
Policy Wording for Marine Professional Negligence Insurance

(Marine, Transport and Associated Professionals)



IMPORTANT STATEMENT - THIS IS A CLAIMS MADE CONTRACT OF INSURANCE

Section 1

Insuring clauses and conditions Precedent

A Introduction

Please read this contract wording entirely and carefully to determine rights, duties and what is and is not covered. Particular attention should be given to the Exclusions to the coverage provided in Section 6, which shall always apply. This contract wording, the Schedule and proposal form shall be considered as one document, hereafter referred to as this Insurance. Words with an initial capital letter shall have the meaning provided in Section 8 of this contract wording.

B Indemnity

In consideration of the payment of the premium, and reliance upon the statements in the proposal form, any supplementary information provided to Insurers by the Insured, its agents or insurance broker, and the provisions of this Insurance, Insurers agree to indemnify the Insured in respect of any claim covered under this Insurance which the Insured neither intended nor reasonably should have expected to have arisen during, or as a result of, the performance of the Insured Services

Provided THAT:

- (i) such claims made against the Insured are first received by the Insured during the Period of Insurance; and
- (ii) notification of the Accident giving rise to such claims had not been given to the Insured prior to the Period of Insurance; and
- (iii) the Insured provides written notification to Insurers of such claims made, which is received by Insurers within ninety days of such notification or discovery by the Insured; and
- (iv) the Insured Service giving rise to the claim was performed by the Insured within the Period of Insurance, unless a retroactive date is provided for in the Schedule, in which case the Insured Service giving rise to the claim was performed by the Insured after the retroactive date.

C Conditions Precedent

The following are conditions Precedent to Insurers' liability to indemnify the Insured in accordance with this Insurance:

- (i) Do not admit liability in the event of an Accident which results or could possibly result in a claim under this Insurance the Insured must not admit liability without Insurers' prior written permission.
- (ii) Appointment of sub-contractors/agents Where the Insured appoints a sub-contractor or an agent to act on its behalf, the Insured is expected to check that the sub-contractor or agent has a satisfactory reputation and the appropriate experience to fulfil its duties. The Insured should make best endeavours to ensure that the sub-contractor or agent holds and maintains adequate liability insurance during the Period of Insurance or is financially able to meet its legal liability. The Insured should also adequately instruct any sub- contractor or agent in writing as to its responsibilities and duties.
- (iii) Compliance with regulations The Insured shall make best endeavours to take all reasonable and proper steps to ensure compliance with all relevant and applicable regulations and statutory provisions. This shall include, but not be limited to, the ISPFs code (if applicable) and the carriage, handling and storage of dangerous cargo.

- (iv) Advice Where the Insured, as part of the Insured Services, provides professional advice including but not limited to recommendations, valuations, inspections, surveys or design consultation to a Third Party in respect of Third Party Property, the Insured will use best endeavours to apply their Standard Terms and conditions or other suitable contractual terms in line with their professional bodies recommendations. In order to properly incorporate contractual terms to the provision of services, it is recommended that these should be agreed in writing in advance by the customer. Furthermore, all formal reports and written advice must contain a clear reference that these are issued in accordance with the Insured's Standard Terms and conditions or other contractual terms.
- (v) Ship Management The following apply if Insurers include Ship Management as an Insured Service:
- (a) the Vessel to which the claim relates is named in the Schedule as "a Vessel under the Insured's management";
 - (b) the Vessel to which the claim relates has full Protection and Indemnity insurance with either a club being a member of the International Group of P&I clubs or an insurer having a Standard and Poor's rating of A minus or above, and the Insured being named as an insured on such policy. However, where the Insured's Ship Management services only extend to the provision of crew to a Vessel, the requirement for the Insured to be named as an insured on the Protection and Indemnity insurance shall be waived provided the Insured can show that the Insured has made best endeavours to be so named;
 - (c) the Vessel to which the claim relates has Hull and Machinery insurance with an insurer having a Standard and Poor's rating of A minus or above, and the Insured being named as an insured on the policy. However, where the Insured's Ship Management services only extend to the provision of crew to a Vessel, the requirement for the Insured to be named as an insured on the Hull and Machinery insurance shall be waived provided the Insured can show that the Insured has made best endeavours to be so named;
 - (d) any claim hereon shall be excess of any amount recoverable, or that should have been recoverable, under the insurances referred to in (b) and (c) above, notwithstanding any provision in such insurances to the contrary;
 - (e) the Vessel to which the claim relates is International Safety Management code certified as required by the International Maritime organisation resolution;
 - (f) that any claim has not arisen from any contravention by the Insured of the rules and recommendations of the classification society with which the Vessel is classed.
 - (g) there is a management contract for each Scheduled Vessel with the Insured's responsibilities and liabilities being no more onerous than those in the Baltic and International Maritime council's SHIPMAN 3998 contract.

Section 2

Insured Services

Insured Services shall be those services for which the Insured has requested, and Insurers have granted coverage as identified in the Schedule. The Schedule issued to the Insured will show which Insured Services are to apply to each Section of this contract wording. It is a condition of coverage that liability arises from a duty, responsibility or function associated with the Insured Service as normally provided by the Insured, which is also generally provided by other companies or individuals providing the same or similar service.

Section 3

Professional Indemnity

A Cover

Subject to the full terms and conditions of this Insurance, Insurers will indemnify the Insured in respect of any claim arising out of the normal course of providing Insured Services during the Period of Insurance arising from:

- (i) negligent performance of a Professional duty;

- (ii) fraud by an employee, other than a partner, executive officer, managing employee, director, president, vice-president or trustee, provided that such is not intended to confer any benefit on the Insured, and the employee's contract of employment is terminated forthwith;
- (iii) libel, slander or infringement of personal rights;
- (iv) unintentional breach of warranty of authority;
- (v) a misdirected claim against the Insured, being one which results from:
 - (a) an Accident for which legal liability would in the normal course of Vessel operations be covered by any Protection and Indemnity policy for the Vessel owner or operator; or
 - (b) a contract into which the Insured entered, within the scope of the Insured Services, believing that the Insured was acting "as the Principal's agent only", provided that the Insured can prove to Insurers' satisfaction that the Insured did not intend to contract in the Insured's own name.
- (vi) unintentional breach of any regulation, legal or statutory provision resulting in fines, customs duty, sales, excise tax, value added tax or similar fiscal charges or other penalty imposed by an Authority on the Insured or any other person acting within their authority on the Insured's behalf,
ProVIde THAT such breach directly relates to:
 - (a) the import or export of cargo or equipment of the Insured's customers; or
 - (b) immigration; or
 - (c) the safety of working conditions; or
 - (d) Seepage, Pollution or contamination.

B Additional Exclusions applying to this Section

- (i) Any claim that can be covered under Section 4 of this Insurance or under any applicable Extension, whether purchased by the Insured or not, is excluded under this Section.
- (ii) (a) the purchase sale or distribution, or offer of securities, or investment counselling;
 - (b) monopolies, activities in restraint of trade, unfair competition, or deceptive acts or practices;
 - (c) disclosure relating to sales or offers to sell real property;

Section 4

Third Party Legal liability

A Cover

Subject to the full terms and conditions of this Insurance, Insurers will indemnify the Insured for claims made by any Third Party which the Insured may incur whilst directly performing the Insured Services arising from an Accident causing Bodily Injury to a Third Party or physical loss of or physical damage to Third Party Property during the Period of Insurance. This Insurance shall also indemnify the Insured for consequential loss suffered by a Third Party which directly arises from a claim that the Insured is covered for hereunder.

B Contractual Liability

Notwithstanding any contractual indemnity in respect of a claim by Third Parties the Insured may be obliged to provide to a customer whilst directly performing the Insured Services, the Insured shall hereby be covered under Section 4 paragraph A provided that:

- (i) such liability would have attached to the Insured in the absence of such contractual indemnity; and
- (ii) such liability was caused, or contributed to, by the Insured's fault or negligence.

C Additional Exclusions applying to this Section

Any claim that can be covered under Section 3 of this Insurance or any applicable Extension, whether purchased by the Insured or not, is excluded under this Section.

Section 5

Claims Expenses

A Cover

Subject to the full terms and conditions of this Insurance, Insurers will indemnify the Insured for claims Expenses incurred with Insurers' prior written approval for investigating, minimising or defending a claim made against the Insured that is covered elsewhere under this Insurance. Insurers' indemnity for such claims Expenses, plus the value of any claim settled, shall not exceed the limit of Indemnity as provided for in the Schedule or as otherwise specified in this Insurance.

B Additional qualifications and conditions applying to this Section

- (i) Insurers will only approve or agree to indemnify claims Expenses if the claim or potential claim covered elsewhere under this Insurance is in excess of the deductible applicable to such claim.
- (ii) If Insurers successfully defend the Insured against a potential claim covered elsewhere under this Insurance, the relevant deductible to the claim will apply to claims Expenses. However, and always subject to paragraph B(i) above being paramount, if specifically noted in the Insured's Schedule Insurers may agree to an alternative deductible in respect of claim Expenses in cases where a claim is entirely defended.

Section 6

Exclusions Applicable to All Sections and Any Applicable Extensions

IMPORTANT: *This Insurance does not cover and shall instead always EXCLUDE any ACTUAL or alleged liability or Claim where the proximate CAUSE arises from*

- A the Insured's, or its sub-contractor or agent's, own illegal trade, dishonesty, infidelity or fraud, collusion, malicious, willful or deliberate act(s) or reckless conduct, an example of which may be the failure to establish proper systems and controls;
- B the handling, storage or carriage of cargo which is contraband or in an illegal trade;
- c the physical handling or storage of cargo by the Insured;
- d any infringement of copyright, patent, service mark or trade name;
- E the Insured's insolvency, liquidation, bankruptcy, receivership, trading whilst insolvent or any other financial default or the extension of credit or arising from the Insured's inability or failure to pay or collect its debts;
- F any contractual penalty or any provision in a contract with a customer whereby the Insured incurs liability without fault or negligence;
- G any indemnity agreement or performance guarantee (an example of which would be an agreement to perform Insured Services at, within or by an agreed time), or waiver not to rely on any defence or limitation of liability, unless prior written approval has been granted by Insurers and is so noted within the Schedule;
- H the failure to commence, or abandonment of, or inability to perform any Insured Service;
- I penalties, punitive or exemplary damages however awarded or described, or any additional damages resulting from the multiplication of compensatory damages;
- J any fines, customs duty, sales or excise tax or similar fiscal charge unless cover is provided under Section 3 A (iv);
- K the contravention of the rules or regulations of a liner conference, freight tariff, competition or similar agreement;
- I the Insured's customs bond or guarantee being made available to a Third Party other than a Principal or a customer;
- M Vessel valuations or statistical and market information provided to any Third Party which is included in a share prospectus, bond issue or other document where finance is being raised;
- N any Vessel or aircraft which is owned, chartered or leased by the Insured or on the Insured's behalf;
- o the operation or use by the Insured or on the Insured's behalf of any road vehicle, (or a chassis or trailer

owned by the Insured and used within the United States of America) or other means of transport for use on public roads which are subject to compulsory road traffic accident legislation;

- P loss of or damage to, or the condition or maintenance of, any property owned, leased, rented or occupied by the Insured or in the Insured's care, custody or control, whether or not the Insured is required by contract to insure, or for any claim arising as a result of the Insured being the owner or lessee of any property;
- Q damage to property worked on by the Insured arising out of such work or any portion thereof, or out of material, parts or equipment furnished in connection therewith;
- r discrimination or humiliation, wrongful termination or discharge of employment, failure to employ or promote, wrongful demotion by the Insured of any person or the breach of any obligation owed by the Insured to its employees, employees of any agent or sub-contractor, or any Third Party that may be deemed to be the Insured's employee;
- S the Bodily Injury of the Insured's employees, employees of any agent or sub-contractor, or any Third Party deemed to be an employee, including claims made under any worker's compensation, unemployment compensation, disability benefits law or employer's liability Acts or any other equivalent statutory or common law liability to any employee, their spouse, child, parent, brother, sister, relation, trust or estate of such employee or other person employed in any capacity whatsoever by the Insured, its agents or subcontractors or any Third Party deemed to be the Insured's employee when such liability arises out of or in the course of the employment of such person;
- T the unsuitability of or any defect in:
 - (i) goods or products manufactured, processed, graded, blended, supplied or sold by the Insured or on its behalf; material used or repairs carried out by the Insured or on its behalf;
 - (ii) any withdrawal, recall, return, inspection, replacement or loss of use arising from Section 6 paragraphs S (i) or S (ii) above;
- U Bullion, precious stones, cash, bonds, stamps, vouchers, tokens, negotiable instruments or securities of any kind;
- V any claim made by one Insured against any other or any claim made by an associated, parent or subsidiary company or by any person or entity having a financial or executive interest in the Insured's operation;
- W Seepage, Pollution or contamination unless such is:
 - (i) caused by an event which is sudden and accidental, and such event first commenced on an identified specific date during the Period of Insurance; and
 - (ii) the event is discovered and made aware to the Insured within seven days after it first commenced, unless such arises from cargo not in your care, custody or control; and
 - (iii) reported to Insurers as required under this Insurance;
- X dredging operations or the dumping, handling, processing, treatment, storage of any waste or spoil;
- Y (i) loss, damage, cost or expense directly or indirectly caused by, contributed to or arising from or in consequence of any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, industrial dispute, boycott, stoppage, restraint of labour, strike, lock-out, labour disturbance, riot, civil commotion, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- (ii) any act of terrorism, which means an act including, but not limited to, the use of force, violence or the threat of violence of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear;
- (iii) loss, damage, cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way related to strike, lock-out, labour disturbance, riot, civil commotion, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

The burden of proving that this Exclusion does not apply (if it is alleged to apply by Insurers) shall be upon the Insured. If any part of this Exclusion is found to be invalid or unenforceable, the remainder will remain in full force and effect;

- Z any continuous, intermittent or repeated exposure to or ingestion, inhalation, installation, distribution, manufacture, sale, utilisation, existence or absorption of the following substances or conditions in any form:
- asbestos, tobacco, alcohol, coal dust, polychlorinated biphenyls, silica, benzene, lead, talc, dioxin, pharmaceutical products or drugs of any type, pesticides or herbicides, human immune virus or acquired immune deficiency syndrome or electromagnetic fields;
- AA any repetitive motion, repetitive stress, repetitive strain or cumulative trauma disorder, including, without limitation:
- (i) arising from asserted improper design of goods, equipment or machinery or operations;
 - (ii) failure to warn or properly instruct as to the use of goods, equipment or conduct operations;
 - (iii) improper supervision of use of the goods, equipment or machinery or conduct of operations; and
 - (iv) without limiting the forgoing, carpal tunnel syndrome arising from, but not limited to, the use of keyboards or finger pads;
- AB loss, damage, liability or expense directly or indirectly caused by, contributed to by or arising from:
- (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - (iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - (iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The Exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
 - (v) any chemical, biological, bio-chemical, or electromagnetic weapon;
- Ac loss, damage, liability or expense directly or indirectly caused by, or contributed to, by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system;
- Where this Insurance is amended to cover risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising there from, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Section 6 paragraph AB shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

Section 7

General conditions

A United States of America Permissive User Liability Clause

In the event of any Authority deciding under the applicable State or Federal law of the United States of America that a Third Party is entitled to be indemnified under this Insurance as a result of using or being legally responsible for any vehicle, equipment or conveyance of any description, then the indemnity under this Insurance shall not exceed the minimum insurance requirements under such applicable State or Federal law.

B United States of America Oil Pollution Act Disclaimer

This Insurance is not evidence of financial responsibility under the oil Pollution Act of 3990 or any similar Federal or State laws. Any showing or offering of this Insurance by the Insured as evidence of insurance shall not be taken as any indication that Insurers consent to act as guarantor or to be sued

directly in any jurisdiction whatsoever. Insurers do not consent to be guarantors or to be sued directly.

C Premium

Premium must be paid to Insurers within the terms of credit shown in the Schedule. Where a single full annual payment of premium is to be made, failure by the Insured to pay by the date agreed shall entitle Insurers to cancel the Insurance from inception upon written notification to the Insured or its agent. Where a part payment of premium (an instalment) has been agreed, failure by the Insured to pay such amount by the specified date shall mean the Insurance is automatically cancelled from inception and reinstatement shall be at Insurers' sole discretion.

D Renewals and Renewal Rebate

Before the end of the Period of Insurance the Insured will be asked to complete a renewal questionnaire from which Insurers anticipate (but giving no guarantee) being able to offer the Insured terms for a new annual contract of Insurance. Subject to the Insured agreeing to such terms the Insured will qualify for:

- (i) a rebate of 30 % of the premium paid under this Insurance if there are no known or reported claims during the Period of Insurance; or
- (ii) a rebate of 5 % of the premium paid under this Insurance if the paid and estimated claims during the Period of Insurance do not exceed 25 % of the premium paid; or
- (iii) no rebate if the paid and estimated claims during the Period of Insurance exceed 25 % of the premium paid under this Insurance.

E Limit of Indemnity

- (i) The limit of Indemnity applying to each Section of cover under this Insurance is shown in the Schedule. This limit of Indemnity may be subject to a sub-limit of Indemnity for a particular claim. The limit of Indemnity will always be subject to deduction of any applicable deductible (which shall be borne by the Insured) and Insurers will only be liable to indemnify the Insured in excess of such amount.
- (ii) Where there are two or more claims attributable to the same incident or resulting from continuous or repeated exposure to the same or similar conditions, the limit of Indemnity and deductible applicable under this Insurance shall be applied as for one claim.
- (iii) An aggregate limit of Indemnity is the maximum amount Insurers will indemnify the Insured under this Insurance for all claims during the Period of Insurance.
- (iv) A limit or sub-limit of Indemnity shall apply to all claims under this Insurance and this will include claims Expenses covered under this Insurance. If no limit of Indemnity is stated in your Schedule, it shall be USD250,000.00 each claim and in the aggregate for all claims for the Period of Insurance.
- (v) Where one or more claims arising from one Accident are subject to a lower limit of Indemnity than other claims arising from the same incident:
 - (a) the lower limit of Indemnity will be applied to those claims to which it is applicable, but
 - (b) the total claim, including the part limited by the lower limit of Indemnity, will not exceed the higher limit of Indemnity.
- (vi) The maximum limit of Indemnity applying to this Insurance absolutely is specifically noted in the Schedule. All Insureds and Joint Insureds and all sub- limits of Indemnity will be bound by the maximum limit of Indemnity.

F Deductible

- (i) The deductible applying to each Section of cover is shown in the Schedule and shall apply to each claim covered under this Insurance, the amount of which shall be borne by the Insured. Alternative deductibles may be applicable to particular claims and if so, shall be noted in the Schedule.
- (ii) Where there are two deductibles which could apply to the same claim, the higher shall prevail.

G Cancellation

- (i) The Insured may cancel or request amendment to the terms of this Insurance by giving Insurers thirty days' notice in writing.

(ii) Insurers may cancel or amend the terms of this Insurance by giving the Insured thirty days' notice in writing.

(iii) In the case of cancellation under Section 7 paragraph G (i) or (ii) above, provided no claims have been paid or potential claims notified, any unearned premium will be refunded less Insurers' administration costs and any reinsurance costs Insurers cannot recover.

H Disclosure Obligations

Failure by the Insured, its agent or insurance broker to disclose all material information to Insurers or deliberate misrepresentation of material information prior to attachment of this Insurance shall entitle Insurers to treat the Insurance as void from inception at Insurers' sole discretion. Furthermore, the Insured shall be under a continuing duty to disclose any material change in circumstance throughout the Period of Insurance and failure to do so shall similarly entitle Insurers to treat this Insurance as void from inception at Insurers' sole discretion.

I Voiding this Insurance

In the event that Insurers elect to treat this contract as void, such as in accordance with Section 7 paragraph H, due to failure to comply with a condition Precedent or in accordance with Section 7 paragraph J (iv) , the premium paid shall be returned to the Insured, less Insurers' administration costs and any reinsurance costs Insurers cannot recover. If any claims have been paid prior to the voidance of the Insurance, the Insured shall be obliged to return the amounts paid by Insurers within seven days of Insurers notifying the Insured that the insurance is void.

Should the Insured fail to repay such amounts, Insurers shall be entitled to setoff such amounts against any premium due to be returned to the Insured, the Insured always remaining liable to promptly pay any balance due to Insurers.

J Claims

(i) In the event of any Accident which may or could possibly result in a claim under this Insurance the Insured must:

- (a) give Insurers written notice as soon as possible and no later than as specified in Section 3 paragraph B of this contract;
- (b) take all reasonable steps to avoid, minimise or mitigate a claim, including prevention of further claims, and maintain rights of recourse against any other party;
- (c) not admit liability without Insurers' prior written permission;
- (d) not incur any costs or expense in connection therewith without the prior written consent of Insurers; and
- (e) co-operate with Insurers in handling all matters relating to a claim including recourse against any other party.

(ii) Without prejudice to any other provisions of this Insurance and without waiving any of Insurers' rights hereunder, Insurers may at any time appoint and employ on the Insured's behalf lawyers, surveyors or other persons for the purpose of dealing with any matter likely to give rise to a claim under this Insurance.

(iii) Insurers may determine whether or not to settle a claim and if so, on what terms without the Insured's consent. If the Insured disagrees with any claim settlement recommended by Insurers and elects to continue any legal proceedings in connection with such claim, Insurers' liability for the claim shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with their consent up to the date of such refusal by the Insured.

(iv) If the Insured submits any claim to Insurers knowing the claim to be false or fraudulent in any respect whatsoever, Insurers shall void this Insurance as stipulated within Section 7 paragraph I and all claims relating thereto shall be forfeited.

K Rights of Recourse

The Insured must not waive any rights of recourse against any agent and/or sub-contractor unless specifically agreed in advance by Insurers and noted in the Schedule.

L Recoveries

Any amount or property (including salvage) recovered or obtained from a Third Party in respect of any

claim will be credited to Insurers to the full extent of Insurers' indemnity before any balance is credited to the Insured.

M Subrogation

The principles of subrogation shall at all times apply to this Insurance and the Insured shall provide all reasonable co-operation, assistance and relevant information to enable Insurers to pursue a subrogated claim. The Insured shall do nothing after the Accident to prejudice Insurers' subrogated rights.

N Other Insurances

This Insurance does not cover any claim which is insured or would, but for the existence of this contract, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Insurance not been effected.

O Extended Reporting Period

In the event of cancellation or non-renewal of this contract of Insurance by Insurers, other than as mentioned under Section 0 paragraph (iv) below, the Insured shall have the right, upon payment in full of a further 300 % of the annual premium, to have issued an endorsement providing an Extended reporting Period for claims first made against the Insured and reported to Insurers during this period not exceeding 32 months as specified in the endorsement.

Insurers shall only indemnify the Insured for claims arising as a result of the scheduled Insured Services provided during the Period of Insurance and not during the Extended reporting Period. The Extended reporting Period is subject to all other provisions of this Insurance including the retroactive date.

- (i) In order for the Insured to invoke the Extended reporting Period option, payment of the additional premium for the Extended reporting Period must be received by Insurers within thirty days of non-renewal or cancellation.
- (ii) The limit or sub-limit of Indemnity for the Extended reporting Period shall be part of, and not in addition to, the limit or sub-limit of Indemnity for the Period of Insurance.
- (iii) The quotation by Insurers of a different premium or deductible, limit or sub-limit of Indemnity or changes in contractual language for the purpose of renewal shall not constitute a refusal to renew by Insurers.
- (iv) The right to the Extended reporting Period shall not be available to the Insured where cancellation or non-renewal by Insurers is due to:
 - (a) a material change in the Insured Services; or
 - (b) failure to pay the premium as required in Section 7 paragraph c; or
 - (c) failure by the Insured to pay such amounts in excess of the applicable limit or sub-limit of Indemnity or within the amount of the applicable deductible; or
 - (d) failure to comply with any warranty or other provision of this Insurance.
- (v) Nothing contained herein shall operate to increase the limit or sub-limit of Indemnity as specified in the Schedule.

P Assignment

Assignment of interest under this Insurance shall not be valid except with Insurers' prior written consent.

Q Law and Service of Suit

Unless otherwise specified within the Schedule, this Insurance shall be governed by and construed in accordance with English law and any dispute arising out of, or in connection therewith, should be determined by the High court of Justice in London.

In the event that this is unenforceable Insurers, at the request of the Insured, will submit such dispute to the jurisdiction of a competent court in the country of the Insured's residence as stated in the Schedule. It is hereby agreed that any proceedings issued may be validly served by the delivery of documents by courier:

- (i) From Insurers to the Insured at the address shown in the Schedule;

Multicontainer Bldng. 41, Agiou Dimitriou Str. 18546 Piraeus Greece

Email: info@asosins.com Website: www.asosins.com

(ii) From the Insured to Insurers

R Rights against Insurers

A person who is not a party to this Insurance has no right under the contracts (rights of Third Parties) Act 3999 or equivalent legislation to enforce any term of this contract but this does not affect any right or remedy of a Third Party which exists or is available apart from that Act.

S Validity

In the event any portion of this Insurance is found to be invalid or unenforceable the remainder shall remain in full force and effect.

Section 8

Definitions

Accident

An event, occurrence or incident which was neither expected nor intended by the Insured that occurred during the Period of Insurance.

Authority

A duly constituted court, tribunal or government authority of competent jurisdiction acting within legal powers.

Bodily Injury

All physical or mental injury to a Third-Party including death, disease, illness, disability or nervous shock resulting from such physical injury.

Bullion

Gold, silver or platinum in bars or similar bulk form.

Cargo

Goods, including anything used or intended to be used to pack or secure goods (other than equipment owned or leased by the Insured), carried from one place to another place in respect of which the Insured or its Principal contracts to provide services.

Cash

Bank notes, coins, travelers and bank cheques, drafts, credit cards, debit and charge cards.

Claim

(i) a notification of liability (actual, alleged or potential) made to the Insured by a customer, Authority or Third Party relating to a scheduled Insured Service, including the service of suit or institution of arbitration proceedings; or

(ii) the Insured being made aware of an Accident that could give rise to its liability relating to an Insured Service.

See also Section 7 paragraph J.

Claims Expenses

Legal costs and expenses incurred in the defence of any claim(s) arising from an Accident covered under this Insurance, including attorneys' fees and disbursements, and the costs and expenses of litigation awarded to any claimant against the Insured by way of interest on judgements, investigation, adjustment, appraisal, appeal and legal costs and expenses.

claims Expenses shall not include fees, salaries or retainers for salaried employees and employed counsel and the Insured's administrative expenses unless Insurers' written prior agreement has been obtained.

Condition Precedent

A requirement of this Insurance with which the Insured must comply. Any failure will mean that the Insured will not be indemnified under this Insurance for any claim.

Furthermore, failure to comply with a condition Precedent will render this Insurance void from inception.

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See also Section 7 paragraph I.

Customer

Any person (corporate or real) for whom the Insured provides services, whether directly or through its sub-contractors or agents.

Deductible

The amount of a claim that must be borne by the Insured. See also Section 7 paragraph F.

Exclusion

This Insurance shall always exclude any actual or alleged liability or claim where the proximate cause arises from an Exclusion. See also Section 6. Note, whilst most Exclusions are noted in Section 6, additional Exclusions may be noted elsewhere within the wording or Schedule.

Extension

Additional cover which is only provided if specifically noted within the Schedule.

Extended Reporting Period

Shall be the period of time after the end of the Period of Insurance for reporting claims which have taken place prior to the end of the Period of Insurance but which the Insured became aware of after the Period of Insurance. See also Section 7 paragraph o.

Gross Income

Fees and commissions charged to customers by the Insured, excluding disbursements paid on behalf of the customer.

Hull and Machinery Policy

A policy of insurance provided to the owner or operator of a Vessel including but not limited to cover for damage to the Vessel's hull and/or machinery from all usual marine perils.

IACS

International Association of classification Societies limited.

Insurance

The contract of Insurance comprised of the Marine Professional Negligence Insurance contract wording 2009v2, the Schedule (including any subsequent endorsements) and the proposal form.

Insured

As identified in the Schedule. Furthermore, the Insured is deemed to include any partner, executive officer, managing employee, director, president, vice-president thereof while acting within the scope of the duties bestowed on that person by the Insured.

Insured Services

Shall be those services for which the Insured has requested to be insured and has been granted coverage by Insurers as identified in the Schedule. Also see Section 2.

Insurers

The entity granting the Insured the benefit of this Insurance as stated in the Schedule

ISM Code

International Safety Management code.

ISPF Code

International Ship and Port Facility Security code.

Joint Insured

As identified in the Schedule, the Joint Insured is deemed to include any partner, executive officer, managing employee, director, president, vice-president thereof while acting within the scope of the duties bestowed on that person by the Joint Insured. If a Joint Insured is noted in the Schedule, it is the Insured

who is responsible for the conduct of the Joint Insured under this Insurance.

Limit of Indemnity

The maximum amount as noted in the Schedule (which includes the deductible that shall be borne by the Insured) which shall be paid by Insurers in respect of a claim. See also Section 7 paragraph E.

Period of Insurance

The duration of the insurance, which is shown in the Schedule, but not including the Extended reporting Period.

Principal

Any person, company or organisation who the Insured agrees to represent as agent or broker.

Professional Duty

Any legal duty of care which the Insured owes its customers or Principals to perform the Insured Services with reasonable skill and care, or equivalent, as arising under contract, tort, or statute, always excluding any event which results in Bodily Injury being caused to a Third Party, or results in physical loss or damage being caused to Third Party Property.

P&I Club

A member of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) limited complying with the rules adopted in accordance with the powers conferred in accordance with The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) limited consolidation & Amendment Act 3993 and The United Kingdom Mutual Steam Ship Assurance Association (Europe) limited articles of association which provide for the amendment abrogation or addition to the rules by resolution of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) limited.

Retroactive Date

If provided for in the Schedule, the retroactive date shall be the date, being prior to the Period of Insurance, which is the earliest time for performance of Insured Services to be covered by this Insurance. If no retroactive date is shown in the Schedule, it shall be deemed the date of inception or the date a written instruction is received by Insurers to bind cover — whichever is the later.

Schedule

The Schedule Insurers issue to the Insured evidencing the terms, conditions and premium for this Insurance and includes any subsequent endorsements.

Section

A Section of this contract wording including all paragraphs of the Section unless otherwise specified in the Schedule.

Seepage& Pollution or Contamination

The emission, discharge, disposal, release or escape of smoke, vapour, soot, dust, liquid, gas, petroleum substance or derivative, chemical or waste material or toxic material of any kind into or upon land, sea, the atmosphere, or any watercourse or body of water.

Also see Section 6 paragraph V.

Ship Management

Includes technical, operational, crew, accounting and commercial services including arranging and handling insurance matters for a Vessel. Ship Management only covers Vessels in ordinary trading service and does not include any services provided relating to new-buildings, conversions or similar.

Standard Terms and Conditions

Terms and conditions of business which the Insured must ensure govern Insured Services which involve advice (see Section 3, paragraph c (iv)) and which have been approved by Insurers and are noted as such within the Schedule. Any contractual deviation from the Standard Terms and conditions must be approved by Insurers and noted as such in the Schedule, unless such additional contracts are no more onerous than the contractual terms/ Standard Terms and conditions which have been approved by

Insurers.

Third Party

A person (corporate or real) other than the Insured, its employees, trustees, directors, officers, or any person (corporate or real) associated with the Insured. "Third Party" does not include any Authority.

Third Party Property

All real or personal property in which the Insured has no ownership interest.

Vessel

Includes ship, yacht, boat (whether self-propelled or not), craft, hovercraft and any description of watercraft or structure for use in navigation on, under or over water.

Warranty

A requirement of this Insurance with which the Insured must comply. Any failure will mean that the Insured will not be indemnified under this Insurance for any claim to which the warranty is relevant. Whether a warranty is deemed relevant to a claim will be for Insurers to determine. If a warranty is deemed irrelevant to a claim, Insurers will indemnify the Insured in accordance with this Insurance.

War Risks policy

A policy of insurance provided to the owner or operator of a Vessel / port including, but not limited to, cover for war.

Words implying the singular number only shall include the plural number and vice versa. Words implying the masculine gender only shall include the feminine gender. Words implying persons shall include individuals, partnerships, corporations and associations. Titles in this contract wording are only for reference.

The titles do not in any way affect the provisions of this Insurance.

