

AMERICAN HULL INSURANCE SYNDICATE
LINER NEGLIGENCE CLAUSE
FOR ATTACHMENT TO AMERICAN INSTITUTE HULL CLAUSES
(June 2, 1977)

SP – 7

In consideration of additional premium of INCLUDED , it is understood and agreed that the ADDITIONAL PERILS (INCHMAREE) clause of the attached Policy is deleted and in place thereof the following inserted:

“Subject to the conditions of this Policy, this insurance also covers:

- a Breakdown of motor generators or other electrical machinery and electrical connections thereto; bursting of boilers; breakage of shafts; or any latent defect in the machinery or hull;
- b Loss of or damage to the subject matter insured directly caused by:
 - 1. Accidents on shipboard or elsewhere, other than breakdown of or accidents to nuclear installations or reactors on board the Insured Vessel;
 - 2. Negligence, error of judgment or incompetence of any person;

excluding under both “a” and “b” above only the cost of repairing, replacing or renewing any part condemned solely as a result of a latent defect, wear and tear, gradual deterioration or fault or error in design or construction;

provided such loss or damage (either as described in said “a” or “b” or both) has not resulted from want of due diligence by the Assured(s), the Owner(s) or Manager(s) of the Vessel, or any of them. Masters, mates, engineers, pilots or crew not to be considered as part owners within the meaning of this clause should they hold shares in the Vessels”

All other terms and conditions remaining unchanged.