

## AIMU Clause Comparison Project

In early 2009, the AIMU Cargo Committee began discussions about a potential project to compare the then-recently released London Institute Cargo Clauses (1/1/2009) with the most recent AIMU clauses. A subcommittee was formed to oversee this project, in conjunction with volunteers from the U.S. Maritime Law Association's Committee on Marine Insurance and General Average. The purpose of the project was primarily to provide underwriters with a general overview of the differences between the AIMU clauses and the London Institute clauses.

The result of the project is a series of comparison documents on various clauses used in cargo policies, along with an executive summary and power point presentation. AIMU wishes to thank the members of the Cargo Subcommittee, as well as the MLA volunteers involved in this project.

The comparison documents that were prepared do not constitute legal advice or underwriting guidance; readers should consult an attorney if legal advice is desired.

As always, AIMU wishes to underscore the importance of compliance with the laws of the United States. The laws prohibit members, while engaged in AIMU activities, from entering into any discussions on matters affecting rates or conditions of insurance contracts (other than promulgation of standard forms or wordings for voluntary use in the industry). It is the policy of AIMU to honor and abide by these prohibitions in all respects.

---

AIMU extends its gratitude to the members of its Cargo Subcommittee who worked on this project, Scott Beebe, Allan Ilias, David Lappe, Michelle O'Donovan and Isabelle Therrien, as well as the volunteer members of the U.S. Maritime Law Association's Committee on Marine Insurance and General Average who worked on this project: James W. Carbin, Joseph G. Grasso, Andrew Kehagiaras, Michelle Otero de Valdes, Michael Orlando, Donald T. Rave, Jr., Stephen V. Rible, John F. Ryan and Dennis J. Seider.

For further information, the following sources may be of interest:

- AIMU website: [www.aimu.org](http://www.aimu.org)
- Joint Cargo Committee page of the LMA website: [www.lmalloyds.com](http://www.lmalloyds.com)
- "A Review of the Revisions to the Institute Cargo Clauses (A)", presentation by Nick Gooding at the 2008 Vancouver annual IUMI conference: [www.iumi.com](http://www.iumi.com), Cargo Workshop

# At-a-Glance - Summary of Comparisons

## AIMU All Risk Cargo Clauses (1.1.04) Compared with London Institute Cargo Clauses (A) (1.1.09)

Duration of risk:

- London clauses cover cargo when first moved into the warehouse for purposes of loading for transit; AIMU clauses state that coverage attaches when cargo leaves the warehouse for commencement of transit.

Exclusions:

- Insufficiency of packing – London clauses specify that “packing” includes stowage into a container
- Inherent Vice – Excluded in both AIMU and London clauses
- Delay - London clauses exclude loss caused by delay even if delay results from a covered peril although cover remains in force during delay beyond control of assured (8.2); AIMU clauses exclude loss of market or damage, expense or deterioration due to delay (note some buy back available for perishables)

Unseaworthiness/unfitness of vessel:

- Seaworthiness is admitted in the AIMU clauses; however, misconduct of the carrier is covered only when shipper is innocent.

## AIMU FPA and WA Clauses (1.1.04) Compared with London Institute Cargo Clauses (B) and (C) (1.1.09)

Coverage:

- Shore perils: London clauses include no express language for “including during land transportation” or “other accident” or “sprinkler leakage” or “cyclones, hurricanes, floods” or “collapse subsidence or docks and wharves”

Duration of risk:

- London clauses do not mention consolidation/deconsolidation

Exclusions:

- London clauses do not contain express exclusion for loss of market

## AIMU War Risk Open Policy (12.2.93) Compared with London Institute War Clauses (CARGO) (1.1.82)

Coverage:

- AIMU clauses provide coverage for loss/damage caused by a government when acting to prevent/mitigate a pollution hazard

Exclusions:

- AIMU clauses exclude loss/damage due to commandeering, preemption, requisition or nationalization by a government

Other:

- London clauses do not address CTL

**AIMU SR&CC Clauses 12 and 12A (1.1.08) and Accumulation Clause (4.30.08) Compared with equivalent London Institute Clauses**

Coverage:

- AIMU clauses provide coverage for “physical loss.....**directly** caused by”...;London clauses do not contain the word “directly”
- AIMU clauses include the words “accidental or intentional”

Exclusions:

- London clauses do not include loss of market

Other:

- Accumulation clause - No equivalent wording in London clauses

**AIMU Extended Exclusions Clauses (2003) Compared with London Institute Extended Exclusion Clauses (2002, 2003)**

AIMU

- Has US Economics & Trade Sanctions Clause; no similar London clause
- Provides additional clarifying language concerning RACE

LONDON

- The London clauses were amended in 2003 and expanded in reach and scope
- The most recent London clauses added reference to more specific terrorist activity or events

**AIMU Classification Clause (5.19.93) Compared with London Institute Classification Clause (1.1.01)**

LONDON

- Allows Associate Members and National Flag Society(s) to class vessels
- Qualifies vessels over 15 years of age, and bulk carriers at 10 years of age
- Adds cargoes carried by non-qualifying vessels that underwriters must be notified promptly for rates/conditions TBD