment dated 29th March 2006 has entered into an assignment whereby this policy and all benefits hereof including all claims of whatsoever nature hereunder have been assigned absolutely to (the "First Mortgagees").

Claims payable hereunder exceeding USD \$ 250,000 figure and those payable in respect of an actual, construction, arranged, agreed or compromised total loss shall be payable to the First Mortgagee.

All other claims shall be paid to the Ship owner unless and until the Association has received notice in writing from the First Mortgagee of a default under the First Mortgage in which event all claims shall be payable direct to the First Mortgagee."

For and on behalf of
 HELLENIC MUTUAL WAR RISKS
 ASSOCIATION (BERMUDA) LIMITED

For Thomas Miller (Isle of Man) Ltd
 As Agents for the Managers
 Thomas Miller (Bermuda) Ltd

19 July, 2006

APPENDIX 7

GERMAN DIRECT MORTGAGE CLAUSE
LSW No. 1189

Only for use on policies subject to German General Rules of Marine Insurance (DS) and DTV Clauses and subject to German law practice and jurisdiction, unless otherwise agreed by the insurers.

1. The Insurers have noted that the vessel or vessels (the "Vessel") insured under the insurance contract (the "Policy") of which this clause is agreed to be a condition is or may be mortgaged, and the insurances are or may be assigned, to a bank, financial institution or other entity (the "Mortgagee").
2. The insurers agree that, provided they have – whether before or after the happening of an event giving rise to a claim under the Policy – been notified of such mortgage, the following provisions of this clause shall apply.
3. In this clause the "Indebtedness" means all amounts of any nature (including, without limitation, principal, interest, default interest, costs, expenses and indemnity liabilities) which may be at any time be due to the Mortgagee under or pursuant to, and/or secured by, such mortgage.
4. The insurers undertake to pay to the Mortgagee the amount insured (up to the amount of the Indebtedness) irrespective of whether they would otherwise be entitled to refuse payment under the Policy under German law or under any other legal system governing the Policy or applicable to the Vessel and/or any insured and not raise any objection in respect of any claim of the Mortgagee even if:-
 - 4.1 they are or become released from liability towards the insured as a result of any act or omission of the insured or anyone acting on its behalf; or
 - 4.2 the Policy, or the insurance cover afforded by the Policy, is or becomes invalid or void for any reason (including, without limitation, over insurance or double insurance) whether before or after the happening of the event giving rise to the claim in question; or
 - 4.3 the Vessel may have been unseaworthy or insufficiently manned or equipped at the start of the relevant voyage; or
 - 4.4 the Vessel may have deviated from any trading limits imposed by or pursuant to the Policy.
5. None of the following shall have effect as against the Mortgagee until expiry of the fourteenth day after the date on which the Mortgagee receives notice thereof from the insurers:-
 - 5.1 any notice of termination, rescission or any other matter terminating the Policy prior to its expiry (whether before or after the happening of any event giving rise to a claim and including any termination as a consequence of the sale of a Vessel);

- 5.2 any amendment to the Policy which reduces the amount insured or the extent of risk for which the Insurers are liable;
 - 5.3 any release of the insurers from liability as a result of any premium not having been paid when due.
 - 5.4 *Nevertheless, where the policy to which this Clause is attached insures war risks, nothing in this clause 5 shall override or negate the provisions of the War Notice of Cancellation and Automatic Termination of Cover Clause included in the policy.*
6. Irrespective of the law governing the Policy, this clause shall be governed by and interpreted according to German law and practice. In respect of any dispute arising under or in connection with this clause the insurers irrevocably submit to the jurisdiction of German courts. The Mortgagee may, however, choose as place of jurisdiction the registered office of the insurers or the leading insurer or any other competent court.

APPENDIX 8

*Norwegian Marine Insurance Plan***Section Section****▶ Chapter 7.
Co-insurance of mortgagees****▶ § 7-1. Rights of a mortgagee against the insurer**

If the interest covered by the insurance is mortgaged, the insurance also covers the mortgagee's interest, however, the insurer may invoke the rules relating to identification in §§ 3-36 to 3-38.

If the insurer has been notified of the mortgage, the rules contained in §§ 7-2 to 7-4 shall apply. The notice takes effect from the time it reaches the insurer.

The insurer shall advise the mortgagee that the mortgage has been noted and of the effects that this has for the rights of the mortgagee under the insurance.

▶ § 7-2. Amendments and cancellation of the insurance

If the insurance contract has been amended or cancelled, the rights of the mortgagee shall not be affected unless the insurer has given him specific notice of not less than fourteen days. However, this shall not apply to war risk insurance, cf. § 15-8, subparagraph 1, second sentence.

▶ § 7-3. Handling of claims, claims adjustments, etc.

Decisions required in respect of casualties, adjustments or claims against third parties may be made without the participation of the mortgagee.

The right to compensation for a total loss may not be waived, wholly or in part, to the detriment of the mortgagee.

▶ § 7-4. Payment of compensation

In the event of a total loss, the mortgagee's interests take priority.

Compensation for loss from a single casualty exceeding 5% of the sum insured shall, in the absence of consent from the mortgagee, only be paid by the insurer upon presentation of a receipted invoice for repairs carried out. If the ship is insured with two or more insurers against the same perils, this restriction applies to the combined payments from the insurers.

Compensation under § 12-1, subparagraph 4, and § 12-2, may not be paid without the consent of the mortgagee.

Compensation for loss of time may not be paid without the consent of the mortgagee who has a mortgage on the ship's freight income.

Liability to a third party which is covered by the insurance may only be settled upon presentation of a receipt from the third party.

In the absence of the mortgagee's consent, the insurer may only set off claims which have arisen out of the insurance contract relating to the ship in question and which have fallen due in the course of the last two years prior to the settlement of a claim.

Section Section

*Norwegian Marine Insurance Plan***< Section Section >****▶ Chapter 8.
Co-insurance of third parties****▶ § 8-1. Rights of third parties against the insurer**

If the insurance is explicitly effected for the benefit of a named third party, the insurance also covers his interests, however, the insurer may invoke the rules relating to identification in §§3-36 to 3-38.

The rules contained in § 7-3, subparagraph 1, and § 7-4, subparagraph 6, shall apply correspondingly to insurance of a third party's interest.

▶ § 8-2. Duty of disclosure

The rules contained in chapter 3, section 1, shall apply correspondingly to anyone who has the status of assured under §8-1, provided that he is aware of the fact that he is named in the policy.

The insurer may not invoke a breach of the assured's duty of disclosure under subparagraph 1 above against other assureds, unless the conditions for identification under §3-36 and § 3-37 are met.

▶ § 8-3. Amendments and cancellation of the insurance contract

If the insurance contract has been amended or cancelled, this shall also apply in relation to any co-insured third party.

▶ § 8-4. Co-insurance of third parties. Extended cover

If an extended co-insurance of a third party's interest has been explicitly effected, the insurer may not plead that he has no liability in relation to the person effecting the insurance or another co-insured due to any act or omission which is relevant under the rules contained in chapter 3 or § 5-1.

< Section Section >

APPENDIX 9

**Violent Theft, Piracy and Barratry Exclusion - for use with
the Institute Time Clauses Hulls 1/10/83**

Where the hull and machinery insurance of the vessel is written on terms which include the Institute Time Clauses Hulls 1/10/83, the said clauses are hereby amended as follows:

1 Clause 4.1 shall be deleted and replaced by the following:

"change of the Classification Society of the vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the vessel subject to current Institute War and Strikes Clauses Hulls - Time 1/10/83 as amended by the violent theft, piracy and barratry extension clause JW 2005/002 such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society,"

2 Clause 6.1.3 shall be deleted

3 Clause 6.1.5 shall be deleted

4 Clause 6.2.5 shall be deleted

5 "23(a)," shall be inserted between "23," and "24" in Clause 21.1.8

6 The words "(barratry and piracy excepted)" shall be deleted from Clause 23.2

7 A new Clause 23(a) shall be inserted after Clause 23 and before Clause 24 as follows:

"23(a) VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION

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

23(a).1 violent theft by persons from outside the Vessel

23(a).2 piracy

23(a).3 barratry of Master Officers or Crew."

APPENDIX 10

Violent Theft, Piracy and Barratry Extension - for use with the Institute War & Strikes Clauses Hulls - Time 1/10/83

Where the war and strikes insurance of the vessel is written on terms which include the Institute War & Strikes Clauses Hulls - Time 1/10/83, the said clauses are hereby amended as follows:

1 Three new clauses shall be inserted after clause 1.6 as follows:

"1.7 violent theft by persons from outside the Vessel

1.8 piracy

1.9 barratry of Master Officers or Crew"

2 Clause 4.1.7 shall be deleted

3 Clause 4.2 shall be deleted and replaced by the following:

"loss damage liability or expense covered by the Institute Time Clauses Hulls Time 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof, as amended by the violent theft, piracy and barratry exclusion clause JH2005/046,"

4 A new clause 4(a) shall be inserted after clause 4 as follows:

"4(a) No claim arising from a peril insured against under clause 1.7 or clause 1.8 above shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including any associated sue and labour, general average and salvage or collision liability claims) exceeds the deductible amount agreed (if any) in which case this sum shall be deducted. This clause 4(a) shall not apply to a claim for total or constructive total loss of the vessel or, in the event of such a claim, to any associated sue and labour claim arising from the same accident or occurrence."

APPENDIX 11

POINTS TO CHECK FOR CONSULTANCY

HULL AND MACHINERY – Marine Risks

1. Is Hull and Machinery value sufficient to cover the loan plus 25%
2. If an Additional Machinery Damage Deductible applies ensure that the applicable IMDAD clause is noted
3. Where the Hull and Machinery is insured on Port Risk clauses with a low limit of liability for Protection and Indemnity offer Mortgagee Map (All P&I Risks) cover
4. Make mention of the Sunset clause where Swedish Club Rules form the underlying conditions
5. If Hull and Machinery policy on "CAMOGLI" terms is the "Notice of Suspension of Insurance to Mortgagee" clause included
6. If policy refers to Sum Insured ensure that Broker / Insurer confirms that it is an agreed value policy
7. If Malaysian Flag vessel involved Hull and Machinery policy must be insured 100% with a Malaysian Company
8. Check to see if Assured clause is the same for each interest insured
9. Has security for each interest been checked
10. Check to see if the Disbursements / Freight etc., sums insured exceed the Hull and Machinery Disbursements warranty, use 25% as guideline. French policy form needs Hull and Machinery Insurers to agree any Disbursements insured amount
11. Has War risks been placed
12. Does War risks include Protection and Indemnity
13. Does War risks include vandalism, sabotage, malicious mischief
14. Do the Hull and Machinery, Marine and War, and Disbursements conditions match
15. Has Certificate of Entry been reviewed
16. Has Oil Pollution Limit of Liability been established
17. Does any restriction in the insuring conditions affect the MII / MAP cover
18. If the insured period is more than twelve months do the Brokers / Insurers agree that in the event of a total loss only the balance of twelve months premium is paid
19. Make comment if the "Camogli" policy terms apply
20. Where policies are amended to dispense with Claims Payment Authorities have them reinstated

21. Is the ISM wording included
22. If share placed on the "Corvette" cover make some reference to the problems that could arise
23. When Ingostrakh provide Protection and Indemnity cover their conditions follow the Rules of the UK Club but ensure that the Rules are listed and watch out for omissions
24. Where war policy shows value as a combination of the Hull, Disbursements and any other interests suggest that they are split out and shown as on the marine policies.
25. If share placed by Guest Kreiger watch for the conditions being similar to the "CORVETTE" cover.
26. If captive insurer involved has a "Cut Through" Clause and Assignment of the Reinsurance been given.
27. If National Insurer involved with a large percentage share has a "Cut Through" Clause and Assignment of the Reinsurance been given.
28. If any insurer has a large percentage share has a "Cut Through" Clause and Assignment of the Reinsurance been given.
29. Are the Consultancy heading numbers in order
30. If Protection and Indemnity placed with British Marine Luxembourg S.A. ascertain limit of liability.
31. If Protection and Indemnity placed with British Marine Luxembourg S.A. suggest MAP(All P&I) if necessary.
32. If Protection and Indemnity placed with British Marine Luxembourg S.A. check sections of cover insured and mention if Legal Costs cover not placed.
33. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Classification Section B Clause 42. BMM advise that if vessel classed with IACS Class Society the terms of this clause are approved.
34. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Flag State Clause Section B Clause 43.
35. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Survey Clause Section B Clause 44.
36. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention ISM Clause Section B Clause 45.
37. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Premium Clause Section B Clause 51.
38. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Time Bar Clause Section C Clause 68.

39. If Protection and Indemnity placed with British Marine Luxembourg S.A. mention Electronic Date Recognition Clause Section C Clause 79.
40. If Protection and Indemnity placed with British Marine Luxembourg S.A. there is ***no*** "pay to be paid" provision.
41. Heath Lambert Group will provide fleet premium lien waiver side letter to Letter of Undertaking but only if asked at the outset.
42. If a Notice of Assignment already exists on the policy make note in General Comments section.
43. Ness Marine Brokers (Norway) AS Brokers Cancellation Clause contains retroactive cancellation so make point of it in report.
44. Have Mortgagees been noted on the policies by Notice of Assignment and Loss Payable Clause
45. Do Brokers and / or Insurers agree to issue an a Letter of Undertaking in an acceptable format
46. If vessel is part of a fleet placing do Brokers / Insurers agree to issue a side letter waiving their fleet premium lien. Loan Covenants will, most likely, require this
47. Do the sums insured match on the Marine, Total Loss Interests and War policies
48. Check to see that the collision liability clause matches on the Hull and Machinery, Disbursements and Protection and Indemnity policies
49. Make sure that any Deductible is of an acceptable size
50. If foreign clauses are utilised on the Hull and Machinery marine risk policy and Institute clauses utilised on the Hull and Machinery war risk policy check that Piracy cover is included
51. Does the policy security add up to 100%
52. Ensure that all monies, not just claims, are returnable to Mortgagee under the terms of the Notice of Assignment and Loss Payable Clause
53. If Builders Risk policy includes War risks make note that it will only attach from date of launching
54. If vessel going on scrap voyage Institute Disbursement Clause 1.10.83 requires prior notice to be given to Insurers
55. Is the Company giving an Assignment noted within the Assured Clauses
56. Where a foreign broker insures in a market other than it's own market request details of any sub-broker used
57. If the vessel is deemed a specialist vessel has the Protection and Indemnity Insurer specially accepted

58. London Special Risks Brokers Cancellation Clause may give an element of Retroactive cancellation so get agreement that it does not
59. If PandI pollution limit is below USD1 billion highlight the fact that loan covenants may require maximum limit available
60. If no Disbursements policy details provided make mention of it
61. If Hull and Machinery is on three-fourths collision liability and Protection and Indemnity is with a Norwegian Club do they agree to cover ¼th collision liability
62. If any policy is subject to a fleet annual aggregate deductible ensure that the Mortgagee is made aware of it
63. German Clauses require vessel to put to sea with the highest class of a recognised Classification Society otherwise no claim recoverable
64. If vessel is a yacht watch that the in-commission and laid-up periods are noted correctly
65. Where Hellenic Hull Mutual involved watch size of line and make necessary comment
66. Is the Loss of Hire daily amount "fixed and agreed chartered or unchartered"
67. Raise any insurance that may possibly be required by Mortgagees (i.e. Political Risk)
68. Does the insured value exceed 120% of the loan amount
69. Does the War risk cover include Blocking and Trapping cover
70. The Swedish Club can agree an Amended Fleet Clause which gives the Mortgagee a waiver of the fleet premium clause make sure that it is included
71. Skuld agree to waive fleet premium lien but beware this may only be Copenhagen office which now shut. Skuld state that this given in their Rules but to be checked
72. Skuld Rules 30.4.5 exclude liabilities arising out of paperless trading
73. Skuld Rules 30.5 requires members to take all reasonable steps to ensure computers are date compliant with claims being refused if the Association feels that the member has failed in this regard
74. American Yacht Clauses are considered "broad" form covering everything unless it is specifically excluded, therefore, pollution is covered
75. Where FD&D is covered as part of the PandI entry make reference to the fact that it will have a lower limit of liability than the PandI (Skuld 2000 Rules gives USD5 million limit)
76. Excess Oil Pollution Liability necessary
77. If Mortgagees are part of the Assured Clause either arrange deletion or gain assurance that they will not be liable for premium payment

78. If Hull and Machinery sum insured is only partly covered make sure that loan amount is covered
79. If Hull and Machinery sum insured is only partly covered make comment in General Comments as to the amount to be paid in the event of a total loss
80. Institute Additional Deductible Adaptation Clause to be included when cover includes Additional Machinery Damage Deductible and Additional Perils clauses
81. If sum insured is not in USD make comment in report as loan documentation may insist upon it
82. Norwegian Plan para 8.4 is considered to be giving MII cover
83. Check to see if BankServe have been requested to place MII / MAP etc., as required
84. Where different brokers used to place shares do the clauses etc., match
85. Does War Risks policy include Protection and Indemnity or does Protection and Indemnity entry provide cover
86. If a policy is in existence for more than twelve months make sure that broker / insurer agrees that only the balance of twelve months premium will be taken in the event of a total loss. Watch French Policy Form which states all outstanding premiums to be paid. Watch Norwegian Plan which states entire agreed premium to be paid.
87. Make sure Insurers have been notified where vessel is Bareboat Chartered
88. When Indian Insurer is involved make sure that the Letter of Undertaking is amended to take care of the premium payment situation
89. Does the War Risk policy show both the Hull and Machinery and Increased Value policy sums insured separately (JLT have a special clause to cover this point)
90. When shares are placed through an American Broker beware of fleet lien problems
91. Have Loan Covenants been supplied
92. If covered under the 1.11.95 Institute Clauses make sure that the Insurers have noted the Classification Society as required within Clause 4 or has Clause 4 been deleted
93. Has the actual security been noted for each risk
94. If covered under the Norwegian Plan 1966 (version 1999) make sure that the Insurers have noted the Classification Society as required within the Plan
95. Make comment if the loan is not in the same currency as the sums insured
96. Make sure that the sums insured are in the same currency throughout all policies especially those policies insured with Clubs

97. If the Hull and Machinery is placed on conditions which include four-fourths collision liability make sure that if a non-Norwegian Protection and Indemnity Club is used that their collision liability clause dovetails
98. If Loss of Hire cover is placed on Norwegian conditions Chapter 16 make sure that within para 16 – 1 the Owners actual Hull and Machinery clauses are noted if not Norwegian Plan.
99. Where the Owners Hull and Machinery policy is effected upon German ADS / DTV clauses with G89 included arrange for MII cover to be suitably amended with a reduction in rate
100. If preparing a report on a yearly basis check to see that it is the same as last year and if there are any differences then has the client been advised under the terms of the Letter of Undertaking
101. When American Institute Clauses form the basis of the insurance put in the report the implied warranty of seaworthiness.
102. Make sure that the clauses used on all the various interests match each other
103. When Loss of Hire involved advise that the cover will not respond to claims where the vessel becomes a total loss
104. The Norwegian Plan 1996 (version 1999) includes under para 3 – 24A an Electronic Date Recognition Clause which should be acceptable to Mortgagees.
105. If vessel is a Tug has the Protection and Indemnity Entry agreed that Towers Liability is covered
106. If vessel is a Tug has the Protection and Indemnity Entry been specially adapted to include specialist operations such as salvage
107. If report is in connection with a Bond Issue then suggest that the Bond Holders may consider obtaining an Assignment and / or Loss Payable Clause to be put on the Policies
108. If Hull and Machinery Marine Risks is placed on German, Swedish, Norwegian conditions then unless amended or deleted an additional machinery deductible and an additional ice damage deductible will apply on top of the basic deductible
109. Where insurance is in connection with a Yacht make sure that pollution is an insured peril and that the limit of liability is sufficient and is it a problem if it is not
110. If Freight Demurrage and Defence cover is purchased from the same insurer as is on the Hull and Machinery Marine Risks and Protection and Indemnity make some note about the fact that they will probably be unwilling to back any attempt to sue themselves, i.e. DEX
111. Gard Protection and Indemnity Club have in the past agreed to provide a fleet premium lien waiver

112. If the insurance coverage is based on Institute Port Risks or Institute Builders Risks clauses make sure that cover is extended to include pollution, crew and cargo as and where necessary
113. If cover is provided under the Norwegian Plan then para 7 – 4 does not allow an offset of claims / premiums unless Mortgagees have given their approval
114. If Hull and Machinery is based on the new 1.11.95 clauses attach to the report the sheet explaining the differences to the 1.10.83 clauses.
115. If Southern Seas is involved in the Protection and Indemnity placing ensure that the limit of liability and the actual security is established
116. Check to see if "Missing Vessel Clause" is included as some Mortgagees insist upon it in their loan documentation
117. Where the insurance policy is arranged on a layered basis make sure that the Insurers on both the primary and excess layers are accepting the fact that they may have to pay the limit of the policy several times for the same occurrence (i.e. collision, salvage, total loss) thus giving a multiple loss
118. If Protection and Indemnity cover is with a "Fixed Premium" provider make sure that the limit of liability is established and Mortgagee is offered MAP (All P&I Risks) cover
119. Where the client is an Owner / Lessor make sure that the Insurers do not look to them for premium payment
120. Norwegian Plan 1996, version 1999, includes trading warranties as per para 3-15
121. Norwegian Plan 1996, version 1999, includes Norwegian Law and Jurisdiction as per para 1-4
122. Watch for JLT "Loss Payee Wording" as it gives the Bank's ability to negotiate on claims matters and should be deleted from the cover.

APPENDIX 12