

MARINE HULL INSURANCE POLICY

WE, THE ASSURERS, **LEADWAY ASSURANCE COMPANY LIMITED** HEREBY AGREE IN CONSIDERATION OF THE PAYMENT TO US BY OR ON BEHALF OF THE ASSURED OF A PREMIUM TO BE AGREED TO INSURE AGAINST LOSS DAMAGE LIABILITY OR EXPENSES IN THE MANNER HEREINAFTER PROVIDED.

IN WITNESS WHEREOF ON BEHALF OF THE ASSURERS, I HAVE HEREUNTO SET MY HAND IN AT KADUNA, NIGERIA.

MANAGING DIRECTOR

THE SCHEDULE MUST BEAR THE SIGNATURE OF A PERSON DULY AUTHORISED TO SIGN ON BEHALF OF THE ASSURERS.

MARINE HULL POLICY SCHEDULE

POILCY NUMBER : MH14000XXLA
DATE OF POLICY : xxxxxxx May, 2014
ASSURED : XXXXXXXXXXXXXXXXXXXXX
ADDRESS : LAGOS STATE
PERIOD OF INSURANCE: TWELVE (12) MONTHS
FROM: XXTH MAY, 2014 TO: XXTH MAY , 2015
[BOTH DAYS INCLUSIVE]
SUBJECT MATTER : AS DETAILED BELOW
ANNUAL PREMIUM DUE : XXXXXXXXXXXXX

COVER DETAILS:

<u>SUBJECT MATTER</u>	<u>SUM ASSURED</u>	<u>RATE</u>	<u>PREMIUM</u>
Hull & Machinery			
War & Strike Extension			
P & I Extension			
PREMIUM DUE			

SUMMARY OF COVER:

MARINE HULL:

The policy cover loss, destruction or damage as a result of the under-listed risks specified on the institute Time Clauses Hull attached to the original policy

- ❖ Perils of the sea, lakes and rivers (e.g running aground)
- ❖ Fire
- ❖ Explosion
- ❖ Lightning
- ❖ Protection and Indemnity (P & I)
- ❖ Strike, Riot and Civil Commotion (SRCC)
- ❖ Violent Theft occurring from outside the vessel
- ❖ Bursting of Boilers
- ❖ Earthquake, Volcanic Eruption & Lightning
- ❖ Contact with aircrafts or similar objects, land conveyance, dock of harbor equipment or similar installations
- ❖ Negligence of Masters/crew
- ❖ Collision liability

Excess: Excess: Partial loss – Euro xxxxxx0 or 5% of each and every claim whichever is higher

Total loss – xx of the value.

CONDITIONS OF INSURANCE: CLAUSES, ENDORSEMENTS, SPECIAL CONDITIONS AND WARRANTIES.

SUBJECT TO:

1. INSTITUTE TIME CLAUSES – Hulls – 1/10/83
2. INSTITUTE PROTECTION & INDEMNITY CLAUSES – HULLS TIME
3. INSTITUTE WAR & STRIKE CLAUSES – HULLS TIME
5. SUBJECT TO MARINE POLLUTION EXCLUSION CLAUSE 1.5.71.
6. SUBJECT TO SAFETY MEASURES, FIRE EXTINGUISHING & MAINTENANCE WARRANTY
7. SUBJECT TO INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE.
8. WARRANTED ICSA CLASSIFICATION (ABS, BV, ETC)
9. EXCLUDING THEFT OF MACHINERY INCLUDING OUTBOARD MOTOR, GEAR OR EQUIPMENT IF NOT SECURELY AND PERMANENTLY LOCKED TO THE VESSEL OR BOAT BY AN ANTI-THEFT DEVICE IN ADDITION TO THE NORMAL METHOD OF ATTACHEMENT.
10. PREMIUM PAYMENT CLAUSE.
11. SUBJECT TO SURVEILLANCE/SAFETY MEASURES AND MAINTENANCE WARRANTY.
12. EXCLUDING LOSS DUE TO COMMUNAL CLASHES AND TERRORISM
13. EXCLUDING ALL LIABILITIES IN RESPECT OF CARGO & EMPLOYEES
14. WARRANTED THAT THE VESSELS BE UNDER THE COMMAND OF ADEQUATE, COMPETENT AND EXPERIENCED HANDS AT ALL TIMES.
15. WARRANTED THAT THERE SHALL ALWAYS BE SATISFACTORY INDEPENDENT HULL CONDITION SURVEY AND VALUATION REPORTS AT INCEPTION OR TO BE SUBMITTED WITHIN 30 DAYS OF COMMENCEMENT OF COVER AND ANNUALLY THEREAFTER BEFORE RENEWAL IS EFFECTED.
16. WARRANTED ALL MAINTENANCE SCHEDULE BE OBSERVED AND SURVEYOR'S RECOMMENDATIONS BE COMPLIED WITH.
17. WARRANTED ALL WELDING ON BOARD MUST BE AUTHORISED
18. SUBJECT TO SEAWORTHINESS WARRANTY
19. THE VESSELS MUST ALWAYS COMPLY WITH THE FEDERAL MINISTRY OF TRANSPORT CERTIFICATE OF MINIMUM SAFE MANNING.
20. TRADING LIMIT: NIGERIAN TERRITORIAL WATERS
21. SUBJECT TO AVERAGE CLAUSES (PRO-RATA CONDITION)
22. SUBJECT TO AN EXCESS OF N100,000.00 or 10% EACH AND EVERY CLAIM AMOUNT (EXCLUDING TOWING EXPENSES, SUE & LABOUR AND SALVAGE FEES).

INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this Insurance inconsistent therewith

In no case shall this insurance cover loss, damage, liability or expenses directly or indirectly caused by or contributed to by or arising from

- 1.1 Ionising radiation's from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- 1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 1.3 Any weapon of war employing atomic or nuclear fission and/ or fusion and/ or fusion or other like reaction or radioactive force or matter.

MARINE POLLUTION EXCLUSION CLAUSE 1. 5. 71

Notwithstanding anything to the contrary contained in this policy, this policy does not insure against any loss, cost liability expense, fine or penalty, of any kind or nature whatsoever incurred by the Insured, directly or indirectly, in consequence of, or with respect to, the actual or potential discharge, emission, spillage or leakage upon or into the seas, waters, land or air anywhere in the world, of any pollutant, including but not limited to oil, petroleum products, chemicals or other substances of any kind or nature whatsoever.

All terms and conditions of this policy shall be deemed amended to the extent necessary to give full force and effect to this exclusion.

JURISDICTION CLAUSE

Notwithstanding anything contained herein to the contrary it is agreed that the indemnity provided herein shall not apply to:

- a) Compensation for damages in respect of judgments delivered or obtained in the first instance in a court of competent jurisdiction outside the geographical area.
- b) Costs and expenses of all litigation recovered by any claimant from the insured which are not incurred in and recoverable in the geographical area.

For purposes of this clause the geographical area shall mean the Federal Republic of Nigeria.

SEAWORTHINESS WARRANTY

It is warranted that the seaworthiness of the insured vessel (s) shall continuously be maintained and that documentary evidence(s) such as seaworthiness certificates , engine log records , maintenance records e.t.c. shall be properly maintained and safely kept for inspection at all times.

MAINTENANCE WARRANTY

It is warranted that the insured shall maintain in proper working order the vessels referred to in this policy and shall ensure that all maintenance schedule in respect of such vessels are effectively and efficiently implemented.

The due observance of this warranty shall be a condition precedent to any liability of the insurers under this policy.

FULL SURVEY CONDITION

Notwithstanding anything contained herein to the contrary, It is a condition that the insured shall give full co-operation to the insurers to carry out full survey of the risk within two [2] weeks of inception of this policy.

POLITICAL RISK EXCLUSION CLAUSE

This policy does not cover any loss or damage occasioned directly or indirectly by or through, or in consequence of communal and/ or religious disturbances as stated hereunder;

1. Communal disturbances shall mean any act of public disorder directed at, or in retaliation against any ethnic or tribal group committed by any organization. Communal disturbance shall include intra ethnic /tribal conflicts.
2. Religious disturbance shall mean any act committed by any religious group or groups in pursuance of certain belief or faith, resulting in any loss, damage to or destruction of the property insured.

AVERAGE CLAUSE (PRO-RATA CONDITION)

Notwithstanding anything contained herein to the contrary it is declared and agreed that if the property covered by this policy shall at the commencement of any destruction of or damage to such property by the peril hereby insured against be of greater value than such sum insured, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly. CL301

DEPRECIATION & TOTAL LOSS CLAUSE

It is declared and agreed that notwithstanding anything herein contained to the contrary, in the event of loss or damage to the insured vessel caused by perils covered by the policy, where estimate of repairs exceeds 60% of the sum insured the Company may at its options regard the loss or damage to the vessel as "Constructive Total Loss".

In which case, the Company shall pay the insured the sum less depreciation at the rate of 10% per annum and the damaged vessel become the property of the Company and may be disposed off at its discretion.

EXCHANGE RATE CLAUSE

The dollar exchange rate prevailing as at the time of premium computation (N158.00 to US\$1) shall be the basis for determining the Naira equivalent of any dollar denominated amount.

All other terms, exception and conditions of this policy remain otherwise unaltered.

TERRORISM EXCLUSION CLAUSE

The insurance provided under this agreement shall not apply to the following:

Any loss, cost or expense arising out of or related to, either directly or indirectly, any 'Terrorist Activity', as defined herein. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to loss, cost or expense. For the purpose of this exclusion,

- a. 'Terrorist Activity' shall mean any deliberate, unlawful act that:
 1. Is declared by any authorized government official to be or to involve terrorism, terrorist activity or acts of terrorism, or
 2. Includes, involves, or is associated with the use of or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to
 - A. Promote or further any political ideology, philosophical, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;
 - B. influence, disrupt or interfere with any government related operations, activities or policies;
 - C. intimidate, coerce or frightened the general public or any government related operations, activities or policies;
 - D. disrupt or interfere with a national economy or any segment of a national economy or
3. Includes, involves, or is associated with, in whole or in part, of the following activities, or the threat thereof:
 - a. high jacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, sea/ ocean vessel.
 - b. Hostage taking or kidnapping
 - c. The use of any biological, chemical, radioactive or nuclear agent, material, device or weapon;
 - d. The use of bomb, incendiary device, explosive or firearm;
 - e. The interference with or disruption of basic public or commercial services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewage or waste disposal;
 - f. The injuring or assassination of any elected or appointed government official or any government employee;

- g. The seizure, blockage, interference with, disruption of or damage to any government building , institute, functions, events, tangible or intangible property or other assets; or
- h. The seizure, blockage, interference with disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.

OTHER EXCLUSIONS

- Single handed navigation
- Charterer's Liability
- Ocean towage risks
- Ocean going hull(i.e. vessels trading beyond the territorial limits mentioned under geographical scope)

INSTRUCTIONS FOR SURVEY

IN THE EVENT OF LOSS OR DAMAGE WHICH MAY INVOLVE A CLAIM UNDER THIS INSURANCE, IMMEDIATE NOTICE OF SUCH LOSS OR DAMAGE SHOULD BE GIVEN TO **LEADWAY ASSURANCE COMPANY LIMITED**, 121/123, WESTERN AVENUE, IPONRI, LAGOS AND/OR ANY OF THE COMPANY'S RECOGNISED MARINE HULL SURVEYOR AND A SURVEY REPORT OBTAINED FROM THE AGENT NAMED HEREIN:

CLAIMS

IN CASE OF ANY LAWFUL CLAIM HERETO IT IS AGREED THAT THE SAME SHALL BE SETTLED BY THE COMPANY NAMED HEREIN UPON SURRENDER OF THE ORIGINAL POLICY DULY ENDORSED. THIS INSURANCE SHALL BE SUBJECT TO ENGLISH LAW AND PRACTICE.

EXTD ----- **SIGNED ON BEHALF** -----
OF THE ASSURERS

IMPORTANT

THE ASSURED SHOULD FOR THEIR OWN PROTECTION EXAMINE THE POLICY TO ESTABLISH THAT IT IS IN ACCORDANCE WITH THEIR REQUIREMENTS. IF NOT KINDLY RETURN IMMEDIATELY FOR ALTERATION.

DOCUMENTATION OF CLAIMS

TO ENABLE CLAIMS TO BE DEALT WITH PROMPTLY, THE ASSURED OR THEIR AGENTS ARE ADVISED TO SUBMIT ALL AVAILABLE SUPPORTING DOCUMENTS WITHOUT DELAY, INCLUDING WHEN APPLICABLE:-

1. ORIGINAL POLICY OF INSURANCE.
2. THE LOG BOOK.
3. PROTEST AND/OR EXTENDED PROTEST.
4. PARTICULARS OF TENDERS FOR REPAIRS WHICH MUST BE APPROVED BY THE COMPANY.
5. SURVEYORS REPORT OR OTHER DOCUMENTARY EVIDENCE TO CONFIRM LOSS AND/OR DAMAGE.
6. RECEIPT FOR DISBURSEMENTS.
7. PARTICULARS OF AMOUNT REALISED ON SALE OF "OLD" FOR NEW.
8. STATEMENT OF TIME OCCUPIED IN REPAIRS FOR OWNERS ACCOUNT.
9. AVERAGE STATEMENT SHOWING EXTRACT FROM LOG BOOK.
10. CORRESPONDENCE EXCHANGED WITH OTHER PARTIES REGARDING THEIR LIABILITY FOR LOSS OR DAMAGE.