

# **Institute Marine Cargo Clauses, B**

Institute Marine Cargo Clauses

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1	<b>Institute Marine Cargo Clauses</b>		
2	<b>B Clauses</b>		
3	<b>RISKS COVERED</b>		
4	<b>1. - Risks Clause</b>		
5	<b>1</b> This insurance covers, except as provided in Clauses 4, 5, 6 and 7 below,		
6	<b>1.1</b> loss of or damage to the subject-matter insured reasonably attributable to		
7	<b>1.1.1</b> fire or explosion		
8	<b>1.1.2</b> vessel or craft being stranded grounded sunk or cap-sized		
9	<b>1.1.3</b> overturning or derailment of land conveyance		
10	<b>1.1.4</b> collision or contact of vessel craft or conveyance with any external object other than water		
11	<b>1.1.5</b> discharge of cargo at a port of distress		
12	<b>1.1.6</b> earthquake volcanic eruption or lightning,		
13	<b>1.2</b> loss of or damage to the subject-matter insured caused by		
14	<b>1.2.1</b> general average sacrifice		
15	<b>1.2.2</b> jettison or washing overboard		
16	<b>1.2.3</b> entry of sea lake or river water into vessel craft hold conveyance container liftvan or place of storage,		
17	<b>1.3</b> total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.		
	<b>2. - General Average Clause</b>		18
	<b>2</b> This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4,5, 6 and 7 or elsewhere in this insurance.		19
	<b>3. - “Both to Blame Collision” Clause</b>		20
	<b>3</b> This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment “Both to Blame Collision” Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.		21
	<b>EXCLUSIONS</b>		22
	<b>4. - General Exclusion Clause</b>		23
	<b>4</b> In no case shall this insurance cover		24
	<b>4.1</b> loss damage or expense attributable to wilful misconduct of the Assured		25
	<b>4.2</b> ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured		26
	<b>4.3</b> loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 4.3 “packing” shall be deemed to include stowage in a container or liftvan but only when such stowage is		27

carried out prior to attachment of this insurance or by the Assured or their servants) 36

28 **4.4** loss damage or expense caused by inherent vice or nature of the subject-matter insured

29 **4.5** loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)

30 **4.6** loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel

31 **4.7** deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons

32 **4.8** loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

33 **5. - Unseaworthiness and Unfitness Exclusion Clause**

34 **5.1** In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

35 **5.2** The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

**6. - War Exclusion Clause**

**6** In no case shall this insurance cover loss damage or expense caused by 37

**6.1** war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power 38

**6.2** capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat 39

**6.3** derelict mines torpedoes bombs or other derelict weapons of war. 40

**7. - Strikes Exclusion Clause** 41

**7** In no case shall this insurance cover loss damage or expense 42

**7.1** caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions 43

**7.2** resulting from strikes, lock-outs, labour disturbances, riots or civil commotions 44

**7.3** caused by any terrorist or any person acting from a political motive. 45

**DURATION** 46

**8. - Transit Clause** 47

**8.1** This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either 48

49 **8.1.1** on delivery to the Consignees' or other final warehouse or  
place of storage at the destination named herein,

50 **8.1.2** on delivery to any other warehouse or place of storage,  
whether prior to or at the destination named herein, which the Assured elect to use either

51 **8.1.2.1** for storage other than in the ordinary course of transit  
or

52 **8.1.2.2** for allocation or distribution, or

53 **8.1.3** on the expiry of 60 days after completion of discharge over-  
side of the goods hereby insured from the oversea vessel at the  
final port of discharge, whichever shall first occur.

54 **8.2** If, after discharge overside from the oversea vessel at the fi-  
nal port of discharge, but prior to termination of this insurance, the  
goods are to be forwarded to a destination other than that to which  
they are insured hereunder, this insurance, whilst remaining sub-  
ject to termination as provided for above, shall not extend beyond  
the commencement of transit to such other destination.

55 **8.3** This insurance shall remain in force (subject to termination as  
provided for above and to the provisions of Clause 9 below) during  
delay beyond the control of the Assured, any deviation, forced dis-  
charge, reshipment or transhipment and during any variation of the  
adventure arising from the exercise of a liberty granted to shipown-  
ers or charterers under the contract of affreightment.

56 **9. - Termination of Contract of Carriage Clause**

57 **9** If owing to circumstances beyond the control of the Assured ei-  
ther the contract of carriage is terminated at a port or place other  
than the destination named therein or the transit is otherwise ter-  
minated before delivery of the goods as provided for in Clause 8

above, then this insurance shall also terminate unless prompt no-  
tice is given to the Underwriters and continuation of cover is re-  
quested when the insurance shall remain in force, subject to an  
additional premium if required by the Underwriters, either

**9.1** until the goods are sold and delivered at such port or place, or, 58  
unless otherwise specially agreed, until the expiry of 60 days after  
arrival of the goods hereby insured at such port or place, whichever  
shall first occur, or

**9.2** if the goods are forwarded within the said period of 60 days 59  
(or any agreed extension thereof) to the destination named herein  
or to any other destination, until terminated in accordance with the  
provisions of Clause 8 above.

**10. - Change of Voyage Clause** 60

**10** Where, after attachment of this insurance, the destination is 61  
changed by the Assured, held covered at a premium and on con-  
ditions to be arranged subject to prompt notice being given to the  
Underwriters.

**CLAIMS** 62

**11. - Insurable Interest Clause** 63

**11.1** In order to recover under this insurance the Assured must 64  
have an insurable interest in the subject-matter insured at the time  
of the loss

**11.2** Subject tot 11.1 above, the Assured shall be entitled to re- 65  
cover for insured loss occurring during the period covered by this  
insurance, notwithstanding that the loss occurred before the con-  
tract of insurance was concluded, unless the Assured were aware  
of the loss and the Underwriters were not.

66 **12. - Forwarding Charges Clause**

67 **12** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder. This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.

68 **13. - Constructive Total Loss Clause**

69 **13** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.

70 **14. - Increased Value Clause**

71 <b>14

72 **14.1** If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In

the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**14.2** Where this insurance is on Increased Value the following clause shall apply: 73

The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. 74

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances. 75

**BENEFIT OF INSURANCE** 76

**15. - Not to Inure Clause** 77

**15** This insurance shall not inure to the benefit of the carrier or other bailee. 78

**MINIMISING LOSSES** 79

**16. - Duty of Assured Clause** 80

**16** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder 81

**16.1** to take such measures as may be reasonable for the purpose of averting or minimising such loss, and 82

**16.2** to ensure that all rights against carriers, bailees or other third 83

parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

84 **17. - Waiver Clause**

85 **17** Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

86 **AVOIDANCE OF DELAY**

87 **18. - Reasonable Despatch Clause**

88 **18** It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.

89 **LAW AND PRACTICE**

90 **19. - English Law and Practice Clause**

91 **19** This insurance is subject to English law and practice.

***[Post Note]***

***[Post Note]***

92 NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

## Metadata

### SiSU Metadata, document information

**Document Manifest @:**

[http://www.jus.uio.no/lm/institute.marine.cargo.clauses.b.1982/sisu\\_manifest.html](http://www.jus.uio.no/lm/institute.marine.cargo.clauses.b.1982/sisu_manifest.html)

**Title:** Institute Marine Cargo Clauses, B

**Creator:** Institute Marine Cargo Clauses

**Rights:** Copyright (C) 1982 Institute Marine Cargo Clauses

**Publisher:** SiSU <http://www.jus.uio.no/sisu> (this copy)

**Date:** 1982

**Topics Registered:** insurance:cargo:standard terms

**Version Information**

**Sourcefile:** institute.marine.cargo.clauses.b.1982.sst

**Filetype:** SiSU text 2.0

**Source Digest:** SHA256(institute.marine.cargo.clauses.b.1982.sst)=2cf1a923-38616e1cf2d7276229edebdbe92986affd9bb34b90cdaa268f4884fd

**Skin Digest:** SHA256(skin\_lm.rb)=5acda64a9532f9ef6b71693da2b471d4efac2f23-a8499e68de066eec8ea9b8e9

**Generated**

**Document (dal) last generated:** Tue Sep 21 17:12:44 -0400 2010

**Generated by:** SiSU 2.6.3 of 2010w30/3 (2010-07-28)

**Ruby version:** ruby 1.8.7 (2010-08-16 patchlevel 302) [i486-linux]