



**STANDARD RULES FOR
ALANDIA P&I 2008**

Effective on and from 00:00 Greenwich Mean Time 20th February 2008

INDEX		
RULE 1	INTRODUCTORY	4
RULE 2	RISKS COVERED	4
SECTION 1	LIABILITY TO PERSONS OTHER THAN SEAMEN	4
SECTION 2	INJURY AND DEATH TO SEAMEN	4
SECTION 3	ILLNESS AND DEATH TO SEAMEN	4
SECTION 4	REPATRIATION AND SUBSTITUTE EXPENSES	4
SECTION 5	LOSS OF AND DAMAGE TO THE EFFECTS OF SEAMEN AND OTHER	4
SECTION 6	SHIPWRECK UNEMPLOYMENT INDEMNITY	5
SECTION 7	DIVERSION EXPENSES	5
SECTION 8	STOWAWAYS AND REFUGEES	5
SECTION 9	LIFE SALVAGE	5
SECTION 10	COLLISION WITH OTHER SHIPS	5
SECTION 11	LOSS OR DAMAGE TO PROPERTY	5
SECTION 12	POLLUTION RISKS	5
SECTION 13	LIABILITY ARISING OUT OF TOWAGE OF OR BY AN ENTERED SHIP	5-6
SECTION 14	LIABILITY ARISING UNDER CERTAIN INDEMNITIES AND CONTRACTS	6
SECTION 15	WRECK LIABILITIES	6
SECTION 16	QUARANTINE EXPENSES	6
SECTION 17	CARGO LIABILITIES	6
SECTION 18	PROPERTY ON THE INSURED SHIP	7
SECTION 19	UNRECOVERABLE GENERAL AVERAGE CONTRIBUTIONS	7
SECTION 20	SHIP'S PROPORTION OF GENERAL AVERAGE	7
SECTION 21	SPECIAL COMPENSATION TO SALVORS	7
SECTION 22	FINES	7
SECTION 23	ENQUIRY EXPENSES	7
SECTION 24	SUE AND LABOUR AND LEGAL COSTS	7
RULE 3	SPECIAL COVER	7
RULE 4	SPECIAL COVER FOR CHARTERERS, SPECIALIST OPERATIONS AND PASSENGER SHIPS	7-8
SECTION 1	CHARTERERS	7-8
SECTION 2	SPECIALIST OPERATIONS	8
SECTION 3	PASSENGER SHIPS	8
RULE 5	CONDITIONS, EXCEPTIONS AND LIMITATIONS	8-10
RULE 6	OWNERS AND SUCCESSORS BOUND BY RULES	10
RULE 7	APPLICATIONS FOR INSURANCE	10
RULE 8	PREMIUM RATING	10
RULE 9	FIXED PREMIUMS	10
RULE 10	JOINT ENTRIES	10-11
RULE 11	GROUP AFFILIATE COVER	11
RULE 12	INSURANCE POLICY AND ADDITIONAL INSURANCE POLICY	11
RULE 13	ASSIGNMENT	11
RULE 14	PERIOD OF INSURANCE	11
RULE 15	NOTICE OF TERMINATION	11
RULE 16	LAID-UP RETURNS	11
RULE 17	TERMINATION AND ITS EFFECTS	11
RULE 18	CESSER OF INSURANCE AND ITS EFFECTS	11-12
RULE 19	CANCELLATION OF INSURANCE AND ITS EFFECTS	12
RULE 20	SUMS DUE TO THE INSURER FOR THE PURPOSE OF APPLICATION OF THE RULES ON CANCELLATION	12
RULE 21	REGULATIONS AND RECOMMENDATIONS BY THE INSURER	12-13
RULE 22	CLAIMS	13
RULE 23	POWERS OF THE INSURER RELATING TO THE HANDLING AND SETTLEMENT OF CLAIM	13
RULE 24	FORBEARANCE AND REIMBURSEMENT	13
RULE 25	NOTICES	13
RULE 26	GOVERNING LAW AND JURISDICTION	13
RULE 27	DEFINITIONS	13-14

The notes to the Rules are for guidance only and do not form part of the Rules.

RULE 1 - INTRODUCTORY

1. The standard cover afforded by Försäkringsaktiebolaget Alandia ("the Insurer") to an Owner who has insured his ship under Alandia P&I is set out in Rule 2.
2. The risks specified in Rule 2 are always subject to the conditions, exceptions, limitations and other terms set out in Rule 5 and in the remainder of these Rules.
3. The cover set out in these Rules may be excluded, limited, modified or otherwise altered by any special terms which have been agreed in writing between an Owner and the Insurer.
4. By virtue of Rules 3 and 4 an Owner may be insured against risks other than those set out in Rule 2 where such special terms have been agreed in writing between the Owner and the Insurer. Unless otherwise expressly agreed such special insurance shall be subject to the conditions, exceptions, limitations and other terms set out in Rule 5 and in the remainder of these Rules.
5. An Owner is only insured against loss, damage, liability or expense incurred by him which arises:
 - i out of events occurring during the insurance period;
 - ii in respect of the Owner's interest in the insured ship; and
 - iii in connection with the operation of the ship by or on behalf of the Owner.
6. An Owner who has insured his ship under Alandia P&I for insurance against any of the aforesaid risks is bound to, and shall, pay premium to the Insurer in accordance with Rules 8 and 9, and otherwise on such terms and at such times as agreed with the Insurer.

RULE 2 - RISKS COVERED

Unless otherwise agreed between an Owner and the Insurer, the risks covered by the Insurer are as set out in Sections 1 to 24 below, provided always as follows:

- i An Owner is only insured in respect of such sums as he has paid to discharge the liabilities or to pay the losses, costs or expenses referred to in those sections;
- ii The maximum amount recoverable by an Owner in respect of any one accident or occurrence may be limited by virtue of the limits set out in Rule 5(B);
- iii Unless otherwise agreed between an Owner and the Insurer, an Owner's recovery under the insurance shall be subject to the deductibles set out in Appendix B to this Rule.

SECTION 1 - LIABILITY TO PERSONS OTHER THAN SEAMEN

A. Liability to pay damages or compensation for personal injury, illness or death of any person (other than the persons specified in paragraphs (B) and (C) of this Section and in Sections 2 and 3) and hospital, medical or funeral expenses incurred in relation to such injury, illness or death.

B. Liability to pay damages or compensation for personal injury, illness or death of any person engaged to handle the cargo of an insured ship.

PROVIDED ALWAYS that:

- a Cover under paragraphs (A) and (B) of this Section is limited to liabilities arising out of a negligent act or omission on board or in relation to an insured ship or in relation to the handling of her cargo from the time of receipt of that cargo from the shipper or pre-carrier at the port of shipment until delivery of that cargo to consignee or onward carrier at the port of discharge.
 - b Where the liability arises under the terms of any contract or indemnity and would not have arisen but for those terms, that liability is not covered under this Section but may be covered under and in accordance with Section 14 of this Rule.
 - c Where the liability is in respect of a person on another ship, and arises out of a collision between that ship and the insured ship, that liability is not covered under this Section but may be recoverable under and in accordance with Section 10(B) of this Rule.
- C. Liability to pay damages or compensation:
- I for personal injury, illness or death of any passenger and hospital, medical or funeral expenses incurred in relation to such injury, illness or death;
 - II to passengers on board an insured ship arising as a consequence of a casualty to that ship, including the cost of forwarding passengers to destination or return to port of embarkation and of maintenance of passengers ashore;
 - iii for loss of or damage to the effects of any passenger.

PROVIDED ALWAYS that:

- a The terms of the passenger ticket or other contract between the passenger and the Owner have been approved by the Insurer in writing and cover for the liabilities set out in this paragraph (C) has been agreed between the Owner and the Insurer on such terms as the Insurer may require.

- b There shall be no recovery from the Insurer under this paragraph (C) in respect of liabilities for personal injury or death, or loss of or damage to property, delay or any other consequential loss sustained by any passenger by reason of carriage by air, except where such liability occurs either
 - i during repatriation by air of injured or sick passengers or of passengers following a casualty to the insured ship; or
 - ii subject always to proviso (c) of this paragraph (C), during an excursion from the insured ship.
- c There shall be no recovery from the Insurer under this paragraph (C) in respect of the contractual liability of an Owner for death or injury to a passenger whilst on an excursion from the entered ship in circumstances where either:
 - i a separate contract has been entered into by the passenger for the excursion, whether or not with the Owner, or
 - ii the Owner has waived any or all of his rights of recourse against any sub-contractor or other third party in respect of the excursion.
- d Unless and to the extent that the Owner has obtained appropriate special cover by agreement with the Insurer, there shall be no recovery from the Insurer in respect of claims relating to cash, negotiable instruments, precious or rare metals or stones, valuables or objects of a rare or precious nature.

SECTION 2 - INJURY AND DEATH OF SEAMEN

Liability to pay damages or compensation for personal injury or death of any seaman, and hospital, medical, funeral and other expenses necessarily incurred in relation to such injury or death, including expenses of repatriating the seaman and sending abroad a substitute to replace him.

PROVIDED ALWAYS that:

Where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment and would not have arisen but for those terms, that liability is not covered by the Insurer unless and to the extent that those terms shall have been previously approved by the Insurer in writing.

SECTION 3 - ILLNESS AND DEATH OF SEAMEN

Liability to pay damages or compensation for illness and death resulting from illness of any seaman, and hospital, medical, funeral or other expenses necessarily incurred in relation to such illness or such death including expenses of repatriating the seaman and sending abroad a substitute to replace him.

PROVIDED ALWAYS that:

Where the liability arises or the costs or expenses are incurred under the terms of a crew agreement or other contract of service or employment and would not have arisen but for those terms, that liability is not covered by the Insurer unless and to the extent that those terms shall have been previously approved by the Insurer in writing.

SECTION 4 - REPATRIATION AND SUBSTITUTE EXPENSES

Repatriation and substitute expenses which are not recoverable under Sections 2 and 3 of this Rule and which are incurred in sending abroad a substitute to replace a seaman of an insured ship who has been left ashore, or incurred under statutory obligation in repatriating any seaman of the insured ship.

PROVIDED ALWAYS that:

This Section does not cover expenses which arise out of or are the consequence of (i) the expiry of a seaman's period of service on the insured ship either in accordance with the terms of a crew agreement or other contract of service or employment or by mutual consent of the parties to it, or (ii) breach by the Owner of any agreement or other contract of service or employment, or (iii) sale of the ship, or (iv) any other act of the Owner in respect of the insured ship.

SECTION 5 - LOSS OF AND DAMAGE TO THE EFFECTS OF SEAMEN AND OTHERS

Liability to pay damages or compensation for loss of or damage to the effects of:

A. Any seaman,

B. Any other person, on board an insured ship (other than the persons specified in paragraph (C) of Section 1).

PROVIDED ALWAYS that:

- a Unless and to the extent that the Owner has obtained appropriate special cover by agreement with the Insurer, there shall be no recovery from the Insurer in respect of claims relating to cash, negotiable instruments, precious or rare metals or stones, valuables or objects of a rare or precious nature.
- b Where the liability arises under the terms of a contract and would not have arisen but for those terms, that liability is not covered by the Insurer unless and to the extent that those terms shall have been previously approved by the Insurer in writing.

SECTION 6 - SHIPWRECK UNEMPLOYMENT INDEMNITY

Liability to compensate any seaman for the loss of his employment caused in consequence of the actual or constructive total loss of an insured ship, where the wages or compensation are payable under statutory or other legal obligation or under the terms of any crew agreement or agreement or other contract of service or employment if and to the extent that those terms have previously been approved by the Insurer.

SECTION 7 - DIVERSION EXPENSES

Expenses of diversion of an insured ship where and to the extent that those expenses (i) represent the net loss to the Owner (over and above such expenses as would have been incurred but for the diversion) in respect of the cost of fuel, insurance, wages, stores, provisions and port charges and (ii) are incurred solely for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person or for the purpose of landing stowaways or refugees, or for the purpose of saving life at sea.

SECTION 8 - STOWAWAYS AND REFUGEES

Expenses, other than those covered under Section 7 of this Rule, incurred by the Owner in discharging his obligations towards or making necessary arrangements for stowaways or refugees, but only if and to the extent that the Owner is legally liable for the expenses or they are incurred with the approval and agreement of the Insurer.

SECTION 9 - LIFE SALVAGE

Sums legally due to third parties by reason of the fact that they have saved or attempted to save the life of any person on or from an insured ship but only if and to the extent that such payments are not recoverable under the Hull Policies of the insured ship or from cargo owners or underwriters.

SECTION 10 - COLLISION WITH OTHER SHIPS

The liabilities, set out in paragraphs (A) and (B) below, to pay costs and damages to any other person as a consequence of a collision between an insured ship and any other ship, but only if and to the extent that such liabilities are not recoverable under the collision liability clause contained in the Hull Policies of the insured ship:

- A. The liabilities arising out of the collision for or relating to
- i removal or disposal or any thing whatsoever except other ships or property on other ships, of obstructions, wrecks, cargoes or any other thing whatsoever,
 - ii any real or personal property
 - iii the cargo or other property on the insured ship, or general average contributions, special charges or salvage paid by the owners of that cargo or property,
 - iv loss of life, personal injury, illness, repatriation or substitute expenses,
 - v an escape or discharge (other than from the insured ship), of oil or any other substance, or the threat thereof, but excluding damage to other ships with which the insured ship is in collision and property on such other ships.
 - vi remuneration paid, pursuant to the Special Compensation P&I Club (SCOPIC) Clause, or any revision thereof, in respect of the salvage of a ship with which the entered ship is in collision.

B. That part of the Owner's liabilities arising out of the collision, other than the liabilities listed in paragraph (A) of this Section, which exceeds the sum recoverable under the Hull Policies of the insured ship solely by reason of the fact that the sum of the liabilities arising out of the collision exceeds the valuation of the ship in those policies.

PROVIDED ALWAYS that:

- a Recovery from the Insurer under paragraph (B) of this Section shall be limited to the excess (if any) of the amount which would have been recoverable under the Hull Policies of the insured ship if that ship had been insured thereunder at the proper value in accordance with Rule 5(D)
- b Unless otherwise agreed at the time of entry or of subsequent annual renewal, an Owner shall not be entitled to recover from the Insurer any franchise or deductible borne by him under the Hull Policies of the insured ship.
- c If a claim arises under this Section in respect of a collision involving two ships belonging wholly or partly to the same Owner, he shall be entitled to recover from the Insurer, and the Insurer shall have the same rights, as if the ships had belonged to different owners.
- d Unless otherwise agreed between the Owner and the Insurer as a term of the ship's insurance under Alandia P&I, if both ships are to blame, then where the liability of either or both of the ships in collision becomes limited by law, claims under this Section shall be settled upon the principle of single liability, but in all other cases claims under this Section shall be settled upon the principle of cross-liabilities, as if the owner of each ship had been compelled to pay the owner of the other ship such proportion of

the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Owner of the insured ship in consequence of the collision.

SECTION 11 - LOSS OR DAMAGE TO PROPERTY

Liability to pay damages or compensation for any loss of or damage to any property (including infringement of rights) whether on land or water and whether fixed or moveable.

PROVIDED ALWAYS that:

- a There shall be no recovery by an Owner under this Section in respect of:
 - i Liability which arises under the terms of any contract or indemnity to the extent that it would not have arisen but for those terms.
 - ii Liability which is within the scope of the following Sections of this Rule, or within any proviso, limit, exclusion or deductible applicable to those Sections:

Section 1 (C)	Liability to persons other than seamen.
Section 5	The effects of seamen and others.
Section 10	Collision with other ships.
Section 12	Pollution risks.
Section 13	Liability arising out of towage of or by an insured ship.
Section 15	Wreck liabilities.
Section 17	Cargo liabilities.
Section 18	Property on the insured ship.
 - iii Any franchise or deductible borne by the Owner under the Hull Policies of the insured ship.
- b If an insured ship causes loss or damage to property or infringes rights belonging wholly or in part to the Owner of the insured ship, the Owner shall have the same rights of recovery from the Insurer as if such property or rights belonged wholly to different owners.

SECTION 12 - POLLUTION RISKS

The liabilities, losses, damages, costs and expenses set out in paragraphs (A) to (D) below when and to the extent that they are caused by or incurred in consequence of the discharge or escape from an insured ship of oil or any other substance, or the threat of such discharge or escape:

PROVIDED ALWAYS that

Unless and to the extent that special cover has been agreed in writing by the Insurer, the Insurer shall not reimburse any liability, loss, cost or expense which would have been recoverable in general average if the cargo of the insured ship had been carried on terms no less favourable to the Owner than those of the York-Antwerp Rules 1994.

- A. Liability for loss, damage or contamination.
- B. The costs of any measures reasonably taken for the purpose of avoiding or minimizing pollution or any resulting loss or damage together with any liability for loss of or damage to property caused by measures so taken.
- C. The costs of any measures reasonably taken to prevent an imminent danger of the discharge or escape from the insured ship of oil or any substance which may cause pollution.
- D. The costs or liabilities incurred as a result of compliance with any order or direction given by any government or authority, for the purpose of preventing or reducing pollution or the risk of pollution, provided always that:
 - a such compliance is not a requirement for the normal operation or salvage or repair of the insured ship; and
 - b such costs or liabilities are not recoverable under the Hull Policies of the insured ship.

SECTION 13 - LIABILITY ARISING OUT OF TOWAGE OF OR BY AN ENTERED SHIP

A CUSTOMARY TOWAGE OF AN ENTERED SHIP

Liability, other than for the cost of the contracted services, under the terms of a contract for the customary towage of an insured ship, that is to say:

- i towage for the purpose of entering or leaving port or manoeuvring within the port during the ordinary course of trading, or
- ii towage of such insured ships as are habitually towed in the ordinary course of trading from port to port or from place to place, to the extent that the Owner is not insured against such liability under the Hull Policies of the insured ship.

B TOWAGE OF AN INSURED SHIP OTHER THAN CUSTOMARY TOWAGE

Liability under the terms of a contract for towage of an insured ship other than the customary towage covered under paragraph (A) of this Section but only if and to the extent that cover for such liability has been agreed with the Insurer upon such terms as the Insurer may require.

C TOWAGE BY AN INSURED SHIP

Liability arising out of the towage of another ship or object by an insured ship but only and to the extent that cover for such liability has been agreed with the Insurer upon such terms as the Insurer may require.

SECTION 14 – LIABILITY ARISING UNDER CERTAIN INDEMNITIES AND CONTRACTS

Liability for loss of life, personal injury or illness, or for loss of or damage to property, arising under the terms of an indemnity or contract given or made by or on behalf of the Owner relating to facilities or services provided or to be provided to or in connection with an insured ship, but only if and to the extent that the terms have previously been approved by the Insurer and cover for the liability has been agreed between the Owner and the Insurer on such terms as the Insurer may require.

SECTION 15 – WRECK LIABILITIES

A. Costs or expenses relating to the raising, removal, destruction, lighting or marking of the wreck of an insured ship, when such raising, removal, destruction, lighting or marking is compulsory by law or the costs thereof are legally recoverable from the Owner.

B. Costs or expenses relating to the raising, removal or destruction of any property carried or having been carried on an insured ship, not being oil or any other substance within the scope of Section 12 of this Rule, when such raising, removal or destruction is compulsory by law or the costs thereof are legally recoverable from the Owner but only if and to the extent that:

- i such property does not form part of the insured ship and is not owned or leased by the Owner or by any company associated with or under the same management as the Owner; and
- ii the Owner is unable to recover such costs or expenses from the owner or insurer of such property, or from any other party.

C. Liabilities incurred by an Owner as the result of any such raising, removal or destruction of the wreck of an insured ship or any property as is referred to in paragraphs (A) and (B) of this Section, or any attempt thereat.

D. Liabilities incurred by an Owner as the result of the presence or involuntary shifting of the wreck of an insured ship or as a result of his failure to remove, destroy, light or mark such wreck, including liability arising from the discharge or escape from such wreck of oil or any other substance.

PROVIDED ALWAYS that:

- i The insured ship became a wreck as the result of a casualty or event occurring during the period of that ship's insurance under Alandia P&I, in which case the Insurer shall continue to be liable for the claim notwithstanding that in other respects the liability of the Insurer shall have terminated pursuant to Rule 18(C).
- ii In respect of a claim under paragraph (A) of this Section, the value of all stores and materials saved, as well as the wreck itself, shall first be deducted from such costs or expenses and only the balance thereof, if any, shall be recoverable from the Insurer.
- iii Nothing shall be recoverable from the Insurer under this section if the Owner shall, without the consent of the Insurer in writing, have transferred his interest in the wreck, otherwise than by abandonment, prior to the raising, removal, destruction, lighting or marking of the wreck or prior to the incident giving rise to the liabilities, costs and expenses referred to in this Section.
- iv Where the liability arises under the terms of an indemnity or contract, and would not have arisen but for those terms, such costs and expenses are only recoverable under this Section if and to the extent that the terms of the indemnity or contract have previously been approved by the Insurer and cover has been agreed between the Owner and the Insurer on such terms as the Insurer may require.

SECTION 16 – QUARANTINE EXPENSES

Additional expenses incurred by the Owner of an insured ship as a direct consequence of an outbreak, or the suspicion thereof, of infectious disease on that ship, including quarantine and disinfection expenses and the net loss to the Owner (over and above such expenses as would have been incurred but for the outbreak) in respect of fuel, insurance, wages, stores, provisions and port charges.

SECTION 17 – CARGO LIABILITIES

The liabilities and costs set out in paragraphs (A) to (D) below when and to the extent that they relate to cargo intended to be or being or having been carried in an insured ship:

A LOSS, SHORTAGE, DAMAGE OR OTHER RESPONSIBILITY

Liability for loss, shortage, damage or other responsibility arising out of any breach by the Owner, or by any person for whose acts, neglect or default he may be legally liable, of his obligation properly to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or out of unseaworthiness or unfitness of the insured ship.

B EXTRA HANDLING COSTS

The additional costs (over and above those which would have been incurred by him if the cargo had not been damaged) incurred by the Owner in discharging or handling of damaged cargo and discharging, handling, storing and reloading cargo where the ship has sustained damage recoverable under the Hull insurance of the entered ship. Extraordinary costs are recoverable only if and to the extent that the Owner has no recourse to recover those costs from any other party.

C FAILURE OF CONSIGNEE TO REMOVE CARGO

The liabilities and additional costs (over and above the costs which would have been incurred by him if the cargo had been collected or removed) incurred by an Owner solely by reason of the total failure of a consignee to collect or remove cargo at the port of discharge or place of delivery, but only if and to the extent that such liabilities or costs exceed the proceeds of sale of the cargo and the Owner has no recourse to recover those liabilities or costs from any other party.

D THROUGH OR TRANSHIPMENT BILLS OF LADING

Liability for loss, shortage, damage or other responsibility in respect of cargo carried by a means of transport other than the Insured ship, when the liability arises under a through or transshipment bill of lading, or other form of contract, providing for carriage partly to be performed by the insured ship.

PROVIDED ALWAYS that:

- a Standard Terms of Contracts of Carriage
Unless and to the extent that special cover has been agreed in writing by the Insurer, there shall be no recovery from the Insurer in respect of liabilities which would not have been incurred or sums which would not have been payable by the Owner if the cargo (including cargo on deck) had been carried under a contract incorporating terms no less favourable to the Owner than the Insurer's recommended standard terms of carriage which shall be the Hague Visby Rules.

Note: The Standard Terms of Carriage are the Hague Visby Rules, i.e. the Rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August, 1924, as amended by the Protocol to that Convention signed at Brussels on 23rd February, 1968.

- b Deviation
The Insurer shall not be liable to compensate the insured for liabilities, costs or expenses for which the Insurer has become liable as a consequence of a deviation whether geographical or other forms of deviation such as by delay or by non-performance. Where the insured has reported the deviation to the Insurer as soon as he became aware of it, the Insurer may at its discretion agree to cover the insured fully, partly or against special conditions or an additional premium. Where the Insurer finds it necessary for the insured to arrange a special insurance to cover the deviation, the Insurer may agree to arrange such a cover on the insured's behalf and at his expense.
- c Ad Valorem Bills of Lading
Unless and to the extent that special cover has been agreed in writing by the Insurer, the Insurer shall not be liable for payments to cargo claimants of amounts exceeding whichever is the higher of Euro 2 500 per unit, piece or package or the limitation per unit, piece or package specified in the standard terms of carriage, in respect of shipments of goods carried under an ad valorem bill of lading, waybill or other document containing or evidencing the contract of carriage in which the value of the relevant unit, piece or package has been stated to be in excess of Euro 2 500.
- d Rare and valuable cargo
Unless and to the extent that special cover has been agreed in writing by the Insurer, there shall be no recovery from the Insurer in respect of claims relating to the carriage of specie, bullion, precious or rare metals or stone, plate or other objects of a rare or precious nature, bank notes or other forms of currency, bonds or other negotiable instruments.
- e Property of the Owner
In the event that any cargo lost or damaged on board the insured ship shall be the property of the Owner, such Owner shall be entitled to recover from the Insurer the same amount as would have been recoverable from him if the cargo had belonged to a third party and that third party had concluded a contract of carriage of the cargo with the Owner on the terms of the Insurer's recommended standard terms of carriage.

SECTION 18 – PROPERTY ON THE INSURED SHIP

Liability of an Owner for loss of or damage to any containers, equipment, fuel or other property on board the insured ship.

PROVIDED ALWAYS that:

- i Such property is not within the scope of Section 1 (C) or Section 5 of this Rule (the effects of passengers, seamen and others) or Section 17 of this Rule (cargo liabilities) or within any proviso, exclusion, limit or deductible applicable to those Sections;
- ii Such property does not form part of the insured ship and is not owned or leased by the Owner or by any company associated with or under the same management as the Owner; and
- iii Unless and to the extent that the Owner has obtained appropriate special cover by agreement with the Insurer, the Insurer shall not reimburse an Owner to the extent that any liability arises under a contract or indemnity entered into by the Owner and would not have arisen but for such contract or indemnity.

SECTION 19 – UNRECOVERABLE GENERAL AVERAGE CONTRIBUTIONS

The proportion of general average, special charges or salvage which an Owner may be entitled to claim from cargo or from some other party to the marine adventure and which is not legally recoverable solely by reason of a breach of the contract of carriage.

PROVIDED ALWAYS that:

Proviso (a) (Standard terms of carriage) and Proviso (b) (Deviation) of Section 17 of this Rule shall apply to any claim under this Section.

SECTION 20 – SHIP'S PROPORTION OF GENERAL AVERAGE

The entered ship's proportion of general average, special charges or salvage not recoverable under the Hull Policies by reason of the value of the ship being assessed for contribution to general average or salvage at a sound value in excess of the insured value under the Hull Policies.

PROVIDED ALWAYS that:

Recovery from the Insurer under this Section shall be limited to the amount (if any) of the ship's proportion which would not have been recoverable under the Hull Policies if the ship had been insured thereunder at the proper value in accordance with Rule 5(D).

SECTION 21 – SPECIAL COMPENSATION TO SALVORS

Liability of an Owner to pay special compensation to a salvor of an insured ship, when such liability is not payable by those interested in the salvaged property, and only to the extent that such liability:

- i is imposed on the Owner pursuant to Article 14 of the International Convention on Salvage, 1989, or
- ii is imposed on the Owner pursuant to Article 14 of International Convention of Salvage, 1989, as incorporated into Lloyds Open Form of Salvage Agreement (1980, 1990, 1995 or 2000), or into any other salvage contract approved by the Insurer, or
- iii is imposed on the Owner pursuant to the Special Compensation P&I Clubs (SCOPIIC) Clause as incorporated into Lloyds Open Form of Salvage Agreement or any other "no cure – no pay" salvage contract approved by the Insurer.

SECTION 22 – FINES

Fines as set out in paragraphs (A) to (D) below when and to the extent that they are imposed in respect of an insured ship by any court, tribunal or authority and are imposed:

- i upon the Owner, or
- ii upon any person whom the Owner may be legally liable to reimburse (other than under the terms of a contract or indemnity) or reasonably reimburses with the approval of the Insurer, or
- iii upon any person whom the Owner may be legally liable to reimburse under the terms of a contract or indemnity, but only if and to the extent that such terms have previously been approved by the Insurer in writing.

A. Fines for short or overlanded or over delivery of cargo, or for failure to comply with regulations relating to declaration of goods or to documentation of the insured ship in respect of her cargo;

B. Fines for smuggling or for any infringement of any Customs law or Customs regulation relating to the construction, adaptation, alteration or fitment of the insured ship;

C. Fines for contravention of any law or regulation relating to immigration;

D. Fines in respect of an accidental discharge or escape of oil or other substance, or the threat thereof;

PROVIDED ALWAYS that:

There shall be no recovery from the Insurer in respect of fines arising out of

- a the overloading of an insured ship or
- b infringements or violations of or non-compliance with the provisions regarding construction, adaptation and equipment of ships contained in the International Convention for the Prevention of Pollution from Ships, 1973, as modified or amended by the

Protocol of 1978 and any subsequent Protocol, or such of those aforesaid provisions as are contained in the laws of any State giving effect to that Convention or to such Protocol.

SECTION 23 – ENQUIRY EXPENSES

The Insurer shall cover costs and expenses incurred by the insured in defending himself or in protecting his interests before a formal enquiry into the loss of or casualty involving the Ship, in cases in which, in the opinion of the Insurer, a claim upon the Insurer is likely to arise, but only to the extent that such costs and expenses have been incurred with the agreement of the insured.

SECTION 24 – SUE AND LABOUR AND LEGAL COSTS

A. Extraordinary costs and expenses (other than those set out in paragraph (B) of this Section) reasonably incurred on or after the occurrence of any casualty, event or matter liable to give rise to a claim upon the Insurer and incurred solely for the purpose of avoiding or minimizing any liability or expenditure against which the Owner is wholly or, by reason of a deductible, partly insured by the Insurer, but only to the extent that those costs and expenses have been incurred with the agreement of the Insurer.

B. Legal costs and expenses relating to any liability or expenditure against which the Owner is wholly, or, by reason of a deductible, partly insured by the Insurer, but only to the extent that those costs and expenses have been incurred with the agreement of the Insurer.

APPENDIX A TO RULE 2 – THE INSURER'S LIABILITY FOR OIL POLLUTION CLAIMS

A. The Insurer's liability for claims in respect of or relating to an escape or discharge of oil (other than for loss of or damage to such oil), howsoever arising, whether under Section 12 or any other Section or combination of Sections of Rule 2, shall be limited to the maximum liability of the Insurer as set out in the Policy.

APPENDIX B TO RULE 2 – DEDUCTIBLES

Unless otherwise agreed between the Owner and the Insurer as part of the terms upon which the ship is insured under Alandia P&I, the Owner's recovery from the Insurer shall be subject to the following deductibles:

- i Crew illness and related expenses
Claims under Section 3 of this Rule relating to illness of crew shall be limited to the excess of Euro 2 000 in any one port each time the ship calls at that port, unless claims at two or more ports arise out of the same illness in which case the deductible will only be applied once to the aggregate of those claims.
- ii Cargo claims and cargo's proportion of general average Claims under Sections 17 and 19 of this Rule shall be limited to the excess of Euro 5 000 each single voyage, the deductible being applied to the aggregate of the claims under Sections 17 and 19 on that voyage.
- iii Fines
Claims under Section 22 of this Rule shall be limited to the excess of Euro 2 000 any one accident or occurrence in the case of fines for pollution and each port (each time the ship calls at that port) in the case of all other fines.

RULE 3 – SPECIAL COVER

A. Subject to prior separate agreement, the Insurer may accept entries of ships on terms, which afford cover to an Owner against any special or additional risks not set out in Rule 2. The nature and extent of the risks and the terms of the cover shall be as agreed in writing between the Owners and the Insurer.

B. Notwithstanding Rule 1(5), an Owner may be insured on the special term that the risks insured may arise otherwise than in respect of the insured ship or otherwise than in connection with the operation of the insured ship provided always that this shall have been expressly agreed in writing between the Owners and the Insurer.

RULE 4 – SPECIAL COVER FOR CHARTERERS, SPECIALIST OPERATIONS AND PASSENGER SHIPS

Without prejudice to the generality of Rule 3, an Owner may be insured against such of the risks set out below as may be appropriate to his interest in an insured ship or to his operations as an Owner, but only by special agreement in writing with the Insurer and upon such terms and conditions as the Insurer may require.

SECTION 1 – CHARTERERS

Where the insurance of a ship under Alandia P&I is in the name of or on behalf of a Charterer, the following liabilities, losses, costs and expenses may be covered on such terms and conditions as may be agreed by the Insurer in writing:

A. Liability of the Charterer, together with costs and expenses

incidental thereto, to indemnify the Owner or Disponent Owner of the insured ship in respect of the risks set out in Rule 2.

B. Notwithstanding the provisions of sub-paragraphs (i), (ii) and (iii) of Rule 5(G) the Charterer's liability, together with costs and expenses incidental thereto, for loss of or damage to the insured ship.

C. Notwithstanding the provisions of sub-paragraph (ii) of Rule 5(G) the loss incurred by the Charterer as a result of loss of or damage to bunkers, fuel or other property of the Charterer onboard the insured ship.

SECTION 2 – SPECIALIST OPERATIONS

An Owner may be insured against any of the liabilities, fines, losses, costs or expenses which arise out of or during any of those operations in respect of which cover is excluded or restricted either under Rule 5(H) or otherwise under these Rules upon such terms and conditions as may be expressly agreed in writing between the Owner and the Insurer.

SECTION 3 – PASSENGER SHIPS

The Owner of a Passenger Ship may be insured against any of the following risks upon such terms and conditions as may be agreed by the Insurer in writing:

A. Liability for loss of or damage to the effects of any passenger or personal injury, illness or death of any passenger and hospital, medical or funeral expenses incurred in connection therewith to the extent that such liability, costs or expenses are not recoverable under Section 1 (C) of Rule 2.

B. Notwithstanding the provisions of sub-paragraph (vi) of Rule 5(G) liability to pay damages or compensation to passengers intended to be carried on board an insured ship arising as a consequence of a casualty to that ship, including the costs of travel and maintenance.

C. Liability to pay damages or compensation to passengers for breach of contract or warranty respect of failure to provide facilities on board or in connection with a voyage on board an insured ship in accordance with the Owner's legal obligations.

RULE 5 - CONDITIONS, EXCEPTIONS AND LIMITATIONS

A PAYMENT FIRST BY THE OWNER

Unless the Insurer in its discretion otherwise decide, it is a condition precedent of an Owner's right to recover from the funds of the Insurer in respect of any liability, loss, cost or expense that he shall first have discharged or paid the same.

B LIMITATION OF THE INSURER'S LIABILITY

i General

Subject to these Rules and to any special terms and conditions upon which a ship may be insured, the Insurer insures the liability of the Owner in respect of an insured ship as this liability may be determined and fixed by law including any laws pertaining to limitation of liability. The Insurer shall in no circumstances be liable for any sum in excess of such legal liability. If less than the full tonnage of a ship is insured under Alandia P&I, the Owner shall, unless the insurance of the ship has been accepted on special terms which otherwise provide, be entitled only to recover such proportion of his claim as the insured tonnage bears to the full tonnage.

The Insurer shall not be liable for liabilities, costs or expenses caused by the intention or grossly negligent acts or omissions of the insured nor for such acts or omissions which the insured knew or ought to have known would cause liabilities, costs or expenses.

ii Charterers

Where the insurance of a ship under Alandia P&I is in the name of or on behalf of a Charterer other than a Charterer by demise or bare-boat Charterer then, unless otherwise agreed in writing between such Charterer and the Insurer, the liability of the Insurer in respect of any claim brought by such Charterer relating to the insurance of that ship under Alandia P&I shall be limited to the amount to which such Charterer could have limited his liability if he had been the registered Owner of that ship and had sought and not been denied the right to limit.

iii Oil Pollution

For the purpose of this sub-paragraph and the provisos thereto, and without prejudice to anything elsewhere contained in these Rules, a "claim in respect of oil pollution" shall mean a liability, cost, loss or expense, howsoever incurred, in respect of or relating to an escape or discharge of oil or any threat or consequence of such escape or discharge, but excluding liability for loss of or damage to such oil.

The Insurer's liability for any and all claims in respect of oil pollution is limited to the sum stated in the Insurance Policy of the

insured ship.

Such limit shall apply in respect of any one insured ship each accident or occurrence and shall apply irrespective of whether the accident or occurrence involves the escape or threatened escape of oil from one or more than one ship and to all claims in respect of oil pollution brought by the Owner or Joint Owners of the insured ship whether under one Section or more than one Section of Rule 2. If the aggregate of such claims exceeds that limit, the liability of the Insurer for each claim shall be limited to such proportion of that limit as such claim bears to the aggregate of all such claims.

PROVIDED ALWAYS that:

In the event that more than one Charterer other than a demise or bare-boat charterer is insured in respect of the same ship by the Insurer, the aggregate recovery in respect of all claims brought by all such Charterers in respect of oil pollution arising out of any one accident or occurrence shall not exceed the limit determined by the Insurer pursuant to sub-paragraph (iii) of this Rule 5(B) and the liability of the Insurer to each Charterer insured under Alandia P&I shall be limited to such proportion of the limit as the maximum claim otherwise recoverable from the Insurer by each such Charterer bears to the aggregate of all the said claims.

C SET-OFF

Without prejudice to anything elsewhere contained in these Rules the Insurer shall be entitled to set off any amount due from an Owner against any amount due to such Owner from the Insurer.

D EXCLUSION OF SUMS INSURABLE UNDER HULL POLICIES

Unless and to the extent that the Insurer agrees in writing as a term of entry, the Insurer shall not indemnify the Owner of an insured ship against any liabilities, costs or expenses against which that Owner would have been insured if at the time of the incident giving rise to those liabilities, costs or expenses the ship had been fully insured for its proper value under Hull Policies on terms equivalent to those of the Finnish Marine Hull Insurance Conditions 2001. For the purposes of these Rules "proper value" shall mean the market value of the ship, without commitment, at the date of the incident referred to above.

Note: When considering the proper value for which an entered ship should be insured or deemed to be insured for the purposes of claims under Rule 2 Sections 10 and 20, the Insurer will require to be satisfied that the Hull and/or Excess Liability policies of the Owner concerned have been the subject of periodic review as market conditions may require, so that the total amount of liability coverage contained in those policies is maintained at levels approximating to the market value of the ship without commitment. The Owner is recommended to consult his brokers and/or shipvaluers to assess periodically in the light of the above, the proper amount for which insurances should be effected to cover against collision and general amount of salvage liabilities. Provided the necessary insurances are placed on the basis of the advice received, the Insurer will give every consideration to a claim if, as may transpire, the values and amounts upon which the insurances have been placed are lower than the values which may have been assessed by a Court or Tribunal for general average or salvage purposes.

E EXCLUSION OF WAR RISKS

The Insurer shall not indemnify an Owner against any liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect or the part of the Owner or on the part of the Owner's servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or cost or expense is incurred, was caused by:

- i War, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power, or any act of terrorism (provided that, in the event of any dispute as to whether or not, for the purpose of this paragraph (a) an act constitutes an act of terrorism, the Insurer shall in its absolute discretion determine that dispute and the Insurer's decision shall be final);
- ii Capture, seizure, arrest, restraint or detention (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
- iii Mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war (save for those liabilities, costs or expenses which arise solely by reason of the transport of any such weapons whether on board the insured ship or not), provided always that this exclusion shall not apply to the use of such weapons either as a result of government order or with the written agreement of the Insurer where the reason for such use is the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the cover given by the Insurer.

F EXCLUSION OF NUCLEAR RISKS

The Insurer shall not indemnify an Owner against any liabilities, losses, costs or expense directly or indirectly caused by or contributed to by or arising from:

- i ionising radiations from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of
 - a any nuclear fuel or any nuclear waste or the combustion of nuclear fuel, or
 - b any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- or
- ii any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,

PROVIDED ALWAYS that:

This exclusion shall not apply to liabilities, losses, costs or expenses arising out of the carriage of "excepted matter" as defined in Section 26 (1) of the Nuclear Installations Act 1965 of the United Kingdom, provided that it is carried as cargo on an insured ship. For this purpose "excepted matter" consists of certain radio isotopes, used in or intended to be used for any industrial, commercial, agricultural, medical or scientific purpose.

G EXCLUSION OF DAMAGE TO ENTERED SHIP, LOSS OF HIRE, ETC

The Insurer shall not, except as otherwise provided in this paragraph, pay for:

- i loss of or damage to the insured ship or any part thereof;
- ii loss of or damage to any equipment on board the insured ship or to any containers, lashings, stores or fuel thereon, to the extent that the same are owned or leased by the Owner or by any company associated with or under the same management as the Owner;
- iii the cost of repairs to the insured ship or any charges or expense in connection therewith;
- iv claims by or against the Owner relating to loss of freight or hire of an insured ship or any proportion thereof unless such loss of freight or hire forms part of a claim recoverable from the Owner for liabilities in respect of cargo or is, with the consent of the Insurer, included in the settlement of such a claim;
- v salvage or services in the nature of salvage and any costs and expenses in connection therewith;
- vi loss arising out of cancellation of a charter or other engagement of an insured ship;
- vii loss arising out of irrecoverable debts or out of the insolvency of any person, including insolvency of agents;
- viii claims by or against the Owner relating to demurrage on, detention of or delay to an insured ship unless such demurrage, detention or delay forms part of a claim recoverable from the Owner for liabilities in respect of cargo within the scope of these Rules or is, with the consent of the Insurer, included in the settlement of such a claim.

PROVIDED ALWAYS that:

The foregoing exceptions shall not apply to claims under the following Sections of Rule 2:

Section 9	Life Salvage.
Section 19	Unrecoverable general average contributions.
Section 20	Ship's proportion of general average.
Section 21	Special compensation to Salvors.
Section 24	Sue and labour and legal costs.

H EXCLUSION OF CERTAIN LIABILITIES, COSTS AND EXPENSES OF SALVAGE SHIPS, DRILLING SHIPS, DREDGERS AND OTHERS

Unless and to the extent that special cover shall have been agreed between the Owner and the Insurer in accordance with the provisions of Rules 3 or 4, the Insurer shall not be liable for any claim relating to liabilities, costs and expenses incurred by the Owner of:

- i an insured ship which is a salvage tug or fire-fighting ship or other ship used or intended to be used for salvage or fire-fighting operations, when the claim arises out of any salvage or fire fighting service or attempted salvage or fire-fighting service;
- ii an insured ship which is used for or in connection with drilling or oil or gas production operations, when the claim arises out of or during those operations;
- iii an insured ship which is used for the operations of dredging, blasting, piledriving, well-stimulation, laying, maintaining or removing cables or pipes, core sampling, depositing of spoil, or other specialist operations, when the claim arises out of those operations;
- iv an insured ship which is used for waste disposal or incineration operations, when the claim arises out of those operations;
- v an insured ship which is used for or in connection with the operations of submarines or underwater vessels or equipment, or an entered ship which is used for or in connection with

professional or commercial diving operations, when the claim arises out of those operations;

- vi an insured ship which is moored (otherwise than on a temporary basis) and is open to the public as a hotel, restaurant, bar or other place of entertainment, when the claim is in respect of hotel or restaurant guests or other visitors or catering crew of such ship;
- vii an insured ship which is used as an accommodation vessel, when the claim is in respect of personnel (other than marine crew) on board such ship employed otherwise than by the Owner, where there has not been a contractual allocation of risks as between the owner and the employer of the personnel which has been approved by the Insurer.
- viii an insured ship which is a semi-submersible heavy lift vessel or which is designed exclusively for the carriage of heavy lift cargo, when the claim is in respect of loss of or damage to or wreck removal of cargo, save where the cargo is carried under a contract on HeavyCon terms or any other terms approved in writing by the Insurer.

I DOUBLE INSURANCE

The Insurer shall not be liable for any liabilities, costs or expenses recoverable under any other insurance or which would have been so recoverable:

- i apart from any terms in such other insurance excluding or limiting liability on the ground of double insurance; and
- ii if the ship had not been insured under Alandia P&I with cover against the risks set out in these Rules.

J CONTRABAND, BLOCKADE RUNNING, UNLAWFUL TRADE, IMPRUDENT OR HAZARDOUS OPERATIONS

No claim shall be recoverable from the Insurer if it arises out of or is consequent upon an insured ship carrying contraband, blockade running or being employed in an unlawful trade or if the Insurer, having regard to all the circumstances, shall be of the opinion that the carriage, trade or voyage was imprudent, unsafe, unduly hazardous or improper.

K CLASSIFICATION AND STATUTORY REQUIREMENTS

Unless otherwise agreed in writing between the Owner and the Insurer, the following conditions are terms of the insurance of every insured ship:

- i the ship must be and remain throughout the insurance period classed with a Classification Society approved by the Insurer, and
- ii any incident or condition in respect of which that Classification Society might make recommendations as to repairs or other action to be taken by the Owner must be promptly reported to that Classification Society;
- iii the Owner must comply with all the Rules, recommendations and requirements of the Classification Society relating to the entered ship within the time or times specified by the Society;
- iv the Owner authorises the Insurer to inspect any information, relating to the maintenance of class of the insured ship, in the possession of any Classification Society with which that ship is or at any time has been classed, and will where necessary authorise such Classification Society or Societies to disclose and make available that information to the Insurer upon request by the Insurer and for whatsoever purposes the Insurer may consider necessary;
- v the Owner must immediately inform the Insurer if, at any time during the insurance period, the Classification Society with which the ship is classed is changed and advise the Insurer of all outstanding recommendations, requirements or restrictions specified by any Classification Society relating to that ship as at the date of such change;
- vi the Owner must comply with all statutory requirements of the state of the ship's flag relating to the construction, adaptation, condition, fitment, equipment and manning of the insured ship and must at all times maintain the validity of such statutory certificates as are issued, by or on behalf of the state of the ship's flag in relation to such requirements and in relation to the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code.

L OBLIGATION TO SUE AND LABOUR

Upon the occurrence of any casualty, event or matter liable to give rise to a claim by an Owner under the insurance, it shall be the duty of the Owner and his agents to take and to continue to take all such steps as may be reasonable for the purpose of averting or minimizing any expense or liability in respect whereof he may be insured by the Insurer.

In the event that an Owner commits any breach of this obligation, the Insurer may in his discretion reject any claim by the Owner against

the Insurer arising out of the casualty, event or matter, or reduce the sum payable by the Insurer in respect thereof by such amount as he may determine.

M OBLIGATIONS WITH REGARD TO CLAIMS

- i an Owner must promptly notify the Insurer of every casualty, event or claim upon him which is liable to give rise to a claim under the insurance, and of every event or matter which is liable to cause the Owner to incur liabilities, costs or expenses for which he may be insured by the Insurer;
- ii an Owner must promptly notify the Insurer of every survey or opportunity for survey in connection with a matter referred to under (i);
- iii an Owner must at all times promptly notify the Insurer of any information, documents or reports in his or his agents' possession, power or knowledge relevant to such casualty, event or matter as is referred to under (i) and shall further, whenever so requested by the Insurer, promptly produce to the Insurer and or allow the Insurer or its agents to inspect, copy or photograph, all relevant documents of whatsoever nature in his or his agents' possession or power and shall further permit the Insurer or its agents to interview any servant, agent or other person who may have been employed by the Owner at the material time or at any time thereafter or whom the Insurer may consider likely to have any direct or indirect knowledge of the matter or who may have been under a duty at any time to report to the Owner in connection therewith;
- iv an Owner shall not settle or admit liability for any claim for which he may be covered under Alandia P&I without prior written consent of the Insurer.

In the event that an Owner commits any breach of his obligations referred to in (i) to (iv) above, the Insurer may in his discretion reject any claim by the Owner against the Insurer arising out of the casualty, event or matter, or reduce the sum payable by the Insurer in respect thereof by such amount as he may determine.

N TIME BAR

In the event that:

- i an Owner fails to notify the Insurer of any casualty, event or claim referred to in paragraph (M) (i) of this Rule within one year after he has knowledge thereof; or
 - ii an Owner fails to submit a claim to the Insurer for reimbursement of any liabilities, costs or expenses within one year after discharging or settling the same;
- the Owner's claim against the Insurer shall be discharged and the Insurer shall be under no further liability in respect thereof.

O RECOVERIES

Unless otherwise agreed in writing by the Insurer, where the Insurer has paid a claim to or on behalf of an Owner the whole of any recovery from a third party in respect of that claim shall be credited and paid to the Insurer up to an amount corresponding with the sum paid by the Insurer together with any interest element on that sum comprised in the recovery, provided however that where, because of a deductible in his terms of entry, the Owner has contributed to settlement of the claim, any such interest element shall be apportioned between the Owner and the Insurer taking into account the payments made by each and the dates on which those payments were made.

P SURVEYS OF SHIPS

The Insurer at any time in his discretion may appoint a surveyor or such other person as they may think fit to inspect an insured ship on behalf of the Insurer. The Owner (i) shall afford such facilities as may be required for such inspection, and (ii) shall comply with such recommendations as the Insurer may make following such inspection.

An Owner who commits any breach of his obligations referred to in (i) to (ii) above shall not be entitled, in relation to any casualty, event or matter occurring during the period of the breach, to any recovery from the Insurer in respect of any claim arising out of such casualty, event or matter.

Q SURVEYS OF SHIPS AFTER LAY-UP

- i If an entered ship has been laid-up for a period of six months or more, whether the ship has been insured under Alandia P&I for all or part of the period of lay-up and whether or not laid-up returns have been claimed or paid in accordance with Rule 16, the Owner shall give the Insurer notice that the ship is to be recommissioned not less than seven days before the ship leaves the place of lay-up.
- ii Upon receipt of such notice the Insurer in his discretion may appoint a surveyor or such other person as they may think fit to inspect the ship on behalf of the Insurer and the Owner shall afford such facilities as may be required for such inspection.
- iii The Owner shall comply with such recommendations as the Insurer may make following such inspection.

An Owner who commits any breach of his obligations referred to in (i) to (iii) above shall not be entitled, in relation to any casualty, event or matter occurring during the period of the breach to any recovery from the Insurer in respect of any claim arising out of such casualty, event or matter. A breach of the obligation in (i) above shall be deemed to have ended at such time as the Owner has complied with his obligations referred to in (ii) above.

R ELECTRONIC COMMUNICATION

Any reference in these conditions to documents, written notifications or other communications shall also include electronic communications. Such documents and communications may be signed electronically.

S INTEREST

In no case shall interest be paid upon sums due from the Insurer.

RULE 6 - OWNERS AND SUCCESSORS BOUND BY RULES

A. All contracts of insurance effected by the Insurer shall, save and insofar as they contain any special terms inconsistent herewith, be deemed to incorporate and shall incorporate all the provisions of these Rules.

B. An Owner or other person by whom or on whose behalf an application is made for insurance or reinsurance by the Insurer shall be deemed to have agreed not only on his own behalf but also on behalf of his successors and each of them that both he and they will in every respect be subject to and bound by the provisions of these Rules and by any contract of insurance with the Insurer.

RULE 7 - APPLICATIONS FOR INSURANCE

A. Any applicant Owner who desires to insure a ship under Alandia P&I shall make application for such insurance in such form as may from time to time be required by the Insurer.

B. The particulars given by an applicant Owner in any application form together with any other particulars or information given in the course of applying for insurance or negotiating changes in the terms of insurance to the Insurer shall, if the entry of the relevant ship be accepted, be deemed to form the basis of the contract of insurance between the Owner and the Insurer and it shall be a condition precedent of such insurance that all such particulars and information were true so far as the Owner knew or could with reasonable diligence have ascertained.

C. The Insurer shall be entitled, in his discretion and without assigning any reason, to refuse any application for insurance of a ship under Alandia P&I.

RULE 8 - PREMIUM RATING

Before an application is accepted for the insurance of a ship on the terms (as set out in Rule 1 (6)) that the Owner is to pay premium to the Insurer, the applicant Owner and the Insurer shall agree the premium rating of the ship concerned. In deciding upon the premium rating of any ship the Insurer may take into account all matters which they may consider relevant including (without prejudice to the generality of the foregoing) the degree of risk estimated to be involved in the proposed insurance.

RULE 9 - FIXED PREMIUMS

A. Before an application is accepted for the insurance of a ship on the terms that the Owner is liable to pay a fixed premium to the Insurer ("Fixed Premium Entries"), the applicant Owner and the Insurer shall agree the amount of the premium and the time or times at which it is payable.

B. Every Owner by whom or on whose behalf an application is made for the entry of a ship as a Fixed Premium Entry shall, if his application is accepted, be bound to pay and shall pay to the Insurer such sums as shall have been agreed with the Insurer and at such time or times as the Insurer shall have specified.

RULE 10 - JOINT ENTRIES

A. If a ship shall be entered in the names of or on behalf of more persons than one (hereinafter referred to as "Joint Owners") the terms upon which each Joint Owner shall be entitled to recover losses from the Insurer and upon which the Insurer shall be entitled to recover fixed premiums from the Joint Owners shall be such as may be agreed in writing between the Joint Owners and the Insurer.

B. Unless otherwise agreed in writing all Joint Owners shall be jointly and severally liable to pay all contributions or other sums due to the

Insurer in respect of such entry, and the receipt by any one of such persons for any sums payable by the Insurer in respect of such entry shall be a sufficient discharge of the Insurer for the same.

C. Failure by any Joint Owner to disclose material information within his knowledge shall be deemed to have been failure of all the Joint Owners.

D. Conduct of any Joint Owner which would have entitled the Insurer to decline to indemnify him shall be deemed the conduct of all the Joint Owners.

E. Unless the Insurer have otherwise agreed in writing, the contents of any communication from or on behalf of the Insurer to any Joint Owner shall be deemed to be within the knowledge of all the Joint Owners, and any communication from any Joint Owner to the Insurer or their agents shall be deemed to have been made with the full approval and authority of all the Joint Owners.

RULE 11 - GROUP AFFILIATE COVER

A. The Insurer may accept the insurance of any ship upon terms that within the limits and upon the conditions set out in paragraphs (B) and (C) of this Rule, the benefit of the cover afforded by the Insurer to the Owner in respect of that ship shall be extended to persons or companies affiliated or associated with that Owner. The rights and obligations as between the Insurer and any such persons or companies (both referred to hereafter in this Rule as Group Affiliates) shall, subject always to paragraphs (B) and (C) of this Rule, be such as may be agreed between the Owner and the Insurer.

B. The benefit of the cover extended to Group Affiliates in accordance with paragraph (A) of this Rule shall be limited to reimbursement of claims relating to liabilities, costs or expenses incurred by them to the extent that the Owner (i) would have incurred the same liabilities, costs and expenses if the same claims had been pursued against him and (ii) would thereafter have been entitled to obtain reimbursement from the Insurer in accordance with the terms of insurance of the ship under Alandia P&I.

C. The total liability of the Insurer in respect of any one event to the Owner and to all Group Affiliates to whom the benefit of that Owner's cover has been extended in accordance with this Rule shall not exceed such sum as would have been recoverable from the Insurer in respect of such event by that Owner, and the receipt by any one of the Owner and any such Group Affiliates of that sum or of separate payments by the Insurer amounting in aggregate to that sum shall be a full and sufficient discharge of the Insurer's liability.

RULE 12 - INSURANCE POLICY AND ADDITIONAL INSURANCE POLICY

A. As soon as reasonably practical after accepting an application for the insurance of a ship under Alandia P&I, the Insurer shall issue to the Owner of such ship an Insurance Policy in such form as may from time to time be prescribed by the Insurer but so that such Insurance Policy shall state the date of the commencement of the period of insurance and the terms and conditions on which the vessel has been accepted for insurance.

B. If at any time or from time to time the Insurer and the Owner of any ship insured shall agree to vary the terms relating to the insured ship, the insurer shall, as soon as reasonably practical thereafter, issue to the Owner of such ship an Additional Insurance Policy stating the terms of such variation and the date from which such variation is to be effective.

C. Every Insurance Policy and every Additional Insurance Policy issued as aforesaid shall be conclusive evidence and binding for all purposes as to the commencement of the period of insurance, as to the terms and conditions on which the ship has been insured, and as to the terms of any variation and the date from which such variation is to be effective; provided that in the event that any Insurance Policy or any Additional Insurance Policy shall in the opinion of the Insurer contain any error or omission the Insurer may in his discretion issue a new Insurance Policy or a new Additional Insurance Policy which shall be conclusive evidence and binding as aforesaid.

RULE 13 - ASSIGNMENT

A. No insurance given by the Insurer and no interest under these Rules or under any contract between the Insurer and any Owner may be assigned without the written consent of the Insurer who shall have the right in its discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as the Insurer may think fit. Any purported assignment made without such consent or without there being due compliance with any such terms and conditions as the Insurer may impose shall, unless the Insurer in its discretion otherwise decide, be void and of no effect.

B. Whether or not the Insurer shall expressly so stipulate as a condition for giving his consent to any assignment, the Insurer shall be entitled in settling any claim presented by the assignee to deduct or retain such amount as the Insurer may then estimate to be sufficient to discharge any liabilities of the assignor to the Insurer, whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.

RULE 14 - PERIOD OF INSURANCE

A. Subject as otherwise provided in these Rules the insurance by the Insurer of a ship insured under Alandia P&I otherwise than for a fixed period shall commence at the date specified in the Insurance Policy and shall continue one year and thereafter, unless terminated in accordance with these Rules, from policy year to policy year.

B. The insurance by the Insurer of each ship insured for a fixed period shall, subject as otherwise provided in these Rules, cease at the expiry of such fixed period.

RULE 15 - NOTICE OF TERMINATION

A. The period of insurance of any ship insured under Alandia P&I (otherwise than for a fixed period) may be terminated in the following manner:

- i The Insurer in his discretion and without giving any reason may give a written notice of termination to any Owner not later than 30 days before the expiry of the policy period.
- ii An Owner in his discretion and without giving any reason may give a written notice of termination to the Insurer not later than 30 days before the expiry of the policy period.

B. If a notice shall have been given pursuant to paragraph (A) of this Rule the period of insurance shall terminate after 30 days following the notice of termination.

RULE 16 - LAID-UP RETURNS

Subject to any terms and conditions which may have been agreed, if an entered ship shall be laid-up in any safe port or place for a period of thirty or more consecutive days after finally mooring there (the day of arrival and the day of departure being excluded) the Owner shall be allowed a return of premium calculated at the rate of 95 per cent of his total premium payable in respect of such ship for the period of lay-up. For the purpose of this Rule a ship shall not be treated as laid-up if she has either crew members (other than for her maintenance or security) or cargo on board. No claim for laid-up returns relating to any policy year shall be recoverable from the Insurer unless written notice thereof has been given to the Insurer within six months of the end of the policy year concerned.

RULE 17 - TERMINATION AND ITS EFFECTS

A. Upon an Owner ceasing to be insured by the Insurer in respect of any ship by virtue of a notice given (whether by the Owner or the Insurer) in accordance with Rule 15 and without prejudice to the effects of cancellation of insurance pursuant to Rule 19, then:

Subject to the other provisions of these Rules and to the terms of the Insurance Policy the Insurer shall remain liable in respect of such insured ship for all claims under these Rules arising by reason of any event which had occurred prior to noon GMT on the day of the expiry of the policy period, but shall not otherwise be under any liability whatsoever by reason of anything occurring at or after that date and time.

B. Upon an Owner ceasing to be insured by the Insurer in respect of any ship otherwise than in accordance with Rule 15, Rule 18(A), (B) or (C), or Rule 19 (A), then:

Subject to the other provisions of these Rules and to the terms of entry the Insurer shall remain liable in respect of such insured ship for all claims under these Rules arising by reason of any event which had occurred prior to noon GMT on the day of such cessation, but shall not otherwise be under any liability whatsoever by reason of anything occurring at or after that date and time, PROVIDED ALWAYS that nothing in paragraph (B) of this Rule shall be taken to confer validity on any notice purporting to terminate the insurance of any ship given otherwise than in accordance with Rule 15 or Rule 19 (A).

RULE 18 - CESSER OF INSURANCE AND ITS EFFECTS

A. An Owner shall forthwith cease to be insured by the Insurer in respect of any and all ships insured by him or on his behalf upon the happening of any of the following events:

- i Where the Owner is an individual,
 - a upon his death,

- b if a receiving order is made against him,
- c if he becomes bankrupt,
- d if he makes any composition or arrangement with his creditors generally,
- e if he becomes incapable by reason of mental disorder of managing or administering his property and affairs;
- ii Where the Owner is a corporation,
 - a upon the passing of any resolution for its voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation),
 - b upon an order being made for its compulsory winding up,
 - c upon its dissolution,
 - d upon a receiver or manager being appointed of all or part of its business or undertaking,
 - e upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reorganise its affairs.

B. Unless otherwise agreed in writing by the Insurer, an Owner shall forthwith cease to be insured by the Insurer in respect of any ship entered by him or on his behalf upon the happening of any of the following events in relation to such ship:

- i upon the Owner parting with or assigning the whole or any part of his interest in the ship whether by bill of sale or other formal document or agreement or in any other way whatsoever;
- ii upon the mortgaging or hypothecation of the ship or of any part of the Owner's interest in that ship;
- iii upon the managers of the ship being changed by the appointment of new managers;
- iv upon undisputed possession being taken of the ship by or on behalf of a secured party.

C. Unless otherwise agreed in writing by the Insurer, an Owner shall forthwith cease to be insured by the Insurer in respect of any ship insured by him or on his behalf upon the happening of whichever shall be the earliest of the following events:

- i upon the ship being missing for ten days from the date when she was last heard of;
- ii upon the ship being posted at Lloyd's as missing;
- iii upon the ship becoming an actual total loss;
- iv upon acceptance by Hull Underwriters (whether of Marine or War Risks) that the ship is a constructive total loss;
- v upon agreement by Hull Underwriters (whether of Marine or War Risks) to pay to the Owner of the ship an unrepaired damage claim which exceeds the market value of the ship without commitment immediately prior to the casualty which gave rise to such claim;
- vi upon a compromise or settlement with Hull Underwriters (whether of Marine or War Risks) on the basis of which the ship is considered or deemed to be an actual or constructive total loss;
- vii upon a decision by the Insurer that the ship is to be considered or deemed to be an actual or constructive total loss or otherwise commercially lost.

PROVIDED ALWAYS that:

- a Notwithstanding the cesser of the insurance under Rule 18(C) the Insurer shall, subject always to the Rules and to the terms and conditions of the insurance of the ship under Alandia P&I, remain liable as regards liabilities flowing directly from the casualty which has given rise to the actual or constructive loss of the ship.
- b If the Insurer agrees that the insurance of the ship shall continue after the happening of any of the events listed in paragraph (B) and (C) of this Rule he may in his discretion impose such terms and conditions as he thinks fit for the continuation of the insurance.

D. On the occurrence of any of the events specified in paragraphs (A) to (C) inclusive of this Rule in respect of an insured ship, the Owner shall give notice in writing of such event to the Insurer within one month after the date thereof.

E. Upon an Owner ceasing to be insured by virtue of paragraph (A) of this Rule, and upon an Owner ceasing to be insured in respect of any ship by virtue of paragraphs (B) or (C) of this Rule, and without prejudice to the effects of cancellation of insurance pursuant to Rule 19 (A) then:

Subject to the other provisions of these Rules and to the terms of entry the Insurer shall remain liable in respect of any ship insured by such Owner or in respect of such insured ship (as the case may be) for all claims under these Rules arising by reason of any event which had occurred prior to the date of such cessation, but shall not otherwise be under any liability whatsoever by reason of anything occurring after that date.

RULE 19 - CANCELLATION OF INSURANCE AND ITS EFFECTS

A. Where an Owner has failed to pay, either in whole or in part, any amount due from him to the Insurer, the Insurer may give him notice in writing requiring him to pay such amount by any date specified in such notice, not being less than seven days from the date on which such notice is given. If the Owner fails to make such a payment in full on or before the date so specified, the insurance of the Owner (whether the insurance is current on such date or has ceased by virtue of paragraphs (A), (B), or (C) of Rule 18 or in accordance with any other provisions of these Rules) in respect of any and all ships referred to in such notice and insured under Alandia P&I by him or on his behalf shall be cancelled forthwith without further notice or other formality.

B. When the insurance of an Owner is cancelled in accordance with paragraph (A) of this Rule (which time is hereinafter in this Rule 19 referred to as "the date of cancellation") then:

- i the Insurer shall with effect from the date of cancellation cease to be liable for any claims of whatsoever kind under these Rules in respect of any and all ships in relation to which the insurance of the Owner has been cancelled.
 - a irrespective whether such claims have occurred or arisen or may arise by reason of any event which has occurred at any time prior to the date of cancellation, including during previous years;
 - b irrespective whether such claims arise by reason of any event occurring after the date of cancellation;
 - c irrespective whether the Insurer may have admitted liability for or appointed lawyers, surveyors or any other person to deal with such claims;
 - d irrespective whether the Insurer at the date of or prior to the date of cancellation knew that such claims might or would arise, and as from the date of cancellation any liability of the Insurer for such claims shall terminate retrospectively and the Insurer shall be under no liability to such Owner for any such claims or on any account whatsoever;

RULE 20 - SUMS DUE TO THE INSURER FOR THE PURPOSE OF APPLICATION OF THE RULES ON CANCELLATION

A. For the Purpose of determining whether any (and, if so, what) sum is due for the purposes of Rule 19 (A) or otherwise under these Rules no account shall be taken of any amount due or alleged to be due by the Insurer to the Owner on any ground whatever, and no set-off of any kind (including set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Owner) shall be allowed against such sum (whether or not any set-off against contributions has been allowed at any time in the past), except to the extent (if any) to which any sum demanded by the Insurer as due, and required to be paid in a notice served under the said sub-paragraph, may (in the Insurer's discretion) in itself have already allowed for a set-off or credit in favour of the Owner.

B. Without prejudice to the generality of Rule 24 no act, omission, course of dealing, forbearance, delay or indulgence of any kind by or on behalf of the Insurer nor the granting of time, nor the acceptance by the Insurer (whether express or implied) of liability for, or the recognition of, any claim, and whether occurring before or after any date of cessation or date of cancellation as hereinbefore referred to shall derogate from the effect of Rules 17, 18, 19 and 20 or be treated as any waiver of any of the Insurer's rights thereunder.

RULE 21 - REGULATIONS AND RECOMMENDATIONS BY THE INSURER

A. The Insurer shall have power from time to time to make regulations prescribing the conditions or forms of contracts of carriage either generally or for use in any particular trade or at any particular port or place. Upon the passing of any such regulation it shall be deemed to be incorporated in these Rules so as to take effect as from the beginning of the policy year next following the time and date of the making of such regulation, and as from such taking effect every owner shall conform thereto in so far as the same may apply to the ships insured by him or on his behalf under Alandia P&I or to the trades in which they may be engaged. If any Owner shall commit a breach of any regulation, the Insurer may reject or reduce any claim made by the Owner to the extent to which it would not have arisen if he had complied with the regulation and may further impose such terms upon him as they may think fit as a condition of the continuance of the insurance of the Owner's ship or ships under Alandia P&I.

B. The Insurer may also from time to time recommend the use of any particular form of contract of carriage in any particular trade. Owners whose ships are engaged in such trades shall endeavour to use the appropriate form of contract of carriage when the circumstances of the fixture or engagement of such ships permit.

C. Notice giving particulars of every regulation made (and the policy year at the beginning of which it takes effect) and every recommendation made pursuant to this Rule shall forthwith be sent to every Owner, and a copy thereof shall be included in or with every copy of the Rules issued by the Insurer after such regulation or recommendation comes into force.

RULE 22 - CLAIMS

A. Without prejudice to any other provision of these Rules and without waiving any of the Insurer's rights hereunder, the Insurer may at any and all times appoint and employ on behalf of the Owner upon such terms as the Insurer may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter liable to give rise to a claim by an Owner upon the Insurer, including investigating or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Insurer may also at any time discontinue such employment if he thinks fit.

B. All lawyers, surveyors and other persons appointed by the Insurer on behalf of the Owner or appointed by the Owner with the prior consent of the Insurer shall at all times be and be deemed to be appointed and employed on the terms that they have been instructed by the Owner at all times (both while so acting and after having retired from the matter) to give advice and to report to the Insurer in connection with the matter without prior reference to the Owner and to produce to the Insurer without prior reference to the Owner any documents or information in his possession or power relating to such matter, all as if such person had been appointed to act and had at all times been acting on behalf of the Insurer.

RULE 23 - POWERS OF THE INSURER RELATING TO THE HANDLING AND SETTLEMENT OF CLAIMS

A. The Insurer shall have the right to control or direct the conduct of any claim or legal or other proceedings relating to any liability, loss or damage in respect whereof the Owner is or may be insured in whole or in part, and to require the Owner to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Insurer sees fit.

B. If the Owner does not settle, compromise or dispose of a claim or of proceedings after being required to do so by the Insurer in accordance with paragraph (A) of this section, any eventual recovery by the Owner from the Insurer in respect of such claim or proceedings shall be limited to the amount he would have recovered if he had acted as required by the Insurer.

C. The Insurer is under no obligation to provide bail or other security on behalf of any Owner, but where the same is provided it shall be on such terms as the Insurer may consider appropriate and shall not constitute any admission of liability by the Insurer for the claim in respect of which the bail or other security is given. It shall be a condition of the provision of bail or other security that the Owner shall indemnify the Insurer for any cost or liability arising therefrom or associated therewith, save to the extent that such costs or liability would have been recoverable from the Insurer if the Owner had incurred them directly.

RULE 24 - FORBEARANCE AND REIMBURSEMENT

A. No act, omission, course of dealing, forbearance, delay or indulgence by the Insurer in enforcing any of these Rules or any of the terms or conditions of its contracts with Owners nor any granting of time by the Insurer shall prejudice or affect the rights and remedies of the Insurer under these Rules or under such contracts, and no such matter shall be treated as any evidence of waiver of the Insurer's rights thereunder, nor shall any waiver of a breach by an owner of such Rules or contracts operate as a waiver of any subsequent breach thereof. The Insurer shall at all times and without notice be entitled to insist on the strict application of these Rules and on the strict enforcement of its contracts with Owners.

B. The Owner shall reimburse to the Insurer on demand the amount of any payment made to any third party by the Insurer on behalf of or as guarantor for such Owner to the extent that such payment is in respect of any amount which in the opinion of the Insurer is not recoverable under the Insurance Policy.

RULE 25 - NOTICES

A. A notice or other document required under these Rules to be served on the Insurer may be served by sending it by courier or through the post in a prepaid letter or by sending it by telegram or facsimile transmission (fax) addressed to the Insurer at the Insurer's registered office for the time being.

B. A notice or other document required under these Rules to be served on an Owner may be served by sending it by courier or through the post in a prepaid letter or by sending it by telegram or facsimile transmission (fax) addressed to such Owner:

- i at the address which shall have been expressly furnished by him to the Insurer as the address at which notices from the Insurer may be served upon him, or,
- ii if no such address shall have been furnished, at his address as appearing in the Insurance Policy, or,
- iii if such Owner is not and was not an Insured under Alandia P&I, at the address which is his last known address to the knowledge of the Insurer.

In the case of Joint Owners all such notices or other documents shall be served upon the Joint Owner whose address has been furnished in accordance with sub-paragraph (i) above or, if no such address has been furnished, upon the senior of the Joint Owners and such service shall be sufficient service on all the Joint Owners. For this purpose seniority as between Joint Owners shall be determined by the order in which the names stand as Joint Owners in the Insurance Register of the Insurer.

C. Any such notice or other document if served by courier or by post shall be deemed to have been served on the day following the day on which the letter containing the same was handed to the courier or put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and handed to the courier or put into the post as a prepaid letter. Any such notice or other document if served by telegram or facsimile transmission (fax) shall be deemed to have been served on the day on which it was handed in to the telegraph or, in the case of facsimile transmission (fax), despatched, and in proving such service it shall be sufficient to prove that such telegram was duly handed in or, in the case of facsimile transmission (fax) that the notice or other document was duly despatched.

D. The successors of anyone who is or was at any time an Owner of an insured ship shall be bound by a notice or other document served as aforesaid if sent to the last such address of such Owner notwithstanding that the Insurer may have notice of the Owner's death, disability, lunacy, bankruptcy or liquidation.

RULE 26 - GOVERNING LAW AND JURISDICTION

Finnish law shall govern this insurance and any disputes arising hereunder shall be submitted to Finnish average adjuster. The Insurance Contracts Act 28.6.1994/543 shall apply to this insurance agreement only subject to that there is no other stipulation in these Rules or in the insurance agreement.

RULE 27 - DEFINITIONS

In these Rules the following words or expressions shall have the following meanings:

Alandia P&I: Protection and Indemnity Insurance provided by Försäkringsaktiebolaget Alandia with a limited maximum liability payable.

Applicant Owner: In relation to a ship which is desired or intended to be insured under Alandia P&I, means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person (not being an insurer seeking reinsurance), by or on whose behalf an application has been, is being or is to be made for the insurance of the same under Alandia P&I, whether he be or is to be an insured under Alandia P&I or not.

Cargo: Goods, including anything used or intended to be used to pack or secure goods, in respect of which an Owner enters into a contract of carriage, but excluding containers or other equipment owned or leased by the Owner.

Fines: Includes penalties and other impositions similar in nature to fines.

Fixed premium: A fixed premium payable to the Insurer in respect of an insured ship pursuant to Rule 9.

Fixed premium entry: An insurance on terms that the Owner is bound to pay a fixed premium to the Insurer.

Hull Policy: A policy effected on the Hull and Machinery of a ship including an Excess Liability Policy.

Insured ship: A ship which has been insured with Försäkringsaktiebolaget Alandia under Alandia P&I.

Insurer: Försäkringsaktiebolaget Alandia.

In writing: Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.

Owner: In relation to an insured ship means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person named in the Insurance Policy or Additional Insurance Policy, by or on whose behalf the same has been insured under Alandia P&I, whether he be an Insured under Alandia P&I or not.

Policy year: 12 months with effect from 00:00 G.M.T the day of inception as stated in the Insurance Policy.

Premium rating: The agreed rating per ton insured under Alandia P&I upon which premium is payable to the Insurer according to the terms of such ship's insurance under Alandia P&I.

Rules: These Rules as originally framed or as from time to time altered, abrogated or added to and for the time being in force.

Seaman: Any person (including the Master and apprentices) employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board an insured ship, whether or not on board that ship.

Ship: Ship (in the context of a ship insured or proposed to be insured under Alandia P&I) shall mean ship, boat, hovercraft or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein.

Standard terms: The terms of carriage referred to in Proviso (a) to Rule 2 of carriage Section 17.

Statutory obligation: Any obligation, liability or direction imposed by any legislative enactment, decree order or regulation having the force of law in any country.

Successors: In relation to all the persons hereinbefore specified in connection with "Owner" and "Applicant Owner" and in relation to any other person whatsoever by whom or on whose behalf a ship shall have been insured under Alandia P&I, shall include their heirs, executors, administrators, personal representatives, assigns (when permitted under these Rules), receiver, curator or other person authorised to act on behalf of one who becomes incapable by reason of mental disorder of managing his property or affairs, trustee in bankruptcy, liquidator and other successors whatsoever.

Ton: The unit of tonnage.

Tonnage: The register tonnage of a ship as certified in the Certificate of Registry of such ship or in any other official document relating to the registration of such ship.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations

