

SHIP REPAIRER'S LEGAL LIABILITY ENDORSEMENT (01-05-17)

The following coverage is provided in accordance with Part I, Section 8 of the policy and is subject in all respects to the terms, conditions and exclusions contained in Parts I, II and III of this policy unless otherwise specifically provided herein:

1. Insuring Agreement

The Underwriters hereby agree, subject to the limitations, exclusions, terms and conditions of the policy to which this Endorsement forms a part and as hereinafter provided, to pay on behalf of the **Named Insured** all sums which the **Named Insured** shall become legally obligated to pay as compensatory damages because of the **Named Insured's** liability as Ship Repairers for:

- (i) loss of or damage to any vessel or craft which is in the care, custody or control of the **Named Insured** for the purpose of being worked upon, including shifting and moving within the limits of the port where the work is being done and including trial trips not exceeding 100 miles from such port;
- (ii) loss of or damage to any other vessel or craft upon which the **Named Insured** is working except vessels or craft at sea other than while on trial trips not exceeding 100 miles from such port;
- (iii) loss of or damage to cargo or other things on or discharged from any of the vessels or craft referred to in (i) or (ii) above;
- (iv) loss of or damage to machinery or equipment of any vessel or craft which is in the care, custody or control of the **Named Insured** for the purpose of being worked upon, including while in transit between such vessel or craft and the premises of the **Named Insured** or whilst in transit to or from specialist repairers or manufacturers' premises;
- (v) removal of wreck;
- (vi) detention of any vessel or craft as a consequence of loss or damage to such vessel or craft resulting in a claim against the **Named Insured** for compensatory damages for such liability as described in this Insuring Agreement, but this coverage shall not include any legal liability for detention assumed under contract or otherwise in extension of the liability imposed upon the **Named Insured** by law in the absence of contract;
- (vii) work performed by persons employed by or on behalf of the **Named Insured** whenever such persons are aboard the vessel and/or drilling rig at sea or in any port for the purpose of effecting repairs and/or other work entrusted to the **Named Insured** notwithstanding that such persons may be signed on as members of the vessel's crew;
- (viii) other repair operations which do not come within the scope of the ship repairing operations of the **Named Insured**;
- (ix) **bodily injury** directly arising from or arising out of the operations described in (i), (ii), (iii), (iv), (vii), and (viii) above.

2. Exclusions

Notwithstanding anything contained herein to the contrary, and in addition to the exclusions elsewhere in the policy, this Endorsement shall not cover any liability:

- (i) in respect of collision liability, tower's liability or other liability arising out of the navigation of any vessel or craft owned or operated by the **Named Insured** or any affiliated or subsidiary concern or party.
- (ii) in respect of, or arising out of, or in connection with any vessel or craft accepted by the **Named Insured** solely to be stored;
- (iii) in respect of or arising from or in connection with work on any vessel which has carried flammable or combustible liquid in bulk as fuel or cargo, or on any vessel which has carried flammable compressed gas in bulk, unless that vessel has been gas-freed in accordance with the National Fire Protection Association, and has been certified by a qualified chemist as gas-freed. Furthermore, any hot work done on the vessel will be excluded unless done in accordance with the hot work permit approved by the Canadian Coast Guard;



- (iv) in respect of or arising from or in connection with any new vessel or craft being built by the **Named Insured**;
- (v) in respect of loss or damage as specified in the Insuring Agreement unless discovered and reported in writing to the Underwriters within twelve months of the delivery to the Owner or within twelve months after the work is completed by the **Named Insured**;
- (vi) in respect of or arising from or in connection with condemnation or rejection of any part by reason of faulty design or faulty workmanship, including the cost or expense of repairing, modifying or replacing any part (or for any loss or expense arising therefrom) by reason of faulty design or faulty workmanship;
- (vii) directly or indirectly arising from:
 - (a) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom or any hostile act by or against a belligerent power;
 - (b) capture, seizure, arrest, restraint, or detention and the consequences thereof, or any attempt, thereat;
 - (c) derelict mines, torpedoes, bombs or other derelict weapons of war;
 - (d) destruction of or damage to property by or under the order of any government or public or local authority;
 - (e) any strike, lock-out, labour disturbance, riot, civil commotion or act of any person taking part in any such occurrence, or from any act of any person acting maliciously;
- (viii) for loss, damage or expense caused by or resulting from the exceeding of the registered or rated lifting capacity of any crane or lifting device, marine railway or dry dock;
- (ix) for payments under penalty clauses, demurrage, loss of time, loss of freight, loss of charter, loss of market or any other consequential loss whatsoever, other than damages recoverable under clause (vi) of the Insuring Agreement.

All other terms and conditions remain unchanged.