

INSTITUTE FISHING VESSEL CLAUSES

This insurance is subject to English law and practice

1. NAVIGATION AND REMOVALS ASHORE

- 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 with the exception of catch the vessel shall not carry cargo or containers for the carriage of cargo and 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.
- 1.2 Any part or parts of the subject-matter insured are covered subject to the provisions of this insurance whilst ashore for the purpose of repair, overhaul or refitting, including transit from and to the vessel.
- 1.3 In the event of the vessel sailing 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 1.3 shall affect claims under Clauses 8, 18 or 20.

2. CONTINUATION

Should the vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

3. BREACH OF WARRANTY

Held covered in case of any breach of warranty as to 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.

4. TERMINATION

This Clause 4 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

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

- 4.1 change of the Classification Society of the vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein provided that if the vessel is at sea such automatic termination shall be deferred until arrival at her next port or until the expiry of fifteen days, whichever shall first occur. However

where such change, suspension, discontinuance or withdrawal of her Class 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 the current 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.

4.2 any change, voluntary or otherwise, in the ownership or flag, transfer to new management, or charter on a bareboat basis, provided that if the vessel is at sea such automatic termination shall, if required, be deferred until arrival at her next port or until the expiry of fifteen days, whichever shall first occur.

4.3 requisition for title or use of the vessel. 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.

5. 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.

6. PERILS

6.1 This insurance covers loss of or damage to the subject-matter insured caused by

- 6.1.1 perils of the seas rivers lakes or other navigable waters
- 6.1.2 fire, explosion
- 6.1.3 violent theft by persons from outside the vessel
- 6.1.4 jettison
- 6.1.5 piracy
- 6.1.6 breakdown of or accident to nuclear installations or reactors
- 6.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbour equipment or installation
- 6.1.8 earthquake volcanic eruption or lightning.

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

- 6.2.1 accidents in loading discharging or shifting catch fuel or stores
- 6.2.2 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
- 6.2.3 negligence of Master Officers Crew or Pilots

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

6.2.5 barratry of Master Officers or Crew,

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

6.3 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. POLLUTION HAZARD

This insurance covers loss of or damage to the vessel 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 damage to the vessel for which the Underwriters are liable under 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 7 should they hold shares in the vessel.

8. GENERAL AVERAGE AND SALVAGE

8.1 Any claim for general average and salvage to be on the basis of an adjustment according to the York-Antwerp Rules 1974 if so required by the Underwriters but the insured value of Hull and Machinery to be taken as the contributory value without deduction.

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.

9. WAGES AND MAINTENANCE

The Underwriters to pay the cost of wages and maintenance of members of crew necessarily retained whilst the vessel is undergoing repairs for which the Underwriters are liable under this insurance.

10. DUTY OF ASSURED (SUE AND LABOUR)

10.1 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.

10.2 Subject to the provisions below and to Clause 12 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 10.5) collision defence or attack costs and costs incurred by the Assured in avoiding minimising or contesting liability covered by Clause 20 are not recoverable under this Clause 10.

10.3 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.

- 10.4 When expenses are incurred pursuant to this Clause 10 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.
- 10.5 Where 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 the Underwriters shall pay the expenses, or the expenses in excess of the proceeds, as the case may be.
- 10.6 The sum recoverable under this Clause 10 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.

11. NEW FOR OLD

Claims payable without deduction new for old.

12. DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10, 18 and 20) exceeds {Response} in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for Total or Constructive Total Loss of the vessel or, in the event of such a claim, to any associated claim under Clause 10 arising from the same accident or occurrence.
- 12.2 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.
- 12.3 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13. MACHINERY DAMAGE ADDITIONAL DEDUCTIBLE

Notwithstanding any provision to the contrary in this insurance a claim for loss of or damage to any machinery, shaft, electrical equipment or wiring, boiler condenser heating coil or associated pipework, arising from any of the perils enumerated in Clauses 6.2.2 to 6.2.5 inclusive above or from fire or explosion when either has originated in a machinery space, shall be subject to a deductible of {Response}. Any balance remaining, after application of this deductible, with any other claim arising from the same accident or occurrence, shall then be subject to the deductible in Clause 12.1.

The provisions of Clauses 12.2 and 12.3 shall apply to recoveries and interest comprised in recoveries against any claim which is subject to this Clause.

This Clause shall not apply to a Claim for Total or Constructive Total Loss of the vessel.

14. BOTTOM TREATMENT

In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the vessel's bottom except that

- 14.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto,
- 14.2 gritblasting and/or other 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,
 - areas of plating damaged during the course of fairing, either in place or ashore,
- 14.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 14.1 and 14.2 above,

shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

15. FISHING GEAR

No claim to attach hereto for loss of or damage to fishing gear unless

- 15.1 caused by fire lightning or violent theft by persons from outside the vessel
- 15.2 totally lost as a result of the Total Loss of the vessel by insured perils.

16. UNREPAIRED DAMAGE

- 16.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the vessel at the time this insurance terminates arising from such unrepaired damage but not exceeding the reasonable cost of repairs.
- 16.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent Total Loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 16.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

17. CONSTRUCTIVE TOTAL LOSS

- 17.1 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.
- 17.2 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.

18. COLLISION LIABILITY

- 18.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable by way of damages for
- 18.1.1 loss of or damage to any other vessel or property on any other vessel
 - 18.1.2 delay to or loss of use of any such other vessel or property thereon
 - 18.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon,
- where such payment by the Assured is in consequence of the vessel hereby insured coming into collision with any other vessel.
- 18.2 The indemnity provided by this Clause 18 shall be in addition to the indemnity provided by the other terms and conditions of this insurance and shall be subject to the following provisions:
- 18.2.1 Where the insured vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one or both vessels becomes limited by law, the indemnity under this Clause 18 shall be calculated on the principle of cross-liabilities as if the respective Owners had been compelled to pay to each other such proportion of each other's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of the collision.
 - 18.2.2 In no case shall the Underwriters' total liability under Clauses 18.1 and 18.2 exceed their proportionate part of the insured value of the vessel hereby insured in respect of any one such collision.
- 18.3 The Underwriters will also pay the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.

EXCLUSIONS

- 18.4 Provided always that this Clause 18 shall in no case extend to any sum which the Assured shall pay for or in respect of
- 18.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
 - 18.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
 - 18.4.3 the cargo or other property on, or the engagements of, the insured vessel
 - 18.4.4 loss of life, personal injury or illness
 - 18.4.5 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).

19. SISTERSHIP

Should the vessel hereby insured 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 hereby insured; 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.

20. PROTECTION AND INDEMNITY

- 20.1 The Underwriters agree to indemnify the Assured for any sum or sums paid by the Assured to any other person or persons by reason of the Assured becoming legally liable, as owner of the vessel, for any claim, demand, damages and/or expenses, where such liability is in consequence of any of the following matters or things and arises from an accident or occurrence during the period of this insurance:
- 20.1.1 loss of or damage to any fixed or movable object or property or other thing or interest whatsoever, other than the vessel, arising from any cause whatsoever in so far as such loss or damage is not covered by Clause 18
 - 20.1.2 any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the vessel, or any neglect or failure to raise, remove or destroy the same
 - 20.1.3 liability assumed by the Assured under contracts of customary towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading
 - 20.1.4 loss of life, personal injury, illness or payments made for life salvage
 - 20.1.5 (a) hospital medical and burial expenses of Master Officers or Crew

(b) repatriation expenses of Master Officers or Crew (other than wages, remuneration in the nature of wages, or any expenses which ensue from the termination of an agreement, sale of the vessel or any other act of the Assured).
- 20.2 The Underwriters agree to indemnify the Assured for any of the following arising from an accident or occurrence during the period of this insurance:
- 20.2.1 the additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the vessel sick or injured persons or stowaways, refugees, or persons saved at sea
 - 20.2.2 additional expenses brought about by the outbreak of infectious disease on board the vessel or ashore
 - 20.2.3 fines imposed on the vessel, on the Assured, or on any Master Officer crew member or agent of the vessel who is reimbursed by the Assured, for any act or neglect or breach of any statute or regulation relating to the operation of the vessel, provided that the Underwriters

shall not be liable to indemnify the Assured for any fines which result from any act neglect failure or default of the Assured their agents or servants other than Master Officer or crew member

20.2.4 the expenses of the removal of the wreck of the vessel from any place owned, leased or occupied by the Assured

20.2.5 legal costs incurred by the Assured, or which the Assured may be compelled to pay, in avoiding, minimising or contesting liability with the prior written consent of the Underwriters.

EXCLUSIONS

20.3 Notwithstanding the provisions of Clauses 20.1 and 20.2 this Clause 20 does not cover any liability cost or expense arising in respect of:

20.3.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or others in on or about or in connection with the vessel or her catch, materials or repairs

20.3.2 liability assumed by the Assured under agreement expressed or implied in respect of death or illness of or injury to any persons employed under a contract of service or apprenticeship by the other party to such agreement

20.3.3 punitive or exemplary damages, however described

20.3.4 passengers

20.3.5 catch, fishing gear or other things or interests whatsoever on board the insured vessel or the engagements of the insured vessel but this Clause 20.3.5 shall not exclude any claim in respect of the extra cost of removing catch or property from the wreck of the vessel

20.3.6 property, owned by builders or repairers or for which they are responsible, which is on board the vessel

20.3.7 liability arising under a contract or indemnity in respect of containers, equipment fuel or other property on board the vessel and which is owned or leased by the Assured

20.3.8 cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, belonging to persons on board the vessel, or non-essential personal effects of any Master Officer or crew member

20.3.9 fuel, insurance, wages, stores, provisions and port charges arising from delay to the vessel while awaiting a substitute for any Master Officer or crew member

20.3.10 fines or penalties arising from overloading or illegal fishing

20.3.11 pollution or contamination of any real or personal property or thing whatsoever

20.3.12 general average, sue and labour and salvage charges, salvage, and/or collision liability to any extent that they are not recoverable under Clauses 8, 10 and 18 by reason of the agreed value and/or the amount insured in respect of the vessel being inadequate.

20.4 The indemnity provided by this Clause 20 shall be in addition to the indemnity provided by the other terms and conditions of this insurance.

20.5 Where the Assured or the Underwriters may or could have limited their liability the indemnity under this Clause 20 in respect of such liability shall not exceed Underwriters' proportionate part of the amount of such limitation.

20.6 In no case shall the Underwriters' liability under this Clause 20 in respect of each separate accident or occurrence or series of accidents arising out of the same event, exceed their proportionate part of the insured value of the vessel.

20.7 PROVIDED ALWAYS THAT

20.7.1 prompt notice must be given to the Underwriters of every casualty event or claim upon the Assured which may give rise to a claim under this Clause 20 and of every event or matter which may cause the Assured to incur liability costs or expense for which he may be insured under this Clause 20

20.7.2 the Assured shall not admit liability for or settle any claim for which he may be insured under this Clause 20 without the prior written consent of the Underwriters.

21. NOTICE OF CLAIM AND TENDERS

21.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice shall be given to the Underwriters prior to survey and also, if the vessel is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.

21.2 The Underwriters shall be entitled to decide the port to which the vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

21.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in

respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

- 21.4 In the event of failure to comply with the conditions of this Clause 21 a deduction of 15% shall be made from the amount of the ascertained claim.

22. DISBURSEMENTS WARRANTY

Warranted that no insurance is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees on:

- 22.1 disbursements, commissions or similar interests, P.P.I., F.I.A. or subject to any other like term,
- 22.2 excess or increased value of hull and machinery however described.

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.

23. RETURNS FOR LAY-UP AND CANCELLATION

- 23.1 To return as follows

- 23.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement or by the operation of Clause 4.
- 23.1.2 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 (with special liberties as hereinafter allowed)

(1) {Response} per cent net not under repair

(2) {Response} per cent net under repair.

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 (1) and (2) respectively.

- 23.2 PROVIDED ALWAYS THAT

- 23.2.1 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
- 23.2.2 in no case shall a return be allowed when the vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters but, provided the Underwriters agree that such non-approved lay-up area is deemed to be within the vicinity of the approved port or lay-up area, days during which the vessel is laid up in such non-approved lay-up area may be added to days in the approved port or lay-up area to calculate a period of 30 consecutive

days and a return shall be allowed for the proportion of such period during which the vessel is actually laid up in the approved port or lay-up area

23.2.3 loading or discharging operations or the presence of catch 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 catch or for lightering purposes

23.2.4 in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly

23.2.5 in the event of any return recoverable under this Clause 23 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 23.1.2 (1) and/or (2) 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 23.1.2 (1), (2) or 23.2.2 above.

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

24. WAR EXCLUSION

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

24.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

24.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat

24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25. STRIKES EXCLUSION

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

25.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

25.2 caused by any terrorist or any person acting from a political motive.

26. MALICIOUS ACTS EXCLUSION

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

26.1 the detonation of an explosive

26.2 any weapon of war

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

27. 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.

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