

Rules

of

AFRICA ASIA SHIPOWNER MUTUAL ASSURANCE ASSOCIATION

(AAAA)



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SECTION 1 DEFINITION

1. Association: AFRICA ASIA SHIPOWNER MUTUAL ASSURANCE ASSOCIATION (AAAA)
2. Rules: The Rules of the Association as originally framed or as from time to time altered, abrogated or added to, and for the time being in force.
3. Ship: Any ship, boat, hovercraft or any other description of vessel, whether completed or under construction, (or any part, or proportion of the tonnage thereof, or share therein) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water
4. Entered Ship: A ship that has been entered in the Association for insurance.
5. Tonnage: The gross register tonnage of a ship as certified in the Certificate of Registry of such ship or in any other of facial document relating to the registration of such ship.
6. Owner: In relation to an entered ship means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person named in the Certificate of Entry or Endorsement Slip, by or on whose behalf the same has been entered in the Association whether he be a Member of the Association or not.
7. Member: A Member for the time being of the Association.
8. Insurance: Any insurance or reinsurance.
9. Hull Policy: A policy effected on the hull and machinery of a ship Certificate or a certificate issued by the Association on the hull and machinery of an entered ship under Rule 5.
10. Fixed Premium: A fixed premium payable to the Association in respect of an entered ship pursuant to Rule 17.
11. Fixed Entry: An insurance on terms that the Owner is bound to pay a fixed premium to the Association.
12. Event: Any one event (save that a series of event having the same origin shall be treated as one event taking p lace at the time of the first of them).
13. Seaman: Any person (including the Master and apprentices) employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board an entered ship, whether or not on board that ship, including a seafarer as defined in the Maritime Labour Convention 2006 as amended.
14. Passenger: means any person carried on board the entered ship pursuant to a contract for carriage.
15. Cargo: Goods including anything used or intended to be used to pack or secure goods, in respect of which a Member enters into a contract of carriage, but excluding containers or other equipment owned or leased by the Member
16. Writing: Text in the English language, unless the use of another language has been agreed by the association, communicated by letter, notice, email, facsimile or telex transmission

SECTION 2 INTRODUCTORY

1. The covers afforded by the Association to a Member who has entered his ship in the Association are set out in these Rules.
2. The risks specified in Rules are always subject to the provisos, conditions, exceptions, limitations and other terms set out in these Rules.
3. The covers set out in Rules may be excluded, limited, modified or otherwise altered by any special terms, which have been agreed in writing between a Member and the Association.
4. A Member is only covered against loss, damage, liability or expense incurred by him, which arises:
 - i. out of events occurring during the period of entry of a ship in the Association;
 - ii. in respect of the Member's interest in the entered ship; and
 - iii. in connection with the operation of the ship by or on behalf of the Member.
5. A Member who has entered his ship in the Association for insurance against any of the aforesaid risks is bound to pay premium to the Association.
6. A member may be insured on the special terms that he is liable to pay a fixed premium to the Association ("Fixed Premium Entries"), provided that this has been expressly agreed in writing between the Owner and the Association.
7. The cover provided by the Association as set out in these Rules is solely for the benefit of the Member, and joint Members, if any.

SECTION 3 ENTRY

1. Any person who wishes to enter a ship for insurance in the Association shall apply on the application form current used by the Association, giving the full particulars therein required together with all material information and any other information specifically requested by the Association.
2. The Member must faithfully disclose to the Association, during the course of applying for insurance, every material circumstances which would influence the Association in deciding Premiums and determining whether the cover will be provided or not and disclose to the Association, at any time, every material circumstances which would alter risks, terms and conditions of the entry. It shall be a condition precedent of the insurance by the Association that all particulars and information given are complete and true so far as the Member knew or should have known in the ordinary course of business.
3. The information given in any application form together with any other information given in the course of applying for entry or renewal shall, if the entry of the relevant ship be accepted, renewed or modified, be deemed to form part of the contract of insurance between the Member and the Association. It shall be a condition precedent that such information was true and complete so far as the Member knew or could with reasonable diligence have ascertained. If no application form is signed or if an application form cannot be produced at any time but nevertheless it appears that the Member has requested cover and the Association has accepted the risk, the absence of an application form shall not prejudice the rights and obligations of the Member or the Association.
4. As soon as reasonably practicable after accepting any application for the entry of the ship of the Association, the Managers shall issue a Certificate of Entry in such form as shall be in use by the Association at the time of issue
5. The terms and conditions upon which a ship is accepted for entry, including the nature and extent of the risks covered and the contribution payable by the Member, shall be those set out in the Rules but subject to such variations as may have been agreed In writing between the Member and the Association
6. An entered ship shall not be withdrawn from the Association by the Member at any other time or in any other manner except with the written consent of the Association.
7. If at any time the association and the Member agree to vary the terms and conditions upon which a ship is entered, the Managers as soon as reasonable practicable thereafter shall issue an endorsement stating the nature of such variation and the date and time from which such variation is to be effective.
- 8.. The provisions of these Rules shall be an integral part of a contract of insurance insured into on the ground thereof. In the event of any conflict between these Rules and the contract of insurance the terms and conditions of the contract of insurance shall prevail over the provisions of these Rules.

SECTION 4 PROTECTION & INDEMNITY RISKS COVERED

The risks specified in these Rules are always subject to the provisos, conditions, exceptions, limitations and other terms set out by the association. The covers afforded by the Association to a Member who has entered his ship in the Association, the Association hereby undertakes to indemnify the Member for all such loss and/or damage and/or expense as the Member shall in the capacity as agreed in relation to the entered vessel(s) named in the relevant certificate of entry have become liable to pay and have paid in respect of the liabilities, risks, events and/or happenings herein described. Applicable limits as written in the certificate of each vessel however prevails, this is a warranty hereunder.

Rule 1. Liability to Seaman

- 1.1 Liability for loss of life of, or personal injury to, or illness of, any member of the crew of an entered ship,
- 1.2 Liability for hospital, medical, or other expenses necessarily and reasonably incurred in respect of loss of life of, personal injury to, or illness of any member of the crew of an entered ship, Such liability shall include burial expenses, when necessarily and reasonably incurred by the Member for the burial of any member of the crew.
- 1.3 Liability for repatriation expenses of any member of the crew of an entered ship, necessarily and reasonably incurred, under a statutory obligation, excepting such expenses as arise out of or ensue from the termination of any agreement in accordance with the terms thereof, or by mutual consent, or by sale of the said vessel(s), or by other act of the Member. Wages shall be included in such expenses when payable under a statutory obligation, during unemployment due to the wreck or loss of the said vessel.

Seafarers are entitled to unemployment compensation resulting from a ship's loss or foundering for each day the seafarer remains unemployed up to two months wages. The Association shall indemnify the member against liability for costs of repatriation under a statutory obligation, including the Maritime Labour Convention 2006 or equivalent domestic legislation by a State Party to the MLC.

- 1.4 Liability to pay damage or compensation for loss of or damage to the effects of any member of the crew but there shall be no recovery in respect of Claims relating to cash, negotiable instruments, credit or charge cards, precious or rare metals or stones, valuables or objects of a rare or precious nature.

Where the Member has failed to discharge a legal liability to pay damages or compensation for personal injury, illness or death of a crew member, or costs of repatriation under the Maritime Labour Convention 2006 or any materially similar enactment, the Association shall discharge or pay such claim on the member's behalf directly to such Crew member or dependents thereof,

Provided always that:

- a. the seaman or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated,
- b. subject to c. below, the amount payable by the Association shall under no circumstances exceed the amount which the Member would otherwise have been able to recover from the Association under this policy and the member's terms of cover as per this Certificate of entry. Any payment in respect of costs for repatriation made under this rules shall be done by the association as agent of the Member only and the Member shall be liable to reimburse the Association for the full amount of such payment. Warranted excluding claims recoverable under any social scheme and or workmen act in the country from

which the crew member originates.

- c. where the Association is under no liability to the Member in respect of such claim in accordance with Rule by reason of cancellation for non-payment of premium due to the Association, the Association shall nevertheless discharge or pay that claim to the extent only that it arises from an event occurring prior to the date of cancellation, but as agent only of the member, and the member shall be liable to reimburse the Association for the full amount of such payment.

Exclusions:

However, that where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment or under any Compensation Act to any employee of the Member, and would not have arisen but for those terms, that liability is not covered by the Association unless and to the extent that those terms shall have been previously approved by the association in writing. Warranted all Covid-19 or similar virus related issues are specifically and absolutely excluded from cover.

Rule 2. Liability to Persons other than Seaman

- 2.1 Liability to pay damages or compensation for personal injury, illness or death of any person (other than the persons specified in Clause 1 above) and hospital, medical or funeral expenses incurred in relation to such injury, illness or death, arising out of a negligent act or omission,

Provided always that:

- 2.1.1 occurred on board the Insured Ship; or
- 2.1.2 related to the Insured Ship; or
- 2.1.3 related to the handling of Cargo, from the time of that Cargo's loading at the port of shipment until the time of its discharge at the port of discharge.

- 2.2 Liabilities in respect of Passengers:

- 2.2.1 compensation or damages for illness, personal injury or death;
- 2.2.2 cost of medical or hospital treatment in relation to illness or personal injury;
- 2.2.3 cost of funeral incurred following death;
- 2.2.4 compensation or damages to Passengers on board the entered Ship as a result of a Casualty to the entered Ship, including the cost of maintenance ashore and the cost of transportation to the port of destination or embarkation;
- 2.2.5 compensation in respect of loss or damage to the personal effects of a Passenger on board the Insured Ship, except that:
 - A: there will be no right of recovery in respect of Valuables;
 - B: any recovery in respect of the personal effects of a Passenger will be limited to USD2,000 unless otherwise agreed in writing by the Insurer.

Exclusions:

However, that where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment or under any Compensation Act to any employee of the Member, and would not have arisen but for those terms, that liability is not covered by the Association unless and to the extent that those terms shall have been previously approved by the association in writing. Warranted all Covid-19 or similar virus related issues are specifically and absolutely excluded from cover.

Rule 3. Collision with other Ships

- 3.1 Liability to pay costs and damages to any other person as a consequence of a collision between an entered ship and any other ship to the extent (proportion) set out in the contract, for or in relation to:
- (a) damage to the other ship and the property and cargo on the other ship;
 - (b) salvage of the other ship as a consequence of the collision;
 - (c) removal or disposal of obstructions, wrecks, cargo of the other ship;
 - (d) any real or personal property except other ships or property on other;
 - (e) loss of life or personal injury of persons on board the other ship;
 - (f) an escape or discharge (other than from the insured ship), of oil or any other substance, but excluding damage to other ships with which the insured ship is in collision and property on such other ship
- 3.2 That part of the Owner's liabilities other than the liabilities listed in the Rule 3.1 as may have been agreed by the association in writing which exceeds the sum recoverable under the Hull Policies of the entered ship solely by reason of the fact that the sum of the liabilities arising out of the collision exceeds the valuation of the ship in those policies.
- 3.3 If a claim arises under this Rule 3 in respect of a collision involving two ships belonging wholly or partly to the same Owner, he shall be entitled to recover from the association except for loss of or damage to the other ship, cargo or property belonging the Owner.
- 3.4 The cover under the Rule 3.1 is afforded only if and to the extent that such liabilities are not recoverable under the collision liability clauses contained in the Hull Policies of the entered ship.
- 3.5 Under the Rule 3 a member shall not be entitled to recover from the association any franchise or deductible borne by him under the Hull Policies of the entered ship.
- 3.6 If both ships are to blame, then where the liability of either or both of the ships in collision becomes limited by law, claims under this Rule 3 shall be settled upon the principle of single liability, but in all other cases claims under this Rule shall be settled upon the principle of cross-liabilities, as if the owner of each ship had been compelled to pay the owner of the other ship such proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the member of the entered ship in consequence of the collision.

Rule 4. Liability for Loss or Damage to Property

Liability to pay damages or compensation for loss of or damage to any property whether on land or water and whether fixed or moveable. Where there would be a valid claim hereunder but for the fact that the damaged property belongs to the Member, the Association shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under any other insurance applicable on the property.

Rule 5. Liability for Removal of Wreck

A: Liabilities, losses or expenses relating to the raising, removal, destruction, lighting or marking of the wreck of an entered ship when such raising, removal, destruction, lighting or marking is compulsory by law or the expenses thereof are legally recoverable from the Member;

PROVIDED ALWAYS that:

- i)** the value of the entered ship and any stores or materials saved and the value of all cargo or other property saved to which the Member is entitled and salvage remuneration received by the Member and any amounts obtained from third parties shall be deducted from such costs or expenses and only the balance thereof, if any, shall be recoverable;
 - ii)** nothing shall be recoverable from the Association if the Member shall, without the consent in writing of the Association, have transferred his interest in the wreck (otherwise than by abandonment to Hull Underwriters), prior to the raising, removal, destruction, lighting or marking of the wreck;
 - iii)** nothing shall be recoverable from the Association in respect of lighting or marking of a wreck beyond a maximum period of two years beginning with the date of the event giving rise to wreck,
 - iv)** recovery from the Association shall be conditional upon the circumstances in which the ship became a wreck having resulted from a fortuitous incident caused by collision, stranding, explosion, fire or similar cause and no claim shall be recoverable in the event that the entered ship becomes a wreck due to the dereliction or neglect of the Member.
- B:** liability which a Member incurs in respect of the raising, removal, destruction, lighting or marking of the wreck of another ship to extent that the sinking of the ship is held to be the Member's fault;

Rule 6. Liability to Cargo

Liability for claims, costs and expenses in respect of loss of or damage to cargo intended to be or being or having been shipped or carried on an entered ship which arise as a result of a breach by the Member of his legal obligations or duties as a sea carrier:

PROVIDED ALWAYS that:

- 6.1 if a Member enters into a contract of carriage by sea (other than a contract of through carriage) when the Member knows or ought to know it contains exemptions from liability less favorable to the carrier than the provisions of the Hague-Visby Rules or such other Conventions or Rules as the association may from time to time approve, the association may in their discretion reject any claim or reduce it to the extent that they

consider it would have been reduced had the contract of carriage contained exemptions from liability as favorable to the carrier as those contained in the Hague-Visby Rules;

- 6.2 if the cargo is intended to be or has been carried in an entered ship under a contract of through carriage including transit by land, water or air to or from such ship or storage on land or water, there shall be no recovery unless that contract has first been approved by the Association and the Member has paid or agreed to pay such additional call or premium as may be required by the Association;
- 6.3 no claim shall be allowed in respect of loss or damage to specie, bullion, precious or rare metals or stones, plate, jewelry or other objects of a rare or precious nature, bank notes, bonds or other negotiable instruments, unless the contract of carriage and the spaces, apparatus and means used for the carriage and the instructions given for the safe custody thereof have first been approved by the association;
- 6.4 where cargo is carried under an ad valorem bill of lading and the value per unit (as defined in the Hague-Visby Rules), piece or package has been stated to be in excess of USD 1,500 (or equivalent in any other currency) no claim shall be allowed for more than USD 1,500 per unit, piece or package.
- 6.5 with regard to live animals, no Member shall be entitled to recover from the Association any claim in respect of the carriage thereof, unless the form of contract and the bill of lading, waybill or similar document under which they are to be carried has been approved in writing by the Association before the shipment.
- 6.6 the association may at any time require to be satisfied as to the suitability of spaces, plant and apparatus used and instructions given for the carriage of cargo in insulated or refrigerated containers owned or leased by the Member in which such cargo is to be carried and the Member shall, upon request and at his own expense, supply the relevant information to the Managers. The Managers may in their discretion withhold or withdraw their approval. If the Managers withhold or withdraw their approval and so notify the Member, such Member shall not be entitled to recover from the Association, in respect of any loss of or damage to such cargo, the carriage of which began after the service of such notice;
- 6.7 where the cargo carried on an entered ship in respect of which a claim arises belongs to the Member, such Member shall be entitled to recover from the Association and the Association shall have the same rights as if such cargo belonged to a third party but only to the extent that such loss or damage is not recoverable under any other insurance upon the said cargo which in any event shall be deemed to be insured for its full value at the time of shipment on the current form of Lloyd's policy with the Institute Cargo Clauses (A) 1.1.82
- 6.8 no claim shall be allowed where a Member has become liable in consequence of a deviation unless:
 - a) in the case of a deviation authorized by the Member, prior written notice of the intended deviation has been given to the association, or
 - b) in the case of deviation without the Member's authority the earliest possible notice has been given to the association upon the Member receiving information thereof; and in either case the association have in their discretion confirmed to the Member that his cover under this Rule continues unprejudiced. Nevertheless, the Managers may allow such a claim either in part or in whole notwithstanding the failure of the Member to give such notice as aforesaid if, in their discretion, they consider that the Member had reasonable grounds for believing that no deviation was to be or had been made.
- 6.9 unless the association shall in their discretion otherwise determine, there shall be no recovery in respect of a Member's liability:
 - a) for liability, cost or expense arising out of discharge of cargo at a port or place

other than the port of place provided in the contract of carriage,

- b) for liability, cost or expense arising out of the failure to arrive or late arrival of the entered ship at a port of loading or the failure to load any particular cargo or cargoes in an entered ship,
- c) for liability, cost or expense arising out of the delivery of cargo without the production by the person to whom delivery is made of the relevant negotiable bills of lading, waybills or other negotiable documents duly endorsed to such person,
- d) for liability, cost or expense arising out of or in respect of issue of a bill of lading, waybill or other negotiable documents recording the shipment or receipt for shipment on a date prior to or subsequent to the date on which the cargo was in fact loaded, shipped or received as the case may be,
- e) for liability, cost or expense in respect of a bill of lading, waybill or other similar document containing or evidencing the contract of carriage, issued with a description of the cargo or its condition, marks, numbers, weight or measurement which the Master of the entered ship or the Member knew or ought to have known was not correct,
- f) for liability, cost or expense in respect of delivery of cargo against only one of a set of original negotiable bills of lading, waybills or other negotiable documents carried on the entered ship during all or part of the transport of that cargo on board that ship,
- g) for liability, cost or expense in respect of any cargo carried on deck unless the bill of lading, waybill or other negotiable document states that the cargo is carried on deck and that the Member is free from liability for all loss or damage or that the liability of the Member is the minimum required by law. This exclusion does not apply to cargo carried in containers which are fully enclosed in steel or aluminum.

6.10 if the liability of the Member arises from the terms of a contract of indemnity between the Member and the owners or operators of cranes or other appliances or craft used during the operations of loading or discharging an entered ship, or persons responsible for the custody of cargo to be loaded in or having been discharged from an entered ship, the Member shall only be entitled to recover if the terms of the contract of indemnity shall first have been approved by the association;

6.11 the Member shall be entitled to recover the extra cost (in excess of the cost which would otherwise have been incurred by him under the contract of carriage) of discharging or disposing of damaged or worthless cargo in respect of which the Member may be liable, but only to the extent that such Member is unable to recover in respect thereof against any other party;

6.12 the Association will not be liable for claims arising out of the carriage of steel products unless a preloading survey has been carried out at the Member's expense by a surveyor approved by the Association, the bills of lading caused in accordance with surveyor's findings and any recommendations of the surveyor complied with;

6.13 unless previously otherwise agreed in writing by the Managers, the Association will not be liable for claims arising out of the carriage of any container not carried under deck unless such container is fully enclosed in steel or aluminums and is carried in accordance both with the applicable regulations of the International Maritime Organization and with a lashing plan approved by the Classification Society with which the vessel is classed or by a surveyor appointed by the Association but paid for by the Member;

6.14 the Association will not be liable for claims arising out of the carriage of perishable

cargoes

- 6.15 Liability for loss of or damage to cargo carried in an entered ship arising out of a collision between the entered ship and another ship caused by the fault both of the entered ship and the other ship for which a Member is liable to indemnify the owner or charterer of such other ship, solely by reason of responsibility for such loss or damage being determined in a country where the liability for such loss or damage is joint and several and the 'Both to Blame' Collision Clause is held invalid;

PROVIDED ALWAYS that:

where such cargo belongs to the Member, such Member shall be entitled to recover from the Association and the Association shall have the same rights as if such cargo belonged to a third party, but to the extent only that such loss or damage is not recoverable under any other insurance upon the said cargo which in any event shall be deemed to be insured for its full value at the time of the shipment on the current form of Lloyd's marine policy with the Institute Cargo Clauses (c) 1.1.82 .

The foregoing provisions as to the contents of the Bill of Lading and the limitation of the Member's liability may, however, be waived or altered by the Association on terms agreed, in writing. The Member shall not accept any duties or obligations greater than those which would be imposed on him under such a contract, or which represent any waiver of any right of limitation save and except with the prior written approval of the Association.

Rule 7. Liability for Pollution Risks

- 7.1 Liability for the actual or threatened release or escape of oil or any other substance from the entered Ship or other property.
- 7.2 Liability for measures reasonably and primarily taken to avert or minimize the release or escape of oil or any other substance from the Insured Ship or other Ship or property together with any Liability incurred for loss or damage to property caused by the measures taken.
- 7.3 Liability for measures reasonably taken after the release or escape of oil or other substance from the entered Ship or property for the purpose of avoiding or minimizing loss, damage or contamination or for the purpose of cleaning up pollution together with any Liability for loss of or damage to property caused by the measures taken.
- 7.4 Liability or extraordinary expense necessarily incurred by reason of complying with any order by any governmental agency or authority or because of measures taken by any governmental agency or authority to avert or minimize the threat of pollution, unless recoverable under the entered Ship's Hull Policy.
- 7.5 Liability under the terms of a contract or agreement with any party for the provision of services in connection with clauses 7.2, 7.3 and 7.4 above but only if the association has approved the terms in advance in Writing.

PROVIDED ALWAYS that:

- (a) There is no cover for Liability or expense arising as a result of actual or threatened pollution or contamination by reason of the land based disposal, dumping or incineration of any substance.
- (b) Under this clause, there shall be no recovery for liability for Pollution or contamination

arising out of waste dumping or incineration carried out from, or on, an entered ship.

Rule 8. Fines and Penalties

Liability for fines and penalties, including expenses necessarily and reasonably incurred in avoiding or mitigating the same, provided, however, that the Association shall not be liable to indemnify the Member against any such fines or penalties resulting directly or indirectly from the failure, neglect, or default of the Member or his managing officers or managing agents to exercise due diligence in preventing the same.

Rule 9. Towage Liabilities

A. Customary towage of an entered ship

Liability, other than for the cost of the contracted services, under the terms of a contract for the following customary towage of an entered ship:

- i.** towage for the purpose of entering or leaving port or maneuvering within the port during the ordinary course of trading, or
- ii.** towage of such entered ships as are habitually towed in the ordinary course of trading from port to port or from place to place, to the extent that the Member is not insured against such liability under the Hull Policies or the Hull Certificates of the entered ship.

B. Towage of an entered vessel other than a customary towage:

Liability under the terms of a contract for towage of an entered vessel other than the customary towage covered under paragraph (i) of this Section but only if and to the extent that cover has been agreed by the Association in writing hereon.

C. Towage of another vessel:

Liability arising out of towage of another vessel or object by an entered vessel but only if and to extent that cover for such liability has been agreed by the Association in writing upon such terms as the Association may require.

PROVIDED ALWAYS that:

Unless agreed by the Association in writing such cover shall be deemed to exclude liability for all losses howsoever arising on the part of the entered vessel for loss of, damage to, or wreck removal of the towed vessel or object or any cargo or property thereon, or such towage was necessary for the purpose of saving or attempting to save life or property at sea.

Rule 10. Stowaways and Refugees

Expenses incurred by the Member in discharging his obligations towards or making necessary arrangements for stowaways or refugees or persons saved at sea, but only if and to the extent that the Member is legally liable for the expenses or they are incurred with the approval and agreement of the Association in writing and they are not recoverable from any third party. Subject to a Limit of Liability of USD 20,000 each single voyage and subject always to the combined single limit, cover is granted for liabilities and expenses,

Rule 11. Diversion Expenses

The net loss to a Member (over and above the expenses as would have been incurred but for the diversion) in respect of the cost of provisions, stores, fuel, insurance, wages, seamen allowance and port charges during a diversion of an entered ship incurred solely for the purpose of saving life at sea or for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person or for the purpose of landing stowaways or refugees, but only if and to the extent that they are not recoverable from any third party.

Expenses covered under this Rule shall not include any loss of freight or hire, loss of profit or failure to receive any other earnings.

Rule 12. Life Salvage

Where the Liability is imposed on the member under the provisions of Article 14 of the International Convention on Salvage 1989, the sums legally due to third parties by reason of the fact that they have saved or attempted to save the life of any person on or from an entered ship but only if and to the extent that such payments are not recoverable under the Hull Policies of the entered ship or from cargo owners or underwriters.

Rule 13. Special Compensation to Salvors

Liability of a Member to reimburse a salvor of an entered ship for the following expenses, but only to the extent that such liability is not payable by those interested in the salvaged property:

- 13.1 is not payable by those interested in the salvaged property; and
- 13.2 is limited to the salvor's reasonably incurred expenses' together with any increment awarded under the exception to the principle of "no cure no pay" contained in Clause 1(a) of the Lloyd's Standard Form of Salvage Agreement 1980 (LOF 1980); or
- 13.3 the "Special Compensation" to which a salvor may be entitled under the exception to the principle of "No cure - No pay" contained in Article 14 of the International Convention on Salvage 1989 or the Special Compensation P&I Clauses (SCOPIC) where they are incorporated into the Lloyd's Standard Form of Salvage Agreements (2000) or (2011), or incorporated in the terms of a Standard Salvage Agreement approved by the Association.
- 13.4 is in respect of 'SCOPIC remuneration' under the SCOPIC Clause as supplementary to Lloyd's Standard Form of Salvage Agreement 1995 (LOF 1995) or as incorporated into Lloyd's Standard Form of Salvage Agreement 2000 (LOF 2000).

Exclusions

There will be no recovery under this rule where the compensation payable to the salvor, or any part thereof, would not have been incurred had the entered Ship been insured for a Proper market Value in Hull Policies.

Rule 14. Costs and Expenses

Costs charges and expenses, reasonably incurred and paid by the Member Memberwith prior approval of the Association in defending any liabilities insured against hereunder in respect of the vessel named herein, subject to the agreed deductibles applicable, and subject further to the conditions and limitations hereinafter provided.

Rule 15. Legal and Other Expenses

- 14.1. Legal and investigatory expenses necessarily incurred by the member, and with the prior approval of the association in Writing, in respect of any Liability or expense covered by this rules.
- 14.2. Expenses necessarily incurred by the member, and with the prior approval of the association in Writing, in defending itself or protecting its interests or the interests of the crew of the entered Ship at a formal enquiry in respect of the loss of or a event involving the entered Ship.
- 14.3. Expenses incurred by the member wholly at the direction of the association and in the interests of the association.

SECTION 5 PROTECTION & INDEMNITY RISKS EXCLUDED

In this Section, the numbered clauses and sub clauses describe the exclusions and provisos in the lettered paragraphs set out any qualifications, exclusions or restrictions, applicable to the whole of the rule. **This section shall be paramount and shall override anything whatsoever to the contrary contained in this rules.**

Cover hereunder shall in no instance apply to:

- (1) (a) Any loss, damage or expense sustained by reason of capture, seizure, arrest, restraint or detainment, or the consequence of military, naval or air action by force of arms, including mines and torpedoes or other missiles or engines of war, whether of enemy or friendly origin, or sustained in consequence of placing the vessel in jeopardy as an act or measure of war taken in the actual process of a military engagement; and any such loss, damage and expense shall be excluded from this Policy without regard to whether the Member's liability therefore is based on negligence or otherwise, and whether before or after a declaration of war

(b) Any loss, damage, liability or expense arising from terrorism; and/or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism. For the purpose of this clause, 'terrorism' means any act(s) of any person(s) or organization(s) involving:

 - (i) the causing, occasioning or threatening of harm of whatever nature and by whatever means:
 - (ii) putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.
- (2) Any loss, damage, or expense arising from: the cancellation or breach of any charter, bad debts, fraud of agents, insolvency, loss of freight hire or demurrage, or as a result of the breach of any undertaking to load any cargo, or the use of the vessel named herein, by or on behalf of the Member or with the knowledge, connivance, complicity or reckless disregard of the Member Assured, in any unlawful trade or act, including but not limited to the carriage of contraband, or in any trade or act which exposes the vessel named herein or the Member to any unreasonable or unnecessary risk or hazard, or in any trade in breach of sanctions imposed by or with the authority of the United Nations Organization, or in the running of any blockade.
- (3) Any loss, damage, expense unless otherwise agreed in writing, or claim arising out of or having relation to the towage of any other vessel or craft, whether under agreement or not, unless such towage was to assist such other vessel or craft in distress to a port or place of safety, provided, however, that this clause shall not apply to claims under the entry for loss of life or personal injury to passengers and/or members of the crew of the vessel named herein arising as a result of towing.
- (4) Any claim for loss of life or personal injury in relation to the handling of cargo where such claim arises under a contract of indemnity between the Member and his sub-contractor.
- (5) Any liability which would be recoverable under the Ship's Hull Policy if the Insured Ship had, at the time of the incident giving rise to the Liability, been fully insured for a Proper Value on the terms of a Lloyd's Marine Policy MAR Form 1.1.82 edition with the Institute Time Clauses 1.10.83, or on at least equivalent terms..
- (6) There is no cover under this insurance for Liability for injury, or death caused by or contributed to by that injury, which arose or resulted from any Person's repetitive occupational activity and which is not traceable to an accident or one event which occurred

during that Person's occupation.

- (7)** Any claim relating to loss, damage, or expense incurred by the Member during the course of performing specialist operations (including but not limited to, dredging, salvage, well-stimulation, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spillage response training (but excluding fire-fighting) to the extent that such loss, damage, liability or expense arises as a consequence of: claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not) in respect of the specialist nature of the operations; or the failure to perform such operations by the Member Assured, or the fitness for purpose and quality of the Member Assured's work, products or services including any defect in the Member Assured's work products or services; or any loss of or damage to the contract work; Provided that this exclusion shall not apply to any claim in respect of:

 - (i) life, injury or illness of crew and other personnel on board the entered vessel and,
 - (ii) Wreck removal of the entered vessel, as defined in Section A Subsection 5.
- (8)** There is no cover under this rule for Liability which has been incurred by reason of the willful misconduct or gross Negligence or imprudent trading of the member, or un-seaworthiness of the entered ship.
- (9)** In the event of the entered ship sailing with an intention of being broken up or being sold or prepared for breaking up or sailing for any purpose other than normal trading activities, no claim shall be recoverable from the Association in respect of any incident occurring subsequent to such sailing unless prior notice has been given in writing to the Association by the Member, any amended terms of entry and additional advance premium required by them have been agreed and paid and any requirements for survey complied with.
- (10)** There is no cover under this insurance for Liability arising out of unlawful fishing or engaging in an unlawful trade, blockade running by the Insured Ship, the carriage of contraband, or any voyage or trade which in the opinion of the Insurer exposes the Insured Ship or the Assured to unnecessary or unreasonable risk.
- (11)** Any claim arising from cargo contamination unless specifically covered on a certificate of entry.
- (12)** Any claim arising from directly or indirectly caused by or associated with Covid19 and other of a similar kind howsoever it may be named.
- (13)** In no case shall the entry cover loss damage or expense directly or indirectly caused by or contributed to or arising from: ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel, the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof or any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (14)** There is no right of recovery under this insurance in respect of any Liability or expense recoverable under any other insurance but for any excess or deductible applicable to the recovery under that other insurance.
- (15)** Excluding any loss, damage, cost, liability, expense, fine, penalty or punitive damage resulting from the U.S. Oil Pollution Act of 1990 and/or Comprehensive Environmental Response Compensation and Liability Act of 1980 and/or Federal Water Pollution Control Act and/or any other similar Federal and/or State Law, Act and/or Regulation or amendment thereof.
- (16)** Excluding recoverable under any social scheme and/or workman act in the country from which a crew member originates or is a national.

- (17)** No helicopter costs will be paid by the Association to evacuate ill crew members unless previously agreed in writing. In addition no liability whatsoever or howsoever will be covered and no claims will be paid resulting from the use of helicopters.
- (18)** Any claim caused directly or not by piracy or act of a similar kind howsoever it may be named.

SECTION 6 APPENDIXES TO RULE

1. Hull Policy Clause

Unless otherwise agreed in writing it is a warranty condition of cover that the Member has in effect throughout the duration of this entry Hull and Machinery Cover of the vessel under terms and conditions no less no less favorable than that provided by the Institute Time Clauses - Hull 1/10/83 or 1/11/95 – and Institute War and Strikes Clauses - Hull - 1.11.95. Both with an insured value equivalent to, or higher than, the market value of the insured vessel (being available for sale, free of commitment.)

2. Co-Member Clause

It is understood and agreed that, where required by written contract, the Member is granted privilege of including hereunder other parties as additional Assureds.

Notwithstanding the fact that such parties as advised are herein named in their capacity as Co-Member in this Policy, this cover will only extend insofar as they may be found liable to pay in the first instance for liabilities which are properly the responsibility of the Assured, and nothing herein contained shall be construed as extending cover in respect of any amount which would not have been recoverable hereunder by the Member had such claim been made or enforced against him. Once indemnification hereunder has been made there shall be no further liability hereunder to make any further payment to any person or company whatsoever, including the Member, in respect of that claim.

3. Lay-Up Returns

Unless otherwise agreed herein this entry is made on the basis of Cancelling Returns Only in respect of the net premium and at the Association's discretion and under deduction of all administrative costs.

4. Cancellation

This entry may be cancelled by the Association or the Member upon thirty (30) days written, email or fax notice being given. The Association may send notice to the broker of record or the Member and such notice shall be deemed valid notice for all purposes hereunder. In the event of cancellation of the Policy under this Clause as a result of the failure by the Member to pay premium or other sums due to the Association, notwithstanding 30 days' notice having been given by the Association, then the Association shall not be liable in respect of any claims whatsoever, whether arising before or after such cancellation.

It is expressly agreed and understood that The Association may cancel the cover immediately and without notice after a claim.

(i) This entry shall terminate automatically without notice in the event that:

- (a)** the Member, being an individual: dies, becomes bankrupt, is the subject of a receiving order or of a scheme of arrangement or composition with his creditors, ceases to be able to manage his business by reason of mental illness or incapacity.
- (b)** the Member, being a corporation: is the subject of a compulsory winding up order or resolution for its voluntary winding up, is dissolved, is the subject of the appointment of a receiver, administrator or manager in respect of all or part of its business, initiates any proceedings to achieve legal protection from its creditors. The Member(or in the

case of an individual Member who dies, his personal representative) shall notify the Association in writing forthwith on the occurrence of an event referred to in this Clause.

- (ii) Cover in respect of an entered vessel shall cease without notice on the occurrence of any of the following:

sale of the entered Vessel, divestment or assignment by the Member of part or all of his interest in the entered vessel, change of manager or flag state in respect of the entered vessel, mortgage or hypothecation of the entered vessel relinquishing of possession or control of the entered vessel by the Member or foreclosure by a mortgagee bank in respect of the entered Vessel, total loss of the entered vessel whether actual, constructive, on tender by the Member of notice of abandonment to the entered vessel's Hull and Machinery insurers, compromised or agreed with the entered vessel's Hull and Machinery insurers in circumstances where the Association concludes that the entered vessel is a total loss and notifies the Member in writing accordingly. The entered vessel cannot be located or contacted for a consecutive period of ten days unless the Association agrees in writing to maintain or reinstate cover in respect of the entered vessel, on the same or on varied or restricted terms. The Member shall notify the Association in writing forthwith on the occurrence of a circumstance or event referred to in this Clause. Where cover ceases pursuant to this Clause the Association shall be liable only in respect of any claim arising prior to the time when cover ceases, except that, where cover ceases by virtue of total loss of the entered vessel, the Association shall also be liable in respect of any claims which arise directly by reason of the casualty giving rise to the entered vessel becoming a total loss. In the event of the entered vessel being a total loss, the premium is deemed to be fully earned and no return will be due.

Premium Payment warranty: In case of non payment by due date then the policy is warranted without effect and may be cancelled immediately without notice or further notice.

In case of breach of international sanctions or illegal activities, the cover shall be terminated immediately and without any return of premium.

5. Owners Limitation

It is expressly understood and agreed if and when the Member under this Policy has any interest other than as a Ship-owner in the vessel or vessels named herein, in no event shall the Association be liable hereunder to any greater extent than if such Member were the owner and were entitled to all the rights of limitation to which a Ship-owner is entitled.

6. Classification Clause

The Member warrants that the entered Ship is and shall remain throughout the Policy Period classed with a Classification Society approved by the association. The member complies and shall throughout the Policy Period comply with the rules of that Classification Society and with any recommendation or requirement issued by it in accordance with those rules within the time or times specified by that Classification Society. The member shall at all times provide the association with all information and documents that the association may require relating to the classification of the entered Ship and the member authorizes the association to inspect any information or documents held by any Classification Society with which the entered Ship is or has at any time been classed and shall where necessary authorize such Classification Society to make the information available to the association.

In the event of a failure by the Member to comply with any warranty provided for under this

Clause in respect of the entered vessel, the remedies provided for under the Marine Insurance Act 1906 shall apply including suspension of cover without written notice and, in addition, the Association may: cancel the cover provided under this policy in respect of the entered vessel by notice in writing to the Member. Such cancellation shall take effect from the date of such notice, or vary or restrict the terms on which cover under this entry is provided.

7. Flag State

The Member warrants that the entered vessel complies and shall throughout the Policy Period comply with all requirements of the entered Ship's flag state including those relating to the construction, condition, manning and equipment of the entered Ship. The member holds and shall throughout the Policy Period maintain all and any valid statutory certificates required and issued by or on behalf of the entered Ship's flag state, including those in respect of the ISM and ISPS codes.

In the event of a failure by the Member to comply with any warranty provided for under this Clause in respect of the entered vessel, the remedies provided for under the Marine Insurance Act 1906 shall apply and, in addition, the Association may cancel cover provided under this policy by notice in writing to the Member. Such cancellation shall take effect from the date of such notice, or vary or restrict the terms on which cover under this policy is provided.

8. International Safety Management (ISM) Code

Where the Insured Ship is legally required to comply with the ISM Code:

The Insured Ship has and shall throughout the Policy Period have a valid Safety Management Certificate; The member, owner or manager of the entered Ship has and shall throughout the Policy Period have a valid Document of Compliance; the member has implemented and shall throughout the Policy Period maintain and operate a Safety Management System in accordance with the ISM Code.

In the event of any claim arising hereunder, the Association will require production of a copy of the Safety Management Certificate (SMC) and the Document of Compliance (DOC) and the Designated Person will be required to produce a statement confirming that all aspects of the Code for which he has specific responsibility have been carried out in accordance with the provisions of the Code. The Association is at liberty to request any document to verify compliance with the ISM code and the member warrants that all requested documents will be disclosed. Compliance does not mean certification by a body like a flag or a Classification Society. Compliance means that all aspects of the code have to be complied with.

9. Disclosure of all information

If there has been non-disclosure of a material fact which induces the Association to accept a vessel for entry, the Association is entitled to avoid the coverage afforded under the entry in circumstances in which there has been a event, even if the subject-matter of the non-disclosure is not causative of the event or in some way connected with it.

If the Association or one of its underwriters is induced to accept a vessel for entry by non-disclosure of material facts, the Association is entitled to avoid the coverage afforded under the entry and it does not depend on establishing a causal link or connection between the casualty and the non-disclosure.

10. Bagged cargo clause

Should an Entered Ship be required to load bagged Cargo, the Member will promptly advise the association who will arrange for an approved surveyor at the Member's expense, to conduct a pre-loading survey at the port(s) of shipment to supervise the loading, tallying and stowage as well as report on the apparent condition of the bagged Cargo as it is loaded aboard the Ship. All bills lading issued in respect of such Cargo are to be claused in accordance with any findings of the surveyor.

On discharge of the bagged Cargo, a discharge survey is to be organized using an Association approved surveyor at the Member's expense to supervise the discharge, tally the bagged Cargo and determine the nature of any apparent damaged or torn bags, any shortage of Cargo and any loss or damage attributable to stevedores.

It is a condition precedent to the maintenance of coverage of the Association for any bagged Cargo that the foregoing provisions are complied with. Any steps taken to assist the Member shall not be deemed a waiver of the Association's rights hereunder. It is agreed that compliance with this clause is the sole responsibility and duty of the member and that the association is not under a duty to send any reminder whatsoever.

11. Force Majeure

The Association shall not be liable for any delay or default in performing its obligations under these Rules if such delay or default is caused by conditions beyond its control including, but not limited to, Acts of God, restrictions or prohibitions of any kind made or imposed by any Government, wars, insurrections and any other cause beyond the Association's reasonable control.

12. Sanctions clause

There will be no recovery under this policy and the association will not indemnify the member in respect of any liabilities, costs or expenses where the provision of such cover or a payment by the association may expose the association to the risk of being subject to a sanction, prohibition or any adverse action by a state, international organization or other competent authority.

There shall be no recovery from the association and the association shall not be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the association to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America or any other competent authority.

13. Disputes and Law

Notwithstanding anything else to the contrary this Insurance is subject to English law and practice and incorporates the provisions of the English Marine Insurance Act 1906 but not of the 2015 act.

Any dispute arising under or in connection with this Insurance is to be referred to Arbitration in a place solely chosen by The Association, after submission of all documents by the Member, one Arbitrator to be nominated by the Member and the other by the association, with a third arbitrator to be appointed by the two arbitrators. The submission to arbitration and the arbitration proceedings shall be subject to the Arbitration Act 1996 or any re-enactment or modification of that Act .

In the event of a conflict between this clause and any other provision of this Insurance, this clause shall prevail and the right of either party to commence proceedings before any Court in any other jurisdiction shall be limited to the process of enforcement of any award hereunder. The policy wording is to prevail and it is a warranty under any insurance cover granted by The Association. It is a warranty hereunder that this clause prevails. Any action against The Association becomes time barred after 12 months from the date of the casualty or dispute whichever comes first.

SECTION 7 CLAIMS NOTIFICATION AND HANDLING

7.1 Right of the Association

7.1.1 The Association will have the right, but not the obligation, to control or direct the conduct of any claim or legal or other proceedings relating to any matter which may result in loss, damage, cost, expense or liability in respect of which the member is or may be covered under the policy and to require the member to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Association sees fit.

7.1.2.1 Without prejudice to any other provision in these Rules and the policy and without waiving any of the Association's rights hereunder, the Association may at any time appoint on behalf of the member, upon such terms as the Association may think fit, lawyers, surveyors or other Persons with a view to advising the Association upon investigating or dealing with any matter which may result in loss, cost, damage, expense or liability in respect of which the member is or may be covered under this policy, including taking or defending relevant legal or other proceedings. The Association may also at any time discontinue such appointment if the Association thinks fit.

7.1.2.2 All lawyers, surveyors or other Persons appointed by the Association on behalf of the member, or appointed by the member with the prior consent of the Association, will at all times be and be deemed to be appointed and employed on terms that:

- (a) they have been instructed by the member (both while so acting and after having retired from the matter) to give advice and to report to the Association in connection with the matter without prior reference to the member and to produce to the Association without prior reference to the member any documents or information in their possession or power relating to such matter;
- (b) any advice they may give to the member is that of an independent contractor employed by the member and will in no way bind the Association.

7.1.3 In the event that the member does not comply with the requirements of the Association as set out in Rules 7.1.1 to 7.1.2 above, any eventual recovery by the member under this policy in respect of any claim or proceedings will be limited to the amount, as determined by the Association, that the member would have recovered if he had acted as required by the Association.

7.2 Obligations of the member

7.2.1 Obligation to Give Prompt Notice

The member is obliged to give the Association prompt notice in writing:

- (a) of every matter, casualty, incident, claim or event likely to give rise to a claim under this policy;
- (b) of every survey or opportunity for survey so that the Association could have an opportunity to take part in investigation of the accident;
- (c) of the commencement of any legal or arbitration proceedings against him as soon as practicable, but in no case later than 7 days after the member has received service or notice of the said proceedings.

7.2.2 Obligation to Reduce loss

On the occurrence of any matter, casualty, incident, claim or event that may give rise to a claim under this policy, or of any legal or arbitration proceedings commenced against him, the member:

- (a) must undertake all reasonable and available measures as at the time appear proper for the purpose of averting or minimizing any loss, damage, cost, expense or liability for which the member may be Owner under this policy;
- (b) must not settle or admit any liability for any claim for which he may be covered by the Association without prior written consent of the Association.

7.2.3 The member must at all times:

- (a) promptly notify the Insurer of any information, documents or reports in his or his agents' possession, power or knowledge relevant to any matter, casualty, incident, claim, event or proceedings referred to under Rule 7.2.1 above;
- (b) whenever requested by the Association, promptly produce to the Association copy or photograph, all relevant documents of whatsoever nature in his or his agents' possession and/or give the Association or its representatives free access to such information, documents or reports with liberty to inspect and copy the same;
- (c) give the right to conduct a survey and further permit the Association or its agents to interview any servant, agent or other person who may have been employed by the member at the material time or at any time thereafter or whom the Association may consider likely to have any direct or indirect knowledge of the matter or who may have been under a duty at any time to report to the member in connection therewith

7.2.4 In the event that:

- (a) a member fails to notify the Association of any casualty, event or claim within one month after he may knowledge thereof; or
- (b) a member fails to submit a claim to the Association for reimbursement of any liabilities, costs or expenses within one year after discharging or settling the same the member's claim against the Association shall be discharged and the Association shall be under no further liability in respect thereof unless otherwise is agreed in writing.

7.2.5 Breach of Obligations under Rule 7.2

In the event that the member does not comply with the requirements of the Association or commits any breach of his obligations set out in this Rule 7.2, any eventual recovery by the member under this policy in respect of any claim or proceedings will be limited to the amount, as determined by the Association, that the member would have recovered if he had acted as required by the Association

7.3 Provision of Security

7.3.1 The Association is under no obligation to provide bail or other security on behalf of the member. If the Association decides to do that, it will be on such terms as the Association may consider appropriate and will not constitute any admission of liability by the I Association for the claim in respect of which the bail or other security is given.

7.3.2 In no case will cash deposits be made by the Association.

7.3.3 It will be a condition of the provision of bail or other security on behalf of any member, that the member will indemnify the Association for any costs associated with the provision of such bail or other security and for any liability the Insurer may incur to a third party under or in connection with such bail or other security.

7.3.4 It is a condition of the Insurer's consideration of the provision of bail or security that the Owner will remit to the Insurer any deductible that may apply to such claim and any Premium or other amount that is due to the Insurer.

7.4 Payment first by the Owner

Unless the Association otherwise agreed in writing, it is a condition precedent of a member's right to recover from the funds of the Association in respect of any liabilities, costs or expenses that he shall first have discharged or paid the same out of funds belonging to him unconditionally and not by way of loan or otherwise.

7.4.1 Where the member has failed to discharge or pay a legal liability to pay damages or compensation for the illness or death of, or injury to, a Member of the Crew, the Association may discharge or pay such liability on the member's behalf directly to such Member of the Crew or dependent, providing that:

- (a) the Member of the Crew or dependent has no enforceable right of recovery from any other party and otherwise would be uncompensated and
- (b) subject to the provisions of Rule 7.4.1(c) below, the Association will in no circumstances be liable for any sum in excess of the amount which the member would have been able to recover from the Association under this policy and
- (c) where the Association is under no liability in respect of the claim, the Association will nevertheless discharge or pay the claim to the extent that it arises from an event occurring prior to cancellation of the Insurance, but only as agent of the member and the member will reimburse the Association in full.

7.4.2 Where the member has failed to discharge or pay a legal liability in respect of repatriation under any statutory enactment or domestic legislation giving effect or equivalent to the 2006 Maritime Labour Convention, the Association will discharge or pay such liability on the member's behalf directly to such Member of the Crew, providing that:

- (a) the member will reimburse the Association in full for any sums paid by the Association, including costs and expenses, which exceed the amounts that the member would have been able to recover from the Association under the terms of the policy.

7.5 No Liability until the Premium is Paid

Without prejudice to anything elsewhere contained in these Rules and the Policy, it will be a condition of the member's right of recovery in respect of any liabilities, costs or expenses that all Premium and other amounts whatsoever as may have become due from the member to the Association will have been paid in full, without any set-off or discount.

7.6 Forbearance and Reimbursement

7.6.1 No act, omission, course of dealing, forbearance, delay or indulgence by the Association in enforcing any of the terms and conditions of the Policy, nor any granting of time by the Association will prejudice or affect the rights and remedies of the Association, and no such matter will be treated as any evidence of waiver of the Association's rights thereunder, nor will any waiver of a breach by the member of the Policy operate as a waiver of any subsequent breach thereof.

7.6.2 The Association will at all times and without notice be entitled to insist on the strict application of the terms and conditions of the Policy and on the strict enforcement of its contracts with the member.

7.6.3 The member will reimburse to the Association on demand the amount of any payment made to any third party by the Association on behalf of or as guarantor for such member to the extent that such payment is in respect of any amount which is not recoverable from the Association.

SECTION 8 WARRANTIES: SPECIAL PROVISIONS

All applying to policies issued except if waived in writing.

1. A minimum deductible of USD 10,000 per claim or event is applicable under any policy, unless otherwise agreed upon in writing.
2. It is an express warranty under any policy and a condition to cover being granted that payment of installments does not affect the obligation of the Member to comply with all and any of the original warranties, such as condition survey and other warranties and it is understood and agreed that full compliance with warranties is the sole responsibility and duty of the Member and that the Insurer/Association will not send and is not under a duty to send any reminder whatsoever.
3. There shall be no right of "action directe" against the Association by third party claimants who in any case remain foreign to this entry. It is a warranty of any entry that a member agrees that the Association applies the "pay to be paid" principle which means the Member pays, and then claims compensation.
4. No insurance given by the Association and no interest under these Rules or under any contract between the Association and any Member may be assigned without the written consent of the Association who shall have the right in their discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as they may think fit. Any purported assignment made without such consent or without there being due compliance with any such terms and conditions as the Association may impose shall, unless the Managers in their discretion otherwise decide, be void and of no effect.
5. All claims, costs and expenses are subject to adjustment by an average adjuster appointed by the Association and who shall be a member of an approved association of average adjusters.

(-end-)

These terms are Updated on January 10, 2024.