

Insurance conditions for movables

Liability insurance, the Danish Seamen's Act § 61

1. Scope of the insurance

1.1. The insurance covers the policyholder's liability to pay damages on property that is lost due to shipwreck or other loss under the Danish Seamen's Act § 61, see declaration No. 442 of June 10, 1991 on compensation for seafarers.

1.2. Damages as a result of war or warlike conditions are not covered by the insurance.

1.3. The insurance covers Danish registered ships.

2. Commencement of the insurance

2.1. The insurance shall commence at the date specified in the policy.

3. The policyholder's duty to disclose all material facts

3.1. When the insurance is taken out and later, the policyholder must provide full information and document all matters which the Association considers necessary for its assessment of the risk, and for fixing the premium.

3.2. After taking out the insurance, the policyholder shall notify the Association of any changes which may influence the type or scope of the risk.

3.3. A policyholder is obligated to provide notice within eight days of any change in address, sale or purchase of a ship, or change of the name of the ship.

3.4. A policyholder's failure to provide information or providing incorrect information will be considered failure to comply with his/her obligations.

4. Calculation of the premium

4.1. The Board of Directors of the Association sets the basic premium once a year.

4.2. At the beginning of each insurance year, a provisional premium shall be calculated on the basis of the basic premium and the expected number of employees during the insurance year.

4.3. If the basic premium paid should prove to be insufficient to cover the Association's expenses or liabilities, the Board of Directors can, at any time, charge an extra basic premium that charges the policyholder in relation to the basic premium amount.

4.4. If the premium is changed in accordance with 4.3., the insurance may only be terminated according to the provision laid down in 7.1.

4.5. A change of the premium in accordance with 4.3. shall have effect from the beginning of the insurance year for which the change is made.

4.6. In addition to an extra basic premium, the Board of Directors may charge an additional premium under the rules on variable premiums contained in the Articles of Association, see the provisions in the Insurance Services Act.

4.7. For the purpose of determining the final premium, policyholders are obligated to submit by February 1 to the Association the necessary information on the level of employment during the previous calendar year, and document the correctness of such information on request. The number of insurance days is obtained by multiplying the number of seamen signed on by the number of days that each person was at risk. If the Association has not received the information within eight days after the deadline, the Association may determine the premium at its own discretion. If the premium is stipulated in this way, it shall be binding for the policyholder.

4.8. After the end of the fiscal year and the completion of the annual report in accordance with the provisions thereof in the Articles of Association and in applicable legislation, the income statement's balance will be distributed as regards the content liability insurance of the total number of insurance days. The individual policyholder's final contributions for the past year are calculated by multiplying the policyholder's insurance days by the calculated contribution per insurance day. Statements for the individual policyholder's final contributions for the past year shall be

sent on July 1st of the following year. Before the end of July, policyholders will receive money back from the Association if the premium paid was too high, or policyholders shall remit payment to the Association if the premium they paid was too low, also before the end of July. If the Association's statement for the past year is sent later than July 1st, the deadline shall be extended for retraction of the statement's amount displayed accordingly.

5. Payment of the premium

5.1. The first provisional basic premium falls due at the commencement of the insurance policy.

5.2. The basic premium falls due on April 1st. Policyholders joining or leaving the Association during the year as a result of purchase or sale of ship shall only pay the premium pro rata in relation to the day of takeover or the day of purchase or sale.

5.3. Claims for payment will take place at the address submitted by the policyholder. Sending a giro payment form or any other notification of payable premium is considered the first request for payment.

5.4. If the premium has not been paid within 30 days after the first request for payment, the Association will send a written reminder to the policy holder. The reminder shall contain a notification that the insurance coverage will be terminated if the premium is not paid within 14 days after the reminder was sent.

5.5. When sending a reminder, the Association is also entitled to impose a service charge.

5.6. If the policyholder has paid too low a premium because of incorrect or insufficient information, the policyholder is obligated to pay to the Association the remaining premium plus extra costs, if any. The Association is entitled to charge the amount due plus interest, from the due date.

5.7. A return of premium in the event of sale or decommissioning will take place in connection with the accounts.

6. Change of insurance conditions, change of premium

6.1. If the Association would like to make changes to the insurance conditions or premium beyond those changes specified in 4.3. and 4.6., this can only be done at the end

of an insurance term, and only with respect to the term of notice specified in 7.1.

7. Insurance period and termination

7.1. The insurance is taken out for one-year periods (calendar year) and is continuous up until it is terminated in writing by the policyholder or the Association with at least four weeks' notice at the expiry of an insurance period.

7.2. The insurance expires at midnight on the date of the end of the insurance contract term.

7.3. If the policyholder fails to meet his/her obligations in accordance with the insurance conditions, the Association can then terminate the insurance policy with four weeks' notice irrespective of the time of expiry of the insurance term.

8. Notification of damage

8.1. When damages arise, a transcript of the maritime inquiry will be sent to the Association, or the shipmaster's report where the first is not available. If the damage is covered by the Association, the policyholder will send a seafarer-specified statement for the damages in question, indicating the value of all items. The statement must be certified by the ship management.

8.2. Compensation shall be paid as soon as it is approved by the Association.

8.3. Compensation shall be paid only for reported risks (ships registered in the Association for content liability insurance).

8.4. The size of the compensation shall be in accordance with the declaration issued by the Danish Maritime Authority at all times.

9. Disputes

9.1. If an agreement cannot be reached on future insurance compensation, it will be decided in a court of law.

9.2. The Association's head office shall serve as the venue. Accepted by the Board of Directors on May 17, 2002