

INSTITUTE VOYAGE CLAUSES FREIGHT

1. NAVIGATION

The vessel has leave to dock and undock, to go into graving dock, to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1 shall not exclude customary towage in connection with loading and discharging.

2. CRAFT RISK

Including risk of craft and/or lighter to and from the vessel.

3. CHANGE OF VOYAGE

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

4. ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the policy and the policy with such endorsement is produced before payment of any claim or return of premium thereunder.

5. PERILS

5.1 This insurance covers loss of the subject-matter insured caused by

5.1.1 perils of the seas rivers lakes or other navigable waters

5.1.2 fire, explosion

5.1.3 violent theft by persons from outside the vessel

5.1.4 jettison

5.1.5 piracy

5.1.6 breakdown of or accident to nuclear installations or reactors

5.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation

5.1.8 earthquake, volcanic eruption or lightning.

5.2 This insurance covers loss of the subject-matter insured caused by

5.2.1 accidents in loading discharging or shifting cargo or fuel

5.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

5.2.3 negligence of Master Officers Crew or Pilots

5.2.4 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

5.2.5 barratry of Master Officers or Crew,

provided such loss has not resulted from want of due diligence by the Assured, Owners or Managers.

5.3 Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 5 should they hold shares in the vessel.

6. POLLUTION HAZARD

This insurance covers loss of the subject-matter insured caused by any governmental authority acting under the powers vested in it to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from a peril covered by this insurance, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners, or Managers of the vessel or any of them to prevent or mitigate such hazard or threat. Master, Officers, Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the vessel.

7. FREIGHT COLLISION

7.1 It is further agreed that if the vessel shall come into collision with any other vessel and the Assured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of the amount of freight taken into account in calculating the measure of the liability of the Assured for

7.1.1 loss of or damage to any other vessel or property on any other vessel

7.1.2 delay to or loss of use of any such other vessel or property thereon

7.1.3 general average of, salvage of or salvage under contract of, any such other vessel or property thereon,

the Underwriters will pay the Assured such proportion of three-fourths of such sum or sums so paid applying to freight as their respective subscriptions hereto bear to the total amount insured on freight, or to the gross freight earned on the voyage during which the collision occurred if this be greater.

7.2 Provided always that:

7.2.1 liability of the Underwriters in respect of any one such collision shall not exceed their proportionate part of three-fourths of the total amount insured hereon on freight, and in cases in which, with the prior consent in writing of the Underwriters, the liability of the vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of three-fourths of the costs, appertaining proportionately to the freight portion of damages, which the Assured shall thereby incur or be compelled to pay;

7.2.2 no claim shall attach to this insurance:

7.2.2.1 which attaches to any other insurance covering collision liabilities

- 7.2.2.2 which is, or would be, recoverable in the terms of the Institute 3/4ths Collision Liability Clause if the vessel were insured in the terms of such Institute 3/4ths Collision Liability Clause for a value per ton of her gross registered tonnage not less than the equivalent in pound sterling, at the time of commencement of this insurance, of 66,67 Special Drawing Right as defined by the International Monetary Fund;
- 7.2.3 this Clause 7 shall in no case extend or be deemed to extend to any sum which the Assured may become liable to pay or shall pay for or in respect of:
 - 7.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever
 - 7.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
 - 7.2.3.3 pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured vessel is in collision or property on such other vessels)
 - 7.2.3.4 the cargo or other property on or the engagements of the vessel
 - 7.2.3.5 loss of life, personal injury or illness.

8. SISTERSHIP

Should the vessel named herein come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners, or under the same management, the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the vessel named herein; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

9. GENERAL AVERAGE AND SALVAGE

- 9.1 This insurance covers the proportion of general average salvage and/or salvage charges attaching to freight at risk of the Assured, reduced in respect of any under-insurance.
- 9.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.
- 9.3 No claim under this Clause 9 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.

10. FRANCHISE

This insurance does not cover partial loss, other than general average loss, under 3% unless caused by fire, sinking, stranding or collision with another vessel. Each craft and/or lighter to be deemed a separate insurance if required by the Assured.

11. MEASURE OF INDEMNITY

- 11.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.
- 11.2 Where insurances on freight other than this insurance are current at the time of the loss, all such insurances shall be taken into consideration in calculating the liability under this insurance and the amount recoverable hereunder shall not exceed the rateable proportion of the gross freight lost, notwithstanding any valuation in this or any other insurance.
- 11.3 In calculating the liability under Clause 9 all insurances on freight shall likewise be taken into consideration.
- 11.4 Nothing in this Clause 11 shall apply to any claim arising under Clause 13.

12. LOSS OF TIME

This insurance does not cover any claim consequent on loss of time whether arising from a peril of the sea or otherwise.

13. TOTAL LOSS

- 13.1 In the event of the total loss (actual or constructive) of the vessel named herein the amount insured shall be paid in full, whether the vessel be fully or partly loaded or in ballast, chartered or unchartered.
- 13.2 In ascertaining whether the vessel is a constructive total loss, the insured value in the insurances on hull and machinery shall be taken as the repaired value and nothing in respect of the damage or break-up value of the vessel or wreck shall be taken into account.
- 13.3 Should the vessel be a constructive total loss but the claim on the insurance on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 13.

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

14. WAR EXCLUSION

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

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

15. STRIKES EXCLUSION

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

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

16. MALICIOUS ACTS EXCLUSION

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

16.1 the detonation of an explosive

16.2 any weapon of war

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

17. NUCLEAR EXCLUSION

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