

SCRAP VOYAGE CLAUSE 1/4/93
(Japan)

Article 1

1 • In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, the total sum recoverable under this insurance on hull and machinery and also including disbursements if any (hereinafter called "this insurance" subject to any express stipulation in these clauses) in respect of a claim for total loss (actual or constructive) occurring subsequent to such sailing shall in no case exceed the least of the following :

(1) the price of the vessel as being broken up stated in the contract of sale (hereinafter called "the price"), or

(2) such proportion of the price as the insured amount of this insurance bears to the total sum of the insured amount of this insurance and that of any other insurance on hull and machinery and also including disbursements of the Vessel if any, or

(3) the insured amount of this insurance.

2 • The expenditure for the voyage may be included in the price with the consent of the Company prior to the Vessel sailing.

3 • Nothing in this Article 1 shall affect claims under Clauses 8 and/or 13 of the Institute Time Clause - Hulls - 1.10.83 Amended for Japanese Clauses Class No. 5 (JHIU 4/90) or No. 6 (JHIU 4/93) and clauses 6.4.2 and/or 6.4.3 of the Institute Time Clauses - Hulls Disbursements and Increased Value (Total Loss Only, including Excess Liabilities) 1.10.83 Amended for Japanese Clause Class No. 5 (JHIU 4/90) or No. 6 (4/93) if attached to this policy.

Article 2

In case of Article 1, the following provisions shall apply in place of Clause 19 of the Institute Time Clauses - Hulls 1.10.83 Amended for Japanese Clauses Class No. 5 (JHIU 4/90) or No. 6 (JHIU 4/93) and Clauses 9.1 and 9.2 3 of the Institute Time Clauses - Hulls Disbursements and Increased Value (Total Loss Only, including Excess Liabilities) 1.10.83 Amended for Japanese Clause Class No. 5 (JHIU 4/90) or No. 6 (4/93) if attached to this policy.

(1) in ascertaining whether the Vessel is a Constructive Total Loss, the price or the insured value of this insurance on hull and machinery, whichever is the lesser shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

(2) No claim for Constructive Total Loss based upon the reasonably necessary cost of recovery and/or repair of the Vessel as being broken up shall be recoverable hereunder unless such cost would exceed the price or the insured value of this insurance on hull and machinery, which is the lesser. In making this determination only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

Article 3

In case previous notice of the Vessel sailing has been given to the Company and the limitation of the Company's liability has been recognized a return of premium for as arranged shall be allowed at the termination of this insurance provided that no claim arising from accident subsequent to such sailing is made under this insurance.