

INSTITUTE TIME CLAUSES

HULL

10/1/41

And it is further agreed that if the Ship hereby Insured shall come into collision with any other Ship or Vessel and the Assured shall in consequence thereof become liable to pay and shall pay. by way of damages to any other person or persons any sum or sums in respect of such collision the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid as their respective subscriptions hereto bear to the value of the Ship hereby Insured, provided always that their liability in respect of anyone such collision shall not exceed their proportionate part of three-fourths of the value of the Ship hereby Insured, and in cases in which the liability of the Ship has been contested, .or proceedings have been taken to limit liability, with the consent in writing of the Undersigned, they will also pay a like proportion of three-fourths of the costs which the Assured shall thereby incur, or be compelled to pay ; but when both Vessels are to blame,. then unless the liability of the Owners of one or both of such Vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each Vessel had been compelled to pay to the Owners of the other of such Vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

Provided always that this Clause shall in no case extend to any sum which the Assured may become liable to pay, or shall pay for removal of obstructions under statutory powers, for injury to harbours, wharves, piers, stages, and similar structures, consequent on such collision ; in respect of the cargo or engagements of the Insured Vessel, or for loss of life or personal injury.

2. 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 policy 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.

3. The Vessel is covered subject to the provisions of this Policy at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and to vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, .or undertake towage or salvage services under a Contract previously arranged by Owners and/or Managers and/or Charterers. This clause shall not exclude customary towage in connection with loading and discharging.

4. Should the Vessel at the expiration of this policy be at sea, or in distress, or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium, to her port of destination. .

5. Held covered in case of any breach of warranty as to cargo, trade, locality , towage, salvage services or date of sailing, provided notice be given immediately after receipt of advices and any additional premium required be agreed.

6. Should the Vessel be sold or transferred to new management, then unless the Underwriters agree in writing to such sale or transfer, this Policy shall thereupon become cancelled from date of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, in either of which cases such cancellation shall be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A pro rata daily return of premiums shall be made. This clause shall prevail, notwithstanding any provision whether written typed or printed in the policy inconsistent herewith.

7. This insurance also specially to cover (subject to the free of average warranty) loss of or damage to hull or machinery directly caused by the following :

Accidents in loading discharging or handling cargo, or in bunkering or in taking in fuel.

Explosions on shipboard or elsewhere.

Bursting of boilers, breakage of shafts. or any latent defect in the machinery or hull.

Contact with Aircraft.

Negligence of Master, Mariners, Engineers or Pilots. provided such loss or damage has not resulted from want of due diligence by the owners of the Vessel, or any of them, or by the Managers Masters, Mates, Engineers, Pilots or Crew not to be considered as part owners within the meaning of this clause should they hold shares in the Vessel.

8. General average and salvage to be adjusted 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 York-Antwerp Rules 1890 (omitting in the case of wood cargoes the first word "No." of Rule I) or York-Antwerp Rules 1924.

When the Vessel sails in ballast, not under charter, the provisions of the York/Antwerp Rules 1924 (excluding Rules XXI and XXII) 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 original contemplated the voyage shall thereupon be deemed to be terminated.

9. In the event of expenditure for Salvage, Salvage charges, or under the Sue and Labour Clause, this Policy shall only be liable for its share such proportion of the amount chargeable to the property hereby insured as the insured value, less loss and/or damage, if any, for which the insurer is liable bears to the value of the salvaged property.

Provided that where there are no proceeds or there are expenses excess of the proceeds, the expenses, or the excess of the expenses, the case may be, shall be apportioned upon the basis of the sound value of the property at the time of the accident and this policy without any deduction for loss and/or damage shall bear its pro rata share of such expenses or excess of expenses accordingly.

10. Average payable on each valuation separately or on the whole without deduction of thirds, new for old, whether the average be particular or general.

11. Donkey boilers, winches, cranes, windlasses, steering gear , and electric light apparatus shall be deemed to be part of the hull, and n part of the machinery. Refrigerating machinery and insulation not covered unless expressly included in this policy.

12. Warranted free front particular average under 3 per cent but nevertheless, when the Vessel shall have been stranded, sunk, on fire, or in collision with any other Ship or Vessel, Underwriters shall pay the damage occasioned thereby, and the expense of sighting the bottom after stranding shall be paid if reasonably incurred even if no damage found.

13. No claim shall in any case be allowed in respect of scraping painting the Vessel's bottom.

14. Grounding in the Panama Canal, Suez Canal or in the Manchester Ship Canal or its connections, or in the River Mersey above Rock Ferry Slip, or in the River Plate (above a line drawn from the North Basin Buenos Aires to the mouth of the San Pedro River) or its tributaries or in the Danube or Demerara Rivers or on the Yenikale Bar, shall not be deemed to be a stranding.

15. The warranty and Conditions as to average under 3 per cent shall be applicable to each voyage as if separately insured and a voyage shall be deemed to commence at one of the following periods to be select by the Assured when making up the claim, viz :

(a) at any time at which the vessel (1) begins to load cargo or (2) sails in ballast, or

(b) from delivery to the owners or the termination of periods in p as below.

A voyage may be deemed to continue until the Vessel has made not more than three passages or has carried and discharged two cargoes whichever may first occur and further in either case for the period until the vessel begins to load cargo or sails in ballast, but subject to the "passage" limit as below.

A passage shall be deemed to be :

1. from the commencement of loading at first port or place of loading until completion of discharge at last port or place of discharge,

2. when the vessel sails in ballast, from the port or place of departure until arrival 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 or,

3. from delivery to the owners or the termination of periods in port ; below until discharge as (1) loaded or arrival as (2) if in ballast.

Periods in Port : Notwithstanding anything in these clauses to the contrary a passage shall be deemed to have terminated when the vessel has remained at a port or place other than a port or place of refuge for a period of 30 days.

Each subsequent period of 30 consecutive days or part thereof prior to the vessel commencing to load or sailing, whichever may first occur, shall be deemed to be a passage.

When the vessel sails in ballast from one port or place to another to effect repairs of damage for which Underwriters are liable under the Policy current at time of sailing such passage with the previous passage shall be deemed to be one passage.

In calculating the 3 per cent above referred to particular average occurring outside the period covered by this Policy may be added to particular average occurring within such period provided it occur upon the same voyage as defined herein, but only that portion of the claim arising within the period of this Policy "shall be recoverable hereon.

A voyage shall not be so fixed that it overlaps another voyage on which a claim is made on this or the preceding or succeeding Policy.

Warranted that particular average occurring on a voyage or venture which is or would be excluded by the terms of this Policy shall not be included in calculating the 3 per cent above referred to.

16. In no case shall Underwriters be liable for unrepaired damage in addition to a subsequent total loss sustained during the term covered by this Policy.

17. In ascertaining whether the Vessel is a constructive total loss the insured value shall be taken as the repaired value, and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

18. In the event of total or constructive total loss, no claim to be made by the Underwriters for freight. whether notice of abandonment has been given or not.

19. In the event of accident whereby loss or damage may result in a claim under this policy notice shall be given in writing to the Underwriters where practicable and also if abroad, to the nearest Lloyd's Agent prior to survey so that they may appoint their own surveyor if they so desire. The Underwriters shall be entitled to decide the port to which a damaged vessel shall proceed for docking or repairing (the actual additional expense of the voyage arising from compliance with Underwriters' requirements being refunded to the Assured) and Underwriters shall also have a right of veto in connection with the place of repair or repairing firm proposed and, whenever the extent of the damage is ascertainable the Underwriters may take or may require to be taken tenders for the repair of such damage. In cases where a tender is accepted with the approval of Underwriters an allowance shall be made at the rate of 30 per cent per annum on the insured value for each day or part thereof from the time of the completion of the survey (such survey, if not completed earlier to be deemed to have been completed in 72 hours from its commencement) until the acceptance of the tender provided that it be accepted without delay after receipt of Underwriters' approval.

No allowance shall be made for any time during which the vessel is loading or discharging cargo or bunkering or taking in fuel.

Due credit shall be given against the allowance as above for any amount recovered :

(a) in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof allowed in general or particular average.

(b) from third parties in respect of damages for detention and/or loss of profit and/or running expenses. for the period covered by the tender allowance or any part thereof. Where a part of the cost of average repairs other than a fixed deductible franchise is not recoverable from Underwriters the allowance shall be reduced by a similar proportion.

In the event of failure to comply with the conditions of this clause 15 per cent shall be deducted from the amount of the ascertained claim.

20. Warranted free of capture seizure arrest restraint or detainment, and the consequences thereof or of any attempt thereat ; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not, civil war, revolution rebellion insurrection or civil strike arising therefrom, or piracy.

21. Warranted that the amount insured policy proof of interest or full interest admitted for account of assured and/or their managers and/or mortgagees on Disbursements, Commission, Profits or other interests, or excess or increased value of Hull and/or Machinery however described shall not exceed 10 per cent of the total insured value as stated herein but the assured are permitted to cover :

(a) Freight and/or Chartered Freight on Board and/or not on Board and/or anticipated Freight. Insured for 12 months or other time. Any amount not exceeding 25 per cent of the total insured value as stated herein less any amount insured as above however described.

(b) Freight on Board and/or contracted for on not exceeding two cargoes. The amount of gross freight in respect of the current cargo passage and next succeeding cargo passage (including if required preliminary and/or intermediate ballast passages). Any amount insured under Section (a) to be taken into account and only the excess of such amount to be insured, which excess shall be reduced pro rata to the amount insured on such excess as advanced and/or earned.

(c) Anticipated freight if Vessel be in ballast and unchartered. An amount representing the anticipated gross freight on next cargo passage such amount to be reasonably estimated on the basis of the current rate of freight at time of insurance, but all freight covered under Section (a) to be deducted and only the excess, if any, to be insured.

(d) Time Charter Hire or Profit on Time Charter or Charter for series of Voyages. Any amount not exceeding the reasonably estimated net profit, reducing as earned, for a period not exceeding the length of the charter. Any amount insured under Sections (a) and/or (b) and/or (c) to be taken into account and only the excess of such amounts to be insured such excess reducing pro rata as earned.

(e) Premiums Any amount not in excess of actual premiums for twelve months on all interests of whatsoever nature insured (including estimated premium on any Club Insurance). but in all cases reducing monthly by a proportionate amount of the whole

(f) Excess Liabilities in the terms of the Institute Excess Clause (Hulls) and other Excess Collision liability.

(g) Insurances on any interest irrespective of amount against :

1. Risk excluded by Clause 20.
2. Loss or damage in consequence of strikes. lockouts. political or labour disturbances, civil commotions, riots. martial law, military or usurped power or malicious act.

Provided always that a breach of this warranty shall not afford Underwriters any defence to a claim by Owners Mortgagees or other parties who may have accepted this policy without notice of such breach and are not parties or privy thereto.

22. To RETURN

per cent for" each uncommenced: month if this Policy be cancelled by agreement ; and as follows. for each period of 30 consecutive days the vessel may be laid up in port (with special liberties as hereinafter allowed :

IN THE UNITED KINGDOM

- (a) per cent with no cargo on board and Dot under repair.
- (b) per cent with no cargo on board but under repair.
- (c) per cent with cargo on board and not under repair.
- (d) per cent with cargo on board and under repair.

ABROAD (whether under repair or not),

- (e) per cent with no cargo on board.
- (f) per cent with cargo on board.

For the purpose of this clause. the expressions "with no cargo on board" and "with cargo on board" shall be deemed to mean "with no cargo on board except while loading or discharging" and "with cargo on board other than while loading or discharging", respectively.

The returns (b) to (f) inclusive, shall be applied notwithstanding that the. vessel has cargo on board and/or is under repair during a part only of the period of 30 days for which a return is claimable. Provided always :

(a) that 'in no case shall a return be allowed when the within name vessel is lying in a roadstead or in exposed and unprotected waters.

(b) that in the event of a return for special trade, or any other reason being recoverable, the above rates of return of premium shall be reduced accordingly.

In the event of the vessel being laid up in port for a period of 30 consecutive days a part only of which attaches to this policy it is hereby agreed that the laying up period in which either the commencing or ending date of this policy falls shall be deemed to run from the first day on which the vessel is laid

up and that on this basis Underwriter: shall pay such proportion of the return due in respect of a full period of 30 days as the number of days attaching hereto bear to thirty.

23. It is agreed that no assignment of or interest in this Policy 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 of interest signed by the assured and (in the case of subsequent assignment) by the assignor be endorsed on this Policy and the Policy with such endorsement be produced before payment of any claim or return of premium thereunder. But nothing in this clause is to have effect as an agreement by the Underwriters to a sale or transfer to new management.

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