

INSTITUTE BULK OIL CLAUSES

RISKS COVERED

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| 1 | This insurance covers, except as provided in Clauses 4, 5, 6 and 7 below, | Risks
Clause |
| 1.1 | loss of or contamination of the subject-matter insured reasonably attributable to | |
| 1.1.1 | fire or explosion | |
| 1.1.2 | vessel or craft being stranded grounded sunk or capsized | |
| 1.1.3 | collision or contact of vessel or craft with any external object other than water | |
| 1.1.4 | discharge of cargo at a port or place of distress | |
| 1.1.5 | earthquake volcanic eruption or lightning, | |
| 1.2 | loss of or contamination of the subject-matter insured caused by | |
| 1.2.1 | general average sacrifice | |
| 1.2.2 | jettison | |
| 1.2.3 | leakage from connecting pipelines in loading transshipment or discharge | |
| 1.2.4 | negligence of Master Officers or Crew in pumping cargo ballast or fuel, | |
| 1.3 | contamination of the subject-matter insured resulting from stress of weather. | |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 or elsewhere in this insurance. | General
Average
Clause |
| 3 | This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim. | "Both to
Blame
Collision"
Clause |

EXCLUSIONS

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| 4 | In no case shall this insurance cover | |
| 4.1 | loss damage or expense attributable to wilful misconduct of the Assured | |
| 4.2 | ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured | General
Exclusions
Clause |
| 4.3 | loss damage or expense caused by inherent vice or nature of the subject-matter insured | |
| 4.4 | loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above) | |
| 4.5 | loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel | |
| 4.6 | loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter. | |
| 5 | 5.1 In no case shall this insurance cover loss damage or expense arising from
unseaworthiness of vessel or craft,
unfitness of vessel craft or conveyance for the safe carriage of the subject-matter insured,
where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein. | Unseaworthiness
and Unfitness
Exclusion
Clause |
| | 5.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness. | |
| 6 | In no case shall this insurance cover loss damage or expense caused by | War
Exclusion
Clause |
| 6.1 | war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power | |
| 6.2 | capture seizure arrest restraint or detention (piracy excepted), and the consequences thereof or any attempt thereat | |
| 6.3 | derelict mines torpedoes bombs or other derelict weapons of war. | |
| 7 | In no case shall this insurance cover loss damage or expense | Strikes
Exclusion
Clause |
| 7.1 | caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions | |
| 7.2 | resulting from strikes, lock-outs, labour disturbances, riots or civil commotions | |
| 7.3 | caused by any terrorist or any person acting from a political motive. | |

(Continued)

DURATION

- 8 8.1 This insurance attaches as the subject-matter insured leaves tanks for the purpose of loading at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
- 8.1.1 as the subject-matter insured enters tanks on discharge to place of storage or to storage vessel at the destination named herein,
- or
- 8.1.2 on the expiry of 30 days after the date of arrival of the vessel at the destination named herein, whichever shall first occur.
- 8.2 If, after discharge from the oversea vessel into craft at the final port or place of discharge, but prior to the termination of this insurance under 8.1 above, the subject-matter insured or any part thereof is to be forwarded to a destination other than that to which it is insured hereunder, the insurance on the subject-matter insured or such part thereof shall not extend beyond the commencement of transit to such other destination, *unless otherwise agreed by the Underwriters upon receipt of prompt notice from the Assured.*
- 8.3 *Subject to prompt notice being given to the Underwriters and to an additional premium if required by them,* this insurance shall remain in force (until terminated under 8.1 or 8.2 above and subject to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any other variation of the adventure provided such other variation is beyond the control of the Assured.
- 9 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is terminated otherwise than as provided in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters,* either
- 9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,
- or
- 9.2 if the goods are forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.
- 10 Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

Transit
Clause

Termination
of Contract
of Carriage
Clause

Change of
Voyage
Clause

CLAIMS

- 11 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 12 Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.
- This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.
- 13 No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival
- 14 14.1 If any Increased Value Insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, the liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
- 14.2 **Where this insurance is on Increased Value the following clause shall apply:**
- The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Insurable
Interest
Clause

Forwarding
Charges
Clause

Constructive
Total Loss
Clause

Increased
Value
Clause

(Continued)

