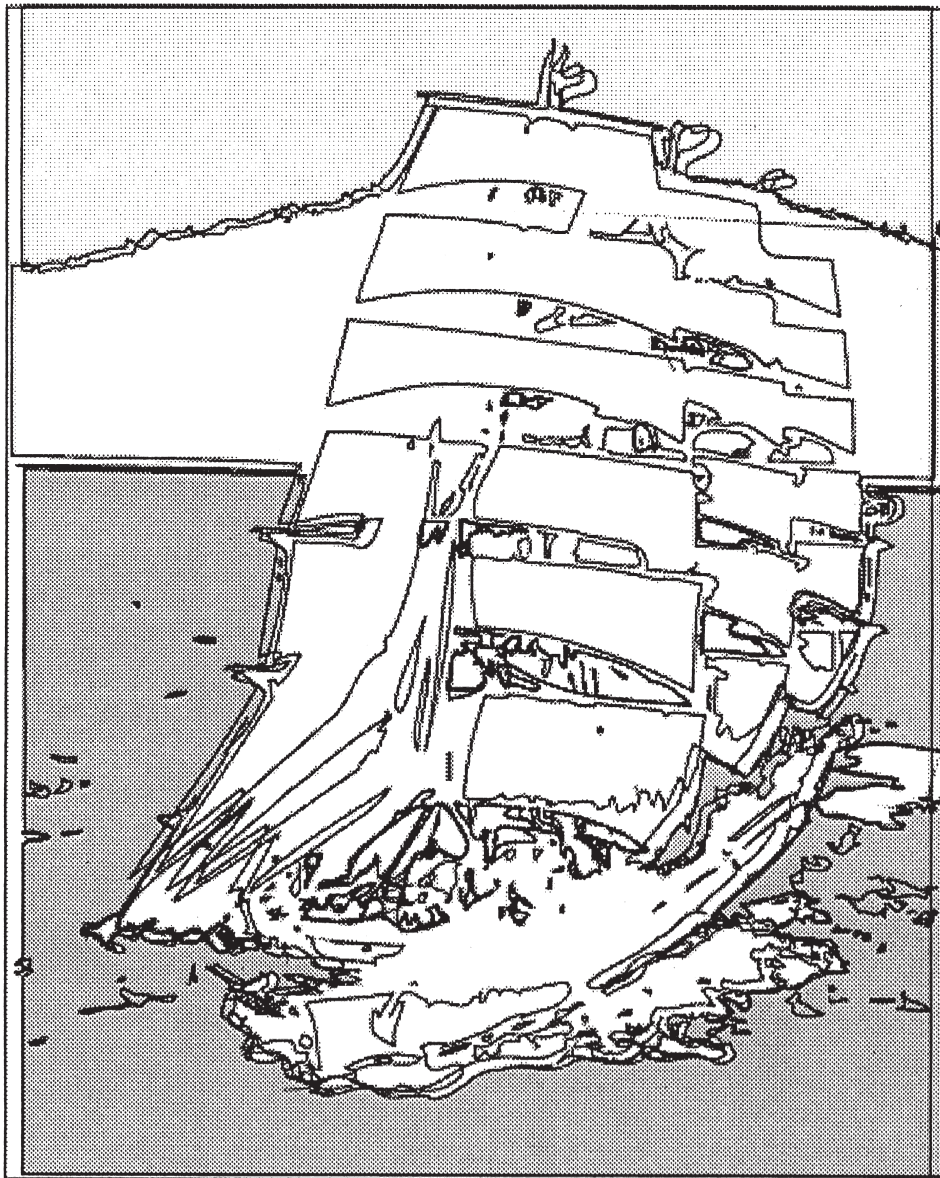


# Translated Japanese Hull Insurance Clause Book Ver.6

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# Translated Japanese Hull Insurance Clause Book

Ver.6

Sompo Japan Insurance Inc.

\*Clauses collected in this book are translated copy of the original Japanese Clauses and not valid for claims purposes unless otherwise specified in the policy schedule.

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## <Basic Clauses>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## GENERAL CLAUSES OF HULL INSURANCE

### Chapter 1 Liability for indemnification

#### (Perils insured against)

##### Article 1

1. Subject to the provisions herein contained and in the Special Clauses as specified in the Policy, the Company shall be liable to indemnify the Assured for any loss caused to the insured interest as a result of sinking, capsizing, stranding, grounding, fire, collision or any other maritime perils (hereinafter referred to as "the Accidents") encountered by the vessel specified in the Policy (hereinafter referred to as "the Vessel").  
The Company shall also be liable to indemnify the Assured for any loss caused by land perils when these perils are specially agreed to be covered.
2. Losses caused to the insured interest as referred to in the preceding paragraph include a total loss, cost of repairs, general average contribution, collision damages, sue and labor expenses, and other losses, expenses and damages.

#### (Scope of the subject-matter insured)

##### Article 2

1. Where a vessel is the subject-matter insured, in addition to the hull and machinery, it shall include, unless otherwise specifically agreed, the following articles which the Assured either owns or hires, and which are on board the Vessel. Those which the Person effecting the insurance either owns or hires shall also be treated in the same manner:
  - (1) appurtenances and fittings
  - (2) all articles for use and/or consumption in connection with the Vessel's employment, such as fuel, provisions and stores
2. Notwithstanding the provisions of the preceding paragraph, a launch, among the appurtenances, shall be deemed to be included in the subject-matter insured even while it is separated and away from the Vessel, as long as it is being used for its proper purpose.

#### (Total loss)

##### Article 3

1. When the Vessel has been lost or so seriously damaged as to be beyond repair, it shall be deemed a total loss.
2. The Assured may also make a claim for a total loss in the following cases:
  - (1) where any of the estimated amounts of cost of repairs, general average contribution or sue and labor expenses (limited only to those expenses as provided for in Article 7-1-(1), or the aggregate amount of these above, exceeds the insured value of the Vessel.
  - (2) where the Vessel has been missing for 60 days counting from the day on which news of her was last received.
  - (3) where the Assured has been deprived of the possession and use of the Vessel for a continuous period of 180 days. ,
3. In the cases provided for in items (2) and (3) of the preceding paragraph, the Assured may make a claim for a total loss even when the Policy terminates before the expiry of the respective periods specified therein.
4. Under this contract of insurance, the Assured may not make a claim for indemnity by way of abandonment of the Vessel to the Company.

#### (Cost of repairs)

##### Article 4

1. Cost of repairs means the reasonable cost and expenses for such repairs to damage sustained by the Vessel as are necessary to reinstate the Vessel in the condition she was in immediately before the damage occurred.
2. The cost of repairs as provided for in the preceding paragraph shall include the following costs and expenses which are necessary to repair the damage sustained by the Vessel excluding, however, such costs and expenses as falling under general average contribution, sue and labor expenses or as those which are necessary to be incurred regardless of the occurrence of any accident:
  - (1) costs and expenses reasonably incurred by the Vessel in proceeding, immediately after she sustained damage, to the nearest place for repairs; provided that where, in order to save on the cost of repairs, the Vessel proceeds to a place other than the nearest place for repairs with the consent of the Company, any extra costs and expenses reasonably incurred in so doing shall be limited to the amount of any saving in the cost of repairs.
  - (2) costs and expenses reasonably incurred by the Vessel in resuming the voyage originally contemplated immediately after completion of the damage repairs.
  - (3) costs and expenses reasonably incurred by the Vessel in undertaking sea trials after completion of the damage repairs.
3. The cost of repairs as provided for in paragraph 1 of this Article shall include the cost of temporary repairs in the following cases excluding, however, such costs and expenses as falling under general average contribution:
  - (1) when the necessary materials or parts for permanent repairs are unavailable for such a period of time as to cause substantial delay in effecting the permanent repairs.
  - (2) when the temporary repairs are effected in order to save on the cost of permanent repairs; provided that the cost of such temporary repairs shall be allowed only up to the saving in the cost of permanent repairs thereby achieved.
4. In the following cases where temporary repairs are effected to the Vessel, the cost of such temporary repairs other than costs and expenses falling under general average contribution or sue and labor expenses shall be included in the cost of repairs as provided for in paragraph 1 of this Article:
  - (1) where the Assured does not make a claim either for the cost of permanent repairs or for the cost of repairs as provided for in paragraph 3 of Article 27.
  - (2) where the Vessel becomes a total loss before effecting permanent repairs.
5. Where repairs to the damage caused by any of the Accidents (hereinafter referred to as "Damage Repairs") require the Vessel to be put in a drydock or on a slipway, the cost and painting expenses of anti-fouling paint (inclusive of the cost of scraping the Vessel's bottom) shall, subject to the provisions in the Special Clauses, be included in the expenses as provided for in paragraph 1 of this Article. Only that part of the cost and painting expenses of boot-topping and anti-corrosive paints which relates to the damaged area shall be included in the expenses as provided for in paragraph 1 of this Article.
6. Where Damage Repairs and other repairs and/or inspection (hereinafter referred to as "Owners' Works") of the Vessel are effected concurrently, and both of them require following expenses to be incurred, those expenses as calculated below shall be included in the expenses as provided for in paragraph 1 of this Article:
  - (1) one-half of the cost for putting on and off a slipway or entering and leaving a drydock
  - (2) one-half of the slipway dues or the drydock dues for the days during which both Damage Repairs and Owners' Works are effected concurrently
7. When the Person effecting the insurance or the Assured employs divers or puts the Vessel on a slipway or in a drydock for the sole purpose of sighting the bottom of the Vessel, with the consent of the Company, immediately after the Vessel has stranded, grounded or has been in collision or contact with any external object other than water, expenses reasonably incurred for employing divers, putting the Vessel on and off a slipway or in and out of a drydock shall be deemed the cost of repairs as provided for in paragraph 1 of this Article, even if no damage be found.



(General average contribution)

Article 5

1. General average contribution means the Vessel's proportion of general average based on the general average statement prepared by an adjuster appointed by the Person effecting the insurance or the Assured, and general average shall be adjusted according to the laws or regulations as provided for in the contract of affreightment or, in case of no such provision in the contract of affreightment, the Japanese laws or regulations or the York-Antwerp Rules, 1994. In a case where any amount allowable in general average is included in the cost of repairs as provided for in Article 4 and has been indemnified by the Company, such amount shall be deducted from the general average contribution. Should the Person effecting the insurance or the Assured fail to appoint an adjuster without delay, the Company shall be entitled to make such appointment.
2. When the Vessel sails in ballast, and the Person effecting the insurance or the Assured suffers any loss due to an act which would be construed as a general average act if there were any contributing interest other than the Vessel, the provisions of the York-Antwerp Rules, 1994 (excluding Rules X X and X X I) shall be applicable correspondingly. The voyage in this context shall be deemed to continue from the port of departure until arrival of the Vessel at the first port thereafter other than a port of refuge or port of call for bunkering only; provided that if there is an abandonment of voyage originally contemplated at any such intermediate port, the voyage shall be deemed to be terminated thereat.

(Collision damages)

Article 6

1. Collision damages means damages with regard to the following losses, which the Assured becomes legally liable to pay by way of damages in consequence of the Vessel coming into collision with any other vessel (including cases where, as a direct consequence of which collision, the other vessel further collides with a third vessel or vessels), and the amount of which has become definite by the final and conclusive judgment of a court or with the written consent of the Company:
  - (1) losses caused to the other vessel (including loss of use of the other vessel arising from the damage caused to her)
  - (2) losses caused to the cargo and/or other property on board the other vessel (hereinafter referred to as "the cargo and/or other property on board the other vessel")
2. Collision damages as provided for in the preceding paragraph shall be indemnified as follow:
  - (1) when the Vessel is solely to blame; the damages to be paid by the Assured for losses as referred to in the preceding paragraph.
  - (2) when the Vessel and the other vessel are both to blame; the damages to be paid by the Assured in proportion to the degree of fault of each vessel (should it be impossible to decide the degree of fault of each vessel, they shall be deemed equally to blame; hereinafter to be so interpreted) and on the basis of each party severally paying in full the amount due to the other without effecting a setoff against each other.
  - (3) notwithstanding the provisions in the preceding two items of this paragraph, when the liability of the Assured is limited by the laws or regulations of Japan or any other country or by international conventions; such part of the definite amount of the limitation fund or of the current value of any property tendered by the Assured according to the above laws, regulations or international conventions as apportioned as the damages for losses referred to in the preceding paragraph.
3. If the Vessel comes into collision with another vessel owned or demise-chartered by the Assured (excluding a launch belonging to the Vessel), the preceding two paragraphs of this Article shall be applicable as if the other vessel were owned or demise-chartered by a third party. In such case the degree and proportion of fault and the amount of losses on each vessel shall be determined by agreement between the Assured and the Company.
4. If no such agreement as provided for in the preceding paragraph can be reached, the matter shall be referred to a sole arbitrator to be appointed by agreement between the Assured and the Company. If no such agreement can be reached, the Assured and the Company shall each appoint an arbitrator and then the two arbitrators thus appointed shall appoint a third arbitrator, and the award shall be decided by the majority vote of such three arbitrators.

(Sue and labor expenses)

Article 7

1. Sue and labor expenses means the following expenses:
  - (1) necessary or useful expenses which the Person effecting the insurance or the Assured has incurred in fulfilling the duty of preventing or minimizing losses as provided for in paragraph 1 of Article 24 (including remuneration due from the Person effecting the insurance or the Assured to a salvor who has salvaged the Vessel independently of a salvage contract when the vessel has encountered any of the Accidents)
  - (2) necessary or useful expenses which the Person effecting the insurance or the Assured has incurred in fulfilling the duty of exercising or preserving a right of claim against third parties as provided for in paragraph 3 of Article 24; provided that when both the losses recoverable under this contract of insurance and other losses are filed or preserved in such a claim against third parties, only such proportion of these expenses as apportioned, according to the respective amounts of losses, to the former losses shall be indemnified.
  - (3) necessary or useful expenses incurred by the Assured in connection with a lawsuit or an arbitration when a lawsuit for damages in respect of losses which are recoverable under this contract of insurance has been instituted against the Assured, and the Assured has contested the lawsuit with the written consent of the Company or has submitted the dispute to arbitration after deliberations with the Company; provided that when the above-mentioned claim for damages includes both the losses recoverable under this contract of insurance and other losses, only such proportion of these expenses for lawsuit or arbitration as apportioned, according to the respective amounts claimed, to the former losses shall be indemnified.
2. When the Person effecting the insurance or the Assured has incurred the expenses referred to in the preceding paragraph in preventing or minimizing losses of the Vessel together with those of her cargo or other property on board, only the proportion of expenses which should be borne by the Vessel shall be treated as sue and labor expenses; provided that those expenses which fall under general average contribution shall be excluded.
3. Cost of repairs for damage sustained by the Vessel in preventing or minimizing the loss shall not be treated as sue and labor expenses. Losses pertaining to cargo, freight, passengers, the Master, Crew and any other person shall not be treated as such either.

(Losses caused by measures for prevention of fire or pollution damage)

Article 8

- Losses caused to the insured interest by any of the undermentioned emergency measures taken by the Japanese or foreign authorities acting under the powers vested in them in consequence of the occurrence of any of the Accidents shall be deemed to have been caused by the Accident in consequence of which the emergency measures have been taken and those losses shall be indemnified by the Company subject to these Clauses and in the Special Clauses as specified in the Policy; provided that in no case shall the Company be liable for the expenses incurred for the emergency measures:
- (1) emergency measures taken for the purpose of extinguishing fire, preventing occurrence or spread thereof or saving human life when such fire has occurred on board the Vessel or when there has been a threat of such fire thereon
  - (2) emergency measures taken to prevent or mitigate pollution, or threat thereof, of the seas, rivers, etc. resulting from oil etc. spilled or discharged from the Vessel.

(Limit of indemnity)

Article 9

1. The indemnity to be paid by the Company shall always be limited to the insured amount per Accident.
2. Notwithstanding the provision of the preceding paragraph, the under-mentioned damages or expenses shall be paid by the Company independently of other claims recoverable under this insurance, but the sum recoverable under each item shall in no circumstances exceed the insured amount:



- (1) collision damages as provided for in Article 6.
  - (2) sue and labor expenses incurred by the Person effecting the insurance or the Assured as provided for in Articles 7-1-(1) and 7-1-(2); provided that in respect of those expenses stipulated in Article 7-1-(1), only such expenses as are incurred by the Person effecting the insurance or the Assured with the prior written consent of the Company when the Vessel is in danger of becoming a total loss shall be recoverable.
  - (3) among the expenses as provided for in Article 7-1-(3), necessary or useful expenses for lawsuit or arbitration incurred by the Assured when a lawsuit for damages for losses as enumerated in paragraph 1 of Article 6 has been instituted against the Assured.
3. The Company shall be liable to indemnify the Assured for losses in such proportion as the insured amount bears to the insured value.

(Period of insurance)

Article 10

1. Where the contract of insurance is for a definite period of time (hereinafter referred to as a "Time Policy"), the Company's liability shall commence, unless otherwise specified in the Policy, from noon of the day specified in the Policy and shall terminate at noon of the day specified in the Policy.
2. The time referred to in the preceding paragraph shall be Japanese Standard Time unless otherwise specified in the Policy.
3. Where the contract of insurance is for a single voyage (hereinafter referred to as a "Voyage Policy"), the Company's liability shall commence, unless otherwise specially agreed, at the time when the Vessel has commenced either casting off moorings or weighing anchor, whichever shall first occur, at the port of departure specified in the Policy and shall terminate upon expiry of 24 hours after either she has dropped her anchor or she has been moored, whichever shall first occur, at the port of destination specified in the Policy. If, however, the Vessel has either commenced loading of cargo or other preparations for the departure for another voyage or she has commenced casting off moorings or weighing anchor, the Company's liability shall terminate at the first in time of any such occurrence even if it is within the said 24 hours.
4. Should the period of insurance expire whilst the Vessel is at sea or in distress due to any of the Accidents and the liability of the Company is undecided, the Person effecting the insurance or the Assured may extend the period of insurance for a period of 30 days by giving notice in writing to the Company prior to the expiration of the original period of insurance and by paying a pro rata additional premium for a minimum period of 30 days. Further extensions can be made under the same rule of the minimum period of 30 days. Even when the period of insurance is extended, however, it shall expire at the time when any of the following situations arises:
  - (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
  - (2) when the liability of the Company in respect of the Accident has been decided or when the repair of the damage has been completed, whichever shall first occur.
5. This contract of insurance shall terminate when the Vessel has become a total loss during the period of insurance.

Chapter 2 Exclusions

(Excluded losses - 1)

Article 11

The Company shall not be liable to indemnify any loss caused by the following:

- (1) war, civil war or any other hostile operations
- (2) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives
- (3) seizure, capture, detainment, confiscation or expropriation whether by public authorities or otherwise
- (4) piracy
- (5) strikes, lock-outs or other labor disturbances or related actions by persons taking part therein
- (6) actions by terrorists or any other persons acting maliciously or from a political motive
- (7) riots, political or social commotions or other similar disturbances
- (8) radioactive or detonative or any other detrimental effects of nuclear fission, fusion or any other similar reaction
- (9) attachment, provisional attachment, implementation of security rights or any other disposal in legal proceedings.

(Excluded losses -2)

Article 12

1. The Company shall not be liable to indemnify any loss caused by the following items; provided that in the case of any one of the persons referred to in items (1) and (2) below being the Master or Crew, these items shall not be applicable to a loss caused by gross negligence of the Master or Crew acting in their capacity as such:
  - (1) willful misconduct or gross negligence of the Person effecting the insurance, the Assured or the Agent thereof (directors or any other executive organs in case any of these persons being a corporation)
  - (2) willful misconduct or gross negligence of the Beneficiaries or their Agents other than those referred to in item (1) above; provided that this exclusion shall be applicable only to the amount of indemnity due to such person
  - (3) willful misconduct of the Master or Crew acting with the intention of causing any of the persons referred to in items (1) and (2) above to obtain the indemnity
2. The preceding paragraph shall not apply to loss or damage caused by gross negligence referred to in items (1) and (2) above, provided that the Assured becomes liable to pay such loss or damage.

(Excluded losses -3)

Article 13

The Company shall not be liable to indemnify any loss caused by the following (in the case of losses due to the causes enumerated in items (1) and (2) below, the loss caused to the part containing any of these causes shall also be included); provided that in no case shall this exclusion be applicable to the cases where the cause mentioned in item (2) could not be discovered, or the cause mentioned in item (3) occurred in spite of due diligence exercised by the Person effecting the insurance or the Assured;

- (1) abrasion, corrosion, rust, deterioration or any other wear and tear of the Vessel
- (2) defect existing in the Vessel
- (3) unseaworthy condition of the Vessel at the time of sailing (including sailing from a port of call) for safe prosecution of the voyage or unsuitable condition of the Vessel for safe mooring or anchoring in case of the Vessel being moored or anchored.

(Excluded losses -4)

Article 14

1. The Company shall not be liable to indemnify any loss caused by the Accidents occurring subsequent to the happening of the following circumstances, unless the Company's agreement in writing to reinstate the cover is obtained after such circumstances have ceased to exist:
  - (1) when the Vessel has failed to undergo a necessary inspection by the authorities or the classification society of the Vessel or an inspection designated by the Company for the safe prosecution of voyage.

- (2) when the Vessel's classification society has been changed or its class registration has been deleted, except when the Company's agreement in writing has been obtained.
  - (3) when, in case of a Time Policy, the Vessel has deviated from the trading limits specified in the Policy or has navigated by an unusual route, or when, in case of a Voyage Policy, the Vessel has not sailed within the period specified in the Policy or has navigated by an unusual route or has deviated from the route specified in the Policy or has changed its destination, except when any of such deviation or navigation has been made for the purpose of avoiding imminent danger, saving human life or medical treatment for any person on board the Vessel or with the written consent of the Company.
  - (4) when the Vessel has been employed for any purpose in violation of the laws or regulations of Japan or any other country or international conventions.
  - (5) when the Vessel has entered an area of war or warlike disturbances or when she has been employed for any purpose connected with war or warlike disturbances, except when the Company's written consent has been obtained.
  - (6) when there has been a change of the owner or the charterer-by-demise of the Vessel, except when the Company's written consent has been obtained.
  - (7) when the structure of the Vessel or the purpose for which she was employed has been substantially changed, except when the Company's written consent has been obtained.
  - (8) when the risks covered by the Company have substantially changed or increased due to any circumstance other than those enumerated in the preceding items, for which the Person effecting the insurance or the Assured is responsible, except when the Company's written consent has been obtained.
2. If, in the cases of items above in the preceding paragraph, the Person effecting the insurance or the Assured makes a request in writing to the Company for its agreement to continue the coverage, the Company may decline such request and may cancel the contract of insurance by written notice to the Person effecting the insurance; such cancellation shall take effect therefrom only for the future.
  3. When the risks covered by the Company have substantially changed or increased for any circumstance, other than those enumerated in items (1) through (7) of paragraph 1 of this Article for which the Person effecting the insurance or the Assured is not responsible, he must give notice thereof to the Company as soon as he has become aware of the fact. If he fails to give such notice by his wilful misconduct or gross negligence, the Company shall not be liable to indemnify any loss caused by the Accidents occurring subsequent to the happening of the circumstance of which notice should have been given.
  4. In case of the preceding paragraph, the Company may cancel this contract of insurance by giving 10 days' previous notice in writing to the Person effecting the insurance when the Company has become aware of such fact irrespective of a notice having been given or not by the Person effecting the insurance or the Assured; such cancellation shall take effect therefrom only for the future.
  5. The Company's right to cancel this insurance contract as provided in the paragraph 2 shall cease to exist, unless the Company exercises such right within one month from the following day of the date on which the Company became aware of the circumstances giving rise to its right of cancellation, or five years from the time of occurring the fact mentioned in the paragraph 1.
  6. The Company's right to cancel this insurance contract as provided in the paragraph 4 shall cease to exist, unless the Company exercises such right within one month from the following day of the date on which the Company became aware of the circumstances giving rise to its right of cancellation, or five years from the following day of the date on which the insured perils being substantially altered or increased due to the reason not attributable to the Person effecting the insurance or the Assured.

(Excluded losses -5)

#### Article 15

The Company shall not be liable to indemnify collision damages as provided for in Article 6 for the following liabilities as well as liabilities arising from the causes enumerated in Articles 11 through 13:

- (1) aggravated liability under any contract
- (2) liability for losses on any property other than the other vessel and the cargo and/or other property thereon
- (3) liability for losses on any interest other than the interest of use of the other vessel
- (4) liability for loss of life, personal injury or illness
- (5) liability for expenses incurred to comply with the order of the authorities to refloat or remove the other vessel and the cargo or other property thereon or any other things
- (6) liability for expenses incurred to prevent or mitigate pollution of the seas, rivers, etc.
- (7) when the Vessel is being towed or pushed by another vessel or vessels or is towing or pushing another vessel or vessels, liability for losses arising from collision between any other vessel belonging to such flotilla of vessels and another vessel not belonging thereto, unless such collision has occurred in direct consequence of a collision between the Vessel and any other vessel belonging to the flotilla.

#### Chapter 3 Avoidance of the insurance contract, etc.

(Avoidance, revocation and cancellation of the contract of insurance due to any grave reason)

#### Article 16

1. This insurance contract shall be void in the case where the Person effecting the insurance conclude this insurance contract with an intention of acquiring insurance claim money illegally or having a third party to acquire insurance claim money illegally.
2. The Company may revoke this contract by written notice to the Person effecting the insurance in the case where the company conclude this insurance contract by any fraud or duress of the Person effecting the insurance or the Assured.
3. The Company may cancel this insurance contract by written notice to the Person effecting the insurance in the case of any of the reasons described below;
  - (1) The Person effecting the insurance or the Assured has caused or attempted to cause any loss or damage with an intention of having the Company to pay insurance claim money under this insurance contract;
  - (2) The Assured has committed or attempted to commit any fraud as to request for payment of insurance claim money under this insurance contract;
  - or
  - (3) Apart from the reasons described in items (1) and (2), the Person effecting the insurance or the Assured has caused any grave reason which may erode the Company's trust in the Person effecting the insurance or the Assured and make it difficult to continue this insurance contract.
4. The cancellation as stated in the preceding paragraph shall take effect therefrom only for the future. Nevertheless, the Company shall not be liable to indemnify any loss or damage caused by the Accidents occurring after any of the reasons described in the preceding paragraph happens. If, in such circumstances, the Company has already paid the insurance claim money, the Company may require return thereof.

(Duty of disclosure and cancellation for breach thereof)

#### Article 17

1. The person who is to become the Person effecting the insurance or the Assured shall, at the time of effecting this insurance contract, disclose the following facts precisely to the Company:
  - (1) the fact that any other insurance contracts are effected concurrently with this insurance contract on the same insured interest, insured perils and period of insurance or any part thereof

- (2) the items mentioned in application form of this insurance
  - (3) any material facts, other than those enumerated in the preceding items, which may affect the decision of the Company as to the acceptance or non-acceptance of the contract or the contents thereof.
2. The Company may cancel this insurance contract by written notice to the Person effecting the insurance, if the Person effecting the insurance or the Assured failed to disclose any material facts which he knew or made untrue disclosure by wilful misconduct or gross negligence in respect of the insured perils as described in the items in the preceding paragraph.
  3. The provisions of the preceding paragraph shall not apply in either of the following cases:
    - (1) where at the time of effecting this insurance contract the Company was aware of the material facts which was not disclosed by the Person effecting the insurance or the Assured, or where the Company was aware that what was disclosed by the Person effecting the insurance was untrue, or where the Company was unaware of them through its own negligence;
    - (2) If any person acting as an agent for the Company in effecting the insurance contract prevented the Person effecting the insurance or the Assured from disclosing any material facts or advised them not to disclose any material facts or to make untrue disclosure.
  4. The cancellation as stated in paragraph 2 shall take effect therefrom only for the future. Nevertheless, the Company shall not be liable to pay any loss or damage caused by the Accidents even if the cancellation was made after the Accidents occurred. If, in such cases, the Company has already paid the insurance claim money, the Company may require return thereof. This exclusion, however, shall not apply to any loss or damage caused by the Accidents which were not attributable to the facts either undisclosed or made untrue disclosure by the Person effecting the insurance or the Assured.
  5. The Company's right to cancel this insurance contract as provided in the paragraph 2 shall cease to exist, unless the Company exercises such right within one month from the following day of the date on which the Company became aware of the circumstances giving rise to its right of cancellation, or five years from the time of effecting this insurance contract.

(Agreement as to the amount of insured value and its substantial increase or decrease)

Article 18

1. The Company and the Person effecting the insurance shall agree as to the amount of insured value when the contract of insurance is effected.
2. If the value of the insured interest has substantially increased or decreased during the period of insurance, either the Company or the Person effecting the insurance may request in writing to the other to change the amount of insured value and/or the insured amount specified in the Policy.
3. When such agreement is reached on the change as referred to in the preceding paragraph, the Company shall claim or return a pro rata daily insurance premium for the increased or decreased portion of the amount of insured value or the insured amount.

(Inspection of the Vessel)

Article 19

1. The Company may inspect, whenever it deems it necessary to do so at any time during the period of insurance, the Vessel or loaded condition of the cargo or ballast thereon, and may also demand the Person effecting the insurance, the Assured or the Master to produce his report on whatever subjects the Company may designate.
2. If the Person effecting the insurance, the Assured or the Master refuses to allow an inspection or to produce report as referred to in the preceding paragraph without any justifiable reason, the Company may cancel this contract of insurance by written notice to the Person effecting the insurance; such cancellation shall take effect therefrom only for the future.
3. The Company's right to cancel this insurance contract as provided in the preceding paragraph shall cease to exist, unless the Company exercises such right within one month from the following day of the date on which the Company became aware of the circumstances giving rise to its right of cancellation as provided in the preceding paragraph.

Chapter 4 Payment and return of premium

(Payment of premium)

Article 20

1. The Person effecting the insurance shall pay the premium as specified in the Policy on the date(s) specified also therein (hereinafter referred to as "the Due Date").
2. If the Person effecting the insurance shall have failed to pay the premium on the Due Date, the Company shall not be liable to indemnify any loss or damage caused by the Accidents occurring during the period from the Due Date to the time when payment is made.
3. In the event of non-payment of premium within 30 days after the Due Date, the Company may cancel this contract of insurance by written notice to the Person effecting the insurance at such time; such cancellation shall take effect therefrom only for the future.

(Return of premium in case of avoidance or revocation)

Article 21

1. When this insurance contract shall be null and void according to the Paragraph 1 of the Article 16, the Company shall not return the premium already paid to the Company.
2. When this insurance contract shall be revoked according to the Paragraph 2 of the Article 16, the Company shall not return the premium already paid to the Company.

(Return of premium in case of cancellation)

Article 22

1. When this insurance contract shall be cancelled by the Company according to the Paragraph 2 or Paragraph 4 of the Article 14, the Paragraph 3 of the Article 16, the Paragraph 2 of the Article 17, the Paragraph 2 of the Article 19 or the Paragraph 3 of the Article 20, the Company shall return the portion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis from the following day of when the contract is cancelled.
2. The Person effecting the insurance may cancel this insurance contract by written notice to the Company. However, in case of the rights of the Assured having been pledged to the pledgee or assigned to the assignee, such right of cancellation shall not be exercised without prior agreement of the pledgee or assignee in writing.
3. When this insurance contract shall be cancelled by the Paragraph 2 of this Article, the Company shall return or request the difference between the premium already paid and the premium calculated for the expired period according to the short term rate scale attached thereto.

(Return of premium in case of termination of the insurance contract by total loss)

Article 23

When this insurance contract shall be terminated according to the Paragraph 5 of the Article 10, the Company;

- (1) shall request all outstanding premium, and shall not return the premium already paid in case the Company shall pay total loss under the contract, or
- (2) shall return the portion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis from the following day of when the contract is terminated in case the Company shall not pay total loss under the contract.

## Chapter 5 Occurrence of the Accident

### (Duty to prevent loss)

#### Article 24

1. In case of any of the Accidents having occurred, it is the duty of the Person effecting the insurance or the Assured to endeavor to prevent or minimize a loss and to cause the Master to do so.
2. If the Person effecting the insurance or the Assured has failed to prevent or minimize the loss by wilful misconduct or gross negligence, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been prevented or minimized.
3. Where the Person effecting the insurance or the Assured has a right of claim for compensation of the loss against a third person (including the Person effecting the insurance, his agents and employees in case of the insurance for the benefit of another person; hereinafter to be so interpreted), it is his duty to exercise or preserve such right of claim.
4. If the Person effecting the insurance or the Assured has failed to take necessary measures to exercise or preserve his right of claim for compensation of the loss against a third party by wilful misconduct or gross negligence, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been recovered from the third party.

### (Duty to notify the Accident)

#### Article 25

1. When the Person effecting the insurance or the Assured becomes aware of the Vessel having encountered any of the Accidents or has a doubt that the Vessel may have encountered such Accident, he shall, without delay, give notice thereof to the Company and produce the Master's report duly certified by the maritime authorities having jurisdiction over the waters where such Accident occurred and any other documents that may be required by the Company.
2. If the Person effecting the insurance or the Assured has failed to comply with such duty as provided for in the preceding paragraph without any justifiable reason, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been prevented or minimized.
3. If the Person effecting the insurance, the Assured or the Master has made, in giving notice of the Accident or producing any documents stipulated in the paragraph 1 of this Article, any false statement or wilful concealment of the facts, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been prevented or minimized.

### (Investigation when the Accident occurred)

#### Article 26

1. On receiving the notice of the Accident stipulated in paragraph 1 of the preceding Article, the Company may make necessary investigation in respect of the Vessel and may also demand the Person effecting the insurance, the Assured or the Master to produce his report on whatever subjects the Company may designate.
2. If the Person effecting the insurance, the Assured or the Master refuses such investigation or to produce the report stipulated in the preceding paragraph without any justifiable reason, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been prevented or minimized. Nevertheless, the Company shall not pay the claim until the Person effecting the insurance, the Assured or the Master shall produce such report or allow such investigation.

### (Repairs)

#### Article 27

1. When the Vessel sustains damage by any of the Accidents, the Person effecting the insurance or the Assured shall repair the damage without delay, after the completion of which the Company shall indemnify the Assured for the cost of such repairs. Where the Person effecting the insurance or the Assured has failed to repair the damage without delay and has repaired it later, the Company's liability shall be limited to the estimated cost of those repairs which would have been required and incurred had the repairs been effected without delay.
2. In obtaining the quotation for the cost of repairs before effecting the repairs as mentioned in the preceding paragraph, the Person effecting the insurance or the Assured shall consult with the Company beforehand and, if the Company so requests, he should let any person named by the Company participate in the quotation for the cost of repairs.
3. Notwithstanding the provision of paragraph 1 of this Article, where the Vessel is sold or broken up without effecting repairs to the damage sustained by the Accident, the Company shall indemnify the Assured for the estimated cost of repairs had the repairs of the said damage been made, but in no case for a higher amount than the depreciation in value of the Vessel due to such damage (and in any event limited only to the amount for which the Company would have been liable to indemnify as the cost of repairs).
4. Where the Vessel has become a total loss (irrespective of whether resulting from any of the Accident or not) before completion of the repairs to damage caused by the Accident, the Company shall not be liable for the unrepaired damage existing at the time.

## Chapter 6 Claims for and payment of indemnity

### (Claims for and payment of indemnity)

#### Article 28

1. The right of making a claim for indemnity from the Company shall be given to be exercised from the time when loss or damage is caused by the Accident as provided in Article 1
2. In making a claim for indemnity, the assured shall submit the following documents or evidence requested by the Company.
  - (1) payment order
  - (2) proof of loss
  - (3) other documents or evidence specified in the papers provided by the Company at the time of entering into this insurance contract which may be necessary for the Company to verify the fact as provided in paragraph 6.
3. The Company may request, according to the nature of accident or the amount of loss or damage, submission of documents or evidence other than those listed in the preceding paragraph, or cooperation in investigation conducted by the Company from the Person effecting the insurance or the Assured. In such case, the Person effecting the insurance or the Assured shall submit such documents or evidence as required by the Company without delay and provide necessary cooperation.
4. If the Person effecting the insurance or the Assured, without any justifiable reason, violates the provision of the preceding paragraph, or misrepresents any fact in the documents or forges or alters documents or evidences mentioned in the preceding paragraph or the paragraph 2, the Company shall determine the amount of indemnity on the basis of the balance arrived at by deducting from the amount of loss caused by the Accidents such proportion thereof as could otherwise have been prevented or minimized.

5. The right of making a claim for indemnity shall, upon the lapse of three years counting from the following day of the date as provided in the paragraph 1, be extinguished by prescription.
6. The Company shall make a payment of claim within thirty days from the date on which the procedures as provided for the paragraph 2 are completed by the Assured (hereinafter called "claim completion day"), after completing verification of the following matters necessary for the Company to pay the claim.
  - (1) any facts relevant to the cause of the Accident, circumstances leading up to the Accident, existence of loss or damage and the identity of the Assured, which are necessary to verify the existence of causes giving rise to a valid insurance claim,
  - (2) any facts relevant to the causes of excluded losses as provided in this policy, which are necessary to verify the existence of the causes of excluded losses
  - (3) the amount of loss or damage and the relation between the Accident and loss or damage, which are necessary to verify the amount of claim payable
  - (4) existence of any facts relevant to the causes of cancellation, avoidance or revocation as provided for in this policy, which are necessary to verify the validity of this contract,
  - (5) apart from those mentioned in the preceding items, any facts which are necessary to determine the amount of claim payable by the Company, including existence of any other insurance contracts, existence of any right of making a claim or any other rights or any claim already recovered by the Assured regarding loss or damage and particulars thereof.
7. Notwithstanding the provision of the preceding paragraph, if any of the following special inquiries or investigations are essential to complete verification mentioned in the preceding paragraph, the Company shall make a payment of claim within the number of days described below counting from the claim completion day (when more than one described below is applicable, whichever is the longest). In this case, the Company shall notify the Assured of the matters necessary for verification and the time by when such verification shall be completed.
  - (1) inquiry for the result of investigation by the police, prosecution, fire department or other public organization (including inquiry in accordance with Legal Profession Act (Act No.205 of 1949) or other laws) for verifying the matters mentioned in the items (1) to (4) of the preceding paragraph : 180days
  - (2) inquiry for the result of appraisal by medical institution, survey organization or other professional organization for verifying the matters mentioned in the items (1) to (4) of the preceding paragraph : 90days
  - (3) inquiry for the result of diagnosis by medical institution for verifying the content and extent of residual disability or diagnosis / appraisal by other professional organization for certifying the residual disability mentioned in the item (3) of the preceding paragraph : 120days
  - (4) investigation in a disaster area where the Disaster Relief Act (Act No. 118 of 1947) was invoked for verifying the matters mentioned in each item of the preceding paragraph : 60days
  - (5) investigation outside Japan in case where alternative means for verifying the matters mentioned in each item of the preceding paragraph are not available within Japan : 180days
  - (6) inquiry for the result of appraisal by the professional organization for verifying the matters mentioned in the items (1) to (4) of the preceding paragraph in case where the subject matter insured damaged by the Accident, the cause and nature of damage and/or its repair methods are special or numerous subject matters insured (including the subject matters for liability) are damaged by the same Accident : 180days
8. When it becomes clear for the Company to be unable to make a claim payment within the period mentioned in the items (1) to (6) in the preceding paragraph after commencement of special inquiries / investigations, the Company may extend the period mentioned in each item based on the agreement with the Assured reached within the period mentioned in each item in the preceding paragraph.
9. If the Person effecting the insurance or the Assured prevents the Company from verifying the necessary matters described in the preceding three paragraphs or fails to respond to such verification (including failing to provide necessary cooperation) without any justifiable reason, the period of delay thereby shall not be included in the period as provided for in the preceding three paragraphs.

(Deduction of unpaid premium from indemnity)

Article 29

1. If there is any unpaid premium out of the premium specified in the Policy, the same shall be deducted from the amount to be indemnified in the following manners:
  - (1) when an indemnity for a total loss is to be made, the unpaid premium shall be deducted therefrom whether it is due or not.
  - (2) when an indemnity is to be made for losses other than a total loss, the unpaid premium which is already due shall be deducted therefrom.

(Measure of indemnity in case of double insurance)

Article 30

1. Where one or more other policies are effected with the Policy on the same insured interest, insured perils and period of insurance or any part thereof, and the aggregate sum of the respective amounts of indemnities in each policy calculated independently of the other policies (hereinafter referred to as "the Independent Sum of Indemnity") exceeds the amount of loss, the Company shall pay as its indemnity such proportion of the amount of loss as the Independent Sum of Indemnity under the Policy bears to the aggregate sum of each Independent Sum of Indemnities.
2. Where the amounts of insured value of these policies differ, the amount of loss as provided for in the preceding paragraph shall be that applicable under the policy incorporating the highest amount of insured value.

(Proprietary right in the Vessel in case of a total loss)

Article 31

1. Where the Vessel becomes a total loss and the Company indemnifies therefor, the Company shall be entitled to choose whether or not to acquire the proprietary right in the Vessel.
2. Where the Company does not acquire the proprietary right in the Vessel in accordance with the preceding paragraph, the Company shall so inform the Assured before making the payment of indemnity.
3. Where the Company acquires the proprietary right in the Vessel in accordance with paragraph 1 of this Article, the Company shall, by the payment of total loss, acquire the proprietary right in the Vessel in such proportion as the insured amount bears to the insured value.

(Encumbrances existing on the Vessel in case of a total loss)

Article 32

1. Where the Vessel becomes a total loss, the Assured or the Beneficiary must inform the Company of the following facts before they make a claim for the indemnity of total loss:
  - (1) Existence or non-existence of any preferential right, pledge, mortgage, right of charter-by-demise, lien and any other rights existing on the Vessel which may restrict the proprietary right therein and, if any such exists, the contents thereof.
  - (2) Existence or non-existence of any legal liabilities attaching to the Vessel either under the public or private law or any fact that may give rise to such liabilities.
2. The Company may withhold the payment of indemnity until the information is provided by the Assured or the Beneficiary in accordance with the preceding paragraph.
3. Even after the Company has acquired the proprietary right in the Vessel in accordance with the preceding Article, any sum of money necessary to satisfy



or extinguish the rights enumerated in item (1) of paragraph 1 of this Article, or, to discharge the liabilities stipulated in item (2) of paragraph 1 of this Article, shall be borne by the Assured or the Beneficiary.

(Subrogation to rights of claim against third parties)  
Article 33

If, in a case where loss has been caused by any of the Accidents, the Assured has acquired a right of claim for compensation against a third party and the Company has indemnified the Assured for the loss, the Company shall acquire such right, to the extent of the amount paid and in so far as the right of the Assured is not prejudiced.

Chapter 7 Miscellaneous

(Jurisdiction)  
Article 34

Any lawsuit arising out of this contract of insurance shall be filed to the court having the jurisdiction over the district where the Company's Head Office is located.

(Governing law)  
Article 35

The matters which are not provided for either in these Clauses or in the Special Clauses as specified in the Policy shall be governed and construed in accordance with Japanese laws and regulations.

(Appendix) Short Term Rate Scale

The short term rate shall be obtained by multiplying the annual rate with the percentage as listed below.

Expired Period	Percentage (%)
1 month or less	20
2 months or less	30
3 months or less	40
4 months or less	50
5 months or less	60
6 months or less	70
7 months or less	80
8 months or less	90
more than 8 months	100





## <Special Clauses>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## CO-INSURERS CLAUSES

- Article 1. This insurance being a co-insurance of the insurance companies as specified in the Schedule (hereinafter referred to as “Co-insurers”), they, each for themselves and not one for the others, shall severally and independently have the rights and assume the liabilities in proportion to their respective insured amount or shares as specified in the Schedule.
- Article 2. The insurance company which is designated as the leading company by the Person effecting the insurance at the time of effecting this insurance contract and which is specified as the leading company in the Schedule (hereinafter referred to as the “Leading Company”), shall execute the following matters on behalf of all Co-insurers.
- (1) receipt of application for insurance and issue and delivery of insurance policies etc.
  - (2) receipt or return of insurance premiums
  - (3) consent to alterations of insurance contract , cancellation or revocation of insurance contract
  - (4) receipt of documents etc. connected with disclosure or notice based on provisions under insurance contract and consent to of such disclosure or notice
  - (5) receipt of documents etc. connected with assignment of right of claims etc. and consent to such assignment, or receipt of documents etc. connected with establishment, assignment or extinguishment of right of pledge for right of claims etc. and consent to such establishment, assignment or extinguishment
  - (6) issue and delivery of endorsements etc. on insurance policy
  - (7) investigation of subject-matter insured and any other matters connected with insurance contract
  - (8) receipt of documents etc. connected with notice of occurrence of accidents or losses and receipt of documents etc. connected with claims
  - (9) survey for losses, assessment of losses, payment of claims etc. and preservation of right of Co-insurers
  - (10) any other matters incidental to the above
- Article 3. The matters listed in the Article 2 above which may be executed by the Leading Company in connection with this insurance contract shall be deemed as executed by all Co-insurers.
- Article 4. Any notice or any other matters which may be given to the Leading Company by the Person effecting the insurance or the Assured etc. in connection with this insurance contract shall be deemed as given to all Co-insurers.

## PAYMENT OF PREMIUM CLAUSES

### Chapter 1. Common Clauses

- Article 1. The Person effecting the insurance shall pay the premium or the additional premium in accordance with payment terms and the due date as specified in the Policy or the Endorsement.
- Article 2. The provision of Article 20-3 of the General Clauses of Hull Insurance (hereinafter called “the General Clauses”) shall be read as follows.  
In the event of non-payment of the premium within 30 days after the Due Date, the Company may cancel this contract of insurance by written notice to the Person effecting the insurance at such time; such cancellation shall take effect from the due date retroactively.
- Article 3. In respect of the cancellation as provided in Article 20-3 of the General Clauses, the Company shall give a notice of cancellation to the Person effecting the insurance at his address, or if the Person effecting the insurance has designated in advance another addressee to be notified, the Company shall give a notice of cancellation to the designated addressee. The notice of cancellation addressed to the designated addressee shall be deemed to have reached the Person effecting the insurance at the time when it reaches the designated addressee.

### Chapter 2. Payment of the First Premium

- Article 4. 1. The provision of this Chapter shall be applied only when the Company agrees, at the time of effecting this insurance contract, that the Person effecting the insurance pays the premium in cash (when the provisions of Chapter3 are applied, the first installment premium; hereinafter called “the First Premium”).
2. Notwithstanding the provision of Article 20-1 of the General Clauses, the Company agrees that the Person effecting the insurance pays the First Premium until 7days after the day of effecting insurance (hereinafter called “the Last day of Grace of the First Payment ”) .
3. Notwithstanding the provision of Article 20-2 of the General Clauses, even if after commencement of this insurance the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay by the Last day of Grace of the First Payment in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.
- Article 5. 1. Notwithstanding the provision of the preceding paragraph, the Company agrees that the Person effecting the insurance may pay the First Premium on or before the specific date (hereinafter called “the Extended Due Date”) designated by the Company in writing due to a cause which is particularly recognized by the Company.
2. In case the preceding paragraph is applied, the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay by the Extended Due Date in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.

### Chapter 3. Payment of the Installment Premiums

- Article 6. The provision of this Chapter shall be applied only when the Company agrees, at the time of effecting this insurance contract, that the Person effecting the insurance pays the premium in installments (but limited only to when number of installments, due date for each installment premium and amount of each installment premium (hereinafter called “the Installment Premium”) are specified in the policy).
- Article 7. 1. The Person effecting the insurance shall pay the 1st installment premium at the time of effecting this insurance contract, except when the provisions of Chapter 2 are applied.
2. The 2nd or subsequent installment premiums shall be paid on or before each due date.
- Article 8. 1. Notwithstanding the provision of Article 20-2 of the General Clauses, the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay the 2nd or subsequent installment premiums on or before the day having the same number (hereinafter called “the corresponding day”) in the month after next to the month to which the due date belongs (if the corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day; hereinafter to be so interpreted) in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.
2. With regard to the 2nd or subsequent installment premiums, the provision of Article 20-3 of the General Clauses shall be read as follows.  
In the event of non-payment of the premium by corresponding day (if corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day), the Company may cancel this contract of insurance by written notice to the Person effecting the insurance at such time; such cancellation shall take effect from the due date retroactively.

#### Chapter 4. Payment of the Premium due to the Amendment of the Insurance

- Article 9. 1. The provision of this Chapter shall be applied only when that the Person effecting the insurance pays the additional premium (when the provisions of Chapter 5 are applied, the first installment additional premium; hereinafter called "the First Additional Premium").
2. Notwithstanding the provision of Article 20-1 of the General Clauses, the Company agrees that the Person effecting the insurance pays the First Additional Premium until 7 days after the day of endorsing insurance (hereinafter called "the Last day of Grace of the First Additional Payment").
3. Notwithstanding the provision of Article 20-2 of the General Clauses, even if after endorsing of this insurance the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay by the Last day of Grace of the First Additional Payment in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.
- Article 10.1. Notwithstanding the provision of the preceding article, the Company agrees that the Person effecting the insurance may pay the First Additional Premium on or before the specific date (hereinafter called "the Extended Due Date") designated by the Company in writing due to a cause which is particularly recognized by the Company.
2. In case the preceding paragraph is applied, the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay by the Extended Due Date in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.

#### Chapter 5. Payment of Installment Premiums due to the Amendment of the Insurance

- Article 11. The provision of this Chapter shall be applied only when the Company agrees, at the time of endorsing the amendment to this insurance contract, that the Person effecting the insurance pays the additional premium in installments (but limited only to when number of installments, due date for each installment additional premium and amount of each installment additional premium (hereinafter called the "the Installment Additional Premium") are specified in the Endorsement).
- Article 12.1. The Person effecting the insurance shall pay the 1st installment additional premium at the time of requesting the amendment of this insurance, except when the provisions of Chapter 4 are applied.
2. The 2nd or subsequent installment additional premiums shall be paid on or before each due date.
- Article 13.1. Notwithstanding the provision of Article 20-2 of the General Clauses, the Company shall not be liable for any loss caused by the Accidents occurring after the due date, if the Person effecting the insurance shall have failed to pay the 2nd or subsequent installment additional premiums on or before the day having the same number in the month after next to the month to which the due date belongs (if the corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day; hereinafter to be so interpreted) in which case the Company shall be liable only for any loss caused by the Accidents occurring after the date on which such payment is made.
2. With regard to the 2nd or subsequent installment additional premiums, the provision of Article 20-3 of the General Clauses shall be read as follows. In the event of non-payment of the premium by corresponding day (if corresponding day does not exist in the month after next, the last day of such month shall be the corresponding day), the Company may cancel this contract of insurance by written notice to the Person effecting the insurance at such time; such cancellation shall take effect from the due date retroactively.

1/4/2016

### **DEFERRED PREMIUM PAYMENT CLAUSE FOR ENDORSEMENT (J)**

Notwithstanding anything to the contrary contained in the article 20-1 of the General Clauses of Hull Insurance and the article 10-1 of Payment of Premium Clauses, the person effecting the insurance shall pay the additional premium on or before the extended due date specified in the deferred premium payment agreement subject to prior conclusion of the said agreement

### **RETURN OF PREMIUM CLAUSES (J)**

- Article 1. Notwithstanding the provisions of Paragraph 3 of Article 22 of the General Clauses of Hull Insurance (hereinafter called "the General Clauses"), the Company shall return the proportion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis from the following day of when the contract is cancelled, when the Person effecting the insurance cancels the insurance contract as the result of the following circumstances;
- (1) where the owner and/or the character-by demise of the Vessel have been changed.
- (2) where the insured interest has ceased to exist, except for when a claim for total loss is paid in this contract in which case the Company may demand the whole amount of premium and shall not return the premium already received.
- (3) where any reasonable ground for canceling and replacing the insurance contract have occurred, except for when the condition of the replaced contract shall be narrower than the cancelled contract.
- Article 2. Notwithstanding the provision of the preceding Article and Paragraph 3 of Article 22 of the General Clauses, in case of the insurance contract for the period of the Vessel being built or repaired, the Company shall return or demand the difference between the premium already received and the premium recalculated for the expired period of the insurance when the Person effecting the insurance cancels the insurance contract.
- Article 3. Notwithstanding the provisions of Article 1 of this clause, Paragraph 1 of Article 22, and Article 23 of the General Clauses, in case of the insurance contract for voyage risks, the Company shall not return the premium already received even if the insurance contract has been cancelled.

### **SANCTION LIMITATION AND EXCLUSION CLAUSE**

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

### **MODE OF EXECUTION CLAUSE**

The Company and the Insured agree that this Agreement and all amendments hereto may be executed as follows:

- (a) By an original written ink signature of paper documents; or

(b) By an electronic signature employing any technology to capture a person's signature in such a manner that the signature is unique to the person signing, is capable of verification to authenticate the signature, and is linked to the document signed.

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed an original.

### LIEN ON LIABILITY CLAIM CLAUSES

Article 1 In case any person possessing a valid claim against the Assured (hereinafter referred to as "the Claimant") is entitled to exercise lien on the right of recovery of the Assured or its assignee under this insurance for such claim under the Insurance Act of Japan, the Company shall pay such claim only in either of the following circumstances, provided that such claim is caused as the result of the Assured becoming liable for loss of or damage to the Claimant (hereinafter referred to as "the Liability Claim"):

- (1) where the Company pay the Liability Claim to the Assured after the Assured have settled same to the Claimant, provided that such payment shall not exceed the sum settled by the Claimant
- (2) where the Company pay the Liability Claim direct to the Claimant pursuant to the instruction of the Assured before the Assured have settled same to the Claimant
- (3) where the Company pay the Liability Claim direct to the Claimant as the result of the Claimant exercising lien on the Assured's right of recovery for same before the Assured have settled same to the Claimant
- (4) where the Company pay the Liability Claim to the Assured pursuant to the agreement of the Claimant for such payment before the Assured have settled same to the Claimant, provided that such payment shall not exceed the sum agreed by the Claimant

Article 2 In case the Claimant is entitled to exercise lien and/or any other superior right on the right of recovery of the Assured or its assignee under this insurance for the Liability Claim under the applicable foreign laws and/or conventions and the Assured's right of recovery is thereby restricted, the Company shall pay the Liability Claim pursuant to such laws and/or conventions.

### ADJUSTMENT OF PREMIUM CLAUSE

The rate and the premium specified in the Policy are provisional. And when the rate is fixed later, adjustment shall be made on the balance between the provisional premium and the fixed premium.

### CLAUSE IN RESPECT OF THE ASSURED

In respect of the provisions for liabilities in the clauses specified in the Policy, those provisions shall be applied to the Person effecting the insurance who shall be regarded as the Assured.

### ANTI-FOULING PAINT CLAUSES (A)

Article 1 Where the repair of damage covered under this contract of insurance(hereinafter referred to as "Damage Repairs") requires the Vessel to be put in a drydock or on a slipway and her bottom is scraped and painted with anti-fouling paint, the cost of anti-fouling paint and the expenses for scraping and painting(hereinafter referred to as "Anti-fouling Paint Expenses") shall be included in the cost of repairs referred to in paragraph 1 of Article 4 of the General Clauses of Hull Insurance(hereinafter referred to as "the General Clauses") but only up to the limit of amount as specified in the attached schedule.

Article 2 In the preceding Article, where Damage Repairs and other work and/or inspection are effected concurrently, except in cases where anti-fouling paint is painted only in the damaged area on the bottom, only one-half of the Anti-fouling Paint Expenses (up to the limit of amount as specified in the attached schedule) shall be included in the cost of repairs as referred to in paragraph 1 of Article 4 of General Clauses.

Unit : Yen

Type of vessel		A	B	C	D	E
		All types over than those in B to E	Containers, Pure Car Carrier and Car Ferry	L.N.G. Carrier	Vessels without Engines	Catamaran type vessels
Under	100 tons	400,000	500,000		300,000	800,000
	100 tons and over	700,000	900,000		600,000	1,400,000
	200 "	1,000,000	1,200,000		800,000	1,800,000
	500 "	1,200,000	1,500,000		900,000	2,300,000
	700 "	1,500,000	1,800,000		1,200,000	2,700,000
	1,000 "	2,000,000	2,400,000		1,500,000	3,600,000
	2,000 "	2,500,000	3,000,000		1,900,000	4,500,000
	3,000 "	3,000,000	3,600,000		2,300,000	5,400,000
	4,000 "	3,500,000	4,400,000		2,700,000	6,600,000
	5,000 "	3,800,000	4,600,000		2,900,000	6,900,000
	6,000 "	4,200,000	5,100,000		3,200,000	7,700,000
	7,000 "	4,500,000	5,400,000		3,400,000	8,100,000
	8,000 "	4,900,000	5,900,000		3,700,000	8,900,000

9,000	〃	5,500,000	6,500,000		4,000,000	9,500,000
10,000	〃	7,000,000	8,500,000		5,500,000	12,500,000
20,000	〃	9,000,000	11,000,000		7,000,000	
30,000	〃	11,000,000	13,000,000		8,000,000	
40,000	〃	12,500,000	15,500,000	9,000,000	9,500,000	
50,000	〃	14,000,000	17,000,000	10,000,000	10,500,000	
60,000	〃	15,500,000	18,500,000	11,000,000	11,500,000	
70,000	〃	17,000,000	20,000,000	12,000,000	12,500,000	
80,000	〃	18,500,000	22,000,000	13,000,000	13,500,000	
90,000	〃	19,500,000	23,500,000	14,000,000	14,500,000	
100,000	〃	21,000,000		15,000,000		
110,000	〃	22,500,000		16,000,000		
120,000	〃	24,000,000		17,000,000		
130,000	〃	25,000,000		18,000,000		
140,000	〃	26,500,000		18,500,000		
150,000	〃	28,000,000				
160,000	〃	29,000,000				
170,000	〃	30,500,000				
180,000	〃	32,000,000				
190,000	〃	33,500,000				

\* the tonnage applied in the calculation of hull rates for a floating dock shall be deemed to be as follows;  
length (m) × breadth (m) × height of the side wall (m) ÷ 2.832 × 0.2

### ANTI-FOULING PAINT CLAUSES (B)

#### Article 1

Where the repair of damage covered under this contract of insurance (hereinafter referred to as “Damage Repairs”) requires the Vessel to be put in a drydock or on a slipway and her bottom is scraped and painted with anti-fouling paint, the cost of anti-fouling paint and the expenses for scraping and painting (hereinafter referred to as “Anti-fouling Paint Expenses”) shall be included in the cost of repairs referred to in paragraph 1 of Article 4 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), but only up to the limit of amount as specified in the attached schedule

#### Article 2

In the preceding Article, where Damage Repairs and other work and/or inspection are effected concurrently, except in cases where anti-fouling paint is painted only in the damaged area on the bottom, only one-half of the Anti-fouling Paint Expenses (up to the limit of amount as specified in the attached schedule) shall be included in the cost of repairs as referred to in paragraph 1 of Article 4 of General Clauses.

unit: Yen

Tonnage applied in the calculation of hull rates	Type of vessel	A	B	C	D
		all types over than those in B to D	Containers, Pure Car Carrier and Car Ferry	L.N.G. Carrier	Catamaran type vessels
Under 100 tons		400,000	500,000		800,000
100 tons and over		700,000	900,000		1,400,000
200 〃		1,000,000	1,200,000		1,800,000
500 〃		1,200,000	1,500,000		2,300,000
700 〃		1,500,000	1,800,000		2,700,000
1,000 〃		1,600,000	1,920,000		2,880,000
2,000 〃		2,000,000	2,400,000		3,600,000
3,000 〃		2,400,000	2,880,000		4,320,000
4,000 〃		2,800,000	3,520,000		5,280,000
5,000 〃		3,040,000	3,680,000		5,520,000
6,000 〃		3,360,000	4,080,000		6,160,000
7,000 〃		3,600,000	4,320,000		6,480,000

8,000	〃	3,920,000	4,720,000		7,120,000
9,000	〃	4,400,000	5,200,000		7,600,000
10,000	〃	5,600,000	6,800,000		10,000,000
20,000	〃	7,200,000	8,800,000		
30,000	〃	8,800,000	10,400,000		
40,000	〃	10,000,000	12,400,000	7,200,000	
50,000	〃	11,200,000	13,600,000	8,000,000	
60,000	〃	12,400,000	14,800,000	8,800,000	
70,000	〃	13,600,000	16,000,000	9,600,000	
80,000	〃	14,800,000	17,600,000	10,400,000	
90,000	〃	15,600,000	18,800,000	11,200,000	
100,000	〃	16,800,000		12,000,000	
110,000	〃	18,000,000		12,800,000	
120,000	〃	19,200,000		13,600,000	
130,000	〃	20,000,000		14,400,000	
140,000	〃	21,200,000		14,800,000	
150,000	〃	22,400,000			
160,000	〃	23,200,000			
170,000	〃	24,400,000			
180,000	〃	25,600,000			
190,000	〃	26,800,000			

### EXCLUSION CLAUSES IN RESPECT OF SCRAPING AND PAINTING OF THE VESSEL'S BOTTOM

The Company shall not be liable to indemnify for any cost and expense in respect of scraping, sandblasting and/or other surface preparation or painting (inclusive of painting of anti-fouling and anti-corrosive paints) of the Vessel's bottom except the following cost of repairs which is necessary to repair bottom plating damaged by an Accident.

- (1) costs and expenses incurred for surface preparation of new bottom plates ashore, and costs and painting expenses of shop primer
- (2) costs and expenses incurred for 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
- (3) costs and expenses incurred for surface preparation of areas of plating damaged during the course of fairing
- (4) costs and painting expenses of the first coat of primer/anti-corrosive paints to those particular areas mentioned in items (1) through (3) above

### SCRAP VOYAGE CLAUSES

#### Article 1

1. In the event of the Vessel sailing with an intention of being (a) broken up, or (b) sold for breaking up, the total sum recoverable under this insurance on hull and machinery and also including disbursements if any (hereinafter referred to as "this insurance" subject to any express stipulation in these clauses) in respect of a claim for total loss as provided for Article 3 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses") occurring subsequent to such sailing shall in no case exceed the least of the following:
  - (1) the price of the Vessel as being broken up stated in the contract of sale (hereinafter referred to as "the price"), or
  - (2) such proportion of price as the insured amount of this insurance bears to total sum of the insured amount of this insurance and that of any other insurance on hull and machinery and also including disbursements of the Vessel if any, or
  - (3) the insured amount of this insurance.
2. In case of this Article 1 the ship shall be deemed as being total loss as provided for in the Article 3 of the General Clauses if and when the estimated amount of the following expenses or cost, or the aggregate amount of these, exceeds the price or the insured value of this insurance on hull and machinery, whichever is lesser:
  - (1) Cost of repairs (as provided for in Article 4 of the General Clauses); provided that it shall be limited to those which have been necessary for the Vessel to complete such sailing.
  - (2) General average contribution (as provided for in Article 5 of the General Clauses)
  - (3) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the total loss or the losses as enumerated in the preceding items.
3. Nothing in this Article 1 shall affect claims in respect of following sums or expenses which recoverable under this insurance:
  - (1) Collision damages as provided for in Article 6 of the General Clauses.
  - (2) Sue and labor expenses incurred by the Person effecting the insurance or the Assured as provided for in Articles 7-1-(1) and 7-1-(2) of the General Clauses; provided that in respect of those expenses stipulated in Article 7-1-(1) of the General Clauses, only such expenses as are incurred by the Person effecting the insurance or the Assured with the prior written consent of the Company when the Vessel is in damage of becoming a total loss shall be recoverable.
  - (3) Among the expenses as provided for in Article 7-1-(3) of the General Clauses, necessary or useful expenses for suit or arbitration incurred by the

Assured when a suit for damage for losses as enumerated in Paragraph (1) of Article 6 of the General Clauses has been instituted against the Assured.

4. In case of this Article 1 the expenditure for the voyage may be included in the price with the consent of the Company prior to the Vessel sailing.

Article 2

In case previous notice of the Vessel sailing has been given to the Company and the limitation of the Company's liability has been recognized, the Company shall return a proportion of premium at the termination of insurance according to the Company's liability, provided that no claim arising from accident subsequent to such sailing is made under this insurance.

### SCRAP VOYAGE CLAUSES (CLASS NO.2)

Article 1

1. In the event of the Vessel sailing with a intention of being (a) broken up, or (b) sold for breaking up, the total sum recoverable under this insurance on hull and machinery and also including disbursements if any (hereinafter referred to as "this insurance" subject to any express stipulation in these clauses) in respect of a claim for total loss as provided for Article 3 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clause") occurring subsequent to such sailing shall in no case exceed the least of the following:
  - (1) the price of the Vessel as broken up states in the contract of sale (hereinafter referred to as "the price"), or
  - (2) such proportion of price as the insured amount of this insurance and that of any other insurance on hull and machinery and also including disbursements of the Vessel if any, or
  - (3) the insured amount of this insurance.
2. In case of this Article 1 the ship shall be deemed as being total loss as provided for in the Article of the General Clauses if and when the estimated amount of the following expenses or cost, or the aggregate amount of these, exceeds the price or the insured value of this insurance on hull and machinery, whichever is lesser:
  - (1) Cost of repairs (as provided for in Article 4 of the General Clauses); provided that it shall be limited to those which have been necessary for the Vessel to complete such sailing.
  - (2) General average contribution (as provided for in Article 5 of the General Clauses)
  - (3) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the total loss or the losses as enumerated in the preceding items.
3. Nothing in this Article 1 shall affect claims in respect of Sue and labor expenses, which recoverable under this insurance, incurred by the Person effecting the insurance or the Assured as provided for in Articles 7-1-(1) and 7-1-(2) of the General Clauses; provided that in respect of those expenses stipulated in Article 7-1-(1) of the General Clauses, only such expenses as are incurred by the Person effecting the insurance or the Assured with the prior written consent of the Company when the Vessel is in danger of becoming a total loss shall be recoverable.
4. In case of this Article 1 the expenditure for the voyage may be included in the price with the consent of the Company prior to the Vessel sailing.

Article 2

In case previous notice of the Vessel sailing has been given to the Company and the limitation of the Company's liability has been recognized, the Company shall return a proportion of premium at the termination of insurance according to the Company's liability, provided that no claim arising from accident subsequent to such sailing is made under this insurance.

### BERING SEA TRANSIT CLAUSES (J)

Article 1 Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that when on through voyages to or from the Far East, the insured vessel may navigate the Bering Sea provided that

- (1) the Vessel has on board the appropriate hydrographic charts corrected up to date,
- (2) the Vessel shall pass the following waters:
  - (a) Unimak Pass
  - (b) Amukta Pass
  - (c) Amchitka Pass
  - (d) between Buldir Island and Agattu Island
  - (e) between Agattu Island and Attu Island
  - (f) west of Attu Islandand
- (3) the Vessel is equipped and properly fitted with the followings, all fully operational and manned by qualified personnel.
  - (a) at least one global positioning system receiver (such as US GPS, Russian GLONASS, European Galileo, Chinese Compass)
  - (b) a radio transceiver and GMDSS
  - (c) a weather facsimile recorder (or alternative equipment for the receipt of weather and routing information)
  - (d) a gyrocompass

Article 2 In the event of a breach of whole or a part of the conditions stated in the above, the Company shall not be liable to indemnify for any loss or damage occurring thereafter, except when the Company's written consent has been obtained.

01/04/22

### I. S. M. CODE CLAUSES

Article 1. It is a warranty of this insurance contract that the Vessel shall hold a Safety Management Certificate and other documents (hereinafter called "the Documents") that are required for compliance with the International Safety Management Code under Chapter IX to the 1974 SOLAS Convention.

Article 2. In case any of the following circumstances happen, the Company shall not indemnify the Assured for any loss or damage occurring thereafter:

- (a) the Documents become void
- (b) the Vessel fails to obtain the Documents by the time stipulated under Chapter IX to the 1974 SOLAS Convention

Nevertheless, the Assured may request the Company for endorsement in writing after the above circumstances having been removed, in which case the Company may agree to indemnify the Assured for loss or damage occurring after such endorsement has been issued.

Article 3. In case such circumstances as described in Article 2 (a) or (b) happen, the Company may cancel this insurance contract by giving written notice to the Person effecting the insurance; such cancellation shall take effect therefrom only for the future. The Company's right to cancel this insurance contract aforesaid shall cease to exist, unless the Company exercises such right within one month from the date on which the Company became aware of the circumstances giving rise to its right of cancellation.

Article 4. 1. When the Vessel's "COMPANY" on I.S.M. code (hereinafter called "Manager") has been changed, the Person effecting the insurance or the Assured



- shall, without delay, give notice thereof to the Company, and obtain the Company's consent in writing.
2. If the Person effecting the insurance or the Assured fails to give such notice without delay, the Company shall not be liable for any loss or damage occurring after that the Manager has been changed.

## **CLASSIFICATION CLAUSE**

- Article 1. It is warranted that the Vessel shall be classed with a Classification Society which is a Member or Associate Member of the International Association of Classification Societies (IACS) at the commencement of the period of this insurance.
- Article 2. In case any of the following circumstances happen, the Company shall not indemnify the Assured for any loss or damage occurring thereafter;
- (a) the Vessel's class is changed to a Classification Society which is not a Member or Associate Member of the International Association of Classification Societies (IACS)
  - (b) the Vessel's class is withdrawn by the Classification Society
  - (c) the Vessel's class is suspended or discontinued
  - (d) any and all recommendations, requirements or restrictions made by the Classification Society in respect of the Vessel's seaworthiness are not fulfilled by the date designated by the Classification Society
- Nevertheless, the Assured may request the Company for endorsement in writing after the above circumstances having been removed, in which case the Company may agree to indemnify the Assured for loss or damage occurring after such endorsement has been issued.
- Article 3. In case such circumstances as described in Article 2 (a) to (d) happen, the Company may cancel this insurance contract by giving written notice to the Person effecting the insurance; such cancellation shall take effect therefrom only for the future. The Company's right to cancel this insurance contract aforesaid shall cease to exist, unless the Company exercises such right within one month from the date on which the Company became aware of the circumstances giving rise to its right of cancellation.
- Article 4. The provision of the item 2 of Article 14-1 of the General Clauses shall not be applied.

## **ELECTRONIC DATE RECOGNITION EXCLUSION CLAUSES**

- Article 1
- 1.1 For the purpose of this clause, electronic devices shall include, but not be limited to, a computer system, hardware, integrated circuit, microchip, software, operating system, programming and data, whether these be on board the Vessel or not.
  - 1.2 For the purpose of this clause, the electronic date recognition defect (hereinafter called "the EDR defect") shall mean failure of electronic devices to recognize any time, year, date or date-like code, data or information correctly.
- Article 2
- 2.1 The Company shall in no case pay any loss, damage, liability or expense directly or indirectly caused by or in any way connected with the EDR defect of any electronic devices belonging to or in possession or control of the person effecting the insurance, the assured or the manager of the Vessel.
  - 2.2 The Company shall in no case pay any loss, damage, liability or expense directly or indirectly caused by any measures implemented or attempted to remedy or detect the EDR defect or the anticipated EDR defect of any electronic devices belonging to or in possession or control of the person effecting this insurance, the assured or the manager of the Vessel.
- Article 3
- 3.1 Notwithstanding the provisions of Article 2, the Company shall pay, subject to other provisions of this insurance, loss of or damage to the Vessel caused by or in any way connected with the EDR defect, provided always that either of the following be proven by the person effecting the insurance or by the assured;
    - (a) such loss or damage occurred despite the fact that the person effecting the insurance and/or the assured had implemented necessary or appropriate measures with due diligence to remedy the EDR defect of electronic devices in accordance with the instructions given by the manufacturers of such devices or by other experts.
    - (b) such loss or damage was caused by necessary or appropriate measures implemented by the person effecting the insurance or by the assured with due diligence to remedy or detect the EDR defect or the anticipated EDR defect of such devices in accordance with the instructions given by the manufacturers of such devices or by other experts.
  - 3.2 Notwithstanding the provisions of Article 3.1, the Company shall in no case pay any cost of changing, modifying, remedying, restoring or detecting the following, nor any consequential loss incurred thereby;
    - (a) the EDR defect of any electronic devices
    - (b) any non-use or unavailability for use or malfunction of any electronic devices directly or indirectly caused by the EDR defect of such devices
    - (c) any loss of or damage to any software, programming, operating system, code or data directly or indirectly caused by the EDR defect of any electronic devices

## **INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE (10/11/03)**

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

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

## CANCELLATION CLAUSES (ANTISOCIAL FORCES)

### Article 1

The Company is entitled to cancel the contract of insurance by written notice to the Person effecting the insurance:

1. when the Person effecting the insurance or the Assured falls under any of the followings:
  - (1) the Antisocial forces.
  - (2) a person or an entity having such relationship with the Antisocial forces that shows provision of funds, benefits or services to Antisocial forces.
  - (3) a person or an entity having such relationship with the Antisocial forces that shows reliance on the Antisocial Forces.
  - (4) an entity having such relationship with Antisocial forces that shows the Antisocial forces' control over their management or substantial involvement in their management.
  - (5) a person or an entity who is engaged in socially condemnable relationship with the Antisocial forces.
  - (6) For the purpose of the preceding paragraphs, the "Antisocial forces" means an organized crime group, a member of an organized crime group (or for whom 5 years have not yet passed since leaving an organized crime group), an associated member of an organized crime group, a related company or association of an organized crime group, or any other antisocial forces.
2. when, apart from the items described in the preceding paragraph, the Person effecting the insurance or the Assured has caused any grave reason which may erode the Company's trust in the Person effecting the insurance or the Assured and make it difficult to continue this insurance contract.

### Article 2

Even in the event that cancellation as provided in Article 1 is performed after any loss caused by the Accidents occurred, the Company shall not be liable to indemnify any loss caused by the Accidents occurring from the time when the circumstances described in Article 1 to the time of cancellation. If, in such circumstances, the Company has already paid the insurance claim money, the Company may require return thereof.

### Article 3

In the event that cancellation is made in accordance with Article 1 due to the fact that the Person effecting the insurance or the Assured is any of (1) to (5) of Article 1.1, Article 2 shall not apply to the following loss:

- (1) any loss sustained by the Assured who is not any of (1) to (5) of Article 1.1.
- (2) any loss the Assured, who is any of (1) to (5) of the Article 1.1, sustained by reason of the Assured assuming the legal liabilities.

11/11/19

## MARINE CYBER ENDORSEMENT

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

LMA5403

10/11/03

## INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 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 1.1 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 other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

CL.380

1/4/2012

## COMMUNICABLE DISEASE CLAUSE

1. Notwithstanding any provision to the contrary in this insurance, it is hereby agreed that this insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met.
- 2.1 "Communicable Disease Loss" shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the Excluded Circumstances, those Circumstances being
  - a) a Communicable Disease, and/or
  - b) the fear or threat, whether actual or perceived, of a Communicable Disease, and/or
  - c) any recommendation, decision or measure, made or taken to restrict, prevent, reduce or slow the spread of infection of a Communicable Disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and/or
  - d) any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above, whether made or taken by a public authority or a private entity regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

- 2.2 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute Excluded Circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 2.1 (c) above.
- 2.3 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d) for the purposes of a loss event first affecting a vessel, conveyance, rig or platform during a voyage undertaken as a consequence of a diversion, a prior recommendation, decision or measure by whomsoever taken to divert that vessel from an earlier loading or discharge or other destination shall not constitute an Excluded Circumstance solely by reason of that diversion having been made for the reasons set out in 2.1 (c) above.
- 2.4 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), where loss, damage or liability have first been incurred in circumstances which are not excluded under 2.1 (a) to (d) above, increased expense or increased liability for expense shall not be excluded notwithstanding that increase may have been incurred for the reasons set out in 2.1(c) above.
3. "Communicable Disease" shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:
  - a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas and
  - c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
- 4.1 The Infected Individual Exception shall apply where (1) the actions or decisions of any individual infected or allegedly infected with a Communicable Disease cause or contribute to an alleged loss event and (2) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined in 2.1 (c) or 2.1 (d) above.
- 4.2 Where those conditions are met, the fact or possibility that the individual's action(s) or decision(s) were impaired or affected by or caused by that individual's alleged or actual infection shall not exclude recovery of a Loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a Communicable Disease or from any Circumstance as defined in Clause 2.1 (c) or (d) consequent on that individual's actions or decisions.
- 4.3 For the purposes of this Exception, the Infected Individual need not be physically present on or in an interest affected by the loss event, provided that his or her actions or decisions causing or contributing to the loss event and affecting that interest, directly or indirectly, were of a kind which, when not impaired or affected, would fall within the ordinary course of his or her employment.
5. Loss, damage, liability and expense arising solely out of a loss event otherwise reinsured under this insurance and not excluded thereby nor excluded pursuant to this Clause remain covered in accordance with the terms and conditions thereof.

JH2020-007A  
20<sup>th</sup> November 2020

### **ENDORSEMENT EXCLUDING A COMMUNICABLE DISEASE FOLLOWING A PUBLIC HEALTH EMERGENCY OF INTERNATIONAL CONCERN (PHEIC)**

1. In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
2. The exclusion in paragraph 1 of this endorsement will not apply to any liability of the insured otherwise covered by this insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the insured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However even if the requirements of paragraph 2 of this endorsement are met, no coverage will be provided under this insurance for any:
  - A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
  - B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
  - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. As used in this endorsement, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
  - A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
  - C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.
5. This endorsement shall not extend this insurance to cover any liability which would not have been covered under this insurance had this endorsement not been attached.

All other terms, conditions and limitations of this insurance remain the same.

JL2021-014  
8th March 2021

1/4/2021

### **INFECTION EXCLUSION CLAUSE**

1. Notwithstanding Communicable Disease Clause, in no case shall this insurance cover any loss of hire and/or expenses directly or indirectly caused by or contributed to by or arising from any infections or suspected infections which World Health Organization (WHO) declares to constitute a Public Health Emergency of International Concern (PHEIC).
2. Notwithstanding the above, this clause shall not be applicable to any cases where the insured vessel sustains damage, except where the insured vessel comes to be off-hire or where any loss of hire/income and/or expenses are incurred by the Person effecting the insurance or the Assured due to reduction of the transportation

ability of the insured vessel until deferred repairs being effected caused by sinking, stranding, grounding, fire, collisions with any external objects or the accidents stipulated in items (2) through (10) of Paragraph 1 of Article 2 of the Special Clauses of Hull Insurance Class No.6.

### **IRANIAN OIL EXCLUSION CLAUSE**

In the event of the Vessel being employed in a transport of crude oil, petroleum products and petrochemical products from Iran, no claim shall be recoverable under this insurance for loss, damage, liability or expense. This exclusion shall not apply to loss, damage, liability or expense occurring after the Underwriters' agreement in writing to reinstatement of this insurance after such event has ceased to exist.

### **RUSSIAN OIL EXCLUSION CLAUSE (FOR OIL PRICE CAP EXCEPTION)**

In the event of the Vessel being employed in a transport of Russian-origin Crude Oil (HS Code 2709.00) or Petroleum Products (HS Code 2710), no claim shall be recoverable under this insurance for loss, damage, liability or expense.

Notwithstanding the preceding paragraph, if the Assured submit an Attestation required by the Company or the Company specifically agrees to such transportation(s), this exclusion shall not apply.

### **DEVIATION CLAUSE (FOR OCEAN GOING VESSEL)**

Notwithstanding the provision of Article 14-1(3) of the General Clauses of Hull Insurance, the Company shall be liable to indemnify the Assured for any loss occurring after the Vessel has deviated from the Trading Warranty specified in the Policy when all of the following conditions are fulfilled.

- (1) If the Person effecting the insurance or the Assured gives notice to the Company as soon as it has become aware of the Vessel's deviation.
- (2) If the Person effecting the insurance pays the additional premium agreed by the Company.
- (3) If the Person effecting the insurance complies with the warranties provided by the Company.

1/4/2010

### **BREACH OF NAVIGATING LIMIT REQUIREMENTS CLAUSE**

It shall be a condition precedent to the liability of the Underwriters that:

1. the vessel shall be equipped and properly fitted with:-
  - 1.1 two independent marine radar sets
  - 1.2 at least one global positioning system receiver (such as US GPS, Russian GLONASS, European Galileo, Chinese Compass)
  - 1.3 a radio transceiver and GMDSS
  - 1.4 a weather facsimile recorder or alternative equipment for the receipt of weather and routing information
  - 1.5 a gyrocompass, incorporating latitude corrections approved by manufacturers or their agents, when North of 70° N. Lat.in each case all navigational aids, radar, arpa (automatic radar plotting aid), echo sounders, speed logs, navtex, compasses, chronometers, communication systems etc should be fully operational and operated by qualified personnel; and
2. the vessel shall be in possession of appropriate navigational charts corrected to the last available notice to mariners, sailing directions, lists of radio signals, log signals, lights and pilot books; and
3. the vessel shall adhere to all pilotage requirements, traffic regulations and controls as may be established by the applicable coastal state authorities.

JH2011/002

8<sup>th</sup> March 2011

### **SPECIAL CLAUSE IN RESPECT OF THE AGREED MATTER EXTENDING OVER TWO SUCCESSIVE POLICIES**

Article 1

In the event of the period of insurance of the Policy expiring while the agreed matter stated in this Endorsement goes on, the Company shall not be liable to pay for any loss or damage occurring after such expiration, unless this Policy has been renewed with the Company or extended until the agreed matter has been completed.

Article 2

In the event of the Policy being renewed, the Company's liability in respect of this Endorsement shall be subject to the terms and conditions of the renewed Policy.

Article 3

If the Company recognize that the terms and conditions of the renewed Policy increase the Company's liability in respect of this Endorsement in comparison with this Policy, the Assured shall pay an additional premium required by the Company.

Article 4

If the Company recognize that the terms and conditions of the renewed Policy shall decrease the Company's liability in respect of this Endorsement in comparison with this Policy, the Company shall return a part of the additional premium already paid.

### **SPECIAL CLAUSE IN RESPECT OF THE AGREED MATTER EXTENDING OVER TWO SUCCESSIVE POLICIES (FOR WAR AND STRIKES)**

Article 1 Even in the event of the period of insurance of the Policy expiring while the agreed matter, limited to breach of the trading warranty specified in the Policy (hereinafter referred to as "Deviation"), stated in this Endorsement goes on, the Company's liability in this Endorsement and the duties, also in this Endorsement, of the Person effecting the insurance or the Assured shall be subject to the terms and conditions of the Policy notwithstanding the expiration of the period of insurance of the Policy, provided that the aforementioned shall be limited to the period until the Deviation is terminated.

Article 2 In the case of the preceding Article, the Person effecting the insurance shall pay the full amount of the additional premium for the Endorsement to the

Article 3      Company under the Policy, notwithstanding the expiration of the period of insurance of the Policy,  
The preceding two Articles shall be applied even when any other policies covering risks of war, mines, torpedoes or any other explosives, seizure, capture, strikes or social commotions or other risks such like them are newly concluded after the expiration of the Policy.

1/11/21

## <Trading Warranties>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## WORLD - WIDE TRADING WARRANTY

Trading world-wide, but excluding the waters mentioned below :

1. Atlantic Coast of North America (including its rivers and adjacent islands), but limited to the following waters :
  - A) North of 52° 10' N. Lat. and west of 50° W. long.
  - B) Gulf of St. Lawrence (the area bounded by lines drawn between Battle Harbour/Pistolet Bay ; Cape Ray/Cape North; Port Hawkesbury/Port Mulgrave and Baie Comeau/Matane between 21st December and 30th April, b.d.i.
  - C) St. Lawrence River west of a line between Baie Comeau and Matane and east of Montreal between 1st December and 30th April, b.d.i.
2. The Great Lakes and St. Lawrence Seaway west of Montreal, (excluding Montreal).
3. Greenland waters.
4. Pacific Coast of North America (including its rivers and adjacent islands) west of 130° 50' W. Long. and North Pacific waters north of 54° 30' N. Lat. and east of 160° W. Long., excluding, however, the passing through these waters for the purpose of navigating between ports or places in the aforementioned warranty.
5. Baltic Sea or adjacent waters east of 15° E. Long. but limited to the waters and the period stipulated below :
  - A) North of a line between Mo (63° 24' N. Lat.) and Vasa (63° 06' N.Lat.) between 10th December and 25th May, b.d.i. excluding Mo and Vasa)
  - B) East of a line between Viipuri (28° 47' E. Long.) and Narva (28° 12' E. Long.) between 15th December and 15th May, b.d.i (excluding Viipuri and Narva).
  - C) North of a line between Stockholm (59° 20' N. Lat.) and Tallinn (59° 24' N. Lat.) between 8th January and 5th May, b.d.i (excluding Stockholm and Tallinn).
  - D) East of 22° E. Long. and south of 59° N. Lat. between 28th December and 5th May b.d.i.
6. North of 70° N. Lat., excluding, however, round voyages to and from Norwegian Coast (including its rivers and adjacent islands) or Kola Bay.
7. Bering Sea.
8. Siberian Coast (including its rivers and adjacent island) and the Asian waters north of 46° N. Lat. and west of 180° E. Long., excluding, however, the waters mentioned below :
  - A) Vladivostock and Nakhodka.
  - B) Proceeding to ports or places on the coast of Saghalien or on the Siberian Coast (including its rivers and adjacent islands) from Nikolaevsk and Mago to Vladivostock, between 15th March and 14th November, b.d.i., provided, however, that the Vessel must leave by 14th November the last port on the above coasts for a port in the aforementioned warranty.
  - C) Passing through the above waters for the purpose of navigating between ports or places in the aforementioned warranty.
9. Kerguelen and Croset Islands.
10. Waters south of 50° S. Lat., but excluding the following :
  - A) Patagonia, Chile and Falkland Islands.
  - B) Passing through the above waters for the purpose of navigating between ports or places in the aforementioned warranty.



## <Clauses for Hull and Machinery>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.2

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss( as provided for in Article3 of the General Clauses)
  - (2) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the loss mentioned in the preceding item.
2. The provision of paragraph 2 of Article 7 of the General Clauses shall not be applied to sue and labor expenses mentioned in paragraph 1(2) above.

(Return of premium in case of lay-up)

Article 2

1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.
2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rate daily basis and the larger sum of the followings shall be returned:
  - (1) one-third of the premium apportioned as above, or
  - (2) the sum calculated at the rate of 0.10 Yen (0.20 Yen for wooden vessels) per 100 Yen of the insured amount for each period of the 30 days.
3. In asking for a return of premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company.

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.2 (Article 2 Deleted)

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss( as provided for in Article3 of the General Clauses)
  - (2) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the loss mentioned in the preceding item.
2. The provision of paragraph 2 of Article 7 of the General Clauses shall not be applied to sue and labor expenses mentioned in paragraph 1(2) above.

(Return of premium in case of lay-up)

Article 2

- ~~1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.~~
- ~~2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rate daily basis and the larger sum of the followings shall be returned:
  - (1) one-third of the premium apportioned as above, or
  - (2) the sum calculated at the rate of 0.10 Yen (0.20 Yen for wooden vessels) per 100 Yen of the insured amount for each period of the 30 days.~~
- ~~3. In asking for a return of premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company.~~

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.2 (WITH COLLISION LIABILITY)

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss( as provided for in Article3 of the General Clauses)
  - (2) Collision damages (as provided for in Article 6 of the General Clauses)
  - (3) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items.
2. The provision of paragraph 2 of Article 7 of the General Clauses shall not be applied to sue and labor expenses mentioned in paragraph 1(3) above.

(Return of premium in case of lay-up)

Article 2

1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.
2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rate daily basis and the larger sum of the followings shall be returned:

- (1) one-third of the premium apportioned as above, or
  - (2) the sum calculated at the rate of 0.10 Yen (0.20 Yen for wooden vessels) per 100 Yen of the insured amount for each period of the 30 days.
3. In asking for a return of premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company.

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.2 (WITH COLLISION LIABILITY)** **(Article 2 Deleted)**

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss( as provided for in Article3 of the General Clauses)
  - (2) Collision damages (as provided for in Article 6 of the General Clauses)
  - (3) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items.
2. The provision of paragraph 2 of Article 7 of the General Clauses shall not be applied to sue and labor expenses mentioned in paragraph 1(3) above.

(Return of premium in case of lay-up)

Article 2

- ~~1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.~~
- ~~2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rate daily basis and the larger sum of the followings shall be returned:
  - ~~(1) one-third of the premium apportioned as above, or~~
  - ~~(2) the sum calculated at the rate of 0.10 Yen (0.20 Yen for wooden vessels) per 100 Yen of the insured amount for each period of the 30 days.~~~~
- ~~3. In asking for a return of premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company.~~

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.5**

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss (as provided for in Article 3 of the General Clauses)
  - (2) Cost of repairs (as provided for in Article 4 of the General Clauses); provided that it shall be limited to that of damage caused to the Vessel by sinking, capsizing, stranding, grounding, fire, collision, explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded or contact with any external object other than water, or any general average act
  - (3) General average contribution (as provided for in Article 5 of the General Clauses)
  - (4) Collision damages (as provided for in Article 6 of the General Clauses)
  - (5) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items.
2. The cost of repairs of damage caused to the Vessel while she is sailing in ballast by an act which would be deemed as a general average act if there were any contributing interest or interests other than the Vessel shall be deemed as the cost of repairs of damage arising from a general average act.

(Return of premium in case of lay-up)

Article 2

1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.
2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rata daily basis and the larger sum of the followings shall be returned:
  - (1) one-third of the premium apportioned as above, or
  - (2) the sum calculated at the rate of (as arranged) Yen per 100 Yen of the insured amount for each period of the 30 days.
3. In asking for a return of premium under paragraphs 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company and obtain the Company's agreement in respect of the place and method of the lay-up.

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.5 (Article 2 Deleted)

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured only for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):
  - (1) Total loss (as provided for in Article 3 of the General Clauses)
  - (2) Cost of repairs (as provided for in Article 4 of the General Clauses); provided that it shall be limited to that of damage caused to the Vessel by sinking, capsizing, stranding, grounding, fire, collision, explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded or contact with any external object other than water, or any general average act
  - (3) General average contribution (as provided for in Article 5 of the General Clauses)
  - (4) Collision damages (as provided for in Article 6 of the General Clauses)
  - (5) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items.
2. The cost of repairs of damage caused to the Vessel while she is sailing in ballast by an act which would be deemed as a general average act if there were any contributing interest or interests other than the Vessel shall be deemed as the cost of repairs of damage arising from a general average act.

(Return of premium in case of lay-up)

Article 2

1. ~~In the case of insurance effected for a period of one year, if the Vessel is laid-up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.~~
2. ~~The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rata daily basis and the larger sum of the followings shall be returned:~~
  - ~~(1) one-third of the premium apportioned as above, or~~
  - ~~(2) the sum calculated at the rate of (as arranged) Yen per 100 Yen of the insured amount for each period of the 30 days.~~
3. ~~In asking for a return of premium under paragraphs 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company and obtain the Company's agreement in respect of the place and method of the lay-up.~~

(Relation with the General Clauses)

Article 3

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.6

(Liability for indemnification)

Article 1

The Company shall be liable to indemnify the Assured for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"):

- (1) Total loss (as provided for in Article 3 of the General Clauses)
- (2) Cost of repairs (as provided for in Article 4 of the General Clauses)
- (3) General average contribution (as provided for in Article 5 of the General Clauses)
- (4) Collision damages (as provided for in Article 6 of the General Clauses)
- (5) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items..

(Cost of repairs)

Article 2

1. The cost of repairs for which the Company shall be liable to indemnify under item (2) of the preceding Article shall be limited to that of damage caused to the Vessel by any of the accidents mentioned below:
  - (1) sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water, or any general average act
  - (2) explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded
  - (3) earthquake, tidal wave, volcanic eruption or lightning
  - (4) heavy weather
  - (5) accident to main machinery, auxiliary machinery or any other machinery or apparatus
  - (6) accidents due to any defect in the hull and the appurtenances (limited, however, only to those defects which the person effecting the insurance or the Assured could not discover in spite of exercising due diligence), except accident to painting only (including such accident arising from the causes mentioned in item (9) below)
  - (7) accident in and due to loading, discharging or shifting cargo, appurtenances or fuel, provisions or any other consumable stores
  - (8) wilful misconduct or negligence of the Master, crew or pilots; provided that in cases where the Master or crew are the Person effecting the insurance, the Assured, the Beneficiary hereunder or the Agent of any of these persons, or where they have the intention to have the indemnity be paid to any of these persons, wilful misconduct of the Master or crew shall be excluded
  - (9) negligence of repairers or charterers, provided that such repairers or charterers are neither the Person effecting the insurance, the Assured, the Beneficiary hereunder nor the Agent of any of these persons
  - (10) radioactive or detonative or any other detrimental effects of nuclear fission, fusion or any other similar reaction
2. The cost of repairs of damage caused to the Vessel while she is sailing in ballast by an act which would be deemed as a general average act if there were any contributing interest or interests other than the Vessel shall be deemed as the cost of repairs of damage arising from a general average act.

(Deduction from the cost of repairs)

Article 3

1. In respect of the cost of repairs incurred by any of the accidents enumerated in paragraph 1 (4) to (10) of Article 2 above, the deductible stated in the

Policy shall be deducted from the cost of repairs per accident.

2. In respect of the damage caused to the Vessel by heavy weather as mentioned in paragraph 1 (4) of Article 2 above (hereinafter referred to as “ the Damage by Heavy Weather”), such damage occurred during a single voyage from any port of departure to the next port of destination shall be treated as being due to one accident. If it is impossible to distinguish the Damage by Heavy Weather which has occurred during the period of this insurance from that which has occurred out of such period in the case of the period of this insurance commencing or terminating during the period of such single voyage, the amount of indemnity by the Company shall be such proportion of the balance of the cost of repairs after deducting therefrom the deductible mentioned in paragraph 1 above as the number of days of heavy weather falling within the period of this insurance bears to the total number of days of heavy weather occurred during the single voyage.

(Excluded losses)

Article 4

1. The company shall not be liable to indemnify any loss caused by radioactive or detonative or any other detrimental effects of nuclear fission, fusion or any other similar reaction of a nuclear weapon of war (including a nuclear-propelled war vessel).
2. The provision of item (8) out of the items enumerated in Article 11 of the General Clauses shall not apply.

(Return of premium in case of lay-up)

Article 5

1. In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.
2. The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rata daily basis and the larger sum of the followings shall be returned:
  - (1) one-third of the premium apportioned as above, or
  - (2) the sum calculated at the rate of (as arranged) Yen per 100 Yen of the insured amount for each period of 30 days.
3. In asking for a return premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company and obtain the Company's agreement in respect of the place and method of the lay-up.

(Relation with the General Clauses)

Article 6

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.6 (Article 5 Deleted)**

(Liability for indemnification)

Article 1

The Company shall be liable to indemnify the Assured for the following losses, among the losses enumerated in Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”):

- (1) Total loss (as provided for in Article 3 of the General Clauses)
- (2) Cost of repairs (as provided for in Article 4 of the General Clauses)
- (3) General average contribution (as provided for in Article 5 of the General Clauses)
- (4) Collision damages (as provided for in Article 6 of the General Clauses)
- (5) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items..

(Cost of repairs)

Article 2

1. The cost of repairs for which the Company shall be liable to indemnify under item (2) of the preceding Article shall be limited to that of damage caused to the Vessel by any of the accidents mentioned below:
  - (1) sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water, or any general average act
  - (2) explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded
  - (3) earthquake, tidal wave, volcanic eruption or lightning
  - (4) heavy weather
  - (5) accident to main machinery, auxiliary machinery or any other machinery or apparatus
  - (6) accidents due to any defect in the hull and the appurtenances (limited, however, only to those defects which the person effecting the insurance or the Assured could not discover in spite of exercising due diligence), except accident to painting only (including such accident arising from the causes mentioned in item (9) below)
  - (7) accident in and due to loading, discharging or shifting cargo, appurtenances or fuel, provisions or any other consumable stores
  - (8) wilful misconduct or negligence of the Master, crew or pilots; provided that in cases where the Master or crew are the Person effecting the insurance, the Assured, the Beneficiary hereunder or the Agent of any of these persons, or where they have the intention to have the indemnity be paid to any of these persons, wilful misconduct of the Master or crew shall be excluded
  - (9) negligence of repairers or charterers, provided that such repairers or charterers are neither the Person effecting the insurance, the Assured, the Beneficiary hereunder nor the Agent of any of these persons
  - (10) radioactive or detonative or any other detrimental effects of nuclear fission, fusion or any other similar reaction
2. The cost of repairs of damage caused to the Vessel while she is sailing in ballast by an act which would be deemed as a general average act if there were any contributing interest or interests other than the Vessel shall be deemed as the cost of repairs of damage arising from a general average act.

(Deduction from the cost of repairs)

Article 3

1. In respect of the cost of repairs incurred by any of the accidents enumerated in paragraph 1 (4) to (10) of Article 2 above, the deductible stated in the Policy shall be deducted from the cost of repairs per accident.
2. In respect of the damage caused to the Vessel by heavy weather as mentioned in paragraph 1 (4) of Article 2 above (hereinafter referred to as “ the Damage by Heavy Weather”), such damage occurred during a single voyage from any port of departure to the next port of destination shall be treated as being due to one accident. If it is impossible to distinguish the Damage by Heavy Weather which has occurred during the period of this insurance from that which has occurred out of such period in the case of the period of this insurance commencing or terminating during the period of such single

voyage, the amount of indemnity by the Company shall be such proportion of the balance of the cost of repairs after deducting therefrom the deductible mentioned in paragraph 1 above as the number of days of heavy weather falling within the period of this insurance bears to the total number of days of heavy weather occurred during the single voyage.

(Excluded losses)

Article 4

1. The company shall not be liable to indemnify any loss caused by radioactive or detonative or any other detrimental effects of nuclear fission, fusion or any other similar reaction of a nuclear weapon of war (including a nuclear-propelled war vessel).
2. The provision of item (8) out of the items enumerated in Article 11 of the General Clauses shall not apply.

(Return of premium in case of lay-up)

Article 5

1. ~~In the case of insurance effected for a period of one year, if the Vessel is laid up (including lay-up on a slipway or in a drydock; hereinafter to be so interpreted) for a period of 30 or more consecutive days during the period of this insurance, a return of premium shall be allowed, upon the expiry of the period of this insurance, in the manner mentioned in paragraph 2 below, subject to no claim under this insurance.~~
2. ~~The return premium shall be calculated for each period of lay-up of 30 days separately (any fraction of 30 days shall be ignored), and the difference between the premium for such period apportioned on a pro rata daily basis and the larger sum of the followings shall be returned:  
(1) one-third of the premium apportioned as above, or  
(2) the sum calculated at the rate of (as arranged) Yen per 100 Yen of the insured amount for each period of 30 days.~~
3. ~~In asking for a return premium under paragraph 1 and 2 above, the Person effecting the insurance or the Assured shall, prior to laying up the Vessel, give a written notice of such lay-up to the Company and obtain the Company's agreement in respect of the place and method of the lay-up.~~

(Relation with the General Clauses)

Article 6

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## LAID UP RETURN CLAUSES (HULLS)

Article 1.

Notwithstanding Article 5 of Special Clauses of Hull Insurance Class No.6, in case of insurance effected for a period of one year, if the Vessel is laid up (including laying-up on the slip way or in the dock-hereinafter to be so interpreted) for a period of 30 or more consecutive days during the insured period, the Company shall return the premium specified in the succeeding Article after natural expiry of the insurance, provided always that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance.

Article 2.

The return premium shall be calculated for each period of 30 consecutive days separately, (any fraction of 30 days shall be ignored.) but if the non-approved lay-up period is included in the period for which a return is claimable, the return shall be calculated to the number of days which excluded the non-approved lay-up period.

Article 3.

In asking for a return of premium under the preceding two Articles the Assured shall, give promptly notice of the fact to the Company in writing and obtain the Company's approval to the lay-up location and mooring arrangements.

Article 4.

When the lay-up period is terminated, the person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company and provide the documents duly certified by the maritime authorities having jurisdiction over the waters where the Vessel is laid up and any other documents that may be required by the Company.

Article 5.

The Company shall not return the premium specified in Article 1 and 2, when the circumstances contrary to any specified conditions or any part thereof of the Lay-up Endorsement have occurred.

Article 6.

In these Clauses;

1. "Lay-up" shall be defined as the condition in which the Vessel shall not be used for navigation, such as drydocking for repairs (whether by insured peril or otherwise), and/or structural alterations, mooring, berthing, or lying.
2. "Lay-up Endorsement" shall be defined as the Endorsement issued by the Company when the Person effecting the insurance or the assured obtained the Company's approval for lay-up.
3. "Non-approved lay-up period" shall be defined as the period stated as follows:
  - a) Period for the repair, structural alteration, or statutory survey, however, this shall not include any repairs in respect of ordinary wear and tear to the Vessel and/or following recommendations of the Vessel's Classification Society survey.
  - b) Period for lay-up in the Special Approved Area including where the Vessel is lying in exposed or unprotected waters, as long as the Company has specially approved and specified this in the Endorsement as a lay-up area.

Article 7

In respect of the insurance which has been cancelled before expiry, the Company shall return the premium in accordance with preceding Articles, provided that such cancellation has resulted from changing the insurance by following reasons

- (1) The cancellation of insurance resulting from switching the Policy by following reasons;
  - (a) extension of coverage
  - (b) change of the insured value or the insured amount
  - (c) change of currency of the insured value
  - (d) change of the type of the vessel
  - (e) change of gross tonnage
  - (f) change of ocean going/coastal
  - (g) change of the deductible
  - (h) change of the owner of the vessel, with no change of the person effecting insurance
- (2) The rearrangement of the period of insurance by rational reason
- (3) The cancellation by reason of extinction of the insured interest



## **DISBURSEMENTS WARRANTY CLAUSES (A)**

### Article 1

It is a condition of this contract of this insurance that there shall be no contract of insurance that may be taken out with the object of covering interests of the Owner or Bareboat Charterer of the Vessel hereby insured, irrespective of whether it be Disbursements, Profits, Increased Value or otherwise except for the contract of freight or charter money for single voyage.

### Article 2

In the event of non-compliance with the preceding Article, the Company shall not be liable to indemnify the Assured for any loss or damage occurring thereafter.

## **ICE CLAUSE (A)**

The Company shall not be liable to indemnify the Assured for any cost of repairs of damage caused to the Vessel by collision or contact with ice between 15th November and 30th April, both days inclusive; provided that in no case shall this exclusion be applicable to such damage as was inevitably caused for preventing or minimizing the losses (excluding those caused by collision or contact with ice) for which the Company shall be liable to indemnify under the insurance.

1/4/2012

## **SPECIAL CLAUSE FOR COST OF REPAIRS OF DAMAGE CAUSED BY COLLISION (FOR CLASS NO.2 WITH COLLISION LIABILITY)**

### Article 1

The Company shall be liable to indemnify the Assured for the cost of repairs of damage caused to the Vessel by collision with any other vessel under the Article 4 of the General Clauses of Hull Insurance, provided that such other vessel's "name", "owner" and "master at the time of the accident and his address" shall be verified.

### Article 2

In respect of the accidents enumerated in Article 1 above, the deductible stated in the Policy shall be deducted from the cost of repairs to be paid by the Company per accident.

### Article 3

Notwithstanding the provisions of Article 1.1.(3) of SPECIAL CLAUSES OF HULL INSURANCE CLASS NO.2 (with collision liability) the Company shall be liable to pay for the additional cost for averting or minimizing loss or damage which would be recoverable under Article 1 above.

### Article 4

Notwithstanding the provisions of Article 1, the Company shall not be liable to indemnify the Assured for any cost of repairs of damage caused to the Vessel by collision with any other vessel belonging to flotilla of the Vessel

## **SMALL GENERAL AVERAGE CLAUSES**

### Article 1

Notwithstanding the provisions of Paragraph 1 (3) of Article 1 of the Special Clauses of Hull Insurance Class No.5 (hereinafter referred to as "the Special Clauses No.5") or item (3) of Article 1 of the Special Clauses of Hull Insurance Class No.6 (hereinafter referred to as "the Special Clauses No.6"), the Company shall indemnify the Assured for loss, damage or expenses which are allowable as general average (in accordance with the law and/or rules specified in the contract of carriages or, where no applicable law or rules being specified in the contract of carriages, Japanese law and/or York-Antwerp Rules, 1994) up to the amount limited as below, provided that the Person effecting the insurance or the Assured do not require contribution from other parties.

- (1) the sum of loss, damage or expenses allowable as general average (commission and interest excluded), if the sum does not exceed the special limit applicable for the small general average clauses as specified in the schedule of the policy
- (2) the special limit applicable for the small general average clauses, if the sum of loss, damage or expenses allowable as general average exceeds the special limit applicable for the small general average clauses

### Article 2

In cases where York-Antwerp Rules, 2004 shall be applied in respect of general average pursuant to the contract of carriages and, irrespective of the provisions of Rule VI. (Salvage Remuneration) of the Rules, the Person effecting the insurance or the Assured pays the proportion of salvage due from other parties and do not require contribution from them, full amount of salvage paid by the Person effecting the insurance or the Assured (including the proportion of salvage due from the Vessel) shall be deemed to be included in general average under the preceding Article 1.

### Article 3

Where the Company has indemnified the Assured under this Clause, the provision of Paragraph 1 (2) of Article 1 of the Special Clauses No.5 or item (2) of Article 1 of the Special Clauses No.6 shall not apply to any amount allowable in general average which is included in the cost of repairs of damage caused to the Vessel.

## **HATCH COVER CLAUSES**

### Article 1

Where the hatch covers of the Vessel are removed to a quay for the purpose of loading, discharging or shifting cargo, losses to such hatch covers removed from the Vessel shall be deemed losses to the Vessel; provided, however, the Company shall not be liable to indemnify the Assured losses to the hatch covers caused by dropping whilst being slinged by the derrick boom of the Vessel or a crane on land, under the Special Clauses of Hull Insurance Class No.5.

### Article 2

Losses to the Vessel caused by collision with the Vessel's own hatch covers outboard the Vessel shall be deemed losses to the Vessel caused by collision with any external object other than water.



## **DEDUCTIBLE CLAUSES (A)**

### Article 1

In respect of the cost of repairs specified in Paragraph 1(2) of Article 1 of the Special Clauses of Hull Insurance Class No.5 (except the cost of repairs of damage arising from a general average act and hereinafter referred to as "the cost of repairs"), the Company shall be liable to indemnify the Assured for the balance arrived at by deducting from the cost of repairs the deductible stated in the Policy per Accident; provided that the aggregate of the cost of repairs shall be limited to the Insured Value stated in the Policy.

### Article 2

The preceding Clause shall not be apply to the expense of sighting the bottom of the Vessel as specified in Article 4.7 of General Clause Of Hull Insurance.

## **DEDUCTIBLE CLAUSES (B)**

### Article 1

- 1 In case where the Company shall be liable to indemnify the Assured for loss under this Policy, the Company shall pay the balance arrived at by deducting the deductible specified in this Policy from the aggregate of all such claims arising out of each separate accident or occurrence (hereinafter referred to as "the Aggregate of All Claims").
- 2 The Aggregate of All Claims as provided for in the preceding paragraph shall by always limited to the insured value specified in this Policy. Provided, however, the damage or expenses as provided for in each item of Article 9-2 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses") shall be limited to the insured value specified in the Policy respectively, independently of other claims recoverable under this Policy.

### Article 2

The preceding Article shall not apply to the following loss, damages or expenses:

- (1) a total loss as provided for Article 3 of the General Clauses
- (2) expenses of sighting the bottom of the Vessel as provided for in Article 4-7 of the General Clauses
- (3) sue and labor expenses as provided for in the item 1 and 2 of Article 7-1, which the Assured incurred in connection with a total loss of the Vessel.
- (4) any loss or damage recoverable under the Special Clauses for Protection and Indemnity.
- (5) any loss or damage recoverable under the Special Clauses for Tower's Liability.

## **DEDUCTIBLE CLAUSES (G)**

Clause 1. No claim for the cost of repairs arising from perils enumerated in Article 2.1 of Special Clauses of Hull Insurance Class No.6 (hereinafter called as Special Clauses) shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence exceeds the Deductible specified in the Policy in which case this sum shall be deducted. The sum of claims payable under this Clause shall be always limited to the insured value specified in the Schedule.

Clause 2. The preceding Clause shall not apply to the expense of sighting the bottom of the Vessel as specified in Article 4.7 of General Clauses of Hull Insurance.

Clause 3. This provision of Article 3.1 of Special Clause shall not apply to this Policy.

## **FULL PREMIUM IF LOST CLAUSES (HULLS)**

### Article 1.

In the event of total loss or constructive total loss of the Vessel covered herein from an insured peril, the balance between the annual premium and the premium already paid shall be paid as additional premium.

### Article 2.

If the additional payment of the preceding Article has not been made before the Company make payment of a claim, the Company shall deduct the amount of the additional premium from the amount of claim.

## **TOWING CONDITIONS CLAUSES**

The Company shall not be liable to pay for any loss or damage occurring subsequent to the happening of the following, except when the Company's consent in writing has been given:

1. In case of the Vessel being employed in trading operations domestically in Japan or in Korea, or sailing between Japan and Korea, when the Vessel shall be in triple or more tow with other vessel or vessels and/or with other property by the same Tug Boat or Tug Boats at the same time, but excluding the following cases that
  - (1) the distance covered is under 100 nautical miles, or
  - (2) the Vessel sails only in the waters provided in sixth paragraph of Article 1 of enforcement regulations of Ship's Safety Law, or
  - (3) the Vessel sails only in the Setonaikai Sea waters(East of a line between Yahata-misaki, a point 2,000 meters 359°30'from Yahata-misaki, West end of Umashima Is., and Murasaki-bana, North of a line between Hino-misaki and Gamoudasaki, North of line between Yura-misaki and Tsuru-misaki)
2. In all cases other than the preceding paragraph, when the vessel shall be in double or more tow with other vessel or vessels and/or with other property by the same Tug Boat or Tug Boats at the same time.

## **CLAUSE FOR FORBIDDING TO PUSH OR TO BE PUSHED**

The Company shall not be liable to pay for any loss or damage occurring subsequent to the happening of the following circumstances, except when the Company's consent in writing has been obtained.

- (1) When the Vessel has pushed other vessels.
- (2) When the Vessel has been pushed by other vessels.

## **EXCESS COLLISION LIABILITY CLAUSE (A)**

### Article 1.

In case the allowable amount for the following loss, damage or expenses exceed the insured value on hull and machinery specified in the schedule of this policy, the Company shall indemnify the Assured for such excess amount which shall in no case exceed the difference between the limit of liability of the Vessel under Article 3-1(b) of the Protocol of 1996 to Amend the Convention on Limitation of Liability for Maritime Claims, 1976 (hereinafter referred to as "the Limitation Convention"), or under the applicable limitation law if such law applies, and her insured value.

- (1) collision damages as specified in Article 6 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses")
- (2) cost of lawsuit or arbitration which are necessary or useful in protecting the Assured's interest when a lawsuit for damages in respect of losses which are recoverable under the items of Paragraph 1 of Article 6 of the General Clauses was initiated against the Assured as specified in Paragraph 1(3) of Article 7 of the General Clauses

### Article 2.

In case of the preceding article, even if the Assured do not take action to limit their liability under the applicable law, the Company's liability under this clause shall not exceed the difference between the limit of liability of the Vessel under the applicable law and her insured value.

### Article 3.

The limit of liability of the Vessel under the Limitation Convention as specified in Article 1 shall be deemed to apply even if the Vessel is out of scope of the Limitation Convention.

## **SLING RISKS CLAUSE**

In the case of the Vessel being slung by a crane, etc., the Company shall be liable to indemnify the Assured of any loss caused to the Vessel by the Accidents during the slinging, subject to the provisions contained in any clauses specified in the policy.



## <Clauses for Protection and Indemnity>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## SPECIAL CLAUSES FOR PROTECTION AND INDEMNITY

(Liability for Indemnification – 1)

### Article 1

The Company shall only indemnify the Assured for the losses the Assured sustained by reason of the Assured assuming the following legal liabilities (hereinafter referred to as “liability”) resulting from the operation, use or control of the Vessel. Provided always that, in respect of liabilities the Company shall only indemnify the Assured in discharge of his liability (hereinafter referred to as “compensation”) and that the prior written consent of the Company should be obtained for such payment of the compensation.

- (1) Liability for loss of life, personal injury or illness. Provided always that as to the liability in respect of the employees or sub-contractors (including their employees) of the Assured, regardless of the insurance protection under the Workmen’s Accident Compensation Insurance Law, the Seamen’s Insurance Law or any other accident compensation law of Japan or any other country, having been secured or not, the amount subjected to such law, recoverable thereunder or not, shall be deducted from the indemnity payable hereunder.
  - (2) Liability for loss of or damage to other vessel or cargo or other property thereon (including loss of use of the other vessel arising from the damage caused to her) . Provided always that the collision damages as provided for in Article 6 of the General Clauses of Hull Insurance (hereafter referred to as “the General Clauses”) shall be excluded.
  - (3) Liability for loss of or damage to port facility or any other fixed or movable thing, which are not on board the vessel, including sea products but excluding property mentioned in the preceding item.
  - (4) Liability for loss of or damage to the personal effects of the employees of the Assured which are on the board the vessel.
  - (5) Liability for costs and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo or other property thereon as provided for the item (2) of this Article, or property located outside of the vessel as provided for the item (3) of this Article. The value of all salvaged stores and materials the Assured acquired as well as that of the wreckage itself shall, however, be deducted from such costs and expenses.
  - (6) In the event of the Vessel being towed by other vessel, liability the Assured assumed for loss or damage arising under the terms of the towage contract in writing during the time from the commencement of the towage operation to the termination. Provided always that the Company shall not indemnify the Assured for Compensation under this provision where the towage is carried under improper condition at the time of sailing (including sailing from a port of call) or where liability assumed by the Assured under the towage contract is extremely heavier than that under the towage contract form of Japanese writings established by the Japan Shipping Exchange, Inc. revised at July, 1995.
  - (7) Liability for cost and expenses arising as provided for in the item (7) of Article 2 in case of loss of or damage to other vessel or cargo or other property thereon as provided for in the item (2) of this Article
2. Notwithstanding the provision of the item (2) of the preceding paragraph, the Company shall only indemnify the Assured for the collision damages as provided for in Article 6 of the General Clauses (hereinafter referred to as “collision damages”) in case where such collision damages are recoverable under this Policy and the Assured’s liability for such damages exceed the sum of the insured value of the Vessel and the amount recoverable under the Excess Collision Liability Clauses, in which case the amount recoverable hereunder is always limited to such excess amount

(Liability for Indemnification - 2)

### Article 2

The Company shall only indemnify the Assured for the losses the Assured sustained by reason of the Assured bearing following expenses resulting from the operation, use or control of the Vessel. Provided that the prior written consent of the Company should be obtained for such payment of expenses.

- (1) Expenses borne by the Assured in saving life, searching for human remains, delivering human remains and/or human ashes and/or articles left by the deceased and funeral fees. Such expenses covered under the item (1) of the preceding Article shall, however, be excluded.
- (2) Fare, lodging charges and food expenses borne by the Assured in repatriating the Master and/or Crew of the Vessel in the event of a total loss of the vessel arising from the Accident, personal injury or illness resulting in loss of capability to perform duties.
- (3) Fare, lodging charges and food expenses borne by the Assured in sending substitutional person for the Master and/or Crew of the Vessel in the event of loss of life, missing, personal injury or illness resulting in loss of capability to perform duties.
- (4) Expenses borne by the Assured in departing from the contract voyage purely for the reason of providing necessary treatment for sick or injured Master and/or Crew of the Vessel or for the reason of landing a stowaway or displaced persons. (Loss of use of the vessel shall be excluded) .
- (5) Expenses incurred by the Assured in taking necessary measures to avert epidemics pursuant to quarantine or Public Health Regulations by reason of outbreak or a threat of outbreak of infectious disease upon the Vessel, cargo thereon or the employees of the Assured (Loss of use of the Vessel shall be excluded) .
- (6) Costs and expenses for which the Assured shall become liable in raising or removing the wreck of the Vessel and/or wrecked cargo or other wrecked property on board the Vessel, or costs and/or expenses which the Assured incurs in raising or removing the same from any place owned, rented or possessed by the Assured.
- (7) -1 Special compensation incurred by the Assured in respect of measures taken to prevent or minimize damage to the environment in connection with salvage pursuant to Article 14 of the International Convention on Salvage, 1989, Article 805 of the Commercial Code or the equivalent terms of a Salvage Agreement.
- (7) -2 Remuneration for salvors borne by the Assured in connection with salvage under the terms of the Special Remuneration Clause under the Japan Shipping Exchange Salvage Agreement or Special Compensation P&I Clubs Clause (SCOPIC) of Lloyd’s Standard Form of Salvage Agreement.

(Liability for Indemnification - 3)

### Article 3

The Company shall indemnify the Assured for sue and labour expenses (as provided for in Article 7 of the General Clauses) incurred and borne by the Assured in averting or minimizing loss or damage which would be recoverable under preceding Articles.

(Exclusions)

### Article 4

The Company shall not indemnify the Assured against the following mentioned liabilities the Assured assumed and/or expenses incurred and borne by the Assured.

- (1) Liability for loss of life, personal injury or illness to the employees or sub-contractors (including their employees) of the Assured or the personal effects of his employees under the labour agreement, the employment regulations, the accident compensation regulations, the contract of service or employment or any other similar regulations and contract.
- (2) Liability or expenses arising in respect of passengers (limited only to those persons who paid fare or charges and are on the Vessel or are getting on and of the Vessel) .
- (3) Liability or expenses arising from leakage or discharge of oil, harmful liquid, waste or any other pollutants, irrespective of whether there be causes or not.
- (4) Liability or expenses arising in respect of loss of or damage to the cargo laden on board the Vessel (including cargo before loading and after discharging) or to other property in the Assured’s care custody and control, or to other property for which the operation works, or to other vessel and the property

- thereon, which is involved in the towage operation with the Vessel. Provided that the case set out in item (6) of Article 2 shall be excluded.
- (5) Liability or expenses arising in respect of loss of or damage to specie, bullion, precious or rare metals or stone, jewellery, bank notes or other forms of currency, bonds or other negotiable instruments, or other similar property.
  - (6) Liability for loss of or damage to the Vessel, when the Vessel is not owned by the Assured.
  - (7) In the event of the Vessel being involved in the towing of the other vessel or property (hereinafter called the property towed) liability or expenses arising in respect of loss of or damage to the third party not belonging to the flotilla of the Vessel caused by the property towed during the time from the commencement of the towage operation to the termination, but excluding liability or expenses arising in respect of the employees and/or sub-contractors (including their employees) of the Assured.
  - (8) Additional liability specially assumed by the Assured under a contractual agreement but excluding the case set out in item (6) of Article 1.

(Loss of or damage to another vessel belonging to or demise-chartered by the Assured)

Article 5

1. Should the Vessel give loss of or damage to another vessel and/or property thereon, belonging to or demise-chartered by the Assured (excluding the launch belonging to the Vessel), these clauses shall be applicable as if the other vessel and/or property thereon were belonging to or demise-chartered by a third party. In such case, the degree and proportion of fault and the amount of losses on each vessel shall be determined by the agreement between the Assured and the Company.
2. Unless such agreement as provided for the preceding paragraph can be reached, the matter shall be referred to a sole arbitrator to be appointed by the agreement between the Assured and the Company. Unless such appointment can be made, the Assured and the Company shall appoint an arbitrator respectively and then two arbitrators thus appointed shall appoint a third arbitrator, and the award shall be decided by the majority vote of such three arbitrators.

(Limit of Indemnity)

Article 6

The amount of indemnity to be paid by the Company under these Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy, independently of any other claims recoverable under the clauses other than these Clauses. Provided, however, it shall not exceed the Limit of Liability specified in this Policy.

(Relations with the General Clauses)

Article 7

In the event of the whole or a part of any provisions of General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **ADDITIONAL COVERAGE CLAUSES FOR PROTECTION AND INDEMNITY IN RESPECT OF POLLUTION DAMAGE**

Article 1

Notwithstanding the provisions of Article 4 (3) of the Special Clauses for Protection and Indemnity (hereinafter referred to as "the Special Clauses"), the Company shall indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities enumerated in Article 1 of the Special Clauses or costs or expenses paid by the Assured enumerated in Article 2 of the Special Clauses arising in consequence of leakage or discharge of oil, noxious object, waste or any other pollutants, subject to the provisions of the Special Clauses. Provided, however, the Company shall not indemnify the Assured for loss, costs or expenses arising from radioactive contamination.

Article 2

The following item shall be added to Article 1 of the Special Clauses and the Company shall indemnify the Assured for loss provided in such item, subject to the Special Clauses:

"Liability for costs and expenses, which the Assured is liable, of necessary measures taken for the purpose of prevent or mitigate pollution (excluding radioactive contamination), or threat thereof, of seas, rivers, etc. by oil, noxious object, waste or any other pollutant spilled or discharged from any other vessel or property."

Article 3

The following item shall be added to Article 2 of the Special Clauses and the Company shall indemnify the Assured for loss provided in such item, subject to the Special Clauses:

"Costs and expenses incurred by the Assured in taking necessary measures for which the Assured is legally liable to prevent or mitigate pollution (excluding radioactive contamination) in consequence of pollution, or threat thereof, of seas or rivers, etc. by oil, noxious object, waste or any other pollutant spilled or discharged from the Vessel."

Article 4

The provisions of Article 4 (3) shall not apply to the preceding two Articles.

Article 5

Notwithstanding the provisions of Article 1 to 3, the Company shall not indemnify the Assured against the liability which the Assured assumed and/or expenses paid by the Assured arising whilst salvage, raising or removing the wreck by the Vessel under a contract.

Article 6

1. Notwithstanding the provisions of Article 6 of the Special Clauses, the amount of indemnity to be paid by the Company under these Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy, independently of any other claims recoverable under the clauses other than these Clauses. Provided, however, it shall not exceed the Limit of Liability specified in this Policy.
2. The amount of indemnity to be paid by the Company in case of the loss under the Special Clauses and the loss under these Clauses occurring arising from one accident shall be the balance of loss after deducting the larger sum of the following deductibles independently of any other loss recoverable under the Special Clauses and these Clauses. Provided, however, it shall not exceed Limit of Liability as provided for in Article 6 of the Special Clauses.
  - (1) Deductible as provided for in Article 6 of the Special Clauses
  - (2) Deductible as provided for in the preceding Paragr

## **ADDITIONAL COVERAGE CLAUSES FOR LIABILITIES IN RESPECT OF THE CONTRACT OF USE OF CRANE ETC.**

Article 1

The following item shall be added to Paragraph 1 of Article 1 of the Special Clauses for Protection and Indemnity (hereinafter referred to as "the Special

Clauses”) and the Company shall indemnify the Assured for liability as provided hereunder, subject to the Special Clauses:

The Assured’s liability under the contract of use of crane and/or other loading/unloading appliance with owners and/or operators of such crane and/or other appliance used for the loading/unloading operation of the vessel; provided however that any liability against cargo and/or other properties to be loaded to or unloaded from the vessel shall be excluded.

Notwithstanding the foregoing, the Company shall not indemnify the Assured for liability under this provision when the liability of Assured under such contract is excessive compared with general terms of such contract.

Article 2

In case of the preceding paragraph, Article 4-1- (4) and Article 4-1- (8) of the Special Clauses shall not be applied.

## **DEDUCTIBLE CLAUSES FOR P&I RISKS ON BARGE LINE SYSTEM**

Article 1

Article 6 of the Special Clause for Protection and Indemnity shall be amended as follows:

The amount the Company shall be liable to indemnify to the Assured by the Special Clauses, shall always be limited to the insured amount of this insurance policy, independently of the other claims recoverable not by the Special Clause, by aggregating the following amounts per insurance accident occurrence:

- (1) in respect of the liabilities for the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of the Deductible (A), stipulated in the policy, to the amount of these liabilities.
- (2) in respect of liabilities other than the above, the balance remaining after application of the Deductible (B), stipulated in the policy, to the amount of these liabilities.

Article 2

In the case of this policy including the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, Article 6-2 of these Additional Clauses, shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity and the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, shall always be limited to the insured amount, provided for in Article 6 of the Special Clauses, independently of the other claims recoverable not by the Special Clauses and the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of Deductible (A) stipulated in the policy to the amount of these liabilities.
  - (2) in respect of liabilities other than the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible, provided for in the above Sub-Section 1

Article 3

In the case of this policy including the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, Article 6-2 of these Additional Clauses shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity and the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, shall always be limited to the insured amount, provided for in Article 6 of the Special Clauses, independently of other claims recoverable not by the Special Clauses and the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter the same.), the balance remaining after application of Deductible (A), stipulated in the policy, to the amount of these liabilities.
  - (2) in respect of the liabilities other than the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible, provided for in the above Sub-Section 1

Article 4

In the case of this policy including the Limit of Liability Clauses for Protection and Indemnity, Article 2 of these Clauses shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity (hereinafter referred to as the “Special Clauses”), the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, and the Additional Coverage Clauses for Protection and Indemnity in respect of the Cargo, shall be limited to the insured amount, provided for in Article 6 of the Special Clauses, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of Deductible (A), stipulated in the policy, to the amount of these liabilities.
  - (2) in respect of the liabilities other than the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible provided for in Article 6-1 of the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage
    - c. Deductible provided for in Article 6-1 of the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo

## **DEDUCTIBLE CLAUSES FOR P&I RISKS ON COSTAL VESSELS**

Article 1

Article 6 of the Special Clause for Protection and Indemnity shall be amended as follows:

The amount the Company shall be liable to indemnify to the Assured by the Special Clauses, shall always be limited to the insured amount of this insurance policy, independently of the other claims recoverable not by the Special Clause, by aggregating the following amounts per insurance accident occurrence:

- (1) in respect of the liabilities for the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of the Deductible (A), stipulated in the policy, to the amount of these liabilities.
- (2) in respect of liabilities other than the above, the balance remaining after application of the Deductible (B), stipulated in the policy, to the amount of these



liabilities.

Article 2

In the case of this policy including the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, Article 6-2 of these Additional Clauses, shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity and the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, shall always be limited to the insured amount, provided for in Article 6 of the Special Clauses, independently of the other claims recoverable not by the Special Clauses and the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of Deductible (A) stipulated in the policy to the amount of these liabilities.
  - (2) in respect of liabilities other than the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible, provided for in the above Sub-Section 1

Article 3

In the case of this policy including the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, Article 6-2 of these Additional Clauses shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity and the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, shall always be limited to the insured amount, provided for in Article 6 of the Special Clauses, independently of other claims recoverable not by the Special Clauses and the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter the same.), the balance remaining after application of Deductible (A), stipulated in the policy, to the amount of these liabilities.
  - (2) in respect of the liabilities other than the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible, provided for in the above Sub-Section 1

Article 4

In the case of this policy including the Limit of Liability Clauses for Protection and Indemnity, Article 2 of these Clauses shall be amended as follows;

- 2 The amount the Company shall be liable to indemnify to the Assured against the liabilities to be covered by the Special Clauses for Protection and Indemnity (hereinafter referred to as the "Special Clauses"), the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage, and the Additional Coverage Clauses for Protection and Indemnity in respect of the Cargo, shall be limited to the insured amount, provided for in Article 6 of the Special Clauses, by aggregating the following amounts per insurance accident or occurrence;
  - (1) in respect of the liabilities for the cost and expenses which the Assured incurs in raising or removing the wreck of other vessel and/or cargo, etc. (liabilities provided for in Article 1 (5) and Article 2 (6) of the Special Clauses. Hereinafter, the same.), the balance remaining after application of Deductible (A), stipulated in the policy, to the amount of these liabilities.
  - (2) in respect of the liabilities other than the cost and expenses which the Assured incurs in rising or removing the wreck of other vessel and/or cargo, etc., the balance remaining after deduction of the larger sum of the following deductibles from these liabilities;
    - a. Deductible (B) provided for in Article 6 of the Special Clauses
    - b. Deductible provided for in Article 6-1 of the Additional Coverage Clauses for Protection and Indemnity in respect of Pollution Damage
    - c. Deductible provided for in Article 6-1 of the Additional Coverage Clauses for Protection and Indemnity in respect of Cargo

## **SPECIAL CLAUSE FOR THE LAWS ON LIABILITY FOR OIL POLLUTION DAMAGE OF JAPAN**

Article 1.

Subject to the provisions of Special Clauses for Protection and Indemnity (hereinafter referred to as "the Special Clauses") and this special clause, the Company shall indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities for pollution damage and wreck removal damage in accordance with the Laws on Liability for Oil Pollution Damage of Japan (hereinafter referred to as "the Laws").

Article 2.

1. Notwithstanding the provisions of Article 6 of the Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard, the amount of indemnity to be paid by the Company under these Clauses in respect of each separate accident or occurrence shall be the balance of the loss or damage hereunder after deducting the deductible specified in this Policy from the sum recoverable under the Special Clauses, Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and this special clause, independently of any other claims recoverable under the clauses other than the Special Clauses, Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and this special clause. Provided, however, it shall not exceed the Limit of Liability specified in this Policy.
2. In the event that there are both loss or damage recoverable under the Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard and loss or damage recoverable under this special clause in an accident or occurrence, the Company shall indemnify the loss or damage recoverable under this special clause on a priority basis.

Article 3.

1. In the event that any claim for compensation is brought against the Company from the aggrieved party in accordance with Article 15, 43 and 51 of the Laws, the Company shall indemnify subject to the Limit of Liability specified in this Policy.
2. Against the claim as above, the Company may invoke the defenses which the Assured would have been entitled to invoke.
3. In the event that the Company indemnifies in accordance with paragraph 1, it would be regarded as the indemnification to the Assured in accordance with this special clause to the extent of the sum paid under Article 3.1 of this special clause.
4. In the event that the Assured indemnifies the aggrieved party and the Company indemnifies the Assured for the payment made by the Assured to the aggrieved party, the Company would be immune from the responsibility to the aggrieved party to the extent of the sum paid to the Assured.

Article 4.

In the event that the Company makes any payment under the preceding Article, the Company may require that the Assured returns the following sums.

- (1) The sums which the Company paid to the aggrieved party in the event that the Company shall not be liable to the loss in accordance with any provisions of all clauses attached to the Policy, and the sums deducted by the Company from the amount of loss in accordance with paragraph 2 and 3 of Article 25 and paragraph 2 of Article 26 of General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").
- (2) The sums which we should have been immune from our responsibility if the deductible specified in the Policy have been deducted in accordance with paragraph 1 of Article 2 of this special clause.

Article 5

1. The provisions of paragraph 1 and 2 of Article 16 of the General Clauses would not be applied to this special clause. However, the Company may cancel this contract of insurance by written notice to the Person effecting the insurance.
2. Cancellation of this contract of insurance under any provisions of any clauses attached to the Policy shall take effect only for the future from the day following to the date when three months have passed since the Company reported about this cancellation to Minister of Land, Infrastructure, Transport and Tourism of Japan in accordance with Article 14.4, Article 42.4 and Article 50.4 of the Laws.
3. In the event that the Company has paid for any loss or damage arising from any accidents or occurrences happened from when any events causing cancellation specified in the preceding Article appeared to when the cancellation took effect, the Company may require that the Assured returns the sums. However, in no case shall this paragraph applicable to the loss or damage appeared within 10 days from the date when the Company gave the previous notice of cancellation to the Person effecting the insurance or the Assured in case of the cancellation due to the causes enumerated in paragraph 4 of Article 14 of the General Clauses.

Article 6

In the event of the whole or a part of any provisions of the General Clauses or other Special clauses being inconsistent with this special clause, this special clause shall prevail.

Article 7

Notwithstanding paragraph 1 of Article 11 of the General Clauses, the Company shall be liable to indemnify the Assured for loss sustained by reason of the Assured assuming the liabilities in accordance with the Laws and caused by

- (1) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives.
- (2) seizure, capture, detainment, confiscation or expropriation whether by public authorities or otherwise.
- (3) actions by terrorists or any other persons acting maliciously or from a political motive.

Article 8

Notwithstanding Article 30 of the General Clauses, in the event that any War and Strikes Insurance covering the whole or a part of loss or damage to be covered under this special clause is insured, the Company shall deduct the sums paid by any War and Strikes Insurance from the sum to be paid by this special clause.

Article 9

In the event that the insured vessel is used for international voyage, territorial water and exclusive economic zone of Japan shall be incorporated into the trading limit of this insurance for loss or damage stipulated in Article 42.1 and Article 50.1 of the Laws.

Article 10

In case that this special clause is attached to Institute Protection and Indemnity Clauses Hulls – Time Amended (1/06) or Institute Protection and Indemnity Clauses Hulls – Time Amended (1/06) (for Class No.2 RDC), both of which would be hereinafter referred to as IPIC, rather than the General Clauses, Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard, such clauses as referred in this special clause shall be regarded as follows.

- Article 6 of the Special Clauses means Article 3 of IPIC.
- Article 6 of Special Clauses and Additional Coverage Clauses for Protection and Indemnity in respect of Cargo Onboard means Article 3 of IPIC.
- Paragraph 2 and 3 of Article 25 of the General Clauses mean Article 2 and 8 of IPIC.
- For Paragraph 2 of Article 26 of the General Clauses, no reference is made in IPIC.
- For Paragraph 1 and 2 of Article 16 of the General Clauses, no reference is made in IPIC..
- For Paragraph 4 of Article 14 of the General Clauses, no reference is made in IPIC.
- Paragraph 1 of Article 11 of the General Clauses means Article 10 of IPIC.
- For Article 30 of the General Clauses, no reference is made in IPIC.

## <Clauses for War and Strikes - Hull>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## WAR AND STRIKES SPECIAL CLAUSES - HULLS

(Liability for indemnification)

Article 1

Notwithstanding the provisions of items (1) through (7) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), the Company shall be liable to indemnify the Assured only for the following losses caused to the Vessel by any of the Accidents mentioned in Article 2 below.

- (1) Total loss (as provided for in Article 3 of the General Clauses)
- (2) Cost of repairs (as provided for in Article 4 of the General Clauses)
- (3) General average contribution (as provided for in Article 5 of the General Clauses)
- (4) Collision damages (as provided for in Article 6 of the General Clauses)
- (5) Sue and labor expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to those which have been incurred for preventing or minimizing the losses as enumerated in the preceding items

(Perils insured against)

Article 2

In these Special Clauses the expression “the Accidents” shall mean the following perils.

- (1) war, civil war or any other hostile operations
- (2) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives, provided that detonation of nuclear weapons shall be excluded.
- (3) seizure, capture, detainment, confiscation or expropriation whether by public authorities or otherwise
- (4) piracy or violent theft
- (5) strikes, lock-outs or other labor disturbances or related actions by persons taking part therein
- (6) actions by terrorists or any other persons acting maliciously or from a political motive
- (7) riots, political or social commotions or other similar disturbances

(Exclusions-1)

Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable to indemnify the Assured for any loss caused by the following

- (1) seizure, capture, detainment, confiscation or expropriation by public authorities of Japan or the country in which the Vessel is owned or registered
- (2) requisition, pre-emption, or disposition under the laws or regulations concerning quarantine, trading or customs by public authorities of Japan or any other country
- (3) outbreak of war (whether before or after a declaration of war, or whether there be the declaration of war or not) between any of the following countries:  
United Kingdom, United States of America, France, Russian Federation, the People’s Republic of China
- (4) theft (excluding theft caused by the perils as provided for in items (1) and (3) through (7) of the preceding Article)

(EXclusion-2)

Article 4

Notwithstanding the provisions of Article 1, when the Vessel sails in violation of the order of public authorities of Japan, the Company shall not be liable to indemnify the Assured for any loss occurring subsequent to such sailing.

(Total Loss)

Article 5

1. When the Vessel has been detained for a continuous period of 12 months by seizure, capture, detainment, confiscation or expropriation, the Assured may make claim for a total loss.
2. In case of the preceding paragraph, Article 3-2-(3) of the General Clauses shall not be applied.

(Extension of period of insurance)

Article 6

The provisions of paragraph 4 of Article 10 of the General Clauses shall not be applied.

(Relation with the General Clauses)

Article 7

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **WAR AND STRIKES ADDITIONAL COVER CLAUSES - HULLS (A) (PROTECTION AND INDEMNITY)**

### Article 1

1. The Company shall be liable to indemnify the Assured, subject to the provisions of the War and Strikes Special Clauses-Hulls (hereinafter referred to as “the Special Clauses”) and these Clauses, for a sum or sums paid by the Assured with the prior written consent of the Company in respect of liabilities or expenses which have been caused by perils excluded by the Protection and Indemnity Club, to which the Vessel belongs, from its coverage by reason of war, mines, torpedoes or any other explosives, seizure, capture, strikes or social commotions or other risks such like them, provided always that such liabilities or expenses shall be caused by the perils enumerated in Article 2 of the Special Clauses.
2. In the event that the Protection and Indemnity Club to which the Vessel belongs excludes a part or parts of the risks which are covered by The United Kingdom Mutual Steam Ship Assurance Association Limited (hereinafter referred to as “the U.K. Club”), the preceding paragraph shall be applied in the same way as if the Vessel had belonged to the U.K. Club.
3. In the event that the Vessel does not belong to any Protection and Indemnity Club, paragraph 1 of this Article shall be applied in the same way as if the Vessel had belonged to the U.K. Club.

### Article 2

The Company shall be liable to indemnify the Assured for sue and labor expenses (as provided for in Article 7 of the General Clauses of Hull Insurance) which have been incurred by the Assured for preventing or minimizing the losses which the Company shall pay under preceding Article.

### Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable to indemnify the Assured for any liability or expenses to crew of the Vessel other than contractual repatriation expenses for any member of the crew.

### Article 4

The sum which the Company shall pay for each accident under these Clauses shall be calculated in such proportion as the insured amount bears to the insured value, and shall be limited to the sum specified in the Policy, per each accident independently of any other claim payable under the provisions of the Policy other than these Clauses.

## **WAR AND STRIKES ADDITIONAL COVER CLAUSES - HULLS (C) (CREW LIABILITY)**

### Article 1

Notwithstanding the provision of Article 3 of the War and Strikes Additional Cover Clauses-Hulls (A) (Protection and Indemnity) or Article 3 of the War and Strikes Additional Cover Clauses-Hulls (B) (Protection and Indemnity), the Company shall be liable to indemnify the Assured, subject to the War and Strikes Special Clauses-Hulls (hereinafter referred to as “the Special Clauses”) and these Clauses, for any sum or sums paid by the Assured to Master, Officers or Crew of the Vessel (hereinafter referred to as “the seaman”) or their bereaved families by reason of the Assured assuming the liabilities mentioned in (1), (2) and (6) below under the statutory obligation or under the Labour Agreement, the Employment Regulations, the Accident Compensation Regulations or the Contracts of Service or Employment, including such expenses incurred by the Assured as listed below, incidental to the liabilities or otherwise.

Provided always that

- (a) such liabilities or expenses shall be caused by the perils mentioned in Article 2 of the Special Clauses
- (b) such payments of liabilities or expenses shall have been made by the Assured with the prior written consent of the Company
- (c) the amount recoverable under the Workmen’s Accident Compensation Insurance Law, the Seamen’s Insurance Law and other workmen’s accident compensation laws or ordinances of Japan or any other country shall not be indemnified hereunder.
- (1) Liability for loss of life of the seaman (including presumption of death due to being missing; hereinafter to be so interpreted)
- (2) Liability for the permanent physical handicaps of the seaman in the performance of his duties
- (3) Compensation for medical treatment (as provided for in Articles 89 and 90 of the Seamen’s Law of Japan), injury or sickness allowances, convalescence allowances and travelling expenses for nursing in cases where the seaman has sustained an injury or contracted a sickness in the performance of his duties
- (4) Expenses incurred in saving the life of the seaman, searching for dead body of the seaman, delivering the remains of, ashes of, and articles left by the seaman and funeral expenses
- (5) Missing allowances in cases where the seaman has become missing in the performance of his duties
- (6) Liability for loss of or damage to the effects of the seaman
- (7) Necessary expenses incurred in sending a substitute to replace the seaman in consequence of his loss of life, injury or sickness
- (8) Wages payable to the seaman who has lost employment in consequence of a total loss of the Vessel

### Article 2

The Company shall be liable to indemnify the Assured for sue and labor expenses (as provided for in Article 7 of the General Clauses of Hull Insurance) which have been incurred by the Assured for preventing or minimizing the losses which the Company shall pay under preceding Article.

### Article 3

The sum which the Company shall pay for each accident under these Clauses shall be limited to the sum listed below, per each accident independently of any other claim payable under the provisions of the Policy other than these Clauses.

- (1) the limit of liability specified in the Policy in respect of the aggregate sums of the liabilities and the expenses mentioned in Article I (1) through (3) and (8)
- (2) the amount equivalent to 20% of the limit of liability specified in the Policy in respect of the aggregate sums of the liabilities and the expenses mentioned in Article I(4) through (7) and Article 2 in addition to the indemnity recoverable under (1) above.

1/4/2023

## **WAR CANCELLATION AND AUTOMATIC TERMINATION CLAUSES**

### Article 1

The Company may cancel this insurance by giving 7 days notice in writing to the Person effecting the insurance. Such cancellation becomes effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by the Company (hereinafter referred to as “the expiry of notice”). Notwithstanding the foregoing, where the circumstances involve one of the five powers (United Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China), the Notice shall be 72 hours (such cancellation becoming effective on the expiry of 72 hours from midnight of the day on which notice of cancellation is issued by the Company). The Company agrees, however, to reinstate this insurance subject to agreement between the Company and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or trading warranties and/or other conditions,

even if the notice of cancellation as provided for in paragraph 1 has been dispatched.

Article 2

Whether or not such notice of cancellation of the preceding Article has been given, this insurance shall TERMINATE AUTOMATICALLY

- (1) upon the occurrence of any hostile detonation of any nuclear weapons of war
- (2) upon the outbreak of war (whether before or after a declaration of war, or whether there be the declaration of war or not) between any of the following countries:  
United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China
- (3) in the event of the Vessel being requisitioned by public authorities of Japan or any other country.

Article 3

When the Company cancels this insurance or this insurance terminates in accordance with the provisions of Articles 1 and 2 above, the Company shall return the proportion of the premium for the unexpired period of the insurance calculated on a pro rata daily basis as from the following day on which this insurance has been cancelled or has terminated.

### **DEVIATION CLAUSE (FOR WAR AND STRIKES)**

Article 1

Article 14.1.(3) of the General Clauses of Hull Insurance shall not be applicable in this insurance when the Vessel has deviated from the Trading Warranty specified in the Policy.

Article 2

1. When the Vessel has deviated from the Trading Warranty specified in the Policy, the Person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company, and obtain the Company's consent in writing.
  - (1) Details of the navigation outside the Trading Warranty
  - (2) If there is any change in the contents of the notice during the navigation outside the Trading Warranty, the details of such change
  - (3) Details fixed after the completion of the navigation outside the Trading Warranty
2. If the Person effecting the insurance or the Assured fails to give such notice listed in items (1) through (3) of the preceding paragraph without delay, the Company shall not be liable for any loss or damage occurring during the period of navigation outside the Trading Warranty specified in the Policy.

1/4/2010

### **BLOCKING AND TRAPPING CLAUSES**

Article 1

In the case that the Vessel shall have been restrained and the Assured shall have lost of the free use and disposal of the Vessel for a continuous period of 12 months as a result of the closure of any port, canal, waterway or other place by a warlike act or act of national defence, such case shall be deemed "when the Vessel has been detained for a continuous period of 12 months by detention" mentioned in Article 5 of the War and Strikes Special Clauses (hereinafter referred to as "the Special Clauses"), the Assured may make claim for a total loss subject to the provisions of the Special Clauses.

Article 2

In these Clauses, the expression "when the Vessel has been restrained" means the inability of all vessels equivalent to size or draft of the Vessel within the place enumerated in preceding Article to sail from such place to the high seas.

### **FULL PREMIUM IF LOST CLAUSES (HULL WAR AND STRIKES)**

Article 1.

In the event of total loss or constructive total loss of the Vessel covered herein from an insured peril, the balance between the annual premium and the premium already paid shall be paid as additional premium.

Article 2.

If the additional payment of the preceding Article has not been made before the Company make payment of a claim, the Company shall deduct the amount of the additional premium from the amount of claim.

### **HULL WAR AND STRIKES CLAUSES FOR FISHING OR REEFER BOATS**

Article 1

The Company shall not be liable to indemnify the Assured for any loss caused in consequence of the Vessel being engaged in, or about to be engaged in illegal fishing (including carriage of fish and/or fishery products from fishing grounds) which is in violation of the laws or regulations of Japan or any other country, or of the treaties ratified between Japan and any other country, or in consequence of the Vessel being charged with such violation irrespective of actual guilt.

Article 2

Provided, however, the preceding Article shall not be construed as meaning to eliminate the provision of Article 14-1-(4) of the General Clauses of Hull Insurance.

## <Clauses for Loss of Time/Hire>

Clauses collected in this book shall be applied only when they are specified in the Schedule.



## SPECIAL CLAUSES FOR LOSS OF TIME INSURANCE

(Liability for indemnification)

### Article 1

The Company shall be liable only for Loss of Time for the period calculated in accordance with the provisions of Article 3 in excess of the number of days specified in the Policy, in cases where the Vessel sustains damage and is prevented from working in consequence thereof, provided always that the damage was caused by sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water (hereinafter referred to as "the Accidents") among the perils mentioned in Paragraph 1 of Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").

(Definitions)

### Article 2

In these Special Clauses,

- (1) "The Vessel is prevented from working" shall be defined as the ease that the Vessel having encountered any of the Accidents proceeds to the place of repair, either directly from the place where the Vessel has sustained the damage, or via the port of departure or the original destination, and the repairs are effected thereat without delay. Even when no damage is found by the inspection effected at the place of repair with the consent of the Company, if the Vessel which encountered the Accidents proceeds to the place of repair, either directly from the place where the Vessel is thought to have sustained the damage, or via the port of departure or the original destination, the Vessel shall be deemed to have been prevented from working.
- (2) "Repairs" shall be defined as follows:
  - (a) permanent or temporary repairs of the damage which the Vessel sustained by any of the Accidents
  - (b) inspections effected with the consent of the Company after the Vessel has encountered the Accidents
  - (c) shifting, temporary discharging or reloading cargo for the purpose of effecting (a) or (b) above
- (3) "Completion of repairs" shall be defined as the completion of permanent repairs of the damage which the Vessel sustained by any of the Accidents. Where only temporary repairs or inspections have been effected and also permanent repairs have been deferred, the completion of temporary repairs or inspections shall be deemed to be the completion of repairs.
- (4) "Original destination" shall be defined as the next port of loading or discharging cargo which was already destined when the Vessel sustained the damage by any of the Accidents. Should the Vessel sustain damage, and as a result of which the cargo can not be discharged at the original destination and therefore has to be discharged at another port, the said substitute port shall be deemed to be the original destination.
- (5) "New destination" shall be defined as a port of loading or discharging cargo other than the original destination.

(Period of Loss of Time)

### Article 3

In these Special Clauses, the period of Loss of Time shall be calculated as mentioned in the following items; in no case, however, shall the number of days required for loading or discharging cargo at the port of destination be counted herein.

- (1) Where the Vessel deviates from the original voyage for repairs after the Vessel sustained the damage:-
    - (a) if the Vessel, after completion of repairs, resumes the original voyage in order to proceed to the original destination, the number of days from the day following the occurrence of the damage to the day of resumption of the original voyage after completion of repairs, exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the point where the Vessel resumed the original voyage if there had been no damage.
    - (b) if the Vessel, after completion of repairs, proceeds to the new destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed directly from the place where the damage occurred to the new destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (2) Where the repairs of the damage that the Vessel sustained are effected at the original destination or the Vessel proceeds to the place of repair via the original destination:-
    - (a) if repairs are effected at the original destination, the number of days from the day following the occurrence of the damage to the day of completion of repairs exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the place of repair if there had been no damage.
    - (b) if the Vessel proceeds to the place of repair via the original destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the new destination directly via the original destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (3) Where the Vessel turns back to the port of departure after having sustained the damage:-
    - (a) if repairs are effected at the port of departure and the Vessel again proceeds to the original destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the original destination after completion of repairs, the number of days from the day following the occurrence of the damage to the day of return to the place where the damage occurred
    - (b) if repairs are effected at the port of departure and the Vessel proceeds to the new destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the new destination after completion of repairs the number of days from the day following the occurrence of the damage to the day of completion of repairs
    - (c) in the ease of (a) or (b) above, if the Vessel continues the original voyage after the occurrence of the damage and thereafter turns back to the port of departure, the number of days which would have been required for the Vessel to proceed, if there had been no damage, from the place where the damage occurred to the point from where the Vessel turned back shall be deducted from the respective numbers of days stated above
  - (4) In calculating the number of days which would have been required had there been no damage in the cases of (1) through (3) above, any fraction of one day shall be ignored.
2. If the period of Loss of Time is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the period of Loss of Time due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of Loss of Time.

(Exclusions)

### Article 4

Notwithstanding the provision of Article 1, the Company shall not be liable for such loss as mentioned below:-

- (1) Where the period of Loss of Time is extended due to violation of the laws or regulations of Japan or any other country or international conventions, the Loss of Time for such extended period
- (2) Where the Vessel becomes a total loss whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of

the damage to the time of the total loss, provided that if the total loss is caused by an accident other than the Accidents which caused the Loss of Time, Loss of Time during the period to the day of such accident shall be payable

- (3) Where the Vessel is sold whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of the damage to the time of sale
- (4) Where the period of Loss of Time is extended due to inspections, repairs, loading or discharging cargo, waiting for cargo, demurrage for loading or discharging cargo and so forth that have nothing to do with the damage caused by any of the Accidents, the Loss of Time for such extended period
- (5) Where the Vessel's thrusters, cranes or any machinery/devices are disabled, such expenses as incurred by the assured for the purpose of continuing a voyage of the Vessel

(Loss of Time per day)

Article 5

In this contract of insurance, a sum equivalent to 1/180th of the insured value specified in the Policy shall be deemed to be Loss of Time per day.

(Limit of indemnification)

Article 6

The amount payable by the Company for Loss of Time in respect of any one Accident shall not be more than the sum equivalent to the period of days and in no case shall it be more than the sum equivalent to the period of 180 days in all, even if two or more Accidents occur.

(Extension of period of insurance)

Article 7

Notwithstanding the provisions of Paragraph 4 of Article 10 of the General Clauses, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, at the expiration of the Policy, is at sea or in distress due to any of the Accidents. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
- (2) when the Vessel, which was in distress due to any of the Accidents, has either completed dropping her anchor or completed mooring, whichever shall first occur, at the place of repair.

(Expenses to shorten the period of Loss of Time)

Article 8

The Company shall be liable, in such proportion as (specified in the Policy) , for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with prior consent of the Company, to shorten the period of Loss of Time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

(Relation with the General Clauses)

Article 9

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES FOR LOSS OF TIME INSURANCE (FOR 90 DAYS)

(Liability for indemnification)

### Article 1

The Company shall be liable only for Loss of Time for the period calculated in accordance with the provisions of Article 3 in excess of the number of days specified in the Policy, in cases where the Vessel sustains damage and is prevented from working in consequence thereof, provided always that the damage was caused by sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water (hereinafter referred to as "the Accidents") among the perils mentioned in Paragraph 1 of Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").

(Definitions)

### Article 2

In these Special Clauses,

- (1) "The Vessel is prevented from working" shall be defined as the ease that the Vessel having encountered any of the Accidents proceeds to the place of repair, either directly from the place where the Vessel has sustained the damage, or via the port of departure or the original destination, and the repairs are effected thereat without delay. Even when no damage is found by the inspection effected at the place of repair with the consent of the Company, if the Vessel which encountered the Accidents proceeds to the place of repair, either directly from the place where the Vessel is thought to have sustained the damage, or via the port of departure or the original destination, the Vessel shall be deemed to have been prevented from working.
- (2) "Repairs" shall be defined as follows:
  - (a) permanent or temporary repairs of the damage which the Vessel sustained by any of the Accidents
  - (b) inspections effected with the consent of the Company after the Vessel has encountered the Accidents
  - (c) shifting, temporary discharging or reloading cargo for the purpose of effecting (a) or (b) above
- (3) "Completion of repairs" shall be defined as the completion of permanent repairs of the damage which the Vessel sustained by any of the Accidents. Where only temporary repairs or inspections have been effected and also permanent repairs have been deferred, the completion of temporary repairs or inspections shall be deemed to be the completion of repairs.
- (4) "Original destination" shall be defined as the next port of loading or discharging cargo which was already destined when the Vessel sustained the damage by any of the Accidents. Should the Vessel sustain damage, and as a result of which the cargo can not be discharged at the original destination and therefore has to be discharged at another port, the said substitute port shall be deemed to be the original destination.
- (5) "New destination" shall be defined as a port of loading or discharging cargo other than the original destination.

(Period of Loss of Time)

### Article 3

In these Special Clauses, the period of Loss of Time shall be calculated as mentioned in the following items; in no case, however, shall the number of days required for loading or discharging cargo at the port of destination be counted herein.

- (1) Where the Vessel deviates from the original voyage for repairs after the Vessel sustained the damage:-
    - (a) if the Vessel, after completion of repairs, resumes the original voyage in order to proceed to the original destination, the number of days from the day following the occurrence of the damage to the day of resumption of the original voyage after completion of repairs, exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the point where the Vessel resumed the original voyage if there had been no damage.
    - (b) if the Vessel, after completion of repairs, proceeds to the new destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed directly from the place where the damage occurred to the new destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (2) Where the repairs of the damage that the Vessel sustained are effected at the original destination or the Vessel proceeds to the place of repair via the original destination:-
    - (a) if repairs are effected at the original destination, the number of days from the day following the occurrence of the damage to the day of completion of repairs exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the place of repair if there had been no damage.
    - (b) if the Vessel proceeds to the place of repair via the original destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the new destination directly via the original destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (3) Where the Vessel turns back to the port of departure after having sustained the damage:-
    - (a) if repairs are effected at the port of departure and the Vessel again proceeds to the original destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the original destination after completion of repairs, the number of days from the day following the occurrence of the damage to the day of return to the place where the damage occurred
    - (b) if repairs are effected at the port of departure and the Vessel proceeds to the new destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the new destination after completion of repairs the number of days from the day following the occurrence of the damage to the day of completion of repairs
    - (c) in the ease of (a) or (b) above, if the Vessel continues the original voyage after the occurrence of the damage and thereafter turns back to the port of departure, the number of days which would have been required for the Vessel to proceed, if there had been no damage, from the place where the damage occurred to the point from where the Vessel turned back shall be deducted from the respective numbers of days stated above
  - (4) In calculating the number of days which would have been required had there been no damage in the cases of (1) through (3) above, any fraction of one day shall be ignored.
2. If the period of Loss of Time is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the period of Loss of Time due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of Loss of Time.

(Exclusions)

### Article 4

Notwithstanding the provision of Article 1, the Company shall not be liable for such loss as mentioned below:-

- (1) Where the period of Loss of Time is extended due to violation of the laws or regulations of Japan or any other country or international conventions, the Loss of Time for such extended period
- (2) Where the Vessel becomes a total loss whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of

the damage to the time of the total loss, provided that if the total loss is caused by an accident other than the Accidents which caused the Loss of Time, Loss of Time during the period to the day of such accident shall be payable

- (3) Where the Vessel is sold whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of the damage to the time of sale
- (4) Where the period of Loss of Time is extended due to inspections, repairs, loading or discharging cargo, waiting for cargo, demurrage for loading or discharging cargo and so forth that have nothing to do with the damage caused by any of the Accidents, the Loss of Time for such extended period
- (5) Where the Vessel's thrusters, cranes or any machinery/devices are disabled, such expenses as incurred by the assured for the purpose of continuing a voyage of the Vessel

(Loss of Time per day)

Article 5

In this contract of insurance, a sum equivalent to 1/90th of the insured value specified in the Policy shall be deemed to be Loss of Time per day.

(Limit of indemnification)

Article 6

The amount payable by the Company for Loss of Time in respect of any one Accident shall not be more than the sum equivalent to the period of days and in no case shall it be more than the sum equivalent to the period of 90 days in all, even if two or more Accidents occur.

(Extension of period of insurance)

Article 7

Notwithstanding the provisions of Paragraph 4 of Article 10 of the General Clauses, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, at the expiration of the Policy, is at sea or in distress due to any of the Accidents. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
- (2) when the Vessel, which was in distress due to any of the Accidents, has either completed dropping her anchor or completed mooring, whichever shall first occur, at the place of repair.

(Expenses to shorten the period of Loss of Time)

Article 8

The Company shall be liable, in such proportion as (specified in the Policy), for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with prior consent of the Company, to shorten the period of Loss of Time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

(Relation with the General Clauses)

Article 9

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## SPECIAL CLAUSES FOR LOSS OF TIME INSURANCE (FOR 120 DAYS)

(Liability for indemnification)

### Article 1

The Company shall be liable only for Loss of Time for the period calculated in accordance with the provisions of Article 3 in excess of the number of days specified in the Policy, in cases where the Vessel sustains damage and is prevented from working in consequence thereof, provided always that the damage was caused by sinking, capsizing, stranding, grounding, fire, collision or contact with any external object other than water (hereinafter referred to as "the Accidents") among the perils mentioned in Paragraph 1 of Article 1 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").

(Definitions)

### Article 2

In these Special Clauses,

- (1) "The Vessel is prevented from working" shall be defined as the ease that the Vessel having encountered any of the Accidents proceeds to the place of repair, either directly from the place where the Vessel has sustained the damage, or via the port of departure or the original destination, and the repairs are effected thereat without delay. Even when no damage is found by the inspection effected at the place of repair with the consent of the Company, if the Vessel which encountered the Accidents proceeds to the place of repair, either directly from the place where the Vessel is thought to have sustained the damage, or via the port of departure or the original destination, the Vessel shall be deemed to have been prevented from working.
- (2) "Repairs" shall be defined as follows:
  - (a) permanent or temporary repairs of the damage which the Vessel sustained by any of the Accidents
  - (b) inspections effected with the consent of the Company after the Vessel has encountered the Accidents
  - (c) shifting, temporary discharging or reloading cargo for the purpose of effecting (a) or (b) above
- (3) "Completion of repairs" shall be defined as the completion of permanent repairs of the damage which the Vessel sustained by any of the Accidents. Where only temporary repairs or inspections have been effected and also permanent repairs have been deferred, the completion of temporary repairs or inspections shall be deemed to be the completion of repairs.
- (4) "Original destination" shall be defined as the next port of loading or discharging cargo which was already destined when the Vessel sustained the damage by any of the Accidents. Should the Vessel sustain damage, and as a result of which the cargo can not be discharged at the original destination and therefore has to be discharged at another port, the said substitute port shall be deemed to be the original destination.
- (5) "New destination" shall be defined as a port of loading or discharging cargo other than the original destination.

(Period of Loss of Time)

### Article 3

In these Special Clauses, the period of Loss of Time shall be calculated as mentioned in the following items; in no case, however, shall the number of days required for loading or discharging cargo at the port of destination be counted herein.

- (1) Where the Vessel deviates from the original voyage for repairs after the Vessel sustained the damage:-
    - (a) if the Vessel, after completion of repairs, resumes the original voyage in order to proceed to the original destination, the number of days from the day following the occurrence of the damage to the day of resumption of the original voyage after completion of repairs, exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the point where the Vessel resumed the original voyage if there had been no damage.
    - (b) if the Vessel, after completion of repairs, proceeds to the new destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed directly from the place where the damage occurred to the new destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (2) Where the repairs of the damage that the Vessel sustained are effected at the original destination or the Vessel proceeds to the place of repair via the original destination:-
    - (a) if repairs are effected at the original destination, the number of days from the day following the occurrence of the damage to the day of completion of repairs exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the place of repair if there had been no damage.
    - (b) if the Vessel proceeds to the place of repair via the original destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the new destination directly via the original destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
  - (3) Where the Vessel turns back to the port of departure after having sustained the damage:-
    - (a) if repairs are effected at the port of departure and the Vessel again proceeds to the original destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the original destination after completion of repairs, the number of days from the day following the occurrence of the damage to the day of return to the place where the damage occurred
    - (b) if repairs are effected at the port of departure and the Vessel proceeds to the new destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the new destination after completion of repairs the number of days from the day following the occurrence of the damage to the day of completion of repairs
    - (c) in the ease of (a) or (b) above, if the Vessel continues the original voyage after the occurrence of the damage and thereafter turns back to the port of departure, the number of days which would have been required for the Vessel to proceed, if there had been no damage, from the place where the damage occurred to the point from where the Vessel turned back shall be deducted from the respective numbers of days stated above
  - (4) In calculating the number of days which would have been required had there been no damage in the cases of (1) through (3) above, any fraction of one day shall be ignored.
2. If the period of Loss of Time is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the period of Loss of Time due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of Loss of Time.

(Exclusions)

### Article 4

Notwithstanding the provision of Article 1, the Company shall not be liable for such loss as mentioned below:-

- (1) Where the period of Loss of Time is extended due to violation of the laws or regulations of Japan or any other country or international conventions, the Loss of Time for such extended period
- (2) Where the Vessel becomes a total loss whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of

the damage to the time of the total loss, provided that if the total loss is caused by an accident other than the Accidents which caused the Loss of Time, Loss of Time during the period to the day of such accident shall be payable

- (3) Where the Vessel is sold whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of the damage to the time of sale
- (4) Where the period of Loss of Time is extended due to inspections, repairs, loading or discharging cargo, waiting for cargo, demurrage for loading or discharging cargo and so forth that have nothing to do with the damage caused by any of the Accidents, the Loss of Time for such extended period
- (5) Where the Vessel's thrusters, cranes or any machinery/devices are disabled, such expenses as incurred by the assured for the purpose of continuing a voyage of the Vessel

(Loss of Time per day)

Article 5

In this contract of insurance, a sum equivalent to 1/120th of the insured value specified in the Policy shall be deemed to be Loss of Time per day.

(Limit of indemnification)

Article 6

The amount payable by the Company for Loss of Time in respect of any one Accident shall not be more than the sum equivalent to the period of days and in no case shall it be more than the sum equivalent to the period of 120 days in all, even if two or more Accidents occur.

(Extension of period of insurance)

Article 7

Notwithstanding the provisions of Paragraph 4 of Article 10 of the General Clauses, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, at the expiration of the Policy, is at sea or in distress due to any of the Accidents. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
- (2) when the Vessel, which was in distress due to any of the Accidents, has either completed dropping her anchor or completed mooring, whichever shall first occur, at the place of repair.

(Expenses to shorten the period of Loss of Time)

Article 8

The Company shall be liable, in such proportion as (specified in the Policy), for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with prior consent of the Company, to shorten the period of Loss of Time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

(Relation with the General Clauses)

Article 9

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.



## **LAID UP RETURN CLAUSES (LOSS OF TIME)**

### Article 1

In the case of insurance effected for a period of one year, if the Vessel is laid up (including laying-up on the slip way or in the dock - hereinafter to be so interpreted) for a period of 30 or more consecutive days during the insured period, the Company shall return the premium specified in the succeeding Article after natural expiry of the insurance, provided always that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance.

### Article 2

The return premium shall be calculated for each period of 30 consecutive days separately, (any fraction of 30 days shall be ignored.) but if the non-approved lay-up period is included in the period for which a return is claimable, the return shall be calculated to the number of days which excluded the non-approved lay-up period.

### Article 3

In asking for a return of premium under the preceding two Articles, the person effecting the insurance or the Assured shall, give promptly notice of the fact to the Company in writing and obtain the Company's approval to the lay-up location and mooring arrangements.

### Article 4

When the lay-up period is terminated, the person effecting the insurance or the Assured shall, without delay, give notice thereof to the Company and provide the documents duly certified by the maritime authorities having jurisdiction over the waters where the Vessel is laid up and any other documents that may be required by the Company.

### Article 5

The Company shall not return the premium specified in Articles 1 and 2, when the circumstances contrary to any specified conditions or any part thereof of the Lay-up Endorsement have occurred.

### Article 6

In these Clauses;

- (1) "Lay-up" shall be defined as the condition in which the Vessel shall not be used for navigation, such as drydocking for repairs (whether by insured perils or otherwise), and/or structural alterations, mooring, berthing, or lying.
- (2) "Lay-up Endorsement" shall be defined as the Endorsement issued by the Company when the person effecting the insurance or the Assured obtained the Company's approval for lay-up.
- (3) "Non-approved lay-up period" shall be defined as the period stated as follows;
  - (a) Period for the repair, structural alteration, or statutory survey, however, this shall not include any repairs in respect of ordinary wear and tear to the Vessel and/or following recommendations of the Vessel's Classification Society survey.

Period for lay-up in the Special Approved Area including where the Vessel is lying in exposed or unexposed waters, as long as the Company has specially approved and specified this in the Endorsement as a lay-up area.

### Article 7

In respect of the insurance which has been cancelled before expiry, the Company shall return the premium in accordance with preceding Articles, provided that such cancellation has resulted from changing the insurance by following reasons

- (1) The cancellation of insurance resulting from switching the Policy by following reasons;
  - (a) extension of coverage
  - (b) change of the insured value or the insured amount
  - (c) change of currency of the insured value
  - (d) change of the type of the vessel
  - (e) change of gross tonnage
  - (f) change of ocean going/coastal
  - (g) change of the deductible
  - (h) change of the owner of the vessel, with no change of the person effecting insurance
- (2) The rearrangement of the period of insurance by rational reason
- (3) The cancellation by reason of extinction of the insured interest

## **INSURED VALUE CLAUSES FOR LOSS OF TIME (A) (IN CASE OF TIME CHARTER HIRE TO BE THE INSURED VALUE)**

It is a condition of this insurance that the Time Charter Party of the Vessel exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

## **INSURED VALUE CLAUSES FOR LOSS OF TIME (B) (IN CASE OF FREIGHT INCOME TO BE THE INSURED VALUE)**

It is a condition of this insurance that the contract of carriage which the freight income of the Vessel is based upon exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

## **LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE (C)**

The following accidents shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance:

- (1) Breakdown of machinery (main and auxiliary machinery, boilers, shafts, propellers and steering gears) or loading and discharging gears
- (2) Explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded.
- (3) Accidents in and due to loading, discharging or shifting cargo, appurtenances or fuel, provisions or any other consumable stores
- (4) Heavy weather
- (5) Wilful misconduct or negligence of the Master, Crew or Pilots; provided that in cases where the Master or Crew are the Person effecting the insurance, the Assured, the Beneficiary hereunder or the Agent of any of these Persons, or where they have the intention to have the indemnity be paid to any of these Persons, wilful misconduct of the Master or Crew shall be excluded.
- (6) Earthquake, tidal wave, volcanic eruption or lightning



- (7) Accidents due to any defect in the hull and the appurtenances (limited, however, only to those defects which the Person effecting the insurance or the Assured could not discover in spite of exercising due diligence), except accident to painting only (including such accident arising from the causes mentioned in item (8) below)
- (8) Negligence of repairers or charterers, provided that such repairers or charterers are neither the Person effecting the insurance, the Assured, the Beneficiary hereunder nor Agent of any of these persons.

## **LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSES (DEFERRED REPAIRS)**

### Article 1

In addition to the provision of item (1) of Article 2 of the Special Clauses for Loss of Time Insurance (hereinafter referred to as “the Special Clauses”), where the repairs of damage due to the Accidents are deferred and effected within the period specified in the Policy after the occurrence of the damage (hereinafter referred to as “the deferred repairs”), the Vessel shall be deemed to be prevented from working and the Company shall be liable for Loss of Time for the period calculated as provided for in Article 2 below, in excess of the number of days specified in the Policy in accordance with the provisions of the Special Clauses.

### Article 2

In these Clauses, the period of Loss of Time due to one Accident shall be the aggregate of the number of days in the following provisions:

- (1) The number of days from the day following the sailing from the destination at which the Vessel finally calls just before the voyage for effecting the deferred repairs (hereinafter referred to as “the final destination”) to the day of completion of repairs, in excess of the number of days which would have been required for the Vessel to proceed from the final destination to the place of repair if there had been no Accidents (any fraction of one day shall be ignored)
- (2) Where the temporary repairs are effected without delay after the occurrence of the Accidents which caused the deferred repairs mentioned in the preceding item, the number of days of delay due to the temporary repairs calculated in accordance with the provisions of Article 3 of the Special Clauses
- (3) Where the temporary repairs mentioned in the preceding item (2) are not effected without delay, and are effected later, the number of days from the day following arrival at the place of temporary repairs to the day of completion of temporary repairs (excluding the number of days required for loading or discharging cargo)

### Article 3

1. Where the deferred repairs mentioned in the preceding Article and the repairs of damage due to other Accidents which occurred during the period of the Policy are concurrently effected, these repairs shall be deemed to be repairs due to one Accident and the period of Loss of Time shall be calculated accordingly.
2. The period of Loss of Time due to the temporary repairs of damage caused by other Accidents mentioned in the preceding Paragraph which have been effected before inception of the deferred repairs shall be added to the period of the Loss of Time due to the deferred repairs.

### Article 4

Where the repairs of damage due to any of the Accidents which occurred during the period of the Policy and the repairs of damage due to the Accidents which occurred during the period of other Loss of Time Insurance Policy are concurrently effected, the period of Loss of Time covered by the Company shall be calculated in accordance with the proportion of the number of days which would have been required for the respective repairs if each repair had been effected individually.

### Article 5

The period of Loss of Time which is covered under the Special Clauses, whether in the Policy or not, shall not be counted in the period of Loss of Time under these Clauses.

## **LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSES (ACCIDENTS TO PORT FACILITIES, BLOCKAGE OF CANAL OR SEAWAY)**

### Article 1

In addition to the provisions of Articles 1 through 3 of the Special Clauses for Loss of Time Insurance (hereinafter referred to as “the Special Clauses”), the Vessel shall be deemed to be prevented from working also in the following cases and the Company shall be liable for Loss of Time for the period calculated as provided for in Article 2 below in excess of the number of days specified in the Policy in accordance with the provisions of the Special Clauses:

- (1) Where operations of loading, discharging or shifting cargo or fuel for the Vessel become impossible as a direct consequence of port facilities (loading and discharging facilities such as quay crane etc. and mooring facilities such as quay, pier, etc.; hereinafter to be so interpreted) being damaged due to contact with the Vessel, and the Vessel is obliged to stay in the port until repairs of the port facilities are completed
- (2) Where the Vessel whilst proceeding or staying in the Panama Canal, the Suez Canal, the St. Lawrence Seaway or the Great Lakes (hereinafter referred to as “the Canal or Seaway”) is obliged to stay in the Canal or Seaway due to the blockage of the Canal or Seaway in consequence of an accident occurring to the Vessel or other vessels

### Article 2

In these Clauses, the period of Loss of Time shall be calculated as follows:

- (1) In the case of item (1) of the preceding Article, the number of days from the day following the loading, discharging or shifting operations for the Vessel becoming impossible as a result of the accident of the Vessel coming into contact with port facilities, to the day of such operations becoming possible after completion of repairs of port facilities (or to the day of sailing if the Vessel sails from the port before such operations become possible) , in excess of the number of days which would have been required for the Vessel to complete such operations if there had not been the above accident
- (2) In the case of item (2) of the preceding Article, the number of days from the day following the blockage of the Canal or Seaway in consequence of an accident occurring to the Vessel or other vessels to the day of release of the blockage of the Canal or Seaway, in excess of the number of days which would have been required for the Vessel to proceed or stay in the Canal or Seaway if there had not been the accident occurring to the Vessel or other vessels

### Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable for Loss of Time which occurs due to earthquake or volcanic eruption (including tidal wave and fire arising therefrom).

### Article 4

The period of Loss of Time which is covered under the Special Clauses, whether in the Policy or not, shall not be counted in the period of Loss of Time under these Clauses.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSES  
(TOTAL LOSS OF THE VESSEL)**

Article 1

Notwithstanding the provision of item (2) of Article 4 of the Special Clauses for Loss of Time Insurance (hereinafter referred to as “the Special Clauses”), the Company shall be liable for Loss of Time for the period from the day following the occurrence of the Accidents to the day of the total loss in excess of the number of days, specified in the Policy in accordance with the provisions of the Special Clauses, if the Vessel becomes a total loss due to the Accidents which caused the Loss of Time whilst the Vessel is prevented from working, in consequence of the Accidents, provided that the amount payable by the Company for the Loss of Time in this case shall not be more than the sum equivalent to the period of 10 days.

Article 2

The day of the total loss of the Vessel as provided for in the preceding Article shall be defined to be the day when the total loss of the Vessel is established under the Marine Hull Insurance Policy issued on the Vessel by the Company.

**DESTINATION CLAUSE FOR LOSS OF TIME**

Notwithstanding the provision of item (1) of Article 2 of the Special Clauses for Loss of Time Insurance (hereinafter referred to as “the Special Clauses”), where the Vessel proceeds to the place of repair via the destinations subsequent to the original destination for the only purpose of discharging either cargoes which were on board at the time of the occurrence of the damage or cargoes loaded at the original destination, and the repairs are effected thereat without delay, the Vessel shall be deemed to be prevented from working and the period of Loss of Time shall be calculated in accordance with the provisions of Article 3 of the Special Clauses.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR L. P. G. CARRIER)**

Accident to special machinery for liquefied petroleum gas (L. P. G.) or L. P. G. tank shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR LIQUID SULPHUR CARRIER)**

Breakdown of heating machinery for liquid sulphur shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR REFRIGERATED CARRIER)**

Breakdown of refrigerated machinery shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR ASPHALT TANKER)**

Breakdown of heating machinery for asphalt shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(EXPLOSION OF LIQUEFIED CARGO)**

Explosion in the Vessel of oil, liquefied gas, chemicals or any other explosive liquid (including gas given off therefrom) loaded on the Vessel as bulk cargo shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR L.N.G. CARRIER)**

The following accidents shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance:

- (1) Breakdown of machinery (main and auxiliary machinery, boilers, shafts, propellers and steering gears) or loading and discharging gears and special machinery for liquefied natural gas (L.N.G.)
- (2) Explosion (on board the Vessel or elsewhere); provided that explosion of mines, torpedoes, bombs or any other weapons of war used as explosives shall be excluded.
- (3) Accidents in and due to loading, discharging or shifting cargo, appurtenances or fuel, provisions or any other consumable stores
- (4) Heavy weather
- (5) Wilful misconduct or negligence of the Master, Crew or Pilots; provided that in cases where the Master or Crew are the Person effecting the insurance, the Assured, the Beneficiary hereunder or the Agent of any of these Persons, or where they have the intention to have the indemnity be paid to any of these Persons, wilful misconduct of the Master or Crew shall be excluded.
- (6) Earthquake, tidal wave, volcanic eruption or lightning
- (7) Accidents due to any defect in the hull and the appurtenances (limited, however, only to those defects which the Person effecting the insurance or the Assured could not discover in spite of exercising due diligence), except accident to painting only (including such accident arising from the causes mentioned in item (8) below)

- (8) Negligence of repairers or charterers, provided that such repairers or charterers are neither the Person effecting the insurance, the Assured, the Beneficiary hereunder nor Agent of any of these persons.
- (9) Accidents to L.N.G. tank or special pipeline for boil-off gas

**LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSE  
(FOR ETHYLENE CARRIER)**

Accident to special machinery for ethylene or ethylene tank shall be added to the Accidents as provided for in Article 1 of the Special Clauses for Loss of Time Insurance.

**FULL PREMIUM IF CLAIM CLAUSES  
(LOSS OF TIME)**

Article 1

In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to 180 days, the Person effecting the insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

**FULL PREMIUM IF CLAIM CLAUSES  
(LOSS OF TIME - FOR 90 DAYS)**

Article 1

In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to 90 days, the Person effecting the insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

**FULL PREMIUM IF CLAIM CLAUSES  
(LOSS OF TIME - FOR 120 DAYS)**

Article 1

In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to 120 days, the Person effecting the insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned in the preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.



**<Clauses for War and Strikes  
– Loss of Hire/Time>**

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## SPECIAL CLAUSES FOR WAR AND STRIKES LOSS OF TIME INSURANCE

(Liability for indemnification)

### Article 1

Notwithstanding the provisions of items (1) through (7) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), the Company shall be liable only for Loss of Time for the period calculated in accordance with the provisions of Article 4 in excess of the number of days specified in the Policy, in cases where the Vessel sustains damage and is prevented from working in consequence thereof provided always that the damage was caused by any of the Accidents mentioned in Article 2 below.

(Perils insured against)

### Article 2

In these Special Clauses, the expression “the Accidents” shall mean the following perils:

- (1) war, civil war or any other hostile operations
- (2) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives, provided that detonation of nuclear weapons shall be excluded
- (3) seizure, capture, detainment, confiscation or expropriation whether by public authorities or otherwise
- (4) piracy or violent theft
- (5) strikes, lock-outs or other labor disturbances or related actions by persons taking part therein
- (6) actions by terrorists or any other persons acting maliciously or from a political motive
- (7) riots, political or social commotions or other similar disturbances

(Definitions)

### Article 3

In these Special Clauses,

- (1) “The Vessel is prevented from working” shall be defined as the case that the Vessel having encountered any of the Accidents proceeds to the place of repair, either directly from the place where the Vessel has sustained the damage, or via the port of departure or the original destination, and the repairs are effected thereat without delay. Even when no damage is found by the inspection effected at the place of repair with the consent of the Company, if the Vessel which encountered the Accidents proceeds to the place of repair, either directly from the place where the Vessel is thought to have sustained the damage, or via the port of departure or the original destination, the Vessel shall be deemed to have been prevented from working.
- (2) “Repairs” shall be defined as follows:
  - (a) permanent or temporary repairs of the damage which the Vessel sustained by any of the Accidents
  - (b) inspections effected with the consent of the Company after the Vessel has encountered the Accidents
  - (c) shifting, temporary discharging or reloading cargo for the purpose of effecting (a) or (b) above
- (3) “Completion of repairs” shall be defined as the completion of permanent repairs of the damage which the Vessel sustained by any of the Accidents. Where only temporary repairs or inspections have been effected and also permanent repairs have been deferred, the completion of temporary repairs or inspections shall be deemed to be the completion of repairs.
- (4) “Original destinations” shall be defined as the next port of loading or discharging cargo which was already destined when the Vessel sustained the damage by any of the Accidents. Should the Vessel sustain damage, and as a result of which the cargo can not be discharged at the original destination and therefore has to be discharged at another port, the said substitute port shall be deemed to be the original destination.
- (5) “New destination” shall be defined as a port of loading or discharging cargo other than the original destination.

(Period of Loss of Time)

### Article 4

In these Special Clauses, the period of Loss of Time shall be calculated as mentioned in the following items: in no case, however, shall the number of days required for loading or discharging cargo at the port of destination and the number of days for which repairs of the damage are interrupted due to the causes as provided for in items (3) through (5) and (7) of Article 2 be counted herein.

- (1) Where the Vessel deviates from the original voyage for repairs after the Vessel sustained the damage:
  - (a) if the Vessel, after completion of repairs, resumes the original voyage in order to proceed to the original destination, the number of days from the day following the occurrence of the damage to the day of resumption of the original voyage after completion of repairs, exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the point where the Vessel resumed the original voyage if there had been no damage.
  - (b) if the Vessel, after completion of repairs, proceeds to the new destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed directly from the place where the damage occurred to the new destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
- (2) Where the repairs of the damage that the Vessel sustained are effected at the original destination or the Vessel proceeds to the place of repair via the original destination:
  - (a) if repairs are effected at the original destination, the number of days from the day following the occurrence of the damage to the day of completion of repairs exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the place of repair if there had been no damage.
  - (b) if the Vessel proceeds to the place of repair via the original destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the new destination directly via the original destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
- (3) Where the Vessel turns back to the port of departure after having sustained the damage:
  - (a) if repairs are effected at the port of departure and the Vessel again proceeds to the original destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the original destination after completion of repairs, the number of days from the day following the occurrence of the damage to the day of return to the place where the damage occurred
  - (b) if repairs are effected at the port of departure and the Vessel proceeds to the new destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the new destination after completion of repairs the number of days from the day following the occurrence of the damage to the day of completion of repairs
  - (c) in the case of (a) or (b) above, if the Vessel continues the original voyage after the occurrence of the damage and thereafter turns back to the port of departure, the number of days which would have been required for the Vessel to proceed, if there had been no damage, from the place where the damage occurred to the point from where the Vessel turned back shall be deducted from the respective numbers of days stated above

- (4) In calculating the number of days which would have been required had there been no damage in the cases of (1) through (3) above, any fraction of one day shall be ignored.
2. If the period of Loss of Time is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the period of Loss of Time due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of Loss of Time.

(Exclusions-1)

Article 5

Notwithstanding the provision of Article 1, the Company shall not be liable for such loss ~~Loss of Time~~ as mentioned below:

- (1) Loss of Time due to seizure, capture, detainment, confiscation or expropriation by public authorities of Japan or the country in which the Vessel is owned or registered
- (2) Loss of Time due to requisition, pre-emption, or disposition under the laws or regulations concerning quarantine, trading or customs by public authorities of Japan or any other foreign country
- (3) Where the period of Loss of Time is extended due to violation of the laws or regulations of Japan or any other country or international conventions, the Loss of Time for such extended period
- (4) Loss of Time due to outbreak of war (whether before or after a declaration of war, or whether there be the declaration of war or not) between any of the following countries:  
United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China
- (5) Loss of Time due to theft (excluding theft caused by the perils as provided for in items (1) and (3) through (7) of Article 2)
- (6) Where the Vessel becomes a total loss whilst the Vessel is prevented from working, the Loss of Time for the period from the time of occurrence of the damage to the time of the total loss, provided that if the total loss is caused by an accident other than the Accidents which caused the Loss of Time, Loss of Time during the period to the day of such accident shall be payable.
- (7) Where the Vessel is sold whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of the damage to the time of sale.
- (8) Where the period of Loss of Time is extended due to inspections, repairs, loading or discharging cargo, waiting for cargo, demurrage for loading or discharging cargo and so forth that have nothing to do with the damage caused by any of the Accidents, the Loss of Time for such extended period.
- (9) Where the Vessel's thrusters, cranes or any machinery/devices are disabled, such expenses as incurred by the assured for the purpose of continuing a voyage of the Vessel.

(Exclusions-2)

Article 6

Notwithstanding the provision of Article 1, when the Vessel sails in violation of the order of public authorities of Japan, the Company shall not be liable for Loss of Time occurring subsequent to such sailing.

(Loss of Time per day)

Article 7

In this contract of insurance, a sum equivalent to 1/180th of the insured value specified in the Policy shall be deemed to be Loss of Time per day.

(Limit of indemnification)

Article 8

The amount payable by the Company for Loss of Time in respect of any one Accident shall not be more than the sum equivalent to the period of days and in no case shall it be more than the sum equivalent to the period of 180 days in all, even if two or more Accidents occur.

(Extension of period of insurance)

Article 9

The provisions of Paragraph 4 of Article 10 of the General Clauses shall not be applied. However, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, at the expiration of the Policy, is at sea or in distress due to any of the Accidents subject to agreement between the Company and the Person effecting the insurance as to the alteration of the insurance terms such as premium and trading warranties. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
- (2) when the Vessel, which was in distress, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.

(Expenses to shorten the period of Loss of Time)

Article 10

The Company shall be liable, in such proportion as (specified in the Policy), for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with the previous consent of the Company, to shorten the period of Loss of Time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

(Relation with the General Clauses)

Article 11

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.



## SPECIAL CLAUSES FOR WAR AND STRIKES LOSS OF TIME INSURANCE (FOR 90 DAYS)

(Liability for indemnification)

### Article 1

Notwithstanding the provisions of items (1) through (7) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), the Company shall be liable only for Loss of Time for the period calculated in accordance with the provisions of Article 4 in excess of the number of days specified in the Policy, in cases where the Vessel sustains damage and is prevented from working in consequence thereof provided always that the damage was caused by any of the Accidents mentioned in Article 2 below.

(Perils insured against)

### Article 2

In these Special Clauses, the expression “the Accidents” shall mean the following perils:

- (1) war, civil war or any other hostile operations
- (2) detonation of or contact with mines, torpedoes, bombs or any other weapons of war used as explosives, provided that detonation of nuclear weapons shall be excluded
- (3) seizure, capture, detention, confiscation or expropriation whether by public authorities or otherwise
- (4) piracy or violent theft
- (5) strikes, lock-outs or other labor disturbances or related actions by persons taking part therein
- (6) actions by terrorists or any other persons acting maliciously or from a political motive
- (7) riots, political or social commotions or other similar disturbances

(Definitions)

### Article 3

In these Special Clauses,

- (1) “The Vessel is prevented from working” shall be defined as the case that the Vessel having encountered any of the Accidents proceeds to the place of repair, either directly from the place where the Vessel has sustained the damage, or via the port of departure or the original destination, and the repairs are effected thereat without delay. Even when no damage is found by the inspection effected at the place of repair with the consent of the Company, if the Vessel which encountered the Accidents proceeds to the place of repair, either directly from the place where the Vessel is thought to have sustained the damage, or via the port of departure or the original destination, the Vessel shall be deemed to have been prevented from working.
- (2) “Repairs” shall be defined as follows:
  - (a) permanent or temporary repairs of the damage which the Vessel sustained by any of the Accidents
  - (b) inspections effected with the consent of the Company after the Vessel has encountered the Accidents
  - (c) shifting, temporary discharging or reloading cargo for the purpose of effecting (a) or (b) above
- (3) “Completion of repairs” shall be defined as the completion of permanent repairs of the damage which the Vessel sustained by any of the Accidents. Where only temporary repairs or inspections have been effected and also permanent repairs have been deferred, the completion of temporary repairs or inspections shall be deemed to be the completion of repairs.
- (4) “Original destinations” shall be defined as the next port of loading or discharging cargo which was already destined when the Vessel sustained the damage by any of the Accidents. Should the Vessel sustain damage, and as a result of which the cargo can not be discharged at the original destination and therefore has to be discharged at another port, the said substitute port shall be deemed to be the original destination.
- (5) “New destination” shall be defined as a port of loading or discharging cargo other than the original destination.

(Period of Loss of Time)

### Article 4

In these Special Clauses, the period of Loss of Time shall be calculated as mentioned in the following items: in no case, however, shall the number of days required for loading or discharging cargo at the port of destination and the number of days for which repairs of the damage are interrupted due to the causes as provided for in items (3) through (5) and (7) of Article 2 be counted herein.

- (1) Where the Vessel deviates from the original voyage for repairs after the Vessel sustained the damage:
  - (a) if the Vessel, after completion of repairs, resumes the original voyage in order to proceed to the original destination, the number of days from the day following the occurrence of the damage to the day of resumption of the original voyage after completion of repairs, exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the point where the Vessel resumed the original voyage if there had been no damage.
  - (b) if the Vessel, after completion of repairs, proceeds to the new destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed directly from the place where the damage occurred to the new destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
- (2) Where the repairs of the damage that the Vessel sustained are effected at the original destination or the Vessel proceeds to the place of repair via the original destination:
  - (a) if repairs are effected at the original destination, the number of days from the day following the occurrence of the damage to the day of completion of repairs exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the place of repair if there had been no damage.
  - (b) if the Vessel proceeds to the place of repair via the original destination, the number of days from the day following the occurrence of the damage to the day of arrival at the new destination via the place of repair exceeding the number of days which would have been required for the Vessel to proceed from the place where the damage occurred to the new destination directly via the original destination if there had been no damage, provided that the said number of days shall be limited to the period from the day following the occurrence of the damage to the day of completion of repairs.
- (3) Where the Vessel turns back to the port of departure after having sustained the damage:
  - (a) if repairs are effected at the port of departure and the Vessel again proceeds to the original destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the original destination after completion of repairs, the number of days from the day following the occurrence of the damage to the day of return to the place where the damage occurred
  - (b) if repairs are effected at the port of departure and the Vessel proceeds to the new destination after completion of repairs or the Vessel proceeds to the place of repair via the port of departure and proceeds to the new destination after completion of repairs the number of days from the day following the occurrence of the damage to the day of completion of repairs
  - (c) in the case of (a) or (b) above, if the Vessel continues the original voyage after the occurrence of the damage and thereafter turns back to the port of departure, the number of days which would have been required for the Vessel to proceed, if there had been no damage, from the place where the damage occurred to the point from where the Vessel turned back shall be deducted from the respective numbers of days stated above

- (4) In calculating the number of days which would have been required had there been no damage in the cases of (1) through (3) above, any fraction of one day shall be ignored.
2. If the period of Loss of Time is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the period of Loss of Time due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of Loss of Time.

(Exclusions-1)

Article 5

Notwithstanding the provision of Article 1, the Company shall not be liable for Loss of Time as mentioned below:

- (1) Loss of Time due to seizure, capture, detention, confiscation or expropriation by public authorities of Japan or the country in which the Vessel is owned or registered
- (2) Loss of Time due to requisition, pre-emption, or disposition under the laws or regulations concerning quarantine, trading or customs by public authorities of Japan or any other foreign country
- (3) Where the period of Loss of Time is extended due to violation of the laws or regulations of Japan or any other country or international conventions, the Loss of Time for such extended period
- (4) Loss of Time due to outbreak of war (whether before or after a declaration of war, or whether there be the declaration of war or not) between any of the following countries:  
United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China
- (5) Loss of Time due to theft (excluding theft caused by the perils as provided for in items (1) and (3) through (7) of Article 2)
- (6) Where the Vessel becomes a total loss whilst the Vessel is prevented from working, the Loss of Time for the period from the time of occurrence of the damage to the time of the total loss, provided that if the total loss is caused by an accident other than the Accidents which caused the Loss of Time, Loss of Time during the period to the day of such accident shall be payable.
- (7) Where the Vessel is sold whilst the Vessel is prevented from working, the Loss of Time for the period from the time of the occurrence of the damage to the time of sale.
- (8) Where the period of Loss of Time is extended due to inspections, repairs, loading or discharging cargo, waiting for cargo, demurrage for loading or discharging cargo and so forth that have nothing to do with the damage caused by any of the Accidents, the Loss of Time for such extended period

(Exclusions-2)

Article 6

Notwithstanding the provision of Article 1, when the Vessel sails in violation of the order of public authorities of Japan, the Company shall not be liable for Loss of Time occurring subsequent to such sailing.

(Loss of Time per day)

Article 7

In this contract of insurance, a sum equivalent to 1/90th of the insured value specified in the Policy shall be deemed to be Loss of Time per day.

(Limit of indemnification)

Article 8

The amount payable by the Company for Loss of Time in respect of any one Accident shall not be more than the sum equivalent to the period of days and in no case shall it be more than the sum equivalent to the period of 90 days in all, even if two or more Accidents occur.

(Extension of period of insurance)

Article 9

The provisions of Paragraph 4 of Article 10 of the General Clauses shall not be applied. However, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, at the expiration of the Policy, is at sea or in distress due to any of the Accidents subject to agreement between the Company and the Person effecting the insurance as to the alteration of the insurance terms such as premium and trading warranties. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the Vessel, which was at sea, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.
- (2) when the Vessel, which was in distress, has either completed dropping her anchor or completed mooring, whichever shall first occur, at any port of safety.

(Expenses to shorten the period of Loss of Time)

Article 10

The Company shall be liable, in such proportion as (specified in the Policy), for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with the previous consent of the Company, to shorten the period of Loss of Time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

(Relation with the General Clauses)

Article 11

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

**INSURED VALUE CLAUSES FOR WAR AND STRIKES LOSS OF TIME (A)**  
**(IN CASE OF TIME CHARTER HIRE TO BE THE INSURED VALUE)**

It is a condition of this insurance that the Time Charter Party of the Vessel exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

**INSURED VALUE CLAUSES FOR WAR AND STRIKES LOSS OF TIME (B)**  
**(IN CASE OF FREIGHT INCOME TO BE THE INSURED VALUE)**

It is a condition of this insurance that the contract of carriage which the freight income of the Vessel is based upon exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

**WAR AND STRIKES LOSS OF TIME INSURANCE ADDITIONAL COVER CLAUSES**  
**(DEFERRED REPAIRS)**

Article 1

In addition to the provision of item (1) of Article 3 of the Special Clauses for War and Strikes Loss of Time Insurance (hereinafter referred to as "the Special Clauses"), where the repairs of damage due to the Accidents are deferred and effected within the period specified in the Policy after the occurrence of the damage (hereinafter referred to as "the deferred repairs"), the Vessel shall be deemed to be prevented from working and the Company shall be liable for Loss of Time for the period calculated as provided for in Article 2 below, in excess of the number of days specified in the Policy in accordance with the provisions of the Special Clauses.

Article 2

In these Clauses, the period of Loss of Time due to one Accident shall be the aggregate of the number of days in the following provisions:

- (1) The number of days from the day following the sailing from the destination at which the Vessel finally calls just before the voyage for effecting the deferred repairs (hereinafter referred to as "the final destination") to the day of completion of repairs, in excess of the number of days which would have been required for the Vessel to proceed from the final destination to the place of repair if there had been no Accidents (any fraction of one day shall be ignored)
- (2) Where the temporary repairs are effected without delay after the occurrence of the Accidents which caused the deferred repairs mentioned in the preceding item, the number of days of delay due to the temporary repairs calculated in accordance with the provisions of Article 4 of the Special Clauses
- (3) Where the temporary repairs mentioned in the preceding item (2) are not effected without delay, and are effected later, the number of days from the day following arrival at the place of temporary repairs to the day of completion of temporary repairs (excluding the number of days required for loading or discharging cargo)

Article 3

1. Where the deferred repairs mentioned in the preceding Article and the repairs of damage due to other Accidents which occurred during the period of the Policy are concurrently effected, these repairs shall be deemed to be repairs due to one Accident and the period of Loss of Time shall be calculated accordingly.
2. The period of Loss of Time due to the temporary repairs of damage caused by other Accidents mentioned in the preceding paragraph which have been effected before inception of the deferred repairs shall be added to the period of the Loss of Time due to the deferred repairs.

Article 4

Where the repairs of damage due to any of the Accidents which occurred during the period of the Policy and the repairs of damage due to the Accidents which occurred during the period of other War and Strikes Loss of Time Insurance Policy are concurrently effected, the period of Loss of Time covered by the Company shall be calculated in accordance with the proportion of the number of days which would have been required for the respective repairs if each repair had been effected individually.

Article 5

The period of Loss of Time which is covered under the Special Clauses, whether in the policy or not, shall not be counted in the period of Loss of Time under these Clauses.

**DESTINATION CLAUSE FOR WAR AND STRIKES LOSS OF TIME**

Notwithstanding the provision of item (1) of Article 3 of the Special Clauses for War and Strikes Loss of Time Insurance (hereinafter referred to as "the Special Clauses"), where the Vessel proceeds to place of repair via the destinations subsequent to the original destination for the only purpose of discharging either cargoes which were on board at the time of the occurrence of the damage or cargoes loaded at the original destination, and the repairs are effected thereat without delay, the Vessel shall be deemed to be prevented from working and the period of Loss of Time shall be calculated in accordance with the provisions of Article 4 of the Special Clauses.

**WAR AND STRIKES LOSS OF TIME INSURANCE CLAUSES FOR FISHING OR REEFER BOATS**

Article 1

The company shall not be liable to indemnify the Assured for any loss caused in consequence of the Vessel being engaged in, or about to be engaged in illegal fishing (including carriage of fish and/or fishery products from fishing grounds) which is in violation of the laws or regulations of Japan or any other country, or of the treaties ratified between Japan and any other country, or in consequence of the Vessel being charged with such violation irrespective of actual guilt.

Article 2

Provided, however, the preceding Article shall not be construed as meaning to eliminate the provision of Article 14-1-(4) of the General Clauses of Hull Insurance.

**FULL PREMIUM IF CLAIM CLAUSES  
(WAR AND STRIKES LOSS OF TIME)**

Article 1

In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to 180 days, the Person effecting the insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

**FULL PREMIUM IF CLAIM CLAUSES  
(WAR AND STRIKES LOSS OF TIME - FOR 90 DAYS)**

Article 1

In the event that the total period of the Company's indemnity for Loss of Time under this Policy shall reach up to 90 days, the Person effecting the insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.



## **<Clauses for Ship Trade Disruption Insurance >**

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## SPECIAL CLAUSES FOR SHIP TRADE DISRUPTION INSURANCE

### Article 1

- 1.1 Notwithstanding the provisions of (3) through (6) and (9) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), the Company shall be liable to pay loss of hire for the off-hire period of the Vessel provided always that the Vessel is prevented from earning hire due to the following events (hereinafter referred to as “the Accidents”):
- (1) missing (including detainment by public authorities after finding of the Vessel)
  - (2) piracy, violent theft, actions by terrorists or any persons acting maliciously or from a political motive
  - (3) denial of entry into port, detainment or restraint by Port State Control, but excluding any contravention to the rules specified in the article 2.(2)
  - (4) suspicion of any breach of rules which are to be complied with for maintaining the class, except for actual breach of such rules
  - (5) capture, seizure, detainment, restraint or suspension order of navigation, prohibition of entry to and departure from port or any other similar measures taken by public authorities (including stoppage for any reasonable decision made by the owner, the master and the manager to keep the vessel safely and/or orderly in no case public authorities exercising to release the vessel from the danger) on the grounds of:
    - i) the existence of drug or firearms on board the Vessel or suspicion thereof
    - ii) the existence of illegal immigrants on board the Vessel or suspicion thereof
    - iii) any illegal activities by officers and crew on board the Vessel or suspicion thereof
    - iv) the outbreak of infectious diseases on board the Vessel or suspicion thereof
    - v) suspicion of any illegal activities by the owner of the vessel, the charterer, the manager and the agents of them thereof (excluding any illegal activities made actually by them)
  - (6) strikes, lock-outs or other labour disturbances by officers and crew of the vessel
  - (7) sinking, stranding, grounding, burning, collisions with any external objects or encounter with heavy weather provided only that such events cause either of the followings:
    - i) unavailability for use of the Vessel with no physical damage
    - ii) the slowdown of the Vessel until deferred repairs being effected
  - (8) Rescue of life
  - (9) deviation caused by death, injuries or illness of officers and crew
  - (10) shortage of officers and crew caused by death, injuries, illness, missing, desertion, non arrival, arrest or custody
  - (11) closure of ports of call
  - (12) arrest or attachment of the Vessel by the third parties on the grounds of sinking, stranding, grounding, burning or collisions with any external objects.
- 1.2 In case of the off-hire stipulated above, the Company shall be liable to pay any port expenses, wharfage, agency expenses and/or bunker costs borne by the Assureds during the off-hire period in addition to loss of hire stipulated above.
- 1.3 In case of the Company being liable to pay any loss of hire and/or expenses enumerated in paragraph 1.1 and 1.2 above, the deductible stipulated in the Schedule shall be deducted from the amount of indemnity to be paid by the Company per accident or occurrence.
- 1.4 If the off-hire period is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the off-hire period due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of off-hire.
- 1.5 Notwithstanding the provisions of Article 1.1.(1), in case of the time charter party being cancelled retroactively to the day of missing, the Company shall be liable for loss of hire for the period from the day of missing to the day of the time charter party being decided to be cancelled, which in no case shall exceed the sum equivalent to 10 days of loss of hire.

### Article 2

For the purpose of this special clause, the definitions are as follows:

- (1) “the off-hire period” is a period for which payment of hire is suspended in accordance with the provisions contained in the time charter party of the vessel
- (2) “Port State Control” is any supervisions done by the authorities of the port state including but no limited to the occasional surveys to the vessel entering the port to assure that such vessel is compliant to the provisions of 1974 SOLAS Convention, other international conventions for the safety voyage or the international conventions in the preservation of the environment with the voyage.
- (3) “drug” is the product and its raw material such as opium and antihypnotic drug set in United Nation Convention Illicit Traffic in Narcotic Drug and Psychotropic Substances, 1988 and/or the local law enacted by each countries ratified the convention.
- (4) “illegal immigrants” is the people who illegally entry/disembark into a country and/or depart from there without going through the regular immigrant procedures.

### Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable to pay the following loss:

- (1) loss of hire for a period extended by any inspections, repairs, cargo loading and/or unloading or waiting therefor which have no connection with the off-hire
- (2) loss of hire which falls under the cover of the standard loss of time or war and strikes loss of time policies regardless of existence of such policies
- (3) notwithstanding the provision of Article 30 of the General Clauses, any loss payable under other policies executed for the insured vessel

### Article 4

For the purpose of this insurance, a sum equivalent to 1/180<sup>th</sup> of the insured value shall be deemed to be loss of hire per day.

### Article 5

- 1.1 Limit of indemnity to be paid by the Company for any one accident or occurrence shall not exceed the sum equivalent to 180 days of loss of hire and, in case of two accidents or more, the limit of indemnity to be paid by the Company shall not exceed the sum equivalent to 180 days of loss of hire in the aggregate.
- 1.2 Notwithstanding the above, in case of the Vessel becoming total loss during the off-hire period, the amount of indemnity to be paid by the Company shall be limited to loss of hire for the period from the day of the occurrence of the insured event to the day of the Vessel becoming total loss in excess of the deductible stipulated in the Schedule, which in no case shall exceed the sum equivalent to 60 days of loss of hire.

### Article 6

The Company shall be liable to pay any expenses (except those covered by any other insurances of the Vessel) incurred by the Assured acting for the purpose of minimizing the off-hire period with a prior written consent of the Company, provided however that such expenses shall be limited to the amount of the Company's indemnity for loss of hire which has been saved by such actions of the Assured.

### Article 7

It is a condition of this insurance that the Time Charter Party of the Vessel exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

### Article 8

In the event of the whole or a part of any provision of the General Clauses being inconsistent with this Special Clause, this Special Clause shall prevail.



## SPECIAL CLAUSES FOR SHIP TRADE DISRUPTION INSURANCE (SW)

### Article 1

- 1.1 Notwithstanding the provisions of (3) through (6) and (9) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as “the General Clauses”), the Company shall be liable to pay “any loss of hire/income and/or expenses” incurred by the Person effecting the insurance or the Assured due to the following events (hereinafter referred to as “the Accidents”):
- (1) missing (including detainment by public authorities after finding of the Vessel)
  - (2) piracy, violent theft, actions by terrorists or any persons acting maliciously or from a political motive
  - (3) denial of entry into port, detainment or restraint by Port State Control, but excluding any contravention to the rules specified in the article 2.(1)
  - (4) suspicion of any breach of rules which are to be complied with for maintaining the class, except for actual breach of such rules
  - (5) capture, seizure, detainment, restraint or suspension order of navigation, prohibition of entry to and departure from port or any other similar measures taken by public authorities (including stoppage for any reasonable decision made by the owner, the master and the manager to keep the vessel safely and/or orderly in no case public authorities exercising to release the vessel from the danger) on the grounds of:
    - i) the existence of drug, firearms or any prohibited goods on board the Vessel or suspicion thereof
    - ii) the existence of illegal immigrants on board the Vessel or suspicion thereof
    - iii) any illegal activities by officers and crew on board the Vessel or suspicion thereof
    - iv) the outbreak of infectious diseases on board the Vessel or suspicion thereof
    - v) suspicion of any illegal activities by the owner of the vessel, the charterer, the manager and the agents of them thereof (excluding any illegal activities made actually by them)
    - vi) quarantine on board the Vessel, or disinfection or fumigation thereof
    - vii) any loss or damage to the port facilities or cargo loading/unloading facilities caused by the operation or cargo handling of the Vessel
    - viii) sinking, stranding, grounding, fire, collisions with any external objects or encounter with heavy weather of the Vessel
  - (6) strikes, lock-outs by officers and crew of the Vessel or boycotts by stevedores or shipbuilding labours
  - (7) sinking, stranding, grounding, fire, collisions with any external objects or the accidents stipulated in items (2) through (10) of Paragraph 1 of Article 2 of the Special Clauses of Hull Insurance Class No.6 provided only that such events cause either of the followings:
    - i) unavailability for use of the Vessel with no physical damage
    - ii) reduction of the transportation ability of the Vessel until deferred repairs being effected
  - (8) rescue of life
  - (9) deviation caused by death, injuries or illness of officers and crew
  - (10) shortage of officers and crew caused by death, injuries, illness, missing, desertion, non arrival, arrest or custody
  - (11) closure of ports of call
  - (12) arrest, attachment or any other civil disposition of the Vessel by the third parties on the grounds of sinking, stranding, grounding, burning, collisions with any external objects or encounter with heavy weather of the Vessel or any other vessels owned or chartered by the Assured
  - (13) fire or any other damage to the cargo on board the Vessel
  - (14) negligence of repairers or builders on the Vessel
  - (15) deviation from the original voyage for the purpose of disembarking stowaways or illegal passengers discovered on board the Vessel
  - (16) any loss or damage to the port facilities or cargo loading/unloading facilities caused by the operation or cargo handling of the Vessel
  - (17) fire, explosion, earthquake or tidal wave occurred on the place of repair or survey
  - (18) refusal of cargo loading by reason of inadequate cleaning of cargo holds of the Vessel
  - (19) refusal of cargo unloading, or arrest or attachment of the Vessel, by the cargo owners by reason of damage to, non delivery or shortage of cargo on board the Vessel
- 1.2 In addition to the loss stipulated above, the Company shall be liable to pay any port expenses, wharfage, agency expenses, bunker costs, expenses of shifting cargo on board the Vessel and/or the additional premiums for the war and strikes policies and/or war and strikes loss of time policies and/or any similar war policies borne by the Assureds in accordance with the loss stipulated in the previous section.
- 1.3 In case of the Company being liable to pay any loss of hire/income and/or expenses enumerated in paragraph 1.1 and 1.2 above, the Company only covers loss in excess of deductible period stipulated in the Policy. When the deductible amount is specified in the Schedule instead of the deductible period, the deductible amount shall be deducted from the amount of indemnity to be paid by the Company.
- 1.4 If the off-hire period is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the off-hire period due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of off-hire.
- 1.5 Notwithstanding the provisions of Article 1.1.(1), in case of the time charter party being cancelled retroactively to the day of missing, the Company shall be liable for loss of hire for the period from the day of missing to the day of the time charter party being decided to be cancelled, which in no case shall exceed the sum equivalent to 10 days of loss of hire, only if the Company and the Assureds agree on insured value in accordance with Article 9.1.(1).

### Article 2

For the purpose of this special clause, the definitions are as follows:

- (1) “Port State Control” is any supervisions done by the authorities of the port state including but no limited to the occasional surveys to the vessel entering the port to assure that such vessel is compliant to the provisions of 1974 SOLAS Convention, other international conventions for the safety voyage or the international conventions in the preservation of the environment with the voyage.
- (2) “firearms” is guns, swords or any other weapons.
- (3) “prohibited goods” is the goods that are illegally exported/imported, or trying to be exported/imported without performing proper export and import procedures.
- (4) “drug” is the products and its raw materials such as opium and antihypnotic drug set in United Nation Convention Illicit Traffic in Narcotic Drug and Psychotropic Substances, 1988 and/or the local law enacted by each countries ratified the convention.
- (5) “illegal immigrants” is the people who illegally entry/disembark into a country and/or depart from there without going through the regular immigrant procedures.
- (6) “any loss of hire/income and/or expenses” consists of loss of time charter hire, “current expenditure” and receivable freight revenues.
- (7) “Current expenditure” shall be defined as follows:
  - i) direct expenditures: wages and accessory expenditures for the crew, costs of ordinary repairs and ship’s stores, and other miscellaneous expenditures
  - ii) indirect expenditures: interest of debt for the Vessel, insurance premiums and municipal property tax on the Vessel, and general administrative expenses.

### Article 3

Notwithstanding the provisions of Article 1 through 3, the Company shall not be liable to pay the following loss:

- (1) the widened loss and expenses by any inspections, repairs, cargo loading and/or unloading or waiting which have no connection with the loss

stipulated in Article 1.

- (2) in case of the Assureds being incurred economic losses due to physical damage of the Vessel, which being disposed during the period for which the Vessel is incapable of working, the loss and the expenses from the date when physical damage occurred to the date disposing of the Vessel.
- (3) loss of hire which falls under the cover of the standard loss of time or war and strikes loss of time policies regardless of existence of such policies.
- (4) notwithstanding the provision of Article 30 of the General Clauses, any loss payable under other policies executed for the insured vessel

#### Article 4

- 1.1 For the purpose of this insurance, the insured value being divided by the aggregate indemnity period stipulated in the Schedule shall be deemed to be limit of indemnity per day.
- 1.2 Notwithstanding the above, this Article is not applied to the expenses listed below. However, the total limit of indemnity to be paid by the Company is equivalent to the insured amount.
  - (1) expenses stipulated in Article 1.1.2
  - (2) expenses stipulated in Article 6

#### Article 5

- 1.1 Limit of indemnity to be paid by the Company for any one accident or occurrence shall not exceed the indemnity period per accident, and in case of two accidents or more, the limit of indemnity to be paid by the Company shall not exceed the aggregate indemnity period.
- 1.2 Notwithstanding the above, in case of the Vessel becoming total loss by the insured event under the policy, the Company shall be liable for the loss occurred between the day after the insured event and the day of vessel being total loss, which in no case shall exceed the indemnity period per accident or the sum equivalent to 60 days, whichever is shorter.
- 1.3 Notwithstanding the above, the amount of indemnity to be paid by the Company shall be limited to the insured amount.
- 1.4 The Company shall be liable to indemnify the Assured for losses in such proportion as the insured amount bears to the insured value.

#### Article 6

The Company shall be liable for the expenses (except those covered by other insurances effected on the Vessel) incurred by the Person effecting the insurance or the Assured in respect of the measures taken, with prior consent of the Company, to shorten the loss time. Provided that the sum to be paid shall be limited to the amount of the Company's liability for indemnification which was saved by the said measures.

#### Article 7

The Person effecting the insurance or the Assured need to prove that the amount to be indemnified is corresponding to the loss stipulated in Article 1.1.1 or 1.1.3, or to the expenses stipulated in Article 1.1.2 when requesting for payment.

#### Article 8

Notwithstanding the provisions of Paragraph 3 of Article 10 of the General Clauses, the Person effecting the insurance or the Assured may extend the period of this insurance only when the Vessel, after the expiration of the Policy, is incurred loss stipulated Article 1. Even when the period of this insurance is extended, however, it shall expire at the time when any of the following situations arises:

- (1) when the loss stipulated in Article 1 eliminated.
- (2) when the aggregate liability or the expenses of the Company reaches the insured amount.

#### Article 9

- 1.1 The Company and the Person effecting the insurance shall agree as to the amount of insured value when the contract of insurance is effected. The insured value shall be any of the following amount:
  - (1) Estimated time charter hire earning during the time of the aggregate indemnity period stipulated in the Schedule. Where the Vessel is not hired under the time charter party, the Vessel shall be deemed to be hired under the standard time charter party form compiled by the Japan Shipping Exchange, Inc.
  - (2) Estimated current expenditure of the Vessel during the time of the aggregate indemnity period stipulated in the Schedule.
  - (3) Amortization for the aggregate indemnity period added to Article 9.1.(2).
  - (4) Receivable freight revenues during the time of the aggregate indemnity period stipulated in the Schedule.
- 1.3 If the insurable interest changes, or the value of the insured interest has substantially increased or decreased during the period of insurance, either the Company or the Person effecting the insurance may request in writing to the other to change the amount of insured value and/or the insured amount specified in the Policy.
- 1.4 When such agreement is reached on the change as referred to in the preceding paragraph, the Company shall claim or return a pro rata daily insurance premium for the increased or decreased portion of the amount of insured value or the insured amount.

#### Article 10

In the event of the whole or a part of any provision of the General Clauses being inconsistent with this Special Clause, this Special Clause shall prevail.

## **SPECIAL CLAUSES FOR SHIP TRADE DISRUPTION INSURANCE (B)**

#### Article 1

- 1.1 Notwithstanding the provisions of (3) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"), the Company shall be liable to pay loss of hire for the off-hire period of the Vessel provided always that the Vessel is prevented from earning hire due to the following events (hereinafter referred to as "the Accidents") :
  - (1) capture, seizure, detainment, restraint or suspension order of navigation, prohibition of entry to and departure from port or any other similar measures taken by public authorities on the grounds of:
    - i) the existence of drug or firearms on board the Vessel or suspicion thereof
    - ii) the existence of illegal immigrants on board the Vessel or suspicion thereof
- 1.2 In case of the off-hire stipulated above, the Company shall be liable to pay any port expenses, wharfage, agency expenses and/or bunker costs borne by the Assureds during the off-hire period in addition to loss of hire stipulated above.
- 1.3 In case of the Company being liable to pay any loss of hire and/or expenses enumerated in paragraph 1.1 and 1.2 above, the deductible stipulated in the Schedule shall be deducted from the amount of indemnity to be paid by the Company per accident or occurrence.
- 1.4 If the off-hire period is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the off-hire period due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of off-hire.

#### Article 2

For the purpose of this special clause, the definitions are as follows:

- (1) "the off-hire period" is a period for which payment of hire is suspended in accordance with the provisions contained in the time charter party of the vessel
- (2) "drug" is the products and its raw materials such as opium and antihypnotic drug set in United Nation Convention Illicit Traffic in Narcotic Drug and Psychotropic Substances, 1988 and/or the local law enacted by each countries ratified the convention.
- (3) "illegal immigrants" is the people who illegally entry/disembark into a country and/or depart from there without going through the regular immigrant procedures.

Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable for the following loss:

- (1) loss of hire for a period extended by any inspections, repairs, cargo loading and/or unloading or waiting therefor which have no connection with the off-hire
- (2) loss of hire which falls under the cover of the standard loss of time or war and strikes loss of time policies regardless of existence of such policies
- (3) notwithstanding the provision of Article 30 of the General Clauses, any loss payable under other policies executed for the insured vessel

Article 4

For the purpose of this insurance, a sum equivalent to 1/180<sup>th</sup> of the insured value shall be deemed to be loss of hire per day.

Article 5

- 1.1 Limit of indemnity to be paid by the Company for any one accident or occurrence shall not exceed the sum equivalent to the number of days stipulated in the Schedule of loss of hire and, in case of two accidents or more, the limit of indemnity to be paid by the Company shall not exceed the sum equivalent to 180 days of loss of hire in the aggregate.
- 1.2 Notwithstanding the above, in case of the Vessel becoming total loss during the off-hire period, the amount of indemnity to be paid by the Company shall be limited to loss of hire for the period from the day of the occurrence of the insured event to the day of the Vessel becoming total loss in excess of the deductible stipulated in the Schedule, which in no case shall exceed the sum equivalent to 60 days of loss of hire.

Article 6

The Company shall be liable to pay any expenses (except those covered by any other insurances of the Vessel) incurred by the Assured acting for the purpose of minimizing the off-hire period with a prior written consent of the Company, provided however that such expenses shall be limited to the amount of the Company's indemnity for loss of hire which has been saved by such actions of the Assured.

Article 7

It is a condition of this insurance that the Time Charter Party of the Vessel exists. This insurance shall terminate at the time when anything inconsistent with this condition arises.

Article 8

In the event of the whole or a part of any provision of the General Clauses being inconsistent with this Special Clause, this Special Clause shall prevail.

## **SPECIAL CLAUSES FOR SHIP TRADE DISRUPTION INSURANCE (W)**

Article 1

- 1.1 Notwithstanding the provisions of (3) through (6) and (9) of Article 11 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses"), the Company shall be liable to pay loss of hire for the off-hire period of the Vessel provided always that the Vessel is prevented from earning hire due to the following events (hereinafter referred to as "the Accidents") :
  - (1) missing (including detainment by public authorities after finding of the Vessel)
  - (2) piracy, violent theft, actions by terrorists or any persons acting maliciously or from a political motive
  - (3) denial of entry into port, detainment or restraint by Port State Control, but excluding any contravention to the rules specified in the article 2.(2)
  - (4) suspicion of any breach of rules which are to be complied with for maintaining the class, except for actual breach of such rules
  - (5) capture, seizure, detainment, restraint or suspension order of navigation, prohibition of entry to and departure from port or any other similar measures taken by public authorities (including stoppage for any reasonable decision made by the owner, the master and the manager to keep the vessel safely and/or orderly in no case public authorities exercising to release the vessel from the danger) on the grounds of:
    - i) the existence of drug, firearms or any prohibited goods on board the Vessel or suspicion thereof
    - ii) the existence of illegal immigrants on board the Vessel or suspicion thereof
    - iii) any illegal activities by officers and crew on board the Vessel or suspicion thereof
    - iv) the outbreak of infectious diseases on board the Vessel or suspicion thereof
    - v) suspicion of any illegal activities by the owner of the vessel, the charterer, the manager and the agents of them thereof (excluding any illegal activities made actually by them)
    - vi) quarantine on board the Vessel, or disinfection or fumigation thereof
    - vii) any loss or damage to the port facilities or cargo loading/unloading facilities caused by the operation or cargo handling of the Vessel
  - (6) strikes, lock-outs by officers and crew of the Vessel or boycotts by stevedores or shipbuilding labours
  - (7) sinking, stranding, grounding, fire, collisions with any external objects or the accidents stipulated in items (2) through (10) of Paragraph 1 of Article 2 of the Special Clauses of Hull Insurance Class No.6 provided only that such events cause either of the followings:
    - i) unavailability for use of the Vessel with no physical damage
    - ii) reduction of the transportation ability of the Vessel until deferred repairs being effected
  - (8) Rescue of life
  - (9) deviation caused by death, injuries or illness of officers and crew
  - (10) shortage of officers and crew caused by death, injuries, illness, missing, desertion, non arrival, arrest or custody
  - (11) closure of ports of call
  - (12) arrest or attachment of the Vessel by the third parties on the grounds of sinking, stranding, grounding, burning, collisions with any external objects or encounter with heavy weather of the Vessel or any other vessels owned or chartered by the Assured
  - (13) fire or any other damage to the cargo on board the Vessel
  - (14) negligence of repairers or builders on the Vessel
  - (15) deviation from the original voyage for the purpose of disembarking stowaways or illegal passengers discovered on board the Vessel
  - (16) any loss or damage to the port facilities or cargo loading/unloading facilities caused by the operation or cargo handling of the Vessel
  - (17) fire, explosion, earthquake or tidal wave occurred on the place of repair or survey
  - (18) refusal of cargo loading by reason of inadequate cleaning of cargo holds of the Vessel
  - (19) refusal of cargo unloading, or arrest or attachment of the Vessel, by the cargo owners by reason of damage to, non delivery or shortage of cargo on board the Vessel
- 1.2 In case of the off-hire stipulated above, the Company shall be liable to pay any port expenses, wharfage, agency expenses, bunker costs and/or the additional premiums for the war and strikes policies and/or war and strikes loss of time policies and/or any similar war policies borne by the Assureds during the off-hire period in addition to loss of hire stipulated above.
- 1.3 In case of the Company being liable to pay any loss of hire and/or expenses enumerated in paragraph 1.1 and 1.2 above, the deductible stipulated in the Schedule shall be deducted from the amount of indemnity to be paid by the Company per accident or occurrence.
- 1.4 If the off-hire period is extended in consequence of a subsequent Accident occurring whilst the Vessel is prevented from working, the extended period shall be deemed to be the off-hire period due to the subsequent Accident, provided that the excess of the number of days specified in the Policy shall be applied to the aggregate of the respective periods of off-hire.
- 1.5 Notwithstanding the provisions of Article 1.1.(1), in case of the time charter party being cancelled retroactively to the day of missing, the Company shall be liable for loss of hire for the period from the day of missing to the day of the time charter party being decided to be cancelled, which in no case

shall exceed the sum equivalent to 10 days of loss of hire.

Article 2

For the purpose of this special clause, the definitions are as follows:

- (1) "the off-hire period" is a period for which payment of hire is suspended in accordance with the provisions contained in the time charter party of the vessel
- (2) "Port State Control" is any supervisions done by the authorities of the port state including but no limited to the occasional surveys to the vessel entering the port to assure that such vessel is compliant to the provisions of 1974 SOLAS Convention, other international conventions for the safety voyage or the international conventions in the preservation of the environment with the voyage.
- (3) "drug" is the products and its raw materials such as opium and antihypnotic drug set in United Nation Convention Illicit Traffic in Narcotic Drug and Psychotropic Substances, 1988 and/or the local law enacted by each countries ratified the convention.
- (4) "illegal immigrants" is the people who illegally entry/disembark into a country and/or depart from there without going through the regular immigrant procedures.

Article 3

Notwithstanding the provisions of Article 1, the Company shall not be liable to pay the following loss:

- (1) loss of hire for a period extended by any inspections, repairs, cargo loading and/or unloading or waiting therefor which have no connection with the off-hire
- (2) loss of hire which falls under the cover of the standard loss of time or war and strikes loss of time policies regardless of existence of such policies
- (3) notwithstanding the provision of Article 30 of the General Clauses, any loss payable under other policies executed for the insured vessel

Article 4

For the purpose of this insurance, a sum equivalent to 1/180<sup>th</sup> of the insured value shall be deemed to be loss of hire per day.

Article 5

- 1.1 Limit of indemnity to be paid by the Company for any one accident or occurrence shall not exceed the sum equivalent to 180 days of loss of hire and, in case of two accidents or more, the limit of indemnity to be paid by the Company shall not exceed the sum equivalent to 180 days of loss of hire in the aggregate.
- 1.2 Notwithstanding the above, in case of the Vessel becoming total loss during the off-hire period, the amount of indemnity to be paid by the Company shall be limited to loss of hire for the period from the day of the occurrence of the insured event to the day of the Vessel becoming total loss in excess of the deductible stipulated in the Schedule, which in no case shall exceed the sum equivalent to 60 days of loss of hire.

Article 6

The Company shall be liable to pay any expenses (except those covered by any other insurances of the Vessel) incurred by the Assured acting for the purpose of minimizing the off-hire period with a prior written consent of the Company, provided however that such expenses shall be limited to the amount of the Company's indemnity for loss of hire which has been saved by such actions of the Assured.

Article 7

Where the Vessel is not hired under the time charter party, the Vessel shall be deemed to be hired under the standard time charter party form compiled by the Japan Shipping Exchange, Inc.

Article 8

In the event of the whole or a part of any provision of the General Clauses being inconsistent with this Special Clause, this Special Clause shall prevail.

**FULL PREMIUM IF CLAIM CLAUSES  
( T. D. I. )**

Article 1

In the event that the total period of the Company's indemnity for Loss of Hire under this Policy shall reach up to the sum equivalent to 180 days, the Person effecting insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

01/03/2021

**FULL PREMIUM IF CLAIM CLAUSES  
(T. D. I. (SW))**

Article 1

In the event that the total amount of the Company's indemnity for Loss of Hire under this Policy shall reach up to the limit of liability as specified in the Policy, the Person effecting insurance shall pay an additional premium to the Company at a rate representing the difference between the annual rate and the rate paid hereon.

Article 2

If there is no payment of an additional premium mentioned preceding Article at the time of the Company making payment of such claim, the same shall be deducted from the amount to be indemnified.

## **<Clauses for Builders' Risks >**

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## BUILDERS' RISKS SPECIAL CLAUSES

(Liability for indemnification)

Article 1

1. The Company shall be liable to indemnify the Assured for the following losses to the subject-matter insured caused by maritime or land perils (hereinafter referred to as "the Accidents"). Provided that in respect of the losses as provided for in the following items (1) and (2) (excluding the expenses of sighting the bottom of the Vessel as provided for in the General Clauses of the Hull Insurance (hereinafter referred to as "the General Clauses")), it shall be limited to the losses incurred as a consequence of loss of or damage to the subject-matter insured caused and discovered during the period of this insurance.
  - (1) Total loss (as provided for in Article 3 of the General Clauses)
  - (2) Cost of repairs (as provided for in Article 4 of the General Clauses, except for the provision of Paragraph 6 of the said Article which shall not apply hereto)
  - (3) General average contribution (as provided for in Article 5 of the General Clauses)
  - (4) Collision damages (as provided for in Article 6 of the General Clauses)
  - (5) Re-launching expenses; provided that, in case of failure in launching, these expenses shall be limited to all subsequent expenses incurred in completing launch
  - (6) Sue and labour expenses (as provided for in Article 7 of the General Clauses); provided that these expenses shall be limited to these which have been incurred for preventing or minimizing the losses as enumerated in the preceding items

(Scope of the subject-matter insured)

Article 2

In these Special Clauses, the subject-matter insured shall be those enumerated below which belong to the Assured (including those supplied by the orderer of the Vessel, if any) and which are within the trading limits specified in the Policy.

- (1) hull, machinery, electric apparatus, navigational aids, equipment, fittings, etc. of the Vessel and building materials
- (2) blueprints, moulds and wooden models used for building the Vessel
- (3) fuel and lubricating oil used in trial trip, voyage for fitting out, docking or delivering the Vessel

(Excluded losses)

Article 3

The Company shall not be liable to indemnify for any loss enumerated below;

- (1) in case of loss or damage arising from any latent defect (limited, however, only to those defects which the Person effecting insurance or the Assured could not discover in spite of exercising due diligence) in materials of the subject-matter insured, loss of or damage to such part of the subject-matter insured as contains the latent defect
- (2) in case of loss or damage arising from any latent defect (limited, however, only to those defects which the Person effecting insurance or the Assured could not discover in spite of exercising due diligence) in design or specification of the subject-matter insured, loss of or damage to such part of the subject-matter insured as contains the defect
- (3) expenses incurred by reason of alteration or betterment in plan or design
- (4) expenses incurred by reason of renewing faulty welds where such faulty welds have been discovered
- (5) loss or damage arising from earthquake or volcanic eruption (including tidal wave and fire arising therefrom)

(Trip for trial, etc.)

Article 4

In spite of the trading limits specified in the Policy, the Vessel has leave to sail or navigate only for trial, fitting out, docking or delivery within a distance by water of (specified in the Policy) nautical miles (in case of such movement of the Vessel in tow, this distance shall be within 25 nautical miles) of the dockyard designated in the Policy.

(Insured value)

Article 5

1. The insured value shall be determined at not less than the building contract price of the Vessel (if any parts are to be supplied by the orderer of the Vessel, the value thereof shall be added to the contract price; hereinafter to be so interpreted)
2. If there is no building contract, the estimated value of the Vessel at the time of completion of building shall be deemed to be the building contract price.

(Judgement of "Total Loss" prior to the completion of building)

Article 6

In judging whether the Vessel is become "Total Loss" as provided for in paragraph 2 (1) of Article 3 of the General Clauses, the aggregate sum of the following costs, profits and/or values (but within the limit of the insured value specified in the Policy) shall be regarded as the insured value of the Vessel as provided for in the same Article.

- (1) cost of materials defrayed by the Assured in respect of the subject-matter insured provided for in Article 2, by the time of occurrence of losses for which the Company shall be liable to indemnify
- (2) cost of (excluding the cost of material provided for in the preceding item) commensurate with the construction work executed by the time of occurrence of losses for which the Company shall be liable to indemnify
- (3) such part of profit included in the contract price as to be allocated to the cost in the preceding two items
- (4) value of materials supplied by the orderer of the Vessel, which exist within the trading limits specified in the Policy at the time of occurrence of losses for which the Company shall be liable to indemnify

(Insured value and insured amount in case of a total loss prior to the completion of building)

Article 7

Where the subject-matter insured becomes a total loss prior to the completion of building, the sum stipulated in the preceding Article shall be regarded as the insured value at that time, and such insured value multiplied by proportion as the insured amount specified in the Policy bears to the insured value specified in the Policy shall be regarded as the insured amount at that time.

(Termination of insurance contract)

Article 8

Upon delivery of the Vessel to orderer, this insurance contract shall terminate forthwith, even though the period specified in the Policy has not expired.

(Limit of indemnification)

Article 9

1. The amount of indemnity to be paid by the Company under these Clauses shall be the balance of the aggregate sum of claims recoverable hereunder after deducting the deductible specified in this Policy, independently of any other claims recoverable under the clauses other than these Clauses, in respect of each separate accident or occurrence.
2. The Aggregate sum of claims as provided for in the preceding paragraph shall be always limited to the insured value specified in this Policy. Provided, however, the damage or expenses as provided for in each item of Article 9-2 of the General Clauses shall be limited to the insured value specified in the Policy respectively, independently of any other claims recoverable under this Policy.
3. The preceding two paragraphs shall not apply to the following loss, damages or expenses:
  - (1) a total loss as provided for in Article 3 of the General Clauses (including "Total Loss" judged in accordance with Article 6 prior to the completion of building ; hereinafter to be so interpreted)
  - (2) expenses of sighting the bottom of the Vessel as provided for in Article 4-7 of the General Clauses
  - (3) sue and labor expenses as provided for in the item 1 and 2 of Article 7-1 incurred in connection with a total loss of the Vessel.

(Relation with the General Clauses)

Article 10

In the event of the whole or a part of any provision of the General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

## **ANTI-FOULING PAINT CLAUSES (BUILDERS' RISKS)**

Article 1

Where the repair of damage covered under this contract of insurance (hereinafter referred to as "Damage Repairs") requires the Vessel to be put in a drydock or on a slipway and her bottom is scraped and painted with anti-fouling paint, the reasonable cost of anti-fouling paint and the expenses for scraping and painting (hereinafter referred to as "Anti-fouling Paint Expenses") shall be included in the cost of repairs referred to in paragraph 1 of Article 4 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").

Article 2

In the preceding Article, where Damage Repairs and other work and/or inspection are effected concurrently, except in cases where anti-fouling paint is painted only in the damaged area on the bottom, only one-half of the Anti-fouling Paint Expenses shall be included in the cost of repairs as referred to in paragraph 1 of Article 4 of the General Clauses.





## <Clauses for Shiprepairers' Liability Risks >

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## SPECIAL CLAUSES FOR SHIPREPAIRERS' LIABILITY INSURANCE

### (Liability for indemnification-1)

#### Article 1

1. The Company shall only indemnify the Assured for loss sustained by the Assured as shiprepairers assuming the following legal liabilities (hereinafter referred to as "liability") . Provided, however, that the loss specified in the following items is limited only to those discovered during the period of repair work on the subject vessel or within 60days after the end of the period of repair work.
  - (1) Liability for loss to the subject vessel or cargo occurring during the period of repair work.
  - (2) Liability for loss to the subject vessel or cargo occurring after the end of the period of repair work, resulting from defects in the repair work.
  - (3) Liability for loss to properties other than the subject vessel and cargo occurring during the period of repair work, resulting from the repair work.
2. In case of preceding paragraph, the Company shall indemnify the Assured for compensation paid by the Assured (including reasonable expenses as compensation to reinstate in the condition that was in immediately before the damage occurred.) subject to the prior written consent of the Company for such payment of the compensation.

### (Liability for indemnification-2)

#### Article 2

1. In case loss occurs to the subject vessel during the period of repair work, resulting from defects in the repair work and the Assured repair the parts again which is already repaired to restore from the loss, the Company shall indemnify the cost of repair (as provided for in Article 4 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses")) .
2. If, in case of preceding paragraph, there is any amount the Assured has a right to claim under the contract of the repair work, the Company shall determine the amount of indemnity based on the balance of the loss hereunder after deducting such amount from the cost of repair provided for in preceding paragraph.

### (Liability for indemnification-3)

#### Article 3

The Company shall indemnify the Assured for the following expenses incurred by the Assured to prevent or minimize loss or damage which would be recoverable under Article 1 or Article 2.

- (1) Expenses as provided for in Article 7-1- (1) of the General Clauses. Provided, however, that in case where it is found that there is no loss or damage recoverable from the Company after the measures recognized as necessary or useful in preventing or minimizing loss or damage were taken by the Assured, the Company shall be liable to indemnify, out of the expenses incurred in taking such measures, only for those incurred in taking emergency measures or those incurred with the Company's prior written consent.
- (2) Expenses as provided for in (2) or (3) of Article 7-1 of the General Clauses.

### (Definitions)

#### Article 4

In these Special Clauses:

- (1) "The subject vessel" means the vessel specified in this Policy (including hull, machinery, appurtenances, fittings, fuel, stores and all other articles for consumption in the vessel (hereinafter referred to as "the Vessel")) and those which are temporarily removed from or newly attached to the Vessel in connection with the repair work. Provided, however, that out of those newly attached to the Vessel,
  - (a) In respect of any parts or materials supplied by the Assured, they shall not be regarded as a part of the subject vessel until the end of the period of repair work.
  - (b) In respect of any parts or materials supplied by the Orderer, they shall not be regarded as a part of the subject vessel until the beginning of the period of repair work.
- (2) "Any parts or materials supplied by the Assured" means machinery, appurtenances and other parts or materials supplied by the Assured, which are newly attached to the Vessel.
- (3) "Cargo" means the goods or other properties loaded on the Vessel during the period of repair work and those which are temporarily unloaded from the vessel in connection with the repair work.
- (4) "The repair work" means the work carried out by the Assured for the purpose of repairing the subject vessel and/or attaching any parts or materials supplied by the Assured within the trading limits specified in this Policy (including waters within 15 nautical miles from the dockyard designated in this Policy (hereinafter referred to as "the trading limits")) , including taking care or controlling of the subject vessel, any parts or materials supplied by the Assured or cargo by the Assured in connection with the repair work within the trading limits.
- (5) "The period of repair work" means the period from the time when the Vessel arrives at the place where repair work is carried out to the time of completion of repair work or the time when the Orderer of the repair work commences to move the Vessel for the purpose other than the repair work from the place where repair work is carried out, whichever may first occur.
- (6) "The defects in any parts or materials supplied by the Assured" means the following defects (limited, however, only to those defects which the Assured could not discover in spite of exercising due diligence) :
  - (a) Defects inherent in the quality of any parts or materials supplied by the Assured.
  - (b) Defects in any parts or materials supplied by the Assured due to faulty design or specifications.
  - (c) Defects in construction of any parts or materials supplied by the Assured which occurred before the commencement of the repair work or the parts or materials are allocated as those supplied by the Assured.

### (Excluded losses-1)

#### Article 5

The Company shall not be liable to indemnify the Assured for any loss caused by the following:

- (1) drainage, exhausting of air (including smoke and steam, etc.) or arising of dust, unless caused by unforeseen and sudden accident,
- (2) earthquake or volcanic eruption (including tidal wave and fire arising therefrom) ,
- (3) burglary, theft or missing,
- (4) explosion or ignition (including fire arising therefrom) of inflammable or explosive gases generated in holds or compartments of the Vessel due to noncompliance with laws and regulations regarding inspection of vessels or repair work of carried out on vessels,
- (5) test firing of shells or torpedoes, etc.

### (Excluded losses-2)

#### Article 6

The company shall not indemnify the Assured for the following liability for which the Assure shall become liable.

- (1) liability for loss of life, bodily injury to or illness of any person,
- (2) liability for payment of arrears, penalty, demurrage, loss of fare, loss of freight or charterage of the Vessel or similar loss, by whatever name they may be called, by reason of delay in repair work,
- (3) liability for infringement of fishing rights, rights of business or any other similar rights to property,
- (4) Aggravated liability under a special contract, if any. In case of the liability as provided for in (1) or (2) of Article 1-1, such aggravated liability as compared with the liability under the ordinary contract of repair work on vessels.

(Excluded losses-3)

Article 7

The Company shall not indemnify the Assured for the liability as provided for in Article 1-1- (3) ;

- (1) arising from waste oil,
- (2) arising from collision with any other vessel (meaning a self-propelling vessel of 20 gross tons or over) which is owned or leased by the Assured,
- (3) caused by any aircrafts or automobile owned by, used by or in the care, custody or control of the Assured
- (4) in respect of damage to any property except the Vessel and cargo, which is owned by, in the care, custody or control of or leased by the Assured or which is used by the Assured as the shiprepairer.

(Excluded losses-4)

Article 8

In case whether damage to the subject vessel due to a defect therein (limited, however, only to those defects which the Assured could not discover in spite of exercising due diligence) : which result from faulty design or specifications of the repair work or damage to the subject vessel arising from a defect in any parts or materials supplied by the Assured which occurs after the expiry of the period of repair work, the company shall not be liable to indemnify the Assured for damage to the part in which such defect exists.

(Trip for trial)

Article 9

Notwithstanding the trading limits specified in this Policy, the Vessel can leave to sail or navigate only for trial within a distance by water of 100 nautical miles (in case of such movement of the Vessel in tow, this distance shall be within 25 nautical miles) from the dockyard designated in this Policy.

(Limit of Indemnity)

Article 10

1. The amount of indemnity to be paid by the Company under these Special Clauses in respect of each separate accident or occurrence shall be as the following:
  - (1) In respect of loss provided for in Article 1 , 2, and/or 3- (1) , the aggregate amount of such loss, damage or expenses (in case where the whole or a part of loss, damage or expenses may be recoverable from any other person, such amount as may be recoverable shall be deducted from the amount of indemnity to be paid by the Company) less the deductible amount stated in this Policy.
  - (2) In respect of the expenses as provided for in Article 3- (2) , the full amount of such expenses, provided, however, that in case where the aggregate amount of the loss, damage or expenses as provided for in the preceding item exceeds the limit of the Company's liability stated in this Policy, such proportionate part of the expenses as the limit of the Company's liability bears to the aggregate amount of the loss, damage or expenses.
2. The respective amounts stated in (1) and (2) of preceding paragraph shall not exceed the limit of the Company's liability stated in this Policy.

(Loss of which repairs is not completed)

Article 11

When the Orderer of the repair work commences to move the Vessel from the place where repair work is carried out prior to the completion of repair work of damage to the Vessel as provided for in Article 1-1- (1) or Article 2, the amount of indemnity to be paid by the Company under Article 10-1- (1) is limited to estimated repair cost of the Assured's dockyard at the time of commencement of the movement of the Vessel.

(Relation between the period of repair work and the period of insurance)

Article 12

Notwithstanding the provision of Article 1 and Article 2 the Company shall not be liable to indemnify the Assured for loss sustained by reason of the Assured assuming the following liability.

- (1) In case where the period of repair work of the subject vessel has already commenced at the time of the beginning of the period of insurance stated in this Policy, the damage which has occurred to the subject vessel, cargo or other property prior to the time of beginning of the period of insurance.
- (2) In case where the period of repair work of the subject vessel has not yet been completed at the time of expiry of the period of insurance, the damage which occurs to the subject vessel, cargo or other property after the time of expiry of the period of insurance.

(Relations with the General Clauses)

Article 13

In the event of the whole or a part of any provisions of General Clauses being inconsistent with these Special Clauses, these Special Clauses shall prevail.

1/4/2013

## **COMPREHENSIVE CONTRACT CLAUSES (FOR THE PROVISIONAL PREMIUM POLICY)**

Article 1

All the vessels specified in this Policy which the Assured carries out the repair work during the period of insurance shall be subject matter under this insurance.

Article 2

In case more than two vessels (including cargo under this Article) are damaged by any one accident or occurrence, in respect of the amount which would be recoverable under (1) and/or (2) of Article 10-1 of the Special Clauses For Shiprepairers' Liability Insurance, the Company shall apply that provision for each subject vessel. Provided, however, that the deductible amount shall be applied for each separate accident or occurrence.

Article 3

1. The Assured shall give a notice to the Company of the description of the repair work of all vessels which the Assured carries out the repair work during the period of insurance with the specified form provided by the Company.
2. In the absence of preceding notice given by the Assured due to any willful misconduct or gross negligence of them, the Company shall not be liable to indemnify the Assured for the damage to those vessels.

3. The Person effecting the insurance is obliged to pay all of the premium for each repair work of every vessel, albeit any omissions in notification specified in paragraph 1.

Article 4

1. The rate and the premium specified in this Policy are provisional and should be re-calculated or adjusted according to the actual amount of repair work of all insured vessels upon expiring of the period of this Policy (in case of the cancellation of the insurance, it is regarded as expiry) provided application of the minimum premium in this insurance.
2. Article 22-1 and Article 22-3 of the General Clauses of Hull Insurance shall not be applicable in this insurance.

Article 5

1. The Assured or the Person effecting the insurance is obliged to collect all of the documents or data which describes the each item of notification of all the repair work for insured vessels.
2. The Company has been given a title to review the preceding documents or data of which provided for in Article 3. In that case, the Assured or the Person effecting the insurance is obliged to make a necessary cooperation to the Company.

1/4/2010

## **COMPREHENSIVE CONTRACT CLAUSES (FOR THE FIXED PREMIUM POLICY)**

Article 1

All the vessels specified in this Policy which the Assured carries out the repair work during the period of insurance shall be subject matter under this insurance.

Article 2

In case more than two vessels (including cargo under this Article) are damaged by any one accident or occurrence, in respect of the amount which would be recoverable under (1) and/or (2) of Article 10-1 of the Special Clauses For Shiprepairers' Liability Insurance, the Company shall apply that provision for each subject vessel. Provided, however, that the deductible amount shall be applied for each separate accident or occurrence.

1/4/2010

## **SPECIAL PROVISIONS FOR EXCESS COVERAGE OF INDIVIDUAL REPAIR CONTRACT**

Article 1

Notwithstanding the provision of Article 10 of the Special Clauses For Shiprepairers' Liability Insurance (hereinafter referred to as "the Special Clauses"), the amount of indemnity to be paid by the Company in this insurance in respect of each separate accident or occurrence shall be as the following:

- (1) The exceeding amount if the aggregate amount of loss exceeds the total sum amount of the limit of indemnity and the deductible amount of the comprehensive contract specified in this Policy in respect of the loss provided for in Article 1, Article 2 and Article 3- (1) of the Special Clauses. Provided, however, that it is limited to the limit of liability specified in this Policy.
- (2) The exceeding amount if the amount of loss exceeds the limit of indemnity of the comprehensive contract specified in this Policy in respect of the loss provided for in Article 3- (2) of the Special Clauses. Provided, however, that it is limited to the limit of liability specified in this Policy.

Article 2

1. The rate and the premium specified in this Policy are provisional and should be re-calculated or adjusted according to the actual amount of repair work of the insured vessel upon expiring of the period of this Policy (in case of the cancellation of the insurance, it is regarded as expiry) provided application of the minimum premium in this insurance.
2. Article 22-1 and Article 22-3 of the General Clauses of Hull Insurance shall not be applicable in this insurance.

1/4/2010

## **PARTS OR MATERIALS SUPPLIED BY THE ASSURED CLAUSES**

Article 1

In case any parts or materials supplied by the Assured are damaged by defects in the repair work, the cost of repair (as provided for in Article 4 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses")) thereof shall be included in the cost of repair specified in the Article 2 of Special Clauses For Shiprepairers's Liability Insurance (hereinafter referred to as " Special Clauses") and covered under this policy according to articles of Special Clauses. Provided, however, that damages specified in the above are limited only to those discovered during the period of repair work on the subject vessel or within 60days after the end of the period of repair work.

Article 2

The Company shall not indemnify the Assured against any cost of repairs for the following loss or damage.

- (1) In case loss or damage is caused by any defect existing in parts or materials supplied by the Assured (limited, however, only to those defects which the person effecting the insurance or the Assured could not discover in spite of exercising due diligence) , loss or damage to the part in which such defect exists.
- (2) Loss or damage occurred outside of the trading limits specified in this Policy. Provide that loss or damage occurred in case the Vessel leave to sail or navigate only for trial within a distance by water of 100 nautical miles (in case of such movement of the Vessel in tow, this distance shall be within 25 nautical miles) from the dockyard designated in this Policy shall be excluded.

Article 3

When the Orderer of the repair work commences to move the Vessel from the place where repair work is carried out prior to the completion of repair work of damage as provided for in Article 1, the amount of cost of repair covered under Article 1 is limited to estimated repair cost of the Assured's dockyard at the time of commencement of the movement of the Vessel.

Article 4

Notwithstanding the provision of Article 1, the Company shall not indemnify the Assured against following cost of repairs

- (1) In case where the period of repair work of the subject vessel has already commenced at the time of beginning of the period of insurance stated in this Policy, the damage which has occurred to the parts or materials supplied by the Assured mentioned in Article 1 prior to the time of beginning of the

- period of insurance.
- (2) In case where the period of repair work of the subject vessel has not yet been completed at the time of expiry of the period of insurance, the damage which occurs to the parts or materials supplied by the Assured mentioned in Article 1 after the time of expiry of the period of insurance.

1/4/2010

### **ANTI-FOULING PAINT CLAUSES (FOR SHIPREPAIRERS' LIABILITY)**

#### Article 1

Where the repair of damage covered under this contract of insurance (hereinafter referred to as "Damage Repairs") requires the Vessel to be put in a drydock or on a slipway and her bottom is scraped and painted with anti-fouling paint, the reasonable cost of anti-fouling paint and expenses for scraping and painting (hereinafter referred to as "Anti-fouling Paint Expenses") to reinstate the Vessel to the condition before the damage occurred shall be included in the cost of repairs referred to in paragraph 1 of Article 4 of the General Clauses of Hull Insurance (hereinafter referred to as "the General Clauses").

#### Article 2

Despite, when Damage Repairs and other work and/or inspection are effected concurrently, except in cases where anti-fouling paint is painted only in the damaged area on the bottom, the Anti-fouling Paint Expenses shall not be included in the cost of repairs as referred to in paragraph 1 of Article 4 of General Clauses.

### **ADJUSTMENT OF PREMIUM CLAUSE FOR INDIVIDUAL REPAIR CONTRACT**

#### Article 1

The rate and the premium specified in the Policy are provisional. And when the rate is fixed later, upon the expiry of the period of this insurance (the cancellation of the insurance contract would be deemed as the expiry.), adjustment shall be made on the balance between the fixed premium calculated by the repair cost of the subject vessel (or the minimum premium in case of being less than the minimum premium) and the provisional premium.

#### Article 2

Article 22-1 and Article 22-3 of the General Clauses of Hull Insurance shall not be applicable in this insurance.





## <Loss Payable Clauses>

Clauses collected in this book shall be applied only when they are specified in the Schedule.

## **LOSS PAYABLE CLAUSES (A)**

- Article 1. In case the Company shall be liable to pay any loss or damage other than a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss or damage shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 3. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (B)**

- Article 1. Any loss or damage shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 3. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (C)**

- Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to the payee specified in the schedule of this policy.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 4. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (FOR GENERAL)**

- Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to the payee specified in the schedule of this policy.
- Article 2. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 3. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (FOR CO-OWNED VESSEL)**

- Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 4. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES**

### **(FOR CO-OWNED VESSEL WITH JAPAN RAILWAY CONSTRUCTION, TRANSPORT AND TECHNOLOGY AGENCY)**

- Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. Deduction of unpaid premium as per Article 29 of General Clauses of Hull Insurance shall be made from the amount to be payable to the Assured except for Japan Railway Construction, Transport and Technology Agency.
- Article 4. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 5. Notwithstanding the preceding three articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (FOR BAREBOAT CHARTER)**

- Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.
- Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.
- Article 3. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.
- Article 4. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

## **LOSS PAYABLE CLAUSES (FOR LOSS OF TIME)**

- Article 1. In case the Company shall be liable to pay any loss under this insurance, such loss shall be payable to each Assured for their respective portion of insured

interest in the vessel.

Article 2. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

Article 3. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

### **LOSS PAYABLE CLAUSES (FOR T.D.I.)**

Article 1. In case the Company shall be liable to pay any loss under this insurance, such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.

Article 2. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

Article 3. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".

### **LOSS PAYABLE CLAUSES (FOR BUILDERS' RISKS AND REPAIRING RISKS)**

Article 1. In case the Company shall be liable to pay a total loss (as per Article 3 of General Clauses of Hull Insurance), such loss shall be payable to each Assured for their respective portion of insured interest in the vessel.

Article 2. Except for the case of the preceding article, any loss or damage shall be payable to the Person effecting the insurance.

Article 3. If the Assured's right of making a claim for indemnity under the policy is pledged to a pledgee, any loss or damage shall be payable to the pledgee.

Article 4. Notwithstanding the preceding two articles, the Company shall pay any loss or damage in respect of liability claim pursuant to "LIEN ON LIABILITY CLAIM CLAUSES".



