

1 **American Institute Hull Clauses (September 29, 2009)**

2
3 To be attached to and form a part of Policy No.
4 of the

5
6 The terms and conditions of the following clauses are to be regarded as substituted for those of the policy form to which they are
7 attached, the latter being hereby waived, except provisions required by law to be inserted in the Policy. All captions are inserted only for
8 purposes of reference and shall not be used to interpret the clauses to which they apply.

9 **ASSURED**

10 This Policy insures
11
12 hereinafter referred to as the Assured.

13 If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a
14 greater extent than would the Owner, had claim been made by the Owner as an Assured named in this Policy.

15 Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured, provided that such
16 waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any
17 of the aforesaid companies, or with respect to any loss, damage or expense against which such companies are insured.

18 **LOSS PAYEE**

19 Loss, if any, payable to
20 or order.

21 Provided, however, Underwriters shall pay claims to others as set forth in the Collision Liability clause and may make direct payment
22 to persons providing security for the release of the Vessel in Salvage cases.

23 **VESSEL**

24 The Subject Matter of this insurance is the Vessel called the
25 or by whatsoever name or names the said Vessel is or shall be called, which for purposes of this insurance shall consist of and be limited to
26 her hull, launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment, apparatus, machinery, boilers,
27 refrigerating machinery, insulation, motor generators and other electrical machinery. Each vessel deemed to be separately insured. In the
28 event that more than one vessel is insured by the policy to which these clauses are attached, all such clauses shall apply as though a
29 separate policy has been issued with respect to each vessel.

30 In the event any equipment or apparatus not owned by the Assured is installed for use on board the Vessel and the Assured has
31 assumed responsibility therefor, it shall also be considered part of the Subject Matter and the aggregate value thereof shall be included in
32 the Agreed Value.

33 Notwithstanding the foregoing, cargo containers, barges and lighters shall not be considered a part of the Subject Matter of this
34 insurance.

35 This insurance also covers loss or damage to parts temporarily removed from the vessel, where such loss or damage is caused by an
36 insured peril occurring during the policy period.

37 **DURATION OF RISK**

38 From the day of20....., time
39 to the day of20....., time.

40 Should the Vessel at the expiration of this Policy be in distress, she shall, provided previous notice be given to the Underwriters, be
41 held covered at a pro rata monthly premium until moored safely afloat in a port of refuge.

42 In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate.

43 **AGREED VALUE**

44 The Vessel, for so much as concerns the Assured, by agreement between the Assured and the Underwriters in this Policy, is and shall
45 be valued atDollars.

46 **AMOUNT INSURED HEREUNDER**

47Dollars.

48 **DEDUCTIBLE**

49 Notwithstanding anything in this Policy to the contrary, there shall be deducted from the aggregate of all claims (including claims
50 under the Sue and Labor clause and claims under the Collision Liability clause) arising out of each separate accident, the sum of
51 \$....., unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply. A recovery from other
52 interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims arising out of one separate
53 accident if unreduced by such recovery exceeds that sum. For the purpose of this clause each accident shall be treated separately, but it is
54 agreed that (a) a sequence of damages arising from the same accident shall be treated as due to that accident and (b) all heavy weather
55 damage, or damage caused by contact with floating ice, which occurs during a single sea passage between two successive ports shall be
56 treated as though due to one accident.

57 **PREMIUM**

58 The Underwriters to be paid in consideration of this insurance
59 Dollars being at the annual rate of per cent, which premium shall be due on attachment. If
60 the Vessel is insured under this Policy for a period of less than one year at pro rata of the annual rate, full annual premium shall be
61 considered earned and immediately due and payable in the event of Total Loss of the Vessel from a peril insured hereunder.

62 **RETURNS OF PREMIUM**

63 Premium returnable as follows:

- 64 Pro rata daily net in the event of termination under the Change of Ownership clause;
- 65 Pro rata monthly net for each uncommenced month if it be mutually agreed to cancel this Policy;
- 66 For each period of 30 consecutive days the Vessel may be laid up in port for account of the Assured,
67 cents per cent. net not under repair, or
68 cents per cent. net under repair;

69 provided always that:

- 70 (a) a Total Loss of the Vessel has not occurred during the currency of this Policy;
- 71 (b) in no case shall a return for lay-up be allowed when the Vessel is lying in exposed or unprotected waters or in any location not
72 approved by the Underwriters;
- 73 (c) in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly;
- 74 (d) in no case shall a return be allowed when the Vessel is used as a storage ship or for lightering purposes; and
- 75 (e) in no case shall a return be allowed if the vessel is under repair due to a loss insured hereunder.

76 If the Vessel is laid up for a period of 30 consecutive days, a part only of which attaches under this Policy, the Underwriters shall pay
77 such proportion of the return due in respect of a full period of 30 days as the number of days attaching hereto bears to 30. Should the lay-up
78 period exceed 30 consecutive days, the Assured shall have the option to elect the period of 30 consecutive days for which a return is
79 recoverable.

80 **NON-PAYMENT OF PREMIUM**

81 In the event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be
82 cancelled by the Underwriters upon 10 days written or electronic notice sent to the Assured at his last known address or in care of the
83 broker who negotiated this Policy. Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall
84 be payable. In the event of Total Loss of the Vessel occurring prior to any cancellation or termination of this Policy, full annual premium
85 shall be considered earned.

86 **ADVENTURE**

87 Beginning the adventure upon the Vessel, as above, and so shall continue and endure during the period aforesaid, as employment may
88 offer, in port or at sea, in docks and graving docks, and on ways, gridirons and pontoons, at all times, in all places, and on all occasions,
89 services and trades; with leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress,
90 but the Vessel may not be towed, except as is customary or when in need of assistance, nor shall the Vessel render assistance or undertake
91 towage or salvage services under contract previously arranged by the Assured, the Owners, the Managers or the Charterers of the Vessel,
92 nor shall the Vessel, in the course of trading operations, engage in loading or discharging cargo at sea, from or into another vessel other
93 than a barge, lighter or similar craft used principally in harbors or inland waters. The phrase "engage in loading or discharging cargo at
94 sea" shall include while approaching, leaving or alongside, or while another vessel is approaching, leaving or alongside the Vessel.

95 The Vessel is held covered in case of any breach of conditions as to cargo, trade, locality, towage or salvage activities, or date of sailing,
96 or loading or discharging cargo at sea, provided (a) notice is given to the Underwriters immediately following receipt of knowledge thereof
97 by the Assured, and (b) any amended terms of cover and any additional premium required by the Underwriters are agreed to by the
98 Assured.

99 **PERILS**

100 Touching the Adventures and Perils which the Underwriters are contented to bear and take upon themselves, they are of the Seas,
101 Men-of-War, Fire, Lightning, Earthquake, Enemies, Pirates, Rovers, Assailing Thieves, Jettisons, Letters of Mart and Counter-Mart,
102 Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and Peoples, of what nation, condition or quality
103 soever, Barratry of the Master and Mariners and of all other like Perils, Losses and Misfortunes that have or shall come to the Hurt,
104 Detriment or Damage of the Vessel, or any part thereof, excepting, however, such of the foregoing perils as may be excluded by provisions
105 elsewhere in the Policy or by endorsement thereon.

106 **ADDITIONAL PERILS (INCHMAREE)**

107 Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by the following:
108 Accidents in loading, discharging or handling cargo, or in bunkering;
109 Accidents in going on or off, or while on drydocks, graving docks, ways, gridirons or pontoons;
110 Explosions on shipboard or elsewhere;
111 Breakdown of motor generators or other electrical machinery and electrical connections thereto, bursting of boilers, breakage of
112 shafts, or any latent defect in the machinery or hull, (excluding the cost and expense of replacing or repairing the defective part);
113 Breakdown of or accidents to nuclear installations or reactors not on board the insured Vessel;
114 Contact with aircraft, rockets or similar missiles, or with any land conveyance;
115 Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Assured hereunder;
116 Negligence of Masters, Officers, Crew or Pilots;
117 provided such loss or damage has not resulted from want of due diligence by the Assured, the Owners or Managers of the Vessel, or any of
118 them. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the
119 Vessel.

120 **DELIBERATE DAMAGE (ENVIRONMENTAL HAZARD)**

121 Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by governmental
122 authorities acting for the public welfare to prevent or mitigate an environmental hazard, or threat thereof, resulting directly from damage to
123 the Vessel for which the Underwriters are liable under this Policy, provided such act of governmental authorities has not resulted from want
124 of due diligence by the Assured, the Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat.
125 Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

126 **CLAIMS (GENERAL PROVISIONS)**

127 In the event of any accident or occurrence which could give rise to a claim under this Policy, prompt notice thereof shall be given to
128 the Underwriters and as soon as possible after the Assured has, or the Owners or Managers have, become aware or have knowledge of such
129 loss, damage, liability or expense, and

130 (a) notwithstanding the foregoing requirement of prompt notice of all claims to the Underwriters, and without altering or amending
131 such prompt notice requirement, any claims under this Policy shall be barred if notice of the claim is not given to the Underwriters for
132 any reason within twelve months after the Assured has, or the Owners or Managers of the Vessel have, become aware or have
133 knowledge of the occurrence of the loss, damage, liability or expense giving rise to the claim, unless the Assured reasonably believes
134 that such loss, damage liability or expense will not give rise to a claim, the Underwriters agree to waive this time bar in writing, or
135 notice was properly given to the Underwriters on any subsequent policy year and it is later determined that the loss, damage, liability
136 or expense should be apportioned over multiple policy years, including earlier years;

137 (b) where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor, if they so
138 desire;

139 (c) the Underwriters shall be entitled to decide where the Vessel shall proceed for docking and/or repair (allowance to be made to
140 the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement);

141 (d) the Underwriters shall have the right of veto in connection with any repair firm proposed;

142 (e) the Underwriters may take tenders, or may require in writing that tenders be taken for the repair of the Vessel, in which event,
143 upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent. per annum
144 on the amount insured, for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender and the
145 acceptance of a tender, to the extent that such time is lost solely as the result of tenders having been taken and provided the tender is
146 accepted without delay after receipt of the Underwriters' approval.

147 Due credit shall be given against the allowances in (c) and (e) above for any amount recovered:

148 1. in respect of fuel, stores, and wages and maintenance of the Master, Officers or Crew allowed in General or Particular Average;
149 and

150 2. from third parties in respect of damages for detention and/or loss of profit and/or running expenses;
151 for the period covered by the allowances or any part thereof.

152 No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers or Crew, except when incurred
153 solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips to test average repairs, in which
154 cases wages and maintenance will be allowed only while the Vessel is under way. This exclusion shall not apply to overtime or similar
155 extraordinary payments to the Master, Officers or Crew incurred in shifting the Vessel for tank cleaning or repairs or while specifically
156 engaged in these activities, either in port or at sea.

157 Upon the request of the Underwriters, the Assured must provide or make available information or documentation from the
158 classification society reasonably requested by Underwriters concerning the condition of the Vessel before and during the policy period.
159 Additionally, the Assured shall authorize the Underwriters to obtain such information directly from the classification society and from the
160 relevant authorities in the country where the Vessel is registered or has been through port state control. Prompt notice shall be given to the
161 assured whenever such requests for information are made.

162 General and Particular Average shall be payable without deduction, new for old.

163 The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage
164 be found.

165 No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

166 In the event of loss or damage to equipment or apparatus not owned by the Assured but installed for use on board the Vessel and for
167 which the Assured has assumed responsibility, claim shall not exceed (1) the amount the Underwriters would pay if the Assured were
168 owner of such equipment or apparatus, or (2) the contractual responsibility assumed by the Assured to the owners or lessors thereof,
169 whichever shall be less.

170 No claim for unrepaid damages shall be allowed, except to the extent that the aggregate damage caused by perils insured against
171 during the period of the Policy and left unrepaid at the expiration of the Policy shall be demonstrated by the Assured to have diminished
172 the actual market value of the Vessel on that date if undamaged by such perils.

173 Claims become time-barred after ten years from the end of the calendar year during which the loss or damage giving rise to any claim
174 under this policy took place, unless the Underwriters agree to an extension in writing, which agreement shall not be unreasonably refused.
175 However, this time bar shall not become effective until ninety days after notice of the time bar has been given to the Assured by the
176 Underwriters, which notice may be given within six months of the expiry of the limitation period, or thereafter. If notice is given within six
177 months of the expiry of the limitation period, the limitation expiry date shall be ten years after the date on which the loss or damage took
178 place, or ninety days after the Assured's receipt of the notice, whichever is later. As respects claims for third-party liability, such claims
179 shall not become time-barred before the time when the liability claim against the assured becomes time-barred. The ten-year limitation
180 shall not apply to claims where notice was properly given to the underwriters on any subsequent policy year and it is later determined that
181 the loss, damage, liability or expense should be apportioned over multiple policy years, including earlier years.

182 **GENERAL AVERAGE AND SALVAGE**

183 General Average and Salvage shall be payable as provided in the contract of affreightment, or failing such provision or there be no
184 contract of affreightment, payable at the Assured's election either in accordance with York-Antwerp Rules 1974 or 1994, or as agreed, or
185 with the Laws and Usages of the Port of New York. Provided always that when an adjustment according to the laws and usages of the port
186 of destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly.

187 In the event of salvage, towage or other assistance being rendered to the Vessel by any vessel belonging in part or in whole to the
188 same Owners or Charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be
189 ascertained by arbitration in the manner provided for under the Collision Liability clause in this Policy, and the amount so awarded so far
190 as applicable to the interest hereby insured shall constitute a charge under this Policy.

191 When the contributory value of the Vessel is greater than the Agreed Value herein, the liability of the Underwriters for General
192 Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total
193 contribution due from the Vessel which the amount insured hereunder bears to the contributory value, and if, because of damage for which
194 the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the amount of
195 such Particular Average damage recoverable under this Policy shall first be deducted from the amount insured hereunder, and the
196 Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value.

197 **TOTAL LOSS**

198 In ascertaining whether the Vessel is a constructive Total Loss the Agreed Value shall be taken as the repaired value and nothing in
199 respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

200 There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would
201 exceed the Agreed Value. In making this determination, only expenses incurred or to be incurred by reason of a single accident or a
202 sequence of damages arising from the same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall
203 not be considered if such are to be claimed separately under the Sue and Labor clause.

204 In the event of Total Loss (actual or constructive), no claim is to be made by the Underwriters for freight, whether notice of
205 abandonment has been given or not.

206 In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period
207 covered by this Policy.

208 **SUE AND LABOR**

209 And in case of any Loss or Misfortune, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to sue,
210 labor and travel for, in and about the defense, safeguard and recovery of the Vessel, or any part thereof, without prejudice to this insurance,
211 to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no
212 acts of the Underwriters or Assured in recovering, saving or preserving the Vessel shall be considered as a waiver or acceptance of
213 abandonment.

214 In the event of expenditure under the Sue and Labor clause, the Underwriters shall pay the proportion of such expenses that the
215 amount insured hereunder bears to the Agreed Value, or that the amount insured hereunder (less loss and/or damage payable under this
216 Policy) bears to the actual value of the salvaged property, whichever proportion shall be less; provided always that their liability for such
217 expenses shall not exceed their proportionate part of the Agreed Value.

218 If claim for Total Loss is admitted under this Policy and sue and labor expenses have been reasonably incurred in excess of any
219 proceeds realized or value recovered, the amount payable under this Policy will be the proportion of such excess that the amount insured
220 hereunder (without deduction for loss or damage) bears to the Agreed Value or to the sound value of the Vessel at the time of the accident,
221 whichever value was greater; provided always that Underwriters' liability for such expenses shall not exceed their proportionate part of the
222 Agreed Value. The foregoing shall also apply to expenses reasonably incurred in salvaging or attempting to save the Vessel and other
223 property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel.

224 **COLLISION LIABILITY**

225 And it is further agreed that:

- 226 (a) if the Vessel shall come into collision with any other ship or vessel, and the Assured or the Surety in consequence of the Vessel
227 being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in
228 respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid, such proportion of such
229 sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in
230 respect to any one such collision shall not exceed their proportionate part of the Agreed Value;
- 231 (b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been
232 contested, or proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the
233 Assured shall thereby incur or be compelled to pay.

234 When both vessels are to blame, then, unless the liability of the owners or charterers of one or both such vessels becomes limited by
235 law, claims under the Collision Liability clause shall be settled on the principle of Cross-Liabilities as if the owners or charterers of each
236 vessel had been compelled to pay to the owners or charterers of the other of such vessels such one-half or other proportion of the latter's
237 damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such
238 collision.

239 The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same
240 owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single
241 Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by
242 the Assured and one to be appointed by the majority (in amount) of Hull Underwriters interested; the two Arbitrators chosen to choose a
243 third Arbitrator before entering upon the reference, and the decision of such single Arbitrator, or of any two of such three Arbitrators,
244 appointed as above, to be final and binding.

245 Provided always that this clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay or shall
246 pay in consequence of, or with respect to:

- 247 (a) removal or disposal of obstructions, wrecks or their cargoes under statutory powers or otherwise pursuant to law;
- 248 (b) injury to real or personal property of every description;
- 249 (c) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description
250 whatsoever;
- 251 (d) cargo or other property on or the engagements of the Vessel;

- 252 (e) loss of life, personal injury or illness.
253 Provided further that exclusions (b) and (c) above shall not apply to injury to other vessels or property thereon except to the extent that
254 such injury arises out of any action taken to avoid, minimize or remove any discharge, spillage, emission or leakage described in (c) above.

255 **PILOTAGE AND TOWAGE**

256 This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots, tugs, towboats, or
257 their owners when the Assured or the agent of the Assured accepts such contract in accordance with established local practice.

258 Where in accordance with such practice, pilotage or towage services are provided under contracts requiring the Assured or the agent
259 of the Assured:

260 (a) to assume liability for damage resulting from collision of the Vessel insured with any other ship or vessel, including the towing
261 vessel, or

262 (b) to indemnify those providing the pilotage or towage services against loss or liability for any such damages,

263 it is agreed that amounts paid by the Assured or Surety pursuant to such assumed obligations shall be deemed payments "by way of
264 damages to any other person or persons" and to have been paid "in consequence of the Vessel being at fault" within the meaning of the
265 Collision Liability clause in this Policy to the extent that such payments would have been covered if the Vessel had been legally
266 responsible in the absence of any agreement. Provided always that in no event shall the aggregate amount of liability of the Underwriters
267 under the Collision Liability clause, including this clause, be greater than the amount of any statutory limitation of liability to which owners
268 are entitled or would be entitled if liability under any contractual obligation referred to in this clause were included among the liabilities
269 subject to such statutory limitations.

270 **CHANGE OF OWNERSHIP**

271 In the event of any change, voluntary or otherwise, in the ownership or flag of the Vessel, or if the Vessel be placed under new
272 management, or be chartered on a bareboat basis or requisitioned on that basis, or if the Classification Society of the Vessel or her class
273 therein be changed, cancelled, or withdrawn, then, unless the Underwriters agree thereto in writing, this Policy shall automatically
274 terminate at the time of such change of ownership, flag, management, charter, requisition or classification; provided, however, that:

275 (a) if the Vessel has cargo on board and has already sailed from her loading port, or is at sea in ballast, such automatic termination
276 shall, if required, be deferred until arrival at final port of discharge if with cargo, or at port of destination if in ballast;

277 (b) in the event of an involuntary temporary transfer by requisition or otherwise, without the prior execution of a written agreement
278 by the Assured, such automatic termination shall occur fifteen days after such transfer.

279 This insurance shall not inure to the benefit of any transferee or charterer of the Vessel and, if a loss payable hereunder should occur
280 between the time of change or transfer and any deferred automatic termination, the Underwriters shall be subrogated to all of the rights of
281 the Assured against the transferee or charterer in respect of all or part of such loss as is recoverable from the transferee or charterer, and in
282 the proportion which the amount insured hereunder bears to the Agreed Value.

283 The term "new management" as used above refers only to the transfer of the management of the Vessel from one firm of corporation
284 to another, and it shall not apply to any internal changes within the offices of the Assured.

285 **ADDITIONAL INSURANCES**

286 It is a condition of this Policy that no additional insurance against the risk of Total Loss of the Vessel shall be effected to operate
287 during the currency of this Policy by or for account of the Assured, Owners, Managers, Operators or Mortgagees except on the interests
288 and up to the amounts enumerated in the following Sections (a) to (g), inclusive, and no such insurance shall be subject to P.P.I., F.I.A. or
289 other like term on any interests whatever excepting those enumerated in Section (a); provided always and notwithstanding the limitation on
290 recovery in the Assured clause a breach of this condition shall not afford the Underwriters any defense to a claim by a Mortgagee who has
291 accepted this Policy without knowledge of such breach:

292 (a) **DISBURSEMENTS, MANAGERS' COMMISSIONS, PROFITS OR EXCESS OR INCREASED VALUE OF HULL AND**
293 **MACHINERY, AND/OR SIMILAR INTERESTS HOWEVER DESCRIBED, AND FREIGHT (INCLUDING CHARTERED**
294 **FREIGHT OR ANTICIPATED FREIGHT) INSURED FOR TIME.** An amount not exceeding in the aggregate 25% of the
295 Agreed Value.

296 (b) **FREIGHT OR HIRE, UNDER CONTRACTS FOR VOYAGE.** An amount not exceeding the gross freight or hire for the current
297 cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate
298 ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the
299 amount shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down
300 herein. Any amount permitted under this Section shall be reduced, as the freight or hire is earned, by the gross amount so earned.
301 Any freight or hire to be earned under the form of Charters described in (d) below shall not be permitted under this Section (b) if
302 any part thereof is insured as permitted under said Section (d).

303 (c) **ANTICIPATED FREIGHT IF THE VESSEL SAILS IN BALLAST AND NOT UNDER CHARTER.** An amount not exceeding
304 the anticipated gross freight on next cargo passage, such amount to be reasonably estimated on the basis of the current rate of
305 freight at time of insurance, plus the charges of insurance. Provided, however, that no insurance shall be permitted by this
306 Section if any insurance is effected as permitted under Section (b).

307 (d) **TIME CHARTER HIRE OR CHARTER HIRE FOR SERIES OF VOYAGES.** An amount not exceeding 50% of the gross hire
308 which is to be earned under the charter in a period not exceeding 18 months. Any amount permitted under this Section shall be
309 reduced as the hire is earned under the charter by 50% of the gross amount so earned but, where the charter is for a period
310 exceeding 18 months, the amount insured need not be reduced while it does not exceed 50% of the gross hire still to be earned
311 under the charter. An insurance permitted by this Section may begin on the signing of the charter.

312 (e) **PREMIUMS.** An amount not exceeding the actual premiums of all interest insured for a period not exceeding 12 months
313 (excluding premiums insured as permitted under the foregoing Sections but including, if required, the premium or estimated calls
314 on any Protection and Indemnity or War Risks and Strikes insurance) reducing pro rata monthly.

315 (f) **RETURNS OF PREMIUM.** An amount not exceeding the actual returns which are recoverable subject to "and arrival" or
316 equivalent provision under any policy of insurance.

317 (g) INSURANCE IRRESPECTIVE OF AMOUNT AGAINST: Risks excluded by War, Strikes and Related Exclusions clause; risks
318 enumerated in the American Institute War Risks and Strikes Clauses; and General Average and Salvage Disbursements.

319 **WAR STRIKES AND RELATED EXCLUSIONS**

320 The following conditions shall be paramount and shall supersede and nullify any contrary provisions of the Policy.

321 This Policy does not cover any loss, damage or expense caused by, resulting from, or incurred as a consequence of:

- 322 (a) Capture, seizure, arrest, restraint, detention, confiscation or expropriation or any attempt thereat; or
- 323 (b) Any taking of the Vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or
- 324 (c) Any mine, bomb or torpedo not carried as cargo on board the Vessel; or
- 325 (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- 326 (e) Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy; or
- 327 (f) Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power; or
- 328 (g) Any act perpetrated by terrorists or any act carried out by any person or persons acting primarily from a political, religious or
329 ideological motive; or
- 330 (h) Any threat of terrorist activity, actual or perceived, including closure of ports or blockage of waterways resulting therefrom; or
- 331 (i) Malicious acts or vandalism, unless committed by the Master or Mariners and not excluded elsewhere under this War Strikes and
332 Related Exclusions clause; or
- 333 (j) Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (j) not to exclude collision
334 or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or
335 explosion unless caused directly by a hostile act by or against a belligerent power, which act is independent of the nature of the
336 voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing. As
337 used herein, "power" includes any authority maintaining naval, military or air forces in association with a power.

338 If war risks or other risks excluded by this clause are hereafter insured by endorsement on this Policy, such endorsement shall
339 supersede the above conditions only to the extent that the terms of such endorsement are inconsistent therewith and only while such
340 endorsement remains in force.