

PREMIUM PAYMENT CLAUSE

The Insured undertakes that premium will be paid in full to underwriters within 60 days of inception of this policy (or, in respect of instalment premiums and additional premiums, within 60 days from the due dates).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums and additional premiums, within 60 days from the due dates) Underwriters shall have the right to cancel this policy by notifying the Insured in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on the risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the Insured. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or enforceable, such invalidity or enforceability will not affect the other provisions of this clause which will remain in full force and effect.

11/01

LSW3000 (Amended 15 May 2015)