



HANSEATIC
P&I

INLAND CRAFT
LIABILITY

**Inland Craft Third Party Liability Insurance
for Owner & Charterer**

GENERAL INSURANCE CONDITIONS



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§ 1 Subject of Insurance

- 1.1. The Insurer provides the Assured with P&I insurance cover according to these general insurance conditions as well as any other agreements outlined in the policy in his capacity as a shipowner and a shipping carrier. This cover includes all costs and expenses, including damage compensation, that the Assured must pay to third parties as a result of the use of his/her inland craft.
- 1.2. A shipowner in the sense of these general insurance conditions is the owner of a vessel used by him/her for commercial purposes on rivers or other inland waterways. Furthermore according to these general insurance conditions a person that operates an inland craft shall be deemed as an owner as well, even if he is not owning the said vessel but he is either in command of the vessel or has delegated the command to a third person (supplier).
- 1.3. The insurance subject to these conditions is not to be considered all-risk coverage. Unless otherwise outlined in the policy, the insurance shall only cover the risks outlined in these conditions.
- 1.4. Insofar as expressly agreed in the policy, the Insurer shall grant P&I insurance in accordance with these general insurance conditions to the Assured in his capacity as the charterer of a vessel and as a shipper, covering costs and expenses, including compensation for damages resulting from the operation of the vessel as inland river craft and which are to be borne by the Assured. Charterers according to these general insurance conditions are: time charterers, voyage charterers and slot charterers.

§ 2 Co-Insurance Consortium

- 2.1. Insurer according to these conditions are the Insurers participating in the Hanseatic P&I - consortium.
- 2.2. The Insurers participating in the Hanseatic P&I - consortium shall not be held severally or jointly liable in accordance with the insurance contract, but only for their proportion.
- 2.3. By consent of the participating Insurers of Hanseatic P&I - consortium all operations shall be conducted by Zeller Associated Management Services GmbH, Hamburg as managers.
- 2.4. All notification and declarations to be made by the Assured in accordance with these conditions must be submitted to the manager and shall be deemed as received by the Insurer once received by the manager.

§ 3 Co-Insurance

3.1. Joint-Assureds

- 3.1.1. The Assured may request third parties to be included in the insurance contract as Joint-Assureds. The acceptance of Joint-Assureds into the contract is subject to the Insurer's sole discretion. The Insurer is entitled to levy an additional premium.
- 3.1.2. If a Joint-Assured is incorporated into the insurance contract, the term 'Assured' in these conditions shall apply to a Joint-Assured as well.

- 3.1.3. Insurance cover is available to the Assured and/or the Joint-Assured only once per occurrence and insured event. This may be otherwise agreed in return for an additional premium. If not otherwise agreed the Assured's claim for reimbursement shall prevail the claim of the Joint-Assured.

3.2. Co-Assureds

- 3.2.1. In accordance with these general insurance conditions, and in addition to those of the Assured the actions and/or neglect of the vessel's crew and/or any pilot on board and/or all other persons employed or active on the vessel are also covered under this insurance contract.
- 3.2.2. The Assured is not responsible for the acts and omissions of the Co-Assureds listed in section 3.2.1.

3.3. Limitations

- 3.3.1. If not otherwise agreed Joint-Assureds and Co-Assureds are covered under the same conditions as the Assured under who's contract they are insured. However, in respect of the merits and to the extent, the insurance cover is limited to that cover, which an owner of a vessel under consideration of the applicable laws of limitations of liability would be entitled to request under this contract of insurance, if the claim would have been brought against the owner of the vessel and not against the Joint-Assured or the Co-Assured.
- 3.3.2. Under this contract of insurance cover for the Assured and/or Joint-Assured or Co-Assured is only available once per occurrence and insured event. This may be otherwise agreed in return for an additional premium. If not otherwise agreed the Assured's claim for reimbursement shall prevail the claim of the Joint-Assured and Co-Assured; however, the Joint-Assured's claim for reimbursement shall prevail the claim of the Co-Assured. If several Joint-Assureds or Co-Assureds have equally ranking claims, cover shall apply pro rata.

§ 4 Uberrima Fides

All parties involved must act in utmost good faith at all times.

§ 5 Obligation to disclose precedent to the Policy

- 5.1. Prior to conclusion of the insurance contract the Assured shall disclose to the Insurer all circumstances known to him and material for the Insurer's decision to give cover, unless the circumstances are common knowledge.
- 5.2. Such circumstances as may come to the knowledge of the Assured before the acceptance of his application by the Insurer must be passed on to the Insurer forthwith.
- 5.3. Failure to disclose a material circumstance or a misrepresentation of same shall discharge the Insurer from liability; furthermore the Insurer is entitled to cancel the insurance contract.
- The Insurer's obligation to provide cover shall remain effective if,
- 5.3.1. the Insurer was aware of the undeclared circumstance or the incorrectness and/or incompleteness of related information;

- 5.3.2. the Assured did not violate his obligation to disclose gross negligently or intentionally; in the latter case, the Insurer shall be entitled to charge a higher premium to account for the higher risk (additional premium);
- 5.3.3. the unannounced circumstance, or the incorrectness or incompleteness of information was neither causative for the occurrence nor on the scope of the Insurer's obligations.
- 5.4. Circumstances are deemed to be material if they were presented by the Assured incompletely or incorrectly, or where the Assured covenants his declaration to be correct and complete; furthermore such circumstances are deemed to be material, which were intentionally presented incorrectly or incompletely by the Assured; as well as all circumstances the Insurer has asked for in written form.
- 5.5. In case of the insurance being affected by an agent of the Assured, it is not only the knowledge of the agent, or what he ought to have known, that is decisive for the discharge of the Insurer from liability, but also that of the principal. The Assured can only claim that his duty to disclose was not violated intentionally or gross negligently if neither the agent nor the Assured acted with intent or gross negligence.
- 5.6. Insofar as the insurance contract includes Joint-Assureds and Co-Assureds, the Insurer's discharge from liability shall also apply to these parties.

§ 6 Provisional Cover

- 6.1. The Insurer may grant the applicant with a provisional cover - note prior to acceptance of the insurance application.
- 6.2. The Insurer shall provide the provisional cover note in writing, along with a declaration that the cover shall actually commence once the premium has been paid. If the premium is not paid immediately after the written provisional cover note is received by the Assured, the Insurer can withdraw from this acceptance of cover.
- 6.3. The Insurer is entitled to survey the vessel within a deadline to be agreed by a surveyor appointed by him. The costs of any such inspection shall be borne by the Assured, unless otherwise agreed between Insurer and Assured. If the Assured is not facilitating the survey of the vessel within the deadline, the Insurer shall be entitled to withdraw from the provisional cover note.
- 6.4. The premium for the provisional cover will be credited against the premium of the main insurance contract. If the insurance contract is rejected, the Insurer shall keep the premium for the provisional cover.
- 6.5. Subject to §§ 6.1 to 6.3 the provisional cover is valid until the conclusion of the main insurance contract. In the absence of an insurance contract, the provisional cover is valid for one week after receipt of the rejection.
- 6.6. The provisional cover is granted subject to the General Terms and Conditions of Insurance. There is no cover for claims which are resulting from deficiencies of the vessel ascertained in the course of a technical inspection of the vessel.
- 6.7. The conclusion of an insurance contract granting provisional cover does not constitute any obligation to conclude a main insurance contract.

§ 7 Aggravation of Risk after the Contract's Commencement

- 7.1. After submitting his contractual acceptance the Assured may not aggravate the risk insured or permit its aggravation by a third party without the prior consent of the Insurer. An aggravation of risk must be disclosed to the Insurer without undue delay by the Assured. If an aggravation of risk occurs irrespective of the Assured's intention, he must disclose the aggravation to the Insurer without undue delay as soon as he learned thereof.
- 7.2. If an insured event occurs due to an aggravation of the risk insured, the Insurer is discharged from liability if the Insurer has not given prior consent to the aggravation of the risk, unless the Assured is not responsible for the aggravation of the risk or, if the aggravation has been caused by a third party, the failure to disclose
- 7.3. If an aggravation of risk occurs, the Insurer may terminate the contract subject to a 14-days notice period, beginning at reception of the notification. Furthermore the Insurer is entitled to exclude insurance cover for the aggravated risk. In lieu of termination or the exclusion of the aggravated risk, the Insurer may consent to an appropriate premium commensurate.
- 7.4. Should the disclosure of an aggravation of risk be omitted, inaccurate or incomplete by the Assured's fault, the Insurer is discharged from liability from the time of its inception and is furthermore entitled to cancel the contract without notice, unless the Insured is not responsible. The same applies if the disclosure of an aggravated risk was omitted by ignorance of the Assured due to negligence.

§ 8 Premium Payment

- 8.1. The premium is payable upon conclusion of the insurance contract. Unless otherwise agreed, the premium is paid annually. Joint-Assureds and the Assured are jointly and severally liable for the payment of the premium.
- 8.2. Terms of payment:
The annual premium - or if payment in installments was agreed, the first premium installment - must be paid within 14 days of the insurance contract's commencement, and subsequent installments must be received by the manager within 14 days after the start of each quarterly period.
- 8.3. Discharge from liability in the case of non-payment:
If the yearly premium or one premium installment is not received in good time as stipulated in § 8.2, the Insurer is entitled to discharge from all duties, obligations and liabilities after granting a further deadline of at least two weeks in which the full debt has to be paid and to threaten with legal consequences for failing in doing so, unless the Insured is not responsible for the default.
- 8.4. Rescission in the case of non-payment:
If the annual premium, or - if payment in installments was agreed - the payment of the first premium, has not been received in good time as stipulated in § 8.2, the Insurer is entitled to rescind the insurance contract with a notice period of at least fourteen days. The rescission can be linked to the setting of the payment deadline in such a way that it becomes effective once the deadline expires if the policy-holder is in arrears at that point in time, unless the Insured is not responsible for the default.

- 8.5. Cancellation in the case of non-payment:
If a subsequent insurance premium installment has not been paid in good time as stipulated in § 8.2, the Insurer is entitled to cancel the contract after granting a further deadline of at least two weeks. The cancellation can be linked to the setting of the payment deadline in such a way that it becomes effective once the deadline expires if the policyholder is in arrears at that point in time, unless the Insured is not responsible for the default.
- 8.6. A premium commensurate due to aggravation of risks in the sense of § 7 shall become due with the next quarterly installment.
- 8.7. The Insurer is entitled to offset damages against the annual premium or the next quarterly premium due. This applies to all vessels insured under the insurance policy irrespective of ownership.
- 8.8. If the insurance contract expires automatically or ceases by way of sale of the vessel or by rescission or cancellation by the Insurer, the Assured is entitled to a pro-rata refund of paid premium for the time from the premature cessation and/or termination of the insurance contract until the date of expiry stated in the policy.
- 8.9. Lay-up returns:
If a vessel is laid up for more than 30 consecutive full days between arrival and departure, 30% of the gross premium shall be refunded pro rata, subject to the following requirements:
- the vessel is laid-up without being employed and without having cargo on board,
 - no works are carried out on or onboard the vessel,
 - the laid-up vessel is safely moored within the boundaries of a port inside the agreed trading areas,
 - the vessel is manned in accordance with the relevant regulations,
 - the vessel has a cargo capacity of more than 750 loading tons,
 - the vessel is not a fishing, passenger or non-commercial vessel,
 - the lay-up is not solely or partly caused by strike, riot, usurpation of power, armed insurrection, seizure or detention by authority or war,
 - the insured vessel is not laid-up due to ice, flooding or low water levels, or because waterways are blocked.
- 8.9.1. The offset of premium changes due to a lay-up will be effected with the next premium installment or, if no more installments will become due, at the end of the insurance contract by the Insurer.
- 8.9.2. If a vessel is laid-up, the Insurer must be informed within 14 days from that date on, from which all requirements as stipulated in § 8.9 are fulfilled. Premium returns for undeclared laid-up vessels shall not be considered.
- 8.9.3. If a laid-up vessel goes out of lay-up, the Insurer must be informed within 14 days after the end of lay-up. If this information is omitted or delayed, the Insurer shall be discharged from all his obligations and liabilities unless the Assured is not responsible for this failure to disclose, or can prove that the reactivation of the vessel has not been the cause of the insured event.

- 8.9.4. The policy holder must provide the Insurer with all information regarding the duration of the lay-up and the fulfilment of the conditions stipulated in § 8.9, accompanied by copies of the logbook and ship's articles.
- 8.9.5. Should the vessel be in lay-up for more than 6 months, the Insurer is entitled to have the vessel surveyed as soon as the vessel is returned to active duty. These survey costs are to be borne by the Assured.

§ 9 Period of Insurance

- 9.1. The insurance contract commences and expires on the dates indicated in the insurance policy. Unless agreed otherwise, cover commences at 00:00 hours of the first day and expires at 23:59:59 hours of the last day (GMT). This also applies to a vessel which is en route at the time when the insurance expires.
- 9.2. The insurance contract shall cease prior to the date stated in the insurance policy:
 - 9.2.1. in the event of total loss of the insured vessel; should the vessel become a wreck and this wreck is to be removed, the contract of insurance ceases with completion of the wreck removal;
 - 9.2.2. in the event of sale of the insured vessel;
 - 9.2.3. if the Insurer rescinds the insurance contract within two weeks with a notice period of two weeks due to a change of classification society or the transfer of crewing, equipment and superintendence of the vessel to another party in accordance with § 27.1.5 or when an inspection certificate for the vessel will not be issued either for a new building or after a follow up inspection;
 - 9.2.4. through rescission of the insurance contract by the Insurer due to non-payment of the first premium instalment pursuant to § 8.4;
 - 9.2.5. through cancellation of the insurance contract by the Insurer due to non-payment of subsequent premium instalments pursuant to § 8.5.

§ 10 Cargo Liabilities

The insurance cover comprises:

- 10.1. Damages sustained as a result of third party compensation claims regarding the Assured's statutory liability in relation to loss, damage, theft, incorrect delivery or mixing of cargo, or any other claims relating to cargo being transported on the Assured's vessel, with the exception of live animals, valuables, precious metals, precious stones, and jewellery and baggage belonging to passengers and family members.
- 10.2. Discharge costs arising from the insured damages outlined above are also covered in as much as they exceed normal discharge costs.
- 10.3. Costs for the disposal of damaged cargo incurred by the Assured for which he has no claim for compensation by a third party.

§ 11 Liabilities in Respect of Passengers

The insurance cover comprises:

Personal injury and damage to luggage when transporting passengers on inland waterways in accordance with the trading limits outlined in § 24.

§ 12 Liability to Crew Members

The insurance policy covers:

- 12.1. Costs and disbursements to be borne by the Assured on the basis of statutory or contractual provisions in the event of accident, illness or death of a master, officers or other members of the crew of the insured vessel.

In as much as the Assured's contractual liability exceeds the statutory liability by its merits or by its extent, or as far as the contractual liability is increased by its merits or by its extent during the period of the policy, this further liability shall only be covered by the insurance as and from the moment that the Assured discloses the contract to the Insurer. The Insurer is entitled to request an additional premium for these cases. If an additional premium cannot be agreed upon by the parties, the insurance shall only cover statutory liability, or if liability changes during the period of the ongoing insurance policy only that liability, which was approved last by the Insurer.

- 12.1.1. Hospitalisation, medical treatment and funeral expenses, as well as the costs of any possible repatriation;
- 12.1.2. Travelling expenses for substitutes;
- 12.1.3. Sick pay;
- 12.1.4. Other services that the Assured is obliged to provide to the skipper and other members of the crew.
- 12.2. Costs and disbursements for loss of personal effects of a master, officers or other crew members in the event of sinking or loss of the vessel as well as a result of burglaries, in as much as the Assured is under a statutory or contractual duty to pay related compensation.

Effects include clothing, documents, navigational and other technical instruments as well as tools. Cash, jewellery and valuables are excluded, regardless of their value. For vehicles being on board compensation will only be granted if the damage exceeds € 15.000,-.

- 12.3. Costs and disbursements for repatriation of the insured vessel's crew in the event of a total loss or wreckage of the vessel.

§ 13 Liability towards Other Persons

Insofar as the cover under §§ 11 and § 12 is not triggered the insurance cover comprises damages due to claims based on the owners' statutory liability for death or injury of an individual not belonging to the crew

- 13.1. in the ship or *on board* the ship, or when boarding or leaving the ship, for which the Assured is liable due to errors of navigation or operation of the ship or negligent acts or omissions on board or in relation to the ship, including costs of hospitalisation, medical treatment and funeral costs;

- 13.2. in the vicinity of the ship, either ashore or afloat or on board another ship or elsewhere, if the Assured is liable for the reasons stated in §13.1. The costs of medical treatment and funeral expenses mentioned in §13.1 are also included;
- 13.3. in the course of loading, stowing, securing, moving and discharging the ship's cargo during the period of acceptance of the cargo on the quay or berth until final delivery at the quay or berth at the port of discharge, also [if death or injury] is a consequence of fault on the part of persons injured during the abovementioned operations in as much as the Assured can be held liable; this equally applies if the liability is derived from an indemnity agreement between the Assured and his stevedores or other agents provided that this agreement is recognised by the Insurer as customary.

§ 14 Liability for Collision and “Wash” Damage

14.1. Collision Liability

In the event of liability arising out of a collision, the insurance cover includes reimbursement of the amount not covered or exceeding the covered amount or the uninsured portion (under the H&M policy), provided that this liability, costs and expenses are not covered under the Hull and Machinery (H&M) insurance of the insured ship and do not constitute a franchise or deductible provided for in the H&M policy.

In the event of a collision caused by negligence of both ships concerned resulting in mutual claims against each other and if either of the ship's liability is limited by statute or agreement, the Insurer only covers the amount finally payable to the other ship. In all other cases the Insurer covers the amount ascertained as the quantum of liability irrespective of possible off-set.

Reimbursement under the policy is subject to the condition that at the beginning of the insurance period the ship was entered into a H&M Insurance Contract covering at least its market value.

14.2. Damage to Fixed and Floating Objects, with the Exception of Ships

The insurance cover comprises compensation claims against the Assured due to loss of or damage to harbour installations, docks, landing places, piers or other fixed or floating objects of any kind provided that no other ship or its cargo or goods being carried thereon, or cargoes having been carried or are about to be carried on the insured ship are involved, and if the Assured's liability is based on statutory provisions or negligent navigation or operation of the ship or on other negligent acts on board or in connection with the insured ship.

In the above case, the cover is provided to the extent only that it is not available under the H&M insurance of the insured ship.

14.3. Damage to Ships or Other Property other than by Collision

The insurance cover comprises claims for damages against the Assured in respect of loss of or damage to another ship or goods carried therein including costs and disbursements that arise in connection therewith, in so far as such claims are not attributable to a collision with the insured ship but to negligent navigation or operation of the insured ship or other negligent acts or omissions on board or in connection with the insured ship.

In the above case, cover is provided only to the extent to which it is not available under the H&M insurance of the insured ship.

§ 15 Costs of Life Salvage

The insurance cover includes

- 15.1. Life-saving of persons on board of the insured vessel:

The Insurer covers costs which are owed by the Assured to those who saved the lives of persons on board the insured ship or who participated in attempts thereat.

- 15.2. Life-saving in respect of other persons:

The Insurer covers extra costs incurred after the insured ship rendered life-saving services to persons in distress or participated in attempts thereat. In these cases the Insurer's liability is limited to the ship's costs in respect of crew wages, salary, provisions, consumption and port dues, if applicable.

- 15.3. The Insurer is not liable for costs incurred in cases stated in §§ 15.1 and 15.2 for which the Assured is covered by other insurance or compensated for by third parties.

§ 16 Wreck Liabilities

The insurance cover includes

- 16.1. the costs and expenses of marking and removing the insured ship which has sunk and became a wreck, including its cargo, in as much as marking and/or removal are the Assured's compulsory statutory duty, or imposed on the Assured by an order of authority.
- 16.2. The cover also includes costs and expenses incurred as a result of claims for expenses and/or damages against the Assured due to delayed removal or non-removal of the wreck in breach of statutory provisions.
- 16.3. Costs and expenses are only covered in as much as they exceed the value of the salvaged objects and the wreck and insofar as these costs and expenses are not covered and recoverable under the H&M insurance of the insured ship.
- 16.4. If the Assured disposes of the wreck without the Insurer's written consent in a manner other than abandonment of ownership, the above insurance cover provision does not apply.

§ 17 Liability under Towage Contracts

The insurance cover includes

compensation claims against the Assured for loss or damage suffered while an insured ship was under tow, and for which the Assured is liable in accordance with the towage contract but only to the extent to which such liability is not covered by the insured vessel's H&M insurance.

§ 18 Cargo's Contributions to General Average

The insurance cover includes

- 18.1. Cargo's contribution to the general average, including all fees, not legally recoverable due to breach of the contract of carriage.

Refunds to other interests determined in the general average statement, but not claimed by cargo interests, are to be deducted therefrom.

- 18.2. Under no circumstances does the insurance cover the ship's contribution to general average or interest, costs and average statement charges calculated on the basis of the ship's contribution, if these are recoverable under the H&M insurance of the insured ship.

§ 19 Vessel's Contributions to General Average

The insurance policy covers:

- 19.1. the reimbursement of the vessel's proportion of the general average, special expenses or salvage costs not recoverable by the H&M insurance of the insured vessel because the sound value of the insured vessel was determined for the contribution to the general average or salvage in excess of the sum insured under the actual H&M insurance.

Payment under the policy is subject to the condition that at the beginning of the insurance period the ship was entered into a H&M insurance covering at least its market value.

- 19.2. costs to be taken into account in general average for the prevention and mitigation of damage to the environment which are not covered under a H&M policy.
- 19.3. the special compensation not covered under the vessel's H&M insurance.

§ 20 Pollution Caused by the Vessel's Bunkers or Cargo

The insurance cover includes

Liability arising from third party claims relating to the Assured's statutory liability for pollution caused by the vessel's bunkers and/or cargo, in as much as these liabilities are not covered under the H&M policy of the ship.

§ 21 Penalties and Fines

The insurance cover includes

- 21.1. charges and costs imposed on the Assured and/or the ship by customs authorities, in as much as they are levied due to the short-landing or over-landing of cargo and/or breach of customs regulations in respect of registration and/or declaration of the cargo or the ship's provisions and as well in respect of cargo or customs documents carried on the ship.

The cover does not apply if customs regulations are violated by the Assured due to incorrect declaration of the ship's provisions.

- 21.2. penalties or fines imposed on the Assured and/or the ship for smuggling or violation of other customs regulations by persons other than the Assured to the extent that they are not covered under § 21.1.
- 21.3. penalties and/or fines imposed on the Assured and/or the ship for the violation of traffic regulations, in as much as the Assured's personal negligence is not involved.

§ 22 Liability for the Damage or Loss of a Chartered Vessel

If the Assured is a charterer of a vessel in accordance with §1.4, the insurance policy shall cover compensation claims of the head charterer or owner of the chartered vessel due to damage or total loss of the vessel, including consequential losses resulting thereof.

§ 23 Compensation for Business Interruption

- 23.1. Insofar as agreed, the Insurer shall compensate the Assured for loss of earnings due to business interruption as a direct consequence of a delay due to blocking of a navigable waterway and/or harbour by governmental decree which are caused by the damage of bridges, locks or other maritime structures, the sinking of another vessel and/or its cargo or parts thereof, or a collision between other vessels.
- 23.2. Compensation for business interruption shall be calculated, if not agreed otherwise, at €0.30 per insured metric ton deadweight per vessel per day pro rata temporis.
- 23.3. Compensation for operational disruptions in accordance with §23.1 shall begin after 96 hours of uninterrupted stoppage and is limited to 21 days per occurrence.

§ 24 Trading Warranties

- 24.1. The insurance only covers damage sustained within the trading warranties for which the ship is equipped, manned and loaded as well as classed by the relevant authorities.

At all times the cover is restricted to the trading warranties for which the ship is covered under H&M policy.

Damages sustained outside the insured trading warranties do not give rise to claims against the Insurer.

- 24.2. The insured trading warranties are not deemed to have been exceeded if the Assured proves that this transgression was made in the interest of the Insurer, on humanitarian grounds to save human lives or was an unavoidable consequence of a natural disaster or an incident or damage covered under the policy.

§ 25 Exclusions and Release from obligation to perform

25.1. Exclusions

The Insurer is not obliged to cover damage or loss caused by:

- 25.1.1. war, civil war, revolution, rebellion or hostile act by or against a belligerent power;



- 25.1.2. capture, seizure, confiscation, arrest or legitimate or arrogated restraints of rulers and princes including all consequences resulting thereof and including any attempts there-at unless expressly covered elsewhere under these rules;
- 25.1.3. derelict mines, torpedoes, bombs or other derelict weapons of war;
- 25.1.4. explosives or weapons of war used by persons with malicious intent;
- 25.1.5. nuclear power, radioactive or toxic substances, ionising or electro-magnetic rays or asbestos;
- 25.1.6. misuse of the vessel; this applies particularly if the vessel is employed outside commercial shipping trade;
- 25.1.7. an unseaworthy condition or inadmissible loading, or insufficient equipment or manning of the vessel at the beginning of the voyage;
- 25.1.8. Wear and tear caused by normal use;
- 25.1.9. insofar as the Assured has or would have other insurance cover under another insurance, if this other insurance does not stipulate a subsidiary clause.

25.2. Release from Obligation to perform

Insofar as the Assured is unable to prove that he acted neither gross negligently nor intentionally, the Insurer shall be released from his obligation to perform:

- 25.2.1. in the case of deck cargo or stowage of cargo in open top vessels, if this kind of transportation was not agreed with the shipper, is not in line with the common mercantile customs or is not mandatory according to applicable laws;

if the bill of lading, or other contract of affreightment on which the claim is based does not clearly state that the cargo is to be shipped on deck and if the bill of lading and/or the contract of affreightment does not include the standard exemption from liability for deck cargo;
- 25.2.2. if no evidence is maintained / recorded for the vessel which is required to determine acceptance and delivery of the goods;
- 25.2.3. if the shipment is based on a contract, which is not customary for inland waterway transport;
- 25.2.4. when issuing a pre-dated or post-dated waybill, mate's receipt or bill of lading;
- 25.2.5. when signing an incorrect waybill, mate's receipt or bill of lading containing a description of goods and/or their condition, which is known to be incorrect;
- 25.2.6. if cargo is delivered without presentation of the respective waybill, mate's receipt or bill of lading; insofar as these were issued;
- 25.2.7. in the case of an unjustified deviation from the course of the voyage.
- 25.3. The insurance policy does not cover damages or loss not adequately caused by the operation or possession of the vessel.
- 25.4. The insurance policy does not cover damages or loss caused by gradual effects of the insured vessel's bunkers and/or lubricants or its cargo.

§ 26 Negligence of the Assured

- 26.1. The Insurer shall be released from his obligation to perform, if the damage was caused by willful misconduct or gross negligence of the Assured.
- 26.2. The Assured shall be not held liable for the conduct of the vessel's crew when operating the vessel.

§ 27 Obligations prior to Occurrence of the Event Insured Against

- 27.1. The Assured is under an obligation:
 - 27.1.1. to maintain the insured ships in every respect in a seaworthy and cargo-worthy condition for respective cargo and to equip and man it properly at all times and to provide the necessary documentation for the identification of ship, crew and cargo including the ship's certificate, the community certificate and the certification of the highest class from a recognised classification society and the certificate of sailing permit suitable for all waters on which the vessel is permitted to sail;
 - 27.1.2. to allow the Insurer the opportunity to survey the ships at any time, as long as this would not entail an unacceptable disruption to the ship's operation, and to demand the immediate repair of any and all existing deficiencies. If the inspection does not give the Insurer reason to complain about the ship's condition, the Insurer shall bear the costs of the inspection. If the inspection gives reason for complaints that would lead to the Insurer's release from the obligation to perform, the Assured shall bear the costs for both the inspection, and the costs of a subsequent survey;
 - 27.1.3. to observe any and all rules and customs to prevent accidents and damages and all laws, guidelines, decrees and regulations applicable to inland waterway transport;
 - 27.1.4. to ensure that, when performing a contract, all customary evidence for all circumstances has been obtained and secured in advance that may be or become relevant for legal evaluation;
 - 27.1.5. to inform the Insurer in advance in the case of a change in classification society or change of management comprising manning, fitting out and superintendence of the ship. In this case, the Insurer has the right to terminate the contract in accordance with § 9.2.3.
 - 27.1.6. to inform the Insurer without any undue delay of any changes to the declarations made by the Assured during the insurance application and those that are documented in the insurance policy.;
 - 27.1.7. to agree all customary accepted conditions when concluding contracts, which limit or exclude the Assured's liability or shift, decrease or compensate by set-off risks which are subject to this insurance;
 - 27.1.8. not to disclose survey reports and other pieces of evidence to third persons without the prior consent of the Insurer.
- 27.2. If the Insurer proves that the Assured is in breach of any of the above mentioned or any other agreed obligation to be met prior to the occurrence insured against, the Insurer can cancel the contract within one month from becoming aware of this circumstance without notice, unless the violation was not caused by intent or gross negligence.

- 27.3. If the Assured intentionally breaches any of his obligations, the Insurer shall be released from his obligation to perform. If the infringement of the obligation was conducted gross negligently the Insurer shall be entitled to reduce the compensation proportionally to the Assured's gravity of negligence. The burden of proof for acting not gross negligently lies with the Assured.
- 27.4. The Insurer remains obliged to perform, insofar as the infringement of the obligation was neither causative for the insured event or the appraisal of the insured event nor for the appraisal or the extent of the compensation under the policy. The obligation to perform shall be dispensed, if the Assured has breached the obligation maliciously.

§ 28 Obligations and Duties after the Occurrence of the Insured Event

- 28.1. On and after the occurrence of an event insured against or any circumstances that may lead to such an event, the Assured is under a duty:
- 28.1.1. to immediately inform the Insurer and provide a detailed and comprehensive report, taking into account all relevant circumstances; this duty to notify also applies in the absence of insurance cover or if the insurance cover is not to be claimed or if its existence is in doubt;
- 28.1.2. to arrange for all possible prevention and mitigation of damage, and to ask for and comply with Insurer's instructions without delay;
- 28.1.3. when abroad, to contact the Insurer's local advisors and correspondents;
- 28.1.4. to obtain and secure all pieces of evidence;
- 28.1.5. to provide the Insurer and his correspondents with all relevant information required by them, including related documents, to conduct legal proceedings at the Insurer's request and to arrange for necessary authorisations;
- 28.1.6. in legal disputes, not to declare any waivers or acknowledgements or to otherwise settle the matter or otherwise end the dispute without the Insurer's prior consent;
- 28.1.7. to refrain from making declarations and statements regarding the damage and its causes to third parties unless statutorily or contractually required to do so;
- 28.1.8. to notify the Insurer immediately, if, at a later stage, circumstances arise which are or may become relevant for assessment of the claim and its consequences;
- 28.2. If the Insurer proves that the Assured intentionally breaches one of the abovementioned or another agreed obligation to be met after an insurance occurrence, the Insurer shall be released from his obligation to perform. If the infringement of the obligation was conducted gross negligently the Insurer shall be entitled to reduce the compensation proportionally to the Assured's gravity of negligence. The burden of proof for acting not gross negligently lies with the Assured.
- 28.3. The Insurer remains obliged to perform, insofar as the infringement of the obligation was neither causative for the insured event or the appraisal of the insured event nor for the appraisal or the extent of the compensation under the policy. The obligation to perform shall be dispensed, if the Assured has breached the obligation maliciously.

§ 29 Prohibition to Acknowledge Third Party Liability Claims

The Assured is not allowed, without prior consent of the Insurer, to acknowledge, to pay or to settle in total or in part a third party claim and/or a claim for costs. In the event of a breach of this provision, the Insurer is discharged from all liability, unless the Assured could not be expected under the prevailing circumstances to refuse payment or acknowledgment of the claim without suffering obvious inequity. The Assured is not excused by the erroneous assumption that a statutory liability exists or that the claim asserted or the alleged facts are true.

§ 30 Bails and Securities

In case of the occurrence of an event insured against, the Insurer may, at its own discretion, provide security in order to avoid imminent, or to lift existing, official sanctions against the vessel, an arrest, confiscation or attachment that are directed against the vessel. There is no legal obligation to arrange for such a security.

§ 31 Claims Handling Provisions

- 31.1. Evidence of damage approved by the Insurer is also binding on the Assured, unless it does not obviously deviate from the facts of a case.
- 31.2. The Assured is only entitled to reimbursement if and when he provides the Insurer with an exhaustive claim statement including all necessary receipts and a final appraisal of the compensation has been carried out.
- 31.3. The Insurer is deemed to have authority to make all declarations on behalf of the Assured, which he considers reasonable for the settlement of or defence against third party claims. In case the Insurer makes such declarations, he has to hold the Assured free from any obligations or liabilities which arise out of such declarations.
- 31.4. The Insurer will not compensate the Assured for the payment of statutory input VAT if the Assured is entitled to deduct the same.

§ 32 Sue and Labour and Legal Costs

The cover also includes the following supplements:

- 32.1. Expenses incurred by the Assured in the event of a loss in order to prevent or mitigate Insurer's obligations - irrespective of the outcome - if justified due to the prevailing circumstances or if such measures were incurred in accordance with Insurer's instructions.
- 32.2. Costs incurred to establish or to determine Insurer's obligations if justified under the prevailing circumstances. This includes costs for foreign representatives (P&I correspondents), surveyors, other persons appointed in accordance with Insurer's instructions.

§ 33 Subrogation

- 33.1. In the event of the Assured being entitled to claim damages from a third party such right shall pass over to the Insurer as far as he indemnifies the Assured for his loss. The Assured must furnish the Insurer with all information necessary for the prosecution of the claim and surrender all documentary evidence in his possession.
- 33.2. Upon request the Assured must furnish Insurer with a document evidencing transfer of the rights in the form determined by the Insurer. The Insurer bears relating costs.
- 33.3. If the Assured waives a claim he has on a third party or if he fails to make use of a title securing his claim, the Insurer is discharged from liability in so far as he would have been able to make a recovery on the grounds of the rights and remedies ceded to him. Failure to arrange for time extension to be granted is likewise deemed to be a waiver of claim.

§ 34 Limitation of Reimbursement

Damages pursuant to § 10 to § 23 and expenses and costs incurred pursuant to § 32 are subject to reimbursement up to the amount agreed in the policy for any one accident or occurrence. This amount is deemed to be the maximum liability of the Insurer per occurrence.

§ 35 Deductible and Franchise

In respect of damage sustained pursuant to § 10 to § 23 and the costs and expenses pursuant to § 32 the Assured has to bear a deductible per insured claim as indicated in the policy.

§ 36 Exclusion of Set-Off

The set-off of claims by the Assured against premium and other claims is not permissible unless the Insurer has acknowledged the claims against them or the claims cannot be contested with legal remedies.

§ 37 Exclusion of Assignment

The Assured is not entitled to assign insurance claims to third parties without the express consent of the Insurer as long as the claim is still appealable.

§ 38 Limitation Period

All claims of the Assured against the Insurer shall become time barred after two years, beginning with the end of the year in which payment could be claimed under the policy.



§ 39 Applicable Law, Arbitration Agreement and Jurisdiction

- 39.1. The insurance contract is exclusively subject to German law unless any policy issued hereunder states otherwise in which case such law and/or jurisdiction as agreed thereunder to be considered as the applicable law and/or jurisdiction in the event of any dispute arising; but notwithstanding the foregoing (or any agreement or decision as to law and jurisdiction otherwise arising or imposed by force of law), the meaning and effect of the original German language provision of these Conditions of which this is a translation only shall have priority and take precedence in terms of application and effect.
- 39.2. Under exclusion of the ordinary courts disputes under this insurance contract are subject to arbitration proceedings before a Duisburg arbitration tribunal in accordance with the court of arbitration regulations issued by the “Schifferbörse zu Duisburg-Ruhrort e.V.” for inland vessels.
- 39.3. In variation to § 39.2, the Insurer is entitled to sue the Assured for premiums and other claims before the Hamburg courts or the courts at the actual seat of administration or the statutory seat of the Assured or a Co-Assured.
