



LOSS PAYABLE CLAUSE

By an assignment of the insurances on the motor vessel "ABC" (the "Vessel") contained in a General Assignment dated _____ and made between ABC LINES S.A. (the "Owner") and XYZ Bank (the "Mortgagee"), the Owner assigned to the Mortgagee this insurance and the benefits thereof, including all claims of whatsoever nature in respect of the Vessel, return of premiums, and each and every right hereunder.

It is further noted and agreed:

- (a) that in the event of actual or constructive or compromised or arranged total loss of the Vessel, all proceeds of insurance of whatever amount shall be paid to the Mortgagee;
- (b) that all other losses not exceeding USD5,000,000 shall be paid to the Owner, or its order (as their respective interests may appear), unless and until the Owner shall be in default under a first preferred Panamanian ship mortgage of the Vessel in favour of the Mortgagee and if the Underwriters or Insurers shall have been so notified by the Mortgagee, then such losses shall be paid to the Mortgagee;
- (c) that all other losses exceeding USD5,000,000 shall be paid to the Mortgagee.