



Commercial Hull Policy

Effective Date: **24 April 2017**



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# INTRODUCTION

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## Important Things You Should Know

Welcome to National Transport Insurance.

Please ensure You read this document thoroughly before You enter into this contract of insurance.

You must also ensure that all details as shown in Your Policy Schedule are correct. Let Us know immediately if You need any changes. If You do not understand any part of the policy, please contact Your insurance broker or Our authorised representative for an explanation.

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about the available type of Cover and benefits and exclusions in the Policy, (the standard Cover provided can be affected by the following);
- the rest of this "Introduction" section - this sets out how You apply for Cover, the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the "Definitions" - this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the "Exclusions" set out the general exclusions and limitations that apply to the Cover and benefits;
- the "General Conditions" and "Claims Responsibilities" sections - these set out certain general rights and obligations that You and We have and other Cover restrictions;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the Cover We issue You with - these contain specific details relevant to You and can affect the Cover. Your Policy Schedule may also specify Policy Deductibles and other limitations on Your Cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

## Insurers

National Transport Insurance means the joint venture of the following insurers in the proportions shown:

- CGU Insurance Limited: ABN 27 004 478 371; AFSL 238291 - 50%
- AAI Limited trading as Vero Insurance: ABN 48 005 297 807; AFSL 230859 - 50%

This means that each insurer is only responsible for its half share.

'We', 'Us', 'Our', 'Underwriter' or 'Insurer' means the joint venture National Transport Insurance that is administered by its manager NTI Limited ABN 84 000 746 109 AFSL 237246.

## National Transport Insurance (NTI)

Marine Protect is powered by NTI, Australia's specialist insurer with over 40 years of experience in the insurance industry. With an award winning claims service, NTI is the company You can count on to protect You and Your business. Two of Australia's leading general insurers - CGU Insurance and AAI Limited trading as Vero Insurance, back NTI - so You can rest assured that You are in safe hands.

## Our Hull product options

**National Transport Insurance Commercial Hull Insurance Policy** is intended to provide Cover for a variety of Australian owned/flagged or managed commercial vessels engaged in harbour, inland and coastal operations (excluding commercially registered fishing vessels). The policy outlines the key base cover for hull and vessel operational liability extension (Protection & Indemnity), including the internationally accepted "Institute Clauses" or other coverage to be agreed. Where requested, Cover may be extended by activating certain optional extensions set out in the Policy, or to include other Institute Clauses.

## Your Duty of Disclosure

Before You enter into an insurance contract, You have a duty under the Insurance Contracts Act 1984 (ICA) s.21 and the Marine Insurance Act 1909 (MIA) s. 24, 25 and 26 (whichever is applicable) to tell Us, pursuant to the ICA: anything that You



# INTRODUCTION

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know, or could reasonably be expected to know, which may be relevant to Our decision to insure You and on what terms, or pursuant to the MIA : every material circumstance which is known to You or which ought to be known to You which would influence Us in calculating the Premium or determining whether to accept the risk.

You have this duty until We agree to insure You. You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive your duty to tell Us about.

## **If you do not tell us something**

Where the Insurance Contract Acts applies If You do not tell us anything You are required to, We may cancel Your contract or reduce the amount We will pay you if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Where the Marine Insurance Act 1909 applies, if You fail to comply with Your duty of disclosure, We may avoid the contract from its beginning.

## **Who must tell Us?**

Everyone who is insured under the Policy is required to comply with the duty of disclosure, including Your broker or agent.

## **Alteration of Risk**

Please inform Us of any fundamental change to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of Your business operations, or other circumstances to do with changes to the Vessel , its use or trade) in a way that would increase the risk of loss or damage occurring. Please notify Us immediately in writing. If We agree to the change We will do so in writing and may charge an additional Premium, alter the Conditions of Cover, or both.

## **Privacy Policy**

We are committed to safeguarding Your privacy. In complying with the Australian Privacy Principles We will collect and use Your personal information:

- Only for the purpose of providing and administering Our products and services, including keeping You up to date with Our products and services;
- Only for the purpose for which it was collected, which may include disclosing it to third parties with whom We have arrangements to protect Your Privacy.

You may choose not to provide this information, however, NTI may not be able to process Your request.

We will take all reasonable steps to make sure that personal information that We hold about You is accurate, complete, and up to date and that it is protected from misuse, loss or unauthorised access, modification or disclosure. If any information is inaccurate you must contact us to update your records. You can request access to Your personal information, by phoning or writing to Us. Information security protocols are in place to minimise the risk of unauthorised access to Your personal information.

In special circumstances, We may decline to release the information but We will not do so unreasonably. In these circumstances, We will give You reasons and You will have the right to request Us to review Our decision using Our complaints handling procedures. We will provide Our reasons in writing upon request.

If you need to make a complaint about your personal information or make a complaint about a privacy breach you can do so by phoning us on (07) 3292 9800 or by writing to PO Box 13550 George Street QLD 4003. A copy of NTI's Privacy Policy Statement and Privacy Complaint process can be obtained by visiting NTI's website at [www.nti.com.au](http://www.nti.com.au).

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## Resolving Your Complaints

### What You do and who You contact if You have a complaint or dispute involving Us:

If You have a complaint or dispute about Your insurance Policy, decisions on Your claim or the service You have received from Us or one of Our authorised representatives, You may access Our Internal Dispute Resolution process. The first step is to contact Your closest NTI office. Contact details can be obtained by visiting [www.nti.com.au](http://www.nti.com.au) and a brochure on Our Dispute Resolution System is available from all NTI offices.

### Internal Dispute Resolution - Complaints

Once You contact Us, Our staff will help You in every way they can. If You are not satisfied with the outcome Your complaint will be referred to the staff member's supervisor who will deal with it promptly.

If You are still not satisfied Your complaint can be handled through Our Internal Dispute Resolution service by a different employee who has appropriate experience, knowledge and authority to conduct a full review.

To access that service, ask the Supervisor or Manager You are dealing with to refer Your complaint to Our Dispute Resolution Officer. Your complaint will then be treated as a dispute.

### Internal Dispute Resolution - Disputes

We will notify You of the name and contact details of the employee assigned to liaise with You in relation to Your dispute. That employee will acknowledge receipt of Your dispute in writing, usually within 5 working days.

Provided that We have all the necessary information and no investigations are in progress, a final decision on Your dispute will be forwarded to You in writing, usually within 15 working days. Where further information or investigation are required, We will endeavour to agree a reasonable time frame extension with You.

We have 45 days to respond from the date that Your complaint is received.

Our response will include:

- a. reasons for Our decision;
- b. information about how to access Our External Disputes Resolution (EDR) Scheme; and
- c. notify You of the time frame within which You must register Your dispute with the EDR Scheme, (usually within two years of Our final decision).

### External Dispute Resolution

Our internal dispute resolution Service is designed to seek to resolve any complaints or disputes that may arise. However, if We are unable to resolve Your dispute to Your satisfaction within 45 days, We will inform You of the reasons for the delay and that You can take Your dispute to Our EDR scheme, administered by the Financial Ombudsman Service (FOS), even if We are still considering it (and provided Your dispute is within FOS' Terms of Reference). We are a member of FOS which is an ASIC approved external dispute resolution scheme and it may be able to resolve Your dispute. You may be entitled to assistance from the FOS but that depends on the claim circumstances and the FOS eligibility criteria.

Before the end of that 45 day period We will inform You that You have this right and details of how to access Our EDR Scheme.

FOS is responsible for monitoring compliance with the General Insurance Code of Practice. It is available to customers and third parties who fall within its Terms of Reference and is an impartial body that is completely independent of Us. FOS will initially determine whether Your dispute falls within its Terms of Reference and will notify You whether it may proceed to review Your dispute.

Your dispute must be lodged with FOS within two years of the date of Our final decision.

Where FOS' Terms of Reference do not extend to Your dispute We will advise You to seek independent legal advice or give You information about other external dispute resolution options, if any, that are available to You.

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The contact details for FOS are:

**Financial Ombudsman Service Limited**, ABN 67 131 124 448  
National Toll Free number 1300 780 808.  
GPO Box 3 Melbourne VIC 3001 Email: [info@fos.org.au](mailto:info@fos.org.au)

A brochure on Our Dispute Resolution Service is available from all NTI offices which includes information about the IDR and EDR Services.

## General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice.

We are committed to raising standards of service to Our customers. This Code sets out the minimum standards We will uphold in the services We provide to You and is a practical demonstration of Our commitment to providing a high level of service to Our customers.

If You are interested in obtaining more information about this important industry initiative, You can contact the Insurance Council of Australia or access the Code directly at: [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

The Code aims to:

- describe standards of good practice and service to be met by participating insurers; promote disclosure of information relevant and useful to consumers so as to allow them to make an informed choice and compare one product with another;
- facilitate the education of consumers about their rights and obligations with insurance contracts;
- promote informed and effective relationships between consumers, insurers and authorised representatives; and
- ensure insurers have fair procedures for resolution of disputes between consumers and insurers or consumers and authorised representatives.

More information about the Code can be obtained from Us direct or Our website [www.nti.com.au](http://www.nti.com.au) or contacting the Insurance Council of Australia ("ICA") directly (the ICA has an office in most capital cities) or via their website at [www.insurancecouncil.com.au](http://www.insurancecouncil.com.au).



# DEFINITIONS THAT APPLY TO THIS POLICY

In this Policy certain words have special meanings. They have the same meanings wherever they appear.

Word	Meaning
<b>Agreed Value</b>	means the amount specified in the Policy Schedule as the Insured Value. This amount is agreed by You and Us in writing and only valid until the end of the current Period of Insurance. If We provide You with an Agreed Value policy, We will pay the Agreed Value should We agree to pay a claim for total or constructive total loss.
<b>Aqua Sports Equipment</b>	means personal water craft including, kayaks, canoes, paddle or pedal boats, surf-skis, paddle boards, surf/wake boards, sailing catamarans to a maximum 6 metres in length, inflatable donuts, waterskis and banana craft and windsurfers. It does not include a Tender, jetskis or wave runners.
<b>Cover</b>	means the benefit and protection provided by this Policy specified in Your Policy Schedule.
<b>Crew</b>	means any person, including the skipper or Master, working on board the commercial Vessel in any capacity as an employee, including volunteers, whether paid or not
<b>Deductible</b>	means the amount We will deduct from each claim, from each Vessel(s), as set out in the Policy Schedule or otherwise in the Policy. When more than one Vessel(s) on the Policy Schedule suffers a claim from the same event, each Vessel's Deductible will apply or as otherwise described in the Policy Schedule.
<b>Diving Equipment</b>	means wet and dry suits, tanks, regulators, buoyancy compensation devices, masks, snorkels, fins and similar equipment used for the purpose of recreational sport or commercial diving including compressors owned by You.
<b>Equipment and Accessories</b>	<p>Equipment means manufactured items intended for use on Your Vessel(s) which are portable or not permanently attached to the Hull. Equipment includes equipment fitted or carried on the Vessel in accordance with statutory / safety requirements and used for the navigation and operation of the Vessel including:</p> <ul style="list-style-type: none"><li>• lifesaving equipment</li><li>• navigation equipment including radar, depth sounders, global positioning systems,</li><li>• marine communication equipment including radio/transceivers,</li><li>• tools used for the repair and maintenance of the Vessel</li></ul> <p>Accessories includes anchors, batteries, paddles and oars, portable fuel containers, covers and canopies of Vessel(s). It does not include Passengers' Baggage / Passengers' Personal Effects.</p>
<b>Fishing Gear</b>	means rods, reels, tackle and other similar equipment used for the purpose of recreational sport fishing.
<b>GST</b>	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.
<b>Headings</b>	when used in Your Policy, are purely descriptive in nature and are not intended to be used for interpretative purposes.
<b>Hull</b>	means the structure of the Vessel(s) including the bottom, superstructure, deck, cabins and fixtures and fittings normally sold with the hull and not normally removable.
<b>Input Tax Credit</b>	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.
<b>Insured Amount</b>	means the Agreed Value or Sum Insured Limit as specified in Your Policy Schedule.
<b>Insurance Proposal</b>	means the particulars of insurance completed by You, as Your application for insurance, and submitted to Us either in writing or electronically on which We rely to determine whether to provide You with a Policy, and if so, upon what terms and conditions.

# DEFINITIONS THAT APPLY TO THIS POLICY

Word	Meaning
<b>Institute Clauses</b>	<p>means the customary market standard wordings prepared by the Institute of London Underwriters, excluding any provision which identifies English law, practice or jurisdiction as being applicable.</p> <p>In the event of any of these clauses being altered or added to, new clauses shall automatically form part of this Policy, unless the alteration or addition reduces Your protection, in which event You shall be advised in writing.</p>
<b>Limit of Liability</b>	<p>means the limit of liability specified in the Policy Schedule or otherwise in this Policy. Our liability is limited to the amount stated for each accident or series of accidents arising out of the same event.</p>
<b>Machinery</b>	<p>means the mechanical and electrical components of the Vessel(s) not normally removable from it, excluding the items listed as equipment and accessories but including inboard / outboard motors (which may be shown separately on the Policy Schedule), stern drive or jet units, thrusters, gear boxes, propellers, shafts, wiring harnesses/looms, fuel tanks and lines, instruments, generators and refrigeration or cooling machinery.</p>
<b>Masts, Spars, Rigging and Sails</b>	<p>means the masts, booms, fittings, spinnakers, poles, standing and running rigging and sails of the Vessel.</p>
<b>National Transport Insurance (NTI)</b>	<p>means the joint venture of the following insurers in the proportions shown: CGU Insurance Limited: ABN 27 004 478 371; AFSL 238291 – 50%</p> <p>AAI Limited trading as Vero Insurance: ABN 48 005 297 807; AFSL 230859 – 50%</p> <p>This means that each insurer is only responsible for its half share.</p>
<b>Navigational Limits</b>	<p>means the geographical area specified in Your Policy Schedule.</p>
<b>Passenger</b>	<p>Any person carried on board the Vessel solely as a passenger, fare paying or otherwise, and not a member of the Crew.</p>
<b>Passengers' Baggage/ Passengers' Personal Effects</b>	<p>Personal Equipment or property belonging to passengers but excluding watches, mobile phones, personal electronic devices and laptop computers, mobile General Packet Radio Service (GPRS) units, precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange or any documents that represent money. Passenger's Baggage is not considered to be cargo.</p>
<b>Period of Insurance</b>	<p>means the period between and includes the dates in Your Policy Schedule shown as "Insured From/To" during which We provide insurance under Your Policy.</p> <p>Your Policy expires on the date specified in Your Policy Schedule as the "to" date at 4.00pm Local Standard Time (L.S.T.) of the State or Territory within the Commonwealth of Australia in which Our office issuing Your Policy is located, unless another time is noted in Your Policy Schedule.</p>
<b>Policy</b>	<p>means this document and Your Policy Schedule the Insurance Proposal, any declarations and statements You, or your broker or agent, make to Us and any other notice We give You in writing, all to be read together.</p>
<b>Policy Schedule</b>	<p>means the most current insurance details and attachments to them, issued to You by Us. It sets out Your Policy number, the Cover applying, Deductible and any special conditions, endorsements and limits which apply to Your Policy.</p>
<b>Premium</b>	<p>means the amount calculated by Us from Your initial disclosure made prior to commencement of Cover, as the amount You must pay for the Policy. This amount does not include government taxes and duties.</p>

# DEFINITIONS THAT APPLY TO THIS POLICY

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Word	Meaning
<b>Specialist Operations</b>	means operations of a specialist nature in which a Vessel(s) may be employed, including dredging, pile driving, laying or lifting of cables or pipes, or underwater excavation, or as otherwise defined in the Policy Schedule.
<b>Sum Insured Limit</b>	means the maximum amount specified in the Policy Schedule or otherwise in this Policy up to which We will pay (should We agree to pay Your claim).
<b>Tender</b>	<p>means a purpose designed rigid hull or inflatable vessel (including motor and safety equipment, dinghy or dory) which is:</p> <ul style="list-style-type: none"><li>• no greater than 6 metres in length, or as otherwise noted in the Policy Schedule; and</li><li>• used as an attendant to or an auxiliary for another vessel; and</li><li>• carried on or under deck or towed behind the attended vessel.</li></ul> <p>Tender excludes personal water craft including jet-skis, wave runners, kayaks, canoes, paddle or peddle boats, surf-skis, surf/wake boards, sailing catamarans, inflatable donut and banana craft and windsurfers.</p>
<b>Trailer</b>	means a trailer and its winch whether powered or unpowered, designed and used for the purpose of moving the Vessel on land, as specified in the Policy Schedule.
<b>Vessel(s)</b>	means the commercial marine craft(s) specified in the Policy Schedule.
<b>We/Our/Ours/Us/ Underwriter/Insurer</b>	means the joint venture National Transport Insurance, that is administered by its manager NTI Limited: ABN 84 000 746 109; AFSL 237246.
<b>You/Your/Yours Assured/Insured</b>	means the client (person or company) named in the Policy Schedule.

# OUR AGREEMENT WITH YOU

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Based on the information in Your Insurance Proposal, and the statements and declarations that You have made in support of Your application for insurance and provided that You have agreed to pay the Premium by the due date, We will Cover You as specified in Your Policy Schedule, subject to the terms, conditions and exclusions that are set out in this Policy.

Your Policy consists of:

- a. this Policy document, which sets out the conditions of Cover, exclusions and the terms and conditions that apply to each Policy or level of Cover You have chosen;
- b. the Policy Schedule is a separate document and shows the insurance details that are relevant to Your insurance;
- c. any endorsements noted on Your Policy Schedule or otherwise notified by Us to You in writing;
- d. Your Insurance Proposal, the declarations and statements that were made when You, or your broker or agent, applied for Cover from Us and every other matter which You subsequently declare or state to Us when You, replace, vary, extend or reinstate Your Policy.

They are all to be read as if they are the one document.

## Important Things You Should Know

You are only covered for the Cover options of this Policy and Optional Extensions and any other endorsed Cover, shown on Your Policy Schedule.

Should there be any fundamental change in circumstances or in the nature of the risks which are the basis of the contract, You must advise Us immediately and in writing. We will only be liable (to the extent permitted by law) under this Policy if We have agreed in writing to the change.

# THE COVER

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## Important Note: Warranties

This Cover is subject to the following warranties:

At all times during the currency of this Policy the Vessel(s) is skippered, manned, operated, in survey and/or licensed in accordance with the laws, regulations and by-laws of the government and/or regulatory authorities of the appropriate State and/or Territory and/or Commonwealth office or department.

Where the Vessel(s) is registered with a Classification Society - it is warranted that the Vessel(s) is classed and class is maintained at all times during the currency of this Policy.

## THE COVER:

Cover under this Policy is applied in accordance with the following clauses (unless otherwise varied in the Policy Schedule) while Your Vessel(s) is operating within the Navigational Limits noted in Your Policy Schedule, during the Period of Insurance:

1. Institute Time Clauses - Hulls 1/10/83 amended as follows:
  - a. Clause 6.2.4 - amended to read "negligence of repairers or charterers"
  - b. Clause 8 (Collision Liability) - deleted where Protection & Indemnity option is not insured, otherwise amended to 4/4ths
  - c. Clause 12 (Deductible) - as set out in the Policy Schedule
  - d. Clause 22 (Returns) - subject to cancelling returns only
2. Institute War & Strikes Clauses Hulls - Time 1/10/83

Where more than one Vessel(s) (excluding Tender) is insured, each Vessel(s) is deemed to be a separate insurance.

# ADDITIONAL BENEFITS

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The following Additional Benefits are included in the Cover provided by this Policy and unless stated otherwise are subject to the terms, conditions and exclusions of this Policy. The limits which apply to each Additional Benefit specified below (except 3. Parts & Equipment Ashore and 8. Refit / Alteration Clause ) are in addition to the Insured Amount specified in Your Policy Schedule, unless stated otherwise.

We will Cover you for:

## 1. Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment

Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment and accessories owned by You or in Your care, custody or control (excluding Passengers' baggage and personal effects) for up to \$10,000 or as otherwise set out in the Policy Schedule for any one event, subject to a Deductible of \$500 each claim.

The Cover provided by this Additional Benefit is limited to loss and/or damage caused by:

- a. fire, lightning or explosion
- b. burglary following forcible and violent entry into the insured Vessel(s)
- c. total loss of the equipment following total or constructive total loss of the insured Vessel(s).

All Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment carried on the Vessel(s) shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in the Policy Schedule.

## 2. Leased Equipment (excluding Diving Equipment, Fishing Gear, and Aqua Sport Equipment)

Equipment and Accessories and Machinery not owned by You but installed for use on the insured Vessel(s) and for which You have contractual responsibility. We will not pay more than Your contractual liability for such Equipment and Accessories and Machinery.

All Equipment and Accessories and Machinery installed on the Vessel(s) and not owned by You shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in the Policy Schedule.

## 3. Parts & Equipment Ashore

Vessel(s) parts, Equipment and Accessories, and Machinery up to an Insured Amount of \$10,000 or as otherwise set out in the Policy Schedule for any one event, whilst any such parts, Equipment and Accessories, and Machinery is in transit to or from the Vessel(s) or whilst temporarily ashore for the purpose of repair, refit or overhaul, subject to a Deductible of \$500 each claim.

The following provisions apply:

- Institute Cargo Clauses (A) 1/1/09
- Institute Strikes Clauses (Cargo) 1/1/09

This Additional Benefit does not provide Cover for parts, Equipment and Accessories, and Machinery held ashore for the purposes of storage only.

All Parts and Equipment in transit or whilst temporarily ashore for the purpose of repair, refit or overhaul shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in the Policy Schedule.

## 4. Personal and Crew Property

Personal property of You or Your employees which were carried on the Vessel(s), subject to Us paying a claim under this Policy for loss or damage to the Vessel(s), up to \$1,000 for any one event for loss or damage to personal property on board the Vessel(s) at the time of the incident, excluding watches, mobile phones, tablets, PDA and laptop computers, mobile GPRS units, precious metals and stones, money (which means any coin or banknote), bullion, cheques (including travellers cheques), credit / debit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money or title (including certificates).

## 5. Tender Towing

Towage of a single Tender Vessel(s) , notwithstanding any Navigation Clause set-out in the applicable Institute Clauses attaching to this Policy.

# ADDITIONAL BENEFITS

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## 6. Theft of Vessel's own Trailer

Theft of the Vessel's own Trailer, subject to the following:

Perils Clause 6.1.3 in the Institute Time Clauses Hulls 1/10/83 (or the alternative noted in your Policy Schedule) is amended to read as follows:

6.1.3.1. violent theft by persons from outside the Vessel(s) (however this cover excludes theft of or attempted theft of a Trailer or any part thereof)

6.1.3.2. theft of the entire Trailer provided it is securely locked with an anti-theft device in addition to its normal method of storage or attachment or following violent entry into the place of storage or repair.

## 7. Transit of Vessel whilst on its own Trailer

Accidental damage to the Vessel(s) and its Trailer whilst under tow by a motor vehicle or, whilst conveyed as cargo by road, rail or vehicle ferry, including loading and unloading from the conveyance, within the Commonwealth of Australia, but no claim shall be allowed in respect of:

- a. scratching, chipping, bruising and denting
- b. liability arising whilst the Vessel(s) is being towed by or attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle

Claims under this Additional Benefit are subject to a Deductible of \$500 or 1% of the combined Insured Amount of the Vessel(s) and its Trailer, whichever is the greater.

## 8. Refit/Alteration Clause

Damage to the Vessel(s) while laid up, afloat or ashore including hauling out and launching or on trial trips within the limits of the Policy during the period of refit, overhaul and/or structural alterations of the Vessel(s), subject to:

- a. Institute Builders Risks Clauses 1.6.88 with Clauses 17, 18 & 19 deleted.
- b. Institute Strikes Clauses Builders Risks 1.6.88
- c. Institute War Clauses Builders Risks 1.6.88

In no case shall this Additional Benefit apply where the cost of any refit, overhaul and/or structural alteration(s) of the Vessel(s) is greater than 50% of the Vessel's Hull & Machinery Insured Amount or \$500,000, whichever the lesser (or another amount shown in Your Policy Schedule).

## 9. Fixed Fire Appliance Discharge Clause

Clean-up costs arising from and/or loss or damage caused by spontaneous and complete discharge of any fixed fire suppression system fitted aboard the Vessel(s) in the absence of any fire, explosion or other event deemed to be a system trigger.

In no case shall this Additional Benefit apply:

- a. Where the fire suppression system is being tested, fitted, maintained, recharged or otherwise in use or being worked upon; or
- b. To Cover the cost of system recharge.

The maximum We will pay under this Additional Benefit is \$5,000 any one event and a Deductible of \$500 shall apply for each and every claim.

## 10. Acquired Companies Clause

Any company, subsidiary company or firm formed or purchased by You during the Period of Insurance provided that:

- a. You hold a controlling interest; and
- b. You advise Us of the existence of the company or firm not later than sixty (60) days from the date of signing the purchase contract or date of formation.

This Additional Benefit does not Cover any new or additional Vessel(s) that You may hold a controlling interest in or that you have agreed to accept responsibility to insure unless You advise Us and We accept in writing.



# ADDITIONAL BENEFITS

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## 11. Cross Liability Clause

Each person or company comprising 'You' is Covered in the same manner as if that party is the only person or company named herein as You. It is further agreed that We will waive all subrogation rights or rights of action We may acquire against any of the parties comprising You provided always that the act is not unlawful and the limit of indemnity shall apply inclusive of this clause.

# OPTIONAL EXTENSIONS

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The following extensions are not automatically applicable to this Policy. An additional Premium is payable if any additional Cover is purchased. Each optional extension will only apply if it is specified in Your Policy Schedule.

## 1. Collision and Protection and Indemnity

Cover is provided in accordance with the following clauses (unless otherwise varied in the Policy Schedule) while Your Vessel(s) is operating within the Navigational Limits noted in Your Policy Schedule, during the Period of Insurance:

- Institute Protection & Indemnity Clauses Hulls - Time 20/7/87 amended as follows:
  - a. Clause 2 (Limits) - as set out in the Policy Schedule
  - b. Clause 3 (Deductible) as set out in the Policy Schedule
- Institute Protection & Indemnity War Strikes Clauses Hulls - Time 20/7/87
- Institute Protection & Indemnity Clause Amendment 1/11/96

This Optional Extension extends Cover to any person navigating or in charge of the Vessel(s) with Your permission other than a person operating or employed by a repairer (except as provided in The Cover clause 1. a. - negligence of repairers or charterers), marina, yacht club, slipway, sales agency or other similar organisation, subject to the provisions of this Policy.

### TOMPA Clause

Where We Cover You under the above Optional Extension, the following Additional Benefit "TOMPA Clause" will also apply to Vessels engaged in a trade covered by the Transport Operations (Marine Pollution) Act 1995 and Regulations.

We will Cover You for:

- a. the clean-up costs of the discharge of a pollutant (a harmful substance, including sewage) from the Vessel(s) into Queensland coastal waters; and
- b. the costs of salvage or removal of the Vessel(s) from Queensland coastal waters if the Vessel(s) is abandoned or wrecked.

Cover is provided subject to the Institute Protection and Indemnity Clauses Hulls - Time 20/7/87 - Exclusion Clause 1.3.10 deleted, or the alternative noted in your Policy Schedule.

provided that:

- i. the Vessel(s) is more than 15 meters in length overall;
- ii. the discharge, abandonment or wreck occurs within the first 3 nautical miles of the territorial sea and other coastal waters subject to the ebb and flow of the tides and during the Period of Insurance; and
- iii. applies where Vessels are in a trade covered by the provisions of the Transport Operations (Marine Pollution) Act 1995 (QLD), and where Protection & Indemnity is Covered by this Policy under this Optional Extension Clause 1.

# OPTIONAL EXTENSIONS

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The maximum We will pay under this TOMPA Additional Benefit is as follows:

1. for a recreational Vessel(s) more than 15 meters but less than 35 meters in length overall
  - (i) the clean-up costs of the discharge of a pollutant from the ship - \$250,000;
  - (ii) the costs of salvage or removal of the Vessel(s) if abandoned or wrecked - \$10,000,000;
2. for a Vessel(s) more than 15 meters but less than 35 meters in length overall
  - (i) the clean-up costs of the discharge of a pollutant from the Vessel(s) - \$500,000;
  - (ii) the costs of salvage or removal of the Vessel(s) if abandoned or wrecked - \$10,000,000;
3. for a ship/Vessel(s) 35 meters or more in length overall - \$10,000,000.

In no case will we Cover under this TOMPA Additional Benefit:

- fines or penalties of any kind whatsoever;
- loss damage liability or expense caused by pollution, contamination or clean-up costs unless caused by a single occurrence that is sudden and identifiable and neither expected nor intended by You.

The words and phrases in this TOMPA Clause shall have the same meaning as the words and phrases in the "Transport Operations (Marine Pollution) Act 1995 and Regulations (Qld)."

**If Optional Extension 1. "Collision, and Protection and Indemnity" is specified in Your Policy Schedule, then You may apply for any of the following further Optional Extensions 1.1 to 1.3:**

## 1.1 Pollution Extension Clause

Subject to a sub-Limit of Liability of \$1,000,000 any event (or as specified in Your Policy Schedule), Optional Extension 1 "Collision, and Protection and Indemnity" is extended to Cover Your legal liability for actual physical damage to tangible property of others as a result of sudden and accidental discharge, emission, spillage or leakage upon or into the seas, waters or land or air, of oil, petroleum products, chemical or other substances of any kind or nature whatsoever.

In no case will We Cover any liability which You may become liable to pay in consequence of, with respect to, or arising out of:

- a. death, bodily injury, personal injury or illness;
- b. contractual or assumed liability;
- c. any loss of use or any consequential loss;
- d. fines or penalties of any kind whatsoever;
- e. punitive or exemplary damages;
- f. the provision of any federal, state or local legislation regulating or controlling the discharge, spillage, omission or leakage of oil or any other substance into navigable waters or elsewhere and/or the removal of or liability for such discharge, spillage, emission or leakage. The phrase "federal state or local legislation" shall include laws and regulations of any foreign national or political sub-division thereof and any treaty or convention;

Provided that such discharge, emission, spillage or leakage does not arise from wilful negligence nor wilful misconduct by or within the privity or knowledge of You, Your managing officers or managing agents.

This Optional Extension shall not increase the Limit of Liability provided under Optional Extension 1 "Collision and Protection and Indemnity" with respect to any one event. We will also cover costs of clean up and/or mitigation of a pollution hazard limited to \$100,000 any one event less any Deductible referred to in the Policy Schedule.

## 1.2 Passenger Liability Clause

We agree to indemnify You up to the Limit of Liability specified in the Policy Schedule for any sum or sums which you shall become legally liable to pay to Passengers pursuant to Clause 11.4 of the Institute Protection and Indemnity Clauses Hulls - Time 20/7/87 (or as otherwise varied in Your Policy Schedule).

This Optional Extension includes the provision of food and beverages on board the Vessel(s), Passenger's Baggage and Passenger's Personal Effects but does not Cover any liability, costs or expense caused by or arising as a direct result of:

# OPTIONAL EXTENSIONS

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- a. Passengers being trained, advised or instructed for, or engaged in, diving, swimming, snorkelling, water-skiing, boom netting, parasailing or any other aquatic sport (including sailing or seamanship); or
- b. any on-land, or off Vessel(s) activity, unless caused by such Passenger(s) being run down or struck by the Vessel(s).

## 1.3 Swimming and Snorkelling Extension

If Optional Extension 1.2 Passenger Liability Clause is noted on Your Policy Schedule, then You may purchase the following Optional Extension

Your Policy is extended to Cover Your common law legal liability to passengers caused by the activities of swimming and snorkelling conducted from and adjacent to the Vessel(s) and in association with the Vessel's ordinary trading operations and which have occurred during the Period of Insurance. This does not Cover any liability, costs or expense caused by or arising as a direct result of:

- a. scuba diving or any other similar activities involving the sustaining of life underwater utilizing an artificial air supply.
- b. swimming and/ or snorkelling outside declared daylight hours as declared by the Bureau of Meteorology.
- c. diving or jumping from the Vessel(s).

Our liability under this Extension is limited to \$1,000,000 for each accident or occurrence or series of accidents arising out of the same event.

## 2. Additional Perils

Cover is provided in accordance with the following clauses:

- Institute Additional Perils Clauses - Hulls 1/10/83
- Institute Machinery Damage Additional Deductible Clause 1/10/83
- Additional Deductible Adaptation Clause 1/10/83
- Machinery Damage Additional Deductible amount as set out in the Policy Schedule

## 3. Disbursements/Increased Value

Cover is provided in accordance with the following clauses:

Institute Time Clauses – Hulls, Disbursements and Increased Value (Total Loss Only including Excess Liabilities) 1/10/83

- Clause 6.4.3 (Collision Liability) – deleted where Protection & Indemnity option is not insured, otherwise amended to 4/4ths
- Clause 11 (Returns) – subject to cancelling returns only

## 4. Loss of Earnings and/or Hire

Cover is provided in accordance with the following Clauses:

ABS Wording 1/10/83 (LPO454)

Clause 1(a) amended to read "loss, damage or occurrence covered by Institute Time Clauses-Hulls (1/10/83) and also loss damage or occurrence covered by Institute War and Strikes Clauses-Hulls (1/10/83).

We will pay You the fixed and agreed daily amount per day for up to the number of days both shown in Your Policy Schedule, for any one accident and in all, and in excess of the first number of days any one accident, as shown in Your Policy Schedule.

# HOW MUCH WE WILL PAY

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## Cover - Vessel(s)

Subject to the terms, conditions, limitations and the Insured Amount and maximum Limit of Liability shown in the Policy Schedule, in the event of a total or constructive total loss We will at Our option:

- a. Pay You, or other parties agreed with You, the Agreed Value or Sum Insured Limit shown in the Policy Schedule; or
- b. Replace the Vessel(s) with one of similar age and condition.

Where the Vessel(s) is damaged We will pay the reasonable costs of repairing the Vessel(s) or part or item or replacing the damaged or lost part or item(s) but not exceeding the Agreed Value or Sum Insured Limit shown in the Policy Schedule of the entire Vessel(s), or item or part.

Where any item of Equipment and Accessories is less than 10 years old and is lost or damaged to the extent that it cannot be repaired, We will pay for its replacement without deduction, new for old. This benefit does not apply to a lifeboat or Tender, or equipment contained therein, for which an amount for depreciation will be deducted in making a settlement.

You remain fully insured for the Insured Amount shown in Your Policy Schedule following a claim, except where Your claim is for a total or constructive total loss, in which case Your Policy will end in respect of the Vessel(s) as at the date of the loss with no refund of Premium.

## Insured Amount Clause

The Insured Amount (where stated) in the Policy Schedule in respect of Hull, Machinery, Fixtures and Fittings, Equipment and Accessories, Tender shall represent separate Insured Amounts for the purpose of calculating the maximum amount payable in respect of each item when a claim is made under this Policy.

## Cover - Legal Liability

Subject to the terms, conditions, limitations and the maximum Limit of Liability shown in the Policy Schedule, at Our option We will pay the costs of:

- a. all sums which You become legally liable to pay as compensation for physical loss or damage to third party property or death or personal injury;
- b. the claimant's legal expenses and any interest awarded;
- c. legal costs incurred with Our consent in addition to the above; and
- d. the additional benefits shown in the Section "Additional Benefits" where applicable; or
- e. the amount(s) We negotiate on Your behalf, subject to the maximum Limit of Liability shown in the Policy Schedule.

# EXCLUSIONS TO THIS POLICY

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**Important Note:** Institute Radioactive Contamination, Chemical, Biological, Bio Chemical & Electro Magnetic Weapons exclusion clause (clause 1) and Sanction Limitation and Exclusion (clause 2) shall be paramount where they conflict with any terms contained in this Policy. In the event of conflict between these two Clauses, the Institute Radioactive Contamination, Chemical, Biological, Bio Chemical & Electromagnetic Weapons exclusion clause (clause 1) shall prevail.

In addition to exclusions found in any applicable Institute Clause forming part of this Policy, We will not pay for:

## 1. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical & Electromagnetic Weapons Exclusion Clause 10/11/03

loss, damage, liability or expense directly or indirectly caused by or contributed to by 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 or device 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. This Exclusion 1.d 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.

## 2. Sanction Limitation and Exclusion Clause

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 Us to any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

## 3. Institute Cyber Attack Exclusion Clause 10/11/03

- a. loss, damage, liability or expense directly 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 or process or any electronic system.
- b. 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, Clause 3a shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system computer software programme, or any electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

## 4. Certain Causes of Loss

loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from Your Vessel(s):

- a. engaging in racing, speed tests or endurance trials;
- b. being designed to exceed 50 knots;
- c. on-board lifting devices' registered or rated capacity having been exceeded;
- d. using, carrying or storing explosives;

# EXCLUSIONS TO THIS POLICY

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## 5. Asbestos

loss or damage or liability arising out of any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, contributed to or aggravated by or in any way involving asbestos, asbestos fibres, asbestos products or by-products or derivatives of asbestos, including, but not limited to:

- a. mining, processing, transport, distribution and / or storage of asbestos;
- b. manufacture of asbestos;
- c. processing of asbestos;
- d. installation, removal, cleaning up, decontamination, control or treatment of asbestos;
- e. the inhalation of, or fears of the consequences of exposure to or the inhalation of asbestos; or
- f. any property damage (including the resultant loss of use of such property)

## 6. Small Craft (excluding tender)

loss or damage to, or loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- a. Surf-skis, surfboards, inflatable donut, banana craft and windsurfers or any similar water craft whether towed behind the Vessel(s) or otherwise.
- b. Jet skis, wave runners, kayaks, canoes, paddle or pedal boats, sailing catamarans or any similar water craft whether towed behind the Vessel(s) or otherwise, other than when such items are specified in the Policy Schedule.

## 7. Cargo

loss or damage to, or liability arising out of, any sort of cargo carried on-board the Vessel(s).

## 8. Punitive, Aggravated and Exemplary Damages

loss, damage, liability or expense directly or indirectly caused by or contributed to, or arising from, any ruling against You for payment of punitive, aggravated, exemplary or multiple damages.

## 9. Sails and Covers

loss, damage or liability to sails and/or protective covers caused by the force of the wind unless there has also been damage caused to the mast(s) or spars, rigging or supporting frames of the Vessel(s).

## 10. Specialist Operations/Dredging/Vibration

loss, damage, liability or expense arising from

- a. Specialist Operations;
- b. dredging activities including but not limited to loss and/or damage to pipes, cables and/or any underground or underwater structures or installations, of any description;
- c. damage to property where such property consists of land or fixed property and where such damage is caused by vibration or by the removal or weakening of support to land, buildings or any other property.

## 11. Spoil Exclusion

loss, damage, liability or expense arising from underwater excavation and/or construction including the lifting, cutting, drilling, crushing or depositing of spoil, or pile driving.



# CONDITIONS OF THIS POLICY

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## 1. Law and Jurisdiction

This Policy is subject to Australian law and jurisdiction and will be interpreted in accordance with the laws of Australia as determined by a court thereof.

## 2. Premium Payment and Cancellation

Subject always to the full payment of annual Premium if the Vessel(s) is lost (total or constructive total loss) a concession on the time allowable for payment of Premium may be offered from Us to You, as follows:

- Premium payment due must be received by Us within ninety (90) days of attachment date; or
- thirty (30) days of any Deferred Premium instalment date (only if Deferred or Instalment Premium is noted by Us on Your Policy Schedule).

You may cancel the Policy by giving us written notice in advance.

We may cancel the Policy at any time:

- where there is non-payment of Premium to Us, when due;
- in compliance with Clause 5. (Termination) of the Institute War and Strikes Clauses Hulls – Time 1/10/83.
- the Optional Extension 11 – Pollution Extension Clause.

We will refund Premium (where applicable) for each day of the unexpired Period of Insurance.

The daily Premium will be calculated by dividing the Premium by the number of days of the Period of Insurance. Some government taxes & duties are not refundable.

We will effect cancellation of the Policy by giving seven (7) days written notice of cancellation to You or Your Insurance Intermediary (where applicable). Cancellation will become effective at 4.00pm on the seventh day from the date the notice of cancellation was given.

## 3. Goods and Services Tax

The amount of Premium paid by You for Your Policy includes an amount for GST on the Premium. As You are a commercial entity, You must inform Us of the extent to which You are entitled to an Input Tax Credit for that GST amount each time that You make a claim under Your Policy.

No payment will be made to You for any GST liability that You may incur on the settlement of a claim if You do not inform Us of Your entitlement or correct entitlement to any Input Tax Credit.

Despite the other provisions of this insurance (including provisions in the wordings, Your Policy Schedule or any endorsement) Our liability to You will be calculated taking into account any Input Tax Credit to which You are entitled for any acquisition which is relevant to Your claim, or to which You would have been entitled were You to have made a relevant acquisition.

## 4. Government Taxes and Duties

You must pay all levies, taxes, imposts and/or charges, including but not limited to stamp duty and other similar charges which may be payable to or required to be paid to any government in Australia whether acting through any agency, instrumentality or otherwise in relation to Your Policy.

## 5. Tax Provisions

Notwithstanding the payment provisions contained in this Policy, We will pay the claimant or payee in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this Policy:

- a. plus the amount of any GST due in respect of the payment, where the claimant or payee cannot claim an Input Tax Credit; or
- b. less any input tax credits available to the claimant or payee in respect of the payment, where the claimant or payee can claim an Input Tax Credit.

# CONDITIONS OF THIS POLICY

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## 6. Joint Insurance

A claim made by any one of the individuals or entities named as the Insured in the Your Policy Schedule is a claim made by all of the individuals or entities named as the Insured. Similarly, any statement, act or omission made by any individual or entity named as the Insured in the Policy Schedule is assumed to be made by all individuals or entities named as the Insured.

## 7. Notices

Where there is more than one of You, any notice given by Us under Your Policy to any one of You will be deemed to be notice given to all of You.

## 8. Other Interested Parties

You must let Us know the names and interests of any other party (e.g. financiers, mortgagees, owners or lessors) who You require to be Covered by this Policy. We will protect their interests only if You have informed Us about them and they are noted on Your Policy Schedule.

## 9. Co-insurance

If, at the time of any loss or damage to the Vessel(s), there is any other current insurance, whether effected by You or any other person or persons, covering the same Vessel, We will not be liable (where legally entitled) for more than Our proportion of the loss, damage or expense.

## 10. Moorings

Permanent moorings leased or owned by You for the purpose of mooring the Vessel(s) must be maintained in good order, inspected annually and serviced in accordance with all applicable statutory authority regulations.

## 11. Payment of Limit of Indemnity (applicable only to Liability Optional Extensions)

We may at any time pay to you the appropriate Limit of Liability (after deducting from it any amounts already paid) or a lesser amount for which a claim or claims may be settled. In doing so We will relinquish the conduct of, and shall be under no further liability in connection with, such claim or claims except for costs and expenses incurred before We made such payment. This condition only applies to Optional Extension 1, 1.1, 1.2, 1.3 and any other legal liability Covers provided by this Policy and noted in Your Policy Schedule.

## 12. Subrogation Clause

When We settle a claim, We may endeavour to pursue recovery rights against any third party who caused or contributed to loss or damage to the Vessel(s) and or Your third party liability. You authorise Us to act in Your name in such recovery action, and undertake to give Us reasonable assistance in such actions.

## 13. Waiver Clause

Measures taken by You or Us with the object of saving, protecting or recovering the Vessel(s) shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

## 14. Under-insurance/Average

You should insure for the current total value of the Vessel(s). If You do not, You may be underinsured and We may pay You less in the event of a claim as outlined in this Policy and where relevant, the Insurance Contracts Act 1984 (Cth), and Marine Insurance Act 1909 (Cth) which outlines how to calculate where there is underinsurance.

# CONDITIONS OF THIS POLICY

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## 15. Due Care

You must at all times, take appropriate care:

- a. in the operation of the Vessel(s)
- b. to protect the Vessel(s) from loss or damage
- c. following an event causing loss or damage to take reasonable steps to minimise loss or prevent further loss or damage; and
- d. to preserve rights against any other party who may have responsibility for the loss, damage or liability.

# CLAIMS RESPONSIBILITIES

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These procedures are important and should be read in conjunction with any Notice of Claims and Tenders clause set out in the Institute Clauses. Failure to follow them may jeopardise a claim under this Policy and/or result in a penalty deduction from Your claim.

## What You Must Do

If there is any event which may result in a claim, You must take the following steps:

1. Notify Us immediately of any circumstances likely to give rise to a claim under this Policy.
2. Contact Our claims team by telephone on 1800 684 669 (1800 NTI NOW)
3. Take such measures as may be reasonable for the purpose of averting or minimising a loss and take all reasonable precautions to prevent further loss, damage or deterioration. Reasonable costs associated with these actions will be considered in the claim.
4. Make a report to the Police and/or other appropriate bodies if there is injury, malicious damage, theft or attempted theft to Your Vessel.
5. Submit as soon as possible all written particulars, supporting documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.
6. Complete Our claim form where required.
7. Assist Us and any surveyor We might appoint to report on the loss/damage.
8. Do not make any admission of liability, take any action which may be considered to be an admission of liability, or repudiate, settle or make an offer on any third party claim without Our prior written consent.
9. Do not authorise repairs to Your Vessel without Our prior written consent.
10. Where other parties may be liable:
  - a. Do not release those parties from liability and ensure all rights against those parties are properly preserved
  - b. Deliver to the parties responsible a notice of intention to claim; and
  - c. Notify Us of the circumstances and provide Us with copies of all relevant documents

# CLAIMS RESPONSIBILITIES

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## What We May Do

1. We may give to and obtain from any other insurers, insurance reference bureaux and credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information.
2. We shall at any time be entitled (but not obliged) to control or take over the conduct of the investigation defence and settlement of any claim suit or proceeding against You which is or is likely to be the subject of indemnity under this insurance Policy.
3. We shall have full discretion in the conduct, defence or settlement of any claim. This includes the right to instruct lawyers to provide advice as to Your liability and to represent You. This includes our rights to settle or defend a claim against You by another party.
4. Subject to the provisions of the Insurance Contracts Act 1984 (Cth) or Marine Insurance Act 1909 (Cth), whichever is applicable, We have the right to recover or obtain contribution from any person against whom You may be able to claim and the right to take action in Your name.
5. You and any other person entitled to benefit under this Policy must not hinder these rights and must give Us all such information and cooperation as We may require.
6. Fraudulent Claims:

If any claim is fraudulent or false in any respect We may refuse to pay the whole or part of the claim to the extent permitted by law, and may also be entitled to cancel the Policy.

# INSTITUTE CLAUSES

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1/10/83

## INSTITUTE TIME CLAUSES - HULLS

### 1. NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.3 shall affect claims under Clauses 8 and/or 11.

### 2. CONTINUATION

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

### 3. BREACH OF WARRANTY

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

### 4. TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

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

- 4.1 change of Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.
- 4.2 any changes, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

### 5. ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be

# INSTITUTE CLAUSES

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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.

## 6. PERILS

- 6.1 This insurance covers loss of or damage to the subject-matter insured caused by
  - 6.1.1 perils of the seas rivers lakes or other navigable waters
  - 6.1.2 fire, explosion
  - 6.1.3 violent theft by persons from outside the Vessel
  - 6.1.4 jettison
  - 6.1.5 piracy
  - 6.1.6 breakdown of or accident to nuclear installation or reactors
  - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
  - 6.1.8 earthquake volcanic eruption or lightning
- 6.2 This insurance covers loss of or damage to the subject-matter insured caused by
  - 6.2.1 accidents in loading discharging or shifting cargo or fuel.
  - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
  - 6.2.3 negligence of Master Officers Crew or Pilots
  - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
  - 6.2.5 barratry of Master officers or Crew
    - provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

## 7. 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 damage to the environment or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.

## 8. 3/4THS COLLISION LIABILITY

- 8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
  - 8.1.1 loss of or damage to any other vessel or property on any other vessel
  - 8.1.2 delay to or loss of use of any such other vessel or property thereon
  - 8.1.3 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.
- 8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:



# INSTITUTE CLAUSES

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- 8.2.1 Where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 8 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay 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.
- 8.2.2 In no case shall the Underwriters' total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths of the insured value of the Vessel hereby insured in respect of any one collision.
- 8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

## EXCLUSIONS

- 8.4 Provided always that this Clause 8 shall in no case extend to any sum which the assured shall pay for or in respect of
- 8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
- 8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
- 8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
- 8.4.4 loss of life, personal injury or illness
- 8.4.5 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured Vessel is in collision or property on such other vessels).

## 9. 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.

## 10. NOTICE OF CLAIM AND TENDERS

- 10.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the Vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.
- 10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repair firm.
- 10.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for the time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

- 10.4 In the event of failure by the Assured to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.

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## 11. GENERAL AVERAGE AND SALVAGE

- 11.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in respect of the whole loss without first enforcing their right of contribution from other parties.
- 11.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 11.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1974 (excluding Rules XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port or place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.
- 11.4 No claim under this Clause 11 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

## 12. DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 11 and 13) exceeds the deductible amount agreed in which case the sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 13 arising from the same accident or occurrence.
- 12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression "heavy weather" in this Clause 12.2 shall be deemed to include contact with floating ice.
- 12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.4 Interest comprised in recoveries shall be apportioned between the assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

## 13. DUTY OF ASSURED (SUE AND LABOUR)

- 13.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 13.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 13.5) and collision defence or attack costs are not recoverable under this Clause 13.
- 13.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 13.4 When expenses are incurred pursuant to this Clause 13 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound market value exceeds that value. Where the Underwriters have admitted a claim for a total loss and property insured by this insurance is saved, the forgoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.
- 13.5 When a claim for the total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the

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expenses, or the expenses in excess of the proceeds, as the case may be, as may be reasonably regarded as having been incurred in respect of the Vessel; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this insurance shall be reduced in proportion to the under-insurance.

- 13.6 The sum recoverable under this Clause 13 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

## 14. NEW FOR OLD

Claims payable without deduction new for old.

## 15. BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that

- 15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 15.2 gritblasting and/or other surface preparation of:
- the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
  - areas of plating damaged during the course of fairing, either in place or ashore,
- 15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2, above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

## 16. WAGES AND MAINTENANCE

No claim shall be allowed, other than in general average, for wages and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

## 17. AGENCY COMMISSION

In no case shall any sum be allowed under this insurance either by way or remuneration of the assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

## 18. UNREPAIRED DAMAGE

- 18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.
- 18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

## 19. CONSTRUCTIVE TOTAL LOSS

- 19.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

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## 20. FREIGHT WAIVER

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.

## 21. DISBURSEMENTS WARRANTY

- 21.1 Additional insurances as follows are permitted:
- 21.1.1 Disbursements, Managers' Commissions, profits or Excess or Increased Value of Hull and Machinery. A sum not exceeding 25% of the value stated herein.
- 21.1.2 Freight, Chartered Freight or Anticipated Freight, insured for time. A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 21.1.1
- 21.1.3 Freight or Hire, under contracts for voyage. A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
- 21.1.4 Anticipated Freight if the Vessel sails in ballast and not under Charter. A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured.
- 21.1.5 Time Charter Hire or Charter Hire for Series of Voyages. A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 21.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 21.1.2 and 21.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.
- 21.1.6 under the forgoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
- 21.1.7 Returns of premium. A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured peril or otherwise.
- 21.1.8 Insurance irrespective of amount against:
- Any risks excluded by Clauses 23, 24, 25, and 26 below.
- 21.2 Warranted that no insurance on any interests enumerated in the foregoing 21.1.1 to 21.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

## 22. RETURNS FOR LAY-UP AND CANCELLATION

- 22.1 To return as follows:
- 22.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
- 22.1.2 For each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
- (a) ..... per cent net not under repair
- (b) ..... per cent net under repair

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## 22.2 PROVIDED ALWAYS THAT

22.21 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

22.22 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the Vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate the period of 30 consecutive days and a return shall be allowed for the proportion of such period during which the Vessel is actually laid up in the approved port or lay-up area

22.23 Loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes

22.24 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly.

22.25 in the event of any return recoverable under this Clause 22 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 22.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or on the first day of a period of 30 consecutive days as provided under 22.1.2(a) or (b), or 22.2.2 above.

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

## 23. WAR EXCLUSION

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

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

## 24. STRIKES EXCLUSION

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

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

## 25. MALICIOUS ACTS EXCLUSION

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

- 25.1 the detonation of an explosive
- 25.2 any weapon of war

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

## 26. NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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1/10/83

## INSTITUTE WAR AND STRIKES CLAUSES - HULLS - TIME

### 1. PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

- 1.1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against belligerent power
- 1.2. capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
- 1.3. derelict mines torpedoes bombs or other derelict weapons of war
- 1.4. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5. any terrorist or any person acting maliciously or from a political motive
- 1.6. confiscation or expropriation

### 2. INCORPORATION

The Institute Time Clauses-Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

### 3. DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

### 4. EXCLUSIONS

This insurance excludes

- 4.1. loss damage liability or expense arising from
  - 4.1.1. any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
  - 4.1.2. 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
  - 4.1.3. requisition of pre-emption
  - 4.1.4. capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered
  - 4.1.5. arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of any customs or trading regulations
  - 4.1.6. the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
  - 4.1.7. piracy (but this exclusion shall not affect cover under Clause 1.4)

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- 4.2 loss damage liability or covered by the Institute Time Clauses - Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof
- 4.3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,
- 4.4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York - Antwerp Rules 1974.

## 5. TERMINATION

- 5.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation 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.
- 5.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY
  - 5.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of was a defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
  - 5.2.2 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
  - 5.2.3 in the event of the Vessel being requisitioned, either for title or use
- 5.3 in the event either of cancellation by notice or of automatic termination of this insurance by the reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of the 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 5 above**

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20/7/87 "These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:

- (a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
- (b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".

## INSTITUTE PROTECTION AND INDEMNITY CLAUSES - HULLS – TIME

This insurance is subject to Australian law and practice

### 1. PROTECTION AND INDEMNITY

- 1.1 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:
  - 1.1.1 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 8 of the Institute Time Clauses Hulls 1/10/83 with 4/4ths substituted for 3/4ths in line nos. 80, 81, 98 and 99
  - 1.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the Vessel, or any neglect or failure to raise, remove or destroy the same
  - 1.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading
  - 1.1.4 loss of life, personal injury, illness or payments made for life salvage
  - 1.1.5 liability under Clause 1(a) of the current Lloyd's Standard Form of Salvage Agreement in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor's expenses plus the increment exceed any amount otherwise recoverable under the Agreement.
- 1.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:
  - 1.2.1 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
  - 1.2.2 additional expenses brought about by the outbreak of infectious disease on board the Vessel or ashore
  - 1.2.3 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
  - 1.2.4 the expenses of the removal of the wreck of the Vessel from any place owned, leased or occupied by the Assured
  - 1.2.5 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

- 1.3 Notwithstanding the provisions of Clauses 1.1 and 1.2 this Clause 1 does not cover any liability cost or expense arising in respect of:
  - 1.3.1 any direct or indirect payment by 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



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- 1.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any persons employed under a contract of service or apprenticeship by the other party to such agreement
- 1.3.3 punitive or exemplary damages, however described
- 1.3.4 cargo or other property carried, to be carried or which has been carried on board the Vessel but this Clause 1.3.4 shall not exclude any claim in respect of the extra cost of removing cargo from the wreck of the Vessel
- 1.3.5 property, owned by builders or repairers or for which they are responsible, which is on board the Vessel
- 1.3.6 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
- 1.3.7 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
- 1.3.8 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
- 1.3.9 fines or penalties arising from overloading or illegal fishing
- 1.3.10 pollution or contamination of any real or personal property or thing whatsoever (This Clause 1.3.10 shall not exclude any amount recoverable under Clause 1.1.5)
- 1.3.11 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable by reason of the agreed value and/or the amount insured in respect of the Vessel being inadequate
- 1.3.12 earthquake or volcanic eruption.
- 1.4 PROVIDED ALWAYS THAT
- 1.4.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured mwhich may give rise to a claim hereunder and of every event or matter which may cause the Assured mto incur liability costs or expense for which he may be insured hereunder.
- 1.4.2 the Assured shall not admit liability for or settle any claim for which he may be insured hereunder mwithout the prior written consent of the Underwriters.

## 2. LIMITS

- 2.1 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this insurance in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.
- 2.2 In no case shall the Underwriters' liability under this insurance exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

## 3. DEDUCTIBLE

- 3.1 Notwithstanding the provisions of Clause 1 no claim shall be payable under this insurance unless such claim, or the aggregate of all such claims arising out of each separate accident or occurrence, exceeds ..... in which case this sum shall be deducted.
- 3.2 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.
- 3.3 Interest 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.

## 4. NAVIGATION

The Vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is

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customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers without the prior written agreement of the Underwriters. This Clause 4 shall not exclude customary towage in connection with loading and discharging.

## 5. TERMINATION

**This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.**

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

- 5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of the Institute Time Clauses – Hulls 1/10/83 or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls – Time such automatic termination shall not operate.
- 5.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is in port or at sea.

## 6. BREACH OF WARRANTY

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

## 7. 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 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.

## 8. DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

## 9. RETURNS FOR CANCELLATION

To return pro rata monthly net for each uncommenced month if this insurance be cancelled either by agreement or by the operation of Clause 5 provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period of this insurance or any extension thereof.

## 10. WAR, STRIKES, MALICIOUS ACTS AND NUCLEAR RISKS PARAMOUNT EXCLUSION

In no case shall this insurance cover liability cost or expense arising as a result of the operation of one or more of the following perils:

- 10.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 10.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat
- 10.3 derelict mines torpedoes bombs or other derelict weapons of war
- 10.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 10.5 any terrorist or any person acting from a political motive
- 10.6 the use of any weapon of war, or the detonation of an explosive, by any person acting maliciously or from a political motive
- 10.7 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

# INSTITUTE CLAUSES

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“These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:

- (b) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;
- (c) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions”.

20/7/87

## **INSTITUTE PROTECTION AND INDEMNITY WAR AND STRIKES CLAUSES - HULLS - TIME**

### **1. PROTECTION AND INDEMNITY**

The Underwriters agree to indemnify the Assured in the manner and to the extent provided in Clause 1 of the Institute Protection and Indemnity Clauses Hulls – Time 20/7/87 (excluding Clause 1.3.10) where the claim, demand, damages, costs and/or expenses has/have been caused by

- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war
- 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5 any terrorist or any person acting maliciously or from a political motive
- 1.6 confiscation or expropriation.

### **2. EXCLUSIONS**

Subject always to the exclusion of any claim arising from

- 2.1 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
- 2.2 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
- 2.3 requisition or pre-emption
- 2.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered
- 2.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations
- 2.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
- 2.7 piracy (but this exclusion shall not affect cover under Clause 1.4).

# INSTITUTE CLAUSES

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## 3. NON-CONTRIBUTION

This insurance excludes any claim for any sum recoverable

- 3.1 by the Assured under any other insurance or which would be recoverable under such insurance but for the existence of this insurance
- 3.2 under the Institute Protection and Indemnity Clauses Hulls – Time 20/7/87 or which would be recoverable thereunder but for Clauses 2 or 3 thereof
- 3.3 under an insurance of the Vessel subject to the Institute War and Strikes Clauses Hulls – Time 1/10/83.

## 4. LIMIT

The Underwriters' liability under this insurance shall not exceed their proportionate part of the amount insured hereunder in respect of each separate accident or occurrence or series of accidents arising out of the same event.

## 5. 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.

## 6. DUTY OF ASSURED

It is a condition of this insurance that the Assured and their servants and agents take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

## 7. TERMINATION

- 7.1 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.
- 7.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE

### AUTOMATICALLY

- 7.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 2.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
- 7.2.2 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
- 7.2.3 in the event of the Vessel being requisitioned, either for title or use.
- 7.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7, or of the sale of the Vessel, 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.**

CL 345

# INSTITUTE CLAUSES

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“These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:

- (a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to  
cover such events;
- (b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions”.

1/6/91

## INSTITUTE PROTECTION & INDEMNITY CLAUSE AMENDMENT

Where any of the following sub-clauses are incorporated in this insurance they shall be deemed to be deleted

**Clause 9.1.5 of the Institute Time Clauses – Hulls – Port Risks 20/7/87**

**Clause 10.1.5 of the Institute Time Clauses – Hulls – Port Risks including Limited Navigation 20/7/87**

**Clause 1.1.5 of the Protection & Indemnity Clauses – Hulls – Time 20/7/87**

**Clause 1.1.5 of the Protection & Indemnity Clauses – Hulls – Time 20/7/87 as incorporated into the Institute Protection & Indemnity War and Strikes Clauses – Hulls – Time 20/7/87**

and the following substituted:-

liability under Clause 1(a) of Lloyd’s Standard Form of Salvage Agreement 1980 in respect of unsuccessful, partially successful, or uncompleted services if and to the extent that the salvor’s expenses plus the increment exceed any amount otherwise recoverable under the Agreement, also liability for special compensation payable under Article 14 of the International Convention on Salvage 1989 or under that Article as incorporated in Lloyd’s Standard Form of Salvage Agreement 1990.

**CL. 357**

# INSTITUTE CLAUSES

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1/10/83

## **INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS**

1. In consideration of an additional premium this insurance is extended to cover
  - 1.1 the cost of repairing or replacing
    - 1.1.1 any boiler which bursts or shaft which breaks
    - 1.1.2 any defective part which has caused loss of or damage to the Vessel covered by Clause 6.2.2 of the Institute Time Clauses - Hulls 1/10/83.
  - 1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.
2. Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.
3. The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

1/10/83

## **INSTITUTE MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE CLAUSE**

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser, heating coil or associated pipework arising from any of the perils enumerated in Clauses 6.2.2 to 6.2.5 inclusive of the Institute Time Clauses - Hulls 1/10/83 or from fire or explosion when either has originated in a machinery space shall be subject to a deductible of .....

Any balance remaining, after application of this deductible with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in Clause 12.1 of the Institute Time Clauses - Hulls 1/10/83.

The provisions of Clauses 12.3 and 12.4 of the Institute Time Clauses - Hulls 1/10/83 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not be applicable to a claim for total or constructive total loss of the Vessel.

1/10/83

## **ADDITIONAL DEDUCTIBLE ADAPTATION CLAUSE**

(For use whenever the Institute Machinery Damage Additional Deductible Clause and the Institute Additional Perils Clauses 1/10/83) are included in the same insurance)

The Institute Machinery Damage Additional Deductible Clause 1/10/83 shall also apply to any claim or part thereof in respect of any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, where such claim or part thereof is recoverable hereunder solely by reason of the inclusion of the Institute Additional Perils Clauses - Hulls 1/10/83 in this insurance.

# INSTITUTE CLAUSES

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1/10/83

## **INSTITUTE TIME CLAUSES - HULLS DISBURSEMENTS AND INCREASED VALUE (Total Loss only, including Excess Liabilities)**

### **1. NAVIGATION**

- 1.1 The subject-matter insured is covered subject to the provisions of this insurance at all times and the vessel has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
- 1.2 In the event of the vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance in respect of loss of or damage to the subject-matter insured or for liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
- 1.3 In the event of the vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, no claim shall be recoverable under this insurance in respect of loss or damage to the vessel occurring subsequent to such sailing unless previous notice has been given to the Underwriters and any amendments to the terms of cover, amount insured and premium required by them have been agreed.

### **2. CONTINUATION**

Should the vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, the subject-matter insured shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

### **3. BREACH OF WARRANTY**

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

### **4. TERMINATION**

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

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

- 4.1 change of the Classification Society of the vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage which would be covered by an insurance of the vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society.
- 4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the vessel, provided that, if the vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the vessel is at sea or in port.

A pro rata daily net return of premium shall be made.

# INSTITUTE CLAUSES

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## 5. 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.

## 6. PERILS

- 6.1 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
  - 6.1.1 perils of the seas rivers lakes or other navigable waters
  - 6.1.2 fire, explosion
  - 6.1.3 violent theft by persons from outside the vessel
  - 6.1.4 jettison
  - 6.1.5 piracy
  - 6.1.6 breakdown of or accident to nuclear installations or reactors
  - 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
  - 6.1.8 earthquake volcanic eruption or lightning.
- 6.2 This insurance covers total loss (actual or constructive) of the subject-matter insured caused by
  - 6.2.1 accidents in loading discharging or shifting cargo or fuel
  - 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
  - 6.2.3 negligence of Master Officers Crew or Pilots
  - 6.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
  - 6.2.5 barratry of Master Officers or Crew,
    - provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.
- 6.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the vessel.
- 6.4 This insurance covers:
  - 6.4.1 **General Average, Salvage and Salvage Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the vessel as stated therein (or any reduced value arising from the deduction therefrom in process of adjustment of any claim which law or practice or the terms of the insurances covering hull and machinery may have required) and the value of the vessel adopted for the purpose of contribution to general average, salvage or salvage charges, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
  - 6.4.2 **Sue and labour Charges** not recoverable in full under the insurances on hull and machinery by reason of the difference between the insured value of the vessel as stated therein and the value of the vessel adopted for the purpose of ascertaining the amount recoverable under the insurances on hull and machinery, the liability under this insurance being for such proportion of the amount not recoverable as the amount insured hereunder bears to the said difference or to the total sum insured against excess liabilities if it exceed such difference.
  - 6.4.3 **Collision Liability (three-fourths)** not recoverable in full under the Institute 3/4ths Collision Liability and Sistership Clauses in the insurances on hull and machinery by reason of such three-fourths liability exceeding three-fourths of the insured value of the vessel as stated therein, in which case the amount recoverable under this insurance shall be such proportion of the difference so arising as the amount insured hereunder bears to the total sum insured against excess liabilities.
- 6.5 The Underwriters' liability under 6.4.1, 6.4.2 and 6.4.3 separately, in respect of any one claim, shall not exceed the amount insured hereunder.



# INSTITUTE CLAUSES

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## 7. POLLUTION HAZARD

This insurance covers total loss (actual or constructive) of the vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the vessel caused by a peril covered by 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.

## 8. NOTICE OF CLAIM

In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

## 9. CONSTRUCTIVE TOTAL LOSS

- 9.1 In ascertaining whether the vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the vessel or wreck shall be taken into account.
- 9.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the vessel shall be recoverable hereunder unless such cost would exceed the insured value in the insurances on hull and machinery. 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.
- 9.3 Provided that the Constructive Total Loss Clause in the current Institute Time Clauses Hulls or a clause having a similar effect is contained in the insurances on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the vessel.
- 9.4 Should the vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 9.

## 10. COMPROMISED TOTAL LOSS

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

## 11. RETURNS FOR LAY-UP AND CANCELLATION

- 11.1 To return as follows:
  - 11.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
  - 11.1.2 For each period of 30 consecutive days the vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters (with special liberties as hereinafter allowed)
    - a. .... per cent net not under repair
    - b. .... per cent net under repair.

If the vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

- 11.2 PROVIDED ALWAYS THAT
  - 11.2.1 a total loss of the vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
  - 11.2.2 in no case shall a return be allowed when the vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period

# INSTITUTE CLAUSES

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of 30 consecutive days and a return shall be allowed for the proportion of such period during which the vessel is actually laid up in the approved port or lay-up area

11.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the vessel is being used for the storage of cargo or for lightering purposes

11.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

11.2.5 in the event of any return recoverable under this Clause 11 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 11.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the vessel is laid up or the first day of a period of 30 consecutive days as provided under 11.1.2 (a) or (b), or 11.2.2 above.

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

## 12. WAR EXCLUSION

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

12.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

12.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

12.3 derelict mines torpedoes bombs or other derelict weapons of war.

## 13. STRIKES EXCLUSION

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

13.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

13.2 any terrorist or any person acting from a political motive.

## 14. MALICIOUS ACTS EXCLUSION

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

14.1 the detonation of an explosive

14.2 any weapon of war

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

## 15. NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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# INSTITUTE CLAUSES

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LPO454

## LOSS OF CHARTER HIRE INSURANCE

### Including War

(ABS 1/10/83 Wording)

1. If in consequence of any of the following events:
  - (a) loss, damage or occurrence covered by Institute Time Clauses-Hulls (1/10/83) or Norwegian Hull Form or American Institute Hull Clauses (2nd June 1977) and also loss damage or occurrence covered by Institute War and Strikes Clauses-Hulls (1/10/83) or American Institute Hull War and Strikes Clauses (1/12/77) plus Addenda 1 and 2, (Option of clause to be exercised at inception).
  - (b) breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the Assured, occurring during the period of this insurance the Vessel is prevented from earning hire for a period in excess of (as per Your Policy Schedule) days in respect of any accident, then this insurance shall pay the sum hereby insured for each 24 hours after the expiration of the said days during which the Vessel is so prevented from earning hire for not exceeding a further (as per Your Policy Schedule) days in respect of any one accident or occurrence (and not exceeding (as per Your Policy Schedule) days in all during the currency of this Insurance (irrespective of the expiry date of this insurance)) provided that the repairs in respect of which a claim is made hereunder are completed within 12 months of the expiry of the period covered by this policy.
2. No claim to attach to this insurance if the occurrence in respect of which such claim arises is the cause of the vessel becoming a Total Loss (Actual or Constructive).
3. In all cases where a recovery is obtained from third parties in respect of loss of earnings or demurrage such recovery shall be apportioned between the Assured and the Underwriters as their respective interests may appear.
4. Subject to current Institute Trading Warranties and, in respect of War risks, subject to current London Market War Risk Trading Warranties.
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 to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.
6. The expression 'one accident' shall be deemed to include all heavy weather damage occurring during a single sea passage between two successive ports as defined in Clause 12.2 of Institute Time Clauses - Hulls (1/10/83).
7. If this insurance attaches or expires during a passage as defined above heavy weather damage occurring on the same passage but outside the period covered by this insurance may be added for the purpose of calculating the loss provided the damage sustained during the period covered hereunder has not been repaired during the passage, but only the proportion of the loss arising from damage occurring during the currency of this insurance shall be payable hereunder.
8. It is understood and agreed that if the Vessel is prevented from earning hire on separate occasions, which shall not in any event exceed three, in respect of any one accident or occurrence falling within this insurance, for the purpose of ascertaining the amount claimable hereunder the total time that the Vessel is off hire shall be taken into account, provided that the repairs are completed within 12 months of the expiry of this insurance.
9. Should the Vessel at the expiration of this insurance be at sea or in distress, or at port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata daily premium to her port of destination, but in no event shall such extension affect or postpone the operation of the Institute Notice of Cancellation and Automatic Termination of Cover Clause for War.
10. In the event of the Vessel named herein being sold or unchartered, other than by reason of Total or Constructive Total Loss of Vessel, this insurance is automatically cancelled. In such event Underwriters agree to return pro rata nett monthly premium, provided there are no claims on the Vessel during the currency of the insurance prior to cancellation. In no other event shall there be any return of premium (except as provided under Clause 14.3 below). This clause shall prevail notwithstanding any provisions whether written, typed or printed in the insurance inconsistent therewith unless especially agreed by Underwriters.

# INSTITUTE CLAUSES

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11. Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause I of this insurance such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society.
12. The Assured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. Underwriters to have the right to require the Assured to incur any expense which would reduce Underwriters' liability under this insurance provided such expense is for Underwriters' account.
13. This insurance excludes:
  - 13.1 loss damage liability or expense arising from
    - 13.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
    - 13.1.2 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, Russia, the People's Republic of China
    - 13.1.3 requisition or pre-emption
    - 13.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the Government or any public or local authority of the country in which the Vessel is owned or registered
    - 13.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations
    - 13.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
  - 13.2 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance
  - 13.3 any claim for expenses arising from delay except such expenses as would be recoverable in principle in Australian law and practice under the York-Antwerp Rules 1974.
14. 14.1 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.
  - 14.2 Whether or not such notice of cancellation has been given cover hereunder in respect of the risks of War, etc., shall TERMINATE AUTOMATICALLY
    - 14.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 13.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
    - 14.2.2 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, Russia, the People's Republic of China
    - 14.2.3 in the event of the Vessel being requisitioned, either for title or use.
  - 14.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 14, pro rata net return of premium shall be payable to the Assured.
15. 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.



**National Office Brisbane**

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