# RISK DETAILS

## UNIQUE MARKET

**REFERENCE:**

**TYPE:** MARINE HULL BUILDER’S RISKS REINSURANCE

**REINSURED:** [Insert Reinsured]

## PRINCIPAL ADDRESS:

[Insert]

## ORIGINAL

**INSURED:** [Insert] and as agent for associated and subsidiary and affiliated companies for their respective rights and interests.

## PRINCIPAL

**ADDRESS:** [Insert]

**VESSELS:** [Insert]

**PERIOD:** With effect from attachment date, [date to be agreed] until delivery to owners, expected [date to be agreed]

**INTEREST:** HULL MATERIALS, MACHINERY OUTFIT, and everything connected therewith nothing excluded.

Final Contract Value [Insert].

Including Associated Equipment at yards which will form or be an integrated part of the declared vessel.

Also including any equipment for which the Assured is responsible including buyers supplies, owner furnished equipment and third party equipment, whilst at the builder’s premises.

**SUM REINSURED:** As per proposal form

**DEDUCTIBLE(S):** USD 500,000

## REINSURANCE

**CONDITIONS:** Subject to the same terms, clauses, conditions and trading warranties as original policy and/or policies.

Claims Control Clause LSW783 (04/94), as attached.

Sanction Limitation and Exclusion Clause JH2010/009 (29/07/10), as attached.

Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause CL370 (10/11/03), as attached.

Marine Cyber Endorsement (LMA5403) (11/11/19), as attached. JHC Communicable Disease Exclusion JH2020-007A, as attached. Security Review Clause, as attached.

## ORIGINAL

**CONDITIONS:** Special Clauses for Institute Builders’ Risks, as attached.

Institute Clauses for Builders’ Risks (Cl.351) (01/06/88), as attached. Institute War Clauses – Builders’ Risks (Cl.349) (01/06/88), as attached.

Institute Strikes Clauses – Builders’ Risks (Cl.350) (01/06/88), as attached with Clause 7 deemed replaced by Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Cl.370) (10/11/03). Clause 1 Cancellation of Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause – Hulls etc. (Cl.359) (01/01/95) deemed applicable in respect of strikes cover.

Including Assured, Interest of Mortgagees and Notices of Assignment and Loss Payable Clause if and in terms as may be required.

Sanction Limitation and Exclusion Clause (JH2010/009) (29/07/10), as attached.

Institute Notice of Cancellation, Automatic Termination of Cover and

War and Nuclear Exclusions Clause – Hulls etc. (Cl.359) (01/01/95) , as attached, with clause 3.2 deemed replaced by Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Cl.370) (10/11/03).

Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Cl.370) (10/11/03), as attached.

Marine Cyber Endorsement (LMA5403) (11/11/19), as attached. JHC Communicable Disease Exclusion JH2020-007A, as attached.

Where mentioned, the following phrase or phrases are deleted from all Institute Clauses referred to herein:

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM) (FOR USE ONLY WITH THE CURRENT MARINE POLICY FORM)

**NOTICES:** None.

**LOSS PAYEE:** Assured or Order as per Notices of Assignment and Loss Payable Clauses, noting the interests of Mortgagees, to be agreed by (Re)insurers if applicable.

## CHOICE OF LAW &

**JURISDICTION:** Pakistan

**PREMIUM/RATE:**

**Premium should be quoted in terms of percentage.**

Base rate \_\_\_\_% plus \_\_\_\_\_% per month on Final Contract Value.

Extensions covered at [Insert]% for the first 6 months, thereafter at rate to be agreed by Contract Leader.

## PREMIUM PAYMENT

**TERMS:** Premium Payment Clause LSW3001 (30/09/08) (90 days), as attached.

## TAXES PAYABLE BY THE REINSURED AND ADMINISTERED BY

**REINSURERS:** None.

## TAXES PAYABLE BY THE REINSURERS AND ADMINISTERED BY REINSURED OR

**THEIR AGENT:** None

## RECORDING, TRANSMITTING AND STORING

**INFORMATION:**

# WORDING AND CLAUSES

## CLAIMS CONTROL CLAUSE

Notwithstanding anything herein contained to the contrary, it is a condition precedent to any liability under this policy that the Reassured shall, upon knowledge of any loss or losses which may give rise to a claim under this policy, furnish the Reinsuring Underwriters with all information available respecting such loss or losses and the Reinsuring Underwriters shall have the right to appoint adjusters, assessors and/or surveyors and/or control all negotiations, adjustments and settlements in connection with such loss or losses.

04/94

LSW783

## SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## 29/07/10

**JH2010/009**

**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith**

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
   1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
   2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
   3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
   4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
   5. any chemical, biological, bio-chemical, or electromagnetic weapon.

## 10/11/03

**CL370**

**MARINE CYBER ENDORSEMENT**

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

## LMA5403

**11 November 2019**

**JHC COMMUNICABLE DISEASE EXCLUSION**

1. Notwithstanding any provision to the contrary in this (re)insurance, it is hereby agreed that this (re)insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met.

* 1. “Communicable Disease Loss” shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the Excluded Circumstances, those Circumstances being
     1. a Communicable Disease, and/or
     2. the fear or threat, whether actual or perceived, of a Communicable Disease, and/or
     3. any recommendation, decision or measure, made or taken to restrict, prevent, reduce or slow the spread of infection of a Communicable Disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and/or
     4. any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above, whether made or taken by a public authority or a private entity

regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

* 1. Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute Excluded Circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 2.1 (c) above.
  2. Without prejudice to the effect of Clauses 2.1 (a), (b) and (d) for the purposes of a loss event first affecting a vessel, conveyance, rig or platform during a voyage undertaken as a consequence of a diversion, a prior recommendation, decision or measure by whomsoever taken to divert that vessel from an earlier loading or discharge or other destination shall not constitute an Excluded Circumstance solely by reason of that diversion having been made for the reasons set out in 2.1 (c) above.
  3. Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), where loss, damage or liability have first been incurred in circumstances which are not excluded under 2.1 (a) to

(d) above, increased expense or increased liability for expense shall not be excluded notwithstanding that increase may have been incurred for the reasons set out in 2.1(c) above.

1. “Communicable Disease” shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:
   1. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
   2. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas and
   3. the disease, substance or agent may, acting alone or in conjunction with other co- morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

4.1 The Infected Individual Exception shall apply where (1) the actions or decisions of any individual infected or allegedly infected with a Communicable Disease cause or contribute to an alleged loss event and (2) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined in 2.1 (c) or

2.1 (d) above.

* 1. Where those conditions are met, the fact or possibility that the individual’s action(s) or decision(s) were impaired or affected by or caused by that individual’s alleged or actual infection shall not exclude recovery of a Loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a Communicable Disease or from any Circumstance as defined in Clause 2.1 (c) or (d) consequent on that individual’s actions or decisions.
  2. For the purposes of this Exception, the Infected Individual need not be physically present on or in an interest affected by the loss event, provided that his or her actions or decisions causing or contributing to the loss event and affecting that interest, directly or indirectly, were of a kind which, when not impaired or affected, would fall within the ordinary course of his or her employment.

5. Loss, damage, liability and expense arising solely out of a loss event otherwise reinsured under this (re)insurance and not excluded thereby nor excluded pursuant to this Clause remain covered in accordance with the terms and conditions thereof.

## JH2020–007A

**20th November 2020**

**SECURITY REVIEW CLAUSE**

The Assured and its representatives reserve the right to review the financial security of insurers hereunder as applicable at any time. The Assured may terminate, subject to daily pro rata return of premium, any insurers participation on this policy at any time should any of the insurer’s financial condition no longer meet the minimum security requirements of the Assured or the Assured’s Representative which for the purposes of this contract shall be Standard & Poors “A-“ and/or equivalent rating to “S&P A-“ under A.M. Best.

## SPECIAL CLAUSES FOR INSTITUTE CLAUSES FOR BUILDERS RISKS

Subject to Institute Clauses for Builders' Risks (1.6.88) (CL.351) but amended as follows:

1. 25% inserted in Clause 1.1
2. In Clause 3 [Delayed Delivery] add *"or held covered at a rate to be agreed"* after the word "Trials".
3. Clause 6 deleted.
4. In Clause 8 (Faulty Design) add “physical” after the words “….this insurance includes” in line 2.
5. Clause 9.1. ‘Navigation’ amended to read ‘With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under own power, loaded or in ballast, as often as required for fitting out, docking and trials.’
6. Clause 19.3.4 deleted and insurance hereunder covers liability, cost or expense arising in respect of cargo and/or other property carried, to be carried or which has been carried on board the vessel.
7. Clause 17.4.5 and 19.3.10 deleted and coverage extended to include the Seepage and Pollution Buyback (72 hour) Clause, as attached.
8. Clause 23 deleted.
9. Clause 24 deemed replaced by Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Cl.370) (10.11.03), as attached.

## SEEPAGE AND POLLUTION “BUY-BACK” (72 HOUR CLAUSE)

It is specifically understood and agreed that the absolute Seepage and Pollution etc. exclusions contained in this policy shall not apply and that this policy is specifically extended to provide coverage for Seepage and Pollution and/or Clean up and containment etc. provided that the Insured hereunder establishes that all of the following conditions have been met:

1. The occurrence was accidental and was neither expected nor intended by the Insured. An accident shall not be considered unintended or unexpected unless caused by some intervening event neither expected nor intended by the Insured.
2. The occurrence can be identified as commencing at a specific time and date during the term of this policy.
3. The occurrence became known to the Insured within 72 hours after its commencement and was reported to Underwriters within 30 days thereafter.
4. The occurrence did not result from the Insured's intentional and wilful violation of any government statute, rule or regulation.

Nothing contained in this Endorsement shall operate to provide any coverage herein with respect to:

* 1. Loss of, damage to, or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Insured.
  2. Removal of, loss of or damage to sub-surface oil, gas or any other substance.
  3. Fines, penalties, punitive damages, exemplary damages, treble damages or any other damages resulting from the multiplication of compensatory damages.
  4. Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substance or the transportation of any waste materials or substances.

## INSTITUTE CLAUSES FOR BUILDERS' RISKS

**VESSEL** AS AGREED **Contract or Yard No.**

AS AGREED

**BUILDERS'** AS AGREED

## BUILDERS'

**YARDS** AS AGREED

## SUBJECT OF INSURANCE

(Where more than one part of the subject-matter insured is described in Section I(A), Section I(B) or Section II below, then the respective wording of Section I(A), Section I(B) or Section II shall be applied to each part separately.)

## SECTION I.

Provisional Period to be agreed from to be agreed

but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period.

1. HULL and MACHINERY etc. under construction at the yard or other premises of the Builders.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Contract or Yard No. | Provisionally valued at | To be built at/by |
| AS AGREED | AS AGREED | AS AGREED | AS AGREED |

The subject-matter of this sub-section A is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations. The Underwriters' liability in respect of each item of this sub-section A which is at such locations shall attach from the time:-

* 1. of inception of this Section I if such item has already been allocated to the vessel;
  2. of delivery to Builders of such item (if allocated) when delivered after inception of this Section I;
  3. of allocation by Builders if allocated after inception of this Section I.

1. MACHINERY etc. insured hereon whilst under construction by Sub-Contractors.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Contract or Yard No. | Provisionally valued at | To be built at/by |

|  |  |  |  |
| --- | --- | --- | --- |
| AS AGREED | AS AGREED | AS AGREED | AS AGREED |

The subject-matter of this sub-section B is covered whilst at Sub-Contractors' works and at Sub-Contractors' premises elsewhere within the port or place of construction at which the Sub- Contractors' works are situated and whilst in transit between such locations.

The Underwriters' liability in respect of each item of this sub-section B which is at such locations shall attach from the time:-

1. of inception of this Section I if such item has already been allocated to the vessel;
2. of delivery to the Sub-Contractors of such item (if allocated) when delivered after inception of this Section I;
3. of allocation by the Sub-Contractors if allocated after inception of this Section I. The subject-matter of this sub-section B is also covered whilst:-
4. in transit to Builders if the transit is within the port or place of construction at which the Builders' Yard is situated;
5. at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations.

## SECTION II.

Provisional Period to be agreed from to be agreed

but this insurance to terminate upon delivery to Owners if prior to expiry of Provisional Period. MACHINERY etc. insured hereon from delivery to Builders.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Contract or Yard No. | Provisionally valued at | To be built at/by |
| AS AGREED | AS AGREED | AS AGREED | AS AGREED |

The subject-matter of this Section II is covered whilst at Builders' Yard and at Builders' premises elsewhere within the port or place of construction at which the Builders' Yard is situated and whilst in transit between such locations. The Underwriters' liability in respect of each item of this Section II shall attach from the time of delivery to Builders.

## INSURED VALUE

* 1. Whereas the value stated herein is provisional, it is agreed that the final contract price, or the total building cost plus as per policy % whichever is the greater, of the subject- matter of this insurance shall be the insured value.
  2. Should the insured value, determined as above,
     1. exceed the provisional value stated herein, the Assured agree to declare to the Underwriters hereon the amount of such excess and to pay premium thereon at the full policy rates, and the Underwriters agree to accept their proportionate shares of the increase,

or

* + 1. be less than the provisional value stated herein, the sum insured by this insurance shall be reduced proportionately and the Underwriters agree to return premium at the full policy rates on the amounts by which their respective lines are reduced.
  1. Nevertheless, should the insured value exceed 125% of the provisional value, then the limits of indemnity under this insurance shall be 125% of the provisional value, any one accident or series of accidents arising out of the same event.
  2. Notwithstanding the above it is understood and agreed that any variation of the value for insurance on account of a material alteration in the plans or fittings of the vessel or a change in type from that originally contemplated does not come within the scope of this clause and such a variation requires the specific agreement of the Underwriters.

## TRANSIT

Held covered at a premium to be arranged for transit not provided for in Section I or II above.

## DELAYED DELIVERY

Held covered at a premium to be arranged in the event of delivery to Owners being delayed beyond the provisional period(s) mentioned above, but in no case shall any additional period of cover extend beyond 30 days from completion of Builders' Trials.

## DEVIATION OR CHANGE OF VOYAGE

Held covered in case of deviation or change of voyage, 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.

## PERILS

* 1. SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS this insurance is against all risks of loss of or damage to the subject-matter insured caused and discovered during the period of this insurance including the cost of repairing replacing or renewing any defective part condemned solely in consequence of the discovery therein during the period of this insurance of a latent defect. In no case shall this insurance cover the cost of renewing faulty welds.
  2. In case of failure of launch, the Underwriters to bear all subsequent expenses incurred in completing launch.

## EARTHQUAKE AND VOLCANIC ERUPTION EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by earthquake or volcanic eruption. This exclusion applies to all claims including claims under Clauses 13, 17, 19 and 20.

## POLLUTION HAZARD

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. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the vessel.

## FAULTY DESIGN

Notwithstanding anything to the contrary which may be contained in the policy or the clauses attached thereto, this insurance includes loss of or damage to the subject-matter insured caused and discovered during the period of this insurance arising from faulty design of any part or parts thereof but in no case shall this insurance extend to cover the cost or expense of repairing, modifying, replacing or renewing such part or parts, nor any cost or expense incurred by reason of betterment or alteration in design.

## NAVIGATION

* 1. With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under own power, loaded or in ballast, as often as required, for fitting out, docking, trials or delivery, within a distance by water of 250 nautical miles of the port or place of construction, or held covered at a premium to be arranged in the event of such distance being exceeded.
  2. Any movement of the vessel in tow outside the port or place of construction held covered at a premium to be arranged, provided previous notice be given to the Underwriters.

## DEDUCTIBLE

* 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 13, 17, 19 and 20) exceeds as per policy 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 10.1 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 20 arising from the same accident or occurrence.
  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 10.2 shall be deemed to include contact with floating ice.

* 1. 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.
  2. 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.

## UNREPAIRED DAMAGE

* 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.
  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.
  3. The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

## CONSTRUCTIVE TOTAL LOSS

* 1. In ascertaining whether the subject-matter insured 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 shall be taken into account.
  2. No claim for Constructive Total Loss based upon the cost of recovery and/or repair 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.

## GENERAL AVERAGE AND SALVAGE

* 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.
  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.
  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.
  4. No claim under this Clause 13 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.

## NOTICE OF CLAIM

In the event of loss damage liability or expense which may result in a claim under this insurance, prompt notice shall be given to the Underwriters prior to repair and, if the subject-matter is under construction abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

## CHANGE OF INTEREST

Any change of interest in the subject-matter insured shall not affect the validity of this insurance.

## ASSIGNMENT

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.

## COLLISION LIABILITY

* 1. The Underwriters agree to indemnify the Assured for 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
     1. loss of or damage to any other vessel or property on any other vessel
     2. delay to or loss of use of any such other vessel or property thereon
     3. general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,

where such payment by the Assured is in consequence of the vessel hereby insured coming into collision with any other vessel.

* 1. The indemnity provided by this Clause 17 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:
     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 17 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.
     2. In no case shall the Underwriters' total liability under clause 17.1 and 17.2 exceed their proportionate part of the insured value of the vessel hereby insured in respect of any one such collision.
  2. The Underwriters will also pay 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.

## EXCLUSIONS

* 1. Provided always that this Clause 17 shall in no case extend to any sum which the Assured shall pay for or in respect of
     1. removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
     2. any real or personal property, or thing whatsoever except other vessels or property on other vessels
     3. the cargo or other property on, or the engagements of, the insured vessel
     4. loss of life, personal injury or illness
     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).

## SISTERSHIP

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.

## PROTECTION AND INDEMNITY

* 1. The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as Owner of the vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:
     1. loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 17
     2. any attempted or actual raising, removal or destruction of any fixed or moveable object or property or other thing, including the wreck of the vessel, or any neglect or failure to raise, remove, or destroy the same
     3. liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port
     4. loss of life, personal injury, illness or payments made for life salvage.
  2. The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:
     1. the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the vessel sick or injured persons or stowaways, refugees, or persons saved at sea
     2. additional expenses brought about by the outbreak of infectious disease on board the vessel or ashore
     3. fines imposed on the vessel, on the Assured, or on any Master Officer crew member or agent of the vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the vessel, provided that the Underwriters shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member
     4. the expenses of the removal of the wreck of the vessel from any place owned, leased or occupied by the Assured
     5. legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

## EXCLUSIONS

* 1. Notwithstanding the provisions of Clauses 19.1 and 19.2 this Clause 19 does not cover any liability cost or expense arising in respect of:
     1. any direct or indirect payment of the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the vessel or her cargo materials or repairs
     2. liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any person employed under a contract of service or apprenticeship by the other party to such agreement
     3. punitive or exemplary damages, however described
     4. cargo or other property carried, to be carried or which has been carried on board the vessel but this Clause 19.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the vessel
     5. loss of or damage to property, owned by builders or repairers or for which they are responsible, which is on board the vessel
     6. liability arising under a contract or indemnity in respect of containers, equipment, fuel or other property on board the vessel and which is owned or leased by the Assured
     7. cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the vessel, or non-essential personal effects of any Master, Officer or crew member
     8. fuel, insurance, wages, stores, provisions and port charges arising from delay to the vessel while awaiting a substitute for any Master, Officer or crew member
     9. fines or penalties arising from overloading or illegal fishing
     10. pollution or contamination of any real or personal property or thing whatsoever.
  2. The indemnity provided by this Clause 19 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.
  3. Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 19 in respect such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.
  4. In no case shall the Underwriters' liability under this Clause 19 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the vessel.
  5. PROVIDED ALWAYS THAT
     1. prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to claim under this Clause 19 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 19
     2. the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 19 without the prior written consent of the Underwriters.

## DUTY OF ASSURED (SUE AND LABOUR)

* 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.
  2. Subject to the provisions below and to Clause 10 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 20.4) collision defence or attack costs and costs incurred by the Assured in avoiding, minimising or contesting liability covered by Clause 19 are not recoverable under this Clause 20.
  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.
  4. When a claim for Total Loss of the subject-matter insured is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the subject-matter insured 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 subject-matter insured.
  5. The sum recoverable under this Clause 20 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.

## The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. **WAR EXCLUSION**

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

* 1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  2. capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat
  3. derelict mines torpedoes bombs or other derelict weapons of war.

## STRIKES EXCLUSION

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

* 1. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  2. any terrorist or any person acting from a political motive.

## MALICIOUS ACTS EXCLUSION

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

* 1. the detonation of an explosive
  2. any weapon of war

and caused by any person, acting maliciously or from a political motive.

## NUCLEAR EXCLUSION

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

* 1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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## ATTACHMENT

**INSTITUTE WAR CLAUSES BUILDERS' RISKS**

## This insurance shall not attach to the subject-matter insured until the vessel is launched and then shall attach only to such part of the subject-matter as is built into or is in or on the vessel at the time of the launch. The insurance against the said risks shall attach to the remainder of the subject-matter insured only as it is placed in or on the vessel subsequent to the launch.

1. **PERILS**

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the subject-matter insured caused by

* 1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  2. capture seizure arrest restraint or detainment, arising from perils covered under 2.1 above, and the consequences thereof or any attempt thereat
  3. derelict mines torpedoes bombs or other derelict weapons of war.

## PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitation of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88 which is excluded by Clauses 21, 22.2 and 23.

## Provided however that such cover shall not attach until the vessel is launched.

1. **INCORPORATION**

The Institute Clauses for Builders' Risks 1/6/88 except Clauses 4, 5.1 and 5.2, 7, 8, 21, 22, 23 and 24 are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses.

## DETAINMENT

In the event that the vessel shall have been the subject of capture seizure arrest restraint or detainment, 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.

## EXCLUSIONS

This insurance excludes

* 1. loss damage liability or expense arising from
     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
     2. 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 Union of Soviet Socialist Republics, the People's Republic of China

* + 1. confiscation expropriation requisition or pre-emption
    2. capture seizure arrest restraint or detainment 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
    3. arrest restraint or detainment under quarantine regulations or by reason of infringement of any customs or trading regulations
    4. the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
    5. any claims based upon loss of or frustration of any voyage or contract for sale or other adventure,
  1. loss damage liability or expense covered by the Institute Clauses for Builders' Risks 1/6/88 or which would be recoverable thereunder but for Clause 10 thereof,
  2. any claim for any sum recoverable under any other insurance on the property hereby insured or which would be recoverable under such insurance but for the existence of this insurance,
  3. 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.

## TERMINATION

* 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.
  2. Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY
     1. upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 6.1.1 wheresoever or whensoever such detonation may occur and whether or not the vessel may be involved
     2. 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 Union of Soviet Socialist Republics, the People's Republic of China

* + 1. in the event of the vessel being requisitioned, either for title or use.
  1. In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7 pro rata net return of premium shall be payable to the Assured.

## 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 7 above.

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## PERILS

**INSTITUTE STRIKES CLAUSES BUILDERS' RISKS**

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the subject-matter insured caused by

* 1. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  2. any terrorist or any person acting maliciously or from a political motive.

## PROTECTION AND INDEMNITY

This insurance also covers, subject to the limitation of liability provided for in Clauses 19.5 and 19.6 of the Institute Clauses for Builders' Risks 1/6/88, the liability under Clause 19 of the Institute Clauses for Builders' Risks 1/6/88 which is excluded by Clause 22.1.

## INCORPORATION

The Institute Clauses for Builders' Risks 1/6/88 are deemed to be incorporated in this insurance, in so far as they do not conflict with the provisions of these clauses, but this insurance excludes any claim which would be recoverable under the said clauses.

## RETURNS OF PREMIUM

No return of premium hereunder unless specially agreed.

## EXCLUSIONS

This insurance excludes

* 1. any loss of or damage to the subject-matter insured covered by the Institute War Clauses Builders' Risks 1/6/88
  2. 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
  3. piracy (but this exclusion shall not affect cover under Clause 1.1)
  4. any claim based upon loss of or frustration of any voyage or contract for sale or other adventure.

## The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. **WAR EXCLUSION**

In no case shall this insurance cover loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

## NUCLEAR EXCLUSION

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

* 1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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## INSTITUTE NOTICE OF CANCELLATION, AUTOMATIC TERMINATION OF COVER AND WAR AND NUCLEAR

**EXCLUSIONS CLAUSE - HULLS, ETC.**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith**

1. **Cancellation**

Cover hereunder in respect of the risks of war, etc. 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 cover 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.

## Automatic Termination of Cover

Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of war, etc. shall TERMINATE AUTOMATICALLY

* 1. upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

* 1. in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

## Five Powers War and Nuclear Exclusions

This insurance excludes

* 1. loss damage liability or expense arising from
     1. the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

* + 1. requisition either for title or use.
  1. loss damage liability or expense directly or indirectly caused by or arising from
     1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
     2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
     3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

## Law and Practice

## Pakistan

Cover in respect of the risks of war, etc. shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

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## PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 90 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 90th day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

30/09/08

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