**Premium Payment and Cancellation Clause (A.5.1 2012-10-04) (for Insurers)**

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The premium payable for this insurance shall be received into the designated bank account of The COSCO SHIPPING CAPTIVE INSURANCE CO., LTD. (“Insurer”) on the due dates as stated on the Insurance Policy/Slip. Should the Insurer not receive any payment as aforesaid the Assured has not fulfilled its obligation to pay the premium. In the event premiums are not received by The Insurer on the due date, interest calculated at 1% percent per month (or at such lower rate as The Insurer may at its sole discretion otherwise decide) will be levied from the day after the due date on the whole amount due. Any interest accrued will be debited per calendar quarters. The Insurer may decide, to waive any interest accrued and/or debited at its sole discretion.

If the premium has not been received by the due date, The Insurer may cancel this insurance. Should the Insurer exercise its rights of cancellation, immediate written notice shall be given to the Assured or his Broker and Mortgagee(s), if applicable, and take effect 14 days after such written notice has been received by the Assured or his Broker and Mortgagee(s) if applicable.

The Insurer shall have a lien in the ship for any unpaid premium or sums due irrespective of whether the insurance has been terminated.

In the event of the vessel being deemed an Actual Total Loss and/or Constructive Total Loss and/or Arranged Total Loss and/or Compromised Total Loss covered under the terms and conditions of this policy, the total premium for the policy period will be considered earned and payable to The Insurer and shall be deducted from the agreed settlement to the Assured.

The expression “Assured” referred to in this clause is deemed to include the Assured, his Agents, Managers or any other company or person(s) who are acting on behalf of the Assured, and/or any Co-assured(s) and/or Mortgagees as agreed by The Insurer, if and as applicable.

To the extent the terms of this clause are in conflict with any other clause in this policy, the terms of this clause shall take precedence.