



## 兆豐產物船舶保險－船東責任保險 2024

113.04.26 兆產備字第 1135100067 號

客戶申訴及 24 小時服務專線: 0800-053-588

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兆豐產物保險股份有限公司  
Chung Kuo Insurance Company, Limited

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### SECTION A: GENERAL POLICY TERMS AND CONDITIONS

#### CLAUSE 1: GENERAL

##### 1.1 Policy Construction

In the P&I Insurance Policy and the Policy of Insurance the following canons of construction, unless the context clearly indicates otherwise, shall apply: -

##### 1.1.1 in the event of conflict;

- (a) the terms and conditions of any Class of Insurance shall prevail over the General Policy Terms and Conditions;
- (b) the terms and conditions of any Clause shall prevail over those of any Class of Insurance and over those of the General Policy Terms and Conditions;
- (c) the terms and conditions set out in the Policy Schedule, not being General Policy Terms and Conditions or terms and conditions of any Class of Insurance or any Clause, shall prevail over all others;

1.1.2 any reference to the masculine gender shall include the feminine gender and any reference to the singular or plural shall include, respectively, the plural and the singular;

1.1.3 clause numbers are to be construed as forming part of the P&I Insurance Policy and/or the Policy of Insurance whereas headings and margin notes are for guidance only and are not to be construed as forming part of the P&I Insurance Policy and/or the Policy of Insurance;

1.1.4 any reference to “this clause” same first number as the clause in which the reference is made. Any reference in a clause to another numbered clause shall be construed as a reference to the clause of that number in the same Section or Clause as that in which the reference is made unless otherwise stated;

1.1.5 if any portion of the P&I Insurance Policy and/or the Policy of Insurance is found to be unenforceable, invalid or void for any reason whatsoever, such finding shall not affect the remaining terms and conditions of the P&I Insurance Policy and/or the Policy of Insurance which shall remain in full force and effect.

##### 1.2 Scope of Insurance

Subject to the terms and conditions of the Policy of Insurance, the Underwriter hereby agrees to indemnify the Assured against those liabilities, losses, costs and expenses specified in the Policy of Insurance incurred by the Assured which have been discharged or paid by the Assured and which the Insured Vessel and in connection with the operation of the Insured Vessel by and on behalf of the Assured.



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### 1.3 Application for Insurance

Any Person who requests to be insured by, or continue or vary its insurance with, the Underwriter shall furnish all particulars and information necessary to comply with its duties of disclosure and such other particulars and information as may be requested by the Underwriter. All particulars and information given in the course of applying for, continuing or varying the insurance shall, if the assured's request be accepted, be deemed to form part of the policy of Insurance between the Assured and the Underwriter and it shall be a condition of such insurance that all such particulars diligence, have been ascertained. It shall also be a condition of the insurance that there shall be no material change in, or addition to, the particulars and information given to the Underwriter pursuant to this clause either before or during the Period of Insurance, save that if the Assured notifies the Underwriter in writing forthwith of any such material change or addition the Underwriter may agree to continue the Policy of Insurance on such terms and conditions as it may determine. In the event of a breach of any provision contained in this clause, the Underwriter may: -

1.3.1 in a case of a breach of condition or in a case where the Underwriter considers the breach serious, cancel the insurance of the Insured Vessel with effect from the date of the breach or the commencement of the Policy of Insurance, whichever the later;

1.3.2 in any case, reject or reduce claims connected with the breach and/or continue the Policy of Insurance on such terms and conditions as it may determine.

### 1.4 Policy of Insurance

As soon as reasonably practicable after accepting any application for insurance the Underwriter shall issue a Policy Schedule which shall include: -

1.4.1 the name and address of the Assured;

1.4.2 the name of the Insured Vessel;

1.4.3 the Assured's interest;

1.4.4 the terms and conditions upon which the Assured is insured by the Underwriter;

1.4.5 the date on which the Assured's insurance is to commence and the Period of insurance.

### 1.5 Evidence of Contract

The Policy Schedule shall be conclusive evidence of the Policy of Insurance save that the Underwriter shall be entitled to amend the Policy Schedule to correct any error or omission therein.



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### 1.6 Variation of Insurance

If at any time the Underwriter and the Assured agree to vary the terms and conditions upon which the Insured Vessel is insured, the Underwriter, as soon as reasonably practicable thereafter, shall issue an endorsement to the Policy Schedule stating the nature of such variation and the date from which such variation is to be effective.

### 1.7 Directions

The Underwriter may at any time in writing: -

1.7.1 require the Assured to use a Recommended Clause in contracts of carriage entered into by the Assured; or

1.7.2 require the Assured to comply with any recommendation of the Underwriter concerning the Insured Vessel or any operations or other matters which are, or might be, relevant to the Insured Vessel.

The Underwriter shall not be liable under the Policy of Insurance for any claims arising from any failure by the Assured to comply with

### 1.8 Special Terms

The Underwriter may accept insurance or reinsurance of vessels on special terms as to the nature and extent of risks insured or reinsured.

### 1.9 Right of Recovery

If a tonnage less than the full Gross Tonnage of the Insured Vessel is insured with the Underwriter, the Assured shall, unless the insurance of the Insured Vessel has been accepted on terms which provide otherwise, be entitled only to recover such proportion of any loss or expense insured as the Insured Tonnage bears to the full Gross Tonnage of the Insured Vessel.

### 1.10 Compliance & Certification

Unless otherwise agreed by the Underwriter in writing, the following shall be conditions of insurance under the Policy of Insurance: -

#### 1.10.1 Classification

(a) the Insured Vessel is, and remains throughout the Policy Period, fully classed with a classification society approved by the Underwriter; and

(b) anything which occurs to the Insured Vessel in respect of which the classification society might recommend repairs or other action to be undertaken by the Assured to the Insured Vessel must, promptly after the occurrence, be reported to the classification society concerned; and

(c) the Assured must comply with the recommendations, requirements, and rules of the classification society regarding the Insured Vessel promptly or within the time



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limits specified by that classification society;

(d) the Assured must immediately inform the Underwriter if, at any time during the Policy Period, the classification society with which the Insured Vessel is classed is changed, and notify the Underwriter of all outstanding recommendations, requirements or restrictions specified by any classification society relating the Insured Vessel as at the date of such change; and

(e) the Assured authorises the Underwriter to inspect any records and information concerning the history and maintenance of class of the Insured Vessel which is in the possession of any classification society with which that vessel is, or has at any time been, classed and will authorise such classification society or societies to make available, at the expense of the Assured, such documents or information as the Underwriter may require to be provided to it for whatever purpose the Underwriter considers necessary; and

### 1.10.2 Statutory

(a) the Assured shall comply with: -

(i) all laws and regulations of the country of the Insured Vessel's flag; and  
(ii) all laws and regulations of any country, region or place within whose waters the Insured Vessel operates; and

(b) the Assured shall at all times maintain the validity of the Prescribed Certificates.

### 1.10.3 Effect of Breach

(a) in the event of any breach by the Assured of any provision contained in this clause, the Underwriter may: -

(i) if it considers the breach serious, cancel the insurance of the Insured Vessel with effect from the breach;  
(ii) in any case, reject or reduce claims connected with the breach and/or continue the Policy of Insurance on such terms and conditions as it may determine.

### 1.11 Inspection & Recommendations

The Underwriter shall be entitled at any time in its discretion to appoint a surveyor or other Person as the Underwriter thinks fit to inspect the Insured Vessel or any operations or other matters which are, or might be, relevant to the Insured Vessel. The Assured undertakes to permit and facilitate such inspection and will comply, within the period of time specified by the Underwriter, with any recommendations which the Underwriter may make following such inspection. If the Assured breaches its obligations under this clause, the Assured shall have no right of recovery in respect of any claim whatsoever arising after such breach is committed until such time as the Assured has complied with these obligations. In any event, the Assured



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shall not be entitled to recover any liabilities or expenses arising out of any defect or matter concerning the Insured Vessel which was revealed in the course of such inspection.

### 1.12 Inspection after Lay-Up

If the Insured Vessel has been laid-up for a period of 180 days or more, the Assured undertakes to:-

1.12.1 give the Underwriter notice that the Insured Vessel is to be taken out of lay-up not less than 7 days before such date; and

1.12.2 arrange, facilitate and pay for an inspection of the Insured Vessel, before it is taken out of layup, by a surveyor or other Person appointed by the Assured at the direction of the Underwriter; and

1.12.3 forthwith comply with any recommendations the Underwriter may make following such inspection.

If the Assured breaches its obligations under this clause, the Assured shall have no right of recovery in respect of any claim whatsoever arising after such breach is committed until such time as the Assured has complied with these obligations. In any event, the Assured shall not be entitled to recover any liabilities or expenses arising out of any defect or matter concerning the Insured Vessel which was revealed in the course of such inspection.

### 1.13 Minimising loss

Notwithstanding clause 4.11.2 upon the happening of an event or occurrence which is liable to give rise to a claim under the Policy of Insurance and at all times thereafter the Assured shall act as a prudent uninsured and take such measures as are appropriate to avoid or minimise any such claim. Any failure by the Assured to take such steps shall reduce or extinguish the Assured under the Policy of Insurance to the extent that such failure has increased the claim under the Policy of Insurance.

### 1.14 Fleet Insurance

Every Assured of an Insured Vessel included in a Fleet Insurance shall be jointly and severally liable for any sum due to the Underwriter in respect of any one or more of the Insured Vessels included in the same Fleet Insurance.

### 1.15 Joint Assured

The Underwriter may extend the insurance under a Policy of Insurance to a Joint Assured on such terms and conditions as maybe agreed by issuing an endorsement to the assured's Policy Schedule which shall include: -

1.15.1 the name and address of the Joint Assured to whom the Policy of Insurance is



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extended;

1.15.2 the name of the Insured Vessel;

1.15.3 the Joint Assured's interest;

1.15.4 the terms and conditions upon which the Joint Assured is insured by the Underwriter;

1.15.5 the date on which the Joint Assured's insurance is to commence and the Period of insurance.

1.16 Additional Assured & Associated Company

The Underwriter may extend the insurance under a Policy of Insurance to an Additional Assured and/or an Associated Company on such terms and conditions as may be agreed by issuing an endorsement to the assured's Policy Schedule which shall include: -

1.16.1 the name and address of the Additional Assured (if known at the time) and/or the Associated Company to whom the Policy of Insurance is extended;

1.16.2 the terms and conditions upon which the Additional Assured and/or the Associated Company is insured by the Underwriter.

### CLAUSE 2: EXCLUSIONS AND LIMITATIONS

#### 2.1 Exclusions

The Assured shall not be entitled to recover under the Policy of Insurance in respect of any liabilities, costs or expenses, whether or not caused or contributed by any neglect of the Assured, its servants or agents, if: -

##### 2.1.1 Illegal Goods

the claim arose out of carriage of illegal goods or contraband by the Assured or the Insured Vessel, or arose from blockade running by the Insured Vessel;

##### 2.1.2 Unlawful Trade

the claim arose out of the Assured or the Insured Vessel undertaking or permitting an unlawful trade, illegal fishing or any other unlawful or illegal act;

##### 2.1.3 Unsafe Voyage

the claim arose out of the Assured or the Insured Vessel undertaking a carriage, trade, voyage or any other activity on board or in connection with the Insured Vessel which was imprudent, unsafe, unwise, improper, unreasonably hazardous or for which the Insured Vessel was not suited;

##### 2.1.4 War, Civil Strife

the claim arose out of war, civil war, terrorist act, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power;





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### 2.1.5 Weapons of War

the claim arose in any way out of any mines, torpedoes, bombs, rockets, shells, explosives or other weapons of war (other than a claim which arose solely by reason of the transport of such weapons of war, whether on the Insured Vessel or not);

### 2.1.6 Capture, Seizure

the claim arose out of capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) of the Insured Vessel and the consequences thereof or any attempt thereat;

### 2.1.7 Radiation

the claim was caused, contributed or arose directly or indirectly from: -

- (a) ionising radiation from, or contamination by, radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or other nuclear component thereof;
- (c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
- (e) magnetic, electric, electro-magnetic irritants, sound, microwaves and non-ionising radiation;

### 2.1.8 Bio-Chem Weapons

the claim arose in any way out of any chemical, biological, bio-chemical or electromagnetic weapon;

### 2.1.9 Computer Virus

the claim arose in any way out of the use or operations, as a means of inflicting harm, of any computer, computer system, computer software programme, firmware, malicious code, computer virus, computer process or any other electronic system. Provided always that subject to the Terms and Conditions of the Policy of Insurance this exclusion shall not operate to exclude any liabilities, costs or expenses arising in any way out of the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm;

### 2.1.10 Recommendations

the liability of the Assured results, in whole or in part, from its failure to comply with any direction, requirement and/or recommendation made at any time by the



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Underwriter to the Assured regarding such matters as, but not limited to, operations or other matters which are, or might be, relevant to the Insured Vessel, the use of a Recommended Clause, the appointment of a lawyer, surveyor or other Person and/or the repairs or other action to be undertaken by the Assured following an inspection of the Insured Vessel;

### 2.1.11 Non-Agreed Trades

the Insured Vessel is or has been employed in trades other than those agreed with the Underwriter;

### 2.1.12 Cancellation of Charter

the claim arose out of the cancellation of a charter or other engagement of the Insured Vessel;

### 2.1.13 Irrecoverable Debts

the claim arose out of unrecoverable debts or out of the insolvency of any Person (including insolvency of agents);

### 2.1.14 Privity

the Underwriter, having regard to all the circumstances, shall be of the opinion that the claim arose out of the sending to sea of the Insured Vessel in an unseaworthy state with the privity of the Assured or its managers or managing agents.

### 2.1.15 Double Insurance

any liabilities, losses, costs or expenses are or would have been recoverable by the Assured under any other insurance: -

(a) apart from any terms in such other insurance excluding or limiting liability on the grounds of double insurance; and

(b) if the Insured Vessel had not been insured by the Policy of Insurance, and in no case shall the Underwriter be liable for any franchise, deductible or deduction of a similar nature borne by the Assured under such other insurance.

### 2.1.16 Conduct of Assured

any liability, loss, costs or expense is attributable to the conduct of the Assured or its managers or agents where such conduct (whether an act or omission or otherwise): -

(a) was intended to bring about or exacerbate a casualty or a claim under the Policy of Insurance; or

(b) was reckless with regard to a probable risk that such conduct would bring about or exacerbate a casualty or a claim under the Policy of Insurance; or

(c) was intended to assist any other Person bring and/or maintain a claim against the Underwriter under the Policy of Insurance.

## 2.2 Sanctions Exclusion



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In addition to and without derogating from the exclusions in clause 2.1, there shall be no cover under the Policy of Insurance and the Underwriter shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such cover, payment of such or provision of such benefit would expose the Underwriter or any member of the Underwriter's group 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.

### 2.3 Hull Policies Insurance Exclusion

Unless otherwise agreed in writing by the Underwriter, the Underwriter shall not be liable for any loss, liability, cost or expense in connection with an Insured Vessel against which the Assured would be insured if Insured Vessel were, at the time of the incident giving rise to the loss, liability, cost or expense, insured at no less than her Proper Value under Hull Policies on terms no less wide than the Institute Time Clauses (Hulls) 1.10.83 attached and with no excess, franchise or deductible of a similar nature (including any corresponding GST applicable) applicable to claims under those policies.

### 2.4 Limitations

The Underwriter shall not indemnify the Assured against the following, except to the extent that they form part of a claim recoverable under the Class of Insurance specified in the Policy Schedule: -

#### 2.4.1 Hull

loss of, or damage to, the Insured Vessel, or any part thereof;

#### 2.4.2 Equipment

loss of, or damage to, any equipment on board the Insured Vessel, or to any Containers, lashings, stores or fuel therein, to the extent that they are owned or leased by the Assured, an Additional Assured or an Associated Company;

#### 2.4.3 Repairs

the costs of repairs to an Insured Vessel or any charges or expenses in connection with any such repairs;

#### 2.4.4 Loss of freight, hire

loss of freight or hire or any proportion thereof, save to the extent that the Assured is legally liable for such lost freight or hire as part of a claim recoverable by the Assured under clause 17 of Section B of the Policy of Insurance;

#### 2.4.5 Demurrage, detention

demurrage or detention of the Insured Vessel, save to the extent that the Assured is



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legally liable for such demurrage or damages for detention as part of a claim recoverable by the Assured under clause 17 of Section B of the Policy of Insurance but in no case shall the Assured be entitled to recover sums in excess of the insured Vessel's actual running costs.

### 2.4.6 Specialist Services

save as provided in any Class of Insurance specified in the Policy Schedule, the Assured shall not be entitled to be indemnified against any liability, loss, costs or expenses incurred in respect of the following unless and except to the extent that the Underwriter has agreed to provide special terms in respect thereof:

(a) an Insured Vessel which is a salvage tug or other vessel used or intended to be used for salvage operations, when the claim arises as a result of or during any salvage operations or attempted salvage operations;

(b) an Insured Vessel being a drilling vessel or barge or any other vessel or barge employed to carry out drilling or production operations in connection with oil or gas exploration or production, including any accommodation unit moored or positioned on site as an integral part of any such operations, to the extent that such liability, loss, costs or expenses arise out of or during drilling or production operations. A vessel shall be deemed to be carrying out production operations if (inter alia) it is a storage tanker or other vessel engaged in the storage of oil, and either:

(i) the oil is transferred directly from a producing well to the storage vessel; or  
(ii) the storage vessel has oil and gas separation equipment on board and gas is being separated from oil while on board the storage vessel other than by natural venting;  
(c) the performance or non-performance by the Insured Vessel of Specialist Services, or any associated supply of goods, (whether such liability arises under contract or otherwise) to the extent that such liability, loss, costs or expenses arise as a consequence of:

(i) 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 Services; or

(ii) the failure to perform such Specialist Services by the Assured or the fitness for luding any

(iii) any loss or damage to the contract works; and

provided that the Assured shall remain covered for claims in respect of liabilities, costs and expenses for:

(1) loss of life, injury or illness of crew and other personnel on board the Insured Vessel, and



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- (2) wreck removal of the Insured Vessel, and
- (3) oil pollution emanating from the Insured Vessel, but only to the extent that such liabilities, costs and expenses are otherwise covered by and subject to the terms and conditions of the respective Class of Insurance specified in the Policy Schedule;
- (d) the activities of professional or commercial divers, when the Assured is responsible for such activities other than:
  - (i) activities arising out of salvage operations being conducted by an Insured Vessel where the divers form part of the crew of that Insured Vessel (or of diving bells or other similar equipment or craft operating from the Insured Vessel) and where the Assured is responsible for the activities of such divers;
  - (ii) recreational diving activities; and
  - (iii) incidental diving activities carried out in relation to the inspection, repair or maintenance of the Insured Vessel or in relation to damage caused by the Insured Vessel;
- (e) waste incineration or disposal operations carried out by the Insured Vessel (other than any such operations carried out as an incidental part of other commercial activities);
- (f) the operations of submarines, mini-submarines, diving bells, other underwater vessels or underwater equipment; or
- (g) an Insured Vessel being a semi-submersible heavy lift vessel or other vessel designed exclusively for the carriage of heavy lift cargo where the claim arises out of the loss of or damage to or wreck removal of cargo, unless the cargo is being carried under a contract on unamended Heavycon terms or any other contract approved by the Underwriter in writing.

### 2.5 Limitation of Liability

2.5.1 Subject to the terms and conditions of the Policy of Insurance, the Underwriter insures the liability of the Assured in respect of an Insured Vessel as its liability may ultimately be determined and fixed by law, including laws pertaining to limitation of Where the Assured is entitled to limit its liability, the amount recoverable from the Underwriter in respect of any limitable liability of the Assured shall not exceed the amount of such limitation, or, if more than one such limitation, the lowest amount of those limitations.

2.5.2 If an Assured is not the registered owner, demise charterer, manager or operator of an Insured Vessel, the liability of the Underwriter in respect of any claims brought by the Assured relating to that vessel shall not exceed the amount to which



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the Assured could have limited its liability for the claim if it had been the registered owner of the vessel and had not been denied the right to limit.

### 2.6 Limitation of Recovery

The amount recoverable from the Underwriter (before application of any Deductible) in respect of all liabilities, losses, costs and expenses arising out of any one event or occurrence, or series of events or occurrences resulting (whether concurrently, successively or in any other sequence) from and including any one single originating event or occurrence, and whether incurred or suffered by the Assured alone or by the Assured and the Joint Assured and/or Additional Assured, shall not in the aggregate exceed the limit stated in the Policy Schedule and the respective liabilities, losses, costs and expenses of the Assured, Joint Assured and/or Additional Assured (if any) shall be abated pro rata.

## CLAUSE 3: PREMIUM

### 3.1 Payment of Premium

Unless otherwise agreed, Section 53 of the Marine Insurance Act, 1906 shall not apply. The Assured shall pay the premium on such dates as the Underwriter shall specify. The insurance under the Policy of Insurance is conditional on punctual payment of premiums in accordance with the terms of the Policy of Insurance and in default of such payment the Assured shall have no rights under the Policy of Insurance. Where the Underwriter agrees to accept payment of premium by instalments, the failure of the Assured to pay any instalment when due shall entitle the Underwriter to demand immediate payment of all unpaid premium.

### 3.2 Currencies

The Underwriter may require the Assured to pay all, or any part of, any sums due by way of premium in such currencies as the Underwriter may specify.

### 3.3 Set-Off

No claim of whatsoever nature by the Assured against the Underwriter shall constitute any right of set-off against the premium or other sums of whatsoever nature due to the Underwriter, or shall entitle the Assured to withhold or delay payment of any such premium or other sums due under the terms of the Policy of Insurance. However, without prejudice to any other terms and conditions of the Policy of Insurance, the Underwriter shall be entitled to set off any amount whatsoever due to it from the Assured against any amount whatsoever due to such Assured from the Underwriter. Notwithstanding that the Underwriter agrees to accept payment of premium by instalments, the Underwriter shall be entitled to set



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off the balance of all unpaid instalments of premium against any amount whatsoever which may be due from it to the Assured.

### 3.4 Interest

If any premium or part thereof or other sum of whatsoever nature due from the Assured is not paid on or before the date specified by the Underwriter, interest shall be payable from the date specified to the date of payment at a rate which the Underwriter shall from time to time determine.

### 3.5 Notice

3.5.1 Without prejudice to any other remedy, the Underwriter may serve a notice upon the Assured specifying a period, of not less than seven days, within which any unpaid premium or part thereof shall be paid, failing which the Underwriter shall be entitled to cancel the Policy of Insurance with effect from the commencement of the Policy Period.

3.5.2 Where the Underwriter cancels the Policy of Insurance in accordance with any notice given pursuant to clause 3.5.1 and has paid a claim to the Assured under the Policy of Insurance, the Underwriter shall be entitled to recover the amount thereof from the Assured.

### 3.6 Recovery

3.6.1 Notwithstanding clause 9.1, the Underwriter shall be entitled to take proceedings in any court of competent jurisdiction for the recovery of any unpaid premium or part thereof or any other sum of whatsoever nature due from the Assured. Where the Assured is domiciled within a State which is an original and/or acceding party to the Brussels I Regulations (recast) Regulation No. 1215/2012) and/or the 2007 Lugano Convention, both of which concern jurisdiction and the enforcement of judgements in civil and commercial matters, it is agreed that the Singapore Courts will have jurisdiction in respect of any such proceedings.

3.6.2 The Underwriter shall have a lien over any and all vessels that are or have been insured by the Assured with the Underwriter and/or over any other vessels beneficially owned by the Assured for all monies from time to time payable by the Assured to the Underwriter.

## CLAUSE 4: CLAIMS

### 4.1 Notification

Without prejudice to any specific obligations contained in the Policy of Insurance, the Assured shall immediately give notice in writing to the Underwriter of: -

4.1.1 every occurrence or event (including but not limited to any court, arbitration or





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other proceedings) which gives rise or may give rise to a claim under the Policy of Insurance, or which causes or may cause the Assured to incur costs, expenses or liabilities for which the Assured may be insured under the Policy of Insurance;

4.1.2 any survey or opportunity to survey in connection with such occurrence or event; and

4.1.3 any information, documents or reports in the possession, power, custody or knowledge of the Assured or its agents relevant to such occurrence or event.

### 4.2 Provision of Information

The Assured has a continuing obligation to immediately advise and provide the Underwriter with any knowledge, information, documents or reports in or coming into the possession, power, custody or knowledge of the Assured or its agents in relation to any occurrence or event giving rise or which may give rise to a claim under the Policy of Insurance, or which causes or may cause the Assured to incur liabilities, costs or expenses for which the Assured may be insured under the Policy of Insurance. The Assured shall provide the Underwriter on demand with any knowledge, information, documents or reports in the possession, power, custody or knowledge of the Assured or its agents in relation to the fulfillment of any condition, undertaking or duty imposed on it by the Policy of Insurance.

### 4.3 Investigation of Claims

The Assured shall in relation to any occurrence or event giving rise or which may give rise to a claim under the Policy of Insurance, or which causes or may cause the Assured to incur liabilities, costs or expenses for which the Assured may be insured under the Policy of Insurance: -

4.3.1 supply the Underwriter all information and documents in, or coming into, the possession, power or control of the Assured or its agents which are, or may in the opinion of the Underwriter be, relevant to any such occurrence or event;

4.3.2 whenever so requested by the Underwriter, promptly produce to the Underwriter and/or allow the Underwriter or its agents to inspect, copy or photograph all relevant documents of whatsoever nature in the Assured's or its agents possession, power or custody.

4.3.3 permit the Underwriter or its agents to perform surveys or inspections, and interview any officer, servant, agent or other Person who may be or have been employed by the Assured at any time who in the Underwriter's opinion has or may have any direct or indirect knowledge or information relevant to such occurrence or event, or who may have been under a duty at any time to report to the Assured in connection therewith, or who would otherwise be able to assist in the investigation





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thereof.

#### 4.4 Time Limit

The Assured shall in any event make any claim which it may have under the Policy of Insurance within 12 months of any liability, loss, costs or expense being paid by it, failing which the Underwriter shall be discharged from all liability whatsoever in relation to the claim.

#### 4.5 Failure to Disclose

If the Assured fails to comply with any of the provisions in clauses 4.1 to 4.3 or knowingly or negligently withholds or conceals relevant knowledge, information, documents or evidence from, or makes any false statement to, the Underwriter or procures that any other Person shall do likewise, in any matter relating to a claim under the Policy of Insurance or to the obtaining of the support of the Underwriter, the Underwriter may: -

4.5.1 reject any claim by the Assured in which event the Underwriter shall be discharged from all liability whatsoever in respect of such claim;

4.5.2 reduce the amount payable in respect of any such claim made by the Assured by such amount as the Underwriter may determine; or

4.5.3 require the Assured to repay to the Underwriter any sums which the Underwriter may have paid or incurred in consequence of such withholding, concealment or false statement.

#### 4.6 Claims Control

The Underwriter may in its discretion take over or control or direct the handling of any claim or legal, arbitration, or other proceedings by or against the Assured which might result in a claim being made by the Assured under the Policy of Insurance. Further, the Assured shall settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Underwriter in its discretion shall direct. The Underwriter shall have the right to instruct lawyers, surveyors or such other Persons on its own behalf, and at its own costs and expense, to investigate, advise upon or deal with any aspect of an occurrence or event which gives rise or may give rise to a claim under the Policy of Insurance without notice to the Assured who shall not be entitled to any documents, reports or advice given to the Underwriter by such Persons.

#### 4.7 Direction of Proceedings

The Underwriter may at any and all times, without waiving any of its rights which rights shall at all times be deemed to be reserved unto the Underwriter, on behalf of the Assured: -



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4.7.1 appoint, whether in the name of the Assured or otherwise, lawyers, surveyors or other Persons on such terms as the Underwriter may think fit to investigate, advise upon or deal with any aspect of an event or occurrence which gives rise or may give rise to a claim under the Policy of Insurance;

4.7.2 instruct any lawyers, surveyors or other Persons appointed by the Assured on such terms as the Underwriter may think fit to investigate, advise upon or deal with any aspect of an event or occurrence which gives rise or may give rise to a claim under the Policy of Insurance;

4.7.3 institute or defend legal, arbitration or other proceedings in relation to any actual or potential claim by or against the Assured;

4.7.4 discontinue any activities, appointments or instructions initiated, made or given in connection with any aspect of an event or occurrence which gives rise or may give rise to a claim under the Policy of Insurance whether or not those activities, appointments or instructions were initiated, made or given by the Assured or the Underwriter, as the Underwriter thinks fit.

### 4.8 Employment of Experts

All lawyers, surveyors or other Persons appointed by the Underwriter on behalf of the Assured, or by the Assured at the direction of the Underwriter or with the Underwriter's approval, shall be deemed to be appointed and employed on the basis: -

4.8.1 that they have been appointed and employed by the Assured, and continue to be so, at all times; and

4.8.2 they are instructed at all times by the Assured to advise, report to and produce any and all relevant documents or information in their custody to the Underwriter without prior reference to the Assured, as if such Person had been appointed to act at all times and had at all times been acting on behalf of the Underwriter and notwithstanding that any such advice, reports, documents or information would otherwise be the subject of legal or any other form of privilege; and

4.8.3 any reports or advice given pursuant to this clause shall not bind the Underwriter to any course of action.

### 4.9 Bail

The Underwriter is under no obligation to provide bail or other security on behalf of the Assured but may, in its sole discretion, do so on such terms as the Underwriter considers appropriate.

### 4.10 No Admission

4.10.1 The provision by the Underwriter of bail or other security or the doing of any



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act to protect the Assured from liability or to minimise any liability, loss, costs or expense to the Assured shall not constitute an admission of liability by the Underwriter for the claim.

4.10.2 The Assured shall not settle or admit liability for any claim for which, or for the expenses of which, the Assured may be covered by the Policy of Insurance without the prior agreement of the Underwriter in writing.

### 4.11 Condition Precedent

Unless the Underwriter decides otherwise, it shall be indemnity under the Policy of Insurance: -

4.11.1 that in respect of any liability, loss, costs or expense the Assured shall first have discharged or paid such liability, loss, costs or expense out of its own funds and without recourse to any loan other than under lines of credit readily available to the Assured in the ordinary course of its day to day business; and

4.11.2 that in respect of any expense and/or costs, the Underwriter shall have given prior written consent to such expense and/or costs being incurred.

### 4.12 Rejection or Reduction

The Underwriter shall be entitled to reject or reduce a claim under the Policy of Insurance by the Assured, if: -

4.12.1 it relates to a claim or proceedings against the Assured which should have been settled or compromised, or any admission of liability was made by the Assured, or any rights of indemnity or contribution against any contractors, sub-contractors or third parties was waived, discharged or extinguished by the Assured or its representatives, without the prior consent in writing of the Underwriter;

4.12.2 the Assured has failed to comply with its obligations contained in clauses 4.1 to 4.3;

4.12.3 the Assured has failed to comply with any direction or recommendation made at any time by the Underwriter to it as to the handling, settlement or compromise of claims, potential claims or proceedings against the Assured.

### 4.13 Interest and consequential loss

An Assured shall have no right of recovery of interest on any claim he may have against the Underwriter.

An Assured shall have no right to recover any losses suffered as a consequence of delay or failure on the part of the Underwriter to reimburse the Assured.

### 4.14 Third Party Recoveries

Where the Underwriter has paid a claim under the Policy of Insurance, it shall be entitled to any recovery from a third party in respect of that claim up to the amount



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paid by the Underwriter with interest thereon, and the Assured shall, upon the request of the Underwriter, execute all documents in favor of any third party. If there shall have been a Deductible applied by the Underwriter in the payment of such claim, the Assured shall be entitled to that proportion of such recovery (after deducting all expenses incurred in effecting the same) which the amount of the Deductible bears to the claim paid.

### CLAUSE 5: FORBEARANCE AND WAIVER

#### 5.1 Forbearance

No act, omission, course of dealing, forbearance, delay or indulgence of any kind by the Underwriter, its officers, servants, agents or otherwise in enforcing any terms or conditions of the Policy of Insurance nor any granting of time by the Underwriter, shall prejudice, affect or be treated as any waiver of any of the rights and remedies under or in respect of the Policy of Insurance. No waiver of a breach of the terms and conditions of the Policy of Insurance by the Assured shall operate as a waiver of any subsequent breach thereof. The Underwriter shall at all times and without notice be entitled to insist on the strict application and enforcement of the terms and conditions of the Policy of Insurance.

#### 5.2 Waiver

Notwithstanding clause 5.1, the Underwriter may waive in writing in full or in part any of the terms and conditions contained in the Policy of Insurance and consequent to any such waiver, pay in full or in part any claim. Any such waiver shall not constitute a precedent and the Underwriter shall be entitled in other identical or similar circumstances to insist, without notice, on the strict application of the terms and conditions contained in the Policy of Insurance.

### CLAUSE 6: CESSER OF INSURANCE

#### 6.1 Assured

The Assured shall cease to be insured by the Underwriter in respect of all Insured Vessels upon the happening of any of the following: -

##### 6.1.1 Default, clause 3.5

if the Policy of Insurance is cancelled in accordance with clause 3.5;

##### 6.1.2 Death, incapacity, insolvency

if the Assured is an individual, upon his: -

(a) death;

(b) becoming incapable of managing or administering his property and affairs by



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reason of mental or physical incapacity or disorder; or

(c) becoming the subject of a receiving order made against him, becoming bankrupt, or making any arrangement or composition with his creditors generally;

### 6.1.3 Winding-up, dissolution

if the Assured is a corporation or partnership: -

(a) upon the passing of any resolution for its voluntary winding up (other than a voluntary winding up for the purpose of company or group reorganisation);

(b) upon an order being made for its compulsory winding up;

(c) upon its dissolution;

(d) upon a receiver, manager, administrator, trustee, custodian or any other similar official being appointed in respect of all or part of its business, undertaking or assets;

(e) upon possession being taken of any of its property or assets pursuant to a charge or any other security;

(f) upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reorganise its affairs;

6.1.4 Mutual consent if the Assured and the Underwriter agree to the cesser of insurance;

### 6.1.5 Notice by Underwriter

Upon the expiry of 14 days notice in writing of the cesser of insurance from the Underwriter to the Assured.

## 6.2 Insured Vessel

Insurance of the Insured Vessel shall cease, unless the Underwriter declares otherwise in writing, upon the happening of any of the following in relation to such vessel: -

### 6.2.1 Change in interest

(a) if the Assured parts with or assigns the whole or any part of its interest in the Insured Vessel, whether by bill of sale or other formal document or agreement, or in any other way whatsoever, or

(b) if the control or possession of the Insured Vessel is transferred whether by demise charter or otherwise; or

(c) upon undisputed possession of the Insured Vessel being taken by or on behalf of a secured party.

### 6.2.2 Change of managers

if the managers or operators of the Insured Vessel are changed;

### 6.2.3 Total loss

(a) if the Insured Vessel becomes a total loss or is accepted under the Hull Policies



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as being a constructive, compromised or arranged total loss; or

(b) upon a decision by the Underwriter that the Insured Vessel is to be considered or deemed to be an actual or constructive total loss or otherwise abandoned; or

(c) upon agreement by hull underwriters (whether for marine or war risks) to pay to the Assured in relation the Insured Vessel an unrepaired damage claim which exceeds the market value of the vessel without commitment immediately prior to the casualty which gave rise to such a claim;

### 6.2.4 Missing vessel

if the Insured Vessel is missing for 10 days from the date she was last heard of, or upon her occur earlier;

### 6.2.5 Undertaking by mortgagee

if the Insured Vessel is mortgaged or otherwise hypothecated, and if there be no undertaking or guarantee given to the satisfaction of the Underwriter to pay all premiums due or to become due in respect of the Insured Vessel;

### 6.2.6 Change of class or flag

If there is a change in the insured Vessel's classification society or flag;

### 6.2.7 Cesser of class

if the classification of the Insured Vessel with a classification society approved by the Underwriter ceases or is suspended;

### 6.2.8 Requisition

if there is any requisition for use of the Insured Vessel, provided that where such requisition is not made pursuant to a prior agreement with the Assured or owner of the Insured Vessel, insurance under the Policy of Insurance shall be maintained for a period not exceeding 14 days after such requisition;

### 6.2.9 Sanctions

upon the Insured Vessel being employed or being permitted to be employed by the Assured in a carriage, trade or on a voyage which may in any way howsoever expose the Underwriter to the risk of being or becoming subject to any sanction, prohibition or adverse action or order in any form whatsoever under the United Nations Resolutions or the trade or economic sanctions, laws or regulations of Singapore, the European Union, United Kingdom or United States of America, or if the provision of insurance by the Underwriter in respect of the Insured Vessel or such carriage, trade or voyage is or becomes unlawful, illegal, prohibited or sanctionable;

### 6.2.10 Default, clause 1.3 or 1.10

If the insurance of the Insured Vessel is cancelled in accordance with clause 1.3 or 1.10.



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### 6.3 Effect of Cesser Pursuant to clause 6.1.1

If a cesser of insurance occurs pursuant to clause 6.1.1: -

6.3.1 then, notwithstanding that the Underwriter has agreed to accept premium by instalments and has been paid some but not all instalments, the Underwriter shall not be liable for any claims in respect of an Insured Vessel whether the event or occurrence giving rise to such claim occurred before or after the cesser of insurance;

6.3.2 without prejudice to clauses 3.3 and 3.5.2, the Underwriter shall return any premium received by the Underwriter less such amounts as it may already have paid out, or may in future pay out, under or in connection with the Policy of Insurance and less the administrative and reinsurance costs of the Underwriter.

### 6.4 Liability for Claims Prior to Cesser

If a cesser of insurance occurs otherwise than pursuant to clause 6.1.1, the Underwriter shall remain liable under the Policy of Insurance for claims arising from any event or occurrence which occurred before such cesser but shall not be liable under the Policy of Insurance for claims arising from any event or occurrence after such cesser unless such claims also arise in connection with the circumstances of a cesser of insurance pursuant to clause 6.2.3 or 6.2.4.

### 6.5 Liability for Payment of Premium Following Cesser

If a cesser of insurance occurs pursuant to: -

6.5.1 clause 6.1.2 (a), 6.1.2 (b), 6.1.5, 6.2.1 or 6.2.2, the Assured shall remain liable to pay, and shall pay premium pro rata from the commencement of the Policy Period until the date of such cesser, failing which the Assured shall have no rights under the Policy of Insurance;

6.5.2 clause 6.1.2 (c), 6.1.3, 6.1.4, 6.2.3, 6.2.4, 6.2.5, 6.2.6, 6.2.7, 6.2.8, or 6.2.9, any outstanding installments of premium shall immediately become due and payable and the Assured shall remain liable to pay, and shall pay any premiums or other sums due under the Policy of Insurance, failing which the Assured shall have no rights under the Policy of Insurance.

## CLAUSE 7: ASSIGNMENT

### 7.1 Without Consent

No insurance under the Policy of Insurance provided by the Underwriter, nor interest in any contract between the Underwriter and the Assured, nor interest in any claim or potential claim against the Underwriter under or in connection with the Policy of Insurance may be assigned unless the Underwriter has given its prior written consent. The Underwriter shall have the right in its discretion to give or refuse such





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consent without stating any reason or to give such consent upon any such terms and/or conditions as it thinks fit.

### 7.2 Right of Retention

The Underwriter shall be entitled, before paying any claim to an assignee of the Assured, to deduct or retain such amount as the Underwriter estimates to be sufficient to discharge any liabilities of the Assured to the Underwriter, whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.

## CLAUSE 8: DELEGATION

### 8.1 By the Underwriter

The Underwriter may delegate or sub-contract any power, right, duty or discretion whatsoever arising under the terms of the Policy of Insurance.

## CLAUSE 9: DISPUTES AND DIFFERENCES

### 9.1 Arbitration

Subject to clause 3.6, any difference or dispute between the Underwriter and either the Assured or any other Person arising out of or in connection with the Policy of Insurance, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause. Unless the parties have agreed to a sole arbitrator in respect of an arbitration, the Tribunal shall consist of three arbitrators, with one arbitrator to be appointed by each of the parties and the third to be appointed by the two arbitrators thus appointed. The language of the arbitration shall be English.

### 9.2 Sole Remedy

Neither the Assured nor any other Person making a claim under the Policy of Insurance shall be entitled to bring or maintain any action, suit or other legal proceedings against the Underwriter unless it has first obtained an arbitration award in accordance with clause 9.1.

### 9.3 Service of Process

The Assured and the Underwriter hereby agree that for all purposes service of notice of arbitration and of any process thereafter shall be good service if effected either by post or by facsimile message in accordance with clause 10.1 or on solicitors appointed by the party to be served.





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### CLAUSE 10: NOTICES

#### 10.1 Service of Notices

Any notice required to be served: -

##### 10.1.1 on the Underwriter,

may be served by posting it in a pre-paid letter or by sending it by facsimile message addressed to the Underwriter at such address as the Underwriter shall notify to the Assured in writing;

##### 10.1.2 on the Assured,

may be served by posting it in a pre-paid letter or by sending it by facsimile message. Notice by letter may be sent to the address specified in the Policy Schedule or the last-known address of the Assured. Notice by facsimile message may be sent to the last-known facsimile number of the Assured. Notice to the Assured may also be given by delivering the same to the broker or any other insurance agent of the Assured.

#### 10.2 Deemed Service

Any notice or other document shall be deemed to have been served, if served by post, 5 days after posting and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted in a pre-paid envelope. Any notice served by facsimile message shall be deemed to have been served on the day it was despatched and in proving such service it shall be sufficient to prove that such facsimile message was duly despatched.

#### 10.3 Service on Successors

The successors or assigns of the Assured shall be bound by a notice served as aforesaid, notwithstanding that the Underwriter may have notice of Assured's death, disability, incapacity, bankruptcy or liquidation.

### CLAUSE 11: APPLICABLE LAW

#### 11.1 Marine Insurance Act

The Policy of Insurance shall be subject to the provisions of the Marine Insurance Act, 1906 and any statutory modifications thereto, except and insofar as such Act or modifications may have been excluded by any terms or conditions herein.

#### 11.2 Proper law

The Policy of Insurance shall be governed by, and construed in accordance with, English law.

#### 11.3 Third parties



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Unless otherwise provided, the insurance under the Policy of Insurance is solely for the benefit of the Assured and it is not intended that rights under or arising out of the Policy of Insurance should be acquired by any third party through the operation of the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom or similar legislation.

### SECTION B: PROTECTION & INDEMNITY COVER

The Assured shall be covered against the risks specified in clauses 1 to 24, subject to the terms and conditions therein and to clause 25, arising from events occurring during the Period of Insurance in respect of the Insured Vessel.

#### CLAUSE 1: LIFE SALVAGE

##### 1.1 Awards in respect of life salvage

Sums legally due to third parties by reason of their having saved, or attempted to save, the life of any person on or from the Insured Vessel, but there shall be no indemnity in respect of such sums as are, or would but for the Policy of Insurance be, recoverable under the Hull Policies of the Insured Vessel or from owners of Cargo or their insurers.

#### CLAUSE 2: BODILY INJURY

##### 2.1 Bodily Injury to passengers, crew, others

Damages or compensation, including hospital, medical or funeral expenses, for which the Assured is legally liable to pay arising from the Bodily Injury of: -

###### 2.1.1 Passenger

any Passenger on board the Insured Vessel;

###### 2.1.2 Crew Member, Supernumerary

any Crew Member or Supernumerary for whom the Assured may be liable under Statute, or under a Collective Agreement or a contract previously approved by the Underwriter in writing, or otherwise;

###### 2.1.3 Cargo handling

any person, as a result of handling the Cargo of the Insured Vessel from the time of receipt of that Cargo at the port of shipment until delivery of that Cargo at the port of discharge;

###### 2.1.4 Other person

any person, other than those specified in clauses 2.1.1, 2.1.2 and 2.1.3, as a result of a negligent act or omission on board or in relation to the Insured Vessel.

##### 2.2 Conditions

No claim under clause 2.1.1 shall be allowed, unless: -



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2.2.1 and conditions which have been approved by the Underwriter in writing prior to the event or occurrence giving rise to a claim; and

2.2.2 the said terms and conditions are permitted by the provisions of applicable international conventions dealing with safety of life at sea; and

2.2.3 the total number of Passengers on the Insured Vessel at the time of the incident from which a claim arises does not exceed that permitted by applicable Statutes and regulations or that which the Insured Vessel is safely capable of carrying, whichever is less.

### 2.3 Limitation

No claim shall be recoverable under clause 2.1 where the liability arises under the terms of any contract or indemnity and would not have arisen but for those terms, unless and to the extent that those terms have been previously approved by the Underwriter in writing.

## CLAUSE 3: QUARANTINE

### 3.1 Expenses relating to disease on Insured vessel

Additional expenses, but not losses, incurred as a direct consequence of an outbreak of a contagious or infectious disease on the Insured Vessel, in respect of: -

#### 3.1.1 Disinfecting

disinfecting the Insured Vessel and persons and cargo on board pursuant to Statute or order of a competent Authority;

#### 3.1.2 Fuel or towage

cost of towage or fuel consumed in proceeding to or from a place of quarantine, as required by Statute, and fuel consumed whilst remaining at such place;

#### 3.1.3 Port of refuge

putting into a port or place of refuge and resuming the voyage thereafter, if the sole reason for doing so was the outbreak of contagious or infectious disease on the Insured Vessel.

### 3.2 Exclusions

The Underwriter shall not be liable under clause 3.1: -

#### 3.2.1 Ordinary expenses

for the ordinary expenses of loading and discharging Cargo, provisions and bunkers during the period of quarantine; or

#### 3.2.2 Knowledge of Assured

if the Assured or the managers or charterers of the Insured Vessel ordered the Insured Vessel to proceed to a port in which they knew or should reasonably have



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known would result in an outbreak of a contagious or infectious disease on the Insured Vessel or in her being quarantined.

### CLAUSE 4: DIVERSION

#### 4.1 Expenses in relation to diversion to secure treatment

Expenses incurred as a result of diversion of the Insured Vessel (over and above the expenses that would have been incurred but for the diversion) solely for the purpose of:

4.1.1 securing necessary treatment ashore for an injured or sick person or arranging the repatriation of dead bodies on board the Insured Vessel;

4.1.2 while awaiting a Substitute for a injured or sick Crew Member who has been landed ashore for treatment;

4.1.3 landing stowaways, refugees or persons saved at sea;

4.1.4 for the purpose of saving or attempting to save life at sea.

but only to the extent that those expenses represent the net loss to the Assured, being limited to the additional cost of fuel, insurance, wages, stores, provisions and port charges.

### CLAUSE 5: REPATRIATION AND FORWARDING

#### 5.1 Expenses in relation to repatriation, forwarding

Expenses incurred by the Assured in relation to: -

##### 5.1.1 Legal obligation

repatriating by reason of a legal obligation any stowaway, deserter, Crew Member or Supernumerary from the Insured Vessel, but only if and to the extent that the Assured is legally liable for such expenses and they are incurred with the approval and agreement of the Underwriter;

##### 5.1.2 Substitute

sending abroad a Substitute to replace any Crew Member who has died or was left ashore because of Bodily Injury or desertion;

##### 5.1.3 Passenger

maintaining Passengers ashore and returning them to their port of embarkation or forwarding them to their port of destination as a result of a casualty to the Insured Vessel for which the Assured may be liable under a contract of carriage for reward.

#### 5.2 Exclusions

The Underwriter shall not be liable under clause 5.1 for any loss or expense in respect of a repatriation which: -



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### 5.2.1 Termination of employment

arises from the termination of a contract of employment by mutual consent or in accordance with the terms of such contract;

### 5.2.2 Breach

arises from a breach of Statute, contract or any Collective Agreement;

### 5.2.3 Sale of Insured Vessel

arises from the sale of the Insured Vessel or other similar act of the Assured;

### 5.2.4 Contractual agreement

arises from a contract, the terms of which have not previously been approved by the Underwriter in writing;

### 5.2.5 Wages –

represents wages unless the same are payable in respect of wages of a Crew Member under

a Statute or a contract or Collective Agreement previously approved by the Underwriter in writing: -

#### (a) Total loss

during unemployment caused in consequence of the actual or constructive total loss of the Insured Vessel;

#### (b) Treatment abroad

during medical or hospital treatment ashore or during repatriation consequent upon injury or illness, or in the case of a Substitute while awaiting and during repatriation.

## CLAUSE 6: PERSONAL EFFECTS

### 6.1 Liability for loss of personal effects of crew, others

Liability to pay damages or compensation for loss of, or damage to: -

#### 6.1.1 Crew Member, Supernumerary

provided such liability arises under a Statute, or under a Collective Agreement or contract previously approved by the Underwriter in writing;

#### 6.1.2 Passenger

(including vehicles) carried on the Insured Vessel under any contract of carriage for reward previously approved by the Underwriter in writing.

### 6.2 Exclusion

6.2.1 There shall be no recovery under clause 6.1 in respect of claims relating to cash, negotiable instruments, precious or rare metals or stones, works of art, valuables or objects of a rare or precious nature.

6.2.2 Unless agreed otherwise by the Underwriter in writing, the Underwriter's



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maximum liability under clause 6.1.1 shall be limited to US\$5,000 per Crew Member or Supernumerary.

### CLAUSE 7: TOTAL LOSS CREW COMPENSATION

#### 7.1 Liability for Crew Wages Following Total Loss

Liability of the Assured under a Statute, or under a Collective Agreement or contract previously approved by the Underwriter in writing to compensate Crew Members for loss of wages caused in consequence of the total loss of the Insured Vessel.

### CLAUSE 8: COLLISION

#### 8.1 Liabilities Following Collision with Another Vessel

Liability to pay damages to another Person as a consequence of a collision between the Insured Vessel and another vessel, but only if and to the extent of the one-fourth (or such other proportion as may have been agreed by the Underwriter in writing) of such liabilities not recoverable under the collision liability clause contained in Hull Policies in the form of a Lloyd's Marine Policy with Institute Time Clauses (Hulls) 1.10.83, or under such other forms of Hulls Policies on the Insured Vessel as may be agreed in writing by the Underwriters, and being: -

##### 8.1.1 Proportion

the proportion of the liabilities arising out of the collision which the Underwriter has agreed to insure in writing, other than the liabilities in clauses 8.1.2 to 8.1.5;

##### 8.1.2 Excess liability

that part of the liability of the Assured arising out of the collision in excess of the amount recoverable under the Hull Policies solely by reason of the fact that such liability exceeds the Value) under the Hull Policies;

##### 8.1.3 Cargo

liability for loss of, or damage to, Cargo or other property on the Insured Vessel, or general average contributions, special charges or salvage paid by the owners of that Cargo or property;

##### 8.1.4 Removal of other vessel

liability for the costs and expenses relating to the Assured's legal liability for raising, removal, disposal, destruction, lighting or marking of the wreck of the other vessel or property (other than Cargo likely to cause Pollution or recoverable fuel) on board her;

##### 8.1.5 Persons on other vessel

liability for Bodily Injury to any person carried on the other vessel.



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### 8.2 Limitations and Conditions of Recovery

In respect of any claim under clause 8.1: -

#### 8.2.1 Excess

no excess, franchise or deductible (including any corresponding GST applicable) borne by the Assured under Hull Policies shall be recoverable;

#### 8.2.2 "Both to blame"

in any instance in which both vessels involved in a collision are to blame and the liability of either or both vessels in collision becomes limited by law, any claim by the Assured will be settled on the principle of single liability. In any other instance giving rise to a claim by the Assured under clauses 8.1.1 or 8.1.2, the claim shall be settled on the principle of cross liabilities, as if the owner of each vessel had been compelled to pay the owner of the other vessel ascertaining the balance or sum payable by or to the Assured in consequence of the collision;

#### 8.2.3 Proper value

for the purposes of clause 8.1.2, the Underwriter shall have the right at any time to determine the Proper Value at which an Insured Vessel ought to have been insured under Hull Policies at the time of the incident giving rise to a claim on the Underwriter and there shall be a right of recovery only in respect of the excess, if any, of the amount which would have been recoverable under Hull Policies if the Insured Vessel had been insured thereunder at the Proper Value;

#### 8.2.4 Vessels of same Assured

if the Insured Vessel shall come into a collision with another vessel belonging wholly or in part to the Assured, the Assured shall be entitled to recover from the Underwriter, and the Underwriter shall have the same rights, as if such other vessel belonged wholly to different owners;

#### 8.2.5 Cargo of the Assured

if a claim arises out of a collision involving one or more Insured Vessels belonging to the same Assured and a claim arises in respect of own Cargo on such vessels, it shall be entitled to recover from the Underwriter as if the Cargo were owned by a third party provided always that:

- (a) there shall be deducted from the claim such amount as is, or would but for the Policy of Insurance be, recoverable under any other insurance on the Cargo, and
- (b) in any event, there shall always be deducted from the claim no less than the amount which would, or would but for the Policy of Insurance, be recoverable under the Institute Cargo Clauses (C) issued by the Institute of London Underwriters had





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such cargo insurance been in effect at all material times.

### 8.3 Exclusion

There shall be no right to recover under any other terms of the Policy of Insurance in circumstances where a claim is, or could be, made under clause 8.1.

## CLAUSE 9: PROPERTY DAMAGE

### 9.1 Damage to Property Other Than by Collision

Liability to pay damages or compensation for: -

#### 9.1.1 Fixed & floating

loss of, or damage to, or infringement of rights in respect of any harbour, dock, pier, jetty or other fixed or moveable object as a result of a liability imposed by Statute or arising through negligent navigation or management of the Insured Vessel or by the negligent act or omission of the Assured concerning the Insured Vessel but not otherwise;

#### 9.1.2 Non-collision damage

loss of, or damage to, or infringement of rights in respect of another vessel or property carried in it other than by collision with the Insured Vessel save that the Underwriter shall not be liable in respect of such loss or damage unless it was caused by the negligent navigation or management of the Insured Vessel or by the negligent act or omission of the Assured concerning the Insured Vessel but not otherwise;

#### 9.1.3 Property of the Assured

loss of, or damage to, or infringement of rights in respect of any property belonging to the Assured, save for property forming part of or being carried on board the Insured Vessel where, if that property was owned by a third party, the Assured would be liable to pay damages or compensation to the third party, but the Underwriter shall not be liable in respect of such loss or damage which is, or would but for the Policy of Insurance be, recoverable under any other insurance policy held by the Assured;

#### 9.1.4 Other property

loss of, or damage to, property (other than Cargo or Personal Effects) which is not owned or leased by the Assured or any Associated Company and/or Additional Assured and which is not within the scope of clauses 9.1.1, 9.1.2 and 9.1.3 or of any proviso, limit or exclusion therein save that the Underwriter shall not be liable in respect of such loss or damage unless it was caused by the negligent navigation or management of the Insured Vessel or by the negligent act or omission of the Assured concerning the Insured Vessel but not otherwise.





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### 9.2 Exclusions

The Underwriter shall not be liable under clause 9.1 in respect of: -

9.2.1 liability, expenses, damages or compensation which arise under the terms of any contract or indemnity to the extent that they would not have arisen but for those terms, save as is provided in clause 15;

9.2.2 claims relating to cash, negotiable instruments, precious or rare metals or stones, works of art, valuables or objects of a rare or precious nature;

9.2.3 liabilities against which cover is available under any other terms of the Policy of Insurance or of any proviso, limit or exclusion therein, including but not limited to the following: -

- (a) Clause 6: Personal Effects;
- (b) Clause 8: Collision;
- (c) Clause 10: Pollution;
- (d) Clause 13: Towage of an Insured Vessel;
- (e) Clause 14: Towage by an Insured Vessel;
- (f) Clause 16: Wreck Removal;
- (g) Clause 17: Cargo;

9.2.4 liabilities excluded from any of the clauses listed in clause 9.2.3 by reason only of some proviso, warranty, condition, exception, limitation or other like term applying to claims under those clauses;

9.2.5 any excess, franchise or deductible (including any corresponding GST applicable) borne by the Assured under Hull Policies.

### CLAUSE 10: POLLUTION

#### 10.1 Liability Relating to Pollution Incidents

Liabilities, losses, costs and expenses incurred in consequence of the actual or threatened accidental release or escape of oil or any other polluting substance from the Insured Vessel(s) to the extent of: -

##### 10.1.1 Loss or Damage

liability for damages or compensation payable for loss of or damage to property belonging to any third party, or loss sustained by any third party by reason of contamination;

##### 10.1.2 Death or Personal Injury

liability for damages or compensation payable for death, injury or illness suffered by any person;

##### 10.1.3 Containment



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the costs of measures reasonably taken to prevent an imminent danger of release or escape of oil or other polluting substance from the Insured Vessel(s);

### 10.1.4 Environmental Purposes

the costs of measures reasonably taken after the accidental release or escape of oil or any other polluting substance from the Insured Vessel(s), for the purpose of preventing, minimising or cleaning up such oil or any other polluting substance, or any resulting damage, together with any liability for loss or damage to property caused by measures so taken;

### 10.1.5 Government Order

the costs or liabilities incurred as a result of compliance with any direction, decree or order made by any government or authority for the purpose of preventing or reducing pollution, or

the risk of pollution following such accidental release or escape, provided always that such costs or liabilities are not recoverable under any Hull Policies.

### 10.2 Pollution Following Collision or Damage other than by Collision

Liabilities incurred by reason of the actual or threatened accidental release or escape of oil or any other polluting substance from any vessel with which the Insured Vessel(s) is in collision, or which suffers damage caused by the Insured Vessel(s) other than by collision, falling within the scope of clause 10.1, save that references to the Insured Vessel(s) shall be treated as references to any vessel(s) with which the Insured Vessel(s) is in collision, or which suffers damage caused by the Insured Vessel(s) other than by collision.

### 10.3 Pollution Control Indemnities

Liabilities, costs or expenses incurred by the Assured as a party to an agreement in connection with the provision of services covered under clause 10.1.3 and 10.1.4 for death or injury of any person or for loss of or damage to property belonging to any person, provided the terms of such agreement have the prior approval in writing of the Underwriter.

### 10.4 Conditions of recovery

10.4.1 If the release or escape from the Insured Vessel causes loss, damage or contamination to property belonging wholly or in part to the Assured, he shall have the same rights of recovery from the Underwriter and the Underwriter shall have the same rights as if such property belonged to wholly different owners.

10.4.2 The value of any vessel or wreck and of any stores and materials, or cargo or other property removed and saved as a result of any measures taken in clauses 10.1.3 or 10.1.4 shall either be credited to the Underwriter or deducted from any



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recovery by the Assured due from the Underwriter.

### 10.5 Exclusions

The Underwriter shall not be liable under clauses 10.1, 10.2 or 10.3 for:

10.5.1 any liability, loss, costs or expenses caused by or in consequence of any Pollution or contamination arising out of waste dumping or incineration carried out from, or on, an Insured Vessel;

10.5.2 the costs of any measures under clauses 10.1.3 or 10.1.4 which are measures taken in the ordinary course of business including but not limited to any measures taken in the ordinary course of the operation of the Insured Vessel or in the ordinary course of the performance of repair work or salvage services;

10.5.3 any liability, loss, damages, costs or expenses (including, without limitation, liability for the cost of any remedial works or clean-up operations) arising as a result of the presence in, or the discharge or escape or the threat of discharge or escape from any land based dump, site, storage or disposal facility of any substance previously carried on the Insured Vessel, whether as cargo, fuel, stores or waste and whether at any time mixed in whole or in part with any other substance whatsoever;

10.5.4 liability of the Assured for oil pollution which arises out of any incident to which the United States Oil Pollution Act of 1990 (OPA 1990) is applicable and which involves the Insured

### CLAUSE 11: SALVAGE

#### 11.1 Salvor's expenses or Special Compensation

Liability of the Assured to reimburse or pay a salvor of the Insured Vessel:

11.1.1 The salvor's reasonably incurred expenses (together with any increment awarded thereon) under the exception to the principle 'no cure – no pay contained in clause 1(a) of the Lloyd's Standard Form of Salvage Agreement 1980 (LOF 1980);

11.1.2 Special compensation' within the meaning of Article 14 of the International Convention on Salvage 1989 as incorporated by Clause 2 of the Lloyd's Standard Form of Salvage

Agreement 1990 (LOF 1990) and as included in Lloyd's Standard Form of Salvage Agreement 1995 (LOF 1995), for operations to prevent or minimise damage to the environment;

11.1.3 'Scopic Remuneration within the meaning of the Special Compensation P&I Clubs Clause (SCOPIC) as supplementary to Lloyd's Standard Form of Salvage Agreement 1995 (LOF 1995) or as incorporated in to Lloyd's Standard Form of Salvage Agreement 2000 (LOF2000)



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### 11.2 Conditions for Recovery

In respect of a claim under clause 11.1.3, in the event of the salvage of the Insured Vessel or any property on board and, in accordance with the SCOPIC clause, there is no award under Article 13 of the International Convention on Salvage 1989, the residual value of the Insured Vessel and of any property to which the Assured is entitled shall first be deducted from or set off against such liability and only the balance shall be recoverable from the Underwriter.

### 11.3 Exclusion

The Underwriter shall not be liable under clause 11.1 where the liabilities, costs and expenses or any part thereof would not have been incurred had the Insured Vessel been insured, at the time of the incident giving rise to a claim on the Underwriter, up to her Proper Value under Hull Policies on terms no less wide than those of the Lloyd's Marine Policy with the institute Time Clauses (Hulls) 01. 10. 83 attached.

## CLAUSE 12: ACCOMMODATION AND MAINTENANCE

### 12.1 Expenses of Crew Members Following Fire, Collision

Expenses which are reasonably incurred in respect of provisions and accommodation of Crew Members if the Insured Vessel becomes temporarily uninhabitable as a result of fire, collision or stranding, but only to the extent that such expenses are not otherwise recoverable by the Assured from any other party.

## CLAUSE 13: TOWAGE OF AN INSURED VESSEL

### 13.1 Liabilities Relating to Towage of an Insured Vessel

Liability of the Assured under a contract for the towage of the Insured Vessel, except for those liabilities which are, or would but for the Policy of Insurance be, recoverable under the Hull Policies or the policies (including interest, increased value, excess liability or other total loss policies) effected on the hull and machinery of the vessel contracted to tow it, and provided that they arise: -

#### 13.1.1 Towage within port

under a contract of towage for entering, leaving or manoeuvring within a port during the ordinary course of trading of the Insured Vessel;

#### 13.1.2 Habitual towage

in the ordinary course of trading if the Insured Vessel is habitually towed from port to port, or from place to place;

#### 13.1.3 Contract for towage

under the terms of any contract providing for towage of the Insured Vessel, provided that such contract has been approved in writing by the Underwriter.



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### 13.2 Unreasonable Contract

The Underwriter may reject or reduce a claim under clauses 13.1.1 or 13.1.2 if it was unreasonable for the Assured to allow or agree to the particular towage or if, in the opinion of the Underwriter, it was not appropriate for the contract of towage to have provided that the risks and liabilities giving Policy of Insurance are to be borne by the Assured.

### CLAUSE 14: TOWAGE BY AN INSURED VESSEL

#### 14.1 Liabilities Arising from Towage by an Insured Vessel

Liabilities of the Assured which arise out of an agreement or a contract for towage by the Insured Vessel of another vessel, provided that the Insured Vessel is designed or converted to be capable of performing such towage and has been declared by the Assured as such to the Underwriter before inception of the Policy of Insurance and provided further that: -

##### 14.1.1 Distress

the towage is undertaken solely for the purpose of salving a vessel in distress on the terms of an unamended current at the time of the towage; or

##### 14.1.2 Approved contract

the Underwriter has approved the towage contract in writing;

#### 14.2 Approved Contracts

The contracts set out in clauses 14.2.1 and 14.2.2 will normally be approved provided that they are not amended such that the liability of the Insured Vessel is increased.

In cases where such contracts or their terms are not enforceable at law, the Underwriter may approve on a case by case basis, contracts in which an Ass to limit liability provided that such contracts should not impose on the Insured Vessel liability for the negligence of any other party:

14.2.1 Standard forms the towage is undertaken by the Insured Vessel under one of the following contracts or agreements between the Assured and the owner of tow:

(a) the United Kingdom, Netherlands or Scandinavian or German standard towage conditions;

(b) the International Ocean Towa

(c) Lloyd's Standard Form of Salvage Agreement 1980 (LOF1980) Lloyd's Standard Form of Salvage Agreement 1990 (LOF 1990), Lloyd's Standard Form of Salvage Agreement 1995 (LOF 1995) or Lloyd's Standard Form of Salvage Agreement 2000 (LOF 2000)

(d) an agreement on knock-for-knock terms, that is an agreement as between the



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owner of the Insured Vessel on the one part, and the owner of the tow and the owners of any cargo or property on board the tow on the other part, that each shall be responsible for any loss or damage to his own vessel, cargo or other property on his own vessel and for loss of life or personal injury of his own employees or contractors, without any recourse whatsoever against the other. If the contract is likely to be subject to the jurisdiction of the Courts of the United States of America, the contract should also require the Assured to be named as an Additional Assured on the tow's hull insurance which must contain a waiver of subrogation against the Assured;

14.2.2 Towage without a towage contract if there is no direct contract between the Assured and the owner of the tow, the towage is undertaken by the Insured Vessel under a time charter which contains:

- (a) 14.2.1 (d) above, covering the property of the charterers, their sub-contractors, and co-venturers; or
- (b) a separate clause requiring that all towage be carried out on terms no less favourable than "knock for knock" terms.

### 14.3 Exclusion

The Underwriter shall not be liable under clause 14.1 or 14.2 for any liability of the Assured for loss of, damage to or wreck removal of, a towed vessel or any cargo or property on a towed vessel, unless the Insured Vessel is towing under a contract approved by the Underwriter

## CLAUSE 15: CONTRACTS AND INDEMNITIES

### 15.1 Liabilities under Contracts and Indemnities

Liability under the terms of an indemnity or contract given or made by or on behalf of the Assured under the terms of which facilities or services are to be rendered to the Insured Vessel, always provided that: -

#### 15.1.1 Limitation

the liability in question is for Bodily Injury as specified in, and subject to the terms and conditions of, clause 2, or for loss of or damage to property as specified in, and subject to the terms and conditions of, clauses 6, 8 and 9 or for such other liabilities which the Underwriter agrees in writing to insure; and

#### 15.1.2 Approval

the Underwriter has given its prior written approval to the Assured entering into the indemnity or contract and the terms thereof.



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### CLAUSE 16: WRECK REMOVAL

#### 16.1 Liability, Expenses in Relation to Wreck Removal

Liability for Costs and Expenses:

##### 16.1.1 Insured Vessel

of raising, removal, destruction, lighting or marking of the wreck of the Insured Vessel if the Assured is compulsorily required by law to perform such operations or pay for the expenses of such operations;

##### 16.1.2 Property removal

of raising, removal, destruction, lighting or marking of any property on or from the wreck of the Insured Vessel, not being Cargo likely to cause Pollution or recoverable fuel, if the Assured is compulsorily required by law to perform such operations or pay for the expenses of such operations;

##### 16.1.3 Consequential liability

incurred by the Assured as a consequence of the performance or attempted performance of operations described in clauses 16.1.1 or 16.1.2;

##### 16.1.4 Failure to remove

incurred by the Assured as a consequence of its failure to carry out any operation described in clause 16.1.

#### 16.2 Conditions

The insurance provided by clause 16.1 is subject to the following conditions: -

##### 16.2.1 Set-off

the value of the wreck of the Insured Vessel and anything else salvaged from her as a result of the operations described in clause 16.1 shall first be deducted or set off against the costs and expenses of such operations before the Underwriter is liable for the balance of such costs and expenses, if any;

##### 16.2.2 No transfer of interest

the Assured shall not have transferred its interest in the wreck of the Insured Vessel prior to the commencement of the operations described in clause 16.1, save by abandonment with prior approval in writing;

##### 16.2.3 Contractual expenses

the terms of a contract for the operations described in clause 16.1, and the costs to be incurred thereunder, have received the prior approval of the Underwriter in writing;

##### 16.2.4 Date of occurrence

the Insured Vessel became a wreck as the result of a casualty occurring during the Period of Insurance;





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### 16.2.5 Proper value

the liabilities, costs and expenses of the operations described in clause 16.1 would not have been incurred if the Insured Vessel had been insured up to her Proper Value under Hull Policies on terms not less wide than those of the Lloyd's Marine Policy with the Institute Time Clauses (Hulls) 01.10.83 attached.

## CLAUSE 17: CARGO

### 17.1 Cargo Liability

The liabilities and costs set out in clauses 17.1.1 to 17.1.4 in respect of Cargo:-

#### 17.1.1 Damage or shortage

liability for damage to, loss or shortage of, or other responsibility arising out of any breach by the Assured or by any person whose acts, neglect or default the Assured may be legally liable, of his obligation properly to load, handle, stow, carry, keep, care for, discharge or deliver Cargo or out of unseaworthiness or unfitness of the Insured Vessel;

#### 17.1.2 Additional costs

additional costs (in excess of the costs which would normally have been incurred under the contract of carriage) incurred by the Assured in: -

##### (a) Damaged Cargo

discharging or disposing of damaged or worthless Cargo, provided the Assured is liable for these costs and has no right of recourse for such costs against a third party;

##### (b) Restowing Cargo

restowing any Cargo to enable the safe continuation of the voyage, following a casualty provided the Assured has no right of recourse for such costs against a third party, and the costs do not form part of a general average expenditure;

#### 17.1.3 Through-transit

liability for damage to, or for loss or shortage of, or other responsibility for Cargo carried by means of transport other than the Insured Vessel when the liability arises under a throughtransit or transshipment bill of lading, or other form of contract providing for carriage partly to be performed by the Insured Vessel, provided always that the terms of such bill of lading or contract and the details of the through-transit or transshipment operation shall have previously been approved by the Underwriter in writing and that the Assured has paid such additional premium as may be required by the Underwriter;

#### 17.1.4 Assured's Cargo





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liability for damage to the Assured's Cargo as if it belonged to a third party and such third party had concluded a contract of carriage of the Cargo with the Assured on terms at least as favourable to the Assured as the Hague-Visby Rules, but there shall be deducted from any claim such amount as is, or would but for the Policy of Insurance be, recoverable under any other insurance on the Cargo, and in any event no less than the amount which would, or would but for the Policy of Insurance, be recoverable under the Institute Cargo Clauses (C) issued by the Institute of London Underwriters had such cargo insurance been in effect at all material times.

### 17.2 Exclusions

The Underwriter shall not be liable under clause 17.1: -

#### 17.2.1 Hague-Visby Rules

in excess of the liability or costs which the Assured would have incurred if the contract of carriage was subject to the Hague-Visby Rules or on terms which would have been no less favourable to the Assured than those in the Hague-Visby Rules unless and except to the extent that the Hamburg Rules are compulsorily applicable to the contract of carriage by operation of Statute;

#### 17.2.2 Rare or precious Cargo

in respect of any claim relating to the carriage of bullion, precious or rare metals or stones, plate, jewellery, works of art or other objects of a rare or precious nature, bank notes or other forms of currency, bonds or other negotiable instruments or specie, unless the Underwriter has previously approved in writing the carriage of such items;

#### 17.2.3 Refrigerated spaces

in respect of any claim relating to loss of or damage to Cargo carried in spaces which were, or were intended to be, refrigerated, unless: -

(a) Spaces, apparatus certified

the spaces, apparatus and the means used for the carriage of such Cargo have been certified by Lloyd's Register or other competent recognized classification society surveyor before the commencement of loading unless otherwise agreed by the Underwriter in writing; and

(c) Inspection

the Cargo and its stowage have been inspected and approved before and during loading by a surveyor approved by the Underwriter as fit to be loaded and carried by the Insured Vessel on the intended voyage, unless agreed otherwise by the Underwriter in writing; and

(d) Approval of contract



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the Underwriter has approved in writing the terms of the contract of carriage of such Cargo and the instructions given to those on board the Insured Vessel;

### 17.2.4 Steel products

in respect of any claim relating to any steel or steel products carried on the Insured Vessel, unless the Cargo has been surveyed by a surveyor approved by the Underwriter (but appointed and paid for by the Assured) immediately before loading and, should the Underwriter so direct, immediately after discharge;

### 17.2.5 Special Cargoes

in respect of any claim relating to Cargo where the Underwriter has given notice that it regards Cargo of that type as being particularly susceptible to loss or damage, unless a surveyor approved by the Underwriter (but appointed and paid for by the Assured) has before and during loading inspected the condition of the Cargo, the spaces used for its carriage and its stowage and confirmed in writing their suitability for carriage by the Insured Vessel on the intended voyage;

### 17.2.6 Recommendations

in respect of any claim relating to loss of or damage to Cargo of any type or description arising from failure to comply with recommendations made by the Underwriter relating to the carriage of Cargo of that type or description;

### 17.2.7 Deviation

in respect of any claim relating to liability or costs arising from Deviation by the Insured Vessel, or from events occurring during or after a Deviation by the Insured Vessel, unless the Assured has given prior notice to the Underwriter of the Deviation and the Underwriter has approved the same in writing;

### 17.2.8 Liability or costs

in respect of claims relating to liability or costs: -

#### (a) Unapproved through-transit

arising from the carriage of goods other than by the Insured Vessel or from loss or shortage of, or from damage to, or from shortage of, or otherwise from the Assured's responsibility for, such goods before they were loaded and/or after they were discharged from the Insured Vessel where such liabilities and/or costs arise from the carriage of goods under a through-transit or transshipment contract of carriage which has not been approved by the Underwriter in accordance with clause 17.1.3 or for which the Assured has not paid any additional premium due;

#### (b) Late or non-arrival

arising from the late or non-arrival of the Insured Vessel at a port or place of



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- loading, or failure of the Insured Vessel to load, or delay in loading any particular cargo;
- (c) Non-negotiable document  
arising from the delivery of Cargo carried under a waybill or similar non-negotiable document to a party other than the party named in the waybill or document as the party to whom delivery should be made, or where there has been no proper delivery as required by that document by its express terms and/or by operation of law;
- (d) Non-production of bill of lading  
arising from delivery of Cargo carried under a bill of lading or similar document of title without production of the relevant bill of lading or document of title by the party to whom delivery is made;
- (e) Ante or post-dated bill of lading  
arising from the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage which contains any fraudulent misrepresentation, including but not limited to ante-dating or post-dating of any bill of lading, waybill or other document evidencing the contract of carriage;
- (f) Non-specified port  
arising from the delivery of Cargo at a port or place other than in accordance with the contract of carriage;
- (g) Incorrect description  
arising from a bill of lading, waybill or other document containing or evidencing the contract of carriage being issued knowingly with an incorrect description of the Cargo, its condition, its quantity or ports of loading or discharge;
- (h) Document on board  
arising from delivery of Cargo only against the production of a bill of lading, waybill or similar document of title which has been carried on board the Insured Vessel;
- (i) Cargo on deck  
arising from the carriage of Cargo on deck (other than Cargo of a type customarily carried on deck by means of a Container and which is carried on the deck of a vessel specifically constructed to carry such Containers) unless the Cargo is suitable for carriage on the deck of the Insured Vessel, the contract of carriage expressly permits carriage of the Cargo on deck, and the bill of lading expressly states that the Cargo is carried on deck, and the terms of the bill of lading provide that:



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- i. the cargo is carried on deck at shipper's risk without any responsibility on the part of the Assured or the Insured Vessel for loss or damage howsoever caused; or
- ii. the Hague-Visby Rules apply to the carriage of the Cargo on deck, notwithstanding Article 1(c) of the said Rules; or
- iii. the Assured is entitled to the benefit of rights, immunities and limitations which apply to the carriage of the Cargo on deck and are at least as favourable to the Assured as the Hague-Visby Rules.

(j) Deliberate breach

arising from any deliberate breach of the contract of carriage by the Assured or the managers of the Insured Vessel;

### 17.2.9 Ad valorem bills of lading

in excess of US\$2,500 per unit, piece or package if an Insured Vessel carries Cargo or other property in respect of which an ad valorem bill of lading has been issued which states the value of the Cargo or property to be in excess of US\$2,500 per unit, piece or package, unless the Underwriter has given its prior approval to the valuation contained in the bill of lading;

### 17.2.10 Fishing vessel

where the Insured Vessel is a fishing vessel, in respect of any claim in relation to liability or costs relating to the catch of the Insured Vessel or to any fish or fish products carried on the Insured Vessel;

### 17.2.11 Paperless trading

in respect of any liability or cost arising out of or in consequence of the use of or participation in any system or contractual arrangement which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport with electronic messages (including without limitation the Bolero system) (under an Electronic System which;

- (a) contains or evidences a contract of carriage; or
- (b) is a document of title, or entitles the holder of such document to possession or take delivery of goods referred to in the document;

And for the purpose of this clause 17.2.11 a document shall mean anything in which information of any description is recorded including, without limitation, computer or other electronically or electro-magnetically generated information.

## CLAUSE 18: UNRECOVERED PROPORTION OF GENERAL AVERAGE

### 18.1 Unrecovered Proportion from Cargo Interests, Others



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The proportion of general average, special charges or salvage payable by cargo interests, or some other party to the marine adventure, and which is not legally recoverable by the Assured solely by reason of a breach of the contract of carriage, provided that: -

18.1.1 the general average, special charges or salvage do not result from any cause stated in clause 17.2.7 or clauses 17.2.8 (b) to 17.2.8 (j) inclusive;

18.1.2 the contract of carriage is subject to the provisions of the Hague-Visby Rules, or the Hamburg Rules are compulsorily applicable to the contract of carriage by operation of Statute;

18.1.3 the proportions of general average which the Assured is or would be entitled to claim from cargo interests or some other party to the marine adventure shall be deemed to have been adjusted in accordance with the York-Antwerp Rules 1974, 1994 or 2004 and the Underwriter's liability under this clause 18.1 shall be limited accordingly.

### CLAUSE 19: SHIPS PROPORTION

#### 19.1 Insured vessel's proportion

The insured vessel's proportion of general average, special charges or salvage not recoverable under the Hull Policies because the Insured Vessel is assessed for contribution to general average, special charges or salvage at a Sound Value exceeding the insured value under the Hull Policies, provided that there shall be excluded from the claim any loss or expense which arise from the insured value in those policies being less than the Proper Value of the Insured Vessel.

### CLAUSE 20: FINES AND PENALTIES

#### 20.1 Fines, Penalties upon Assured, Crew Members

Save as is provided in clause 20.2, the assured's liability to pay fines or other penalties with incidental expenses imposed in respect of the Insured Vessel by any court, tribunal, or Authority of competent jurisdiction upon the Assured, or upon any Crew Member whom the Assured is legally liable to reimburse: -

##### 20.1.1 Documentation

for short or over delivery of Cargo, or for failing to comply with regulations relating to the declaration of goods or of the Cargo but provided always that the Assured is covered by the Underwriter under clause 17 and subject to the provisions of that clause;

##### 20.1.2 Smuggling



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for smuggling or any infringement of customs laws or regulations by any Crew Member or by the Assured's servants or agents, other than in relation to any cargo carried on the Insured Vessel, and only to the extent that any such fine or penalty cannot be recovered from such Crew member or the Assured's servant or agent responsible.

### 20.1.3 Immigration laws

for breach of any immigration laws or regulations by a Crew Member;

### 20.1.4 Pollution laws

for breach of any laws relating to accidental release or escape of oil or any other polluting substance from the Insured Vessel, but provided always that the Assured is covered by the Underwriter under clause 10;

### 20.1.5 Stowaways, refugees

in respect of any stowaway or refugee.

## 20.2 Exclusions

The Underwriter shall not be liable under clause 20.1 in respect of any fines or penalties incurred by reason of: -

### 20.2.1 Overloading and illegal fishing

overloading of the Insured Vessel or any illegal fishing;

### 20.2.2 Equipment or certificates

Failure to maintain the insured's vessel's life saving and/or navigation equipment and/or to have Prescribed Certificates in relation to the Vessel or keep them on board;

### 20.2.3 Construction or adaptation

failure to comply with the requirements relating to the construction or adaptation of the Insured Vessel and/or her equipment as prescribed by Statute or international conventions relating to pollution from or safety of ships, applicable from time to time;

### 20.2.4 Criminal activity

criminal activity of which the Assured had actual or constructive knowledge of, recklessly disregarded or failed to take reasonable steps to prevent;

### 20.2.5 Confiscation

confiscation of the Insured Vessel, provided however that the Underwriter may, in its sole discretion, admit in whole or in part a claim for permanent loss of the Insured Vessel following final confiscation by a court, tribunal, or Authority of competent jurisdiction by reason of breach of any customs law or customs regulation, provided always that:



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- (a) the total aggregate amount recoverable by the Assured from the Underwriter under this clause shall not exceed the Proper Value of the Insured Vessel as at the date of confiscation;
  - (b) the Assured has used all reasonable endeavours to avoid contravention of the customs laws or customs regulations resulting in the confiscation of the Insured Vessel;
  - (c) any amount claimed by the Assured under this clause shall be recoverable only to such extent as the Underwriter in its sole discretion may determine without having to give any reasons for its decision;
  - (e) no claim shall be considered under this clause until such time as the Assured has been deprived of his entire interest in the Insured Vessel;
- 20.2.6 Desertion or landing  
desertion or landing of a Crew Member without permission of the relevant Authority unless all proper steps were taken by the Assured to prevent such an eventuality;
- 20.2.7 Reasonable steps  
failure by the Assured to take reasonable steps and/or implement reasonable procedures which would have had the effect, whether intended or not, of preventing an occurrence or event liable to give rise to a fine or penalty.

### CLAUSE 21: ENQUIRIES

#### 21.1 Expenses Relating to Enquiries

Expenses incurred at the direction of the Underwriter by the Assured in defending itself and/or protecting its interests before a formal enquiry into the loss of, or casualty to, the Insured Vessel in respect of which the Assured may be entitled to make a claim upon the Underwriter under this Class of Insurance.

### CLAUSE 22: EXPENSES INCIDENTAL TO SHIPOWNING

#### 22.1 Discretionary Costs, Expenses

Costs and expenses incidental to the business of owning, operating or managing ships which the Underwriter, in its sole discretion, decides are insured within the terms of the Policy of Insurance.

### CLAUSE 23: COSTS, EXPENSES IN RELATION TO MINIMISATION OF LOSS

#### 23.1 Costs, Expenses in Relation to Minimisation of Loss

Costs and expenses reasonably incurred by the Assured, on the occurrence of an





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event or matter liable to give rise to a claim against the Underwriter under the Policy of Insurance, in avoiding or seeking to avoid or minimise any liability, loss, costs or expense against which it is insured by the Underwriter,

### CLAUSE 24: STOWAWAYS AND REFUGEES

#### 24.1 Expenses in Relation to Stowaways, Refugees

Expenses, other than those insured under clauses 4, 5, and 20 which arise from the rescue or saving of stowaways or refugees at sea by bringing them on board the Insured Vessel, but only to the extent to which the Assured is legally liable to pay for such expenses, or which have been incurred with the express approval of the Underwriter.

### CLAUSE 25: LAID-UP RETURNS

#### 25.1 Calculation of Standard Returns of Premium

25.1.1 If an Insured Vessel shall be laid-up in any safe port for a period of thirty or more consecutive days after finally mooring there (such period being computed from the day of arrival to the day of departure, one only being included) the Assured shall be allowed a return of premium payable in respect of such vessel for the period of lay-up.

25.1.2 Unless otherwise agreed by the Underwriter in writing, the return of premium shall be calculated at the rate of not more than 40% per month or part thereof, provided that the Insured Vessel does not become a total loss during such period of lay-up.

25.1.3 For the purpose of this clause, an Insured Vessel shall not be treated as laid-up if she has either crew (other than for her maintenance or security) or any cargo on board, unless the Underwriter shall in its discretion otherwise determine.

25.1.4 The return of premiums referred to in clauses 25.1 and 25.2 shall be calculated after the deduction of such amount as is required for reinsurance and the underwriters administration costs. No claim for laid-up returns relating to any Policy Period shall be recoverable from the Underwriter unless written notice thereof has been given to the Underwriter within six months of the end of the Policy Period.

### SECTION C: LEGAL COSTS AND EXPENSES COVER

The Underwriter may in its sole discretion indemnify the Assured against the costs and expenses specified in clause 1 incurred by the Assured arising from events occurring during the Period of Insurance in respect of the operation or maintenance



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of the Insured Vessel, subject to the terms and conditions of clause 1 and also to clauses 2 to 5.

### CLAUSE 1: CLAIMS AND DISPUTES

1. Legal costs and expenses reasonably incurred in connection with claims and disputes: -

#### 1.1 Charterparty

under a charterparty in respect of the Insured Vessel concerning hire, off-hire, set-off, freight, deadfreight, laytime, demurrage, despatch, speed, performance and description of a vessel, safety of a port, orders or instructions to the Insured Vessel, right of withdrawal, and exercise of lien.

#### 1.2 Supplies

in respect of the supply to the Insured Vessel of inferior, unsatisfactory or unsuitable bunkers, spares, equipment, or other necessities;

#### 1.3 Repairs

arising from negligent or improper repairs to, or works carried out upon, the Insured Vessel;

#### 1.4 Loss, Damage, Detention

in respect of the loss of, damage to, or detention of the Insured Vessel, provided that in the case of detention the Underwriter may direct that the Insured Vessel remain at the place of detention for the purposes of challenging the legality of the same;

#### 1.5 Disbursements

in respect of charges, disbursements and accounts received from agents, stevedores, ships chandlers, brokers, customs, harbour or other authorities connected with the management and operation of the Insured Vessel;

#### 1.6 Cargo Handling

in respect of improper loading, stowage, trimming, discharging, lightening of Cargo on, or from, the Insured Vessel;

#### 1.7 Average

in respect of general and/or particular average contributions or charges;

#### 1.8 Salvage, Towage

in respect of salvage or towage services rendered by the Insured Vessel to any other vessel except where the Insured Vessel is a salvage tug or other vessel used or intended to be used for salvage operations and the claims arises as a result of or during any salvage operations or attempted salvage operations;

#### 1.9 Representation



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in respect of legal representation of the Assured or Crew Members at official inquests, investigations or other enquiries relating to the Insured Vessel;

### 1.10 Crew and Passengers

by, or against, Crew Members and Passengers, or their personal representatives or dependants;

### 1.11 State Action

by, or on behalf of, a State or any public body against the Assured or the Insured Vessel;

### 1.12 Insurers

in respect of amounts due from, or to, insurers conducting the business of marine insurance, other than amounts due to or from the Underwriter;

### 1.13 Building or Sale Contracts

in respect of contracts relating to the building, purchase or sale of the Insured Vessel, provided always that insurance under this clause is effected at the time of, or prior to the date of, such contracts;

### 1.14 Mortgage

in respect of the mortgage of the Insured Vessel;

### 1.15 Scope and Spirit

in respect of any matter which, in the sole discretion of the Underwriter, falls within the scope and spirit of this Class of Insurance.

## CLAUSE 2: EXCLUSIONS

2. The Assured shall not be entitled to recover legal costs and expenses under this Class of Insurance, if: -

### 2.1 Reasonable Care

the claim or dispute has arisen by reason of any failure to exercise reasonable care in the chartering, running, control or management of the Insured Vessel;

### 2.2 Provision of Information

there is any failure promptly to provide the Underwriter or its legal representatives or advisers with any information, material or documentation relating to claims under this Class of Insurance;

### 2.3 P&I Liabilities

such legal costs and expenses could be claimed by the Assured under Section B or Section C of the Policy of Insurance or could be so claimed had Section B or Section C been included in the Policy of Insurance;



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### CLAUSE 3: DISCRETION AND LIMITS

3. The support of the Underwriter for an Assured in pursuing or defending a claim or dispute

#### 3.1 Discretion of Underwriters

upon notification of a claim or dispute or any occurrence or matter relating thereto, authorise the Assured to pursue or defend any claim or dispute (which shall include representation at enquiries, inquests or investigations referred to in clause 1.9.) upon such terms as the Underwriter shall direct as to: -

3.1.1 the manner in which the pursuit or defence of the claim or dispute shall be conducted;

3.1.2 the legal advisers, lawyers and experts to be appointed by the Assured;

3.1.3 the maximum amount of legal costs and expenses for which the Underwriter will indemnify the Assured in the absence of which the said maximum shall be US\$100,000;

#### 3.2 Limitation

notwithstanding that it shall have previously decided to support the Assured in the pursuit or defence of any claim or dispute by indemnifying the Assured in respect of legal costs and expenses incurred at any time upon written notice to the Assured: -

3.2.1 withdraw further support for the Assured; or

3.2.2 continue its support upon changed terms.

### CLAUSE 4: RECOVERY

#### 4.1 Recovery of Judgement, Award

If the Assured obtains a judgement or award or achieves a settlement or compromise and receives payment in satisfaction of that judgement, award, settlement or compromise, the Underwriter may require the Assured to refund such proportion of the total costs and expenses indemnified by the Underwriter as the amount received bears to the full amount claimed.

### CLAUSE 5: ADMISSION AND SETTLEMENT

#### 5.1 Requirement of Prior Approval

The Assured shall make no admission of liability nor settle any claim or dispute nor compromise any proceedings instituted by or against it without prior approval of the Underwriter. If the Assured admits liability or settles the claim or dispute, or compromises the proceedings without such prior approval or refuses to settle the claim or dispute, or compromise the proceedings, notwithstanding that the



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Underwriter shall have required it so to do, the Underwriter shall not be liable to indemnify the Assured and the Assured will be liable to refund the Underwriter all or part of any costs or expenses paid by the Underwriter either to the Assured or to legal advisers, lawyers, experts or any other Person in connection with such claim, dispute or proceedings as the Underwriter shall, at its sole discretion, direct.

### SECTION D: CHARTERERS LIABILITY COVER

The Underwriter shall indemnify an Assured Charterer against those liabilities, losses, costs and expenses, arising from events occurring during the Period of Insurance and incurred by the Assured Charterer in respect of the operation of the Insured Vessel, as specified in clauses 1 to 4 subject to the terms and conditions therein and to clauses 5 to 7.

#### CLAUSE 1: PROTECTION AND INDEMNITY

1.1 Liabilities, losses, costs and expenses as specified in clauses 1 to 24 of Section B of the P&I Insurance Policy insofar as they apply to charterers who are not demise charterers, and always subject to the terms and conditions therein.

#### CLAUSE 2: LOSS OF, OR DAMAGE TO, CHARTERED VESSEL

2.1 Liability of the Assured Charterer for loss of, or damage to, the Chartered Vessel.

#### CLAUSE 3: DETENTION OR LOSS OF USE

3.1 Liability of the Assured Charterer for detention or loss of the use of the Chartered Vessel:

3.1.1 during the period of the Charterparty, immediately following and consequent upon loss of, or damage to, the Chartered Vessel for which the Assured Charterer is legally liable;

3.1.2 after the expiration of the Charterparty whilst repairs are undertaken consequent upon loss of, or damage to, the Chartered Vessel for which the Assured Charterer is legally liable;

3.1.3 as a consequence of physical loss of, or damage to, Cargo for which the Assured Charterer is legally liable.

#### CLAUSE 4: GENERAL AVERAGE OR SALVAGE

4.1 Liability of the Assured Charterer for contribution to general average or salvage:

4.1.1 in respect of the Chartered Vessel, Cargo and Containers which arises directly



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from loss of, or damage to, the Chartered Vessel or Cargo and/or Containers following upon a casualty for which the Assured Charterer is legally liable and for which insurance is provided in this Class of Insurance;

4.1.2 in respect of the assured Charterer's freight at risk.

4.1.3 in respect of bunkers owned by the Assured Charterer.

### CLAUSE 5: EXCLUSION

5.1 There shall be no recovery by the Assured Charterer in respect of: -

5.1.1 loss of, damage to, detention or loss of use of, the Chartered Vessel consequent upon, lightening, lightering and transshipment operations from vessel to vessel;

5.1.2 the loading, stowing, carrying, or discharging of a cargo excluded from carriage under the Charterparty without the prior consent in writing of the Underwriter.

### CLAUSE 6: NON-APPROVED CARGOES

6.1 In respect of any Non-Approved Cargo, conditional on the Assured Charterer having obtained the written agreement of the Underwriter to the carriage of the Non-Approved Cargo prior to loading and thereafter complying, or procuring compliance by the owner of the Insured Vessel named in the Charterparty, with such terms and conditions as specified by the Underwriter.

### CLAUSE 7: APPROVAL OF DOCUMENTS

7.1 It shall be a condition of insurance under this Class of Insurance that the Charterparty and any bill of lading to be issued during the currency of the Charterparty shall be submitted to the Underwriter for approval prior to the date on which the insurance is to commence. In giving its approval the Underwriter may in its discretion specify that the approval will extend to the future use by the Assured Charterer of a Charterparty and/or bill of lading in identical terms to that which has been submitted and approved by the Underwriter. In the event that the Charterparty and the bill of lading are not approved in writing by the Underwriter, there shall be no right of recovery. If the Assured Charterer uses a Charterparty and/or a bill of lading on terms other than those previously approved by the Underwriter, there shall be no right of recovery in respect of any responsibilities and/or liabilities incurred by the Assured Charterer which would not have been incurred by the Assured Charterer under the approved Charterparty and/or bill of lading.

### CLAUSE 8: REDELIVERY



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8.1 The Assured Charterer shall notify the Underwriter of the date of redelivery of the Chartered Vessel or other date on which the Charterparty terminates. The Assured Charterer shall be liable for premium in respect of the period up to redelivery or other termination, or if such notification is given more than one month after redelivery or other termination, up to the date on which notification is given.

### CLAUSE 9: COMPLIANCE

9.1 Unless otherwise agreed by the Underwriter in writing, it shall be a condition of insurance under this Class of Insurance that: -

9.1.1 the Chartered Vessel shall not trade or otherwise proceed outside the limits set by clauses 15 of the Institute Warranties dated London, 1st July 1976;

9.1.2 the Chartered Vessel shall be fully classed at all material times with a member of the International Association of Classification Societies;

9.1.3 all Cargo shall be loaded, carried and discharged in accordance with International Maritime Organization regulations, codes and practices in force for the time being;

9.1.4 Effect of breach.

In the event of any breach by the Assured Charterer of any provision contained in this clause

9.1, the Underwriter may: -

9.1.4.1 if it considers the breach serious, cancel the Policy of Insurance with effect from the breach;

9.1.4.2 in any case, reject or reduce claims connected with the breach and/or continue the Policy of Insurance on such terms and conditions as it may determine.

### CLAUSE 10: OPEN COVER

10.1 Where an Assured Charterer has open cover it shall not be necessary for the Policy Schedule to name the Chartered Vessel, but where the name of the Chartered Vessel is declared to the Underwriter after the issue of the Policy of Insurance, the Chartered Vessel so named shall be deemed to have been named in the Policy Schedule, although there will be no recovery under this Class of Insurance in respect of events occurring before the name of the Chartered Vessel is actually declared in writing by the Assured Charterer to the Underwriter.

### SECTION E: DEFINITIONS

In the P&I Insurance Policy and the Policy of Insurance the following definitions,





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unless the context clearly indicates otherwise, shall apply: -

**“Additional Assured”** shall mean a Person named as an Additional Assured in the Policy Schedule.

**“Associated Company”** shall mean any company, which is a subsidiary or holding company (each expression as defined in Section 1159 of the Companies Act 2006) of the Assured or a subsidiary of the holding company shall include any person who would, if incorporated, be in the position of a holding company.

**“Assured”** shall mean the Person insured under the Policy of Insurance and who is stated to be the Assured in the Policy Schedule. Where the context permits, Assured shall also mean Joint Assured.

**“Assured Charterer”** shall mean an Assured who is a charterer of the Insured Vessel other than a demise charterer of the Insured Vessel.

**“Authority”** shall mean any Person or organisation empowered by a State to exercise a legislative, executive, administrative or judicial function.

**“Body Injury”** shall mean an injury, illness or disease of the body and any directly consequent mental injury or death as well as any mental injury resulting from an imminent and immediate risk of an injury of the body.

**“Cargo”** shall mean goods, which are the subject of a contract of carriage and are to be, are, or were carried on the Insured Vessel.

**“Chartered Vessel”** shall mean Insured Vessel which is chartered by the Assured Charterer and is subject to the terms of the Charterparty.

**“Charterparty”** shall mean the Charterparty under the terms of which an Assured Charterer acquires its interest in the Insured Vessel.

**“Class of Insurance”** shall mean one or more of the classes of insurances as set out in Section B and subsequent sections of the P&I Insurance.

**“Clause”** shall mean any clause attached to the Policy Schedule or said to be so attached in the Policy Schedule.

**“Collective Agreement”** shall mean an agreement binding in law between the Assured and some or all of its employees or representatives.

**“Container”** shall mean any device or receptacle in or on which cargo is suitably carried including trailer, flat, pallet, tank or similar receptacle which is either designed to be or expected to be carried on an Insured Vessel.

**“Crew Member”** shall mean a person (including the Master and any Substitutes) employed by or on behalf of the Assured as part of an Insured Vessel contract of service or employment to serve on board the Insured Vessel, whether on board or not.



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**“Deductible”** shall mean the proportion, percentage or the limited sum of money to be borne by the Assured in respect of any claim.

**“Deviation”** shall mean any departure from or delay in prosecuting the contractually agreed voyage or adventure, or any departure from the contractually stipulated or usual method of carriage of any Cargo.

**“Fleet Insurance”** shall mean insurance of one or more Insured Vessels, which are owned or managed by the same Person.

**“General Policy Terms and Conditions”** shall mean the terms and conditions set out in Section A of the P&I Insurance Policy.

**“Gross Tonnage”** shall mean the gross tonnage of the Insured Vessel as provided for in the Certificate of Registration of the Insured Vessel, or if none, the gross tonnage of the Insured Vessel measured in accordance with the International Convention on Tonnage Measurement of Ships (1969).

**“Hague Visby Rules”** shall mean the International Convention for the Unification of Certain Rules Relating to Bills of Lading signed in Brussels on 25th August 1924, as amended by the Protocol to that Convention signed in Brussels on 23rd February 1968.

**“Hamburg Rules”** shall mean the United Nations Convention on the Carriage of Goods by Sea, 1978.

**“Hull Policies”** shall mean the insurance policy or policies effected on the hull and machinery of the Insured Vessel, including increased value, excess liability or other total loss policies.

**“Insured Tonnage”** shall mean the proportion of Gross Tonnage for which the Underwriter provides insurance.

**“Insured Vessel”** shall mean a ship, boat, hovercraft or other description of vessel or structure (whether under construction or otherwise), which is named and/or is deemed to have been named in the Policy Schedule.

**“Joint Assured”** shall mean the Person insured under the Policy of Insurance and who is stated to be the Joint Assured in the Policy Schedule.

**“Market Value”** shall mean the market value of the Insured Vessel, as determined by a broker appointed by the Underwriter.

**“Non-Approved Cargo”** shall mean Cargo comprising any of the following goods: - ammonium nitrate; concentrates; fish meal; grain in tankers; sulphur; methane or similar liquid gas; timber; motor vehicles; refrigerated goods; turnings or battlefield scrap; manufactured steel goods; explosives; container goods; livestock; asbestos; coal goods; direct reduced iron.



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**“P&I Insurance Policy”** shall mean the Underwriter’s P&I Insurance Policy form comprising the general Policy Terms and Conditions and Classes of Insurance cover as set out in Sections A and subsequent Sections.

**“Passanger”** shall mean a person carried on board the Insured Vessel pursuant to a passage contract.

**“Period of Insurance”** See “Policy Peroid”

**“Person”** shall mean a natural person, an incorporated or unincorporated body or a combination of both.

**“Personal Effects”** shall mean personal property, documents, navigational or other technical tools brought on board the Insured Vessel, or being taken to or from the Insured Vessel, excluding non-essential articles, cash, negotiable instruments, precious or rare metals or stones, works of art, valuables or objects of a rare or precious nature.

**“Policy Of Insurance”** shall mean the contract of insurance for the interest declared to and insured by the Underwriter on the terms and conditions set out in the Policy Schedule and on the terms and conditions of any Class of Insurance and any Clauses specified in the Policy Schedule and on the General Policy Terms and Conditions.

**“Policy Period”** shall mean, unless otherwise agreed, the period from noon GMT on the date of commencement of the Policy of Insurance to noon GMT on the same date in the following calendar year.

**“Policy Schedule”** shall mean the Schedule, together with any endorsements thereto, issued by the Underwriter in evidence of the Policy of Insurance.

**“Pollution”** shall mean the effect of the discharge or escape of oil or any other substance from the Insured Vessel, which causes damage, loss or inconvenience.

**“Prescribed Certificates ”** shall mean any certificates which are required to be issued in respect of the Insured Vessel, whether by the laws of the country under whose flag she is registered, the laws of any country within whose waters she operates or the rules of the classification society by which she is classified.

**“Proper Value”** shall mean the market value of the Insured Vessel without encumbrances, as determined by a broker appointed by the Underwriter.

**“Recommended Clause”** shall mean a clause which from time to time is considered by the Underwriter to be a clause which a prudent Assured should incorporate into its contracts, the texts of which are notified to the Assured by the Underwriter.

**“Section”** shall mean any one or more of the sections set out in the P&I Insurance Policy and identified by letter and number, where necessary.

**“Sound Value”** shall mean the value of the Insured Vessel in a seaworthy condition,



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charter free, being her Proper Value immediately prior to an incident or casualty insured under the Policy of Insurance.

**“Specialist Services”** shall mean any specialist operations within the context of P&I insurance such as, but not limited to, dredging, blasting, pile driving, well-stimulation, cable or pipe laying, construction, installation or maintenance or removal, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training (but excluding fire-fighting).

**“Status”** shall mean any law, rule, or decree of general application made by an Authority exercising a legislative function.

**“Substitute”** shall mean a person engaged to replace a Crew Member.

**“Supernumerary”** shall mean any person (other than a Passenger or Crew Member) carried on board the Insured Vessel with the prior consent of the Underwriter.

**“Terms and Conditions”** shall mean terms, conditions, rights, duties, clauses, provisions, stipulations, warranties, declarations, undertakings, exclusions, limitations, exceptions, provisos, limits, liberties, powers and discretions.

**“the Underwriters”** shall mean the insurer specified in the Policy Schedule.