

PROTECTION AND INDEMNITY WAR RISKS CLAUSES

(1/1/2002)

1. It is further agreed that this insurance is extended to cover, subject to the limits specified in Clause 7 hereof, but Costs and Sue and Labour expenditure as Clause 12 in addition, such Protection and Indemnity Risks which

(a) would be covered under the terms of the vessel's Club Entry or Marine Insurance for Protection and Indemnity Risks but which are excluded or otherwise are not and/or may not be recoverable under such Entry or Insurance by reason of the operation of the War Exclusion Clause (and Strikes Riots, Civil Commotions, Malicious Damage and Sabotage and Vandalism Exclusion Clauses where applicable) or similar clauses in the rules of the Club covering Protection & Indemnity Risks or in the policy of the insurance covering such risks and current at the time of happening of the accident or occurrence giving rise to the claim.

(b) result from the perils enumerated in the attached hull war risks conditions and sabotage and vandalism.

In the event that Protection and Indemnity Risks are not insured against Marine Perils this insurance shall be construed as if such marine liability had been covered by _____.

2. Notwithstanding Clause 1.(a) above, should the Club Entry or Marine Insurance for Protection and Indemnity Risks of the vessel omit or exclude any of the protections granted by the Entry against all Protection and Indemnity Risks with _____ then for the purposes of this insurance such omitted or excluded protection shall be deemed included in such Club Entry or Marine Insurance.

3. This insurance is also to cover liability for contractual repatriation expenses of any crew member as a result of any of the risks set forth in the preceding clauses.

4. Such contracts, indemnities and other agreements as required under the Rules of the said Association are deemed to have been unconditionally approved for the purposes of this insurance.

5. Claims for which Underwriters are liable under these clauses shall not be subject to any deduction and/or franchise whatsoever.

6. The indemnity provided under the terms of these Protection and Indemnity War Risks Clauses shall be in addition to the indemnity provided by the other terms and conditions of the policy to which these clauses are attached.

7. The limits of liability of Underwriters referred to in clause 1 above in respect of any one accident or series of accidents arising out of the same casualty shall be limited to

(a) except in respect of such loss, liability or expense as is referred to in paragraph (b) below, either the total sum insured in respect of Hull and Machinery (and Disbursements, if applicable) of the subject vessel by the policy to which these clauses are attached or USD 25,000,000 whichever is the greater;

(b) in respect of loss, liability or expense for pollution a separate and independent limit of USD 25,000,000 or the total insured value as defined in 7.(a) above, whichever is the greater.

(c) The limits referred to above shall apply separately to the aggregate of such loss, liability or expense which in respect of each insured vessel are incurred on any distinct occasion without regard to any loss, liability or expense incurred on another occasion.

8. Underwriters agree to accept the same percentage interest under these clauses as accepted on Hull War Risks.

9. Should the vessel at the natural expiry time of this policy be at sea or in distress or at a port of refuge or of call, and provided the Automatic Termination Clauses in the Hull War Risk Policy have not by that time been brought into operation, this insurance shall be extended, provided previous notice be given to the Underwriters, at a premium to be mutually agreed until Midnight, Greenwich Mean Time of the day on which the vessel is moored at the next port to which she proceeds and for 24 hours thereafter.

10. This Protection and Indemnity Insurance shall terminate automatically at the same time as the Hull Insurance against War Risks and upon the terms and conditions provided for in the Automatic Termination Clauses of the Hull War Risk section of the Policy.

11. Notwithstanding the provisions of the preceding Clause in the event of loss or shipwreck of the vessel from any cause prior to the natural expiry time or automatic termination of this policy, this insurance shall continue to cover the liability of the assured to the crew of the insured vessel until the crew shall be either discharged or landed at a port or place to which the owners or charterers are obliged to bring them.

12. When any Costs and/or Sue and Labour expenditure have been incurred (being expenditure reasonably incurred for the purpose of averting or minimising any loss, liability or expense covered by this insurance), with the consent of the leading Claims Underwriter(s) hereunder, the Underwriters shall also pay their proportion of such costs and expenditure so incurred.

13. Seaworthiness admitted.

14. This insurance is subject to the same Notice of Cancellation and War Automatic Termination of Cover clause as the Hull War Risk section of the Policy.