



(FOR USE ONLY WITH THE CURRENT MAR POLICY FORM)

**INSTITUTE TIME CLAUSES – HULLS
 TOTAL LOSS ONLY**

(Including Salvage, Salvage Charges and Sue and Labour)

This insurance is subject to English law and practice

1 NAVIGATION

- 1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging. 1-6
- 1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice. 7-9
- 1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance. 10-11
- 1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed. 12-18
- 1.5 In the event of the Vessel sailing (with or without cargo with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clause 8. 19-25

2 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium. 26-30

3 BREACH OF WARRANTY

Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed. 31-34

4 CLASSIFICATION

- 4.1 It is the duty of the Assured, Owners and Managers at the inception of and throughout the period of this insurance to ensure that 35-37
 - 4.1.1 the Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained, 38
 - 4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society. 39-42
- 4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters' discharge from liability is deferred until arrival at her next port. 43-46
- 4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured Owners or Managers must be promptly reported to the Classification Society. 47-49
- 4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization. 50-51

5 TERMINATION

This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith. 52-54

Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of 55-56

- 5.1 change of the Classification Society of the Vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society's periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute Time Clauses Hulls or Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey, 57-67

5.2	any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea, in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with cargo or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.	68 69 70 71 72 73 74
	A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.	75 76
6	PERILS	77
6.1	This insurance covers total loss (actual or constructive) of the subject-matter insured caused by	78
6.1.1	perils of the seas rivers lakes or other navigable waters	79
6.1.2	fire, explosion	80
6.1.3	violent theft by persons from outside the Vessel	81
6.1.4	jettison	82
6.1.5	piracy	83
6.1.6	contact with land conveyance, dock or harbour equipment or installation	84
6.1.7	earthquake volcanic eruption or lightning	85
6.1.8	accidents in loading discharging or shifting cargo or fuel.	86
6.2	This insurance covers total loss (actual or constructive) of the subject-matter insured caused by	87
6.2.1	bursting of boilers breakage of shafts or any latent defect in the machinery or hull	88
6.2.2	negligence of Master Officers Crew or Pilots	89
6.2.3	negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder	90 91
6.2.4	barratry of Master Officers or Crew	92
6.2.5	contact with aircraft, helicopters or similar objects, or objects failing therefrom	93
	provided that such loss has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendents or any of their onshore management.	94 95
6.3	Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.	96 97
7	POLLUTION HAZARD	98
	This insurance covers total loss (actual or constructive) of the Vessel caused by any governmental authority acting under the powers vested in it to prevent or mitigate pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel caused by a peril covered by this insurance, provided that such act of governmental authority has not resulted from want of due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 7 should they hold shares in the Vessel.	99 100 101 102 103 104
8	SALVAGE	105
8.1	This insurance covers the Vessel's proportion of salvage and salvage charges, reduced in respect of any under-insurance.	106 107
8.2	No claim under this Clause 8 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.	108 109
8.3	No claim under this Clause 8 shall in any case be allowed for or in respect of	110
8.3.1	special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance	111 112 113
8.3.2	expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.	114 115 116
8.4	Clause 8.3 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.	117 118 119 120
9	DUTY OF ASSURED (SUE AND LABOUR)	121
9.1	In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.	122 123 124
9.2	Subject to the provisions below the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 9.5), special compensation and expenses as referred to in Clause 8.3 and collision defence or attack costs are not recoverable under this Clause 9.	125 126 127 128
9.3	Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	129 130 131
9.4	When expenses are incurred pursuant to this Clause 9 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.	132 133 134 135 136 137 138
9.5	When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 8.3; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.	139 140 141 142 143 144 145 146

9.6	The sum recoverable under this Clause 9 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.	147 148 149
10	SISTERSHIP	150
	Should the Vessel hereby insured receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the amount, payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.	151 152 153 154 155
11	NOTICE OF CLAIM	156
	In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers becomes or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.	157 158 159 160
	If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.	161 162 163
12	CONSTRUCTIVE TOTAL LOSS	164
12.1	In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.	165 166 167
12.2	No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.	168 169 170 171
13	FREIGHT WAIVER	172
	In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.	173 174
14	ASSIGNMENT	175
	No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.	176 177 178 179
15	DISBURSEMENT WARRANTY	180
15.1	Additional insurances as follows are permitted	181
15.1.1	<i>Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery.</i> A sum not exceeding 25% of the value stated herein.	182 183
15.1.2	<i>Freight, Chartered Freight or Anticipated Freight, insured for time.</i> A sum not exceeding 25% of the value as stated herein less any sum insured, however described, under 15.1.1.	184 185
15.1.3	<i>Freight or Hire, under contracts for voyage.</i> A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.	186 187 188 189 190 191 192 193
15.1.4	<i>Anticipated Freight if the Vessel sails in ballast and not under Charter.</i> A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured.	194 195 196 197
15.1.5	<i>Time Charter Hire or Charter Hire for Series of Voyages.</i> A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 15.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned but the sum insured need not be reduced while the total of the sums insured under 15.1.2 and 15.1.5 does not exceed 50% of the gross hire still to be earned under the charter. An insurance under this Section may begin on the signing of the charter.	198 199 200 201 202 203 204
15.1.6	<i>Premiums.</i> A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.	205 206 207 208
15.1.7	<i>Returns of Premium.</i> A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.	209 210 211
15.1.8	<i>Insurance irrespective of amount against:</i> Any risks excluded by Clauses 17, 18, 19 and 20 below.	212 213
15.2	Warranted that no insurance on any interests enumerated in the foregoing 15.1.1 to 15.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term,, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.	214 215 216 217 218 219
16	RETURNS FOR LAY-UP AND CANCELLATION	220
16.1	To return as follows:	221
16.1.1	pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement,	222
16.1.2	for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters	223 224
	(a) per cent net not under repair	225
	(b) per cent net under repair.	226

(Continued)

16.1.3	The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss of or damage to the Vessel or involving structural alterations, whether covered by, this insurance or otherwise shall be considered as under repair.	227 228 229 230 231
16.1.4	If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 16.1.2 (a) and (b) respectively.	232 233
16.2	PROVIDED ALWAYS THAT	234
16.2.1	a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof	235 236
16.2.2	in no case shall a return allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters	237 238
16.2.3	loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lightering purposes	239 240 241
16.2.4	in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly	242 243
16.2.5	in the event of any return recoverable under this Clause 16 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 16.1.2 (a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 16.1.2 (a) or (b) above.	244 245 246 247 248 249 250
	The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.	251 252
17	WAR EXCLUSION	253
	In no case shall this insurance cover loss damage liability or expense caused by	254
17.1	war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power	255 256
17.2	capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat	257 258
17.3	derelict mines torpedoes bombs or other derelict weapons of war.	259
18	STRIKES EXCLUSION	260
	In no case shall this insurance cover loss damage liability or expense caused by	261
18.1	strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions	262
18.2	any terrorist or any person acting from a political motive.	263
19	MALICIOUS ACTS EXCLUSION	264
	In no case shall this insurance cover loss damage liability or expense arising from	265
19.1	the detonation of an explosive	266
19.2	any weapon of war	267
	and caused by any person acting maliciously or from a political motive.	268
20	RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE	269
	In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from	270 271
20.1	ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel	272 273
20.2	the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof	274 275
20.3	any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.	276 277