

STANDARD CLAUSES FOR CONSTRUCTION RISKS 1947

Repairing, rebuilding and/or completion to be considered as construction.

Risk to commence from date mentioned in the policy, but if laying of keel has taken place before such date, underwriters to be advised accordingly and premium to be revised if necessary.

ARTICLE 1

- a. This insurance is also to cover all risks, including fire and theft, in buildings, yards and shops of the Assured, whilst under construction, fitting out, and during trials,
- b. Including all risks of loss or damage through collapse of supports or ways from any cause whatever and all risks of launching and breakage of the ways.
- c. Including materials in yards and docks of the Assured, on quays, pontoons, craft, and anywhere else in Holland; provided always that the Assured prove that the materials have been separated for the building or are in some way or other recognizable as such.
- d. Including all risks on materials whilst in transit - except by sea - to and from the works and/or the vessel wherever she may be lying, if necessary for temporary storage; an additional premium to be paid only for sendings to or from outside the Netherlands, Belgium and Luxembourg. Sendings to or from abroad by sea are covered as follows; *Inward*: from the moment at which the unloading from the vessel has started; *outward*: up to the moment at which the loading into the vessel has finished; in both cases: or so much earlier or later as the marine insurance placed elsewhere ends or commences.
- e. During transit as mentioned under sub-section d, the insurance to cover loss or damage from any cause whatever and irrespective of percentage and howsoever the materials are loaded.
- f. "Materials" to include raw and shaped materials as well as finished objects or objects in course of construction. Templates, models and similar articles destined solely for use in the construction of the insured object, are for the purpose of this policy also to be considered as "materials".

ARTICLE 2

This insurance is also to cover all risks of trial trips, loaded or otherwise, as often as required, and all risks whilst proceeding to and returning from the trial course, but warranted that all trials and proceeding to and returning therefrom shall be within a distance by water of 750 nautical miles from the place whence the vessel proceeds to sea, or held covered at a rate to be arranged. The extra expenses of a repeated trial or trial trip to be paid if the Assured proves that the repetition is solely the consequence of a damage recoverable under this policy.

ARTICLE 3

With leave to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons during the currency of this policy. Including shifting in tow or otherwise after being launched, but before the trial trip, anywhere in Holland, but extra premium to be paid if in tow by sea. Any limitation of liability of the tug under the towage contract shall not prejudice the rights of the Assured.

ARTICLE 4

With leave to fire guns and torpedoes but no claim to attach hereto for loss or damage to same or to ship or machinery unless the accident results in the total loss of the vessel.

ARTICLE 5

In case of failure of launch, underwriters to bear all subsequent expenses incurred in completing launch.

ARTICLE 6

Average payable irrespective of percentage; and without deduction of one-third, whether the Average be particular or general.

ARTICLE 7

General average and salvage to be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to York-Antwerp Rules 1890 (omitting in the case of wood cargoes the first word "No" of Rule 1) or York-Antwerp Rules 1924; and in the event of salvage, towage, or other assistance being rendered to the vessel hereby insured by any vessel belonging in part or in whole to the same owners, it is hereby agreed that the value of such services (without regard to the common ownership of the vessels) shall be ascertained by Arbitration in the manner hereinafter provided for under Clause 14, and the amount so awarded, so far as applicable to the interest hereby insured, shall constitute a charge under this policy. If there is no contract of affreightment, all such damages and costs which would be made good in General Average if the ship had been loaded under Bill of Lading, subject to the stipulations of the York-Antwerp Rules 1924, shall be paid.

ARTICLE 8

In the event of deviation to be held covered at an additional premium to be arranged hereafter.

ARTICLE 9

To cover while building all damage to hull, machinery, apparel, or furniture, caused by settling of the stocks, or failure or breakage of shores, blocking or staging, or of hoisting or other gear, either before or after launching and while fitting out.

ARTICLE 10

Full contract value to be the basis of the insurance.

ARTICLE 11

It is agreed that any change of interest in the object hereby insured shall not affect the validity of this policy, but the risk to terminate for the Insurer at midnight of the day on which the ship arrives for the first time in a Dutch port after she has definitely been taken over by the shipowners. If, however, after that moment some work is still carried out, the liability of the Assured, with the exception of the shipowner, with regard thereto remains covered until this

work has been completed, but within the time limit mentioned in the policy and subject to the conditions of this insurance.

ARTICLE 12

And it is expressly declared and agreed that no acts of the Insurer or Assured, in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment. If in the event of a total loss no reports as to the actual time of such loss can be obtained, it is agreed to assume that the loss occurred 24 hours after the time at which the vessel was last reported as safe.

ARTICLE 13

This insurance also specially to cover loss of or damage to the insured object, through negligence of Master, Mariners, Engineers or pilots, and/or other persons in the employment of the Assured or through explosions, bursting of boilers, breakage of shafts, or through any latent defect in the insured object, or from other causes, arising either on shore or otherwise, causing loss of or injury to the property hereby insured, provided such loss or damage has not resulted from want of due diligence by the Assured or their managers or any of them, and to cover all risks incidental to navigation, or in graving docks.

The expense of sighting the bottom after stranding or touching the ground shall be paid if reasonably incurred, even if no damage be found, provided the Assured proves that there would have been no need for him to incur these costs without the stranding or touching the ground.

ARTICLE 14

And it is further agreed that if the Ship hereby insured shall come into collision with any other Ship or Vessel, and the Assured shall in consequence thereof become liable to pay, and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision the Underwriters will pay the Assured such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the insured value of the Ship hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionate part of the value of the Ship hereby insured, and in cases in which the liability of the Ship has been contested, or proceedings have been taken to limit liability, with the consent in writing of the Undersigned, they will also pay a like proportion of the costs which the Assured shall thereby incur, or be compelled to pay; but when both Vessels are to blame then, unless the liability of the Owners of one or both of such Vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each Vessel had been compelled to pay to the Owners of the other of such Vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

And it is further agreed that the principles involved in this clause shall apply to the case where both Vessels are the property, in part or in whole, of the same Owners, all questions of responsibility and amount of liability as between the two Ships being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the managing owners of both Vessels, and one to be appointed by the majority in amount of Underwriters interested in each Vessel; the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference. The terms of the Arbitration Act of 1889 to

apply to such reference, and the decision of such single, or of any two of such three Arbitrators, appointed as above, to be final and binding.

This clause shall also extend to any sum which the Assured may become liable to pay, or shall pay for removal of obstructions under statutory power, for injury to harbours, wharves, piers, stages, and similar structures consequent on such collision.

ARTICLE 15

It is further agreed that if the Assured shall by reason of his interest in the insured object become liable to pay and shall pay any sum or sums in respect of any responsibility, claim, demand, damages, and/or expenses arising from or occasioned by any of the following matters or things during the currency of this policy, that is to say:-

Loss of or damage to any other ship or goods, merchandise, freight, or other things or interests, whatsoever, on board such other ship, caused proximately or otherwise by the object insured in so far as the same is not covered by the running down clause set out above;

Loss of or damage to any goods, merchandise, freight, or other things or interest whatsoever, other than as aforesaid (not being builders' gear or material or cargo on the insured ship), whether on board the insured ship or not, which may arise from any cause whatsoever;

Loss of or damage to any harbour, dock (graving or otherwise), slipway, way, gridiron, pontoon, pier, quay, jetty, stage, buoy, telegraph cable or other fixed or moveable thing whatsoever, or to any goods or property in or on the same, howsoever caused;

Any liability assumed by the Assured by reason of a customary contract or arrangement entered into with the owners of any tug, tender or other vessel for the employment of such tug, tender or other vessel in any manner whatsoever in connection with the Assured's engagements in respect of the vessel hereby insured;

Any attempted or actual raising, removal, or destruction of the wreck of the insured ship or the cargo thereof, or any neglect or failure to raise, remove or destroy the same;

Any sum or sums for which the Assured may become liable or incur from causes not hereinbefore specified, but which are absolutely or conditionally recoverable from or undertaken by the Liverpool and London Steamship Protection and Indemnity Association Limited and/or North of England Protecting and Indemnity Association, but excluding loss of life and personal injury;

the Underwriters will pay the Assured such proportion of such sum or sums so paid, or which may be required to indemnify the Assured for such loss, as their respective subscriptions bear to the insured value of the vessel hereby insured, provided always that the liability under this Clause, together with any liability there may be under Clause 16, in respect of any one accident or series of accidents arising out of the same event shall be limited to the sum hereby insured, but when the liability of the Assured has been contested with the consent in writing of the Underwriters, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

ARTICLE 16

This insurance also to pay the expenses, after deduction of the proceeds of the salvage, not recoverable under Clause 15 of the removal of the wreck of the insured vessel from any place owned, leased or occupied by the Assured. Underwriter's liability under this Clause is subject to the limitations in amount provided in Clause 15. The provisions of that Clause regarding the payment of legal costs shall apply also hereto.

ARTICLE 17

Notwithstanding the provisions of Clauses 15 and 16, this policy is warranted free from any claim arising

- a. directly or indirectly under Workmen's Compensation or Employers' Liability Acts
- b. and any other Statute or under Common Law in respect of accidents to workmen.
- c. in connection with an occurrence resulting from the operation of a peril excepted by
 - (i) the Free of Capture and Seizure Warranty,
 - (ii) the Free of Strikes, Riots and Civil Commotions Warranty.

ARTICLE 18

Loss of or damage to any property belonging to the Assured but not being or becoming part of the insured object will be for account of the Insurer provided the loss or damage be caused by the insured object, whether the Assured is responsible for such loss or damage or not. So far as the aforementioned losses or damages occur to the slipway, moorings or campshedding belonging to the shipbuilder during launching, a deductible franchise of one per mille of the insured value with a minimum of D. fls. 100. - and a maximum of D. fls. 500. - will apply. The liability of the Insurers by virtue of the Protection and Indemnity Clauses mentioned under 15, 16 and 17, and the liability of the Insurers for the claims mentioned in this section will, however, for any event in the sense of the P. & I. Clauses be limited to the amount for which the P. & I. Clauses give cover.

ARTICLE 19

Contrary to any stipulation in the foregoing, the amount to be made good by the Assured in respect of loss of life or personal injury is in no case for account of the Insurer.

ARTICLE 20

It is agreed that no assignment of or interest in this policy or in any moneys which may be or become payable thereunder is to be binding on or recognized by the Underwriters unless a dated notice of such assignment or interest signed by the Assured and (in the case of subsequent assignment) by the assignor be endorsed on this policy and the policy with such endorsement be produced before payment of any claim or return of premium thereunder.

ARTICLE 21

Should any loss or damage covered under this policy be insured under any other contract of insurance at the time such loss or damage arises, the present policy to be only supplementary and therefore only to cover an excess, if any, not covered under such other contract of insurance.

ARTICLE 22

In case of loss or damage made good to one of the Assured under this policy, Underwriters waive their right of recovery, if any, against any other person or persons insured under this policy, provided the loss or damage is not recoverable under any other insurance which may have been effected by such other Insured.

ARTICLE 23

- a. Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.
Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom or piracy.
- b. Warranted free of loss or damage caused by strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions. Should Clause A be deleted, Clause C is to operate as part of this policy.
- c. Warranted free of any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrests, restraints or detainments of Kings, Princes, Peoples, Usurpers or persons attempting to usurp power.
- d. Warranted free of loss or damage directly or indirectly caused by earthquake, volcanic eruption or tidal wave arising therefrom.

Disclaimer: Please note that these Standard Clauses for Construction Risks (1947) are already more than 65 years old, they will only be used in combination with additional special clauses.

The VNAB policy conditions and clauses are NOT BINDING. They merely serve as specimen which may be customised by alterations, additional provisions and/or clauses. VNAB market players are free to offer other policy conditions to their customers.

As market players are free to use them at their own discretion, the VNAB cannot assume any liability for the application or contents of the model conditions and clauses.

For previously published (older) conditions, please contact the VNAB.

The official title of these conditions is: 'Standard Clauses for Construction Risks (1947)'. The wording is available via the website of the Coöperatieve Vereniging Nederlandse Assurantie Beurs B.A., www.vnab.nl.