

Form # SRL803 (Rev. May 8, 2013)
Ship Repairers' Liability

It is understood and agreed that the coverage provided under this Form applies only to the Insured's operations as a ship repairer and related activities.

THIS FORM ONLY APPLIES IF INDICATED COVERED AND LIMITS SHOWN ON THE DECLARATIONS PAGE(S).

THIS FORM IS ATTACHED TO AND MUST BE READ TOGETHER WITH THE COMMERCIAL GENERAL LIABILITY POLICY.

1 Gross Charges

Gross charges shall be defined as total charges (collected or uncollected) made by the Insured as ship repairer during the period of this Policy. No deduction shall be made from the gross charges in respect of any sub-contracted work.

2 Coverage

The Insurer hereby agrees, subject to the limitations, terms and conditions hereinafter mentioned, to indemnify the Insured for the sums which the Insured shall become liable to pay by reason of the legal liability of the Insured as ship repairers for:

- (i) Loss of or damage to any vessel or craft which is in the care, custody or control of the Insured for the purpose of being worked upon including shifting and moving within the limits of the port at which the work is being carried out and including performing sea trials but not exceeding 100 miles from such port.
- (ii) Loss of or damage to any other vessel or craft upon which the Insured is working except vessels or craft at sea other than whilst performing sea trials.
- (iii) Loss of or damage to cargo or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above.
- (iv) Loss of or damage to machinery or equipment of any vessel or craft, whilst such machinery or equipment is removed from such vessel or craft and is in the care, custody or control of the Insured for the purpose of being worked upon, including whilst in transit between such vessel or craft and the premises of the Insured or whilst in transit to or from specialist repairers' or manufacturers' or vendors' premises.
- (v) Removal of wreck.
- (vi) Loss of or damage to property arising from the ship repairing operations of the Insured with exception to that particular part for which the damage arises out of.
- (vii) Loss of life or bodily injury to persons occurring in the course of and arising from the ship repairing operations of the Insured.

The insurance under this Form only applies to such liability that results from negligence of the Insured, his servants, agents or sub contractors occurring during the policy period for which he is legally liable.

3 LIMIT OF LIABILITY

The liability of the Insurer under this Form is limited, notwithstanding the number of Insureds involved, for each loss, to the amount stated in the Declarations as each loss. Subject to the previous paragraph for each loss, the liability of the Insurer is limited to the amount stated in the Declarations as all losses, for the total of all losses during a policy period and this notwithstanding the number of Insureds involved. If the same, related or continuous Occurrence result in Claims which occur during the more than one Policy Period, it shall be deemed that all such Claims have occurred during the Policy Period of the first applicable Commercial General Liability Policy in chronological order.

The limit of liability under this Form is subject to and limited by Clause 2 of SECTION IV – LIMITS OF INSURANCE. Any loss paid under this Form shall reduce the General Aggregate Limit shown on the Declarations Page(s).

4 EXCLUSIONS

Notwithstanding anything contained herein to the contrary, the insurance under this Form shall not cover any liability:-

- (i) for Death or Personal Injury or any claim arising directly or indirectly under Worker's Compensation or Employers' Liability Acts or any other statutory or Common Law Liability in respect of loss of life, bodily injury to or illness of any workman or other person employed in any capacity whatsoever by the Insured, his agents or sub-contractors when such loss of life, bodily injury or illness arises out of or in the course of the employment of such workman or other person;
- (ii) in respect of property
 - (a) owned by, used by or leased to the Insured;
 - (b) in the care, custody or control of the Insured (other than property referred to in Items 2 (i), (iii), or (iv) above;
- (iii) being collision liability, towage liability or liability arising out of the navigation of any vessel or craft owned or operated by the Insured or any affiliated or subsidiary concern or party;
- (iv) in respect of or arising in connection with any vessel or craft accepted by the Insured solely to be stored;
- (v) in respect of or arising in connection with an oil tank vessel or craft, or any vessel or craft previously engaged in carrying explosives or inflammable liquids or gases or arising in connection with work
 - (a) on or near any fuel tank or pipeline or any oil burning vessel or craft
 - (b) on or near any bunker space of any coal burning vessel or craft unless the rules, regulations and requirements of the port or governmental authorities at the place where the work is being carried out have been complied with. Should a gas free certificate not be required by the port or governmental authorities then such a certificate must be obtained from a chemist approved by Lloyd's Agent prior to the commencement of work;
- (vi) in respect of or arising in connection with any new vessel or craft being built by the Insured.
- (vii) for payments under penalty clauses, detention, demurrage, loss of time, loss of freight, loss of charter, loss of market or any other consequential loss whatsoever, in respect of property referred to in Item 2 above;
- (viii) arising from the existence, maintenance, or use of:
 - (a) any licensed truck, automobile or other mechanically propelled vehicle;
 - (b) any unlicensed truck, automobile or other mechanically propelled vehicle outside the premises or yard of the Insured;
- (ix) in respect of loss or damage specified in Item 2 above unless discovered and reported in writing to Insurer within ninety days of the delivery to the owner of such property or within 6 months after the work is completed by the Insured, whichever may first occur;
- (x) in respect of or arising in connection with:
 - (a) condemnation or rejection of any part by reason of faulty design.
 - (b) any loss or expense arising from such condemnation or rejection;
 - (c) the cost or expense of repairing, modifying or replacing any part (or for any loss or expense arising therefrom) by reason of faulty design.
- (xi) arising from any strike, lock-out, labour disturbance, riot, civil commotion or act of any person taking part in any such occurrence, or from any act of any person acting maliciously;
- (xii) directly or indirectly occasioned by, happening through or in consequence of:-

OCEANIC UNDERWRITERS

- (a) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom or any hostile act by or against a belligerent power.
 - (b) capture, seizure, arrest, restraint, or detention (barratry and piracy excepted) and the consequences thereof or any attempt thereat.
 - (c) derelict mines, torpedoes, bombs or other derelict weapons of war.
 - (d) destruction of or damage to property by or under the order of any government or public or local authority.
- (xiii) directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any fuel or from any nuclear waste from the combustion of nuclear fuel.
- (xiv) assumed under contract or otherwise in extension of the liability imposed upon the Insured by law in the absence of contract.
- (xv) for punitive and exemplary damages however described.

5 GENERAL CONDITIONS

5.1 Claim Control

Insurer shall at any time be entitled (but not obliged) to control or take over the conduct of the investigation, defense and settlement of any claim, suit or proceedings against the Insured which is or is likely to be subject of indemnity under this insurance.

In the event of this insurance being one layer of series of layers of insurance and more than one layer being likely to be involved in a particular occurrence, the Insured shall endeavor to obtain the agreement of the insurers of each affected layer as to the manner in which such control or taking over shall be effected and the costs, charges and expenses incurred borne.

5.2 Reconstruction or Conversion

It is a condition of this insurance that before work commences involving the reconstruction or conversion of any vessel or craft which entails a change in dimension, tonnage or type, the Insured must advise Insurer and the coverage hereon in respect of such vessel or craft shall depend on the payment by the Insured of such additional premium as may be required by Insurer.

6 Travelling Workmen

The cover provided by the insurance shall be extended whenever any persons employed by or on behalf of the Insured are on board the vessel at sea or in any port for the purpose of effecting repairs and/or other work entrusted to the assured notwithstanding that such persons may be signed on as members of the vessel's crew.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.