



Shipowners Mutual Syndicate

Shipowners Mutual Syndicate Limited

Strike Insurance Terms and Conditions

Commencing 20th February 2009

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Strike Insurance Liability

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PART 1 INTRODUCTION

1 STRIKE INSURANCE

1.1. Risks Insured

Always subject to these Terms and Conditions and the terms specified in the Certificate of Entry an Assured shall be entitled to compensation for any Applicable Delay(s) occurring during the Policy Year and suffered by an Insured Vessel whilst at, or off, any port as a result of one, or more, of the following risks:

- (a) Strike or Lockout (other than a Crew Strike);
- (b) Crew Strike.

1.2. Amount of Compensation

The Assured may recover compensation at the Daily Insured Sum for the period of any Applicable Delay subject to the following limits:

- (a) The amount recoverable in respect of any Applicable Delay shall be limited (subject to any agreed Excess) to the amount of the Daily Insured Sum applicable to the Insured Vessel for each Day (and pro rata for any part of a Day) upon which delay occurred and for which a Claim is allowable under these Terms and Conditions.
- (b) If no Excess has been agreed, a Claim will be allowed if, and only if, the occurrence caused delay for a continuous period of more than twenty-four hours duration.
- (c) The amount recoverable in respect of any Applicable Delay(s) which has/have arisen out of any one occurrence shall be limited to a sum equivalent to sixty times the Daily Insured Sum applicable to the Insured Vessel, or to such lesser limit as may have been agreed and recorded in the Certificate of Entry. For the purposes of this provision, Applicable Delay(s) caused by one or more Strikes or Lockouts in relation to any call or calls at any port/place, or ports/places, arising out of any one occurrence shall be subject to the limit specified above, whether or not such Applicable Delay(s) is/are continuous.

2 LIMITATION OF COVER

THE FOLLOWING RISKS ARE NOT COVERED BY THIS INSURANCE

2.1. General Scope of Strike Cover

There is no Insurance:

- (a) in respect of clause 1.1(a) above unless the Insured Vessel could not reasonably have been diverted to any other port or place where she would not have been subjected to delay, and:
 - (1) the Insured Vessel was at or off the port or place affected by the Strike or Lockout during some part of the time while the Strike or Lockout was actually continuing (whether or not the Insured Vessel was thereby delayed); or
 - (2) the Insured Vessel reached the relevant port or place within ten Days after

- the termination of the Strike or Lockout affecting such port or place; or
- (3) in the case of a Strike or Lockout simultaneously affecting a range of ports, the Insured Vessel proceeded to the relevant port or place (being one within the affected range to which she was scheduled to proceed) after having already suffered delay, whilst engaged on the same voyage, at some other port or place within the affected range.
- (b) in respect of clause 1.1(b) above unless:
- (1) the Assured has an Owner's Cover, or
- (2) Underwriters have otherwise agreed in writing.
- (c) if either:
- (1) the Insured Vessel was at the relevant time employed under charter or sub-charter (whether by demise, time or voyage) to a third party and if the Assured was entitled to be paid charter hire or demurrage during the period of delay; or
- (2) the Claim relates to delay occurring during a period in relation to which partial relief from Premium has been claimed pursuant to clause 16.2 and the loss suffered by the Assured derives from the presence in the charter of any special provision (including any amendment made to the printed form of off-hire clause in the charter), the effect of which is to exclude the Assured's right to hire in circumstances in which hire would have continued to be payable under the usual form of off-hire clause, which shall mean the unamended, printed form of off-hire clause in the relevant charter or, if the charter does not contain a printed form of off-hire clause, the off-hire clause in the current New York Produce Exchange form of charter; or
- (3) the Insured Vessel was at the relevant time unemployed, or laid up, unless, and subject to being agreed in writing by Underwriters, the Insured Vessel was being repaired or overhauled during the relevant time.
- (d) in the case of a Time Charterer's Cover, in respect of any period for which charter hire ceased to be payable by the Assured.
- (e) where the Strike, Lockout, or Crew Strike occurred as a result of circumstances within the control of the Assured, his agents and/or his servants.

2.2. War, Trade, Piracy and Terrorism

There is no Insurance for any Applicable Delay, or any other Claim whatsoever arising out of, from, or directly or indirectly caused, or contributed to, by or consequent upon:

- (a) the trade, voyage or operation upon which the Insured Vessel was engaged being unduly hazardous or otherwise imprudent;
- (b) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or arising out of or relating to warlike events or operations or acts of national defence and irrespective of whether or not any loss or damage is caused to the Insured Vessel or any other property;
- (c) the actual or attempted capture, seizure, arrest, restraint or detainment of the Insured Vessel, and any consequences of such an incident;

- (d) (d) derelict mines, torpedoes, bombs or other derelict weapons of war;
- (e) (e) the act of any terrorist or of any person acting maliciously or from a political, religious, ethnic or other motive;
- (f) (f) violent theft by persons from outside the Insured Vessel;
- (g) (g) piracy.

2.3. Prevailing and Pre-existing Circumstances, Conduct and Failure to Comply

There is no Insurance for any Applicable Delay, or any other Claim whatsoever arising out of, from, or directly or indirectly caused, or contributed to, by or consequent upon any one or more of the following:

- (a) if the circumstances giving rise to the Claim existed before or at the time the Insurance attached;
- (b) if the Insured Vessel was carrying contraband, or was involved in blockade-running;
- (c) if the Insured Vessel was employed in any unlawful trade or used in any unlawful manner;
- (d) for any amount in excess of the loss actually suffered by the Assured due to delay during the period in respect of which the Claim is made;
- (e) for loss arising from any failure of the Assured, or of his agent(s), to comply with the laws of any jurisdiction in which the Assured, or agents, is incorporated, or has a place of business, or in which the cargo or the Insured Vessel is at any time located;
- (f) for loss arising from any failure of the Assured, or his agent(s), to obtain all necessary permits and authorisations;
- (g) for loss arising out of or in any way contributed to by the wrongful act, negligence, or wilful misconduct of the Assured, or his agent(s);
- (h) if the Assured has failed to comply with his obligations under this Insurance;
- (i) if the Assured and/or his agent(s) fail to take such steps, including but not limited to the making of and acting upon all reasonable inquiries, as could reasonably be expected to be taken by a competent and prudent uninsured operator in the same or similar circumstances;
- (j) for loss arising from the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind, or any action taken by any party in response to any of the above, including but not limited to investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins;
- (k) if the loss arises as a consequence of the issue of any governmental or regulatory order, requirement, directive, mandate, decree or other direction that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind;
- (l) loss arising from the operation of ordinary judicial process, any debt, insolvency, failure to pay any fine or penalty, failure to provide any bond or security (whether on the court order or otherwise), or any other financial cause;

- (m) any delay caused by disputes arising out of any contract with the Assured;
- (n) cancellation, abandonment or curtailment of consecutive voyages due to insufficient financial resource, financial default or insolvency of the Assured;
- (o) the Assured having failed to comply with any recommendations, conditions, restrictions or requirements following any port state investigation or inspection;
- (p) the trade, voyage or operation upon which the Insured Vessel was engaged being unduly hazardous or otherwise imprudent.

2.4. Radioactive, Chemical, Biological and Electromagnetic

There is no Insurance for any Applicable Delay, or any other Claim whatsoever arising out of, from, or directly or indirectly caused, or contributed to, by or consequent upon:

- (1) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste, or from the combustion of nuclear fuel;
- (2) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (3) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (4) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause 2.4(4) 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;
- (5) any chemical, biological, bio-chemical, or electromagnetic weapon;

2.5. Cyber and Computer Issues

- (a) Subject only to clause 2.5 c), 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.
- (b) Subject to the conditions, limitations and exclusions of this policy wording, 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.
- (c) Where this Insurance covers 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 2.5 a) 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.

2.6. Sanctions

There is no Insurance where support, assistance, involvement, payment (whether in respect of any Claim, or settlement of disbursements or accounts of any third party), or other benefit to an Assured of whatever nature, may expose Underwriters, the Re-Insurers or Managers to Sanctions.

2.7. Repeated Breach

There is no Insurance where the Assured has breached a provision of these Terms and Conditions on more than one occasion and has previously been put on notice of such breach by the Underwriters. In addition in such circumstances the Underwriters will be entitled to give the Assured written notice that should the same breach occur again subsequent to the service of such written notice, they will be entitled to cancel the Insurance with immediate effect and retain all Premium paid. In addition Underwriters will still remain entitled to claim from the Assured any sums due.

3 OBLIGATIONS OF THE ASSURED IN RESPECT OF CLAIMS

- (a) Any occurrence or circumstance which is likely to give rise to a Claim shall be immediately notified in writing to Underwriters.
- (b) The Assured shall (at their cost and expense) immediately supply and preserve all documents, information, or evidence (such terms to include all electronically stored documentation, email, text message, metadata or other such electronic documentation or records, physical evidence, samples, machinery, parts or equipment) including evidence on oath, as Underwriters may require and until they determine that any preservation is no longer required.
- (c) Following the occurrence of an event which is likely to give rise to a Claim under this Insurance the Assured must take all appropriate steps to avoid or minimise any additional costs, loss or detention and in doing so must, wherever possible and reasonable, obtain and follow instructions from Underwriters.
- (d) An Assured shall in no circumstances make any admission, enter into any discussions or negotiations, or conclude any settlement in relation to any Claim unless he has obtained prior approval in writing from Underwriters (which they may grant or refuse on such terms as they may think fit).
- (e) There is no Insurance unless the Assured has complied with their obligations under this clause 3.

4 CLAIMS HANDLING

- 4.1. Acceptance of liability by Underwriters in respect of a Claim shall be notified to the Assured in writing by the Managers, and no admission of liability on behalf of Underwriters shall be constituted by, or inferred from, anything done, or omitted to be done, prior to the provision of such a notice.
- 4.2. Underwriters shall be entitled to authorise reimbursement to an Assured in respect of

expenses reasonably incurred by him in order to prevent loss which would otherwise have resulted in a claim on Underwriters.

- 4.3. Underwriters may at any time appoint and employ, or discharge or discontinue such employment or engagement, on behalf of the Assured upon such terms as they think fit, surveyors, lawyers, adjusters or other persons, both within and outside the United Kingdom, for the purpose of investigating, handling or otherwise dealing with any matter giving rise, or liable to give rise, to a Claim and all such persons shall be under the following obligations;
- (a) to retire from a matter where they consider that a conflict of interest has arisen or may arise between the Assured and the Underwriters; and
 - (b) to report directly to Underwriters and produce to Underwriters any documents or information in their possession or power relating to any Claim without prior reference to the Assured, in the same manner as if they had been appointed to act and had at all times been acting on Underwriters' behalf and whether or not any such documents or information would otherwise be the subject of legal or any other form of privilege which by entering into this Insurance the Assured has waived.
- 4.4. Underwriters may, upon request by the Assured, agree to make a payment on account to the Assured following an occurrence giving rise to a Claim. Under no circumstances, however, shall Underwriters be obliged to make a payment on account. Should Underwriters agree to make a payment on account, such payment will always be made strictly without prejudice and is in no way to be construed as any acceptance whatsoever of Underwriters' liability under the Insurance or in respect of the Claim. Notwithstanding any payment on account these Terms and Conditions and the Certificate of Entry will continue to be binding and to apply.
- 4.5. Underwriters shall be entitled to withhold payment of any Claim until such time as all outstanding sums due from the Assured are fully paid and to exercise their right of set-off in accordance with clause 15(b) against Claims payments in respect of sums due.
- 4.6. Section 13A of the Insurance Act 2015 is excluded and accordingly all terms of the contract of insurance between the Underwriters and any Assured shall not be subject to nor shall Underwriters be in breach of any implied term that it will pay any sums due in respect of a Claim within a reasonable time save where the breach is deliberate or reckless. This provision is without prejudice to any other rights or remedies of the Underwriters in these Terms and Conditions including rights of set off, limitation or withholding of payment.
- 4.7. It is a condition precedent of this Insurance that the Assured and any broker or any other agent engaged by them have complied with their duty of fair presentation and have disclosed all the information which would influence the judgement of a prudent underwriter in determining whether to issue this Insurance on the terms set out in these

Terms and Conditions and the relevant Certificate of Entry. Should information later be disclosed or become known which shows that there was not a fair presentation, even if innocent, the Underwriter will not be bound by the terms of this Insurance the condition precedent having been breached with the result that the Insurance will be void from inception. In such circumstances the Underwriter shall be entitled to retain any Premium paid against the costs of any Claims paid and to the extent the amount of Claims paid exceeds the value of such Premium to be entitled to recover from the Assured the balance of any Claims paid. In addition Underwriters will remain entitled to claim from the Assured any sums due.

5 INTEREST

There is no Insurance for interest on the Assured's Claim whether before, after, or irrespective of whether any judgment and/or arbitration award has or will be made.

6 FRAUD

- 6.1. If an Assured makes any Claim which he knew, or ought to have known, was false or fraudulent in any respect, or where the Assured has intentionally made a false or untrue statement in support of any Claim, including but not limited to the background, factual nexus, circumstances, evidence or amount claimed, Underwriters will not be liable for the Claim and will be entitled to recover from the Assured any sums previously paid in respect of the Claim.
- 6.2. In addition to their rights under clause 6.1 Underwriters will in addition be entitled to give notice that the Insurance is terminated from the time of the fraudulent act with the result that they will be under no liability for any event occurring after the time of the fraudulent act.
- 6.3. Underwriters shall be under no obligation to return Premium in any circumstances covered by clauses 6.1 and 6.2.

7 EXCESS

- 7.1. No Claim shall be payable under this Insurance unless the Claim for each separate occurrence exceeds the Excess as specified in the Certificate of Entry.
- 7.2. The Excess shall start to count from the moment when there is an Applicable Delay irrespective of whether the Strike, Lockout, or Crew Strike commenced at an earlier date.
- 7.3. There is no Insurance for the Excess.

8 DUTY OF FAIR PRESENTATION

- 8.1. It is the duty of the Assured and any broker retained by them to disclose all information which they ought to know and which would have been revealed by a reasonable search of information and documentation which may influence the judgement of a prudent underwriter in determining whether to accept the Insured Vessel and place the Insurance on the terms and for the amount of Premium set out in these Terms and Conditions and the relevant Certificate of Entry.
- 8.2. The Assured's attention is specifically drawn to the queries raised during the application process concerning any special or unusual facts relating to the risks covered by the Insurance, the purpose for which the Assured seeks the Insurance and any material factors.
- 8.3. The Insurance has been placed in reliance upon the Assured's and their broker's confirmation that they have conducted a reasonable search of all information which is available to them which includes the personal knowledge of all senior management, insurance and claim management, designated person (as set out in the ISM Code), risk management, survey, technical and operations departments.
- 8.4. The Underwriters shall be entitled to refuse any application for Insurance where the Assured or their broker has failed to comply with any of their duties set out under sub clauses (8.1) – (8.3) above and further be entitled to restrict the level of Cover provided and/or charge an additional Premium where relevant information is disclosed or discovered following the issuance of the Insurance.

9 TIME BAR

It is a condition precedent to the Assured's right to recovery of any Claim that they have provided to Underwriters all available and necessary information concerning the Claim accompanied by all relevant documents (to include all electronically stored documentation, email, text message, metadata or other such electronic documentation or records) available to the Assured within nine Months from the date on which the relevant Strike or Lockout began.

10 ADDITIONAL COVER

Underwriters may provide cover at their discretion for additional perils on terms to be agreed in writing between the Underwriters and the Assured.

11 TERMINATION OF INSURANCE

- 11.1. An Assured shall cease to be insured and the Period of Cover shall be terminated forthwith in respect of all Insured Vessels insured by him with Underwriters upon the happening of any of the following events or circumstances:
 - (a) where an Assured is an individual, upon his death, or if a receiving order shall be made against him, or if he shall become bankrupt, or make any composition

or arrangement with his creditors generally, or if he shall become incapable by reason of mental disorder of managing and administering his property and affairs, or if under any system of law other than Panama Law there occurs an event in relation to that individual which has a similar effect to any of the aforesaid events or circumstances;

- (b) where an Assured is a corporation, upon the passing of any resolution for voluntary winding up (other than voluntary winding up for the purpose of company or group reorganisation), or upon an order being made for compulsory winding up, or upon dissolution, or upon the appointment of an administrator, trustee, liquidator, receiver, manager or similar officer of all or part of the corporation's business or undertaking being appointed, or upon the commencement of Chapter 11 proceedings before any appropriate court in the United States of America, or upon crystallisation of and/or possession being taken by or on behalf of the holders of any debentures secured by floating charge of any property comprised in or subject to the charge, or if under any system of law other than Panama Law there occurs an event in relation to that corporation which has a similar effect to any of the aforesaid events or circumstances;
- (c) if having failed to pay when due and demanded by Underwriters any sum which Underwriters consider to be due, he is served with a notice by or on behalf of Underwriters requiring him to pay such sum on or before any date which may be specified in such notice and he fails to pay such sum in full on or before the date so specified;
- (d) where in the opinion of Underwriters or Managers continuing with the Insurance of any Insured Vessel will expose either of them or the Re-Insurers to Sanctions;
- (e) where the Assured has been served with a notice in accordance with clause 2.6 and has again breached a provision of these Terms and Conditions or any Certificate of Entry following the service of such notice.

11.2. An Assured shall further cease to be insured and the Period of Cover shall be terminated in the following circumstances:

- (a) in the case of an owner's Insured Vessel, at the time when the Assured was divested of his ownership or share in the Insured Vessel by transfer by bill of sale or other instrument, or was divested of control and possession of the Insured Vessel by delivery to a third party for employment on demise or bareboat charter;
- (b) where the Insured Vessel is demise or bareboat chartered or time chartered to the Assured, immediately upon the charterparty being terminated by redelivery or otherwise;
- (c) where the Insured Vessel is voyage chartered to the Assured, immediately upon the charterparty being terminated by completion of the voyage or otherwise;
- (d) irrespective of the nature of the interest insured:
 - (1) on the Insured Vessel becoming an actual total loss;

- (2) immediately on acceptance by hull underwriters (whether marine or war risks) that the Insured Vessel is a constructive total loss or agreement between such underwriters and the Assured that the Insured Vessel shall be considered an arranged total loss or compromise total loss or compromise constructive total loss;
 - (3) immediately on the Insured Vessel being missing for ten Days from the date she was last heard of or from her being posted at Lloyd's as missing, whichever shall be the earlier;
 - (4) on the Insured Vessel being requisitioned for title or use.
- 11.3. When the Insurance of any Insured Vessel terminates under clause 11.1(a), (b) or (e) Underwriters shall remain liable in respect of any Insured Vessel for all Claims under these Terms and Conditions arising by reason of any event which had occurred prior to the time of termination but shall be under no liability whatsoever by reason of anything occurring after the time of termination.
- 11.4. When an Assured ceases to be insured by virtue of clause 11.1(c) or (d) there shall be no Insurance in respect of any Insured Vessel for any Claims, irrespective of whether:
 - (1) such Claims have accrued, or arisen, or may arise, by reason of any event which had occurred before the date of termination, or before the commencement of the Policy Year in which the date of termination occurred;
 - (2) such Claims may arise by reason of any event occurring on or after the date of termination;
 - (3) Underwriters may have decided to support the Assured or admitted liability for such Claims or appointed lawyers, surveyors or any other person to deal with such Claims;
 - (4) at the date of termination the Claims were likely to accrue, or the event giving rise to the Claims was or was not known to Underwriters.
- 11.5. When the Insurance of any Insured Vessel terminates under clause 11.2 the Insurance shall be deemed to have terminated at the times respectively stated if, but only if, Underwriters are notified in writing of the relevant event within one Month of its occurrence.
- 11.6. All obligations of the Assured and rights of termination set out in clauses 11.1 (c), (d), (e), 11.3 and 11.4 above shall apply equally to each individual Assured named in the Certificate of Entry and any joint Assured as described in clause 18 so that any default of one such Assured and/or joint Assured shall have effect over each and every other Assured and/or joint Assured.

12 LIABILITIES OF AN ASSURED FOLLOWING TERMINATION

Following the termination of this Insurance the Assured shall remain liable to Underwriters in respect of all sums which Underwriters consider due, or which become due including, but not

limited to Premiums.

13 ASSIGNMENT

No Insurance provided by Underwriters and no other right, benefit or interest under these Terms and Conditions, or under any other contract between Underwriters and any Assured may be assigned without the written consent of Underwriters.

14 SUBROGATION

- (a) When a Claim has been paid under these Terms and Conditions, Underwriters shall be subrogated to all rights and remedies in respect of that Claim which the Assured may have against any third party.
- (b) Underwriters shall be entitled to use the name of the Assured in bringing, defending, enforcing or settling any legal proceedings (including proceedings in any arbitration) and the Assured shall give all necessary information and assistance and produce and forward all documents to enable Underwriters to substantiate, pursue, settle or resist any claim or any legal proceedings (including proceedings in any arbitration).
- (c) All and any rights in subrogation as set out in this clause or available to Underwriters as a matter of law shall survive and remain binding upon an Assured even following a termination of the Insurance as provided for in clause 11.

15 SET-OFF

- (a) The Assured shall have no right of set-off against Underwriters. In determining for any purpose the amount due at any time from an Assured to Underwriters no account shall be taken of any amount which either is, or is alleged to be, due from Underwriters to an Assured, and in any proceedings brought by Underwriters to recover outstanding Premiums, no set-off of any kind (including one which might otherwise have arisen by reason of the bankruptcy or winding up of an Assured) shall be allowed against any amount due from an Assured to Underwriters. Underwriters may when making a demand for payment of outstanding Premiums, make allowance for any amount due from Underwriters to an Assured, but no set-off permitted at any time in the past shall constitute a waiver by Underwriters of the provisions of this clause.
- (b) Underwriters shall have a general right of set-off against an Assured.

16 PAYMENTS AND RETURNS

16.1. Payment of sums due

- (a) The Assured shall be bound to pay and shall pay to Underwriters at such time as Underwriters may determine such sums as fall due in accordance with the Terms and Conditions and Certificate of Entry or as have been agreed with Underwriters.
- (b) Payment of any sums whatsoever due to Underwriters by the Assured shall not

be treated as paid to Underwriters until such time as the sums due have been received by Underwriters as cleared funds in their account.

- (c) The Assured shall upon demand reimburse the Underwriters such sum or sums as the Underwriters have paid on his behalf, or to him, in respect of a Claim or any other liability subsequently found not to be covered by the Insurance, or where due to Underwriters subsequently becoming aware of a breach of these Terms and Conditions any such payment should not have been made.
- (d) Without prejudice to the rights and remedies of Underwriters under these Terms and Conditions, including but not limited to clauses 11 and 12, if any sum whatsoever due to Underwriters from an Assured is not paid by such Assured to Underwriters on or before the date specified for payment then Underwriters shall be entitled to charge interest at a rate of two per cent over the London Interbank Offered Rate (LIBOR) from such Assured on the amount not paid for the period over which such sum remains due and unpaid.

16.2. Return of Premium

- (a) In the case of an Owner's Cover the Assured shall be entitled to claim relief from Premiums in an amount equivalent to ninety-five per cent per annum of such portion of the Premiums paid or payable in respect of this Insurance as is attributable to any period during which the Insured Vessel is unemployed and laid up (otherwise than for repair or overhaul), provided that the Insured Vessel is so unemployed and laid up for a period of fifteen or more consecutive Days.
- (b) In the case of an Owner's Cover or Time Charterer's Cover the Assured shall be entitled to claim relief from Premiums in an amount equivalent to ninety-five per cent per annum of such portion of the Premiums paid or payable in respect of this Insurance as is attributable to any period during which the Insured Vessel is employed under time charter to a third party. An Assured shall not be entitled to claim relief from Premiums for that portion of the Premiums paid or payable in respect of this Insurance which relates to Crew Strikes and has been recorded as such in the Certificate of Entry.
- (c) Relief from Premiums under sub-paragraphs (a) or (b) above may only be claimed if within seven Days of the Insured Vessel being so unemployed and laid up, or so employed, as applicable, Underwriters are notified in writing of that circumstance and that relief from Premiums will be claimed and any Claim made in writing within six Months of the Insured Vessel ceasing to be so unemployed and laid up, or so employed.
- (d) It is a condition precedent of the Assureds right to make a recovery under this section that they have notified Underwriters in writing when the period of such unemployment and lay-up, or employment, as applicable, ends. A provisional adjustment will be effected when the next Premium is charged and any further adjustment (if required) will be effected as soon as practicable thereafter.

17 FORBEARANCE

No act, omission, course of dealing, forbearance, delay or indulgence of any kind whatsoever by Underwriters or by anybody acting on Underwriters' behalf shall be treated as a waiver of any of Underwriters' rights.

18 JOINT INSURANCE

- 18.1. Where one or more vessels is insured in the name of, or on behalf of, more than one Assured then unless otherwise agreed in writing by Underwriters all such Assureds will be jointly and severally liable:
- (a) to pay all Premiums, or other sums due to Underwriters;
 - (b) for any failure to perform the obligations of any one or more of such Assureds under this Insurance including the failure to comply with the duty of fair presentation as set out in clause 8 above and the failure of any one or more Assureds shall be treated as the failure of all the Assureds; and
 - (c) for the conduct of any Assured which would have entitled Underwriters to decline paying any Claim, and the conduct of any one or more Assureds shall be treated as the conduct of all the Assureds.
- 18.2. Receipt by any one of such Assureds of any sums payable under this Insurance shall be sufficient discharge of Underwriters' liability to all Assureds.
- 18.3. The contents of any communication from or on behalf of Underwriters to any Assured or their agents shall be deemed to be within the knowledge of all the Assureds and any communication from any Assured to Underwriters or the Managers shall be deemed to have been made with the full approval and authority of all the Assureds.
- 18.4. The provisions of this clause shall apply regardless of whether or not the Insured Vessel(s) is/are insured as a fleet, save that where an Assured is acting in the capacity of a ship management company for such fleet, then Underwriters may disallow any one or more of the provisions of this clause.

19 DOUBLE INSURANCE

Where the Assured has taken out any other insurance in respect of risks covered by this Insurance, Underwriters shall not indemnify the Assured in respect of any Claims, costs or expenses of any nature whatsoever which are recoverable by the Assured under that other insurance, or which would have been recoverable:

- (1) but for some other term in that insurance excluding or limiting liability by reason of double insurance;
- (2) if the Insured Vessel had not been covered under this Insurance.

20 LAW

- 20.1. These Terms and Conditions, any Certificate of Entry, and any non-contractual obligations arising out of or in connection with the same shall be governed by and construed in accordance with Panama Law.
- 20.2. Save for circumstances where there is a different choice of law and jurisdiction recorded in the Certificate of Entry, the Assured irrevocably agrees, for the exclusive benefit of the Underwriters, that the Panama courts shall have jurisdiction in relation to any dispute and any suit, action or proceeding which may arise out of, or in connection with, the Insurance and for such purposes irrevocably submits to the jurisdiction of such courts.
- 20.3. Nothing in this clause shall affect the right of Underwriters to serve process in any manner permitted by law or limit the right of Underwriters to institute legal proceedings against the Assured in any other court of competent jurisdiction, nor shall the institution of legal proceedings in one or more jurisdictions preclude Underwriters from instituting legal proceedings in any other jurisdiction whether concurrently or not.
- 20.4. The Assured shall not commence any legal proceedings in any country other than England in relation to any matter arising out of, or in connection with, this Insurance and the Assured irrevocably waives any objection which it may now, or at any other time have, on the grounds of inconvenient forum or otherwise, to legal proceedings being brought in any court referred to in this clause and further irrevocably agrees that a judgment or order in any legal proceedings brought in the Panama courts shall be conclusive and binding upon them and may be enforced without review in the courts of any other jurisdiction.
- 20.5. A person who is not a party to the Certificate of Entry has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Certificate of Entry but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

21 DISPUTE RESOLUTION

- (a) Save for any claim by Underwriters in relation to sums due and owing by the Assured any other dispute or difference between Underwriters and the Assured shall (if required by Underwriters) first be mediated in accordance with the current CEDR (The Centre for Effective Dispute Resolution – www.cedr.co.uk) Model Mediation Procedure. Unless Underwriters and the Assured agree upon a mediator, a mediator will be nominated by CEDR. To initiate the mediation either Underwriters or the Assured must give notice in writing to the other requesting a mediation. A copy of this notice should be sent to CEDR at the same time. Where Underwriters call for mediation in accordance with this clause the Assured irrevocably agrees not to commence any court proceedings or arbitration until they have attempted to settle the

dispute by mediation and either the mediation has terminated or Underwriters or the Assured has failed to participate in the mediation.

- (b) Should mediation as required by clause 21(a) fail to resolve, or not apply to, any dispute or difference between Underwriters and the Assured then notwithstanding the provisions of clause 20 Underwriters shall be entitled to direct that any such remaining dispute or difference shall be referred to arbitration in London before an arbitrator to be appointed by agreement between the parties.
- (c) In the absence of agreement within fourteen Days of a request by either party to agree to a sole arbitrator, an arbitrator who is a Member of the London Maritime Arbitrators Association shall be appointed by the President for the time being of the London Maritime Arbitrators Association at the request of either party, who shall thereafter conduct the arbitration proceedings as sole arbitrator.
- (d) The submission to arbitration and all proceedings shall be subject to the provisions of the Arbitration Acts 1950 to 1996 or any statutory re-enactment or modification thereto.
- (e) The arbitrator shall have power to admit any evidence whether legally admissible or not.
- (f) The obtaining of an arbitration award shall be a condition precedent to the right of any Assured to bring, or maintain, any action, suit or other legal proceedings against Underwriters including but not limited to seeking security for their claim.
- (g) Notwithstanding the provisions of sub clauses (a)–(f) above Underwriters may at any time prior to the service of claim submissions in arbitration have the right to have any dispute determined by reference to the High Court in London. Should Underwriters make such a determination then any dispute resolution procedures under way at the time shall immediately be discontinued with each party bearing their own costs incurred up to such date and the costs of any mediator or arbitrator being divided equally between them.

22 CORRESPONDENCE

All communications should be addressed to Michael Else and Company Limited of 65 Leadenhall Street, London EC3A 2AD as the Managers for Underwriters in all matters connected with this Insurance.

23 NOTICES

- 23.1. Notices or any other communications required by these Terms and Conditions shall in the case of Underwriters be served to them by letter or courier addressed to

Underwriters c/o Michael Else and Company Limited, 65 Leadenhall Street, London EC3A 2AD and in the case of any Assured or their successors be served to them by letter, courier, or email at the address which is the last known and used address of the Assured or upon any party or agent acting on their behalf to their registered office address.

- 23.2. In the case of joint Assureds the notice need only be served on the party first named in the Certificate of Entry.
- 23.3. Service shall be effective in the case of post on the Day following the Day on which the letter was posted or dispatched by courier and if by electronic means the day on which the message was transmitted.

PART 2 DEFINITIONS

In these Terms and Conditions the following expressions shall, unless the context or subject matter otherwise requires, have the following meanings:

- Applicable Delay(s)** Any delay(s) covered by Underwriters under these Terms and Conditions.
- Assured(s)** The person or party who is insured in accordance with the Terms and Conditions and named as Assured or Co-Assured in the Certificate of Entry.
- Certificate of Entry** Any document issued by Underwriters evidencing the terms and conditions of insurance with Underwriters, including any endorsement evidencing any change in or addition to such terms and conditions.
- Claim(s)** Any claim or claims brought by an Assured for payment from Underwriters in accordance with the Insurance.
- Co-insured Associate** A Person named in the Certificate of Entry that is affiliated or associated with the Insured and to Company whom the benefit of the cover afforded is extended in accordance with the provisions of Clause 80 (Co- Insurance).
- Cover** Insurance cover taken out by the Assured in respect of the Insured Vessel in accordance with the Terms and Conditions and Certificate of Entry.
- Crew Strike** A Strike by any of the seafarers for the time being employed for service on an Insured Vessel.
- Daily Insured Sum** The daily amount insured by Underwriters in respect of an Insured Vessel as agreed between the Assured and Underwriters.
Note: The Daily Insured Sum is the sum with reference to which claims will be calculated and Premiums will be payable, and will normally be agreed as follows:
(1) in the case of an Owner's Cover, by reference to the estimated daily running costs of the Insured Vessel whilst in port;
(2) in the case of a Time Charterer's Cover, by reference to the charterer's estimated daily costs under the charter whilst the Insured Vessel is in port;
(3) in the case of a Voyage Charterer's Cover by reference to the daily demurrage liability for the Insured Vessel under the charter.

Day	A period of twenty-four hours from Midnight to Midnight.
Excess	Excess, deductible or franchise as specified in the Certificate of Entry and which shall apply to each and every Claim (of which there may be more than one) arising as a result of any single accident or occurrence.
Insurance	Cover provided to an Assured in accordance with the Terms and Conditions and Certificate of Entry.
Insured Vessel	A vessel insured under these Terms and Conditions and identified as such in the Certificate of Entry.
Lockout	Any form of industrial action taken by employers involving deliberate exclusion of workers from their place of employment or the termination or suspension of their employment, but excluding any action taken by the Assured.
Managers	Shipowners Mutual Syndicate Limited
Midnight	Midnight Greenwich Mean Time.
Month	Calendar month.
Owner's Cover	Insurance cover taken out by or on behalf of a person who is the owner or bareboat charterer of the Insured Vessel or any share therein or by or on behalf of any person having an analogous interest in the operation and employment of the Insured Vessel.
Period of Cover	The period for which an Assured or Insured Vessel is insured as set out in the Certificate of Entry or any subsequent endorsements.
Policy Year	The year as stated in the Certificate of Entry.
Premium	Any Premium or other sum or sums payable to the Underwriters pursuant to the provisions of the Insurance.
Re-insurers	Any organisation who provides re-insurance facilities of whatsoever nature to the Underwriters.
Sanctions	Any sanction, prohibition, restriction, or any other embargo or limitation of any kind whatsoever, whether in relation to the Insured Vessel or otherwise, imposed by a competent authority, or

government under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Strike	Any form of industrial action taken by workers which is carried on with the intention of preventing, restricting or otherwise interfering with the production of goods or the provision of services.
Terms and Conditions	The terms and conditions of Transmarine Class I for the time being in force and which are incorporated by reference into the Certificate of Entry.
Time Charterer's Cover	Insurance cover taken by or on behalf of a person who is the time charterer of the Insured Vessel.
Underwriters	Shipowners Mutual Syndicate Limited
Voyage Charterer's Cover	Insurance cover taken by or on behalf of a person who is the voyage or sub-voyage charterer of the Insured Vessel.

Writing will include printing, typewriting, lithography, facsimile and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only will include the plural number and vice versa.

Words importing the masculine gender only will include the feminine gender.

Words importing Persons will include individuals, partnerships, corporations and associations.

The headings and sub-headings as set out in this policy are for convenience and ease of reference only and do not affect the construction of any Part, Section, Clause or Sub-Clause.