

1	1. Touching the Adventures and Perils which we, the Underwriters, are contented to	and machinery by reason of the difference between the insured value of the	86
2	bear and take upon us, they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers,	Vessel as stated therein and the value of the Vessel adopted for the purpose	87
3	Thieves, Jettisons, Letters of Mart and Counter-Mart, Surprisals, Takings at Sea, Arrests,	of ascertaining the amount recoverable under the insurances on hull and	88
4	Restraints and Detainments of all Kings, Princes and Peoples, of what nation, condition	and machinery, the liability under this insurance being for such proportion of the	89
5	or quality soever, Barratry of the Master and Mariners and of all other like Perils,	amount not recoverable as the amount insured hereunder bears to the said	90
6	Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the	difference or to the total sum insured against excess liabilities if it exceeds	91
7	subject matter insured (hereafter the "Vessel") or any part thereof; excepting, however,	such difference.	92
8	such of the foregoing Perils as may be excluded by provisions elsewhere in these	(c) Collision Liability not recoverable in full under the Running Down and Sister	93
9	clauses or by endorsement.	Ship Clauses in the insurances on hull and machinery by reason of such	94
10	2. It is the duty of the Assured, their servants, agents or assigns, in case of loss or	liability exceeding the insured value of the Vessel as stated therein, in	95
11	misfortune to take such measures as may be reasonable for the purpose of averting or	which case the amount recoverable under this insurance shall be such	96
12	minimising a loss which would be recoverable under this insurance. For the purpose of	proportion of the difference so arising as the amount insured hereunder bears	97
13	this insurance, such measures shall be designated as Sue and Labour.	to the total sum insured against excess liabilities.	98
14	The reasonable charges therefor will be reimbursed by Underwriters in accordance	Underwriters' liability under clauses 3 and 4 (a), (b) and (c), separately, in	99
15	with their rateable proportion as provided for herein.	respect of any one claim, shall not exceed the amount insured hereunder.	100
16	It is expressly agreed that no acts of Underwriters or the Assured in recovering,	5. This insurance excludes claims due to or resulting from ice and/or freezing	101
17	saving or preserving the Vessel shall be considered as either a waiver or acceptance of	howsoever caused on inland waters above ocean tidal influence.	102
18	abandonment or otherwise prejudice the rights of either party.	6. The Vessel is covered subject to the provisions of this insurance at all times and	103
19	3. THIS INSURANCE COVERS ONLY ACTUAL OR CONSTRUCTIVE TOTAL	has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow	104
20	LOSS OF THE VESSEL:	vessels or craft in distress, but it is warranted that the Vessel shall not otherwise tow or be	105
21	(a) Caused by the perils enumerated in clause 1 hereof.	towed, except as is customary or to the first safe port or place when in need of assistance.	106
22	(b) Directly caused by:	7. The Vessel is covered in case of any breach of warranty as to cargo, employment,	107
23	(i) Accidents in loading, discharging or shifting cargo or fuel	towage, salvage services or date of sailing, provided notice be given to the Underwriters	108
24	Explosions on shipboard or elsewhere	immediately after receipt of advices and any amended terms of cover and any additional	109
25	Breakdown of or accident to nuclear installations or reactors on	premium required by them be agreed.	110
26	shipboard or elsewhere	8. Should the Vessel at the expiration of this insurance be at sea, or in distress, or at	111
27	Bursting of boilers, breakage of shafts or any latent defect in the	a port of refuge or of call, she shall, provided previous notice be given to the Underwriters,	112
28	machinery or hull	be held covered at a pro rata monthly premium, to her port of destination.	113
29	Negligence of Master, Charterers other than an Assured, Officers,	9. Unless the Underwriters agree to the contrary in writing, this insurance shall be	114
30	Crew or Pilots	cancelled automatically at the time of the Vessel being sold or transferred voluntarily	115
31	Negligence of repairers provided such repairers are not Assured(s)	or otherwise to new management or chartered on a bareboat basis.	116
32	hereunder, but this exclusion shall not apply to loss or damage resulting	However, if the Vessel has cargo on board and has already sailed from her	117
33	from the operation by the Assured of a commercial repair division or	loading port or is at sea in ballast then such cancellation shall, if required, be suspended	118
34	facility	until arrival at final port of discharge if with cargo, or at port of destination if in ballast.	119
35	(ii) Contact with aircraft or similar objects, or objects falling therefrom	A pro rata daily return of premium shall be made.	120
36	Contact with any land conveyance, dock or harbour equipment or	For the purposes of this clause, arrest shall not be considered a transfer to new	121
37	installation	management.	122
38	Earthquake, volcanic eruption or lightning	This clause shall prevail notwithstanding any provision whether written, typed or	123
39	Provided such loss or damage has not resulted from want of due diligence by	printed in this insurance inconsistent therewith.	124
40	the Assured, Owners or Managers.	10. If payment of premium is not made by the Assured within thirty (30) days after	125
41	Masters, Officers, Crew or Pilots not to be considered as part Owners	attachment of this insurance or, in the event Underwriters shall have agreed to accept	126
42	within the meaning of this Clause 3(b) should they hold shares in the	deferred payments, if any payment of any premium is not made on the day agreed, this	127
43	Vessel.	insurance may be cancelled at any time thereafter by Underwriters giving to the Assured	128
44	(c) Directly caused by any governmental authority acting under the powers	named herein, and to third party payee or payees (if any) named in this insurance five (5)	129
45	vested in them to prevent or mitigate a pollution hazard, or threat thereof,	days' notice of such cancellation.	130
46	resulting directly from the damage to the Vessel for which the Underwriters	Such notice may be given by Underwriters or on their behalf by an authorized	131
47	are liable under this insurance, provided such act of governmental authority	Agent or by the Agent or Broker effecting this insurance.	132
48	has not resulted from want of due diligence by the Assured, the Owners or	Such cancellation shall be without prejudice to the premiums earned and due for	133
49	Managers of the Vessel or any of them to prevent or mitigate such hazard or	the period the insurance was in force.	134
50	threat. Masters, Officers, Crew or Pilots not to be considered Owners	In the event of total loss sustained from any cause occurring prior to cancellation	135
51	within the meaning of this clause 3(c) should they hold shares in the Vessel.	full annual premium shall be deemed earned.	136
52	(d) Caused by strikers, locked-out workmen or persons taking part in labour	11. Underwriters will return _____ percent (net) for every thirty days of unexpired	137
53	disturbances, riots or civil commotions; also destruction of or damage to the	time if it be mutually agreed to cancel this insurance, but there shall be no cancellation or	138
54	Vessel caused by persons acting maliciously.	return of premium if the Vessel is lost from any cause.	139
55	In ascertaining whether the Vessel is a constructive total loss the insured value in	At expiration, Underwriters will return _____ percent (net) for every thirty	140
56	the insurances on hull and machinery shall be taken as the repaired value and nothing in	consecutive days the Vessel was laid up in port out of commission with no cargo on board	141
57	respect of the damaged or break-up value of the Vessel or wreck shall be taken into	and not under repair for Underwriters account.	142
58	account.	In the event of the Vessel being laid up in port for a period of thirty consecutive	143
59	No claim for constructive total loss based upon the cost of recovery and/or	days, a part only of which attaches to this insurance, it is hereby agreed that the laying up	144
60	repair of the Vessel shall be recoverable hereunder unless such cost would exceed the	period in which either the commencing or ending date of this insurance falls shall be	145
61	insured value in the insurances on hull and machinery. In making this determination, only	deemed to run from the first day on which the Vessel is laid up and that on this basis	146
62	the costs relating to a single accident or sequence of damages arising from the same	Underwriters shall pay such proportion of the return due in respect of a full period of thirty	147
63	accident shall be taken into account.	days as the number of days attaching thereto bear to thirty.	148
64	Should the Vessel be a constructive total loss but the claim on the insurances on	12. <u>THIS CLAUSE SHALL BE PARAMOUNT AND SHALL OVERRIDE</u>	149
65	hull and machinery be settled as a claim for partial loss, no payment shall be due under	<u>ANYTHING CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH:</u>	150
66	this clause.	(a) In no case shall this insurance cover loss, damage, liability or expense	151
67	Provided that the Valuation Clause, lines 55/58 above, or a clause having a	directly caused by	152
68	similar effect, is contained in the insurances on hull and machinery, the settlement of a	(i) war, civil war, revolution, rebellion, insurrection, or civil strife arising	153
69	claim for constructive total loss thereunder shall be accepted as proof of the constructive	therefrom, or any hostile act by or against a belligerent power	154
70	total loss of the Vessel and in the event of a claim for total loss or constructive total loss	(ii) capture, seizure, arrest, restraint or detainment (barratry and piracy	155
71	being settled on the insurances on hull and machinery as a compromised total loss the	excepted) and the consequences thereof or any attempt thereat	156
72	amount payable hereunder shall be the same percentage of the sum insured as is paid on	(iii) derelict mines, torpedoes, bombs or other derelict weapons of war.	157
73	the said insurances.	(b) In no case shall this insurance cover loss, damage, liability or expense	158
74	4. This insurance also covers:	arising from	159
75	(a) General Average, Salvage and Salvage Charges not recoverable in full	(i) the detonation of an explosive	160
76	under the insurances on hull and machinery by reason of the difference	(ii) any weapon of war	161
77	between the insured value of the Vessel as stated therein (or any reduced	and caused by any terrorist or any person acting from a political motive.	162
78	value arising from the deduction therefrom in process of adjustment of	(c) In no case shall this insurance cover loss damage liability or expense	163
79	any claim which law or practice or the terms of the insurances covering hull	arising from any weapon of war employing atomic or nuclear fission and/or	164
80	and machinery may have required) and the value of the Vessel adopted for	fusion or other like reaction or radioactive force or matter.	165
81	the purpose of contribution to general average, salvage or salvage charges,	13. This Insurance is subject to Canadian law and usage as to liability for and	166
82	the liability under this insurance being for such proportion of the amount not	settlement of any and all claims.	167
83	recoverable as the amount insured hereunder bears to the said difference or		
84	to the total sum insured against excess liabilities if it exceeds such difference.		
85	(b) Sue and Labour Charges not recoverable in full under the insurances on hull		