

It is understood and agreed that, effective as to all shipments which become at risk hereunder on and after ..... the following clauses appearing in or attached to this policy:

- (a) Marine Extension Clauses
- (b) Warehouse To Warehouse Clause
- (c) Deviation and/or Liberties Clauses
- (d) American Institute Cargo Clauses (February 1949)

are hereby cancelled and simultaneously replaced by the following:

**AMERICAN INSTITUTE CARGO CLAUSES**

- 1. A. This insurance attaches from the time the goods leave the warehouse or place of storage at the place named in the certificate, declaration or special policy for the commencement of the transit and continues until:
    - (1) the goods are delivered to the Consignee's or other final warehouse or place of storage at the destination named in the certificate, declaration or special policy, or
    - (2) the goods are delivered to any other warehouse or place of storage, whether prior to or at the destination named in the certificate, declaration or special policy, which the Assured elects to use either
      - (a) for storage other than in the ordinary course of transit, or
      - (b) for allocation or distribution, or
    - (3) the expiry of 60 days (30 days on air shipments) after completion of discharge from the overseas vessel or aircraft,whichever shall first occur.

In the event of delay in excess of the limits specified in (3) above arising from circumstances beyond the control of the Assured, held covered at a premium to be named for an additional 30 days provided the Assured give notice thereof to these Assurers as promptly as possible but in any event prior to the expiry of the said 30 days period.
  - B This insurance specially to cover the goods during deviation, delay, forced discharge, re-shipment, transhipment and any other variation of the adventure arising from the exercise of a liberty granted to the shipowner or charterer under the contract of affreightment.
  - C In the event of the exercise of any liberty granted to the shipowner or charterer under the contract of affreightment whereby such contract is terminated at a port or place other than the original insured destination, the insurance continues until the goods are sold and delivered at such port or place; or, if the goods be not sold but are forwarded to the original insured destination or to any other destination this insurance continues until the goods have been delivered to the warehouse or place of storage as provided in paragraph 1.A.
  - D If while this insurance is still in force and before the expiry of 15 days from midnight of the day on which the discharge overside of the goods hereby insured from the overseas vessel at the final port of discharge is completed, the goods are re-sold (not being a sale within the terms of paragraph 1.C) and are to be forwarded to a destination other than that covered by this insurance, the goods are covered hereunder while deposited at such port of discharge until again in transit or until the expiry of the aforementioned 15 days whichever shall first occur. If a sale is effected after the expiry of the aforementioned 15 days while this insurance is still in force the protection afforded hereunder shall cease as from the time of the sale.
  - E Held covered at a premium to be named in case of change of voyage or of any omission or error in the description of the interest, vessel or voyage.
  - F **It is a condition of this insurance that there shall be no interruption or suspension of transit unless due to circumstances beyond the control of the Assured and that the Assured shall act with reasonable dispatch in all circumstances within their control.**
- Warehouse to Warehouse/  
Transit Clause
- 2. Including transit by craft and/or lighter to and from the vessel. Each craft and/or lighter to be deemed a separate insurance. The Assured are not to be prejudiced by any agreement exempting lightermen from liability.
  - 3. Warranted free from Particular Average unless the vessel or craft be stranded, sunk, or burnt, but notwithstanding this Warranty these Assurers are to pay any loss of or damage to the interest insured which may be reasonably attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress. **The foregoing Warranty, however shall not apply where broader terms of Average are provided for hereon or in the certificate declaration or special policy to which these clauses are attached.**
  - 4. General Average and Salvage Charges payable according to United States laws and usage and/or as per foreign statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment.
  - 5. Where goods are shipped under a Bill of Lading containing the so-called "Both to Blame Collision" Clause, these Assurers agree, as to all losses covered by this insurance, to indemnify the Assured for this policy's proportion of any amount (not exceeding the amount insured) which the Assured may be legally bound to pay to the shipowners under such clause. In the event that such liability is asserted the Assured agree to notify these Assurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.
- Craft, & c.  
Clause.
- F.P.A. Clause.
- G/A Clause.
- Both to Blame  
Clause

(over)

- Shore Clause. 6. Notwithstanding any average warranty contained herein: –
- A Where this insurance by its terms covers while on docks, wharves or elsewhere on shore, and/or during land transportation, it shall include the risks of collision, derailment, overturning or other accident to the conveyance, fire, lightning, sprinkler leakage, cyclones, hurricanes, earthquakes, floods (meaning the rising of navigable waters), and/or collapse or subsidence of docks or wharves.
- Explosion Clause. B This insurance includes the risk of explosion, howsoever or wheresoever occurring during the currency of this insurance, unless excluded by the F. C. & S. Warranty or the S. R. & C. C. Warranty set forth herein.
- Warehousing & Forwarding Clause. C These Assurers agree to pay any landing, warehousing, forwarding and special charges for which this policy in the absence of such warranty would be liable. Also to pay the insured value of any package or packages which may be totally lost in loading, transhipment or discharge.
- Inchmaree Clause. D This insurance is also specially to cover any loss of or damage to the interest insured hereunder, through the bursting of boilers, breakage of shafts or through any latent defect in the machinery, hull or appurtenances, or from faults or errors in the navigation or management or the Vessel (within the meaning of Section 3 or the Harter Act, 1893) by the Master, Mariners, Mates, Engineers or Pilots.
- Bill of Lading & c. Clause. 7. The Assured are not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the Bills of Lading and/or Charter Party. The seaworthiness of the vessel as between the Assured and these Assurers is hereby admitted and the wrongful act or misconduct of the shipowner or his servants causing a loss is not to defeat the recovery by an innocent Assured if the loss in the absence of such wrongful act or misconduct would have been a loss recoverable on the policy. With leave to sail with or without pilots, and to tow and assist vessels or craft in all situations, and to be towed.
- Labels Clause. 8. In case of damage affecting labels, capsules or wrappers, these Assurers, if liable therefor under the terms of this policy, shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers, and the cost of reconditioning the goods, but in no event shall these Assurers be liable for more than the insured value of the damaged merchandise.
- Machine Clause. 9. When the property insured under this policy includes a machine consisting when complete for sale or use of several parts, then, in case of loss or damage covered by this insurance to any part of such machine, these Assurers shall be liable only for the proportion of the insured value of the part lost or damaged, or at the Assured's option, for the cost and expense, including labor and forwarding charges, of replacing or repairing the lost or damaged part, excluding loss, if any, sustained by payment of additional duty unless the full duty is included in the amount insured: but in no event shall these Assurers be liable for more than the insured value of the complete machine.
- Constructive Total Loss Clause. 10. No recovery for a Constructive Total Loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.
- Duty of Assured. 11. It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.
- Carrier Clause. 12. Warranted that this insurance shall not inure, directly or indirectly, to the benefit of any carrier or bailee.
13. **The following Warranties shall be paramount and shall not be modified or superseded by any other provision included herein or stamped or endorsed hereon unless such other provision refers specifically to the risks excluded by these Warranties and expressly assumes the said risks: –**
- F.C. & S. Warranty. A Notwithstanding anything herein contained to the contrary, this insurance is warranted free from capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise; also warranted free, whether in time of peace or war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter or by any mine or torpedo, also, warranted: free from all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but this Warranty shall not exclude collision or contact with aircraft, rockets or similar missiles or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire or explosion 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 purposes 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.
- S.R. & C.C. Warranty. B Warranted free of loss or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotions or the acts of any person or persons taking part in any such occurrence or disorder.
- Delay Warranty. C Warranted free of claim for loss of market or for loss, damage or deterioration arising from delay, whether caused by a peril insured against or otherwise.

#### 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 these Assurers and the right to such cover is dependent upon compliance with this obligation.**