

RISK DETAILS

- TYPE:** Maritime Lien Charterers' Debts Insurance
- ASSURED:** Members as may be declared, of the FD&D Class of the North of England P&I Association Limited but only in respect of Members who currently purchase this insurance. Non-Renewal Members or Members who wish to purchase this insurance for the first time, are to be agreed and accepted by Underwriters hereon prior to attachment.
- VESSELS:** As declared by the Members of the North of England P&I Association Limited. Owned vessels only. Chartered vessels to be agreed by Underwriters hereon prior to attachment.
- PERIOD:** Open Cover to accept declarations attaching from noon on the 20th February 2013 GMT made by the North of England P&I Association Ltd and expiring on or before noon the 20th February 2014 GMT.
- It is understood and agreed that this policy shall be deemed to be a claims made during policy and thus for any claim to attach hereunder, a third party claim as defined herein must be asserted to or received by the Assured during the period insured hereunder.
- INTEREST:** Third party claims – a third party claim is defined as:
(i) any claims being asserted against a declared vessel including, but not limited to statutory rights of action *in rem*, maritime liens and any other maritime claim which it is alleged by the Claimant gives a right against a vessel; and (ii) any liability to pay the cost of bunkers, port charges, stevedoring costs and any other costs necessary for the completion of a voyage which would properly be the responsibility of the vessels' charterer.
- TERRITORIAL LIMITS:** Worldwide
- LIMIT:** USD1,000,000 per claim and in the aggregate per vessel any one Assured, subject to an aggregate limit of USD3,000,000 any one Assured or group of Assureds within the same Fleet Entry in the North of England FD&D Class any one charterer insolvency.
- DEDUCTIBLE:** USD20,000 per insolvency per vessel per declaration.

CONDITIONS:

This insurance is to indemnify the Assured for financial losses incurred by the Assured by way of third party claims arising directly from the insolvency of the vessel's charterer of a declared vessel and which insolvency is beyond the Assured's control.

The North of England P&I Association Limited will handle all claims (and recoveries) hereunder as FD&D disputes within the scope of the Association's FD&D Class, keeping underwriters advised.

It is a condition precedent to underwriters' liability under this insurance that the settlement of a claim by the Assured with a third party shall be approved by underwriters or be the subject of a final judgement of the court or tribunal seized of the claim.

Excluding claims for legal costs incurred by the Assured falling within the scope of the Assured's defence entry with the North of England P&I Association Limited, but including claims for legal costs incurred by the Assured at underwriters' request and which would otherwise fall within the scope of the Assured's defence entry with the North of England P&I Association Limited, but for the exercise of discretion by the Directors of the Association against the Assured.

Excluding loss of hire, freight, deadfreight, demurrage or running expenses of the vessel or liabilities of the Assured for business interruption.

Underwriters will be under no obligation to post bail or security of any kind.

Excluding claims in respect of any third party claims known to the Assured on or before the date of entering into the policy.

Insolvency for the purpose of this policy shall be deemed to mean any of the following events:

1. The Charterer is declared bankrupt or is liquidated;
2. The Charterer has a provisional liquidator or receiver appointed;
3. The Charterer has filed a petition for reorganisation under Chapter 11 of the US Bankruptcy Code (or similar Court protection from creditors)
4. A "winding-up" order is made against the Charterer;
5. The Charterer makes any valid assignment, composition or arrangement with all creditors;
6. The holder of any debenture secured by a floating charge over the assets of the Charterer has taken possession of all, or a substantial proportion of the assets of the Charterer.

**SUE AND
LABOUR:**

Following notice of any actual or potential loss hereunder, it is the duty of the Assured(s) to notify the North of England P&I Association Limited immediately and to take all practical and remedial actions for the purpose of averting or minimising the claim hereunder, in respect of which underwriters hereunder will at their discretion reimburse the Assured(s) for all necessary costs and expenses in pursuance of its duty.

**SANCTION
LIMITATION AND
EXCLUSION
CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10
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**EXPRESS
WARRANTIES:**

Vessels to have purchased FD&D cover with the North of England P&I Association Limited and such cover to continue for the entire period of this insurance.

**CHOICE OF LAW &
JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of England & Wales and each party agrees to submit to the exclusive jurisdiction of the courts of England & Wales.

PREMIUM:

USD7,500 per vessel declared per annum and pro-rata or to be agreed by the slip leader, with all declarations to be made quarterly in arrears. No return of premium to be made in the event of any vessels entry with the North of England being cancelled or terminated. In any event any vessel declared will always be subject to a minimum premium of USD1,250.

Non-renewal members or members who wish to purchase this insurance for the first time, are to be agreed and accepted by Underwriters hereon prior to attachment.

PREMIUM

PAYMENT TERMS:

Subject to quarterly payments of premiums to Underwriters within 60 days from the end of each quarter.

Premium Payment Clause LSW3000 (11/2001) – 60 days

**TAX(ES) PAYABLE
BY INSURED AND
ADMINISTERED BY
INSURERS:**

As may be agreed by the agreement parties for each insurance bound.

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where the broker maintains risk and/or claim data/information/documents the broker may hold such data/information/documents electronically.

**(RE)INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s).

A physical copy of this document will be provided to the Insured as Evidence of Cover. No further contractual documentation required.

The contract change document(s) signed by insurer(s) shall form the evidence of changes agreed.

Wherever there is a reference to "Insured" and/or "Assured" (or "Reinsured" and/or "Reassured") in this document, they shall be deemed to have the same meaning.

Wherever there is a reference to "Insurer" (or "Reinsurer") and/or "Underwriter" in this document, they shall be deemed to have the same meaning.

SECURITY DETAILS

INSURER'S LIABILITY:

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together).

A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

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ORDER HEREON: 100% of 100%