

INSTITUTE ADDITIONAL PERILS CLAUSES - HULLS

(For use only with the American Institute Hull Clauses)

1. In consideration of an additional premium this insurance is extended to cover

1.1 the cost of repairing or replacing

1.1.1 any boiler which bursts or shaft which breaks

1.1.2 any defective part which has caused loss or damage to the Vessel covered by the peril any latent defect in the machinery or hull' as it appears in lines 6, 7 and 8 of the Additional Perils (Inchmaree) Clause of the American Institute Hull Clauses (June 2, 1977)

1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.

2. Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.

3. The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

1/10/83

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