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PART I: SCOPE OF INSURANCE

In consideration of the premium payable in respect of this insurance, the Company will indemnify the Assured for all liabilities, costs and expenses for which the Assured, in the capacity agreed in respect of the Vessel, has become liable to pay and has paid in respect of the risks set out in Part II, subject to the provisions of Parts III, IV, V and VI.

This insurance only covers liabilities, costs and expenses which arise by reason of events occurring during the Policy Period and only in connection with the operation of the Vessel.

PART II: RISKS COVERED

Cover for the risks set out in this Part II is always subject to the general exclusions from cover set out in Part III.

1. Liabilities for Crew members

The Company covers:

- a. liability arising from the personal injury, illness or death of a Crew member, including medical, funeral and burial expenses, and the repatriation of remains. Where the Assured incurs a liability to pay compensation for death or long-term disability in accordance with Regulation 4.2, Standard A4.2 and Guideline B4.2 of MLC 2006 and that liability is not recoverable under any social security scheme or fund, separate insurance or other similar arrangement, the Company will discharge that liability direct to the Crew member or their representative if requested to do so;
- b. liability for Crew repatriation expenses, including liability for the payment of wages during repatriation. Where the Assured incurs a liability to a Crew member in respect of Crew repatriation or outstanding wages in accordance with Regulation 2.5, Standard A2.5 and Guideline B2.5 of MLC 2006 and that liability is not recoverable under any social security scheme or fund, separate insurance or other similar arrangement, the Company will discharge that liability direct to the Crew member or their representative if requested to do so;
- c. liability for costs and expenses necessarily incurred in providing substitute Crew by reason of the personal injury, illness or death of a Crew member;
- d. liability for wages or compensation payable by reason of a statutory obligation arising from the actual or constructive total loss of the Vessel;

- e. liability for loss of or damage to a Crew member's effects, excluding money and Valuables.

The Company does not cover:

- f. any liability set out in this section which, but for the terms of a Crew contract would not otherwise have arisen, unless the Company has previously approved its terms in writing; or
- g. any liability set out in this section which arises from the default of the Assured, the termination of any agreement, or by the sale of, or any other act of the Assured, in respect of the Vessel.

Conditions applicable to this section:

- h. where the Company makes any payment to a Crew member or other third party in respect of an Assured's liability pursuant to Regulation 4.2, Standard A4.2 and Guideline B4.2 or Regulation 2.5, Standard A2.5 and Guideline B2.5 of MLC 2006, the payment is made on terms that the Assured is liable to reimburse the Company in full unless and to the extent that the liability would otherwise fall within the cover set out in this section;
- i. cover for Crew member effects is limited to a maximum of USD 2,500 per Crew member.

2. Liabilities for persons other than Crew and Passengers

The Company covers:

- a. liability arising from personal injury, illness or death, including medical, funeral and burial expenses, and the repatriation of remains;
- b. liability for costs and expenses of repatriation, forwarding to destination or maintenance ashore;
- c. liability for loss of or damage to personal effects, excluding money and Valuables;

caused by or as a consequence of a negligent act or omission:

- i. on board or in relation to the Vessel; or
- ii. in relation to the handling of the Vessel's Cargo from the time of receipt of that Cargo at the port of shipment until delivery of the Cargo at the port of discharge.

3. Liabilities for Passengers

The Company covers:

- a. liability arising from personal injury, illness or death, including medical, funeral and burial expenses, and the repatriation of remains;
- b. liability for costs and expenses of repatriation, forwarding to destination or maintenance ashore;
- c. liability for the payment of damages or compensation arising from a casualty involving the Vessel;
- d. liability for loss of or damage to luggage and personal effects, excluding money and Valuables.

The Company does not cover:

- e. liability resulting from the carriage of a Passenger by air except where the liability occurs during repatriation either following a casualty involving the Vessel or of a sick or injured Passenger.

Conditions applicable to this section:

- f. the Company will not pay claims arising solely by reason of the terms of the ticket or contract for the carriage of Passengers unless the terms of that contract have been previously agreed by the Company in writing.

4. Liabilities in respect of stowaways, refugees or persons saved at sea

The Company covers:

liability and expense incurred over and above ordinary voyage expenses as a result of the diversion or delay of the Vessel necessarily incurred:

- a. in discharging the Assured's obligations towards; or
- b. in making necessary arrangements to land or otherwise deal with;

stowaways, refugees or persons saved at sea.

5. Diversion expenses

The Company covers:

additional expense incurred over and above ordinary voyage expenses as a result of the diversion or delay of the Vessel solely for the following purposes:

- a. securing necessary treatment for sick or injured persons aboard the Vessel or the landing of remains ashore; or
- b. awaiting a substitute for a sick or injured Crew member who has been landed ashore.

6. Liabilities for life salvage

The Company covers:

liability to a third party arising because of the fact that they have saved or attempted to save the life of any person on or from the Vessel, but only if, and to the extent, that such payments are not recoverable under the Hull Policy of the Vessel or from Cargo owners or insurers.

7. Quarantine expenses

The Company covers:

- a. costs and expenses necessarily and reasonably incurred in taking measures to control or eliminate the outbreak of infectious human disease on board the Vessel, including the costs and expenses of disinfection, fumigation or quarantine for the purpose.

Conditions applicable to this section:

- b. the Assured may only recover:
 - i. in respect of voyage expenses such as fuel, stores, Crew wages, insurance and port costs, the extra cost if any incurred over and above the Vessel's ordinary voyage expenses; and
 - ii. the costs and expenses of any specific measures taken.

8. Liabilities for collision

The Company covers:

- a. liability incurred by reason of a collision between the Vessel and another ship:
 - i. one fourth, or such other proportion of liability specified in the Certificate, in respect of loss of or damage to such other ship, and any property on board such other ship;
 - ii. the amount, if any, by which the liability to such other ship, and any property on board such other ship exceeds the Vessel's insured hull value;

- b. other liabilities incurred by reason of a collision between the Vessel and another ship:
 - i. liability for the personal injury or death of any person on board such other ship;
 - ii. liability for loss of or damage to property, not being such other ship, or property on board such other ship;
 - iii. liability for wreck removal under section 11;
 - iv. liability for pollution under section 12;
 - v. liability in respect of Cargo under section 15.

Conditions applicable to this section:

- c. claims shall be settled on the principle of cross liabilities where both the Vessel and the other ship are to blame, unless the liability of one or both of them becomes limited by law, in which case the principle of single liability shall apply.

9. Liabilities for non contact damage to other ships

The Company covers:

liability incurred in respect of loss of or damage to another ship, or to property on board such other ship, which is caused by the Vessel other than by a collision with such other ship.

10. Liabilities for damage to the property of third parties

The Company covers:

- a. liability for loss of or damage to or infringement of rights in relation to property which is neither a ship nor other property on board a ship.

Conditions applicable to this section:

- b. there is no right of recovery under this section in respect of liabilities for which cover is available under sections 1e, 2c, 3d, 8, 9, 11, 12 and 15.

11. Liabilities for Wreck Removal

The Company covers:

- a. liability for the costs or expenses of, or incidental to, the removal or marking of the wreck of the Vessel, its Cargo or other property (excluding oil or other polluting substances), which had been on board the Vessel;
- b. liability for the costs or expenses of, or incidental to, the removal of the wreck of a ship, or other property (excluding oil or other polluting substances);

in both cases only if:

- i. the wreck removal is compulsory by law or the costs or expenses are legally recoverable from the Assured; and
- ii. the Assured is unable to recover the costs or expenses from another person.

Conditions applicable to this section:

- c. the Company will only pay the amount by which any liability exceeds the salvaged value of any ship, Cargo or property saved.

12. Liabilities for pollution

The Company covers:

- a. liability for pollution or threatened pollution caused by the release or escape of oil or any substance from the Vessel;
- b. costs and expenses incurred by the Assured in performing any measures reasonably taken to avoid, minimise or clean up pollution from the Vessel;
- c. costs and expenses incurred by the Assured in performing any measures reasonably taken to comply with the order of any government or authority to avoid, minimise or clean up pollution from the Vessel.

The Company does not cover:

- d. liability, costs or expenses arising by reason of pollution or threatened pollution caused by the landbased disposal or dumping or incineration of any substance.

13. Special compensation for salvors

The Company covers:

- a. liability to pay special compensation or SCOPIC remuneration to a salvor in respect of the Vessel:
 - i. under the provisions of Article 14 of the International Convention on Salvage 1989;
 - ii. under the Lloyd's Open Form or other standard form of salvage agreement incorporating the effect of Article 14;
 - iii. under the provisions of SCOPIC.

Conditions applicable to this section:

- b. the Company will only pay the amount by which any liability for SCOPIC remuneration exceeds the salvaged value of any ship or property belonging to the Assured which has been saved.

14. Towage liabilities

The Company covers:

- a. liability (but not the cost of the tow) under the terms of a contract for the customary towage of the Vessel:
 - i. towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading;
 - ii. towage of such Vessel as may be habitually towed in the ordinary course of trading from port to port or from place to place;
- b. liability (but not the cost of the tow) under the terms of a contract for towage of the Vessel for any other purpose but only if:
 - i. the contract is on the standard Towcon or Towhire terms; or
 - ii. the contract contains "knock for knock" terms equivalent to those found in the Towcon or Towhire terms; or
 - iii. cover has been agreed by the Company in writing in advance of the tow;
- c. liability arising out of towage of another ship or object by the Vessel, but only if:
 - i. the towage is undertaken on the standard Towcon or Towhire terms; or

- ii. the towage is undertaken under a contract which contains “knock for knock” terms equivalent to those found in the Towcon or Towhire terms; or
- iii. cover has been agreed by the Company in writing in advance of the tow; or
- iv. the towage was necessary for the purpose of saving or attempting to save life or property at sea.

15. Liabilities in respect of Cargo

The Company covers:

- a. liability incurred by the Assured for loss, shortage, damage or other responsibility in respect of Cargo shipped or intended to be shipped on the Vessel:
 - i. where the Cargo is carried on terms no less favourable to the Assured than the Hague Rules, Hague-Visby Rules or, where they are compulsorily applicable, the Hamburg Rules;
 - ii. the liability results from a breach of duty or obligation in respect of the carriage of the Cargo or by reason of the unseaworthiness of the Vessel; and
 - iii. subject to the other provisions of this section.
 - b. liability in respect of Cargo which is the property of the Assured:
 - i. as if the Cargo had belonged to a third party; and
 - ii. was carried on terms no less favourable to the Assured than the Hague Visby Rules; and
 - iii. otherwise subject to sub-section a. above.
 - c. liability, and/or additional costs and expenses incurred by the Assured which are over and above the normal costs and expenses of Cargo operations, and which are not recouped by the proceeds of sale of the Cargo in question:
 - i. in discharging and/or disposing of Cargo which is damaged or worthless; or
 - ii. in dealing with Cargo by reason of a total failure or refusal of the consignee to take delivery;
- but only where the Assured has no recourse against another person.

The Company does not cover:

liability arising from:

- d. the discharge and/or delivery of Cargo at a port or place other than that named in the bill of lading or other contract of carriage;
- e. the discharge and/or delivery of Cargo carried under a bill of lading without production of an original bill of lading;
- f. the delivery of Cargo carried under a sea waybill or other non-negotiable document, without first obtaining satisfactory proof that the person receiving the Cargo is entitled to take delivery;
- g. the issue, with the knowledge of the Assured or of the master of the Vessel, of a bill of lading or other receipt for Cargo which:
 - i. incorrectly states the date or place of shipment or receipt for shipment; or
 - ii. incorrectly describes the quantity or condition of the Cargo;
- h. any deviation, in the sense of a departure from the contractually agreed voyage or adventure which deprives the Assured of the right to rely on defences or rights of limitation of liability which would otherwise have been available to the Assured;
- i. the failure of the Vessel to arrive, or its late arrival, at a port or place to load Cargo and/or its failure to load or to load any particular Cargo;
- j. the delay in arrival or delivery of Cargo arising solely because of a term in the contract of carriage requiring delivery of the Cargo by a stated date or at a stated discharge rate;
- k. the carriage of livestock or other live animals as Cargo;
- l. where the Vessel is engaged in fishing, liabilities and expenses relating to the catch of the Vessel or to any fish or fish products carried by the Vessel;
- m. the issue of an ad valorem bill of lading or the carriage of valuable Cargo unless the terms of any additional cover have been agreed in writing by the Company;
- n. Cargo carried by a means of transport other than the Vessel where the liability arises pursuant to through or transshipment bills of lading, unless the terms of any additional cover have been agreed in writing by the Company;
- o. the carriage of Cargo on deck unless:
 - i. it is carried under a contract of carriage permitting it to be carried on deck; the contract of carriage states that it is so carried; and the contract of carriage excludes the Assured's liability for the Cargo; or

- ii. it is customary to carry such Cargo on deck; or
 - iii. the Company has approved its carriage.
- p. the carriage of steel products, other than scrap, billets, ingots or slabs, unless:
- i. the Assured arranges and pays for a steel pre-loading survey by a surveyor approved by the Company; and
 - ii. any bill of lading or receipt for the Cargo reflects the findings of the surveyor as to the apparent condition of the Cargo.

16. Unrecoverable general average

The Company covers:

- a. the proportion of general average expenditure, salvage or special charges, which the Assured cannot recover from Cargo interests or any third party solely by reason of a breach of the Assured's obligations as a carrier.

Conditions applicable to this section:

- b. cover is subject to the conditions applicable to section 15.

17. Excess general average

The Company covers:

the Vessel's proportion of general average, salvage or special charges which the Assured cannot recover under the Hull Policy solely because the adjustment was based on a sound valuation of the Vessel exceeding its insured value for the purpose of the Hull Policy.

18. Fines and penalties

The Company covers:

liability for a monetary penalty or fine imposed by a competent court, authority or tribunal against the Vessel or any Crew member whom the Assured is legally liable to reimburse in respect of the following:

- a. short or over delivery of Cargo or failure to comply with regulations relating to the declaration of goods or Cargo documentation;
- b. smuggling or other breach of customs regulations or requirements by any Crew member, other than in relation to Cargo carried on the Vessel;
- c. breach of immigration laws, regulations or requirements;

- d. accidental escape or release of oil or any other substance from the Vessel;
- e. accident or negligence in the carrying out of the duties of a Crew member.

Conditions applicable to this section:

- f. the Company will not pay any claim resulting from or involving:
 - i. overloading;
 - ii. failure to comply with or infringement of the requirements and provisions of the International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 and any subsequent Protocol, relating to the construction, adaptation and equipment of ships or the maintenance of documents or records;
 - iii. illegal fishing;
 - iv. confiscation of the Vessel; or
 - v. criminal activity with the knowledge or wilful disregard of the Assured.

19. Sue and labour and legal expenses

The Company covers:

- a. extraordinary costs and expenses reasonably incurred by the Assured after a casualty involving the Vessel or any event likely to give rise to a claim under this Policy, solely to avoid or minimise any liability or expense in respect of which the Assured is wholly or partially covered by these terms.
- b. legal costs and expenses reasonably incurred in relation to any liability or expense covered by this insurance.

Conditions applicable to this section:

- c. the Company will not pay any claim under this section unless the Company has given prior approval of the expenditure in question.

PART II (A): ADDITIONAL COVERS

In addition to the cover set out in sections 1 to 19 above, the Company may provide cover under the following optional sections on such terms as the Company may agree with the Assured in writing and subject always to those terms.

20. Legal services and defence cover

Legal services

- a. The Company provides an advisory service in relation to the pursuit or defence of claims, obtaining advice, managing litigation or resolving disputes arising during the Policy Period in relation to the Vessel and in connection with the following:
- i. any charterparty, contract of carriage or affreightment or other similar contract;
 - ii. a contract of marine insurance (excluding this insurance) or mortgage;
 - iii. loss of, damage to or detention of the Vessel;
 - iv. stevedoring or other cargo handling;
 - v. general or particular average contributions or special charges;
 - vi. goods or services supplied to or in respect of the Vessel;
 - vii. a contract for the repair or maintenance of the Vessel;
 - viii. a contract for the sale or purchase of the Vessel;
 - ix. Crew, Passengers or other persons on board the Vessel;
 - x. attendance at inquests, official investigations or enquiries in connection with the Vessel(s) named herein.

Defence Cover:

- b. The Company may agree to provide Defence Cover to the Assured in respect of legal costs and expenses incurred by the Assured and liability incurred by the Assured in respect of a third party's legal costs where:
- i. the amounts at stake in connection with a matter set out in sub-section a. above exceed USD 10,000; and
 - ii. by reference to the considerations set out in sub-section c, the Company is satisfied that the Assured has reasonable prospects of success or is otherwise reasonably justified in adopting a particular course of action;

any such agreement to provide Defence Cover may be limited by reference to a specified amount or to a specified stage or stages of a matter.

- c. In reaching a decision as to whether or not, and if so, in what amount or for what stage or stages the Company may agree to provide Defence Cover in connection with any particular matter, the Company may take the following factors into account:
 - i. the legal merits of any dispute;
 - ii. the applicable law and jurisdiction;
 - iii. the prospects for enforcement;
 - iv. the amounts at stake; and
 - v. the proportionality of any expenditure on legal costs.

Conditions applicable to this insurance:

The Assured must:

- d. comply with the provisions of Part V and in particular:
 - i. obtain the Company's approval of, and agreement in advance, to the appointment of any lawyers, consultants, surveyors or other advisers, or any proposed expenditure of legal costs or other expense; and
- e. in connection with any matter where the Company has approved expenditure:
 - i. provide immediately on request copies of all legal advices tendered; and
 - ii. comply with any and all of the Company's reasonable requirements including requirements for reporting to the Company and requirements in relation to the conduct of the matter.

21. Specialist Operations

The Company covers:

- a. liabilities, costs and expenses in respect of a Vessel carrying out Specialist Operations, which arise from the use of the Vessel for Specialist Operations and which are otherwise excluded by section 29:
 - i. professional salvage;
 - ii. professional firefighting;

- iii. exploration, surveying, drilling, production operations and associated services in respect of oil, gas or minerals;
- iv. underwater operations by a submarine or other submersible, commercial diving and underwater surveying;
- v. construction, including pile driving, blasting, and the transport and construction of offshore installations;
- vi. dredging, and the removal and discharge of dredging or other spoil;
- vii. cable or pipeline laying or recovery operations and maintenance;
- viii. waste incineration or disposal;
- ix. professional pollution control;
- x. professional search and rescue at sea;
- xi. research at sea involving the towing of devices or the disturbance of the seabed;
- xii. leisure, accommodation and catering services on board a permanently moored Vessel.

22. Additional contractual liabilities

The Company covers:

- a. liabilities, costs and expenses in respect of a Vessel which would be covered under Part II, but for the fact that they arise under the terms of an indemnity or contract made by the Assured and are excluded by section 34.

23. War & terrorism risks

The Company covers:

- a. liabilities, costs or expenses in respect of a Vessel incurred or arising from war and terrorism risks which are otherwise excluded by section 30.

Conditions applicable to this section:

- b. on giving seven days' notice in writing the Company may:
 - i. cancel the cover under this section; or
 - ii. vary or restrict the terms on which the cover under this section is provided.

- c. Whether or not the Company has given notice, cover under this section will automatically cease:
- i. on the outbreak of war, whether or not declared, between any of the following: the United Kingdom, the United States of America, the Russian Federation, the People's Republic of China or France; or
 - ii. on the requisitioning for any purpose of the Vessel;
- and there shall be no cover for liabilities, costs or expenses arising in connection with the above.
- d. The exclusions in section 31 shall always apply to the cover in this section.

24. Confiscation of the Vessel

The Company covers:

- a. loss of the Vessel by reason of its confiscation on the order of a court, tribunal or other judicial body, government or governmental agency or authority for a breach or infringement of any customs or tax laws or regulations, or smuggling, other than smuggling of Cargo.

Conditions applicable to this section:

- b. the Company will not pay any claim unless:
- i. the Assured had taken all reasonable steps to prevent the activity giving rise to the confiscation from taking place on board the Vessel;
 - ii. the activity giving rise to the breach or infringement was not caused or contributed to by knowledge, complicity, recklessness or wilful disregard on the part of the Assured or the master of the Vessel; and
 - iii. the Assured has been finally and irrevocably deprived of the use of the Vessel.
- c. The maximum recoverable by the Assured for the loss of the Vessel is the market value of the Vessel at the time of its confiscation, charter free.

25. Charterers' liability

The Company covers:

- a. where the Assured is a time, voyage or slot charterer of the Vessel:
- i. the risks covered in Part II including the Assured's liability to indemnify an owner or disponent owner in respect of those risks;

- ii. notwithstanding the provisions of section 26a, liability for loss of or damage to the Vessel;
- iii. liability for salvage or general average contributions;
- iv. notwithstanding the provisions of section 26b, loss incurred by the Assured as a result of loss or damage to bunkers or other property of the Assured (excluding Cargo) on board the Vessel.

PART III: GENERAL EXCLUSIONS

26. Hull Risks

The Company excludes from cover:

- a. claims for loss of or damage to or the cost of repairs to the Vessel or to any part of it;
- b. claims for loss of or damage to or the cost of repairs to any equipment, fuel or property on board the Vessel which:
 - i. is owned or leased by the Assured or any affiliate or associate of the Assured; and
 - ii. is not Cargo or the personal effects of someone on board;except where the loss or damage or cost of repairs forms part of a claim which is recoverable under sections 16 and 17;
- c. liabilities, costs and expenses against which the Vessel would be insured if the Vessel were, at the date of the incident giving rise to such liabilities or expenses, fully insured:
 - i. under Hull Policies on terms not less wide than those of the Lloyd's Marine Policy with the Institute Time Clauses (Hulls) 1/10/83; and
 - ii. for an insured value which the Company assesses as representing the full market value of the insured Vessel on the basis that it is available for sale free of commitment at the date of the event giving rise to a claim under this insurance; and
 - iii. with no deductible or excess applicable.

27. Commercial risks

The Company excludes from cover:

all liabilities, costs or expenses incurred or arising from:

- a. unrecoverable debts;
- b. the financial default, insolvency or failure to pay of any person;
- c. the cancellation or termination of a contract in relation to the Vessel;
- d. loss of freight, hire, demurrage, detention or delay in connection with the Vessel except where these form part of a claim recoverable under sections 4 or 5.

28. Unlawful or hazardous trading

The Company excludes from cover:

all liabilities, costs or expenses incurred or arising from the use of the Vessel, by or on behalf of the Assured or with the knowledge, connivance, complicity or reckless disregard of the Assured:

- a. in any unlawful trade or act, including but not limited to the carriage of contraband;
- b. in any trade or act which exposes the Vessel or the Assured to any unreasonable or unnecessary risk or hazard; or
- c. in any trade in breach of sanctions imposed by or with the authority of the United Nations Organisation, or in the running of any blockade.

29. Specialist Operations

The Company excludes from cover:

- a. liabilities, costs or expense arising from the use of the Vessel for Specialist Operations unless:
 - i. the Company has agreed additional cover under section 21; or
 - ii. sub-section b. applies.

The Company does not exclude from cover:

- b. liabilities, costs or expense arising from the use of the Vessel for Specialist Operations in respect of:

- i. personal injury, illness or death of Crew and other persons on board the Vessel;
- ii. the wreck removal of the Vessel;
- iii. oil pollution from the Vessel;

to the extent that the Company otherwise covers these liabilities, costs or expenses under this insurance.

30. War & terrorism risks

The Company excludes from cover:

all liabilities, costs or expenses incurred or arising from:

- a. war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or any act of terrorism;
- b. capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
- c. mines, torpedoes, bombs, rockets, shells explosives or other weapons of war, save that this exclusion does not apply to:
 - i. liabilities arising solely by reason of the transport of such weapons; or
 - ii. use of such weapons as the result of a government order or with the Company's agreement in order to avoid or mitigate liabilities which would otherwise fall within the cover provided by this insurance.

31. Nuclear, chemical, biological & cyber risks

The Company excludes from cover:

all liabilities costs or expenses incurred or arising from:

- a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-section 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;

- e. any chemical, biological, bio-chemical or electromagnetic weapon;
- f. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process, or any other electronic system.

32. Sanctions

The Company excludes from cover:

- a. cover;
- b. the payment of any claim; or
- c. the provision of any benefit;

to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company or any member of the Company's group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country; and

- d. that part of any liability, cost or expense which is not recovered or recoverable by the Company from any reinsurer because of a shortfall in recovery or non-recovery from such reinsurer by reason of any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

33. Double insurance

The Company excludes from cover:

- a. any claim falling within the scope of the cover provided under any other insurance in respect of the Assured or the Vessel whether or not the other insurance contains a term limiting or excluding liability on the basis of double insurance;
- b. any deductible, excess or franchise applicable under such other insurance.

34. Contractual liabilities and indemnities

The Company excludes from cover:

liabilities, costs, expenses or the payment of compensation or wages, arising:

- a. under the terms of a contract to which the Assured is party; or
- b. under the terms of an indemnity granted by the Assured;

unless the Company has previously approved the terms of the contract or indemnity in question and agreed the terms of any additional cover in writing.

35. Punitive damages

The Company excludes from cover:

liability imposed by any court or tribunal for the payment of:

- a. punitive or exemplary damages; or
- b. any sum payable in favour of a third party which is not compensatory in nature, unless covered under section 18.

PART IV: CONDITIONS RELATING TO THE VESSEL AND ITS MANAGEMENT

36. Classification

The Assured warrants:

- a. that the Vessel is classed with a classification society approved by the Company at the time of inception of this Policy and that the Vessel shall be so classed throughout the Policy Period;
- b. that it shall comply with the rules of that classification society;
- c. that it shall comply with any recommendation or requirement issued by the classification society in accordance with those rules within any period or by any date stated for compliance;
- d. that it shall notify and secure the Company's approval in writing of any intended change of classification society in respect of the Vessel, stating in full all outstanding requirements, recommendations and restrictions to which the Vessel is subject; and

- e. that it shall notify the classification society as soon as practicable of any event or circumstance which may affect the class of the Vessel, including but not limited to any event or circumstance which might cause the classification society to impose a requirement or make a recommendation under its rules.

The Assured must:

- f. disclose all information and documents that the Company may require relating to the class of the Vessel, including but not limited to information and documents relating to:
 - i. any requirements or recommendations imposed;
 - ii. any special survey or dry-docking of the Vessel; and
 - iii. the granting of any extensions by the classification society under its rules.

Conditions applicable to this section:

- g. in the event of any non-compliance by the Assured with the terms set out in this section, the Company shall be entitled:
 - i. to refuse cover under this insurance in accordance with any statutory rights the Company may have;
 - ii. to terminate this insurance pursuant to section 48; or
 - iii. to vary or restrict the terms of this insurance.

37. Flag state

The Assured warrants:

- a. that at the time of inception of this Policy the Vessel complies with all requirements of the Vessel's flag state including those relating to:
 - i. the construction, condition, manning and equipping of the Vessel;
 - ii. the maintenance of valid statutory certificates issued by or on behalf of the Vessel's flag state; and
- b. the Vessel must comply with all such requirements throughout the Policy Period.

Conditions applicable to this section:

- c. in the event of any non compliance by the Assured with the terms set out in this section, the Company shall be entitled:
 - i. to refuse cover under this insurance in accordance with any statutory rights the Company may have;
 - ii. to terminate this insurance pursuant to section 48; or
 - i. to vary or restrict the terms of this insurance.

38. International Safety Management (ISM) code**The Assured warrants:**

- a. that if the Vessel is required to comply with the ISM code, then at the time of the inception of this policy and throughout the Policy Period:
 - i. the Vessel has a valid safety management certificate;
 - ii. the Assured, owner or manager of the Vessel has a valid document of compliance; and
 - iii. the Assured, owner or manager of the Vessel has implemented, maintains and operates a safety management system in accordance with the requirements of the ISM code.

The Assured must:

- b. provide a copy of the safety management certificate or document of compliance if the Company requires it at any time.

Conditions applicable to this section:

- c. in the event of any non compliance by the Assured with the terms set out in this section, the Company shall be entitled:
 - i. to refuse cover under this insurance in accordance with any statutory rights the Company may have;
 - ii. to terminate this insurance pursuant to section 48; or
 - iii. to vary or restrict the terms of this insurance.

39. Survey or audit requirements

The Company may:

- a. at any time before or after inception of the Policy Period appoint a suitably qualified person to carry out on its behalf
 - i. an inspection of the Vessel; or
 - ii. an audit of the Assured's management systems.

The Assured must:

- b. when notified of the Company's intention to carry out any inspection or audit:
 - i. co-operate with the Company to facilitate the arrangements for that inspection or audit; and
 - ii. comply with any recommendations the Company may make following the inspection or audit.

Conditions applicable to this section:

- c. in the event of any non compliance by the Assured with the terms set out in this section, the Company shall be entitled:
 - i. to refuse cover under this insurance in accordance with any statutory rights the Company may have;
 - ii. to terminate this insurance pursuant to section 48; or
 - iii. to vary or restrict the terms of this insurance.

PART V: CLAIM NOTIFICATION, PROCEDURES AND RECOVERIES

40. Reporting a claim

The Assured must:

- a. notify the Company as soon as reasonably practicable of any event which may give rise to a claim under this insurance;
- b. inform the Company of all information and material relating to the event known to or in the possession of the Assured or its agents and produce it to the Company on request;

- c. inform the Company of any opportunity that may be available to carry out surveys, inspections, interviews, medical examinations or otherwise to collect information relating to the event;
- d. co-operate with the Company and any persons appointed to carry out surveys, inspections, interviews, medical examinations or otherwise to collect information relating to the event;
- e. notify the Company as soon as reasonably practicable of any legal or other proceedings brought against the Vessel or the Assured and inform the Company of all material developments in those proceedings;
- f. co-operate with the Company and any person appointed to defend any legal or other proceedings or to prosecute any legal or other proceedings commenced by the Assured; and
- g. make any claim under this insurance for reimbursement of a liability, cost or expense within twelve months of:
 - i. the date of any final judgment or award in respect of the liability cost or expense; or
 - ii. the date of discharging any liability or of paying any costs or expenses which were not the subject of a final judgment or award.

Conditions applicable to this section:

- h. in the event of any non compliance by the Assured with the terms set out in this section, the Company shall be entitled in accordance with any statutory rights the Company may have:
 - i. to refuse payment of a claim under this insurance; or
 - ii. to limit or reduce any sum payable to the Assured in respect of a claim.

41. Handling a claim

The Assured must not:

- a. admit liability to any third party; or
- b. settle or compromise any claim in respect of a liability, cost or expense which might fall within the scope of this insurance;

without the Company's prior agreement.

The Company may:

- c. control or direct the conduct of any claim, or legal or other proceedings relating to any liability, costs or expenses which might fall within the scope of this insurance;
- d. appoint on behalf of the Assured any person to conduct or assist and advise on the conduct of any claim, investigation, attendance at an enquiry, legal or other proceedings;
- e. direct the Assured to take any step, including the conclusion of a settlement or compromise, in the conduct of any claim or legal or other proceedings; or
- f. agree to provide security to a claimant in respect of a claim made against the Assured on such terms, including terms as to the provision of counter security or collateral by the Assured, as may be appropriate.

Conditions applicable to this section:

- g. in the event of any non compliance by the Assured with the terms set out in this section, the Company shall be entitled, in accordance with any statutory rights the Company may have:
 - i. to refuse payment of a claim under this insurance; or
 - ii. to limit or reduce any sum payable to the Assured in respect of a claim whether or not by reference to any increase in the costs incurred in handling a claim.

42. Scope of recovery**The Assured must:**

- a. first discharge or pay any liability, damage or expense before seeking recovery under this insurance:
 - i. unless these terms provide otherwise; or
 - ii. unless the Company decides otherwise.

Conditions applicable to this section:

- b. the Company shall deduct or set off against any amount payable to the Assured:
 - i. any relevant deductible; or
 - ii. any sum owed to the Company by the Assured.

- c. the Company may:
 - i. credit against any amount payable by the Company to the Assured, or
 - ii. require the Assured to pay to the Company;

any sum, up to the amount the Company has incurred in dealing with the claim, which the Assured has recovered or is entitled to recover from any third party in connection with the claim.
- d. the Company's liability in respect of any claim will in no circumstances exceed:
 - i. the liability of the Assured as fixed or determined by law, and in particular any law relating to limitation of a shipowner's liability;
 - ii. the Limit of Liability, or if relevant;
 - iii. any limit of cover agreed in respect of a particular risk.

PART VI: GENERAL CONDITIONS

43. Premium

- a. the Company must receive payment in full, and in accordance with the terms that the Company has agreed with the Assured in writing, of the following:
 - i. premium;
 - ii. (if the Company has agreed that premium may be paid by instalments) any instalment of premium; or
 - iii. any other sum payable by the Assured.
- b. unless the Company has agreed otherwise in advance, premium remains payable in full in respect of any period of lay up of the Vessel.

Conditions applicable to this section:

- c. payment of premium is a condition precedent to the Company's liability under this insurance.
- d. in the event that the Company does not receive payment by the due date of any sum or sums due to the Company:
 - i. the Company may withhold payment to the Assured of any claim which may otherwise have been valid; and
 - ii. the Company may vary or restrict the terms of this insurance; or

- iii. the Company may cancel this insurance after giving the Assured a minimum notice period of fourteen days within which to pay the sum or sums due, in which event the Company shall have no liability whatsoever in respect of any claim, whether arising before or after the cancellation.

44. Joint Assureds and Co Assureds

- a. Joint Assureds shall be jointly and severally liable to pay premium due under this insurance.
- b. The Company may agree to include another party as a Co Assured, in which case:
 - i. cover under this insurance will only extend insofar as the Co Assured may be found liable to pay in the first instance for a liability which is properly the responsibility of the Assured by reason of a contract between the Assured and Co Assured; and
 - ii. the Company does not cover any amount which would not have been recoverable by the Assured had a claim in respect of that liability been made or enforced against the Assured.
- c. Any notice or communication the Company may send to any one Joint Assureds or Co Assured shall be deemed to have been received by all Assureds.
- d. Joint Assureds and Co Assureds shall be bound:
 - i. by any one of them in failing to disclose or in misrepresenting material information to the Company; and
 - ii. by the conduct of any one of them which would give rise to an entitlement on the Company's part to the exercise of any rights the Company may have to refuse cover, vary or restrict the terms of this insurance or to cancel this insurance.
- e. There is no cover under this insurance in respect of claims or liabilities arising directly or indirectly from any dispute between Assureds.
- f. Deductibles and limits provided for in this insurance shall apply to any claim by any one Assured as if the Assureds were a single Assured.
- g. Receipt by one Assured of any sum payable by the Company in connection with a claim shall be deemed to be receipt on behalf of all Assureds and the Company shall be discharged from the Company's liability in respect of the claim.

45. Common ownership

Where the Assured is the owner or part owner of:

- a. a ship, cargo or property on board a ship with which the Vessel is in collision or which the Vessel damages other than by reason of a collision, giving rise to a claim under sections 8 or 9; or
- b. property which the Vessel damages giving rise to a claim under section 10;

then the Company shall cover such claims as if the ship, cargo or property belonged to a third party.

46. Information

The Assured must always:

- a. notify the Company of the following events:
 - i. sale, transfer, assignment or divestment of the Assured of all or part of his interest in the Vessel;
 - ii. mortgage, pledge or other hypothecation of the Vessel;
 - iii. any foreclosure by a mortgagee bank or any other relinquishing of possession or control of the Vessel;
 - iv. change of manager, flag state or classification society; or
 - v. total loss of or loss of contact with the Vessel; and
- b. notify the Company of any change in any other material information about the Vessel or the Assured.

47. Set off and assignment

The Assured must not:

- a. set off against sums due from the Assured any sums owed to the Assured by the Company;
- b. assign this insurance; or
- c. assign any interest in this insurance;

unless the Company consents to such an assignment, in which case the Company may impose such terms as the Company may deem appropriate.

48. Termination

- a. This insurance shall terminate automatically without notice in the event that the Assured, being an individual:
 - i. dies;
 - ii. becomes bankrupt;
 - iii. is the subject of a receiving order, schedule, arrangement or composition with his creditors; or
 - iv. ceases to be able to manage his business by reason of mental illness or incapacity.
- b. This insurance shall terminate automatically without notice in the event that the Assured, being a corporation:
 - i. is the subject of a compulsory winding up order or resolution for its voluntary winding up;
 - ii. is dissolved;
 - iii. is the subject of the appointment of a receiver, administrator, insolvency practitioner or manager, in respect of all or part of its business; or
 - iv. initiates any proceedings to achieve legal protection from its creditors.
- c. Unless the Company agrees in writing to maintain or reinstate cover on the same or on varied or restricted terms, cover in respect of a Vessel shall terminate on the occurrence of any of the following:
 - i. sale of the Vessel;
 - ii. divestment or assignment by the Assured of part or all of his interest in the Vessel;
 - iii. change of manager or flag state in respect of the Vessel;
 - iv. mortgage or pledge or other hypothecation of the Vessel;
 - v. relinquishing of possession or control of the Vessel named by the Assured or foreclosure by a mortgagee bank in respect of the Vessel; or
 - vi. total loss of the Vessel, meaning:
 - an actual total loss;
 - a constructive total loss;
 - an agreement by the Vessel's hull insurers to a compromised or arranged total loss;

- circumstances where the Company concludes that the Vessel is a total loss and notifies the Assured in writing accordingly; or
 - the Vessel named cannot be located or contacted for a consecutive period of ten days.
- d. The Company may terminate this insurance or the insurance in respect of a Vessel at any time by giving fourteen (14) days' notice.

Conditions applicable to this section:

- e. where this insurance or the insurance in respect of a Vessel terminates pursuant to sub-section c.vi of this section:
- i. the Company shall remain liable for valid claims prior to the date of termination;
 - ii. the Company shall remain liable in respect of any valid claims arising directly by reason of the casualty giving rise to the total loss of the Vessel; and
 - iii. there shall be no right to a return of premium in respect of the Vessel.
- f. where this insurance or the insurance in respect of a Vessel terminates pursuant to any other part of this section:
- i. the Company shall remain liable for valid claims prior to the date of termination; and
 - ii. the Assured shall be entitled to a return of premium in respect of the period after termination on a pro rata, per day basis.

49. Notices

- a. Any notice the Company sends to the Assured shall be sent to the address, e-mail address or fax number set out in the Certificate.
- b. Notices by the Assured shall be sent to:

The P&I team
 Navigators Insurance
 6 Bevis Marks
 Floors 7-8,
 London
 EC3A 7BA

or to such other address as the Company may notify to the Assured from time to time.

50. Complaints

Should the Assured wish to make a complaint, please contact the Navigators' complaints team at:

Complaints department
Navigators International
6 Bevis Marks
Floors 7-8
London
EC3A 7BA

Telephone: 020 7220 6900

Fax: 020 7220 6901

e-mail: complaints@navg.com

In the event the Assured remains dissatisfied, the complaint may be referred to the Financial Ombudsman Service (FOS). The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the FOS at www.financial-ombudsman.org.uk.

The contact details for the FOS are:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 (calls to this number are free from "fixed lines" in the UK) or 0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK)

e-mail: complaint.info@financial-ombudsman.org.uk.

51. Governing Law

- a. This insurance shall be governed by and construed in accordance with English law, and the Marine Insurance Act 1906 and Insurance Act 2015 shall apply.
- b. With the exception of the provisions at section 1a and b, this insurance does not and is not intended to confer any right or benefit on any third party for the purposes of the Contracts (Rights of Third Parties) Act 1999.

52. Dispute Resolution

- a. In the event that the Company is seeking to recover any sum owed to the Company by the Assured, the Company shall be entitled to commence and maintain an action in any jurisdiction for its recovery, and the Assured hereby submits to the jurisdiction of the High Court of Justice of England in respect of any proceedings the Company may commence in that jurisdiction for the purpose. Notwithstanding the foregoing the Company may in the alternative refer the claim to arbitration in London in accordance with the procedure in sub-section b. below.
- b. In the event of any other dispute or difference arising between the Company and the Assured, it shall be referred to arbitration in London. One arbitrator shall be appointed by the Assured and a second arbitrator by the Company, with a third arbitrator appointed by the arbitrators. The submission to arbitration and all the arbitration proceedings shall be subject to the provisions of the Arbitration Act 1996, and any statutory modification or re-enactment of that Act then in force.

PART VII: DEFINITIONS

References to the singular shall include the plural and vice versa.

References to a person shall include a natural person, or any incorporated or unincorporated legal entity.

Assured	The person or persons named in the Certificate and insured under this insurance. The word Assureds shall refer to Joint Assureds or Co-Assureds as the context may require.
Cargo	Goods, including packaging or securing materials, but excluding containers supplied by or on behalf of the Assured, which are the subject of a contract of carriage with the Assured.
Certificate	The certificate of insurance attaching to this Policy.
Company	Navigators International Insurance Company Ltd.
Crew	Any person engaged or employed to serve on board the Vessel under a seafarer's employment agreement or other contract of employment or service, or articles of agreement, including a substitute for such person.
Defence Cover	Cover for lawyer's and /or expert witness fees, together with disbursements and expenses incurred in respect of advice, litigation or dispute resolution in connection with a matter listed in section 20 a.
Hague Rules	The International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels, 25 August 1924.
Hague –Visby Rules	The International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels, 25 August 1924 as amended by the Protocol signed at Brussels on 23 February 1968 and the Protocol signed at Brussels on 21 December 1979.
Hamburg Rules	The United Nations Convention on the Carriage of Goods by Sea signed at Hamburg on 31 March 1978.
Hull Policy	The insurance policy or policies in respect of the Vessel's hull and machinery, increased value and excess liability.
MLC 2006	Maritime Labour Convention 2006 as amended on 11 April 2014.
Passenger	A person on board the Vessel by reason of holding a ticket or contract for passage on board the Vessel.

Policy	The policy of insurance set out herein.
Policy Period	The period of insurance as set out in the Certificate.
SCOPIC	Special Compensation Protection and Indemnity Clause.
Ship	Any ship, boat, or any structure or description of vessel, used or intended to be used on, in, under or over water, including such ship, boat, or any structure or description of vessel under construction, or any part or proportion of the tonnage thereof or share therein.
Specialist Operations	Those operations listed in section 21 a.i - xiii and any other activities of a similar nature or ancillary thereto.
Towcon	International Ocean Towage Agreement (Lump Sum) published by the Baltic and International Maritime Council.
Towhire	International Ocean Towage Agreement (Daily Hire) published by the Baltic and International Maritime Council.
Valuables	Includes money, securities or negotiable instruments, precious or rare metals, bullion, precious stones, fine art, precious or rare articles.
Vessel	The ship or ships named in the Certificate.