

DTV HULL CLAUSES 1978

(As amended in April 1984)

(Original text in German which shall take precedence)

1 *Relationship to the German General Rules of Marine Insurance (ADS)*

The DTV Hull Clauses take precedence over the ADS.

2 *Period of Insurance*

2.1 The insurance commences and expires on the dates mentioned. This applies also to a vessel which is en route at the time when the insurance expires in accordance with Article 68 ADS.

2.2 The Assured may, however, submit a declaration to Underwriters before expiry of the insurance to the effect that the insurance be extended in the event that the vessel is en route when the insurance expires and sustains indemnifiable damage impairing her seaworthiness. The extension expires as soon as the repairs have been carried out or- if repairs are not carried out immediately- when the damage has been ascertained.

3 *Insurable Value*

The agreed hull valuation shall be considered as the insurable value and comprises the vessel, the mechanical equipment, appurtenances and installations.

4 *Appurtenances and Installations*

4.1 Appurtenances are included in the insurance even if these are not the property of the Assured.

4.2 Equipment is covered against partial loss or damage only if caused by fire or explosion.

5 *Parts removed from the vessel*

Parts of the insured vessel and her appurtenances, which are temporarily removed from the vessel, remain insured. Any other existing insurance shall take precedence over this insurance.

6 *Insurances on Disbursements and Freight*

6.1 Additional insurances for shipowner's account are permitted as follows: up to 15 % of the hull valuation on disbursements and equipment and up to 20 % of the hull valuation on freight.

Amounts insured on equipment and freight not at risk shall be deemed to be covered on disbursements.

6.2 In the event of total loss, Underwriters are entitled to demand a declaration of all additional insurances taken out for shipowner's account.

6.3 If additional insurances are covered for higher amounts than those permitted above, Underwriters are discharged from liability in respect of these higher amounts in the event of total loss.

7 *Trading Warranties (according to agreement)*

7.1 European Trading

The insurance applies to voyages between all European places and all places in the Mediterranean and Black Sea, limited

to the north by the 70th degree Lat. N., excluding Greenland, but including direct voyages to and from Kirkenes and Murmansk and voyages to and from the White Sea, provided that on the outward voyage the vessel does not pass Honningsvaag prior to the 10th May and does not commence the return voyage from the last port of call at White Sea after the 31st October, to the south by the Atlantic Coast of Africa up to and including Casablanca, to the west by and including Iceland, but excluding the Canary Islands and the Azores.

7.2 Worldwide Trading

The insurance applies to voyages to and from all places. Excluded, however, are voyages

1. north of 70° Lat.N. except voyages direct to and from Kirkenes and Murmansk and voyages to and from the White Sea provided that on the outward voyage the vessel does not pass Honningsvaag prior to the 10th May and does not commence the return voyage from the last port of call at the White Sea after the 31st October,
2. to and from Greenland,
3. south of 50° Lat.S. except voyages to and from places in the Argentine, Chile and Falkland Islands and voyages to and from places of the permitted trading area,
4. North America:
at the Atlantic Coast
north of 52° 10' Lat.N. and west of 50° Long.W., south of 52° 10' Lat.N. in the area within the lines Battle Harbour / Pistolet Bay; Cape Ray / Cape North; Port Hawkesbury/ Port Mulgrave and Baie Comeau/Matane between 21st December and 30th April b.d.i.,
west of the fine Baie Comeau / Matane (but not west of Montreal) between 1st December and 30th April b.d.i.,
on the Great Lakes or the St. Lawrence Seaway west of Montreal, on the Pacific Coast north of 54° 30' Lat.N. or west of 13° 50' Long.W.,
5. East Asia
to and from the Behring-Sea, north of 46° Lat.N. and Siberia except Vladivostok and Nakhodka,
6. Indian Ocean to and from the Kerguelen, Crozet Islands and Prince Edward Islands,
7. Warranted not to sail with Indian coal as cargo
- between 1st March and 30th June b.d.i.,
- between 1st July and 30th September b.d.i., except voyages to places in Asia, not west of Aden and not east of Singapore.

7.3 Breach of the agreed trading warranties shall be deemed to be an alteration of risk

8 Premium Payment

8.1 The premium is to be paid in advance for each 3 months' period.

8.2 Additional premiums shall be paid together with the following quarterly instalment.

8.3 The discount is 7.5%.

The premium must be received by Underwriters within 10 days after commencement of the 3 months' period. If the payment is effected through a broker, the premium must be received by him within the above mentioned period and must be passed on immediately, but it must be received by Underwriters within further seven days at the latest.

8.4 If the premium is not received within the above mentioned periods, no discount will be granted from the commencement of the 3 months' period during which the delay has occurred; Underwriters have then the right to cancel the insurance within a period of 5 days.

If Underwriters cancel the insurance, the cover will terminate with Articles 67 and 68 ADS being cancelled on expiry of the 5th day after the notice of cancellation has been received by the Assured, unless the insurance has terminated earlier.

8.5 If Underwriters pay the amount insured or the difference between the amount insured and the proceeds in accordance with Article 77 ADS, the annual premium is payable. The portion of the annual premium which has not yet been paid in advance is to be paid without deduction of a discount, but with the deduction of any returns which the Assured is entitled to receive.

8.6 The Assured may offset any counter claims which have not yet become due against the premium amount only if Underwriters have given their consent in writing; in that event Article 16, Section 2, ADS will be cancelled.

The Underwriters are entitled to offset any claims due against the next premium instalment payable.

9. Leadership- Co-insurance.

9.1 For insurances written by more than one Underwriter, each individual Underwriter is always liable only for his own proportion and not jointly.

9.2 Agreements between the leading Underwriter and the Assured, with the exception of increases in values, are binding upon the co-insurers. The same applies to the settlement of claims and recovery actions.

9.3 The leading Underwriter is also authorized, on behalf of the co-insurers, to sign mortgage clauses and pledging notices as well as to issue guarantee declarations in accordance with Clause 24.

9.4 Notifications any declarations of legal intent received by the leading Underwriter shall be deemed to have also been received by the co-insurers.

9.5 The leading Underwriter is authorised by co-insurers to conduct legal proceedings on their behalf. This applies to lawsuits in ordinary courts as well as in courts of arbitration.

Also binding on co-insurers is a judgement or an agreement after legal proceedings or an arbitration award if this was directed against the leading Underwriter for his own share only. If the share of the leading Underwriter does not reach the sum necessary for an appeal or revision, the Assured- upon demand of the leading Underwriter or of a co-insurer is obliged to extend the suit to a second or if necessary to a third or further Underwriter until the sum has been reached. If the Assured does not comply with this demand, the first sentence shall not apply.

10 Lay-up Returns

10.1 if the vessel is laid up in a safe port for more than 14 consecutive follows, premiums to be returned as follow :

Hull insurance: 65 % of the gross premium rate, provided that the vessel is laid up unemployed without cargo and not under repair, but

minimum premium per month 0.5 %

maximum premium per month 30 %

45 % of a of the gross premium rate n all other cases. except conversion of the vessel, but

minimum premium per month 0,75 %

maximun premium per month 4,7 % days, Additional

insurances: premium per month 0,3 %

10.2 The premium return will be calculated on a pro rata basis for the first full 15 days, and accordingly for any further full days,

10.3 The lay-up return will be calculated quarterly.

10.4 Additional premiums remain unaffected.

10.5 In general, no lay-up returns will be granted if the laying up takes place outside the trading warranties or if it is solely or partly caused by strikes, riots, war, seizure or detention by authority, usurpation of power or armed rebellion.

11. Alteration of Risk

11.1 The Assured is entitled to alter the risk and to allow such alteration by a third party.

11.2 If the Assured alters the risk or receives knowledge of any alteration of risk, he has to disclose the facts immediately to Underwriters.

11.3 If the Assured has not disclosed any increase in risk, Underwriters shall be discharged from liability, unless the non-disclosure was not intentional, or the increase in risk had no effect on the occurrence of the loss or damage or the extent thereof.

11.4 In the event of an increase in risk Underwriters shall be entitled to an additional premium to be agreed, unless such increase in risk is made in the interest of Underwriters, or is demanded by humanity or by an insured occurrence which might result in loss or damage.

11.5 The following especially is to be regarded as alteration of risk:

1. docking or entering slipways with cargo;
2. uncustomary towage services either rendered or received, except in cases of distress;
3. breach of the agreed trading warranties;
4. loading or discharge operations at sea from or into another ocean-going vessel;
5. waiver of subrogation agreements in time charterparties exceeding customary practice;
6. employment of the vessel in military manoeuvres.

12. Change of Management

12.1 If the manning, fitting-out and inspection of the vessel is transferred to new management, the Assured is under obligation to give previous notice to Underwriters.

12.2 Underwriters have the right to cancel the insurance within 14 days after receipt of such notification, with 14 days notice of cancellation.

12.3 In the event of the Underwriters giving notice of cancellation, the provisions of Articles 66 to 68 ADS remain unaffected.

12.4 The premium will be adjusted in the same way as in case of sale of the vessel.

12.5 In case of non-disclosure Underwriters are discharged from liability, unless the non-disclosure was not intentional.

13 Sale of Vessel

If the insured vessel is sold, the insurance shall terminate in accordance with Article 50, Section 2, ADS. As far as the return of premium is concerned, Article 50, Section 2, ADS will be amended to the effect that the premium due for the later period will be refunded; Underwriters, however, entitled to premium for the additional time of coverage in accordance with Article 34, Section 2 of the Ship Rights Act.

14 Dangerous Cargo- Bulk Cargo

Article 60 ADS is replaced by the following provision:

14.1 Underwriters do not cover loss or damage resulting from goods which are precluded from carriage or which are only admitted for carriage in accordance with the German regulations for the

carriage of dangerous goods if these regulations were violated in connection with the carriage and the loss or damage is due to such violation, unless the Assured proves that he has complied with the regulations and has performed everything necessary to secure the observance thereof in connection with the carriage or neither knew nor ought to have known of such carriage.

14.2 In case of loading in a foreign port under regulations existing in such port, the Assured has the option of complying either with these regulations or with the German regulations.

14.3 For loss or damage caused by bulk cargo, the provisions of Clause 14.1 and 14.2 above shall apply with regard to legal regulations and orders of authorities as well as rules and instructions of the classification society.

15 Acts of Violence

The insurance against the risks of political acts of violence, labour disturbances, riots, civil commotions

and piracy may be cancelled at any time either individually or collectively with 14 days' notice.

16 WarRisks

16.1 The insurance does not cover the risks of war, civil war or warlike events, as well as events arising

independent of a state of war - from the hostile use of engines of war and the presence of engines of war as a consequence of one of these risks.

16.2 In alteration of Article 35, Section 2, ADS, Underwriters remain liable where a vessel in consequence of a risk as per Clause 16.1 does not commence or discontinues the voyage, or calls at a port of refuge.

17 Seizure

17.1 The insurance does not cover the risks of seizure or other deprivation by measures of authorities.

17.2 Underwriters remain liable for a loss caused by a court order or by the enforcement thereof, provided they have to indemnify the Assured for the claim brought forward against him in the course of the legal proceedings.

18. Pollution Hazard

This insurance includes loss of or damage to the vessel directly caused by any governmental authority acting under the sovereign power to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from a peril covered under this policy, provided such act of governmental authority has not resulted from want of due diligence by the Assured whilst preventing or mitigating such hazard or threat.

19. Nuclear Energy

19.1 Underwriters are not liable for third party liability claims caused by radioactive materials.

19.2 Underwriters also do not cover loss or damage if the German regulations or the rules and instructions of the classification society for the carriage of radioactive material have been violated and the loss or damage is due to such violation.

Underwriters shall not be discharged from liability if the Assured proves that he has complied with the foregoing regulations, rules and instructions and has performed everything necessary to secure the observance thereof during the carriage or neither knew nor ought to have known of such carriage.

In case of loading of radioactive materials in a foreign port under regulations existing in such a port, the Assured has the option of complying either with these regulations or with the German regulations.

19.3 Underwriters are discharged from liability to such extent as the Assured receives or would receive compensation from a third party if this insurance had not been effected.

20. *Machinery*

20.1 The term "machinery" includes in particular:

The main propulsion installation with shaft and propeller, auxiliary aggregates, pumps, refrigerating installations, deck engines and associated equipment, but with the exception of pipes with fittings, as well as storage tanks, service tanks and associated equipment.

20.2 Article 65 ADS is replaced by the following provision:

The insurance covers loss of or damage to the machinery of the vessel proximately caused by insured perils

latent defect due to a material or manufacturing fault
error or defect in construction, breakage of a shaft.

The insurance does not cover loss or damage resulting from gross neglect of the insured installations over a lengthy period of time.

20.3 Additional deduction applying to machinery damage caused by negligence

In the event of a claim for loss of or damage to the machinery recoverable under this insurance and attributable in part or in whole to negligence of the master, officers or crew, the Assured shall, in addition to the deductibles agreed, also bear in respect of each accident or occurrence

an amount equal to 10% of the balance of such claim. This deduction shall be limited to 1% of the hull value, maximum
DM100000

21. *Deductible*

21.1 Article 34 ADS is replaced by the following provision: A deductible will be agreed in each case.

21.2 The deductible will apply to each occurrence of damage. Claims for damage by heavy weather or ice occurring during a single sea-passage between two successive ports shall be treated as being due to one accident.

21.3 The deductible will not apply:

- in the event of total loss and equivalent cases as per Article 123, first sentence, ADS
- to general average contributions
- to sacrifices
- to third party claims
- to expenses as per Article 32, Section 1, Subsections 1 and 2, ADS.

21.4 Deductions according to Ice Clauses will apply additionally.

22. *Ice Damage*

In case of damage by ice, the Ice Clauses - according to the ice class of the vessels - will apply.

23. *Seaworthiness*

Article 58 ADS is replaced by the following provision:

23.1 Underwriters are not liable for loss or damage resulting from the vessel having put to sea in a state of unseaworthiness, especially from her not having been properly equipped, manned, or loaded, or

without the documents necessary for the vessel, the crew, or her cargo, or without the highest class of a recognized classification society and without the sailing permission certificate of the See-Berufsgenossenschaft (Board of Ship Safety and Social Security) or if under foreign flag - of the competent authority.

23.2 This provision shall not apply if the unseaworthiness is due to reasons beyond the control of the Assured.

24. *Bail*

If the Assured is under obligation to provide security for an insured loss, or if the provision of security for such a loss is necessary in order to prevent impending arrest, Underwriters will undertake to issue a guarantee in accordance with the conditions of the policy or to pay the required amount to be deposited.

25. *Evidence of Loss*

In the event of loss or damage being investigated by a German Maritime Court or by a similar foreign authority, Underwriters prior to the payment of an indemnity shall be entitled to request the presentation of the final verdict of the Maritime Court or the decision of the foreign authority. In cases of total loss and missing vessel_ the payment of indemnity is subject to the presentation of such document.

26. *Loss arising from delay in payment*

In the event of dispute between Underwriters and the Assured being settled by a legal court or by a court of arbitration, Underwriters- apart from their liability for interest as provided for by law- shall not be liable to the Assured for any loss arising from delay in payment unless Underwriters have delayed the fulfilment of their obligations wilfully.

27. *Wear and Tear*

Article 59 ADS is replaced by the following provision:

27.1 Underwriters are not liable for loss or damage caused by ordinary wear and tear, or by age, by rot, rust, corrosion, worms or cavitation.

27.2 If the loss or damage may be attributed partly to one or more causes enumerated in Clause 27.1 and partly to an insured peril, Underwriters will indemnify proportionately to such extent as the peril insured against was contributory. This does not apply if an insured peril was the proximate cause of the loss or damage.

28. *Deductions "new for old"*

Deductions in respect of loss or damage specified in Article 75, Section 3, Subsection 1 and Article 76, Sections 1-8, ADS, will not apply.

29. *Bottom Painting*

Underwriters will indemnify the costs of painting caused by the insured damage. The costs of scraping and toxic painting shall be paid in proportion to the time, which corresponds to the remaining period of the paint's durability.

30. *Tenders*

30.1 On presentation of repair offers by the Assured in accordance with Article 75, Section 1, ADS, Underwriters may immediately

-request that the Assured obtains further offers for the repair of the vessel; Underwriters may also obtain such offer themselves (Tendering);

-request that the vessel be moved to another place for final repair;

-reject the place of repair or the repair yard chosen by the Assured.

30.2 Underwriters will pay compensation to the Assured for the time lost solely as the result of tenders taken in accordance with Clause 30.1. Such an allowance shall only be granted if the repair is carried out in accordance with a tender accepted by Underwriters.

30.3 The tender allowance per day amounts to 1/365 of 30% of the sum insured of the vessel.

30.4 Any amount recovered by the Assured for the same period as above

- in respect of fuel, stores, wages and maintenance allowed in general average or on account of the Ballast Ship Clause or in accordance with Article 75, Section 4, ADS

- resulting from a legal or contractual claim against third parties shall be deducted from the tender allowance.

30.5 If, contrary to the request of Underwriters, the Assured does not obtain tenders or fails to give Underwriters the opportunity of proceeding in accordance with Clause 30.1, Underwriters' indemnity payment will be reduced by 15 % of the ascertained claim recoverable under the policy.

30.6 If, despite obtaining tenders, the offer approved by Underwriters is not accepted, Underwriters' indemnity shall be limited to such offer plus the costs saved.

31 *Missing Vessel*

31.1 In the case of a missing vessel, the period of time for the presumption of an actual loss shall be two months as from the day on which the last news about the vessel was received.

31.2 A claim against Underwriters shall be deemed to have arisen at the day on which the last news about the vessel was received.

32. *Transfer of Title*

In alteration of Articles 71-73 ADS Underwriters are entitled to decide whether all rights and remedies of the Assured in respect of the vessel shall be transferred to them.

If Underwriters do not exercise such option until acceptance of the claim, these rights shall not be transferred.

33. *Repair - Indemnity without repair*

33.1 It is a prerequisite to the Assured's claim for compensation that the repairs be carried out. Article 75, Section 5, ADS, remains unaffected.

33.2 If, subsequent to damage occurred, the vessel obtains a certificate of seaworthiness from the competent classification society, in alteration of Article 75, Section 1, ADS, the repair may be deferred, provided that the damage is ascertained immediately.

33.3 Underwriters are not liable for any increased expenditure resulting from deferred repair.

33.4 Clause 28 shall apply to an indemnity payment as per Article 75, Section 5, ADS.

34. *Liability to Third Parties*

34.1 Article 78 ADS is replaced by the following provision:

341.1 Underwriters will indemnify the Assured for third party liability claims based on legal regulations and caused by movements of the vessel or by any navigational measures directly connected

therewith.

34.1.2 In the event of towage of the insured vessel, Underwriters will indemnify the Assured in accordance with Clause 34.1.1 also in cases where the liability of the Assured is based on the conditions of the Towage Contract, provided the Assured's liability as defined in the conditions of the Towage Contract is in accordance with local custom and further provided tug and tow formed one nautical unit at the time the loss or damage occurred.

34.1.3 The insurance also covers loss of or damage to property of a shipyard in accordance with Clause 34.1.1 provided the Assured is liable as per conditions of the Dock and Repair Contract and further provided the Assured's liability as defined in the conditions of such contract is in accordance with local custom.

34.1.4 In the event of loss or damage caused by spillage of cargo or bunker supplies, Underwriters shall only be liable if such loss or damage was proximately caused by collision of the insured vessel with another vessel and resulted in loss of or damage to such other vessel or property on board of such other vessel.

34.1.5 Underwriters are not liable for

- loss of life or injury of persons

- loss of or damage to property on board of the insured vessel

- liabilities of the assured to reimburse the non-carrying vessel because of loss of or damage to cargo carried on board of the insured vessel under the "both-to-blame" principle.

34.1.6 In alteration of Article 37 AIDS Underwriters are separately liable for third party liability claims up to the amount of the sum insured as if separately insured.

34.1.7 In the case of joint liability of the freight interest indemnity payments will be made in the proportion, which the hull value bears to the total amount of the hull value plus the freight interest.

The hull valuation shall be considered as being the insurable value of the hull. If a Partial Liability Clause has been agreed, this clause shall apply accordingly.

34.2 With regard to Underwriters' indemnity payment in cases of salvage, assistance and third party liability claims, vessels and other property of the Assured will be treated as being the property of a third party.

35. *General Average*

35.1 If the adjustment is agreed in accordance with the York-Antwerp Rules, the version of 1974 shall be applicable in case of doubt.

35.2 Article 62 ADS shall not apply if the loading on deck was customary.

35.3 If the vessel sails without cargo or with owner's cargo only, the policy conditions in respect of general average as well as the York-Antwerp Rules 1974, with the exception of Rules XX and XXI, shall apply accordingly.

35.4 if, on ballast voyages, the value of the vessel exceeds the sum insured at the end of such voyage, Underwriters shall indemnify only in proportion. The value shall be assessed by experts in accordance with Article 74 ADS.

35.5 Article 63 ADS shall not apply.