

maritime accident. The period of insurance is one year and the insurable value is calculated based on the following:

- estimated operating costs
- estimated chartering to be earned
- estimated gross income of freight

The loss of time is covered on the basis of the number of days required for the completion of the repairs, counting from the day following the day of the accident. The Insurer's liability per any one accident is limited to certain number of days up to 180 days throughout the year.

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Takaful Marin Hull

Marine Hull Takaful



TBA

Takaful Operator



Marine Hull Takaful

Introduction

Commercial vessels and pleasurecraft are subject to a range of damage and liability risks which can amount to significant financial loss. A comprehensive marine hull insurance program is essential for protecting your assets and earnings as a recreational or commercial hull builder or operator.

Objective

Marine Hull Insurance covers loss or damage to hull and machinery. The hull is the structure of the vessel. Machinery is the equipment that generates the power to move the vessel and control the lighting and temperature system such as boiler, engine, cooler and electricity generator.

Scope of Cover

It offers two types of protection. These are the main clauses and most important in Marine Hull policies. Time Clauses covers for a specific period usually 12 months. As the nature and degree of risks which the Insurer run vary according to the kind of vessel, there exist a number of categories in the Time Clauses. They are

- Institute Time Clauses (Hull)
- Institute Time Clauses (FPA)
- Institute Time Clauses (Total Loss Only)

Place of Cover

Negara Brunei Darussalam, Sabah, Sarawak and Labuan.

Institute Time Clauses

1. Institute Time Clauses (Hull)
Provides the maximum coverage offered by hull insurance.

Perils Covered

- a. Perils of the sea
- b. Fire & explosion
- c. Violent theft
- d. Piracy
- e. Breakdown of accident to nuclear installations etc.
- f. Contact with aircraft
- g. Earthquake, volcanic eruptions or lightning
- h. Accidents in loading etc.
- i. Bursting of boilers
- j. Breakage of shaft
- k. Latent of defect

- l. Negligence of masters etc.
- m. Negligence of repairers etc.
- n. Negligence of charterers etc.
- o. Barratry

Excluded Perils

- p. Wilful misconduct of the Assured
- q. Loss caused by delays
- r. Wear and tear
- s. Rats and/or vermin
- t. Injury to machine not proximately caused by maritime peril

Paramount Exclusions In The Policy

- u. War
- v. Strikes
- w. Malicious acts
- x. Nuclear exclusion

Other Losses & Expenses Covered

- y. Pollution Hazard
- z. 3/4th Collision Liability
- aa. General Average and Salvage
- ab. Sue and Labour
- ac. Constructive Total Loss

2. Institute Time Clauses (FPA)

The coverage of these clauses are similar to that of Hulls Clauses but exclude coverage on machinery damages in all respects.

It is advised that all vessels which exceed 15 years of age or older, if the risk accepted, to give this coverage only. Past experience shows that older vessels suffer serious casualties due to machinery damage. If machinery damage is excluded due to limitation of this clause, there is a better chance of making hull underwriting profit.

3. Institute Time Clauses Hulls (Total Loss Only)

As the name suggested, this clause only covers in the event of it becoming a total loss by arrangement, actual, compromised or constructive total loss. The rate for this cover is low and usually this cover is only extended to old vessel (but not more than 20 years) or on accommodation only.

Other Clauses

Institute Yacht Clauses

This clause are basically Institute Hull clauses amended for yachts and include all damages to hull, masts, spars, sails and

other equipment on board the yacht but does not include damage whilst the yacht is racing.

Caution should be taken with regard to charter yachts and if the risk is accepted, the following warranty must be included into the policy conditions, namely:

'Warranted that professional skipper & crew is in attendance at all times'

Full details of the Skipper and Crew's experience must be obtained.

Institute Voyage Clauses

This insurance covers risks during a voyage from one port or place to another or a round voyage. In so far as ordinary vessels are concerned, as most of them are usually insured under a time policy, voyage insurance is effected only in such cases as delivery voyage of a new vessel to buyer from the shipyard or a voyage of a vessel to be repaired at shipyard. The period of coverage is usually less than a year and the scope of coverage is almost identical that of time policy. In which case, there are also the FPA and Total Loss cover.

Builders' Risk Insurance

This type of insurance covers whilst vessel is under construction. During that period, it is exposed to risks such as fire, tidal wave, capsiz or failure in launch. It is also exposed to collision, and sinking on a trial trip. The builder's risk insurance effected by shipyards provides cover against all such risks. The insured value is the contract price or the estimated completed value of the vessel if there is no contract price. The period of insurance should be from the time of inception of the construction to the time of delivery. Hence, the period can well exceed 12 months.

Hull War And Strike Risks Insurance

War and strike risks are usually excluded from the cover of ordinary marine insurance policies in any market throughout the world. This insurance covers exclusions under Article 11 of the Institute Time Clauses. It can only be effected on vessels which are insured against ordinary marine risks. The rate of premium fluctuates frequently reflecting the climate of world politics at the time of inception of the risk.

Terrorism Insurance

Terrorism cover is an excluded risk world-wide. There will be no consideration for acceptance if this coverage is required.

Loss of Time Insurance

This insurance indemnifies a ship-owner for loss of anticipated profits or operating costs where the insured vessel is forced to be out of commission in consequence of damage caused by