

## INSTITUTE TIME CLAUSES FREIGHT

This insurance is subject to English law and practice

### 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 RISKS

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

### 3. 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, the subject matter insured shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

### 4. 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.

### 5. TERMINATION

**This Clause 5 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

5.1 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. However where such change, suspension, discontinuance or withdrawal of her class has resulted from loss or damage covered by Clause 7 of this insurance or which would be covered by an insurance of the vessel subject to 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,

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.

A pro rata daily net return of premium shall be made.

### 6. 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.

## **7. PERILS**

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

7.1.1 perils of the seas rivers lakes or other navigable waters

7.1.2 fire, explosion

7.1.3 violent theft by persons from outside the vessel

7.1.4 jettison

7.1.5 piracy

7.1.6 breakdown of or accident to nuclear installations or reactors

7.1.7 contact with aircraft or similar objects, or objects falling therefrom, land conveyance, dock or harbor equipment or installation

7.1.8 earthquake volcanic eruption or lightning.

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

7.2.1 accidents in loading discharging or shifting cargo or fuel

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

7.2.3 negligence of Master Officers Crew or Pilots

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

7.2.5 barratry of Master Officers or Crew, provided such loss has not resulted from want of due diligence by the Assured, Owners or Managers.

7.3 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. 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 8 should they hold shares in the vessel.

## **9. FREIGHT COLLISION**

9.1 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

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

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

9.1.3 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.

9.2 Provided always that:

9.2.1 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;

9.2.2 no claim shall attach to this insurance:

9.2.2.1 which attaches to any other insurances covering collision liabilities

9.2.2.2 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 tonnage (calculated in accordance with the tonnage measurement rules contained in Annex 1 of the International Convention of Tonnage Measurement of Ships 1969) not less than the equivalent in pounds sterling, at the time of commencement of this insurance, of the vessel's limit of liability calculated in accordance with Article 6.1(b) of the 1976 Limitation Convention.

9.2.3 this Clause 9 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:

9.2.3.1 removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever

9.2.3.2 any real or personal property or thing whatsoever except other vessels or property on other vessels

9.2.3.3 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)

9.2.3.4 the cargo or other property on or the engagements of the vessel

9.2.3.5 loss of life, personal injury or illness.

## **10. 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 name 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.

## **11. GENERAL AVERAGE AND SALVAGE**

11.1 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.

11.2 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.

11.3 No claim under this Clause 11 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.

## **12. 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.

## **13. MEASURE OF INDEMNITY**

13.1 The amount recoverable under this insurance for any claim for loss of freight shall not exceed the gross freight actually lost.

13.2 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.

13.3 In calculating the liability under this Clause 11 all insurances on freight shall likewise be taken into consideration.

13.4 Nothing in this Clause 13 shall apply to any claim arising under Clause 15.

## **14. 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.

## **15. TOTAL LOSS**

15.1 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.

15.2 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 damaged or break-up value of the vessel or wreck shall be taken into account.

15.3 Should the vessel be a constructive total loss but the claim on the insurances on hull and machinery be settled as a claim for partial loss, no payment shall be due under this Clause 15.

## **16. RETURNS FOR LAY-UP AND CANCELLATION**

16.1 To return as follows:

16.1.1 Pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.

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 (with special liberties as hereinafter allowed)

(a) ..... per cent net not under repair

(b) ..... per cent net under repair.

If the vessel is under repair during part only of a period of which a return is claimable, the return shall be calculated pro rata to the number of days under (a) and (b) respectively.

## 16.2 PROVIDED ALWAYS THAT

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

16.2.2 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 nonapproved 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

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

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

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), or 16.2.2 above.

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

## 17. WAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by 17.1 war civil war revolution rebellion insurrection, or civil strife therefrom, or any hostile act by or against a belligerent power

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

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

## 18. STRIKES EXCLUSION

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

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

18.2 any terrorist or any person acting from a political motive.

## 19. MALICIOUS ACTS EXCLUSION

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

19.1 the detonation of an explosive

19.2 any weapon of war and caused by any person acting maliciously or from a political motive.

## 20. 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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