

## Sunderland Marine Defence Clause

The Company agrees to cover the Insured for any of the following matters arising from an accident or occurrence during the period of this insurance and subject to any limits specified in the Policy or Certificate of Insurance.

Costs and expenses duly authorized in advance by the Company and incurred for the purpose of ascertaining or protecting an Insured's legal position or in pursuing or resisting claims or for representation at legal or other proceedings in respect of the following:

- (i) Claims arising in connection with the building, purchase, sale or mortgage of a Vessel or other Property except that where a claim arises in respect of the building or purchase of an insured vessel or other Property the Company shall not be liable hereunder unless the Company agrees in writing that claims, disputes or proceedings arising from the particular contract will be covered.
- (ii) supply of inferior or unsatisfactory or unsuitable equipment, fuel or other necessities, or negligent repair of or alteration to the Vessel or other Property.
- (iii) overcharging in accounts, howsoever arising.
- (iv) recovering damages due to the detention of a Vessel or other uninsured losses including loss of earnings suffered by a Insured during the period of insurance.
- (v) interference, neglect, default or any other cause whatsoever involving improper action or omission by any person or Governmental, Local or other-Lawful Authority whatsoever, or testing how far such interference is warranted.
- (vi) salvage and/or towage services rendered by a Vessel.
- (vii) representation of the Insured at official investigations, coroner's inquests, or other enquiries whatsoever in relation to a Vessel or other Property provided always that in no case shall an Insured recover any costs where he has been convicted of any illegal fishing activities.
- (viii) claims or proceedings by or against passengers, Skippers, Masters, crews or other persons on or about the Vessel or other Property.
- (ix) improper loading, stowage or discharge of stores and/or equipment.
- (x) the procuring and supplying of information and advice as to all matters affecting the Insured with respect to their rights and liabilities either towards any Government or any Department thereof or any public body charged with the control of any Mercantile Marine, and also by co-operation with any of the above authorities in all matters affecting the interests of the Insured.
- (xi) procuring the alteration and improvement of existing law, usages and customs at home or abroad which are prejudicial to the Insured, and delaying and preventing the enactment of such laws or the establishment of such usages and customs.
- (xii) any other claims, disputes, actions or matters in respect of which an Insured should in the opinion of the Directors be supported by the Company.
- (xiii) Charterparty disputes, General and Particular Average and Insurance monies (excluding claims against the Company)

Provided that cover under this clause is subject to the following conditions:-

- an Insured desiring the support of the Company in any matter shall:-
  - (i) Give notice to the Company as soon as possible and in any event not later than three months from the date the Insured became aware of the incident or matter giving rise to the claim.
  - (ii) Furnish to the Company, without charge, all such information, statements, plans, documents and other evidence in his custody or control which is relevant to the matter as the Company or its lawyers or other persons appointed may require.
- any Insured who withholds any evidence which he ought to disclose under this cover or knowingly conceals evidence or makes any false statement with a view to obtaining the Company's support hereunder shall be deprived of all further support in relation to the matter proposed to be undertaken and shall forthwith repay to the Company any costs and expenses which the Company has incurred.
- the Company shall have entire discretion as to what matters they authorise hereunder, and shall have unlimited control over any matter undertaken. The Company may at any time direct the Insured concerned to take whatever course they may consider expedient, including abandonment or settlement of a claim. If the Insured disobeys such a direction he will lose his right to reimbursement of the costs and expenses incurred or payable by him in respect of such matter.
- where a Insured has made a successful claim against another party and has become entitled to judgement, award, settlement or otherwise to recover costs, but has been unable to recover the full amount of the claim and costs to which he has become entitled, the Company may, if the Company so decides, require the Insured to pay to the Company such proportion of the total sum actually recovered by him as the costs would have borne to the claim, if the Insured had recovered his entitlement in full.
- there shall be no cover in respect of matters the costs and expenses in relation to which are recoverable under any other insurance with the Company.