

INSTITUTE ADDITIONAL EXPENSES CLAUSES (CARGO WAR RISKS)

This insurance is only to cover additional expenses incurred in consequence of War Risks, and only to the extent and subject to the conditions set forth in the following clauses:

1 In the event of interruption or frustration of the voyage or adventure by arrests, restraints, detainments or acts of Kings, Princes and Peoples in prosecution of hostilities or by blockades or other warlike operations, whether there be a declaration of war or not, and whether by a belligerent or otherwise, or by reason of the exercise by the carrier of any liberty granted by any "War Risks" clause in the contract of affreightment, and the goods being discharged at a port other than the port of destination specified in this insurance or, where a country or district is specified in this insurance as the destination of the voyage, being discharged outside the limits of such country or district, the Underwriters shall pay (subject to the limit stated below) their proportion of additional expenses (including additional marine and war risk premiums and duty, if any) reasonably incurred by the Assured, in consequence of such interruption or frustration and discharge, for landing and/or warehousing charges and/or for transhipment to original destination or for returning the goods to the point of origin of the shipment or for transhipping to a substituted destination.

2 The additional expenses for returning the goods to the point of origin of the shipment or for transhipping to a substituted destination referred to in Clause 1 shall be considered reasonably incurred only if

2.1 the approval thereto of the Underwriters hereon has been first obtained, or

2.2 the sum for which the goods could have been sold there at the time the decision to transport the goods was made, less all necessary charges incurred in transporting the goods, including duty, if any, *exceeds* the sum which could have been realised by a sale at the place where the voyage or adventure was interrupted or frustrated, less duty, if any, which would have become payable in event of sale there, *and is not less than* the sum which could have been realised at some other place to which the Assured might reasonably have sent the goods, less all necessary charges which would have been incurred in transporting the goods, including duty, if any.

3 Subject to the provisions of Clause 2, if the goods are returned to the point of origin of the shipment or transhipped to a substituted destination, and the sum realised or which could be realised there, by the sale of the goods, exceeds the sum insured hereunder, the Underwriters' liability hereunder for additional expenses in respect of transport and duty shall be limited to the amount by which the said additional expenses incurred exceed the difference between the sum realised or which could be realised by the sale of the goods and the sum insured hereunder.

4 This insurance does not cover any expenses

4.1 incurred as a result of physical damage to vessel or cargo,

4.1.1 which may be recoverable under Marine or War Risk insurances on the goods, or

4.1.2 which may not be recoverable under such insurances by reason of insufficiency of the sum insured thereunder,

4.2 incurred subsequent to and in consequence of prohibition by the Government of the United Kingdom or of any of its Allies whereby the Assured is prevented from removing the goods from the port or place or country of discharge.

5 Warranted that the goods are covered by insurance against War Risks and against Marine Risks to an extent not less than the cover provided by the Institute Cargo Clauses (C).

6 Risk to commence at times of sailing and it is warranted that when the vessel sails the contract of carriage provides for discharge of the goods at the destination named in this insurance.

7 Where the vessel has the option under the contract of carriage to discharge the goods at any specified port or ports, or any port or ports in a specified range, no liability shall arise hereunder by reason of discharge at any such port or ports.

8 Underwriters shall not be liable for

8.1 warehousing charges after a period of six months,

8.2 any expenses incurred more than twelve months after the goods were discharged unless the goods were in course of being forwarded, returned or transhipped to a substituted destination, before the expiry of the said twelve months.

9 Unless otherwise agreed the sum insured hereunder shall be that for which the goods are insured against Marine Risks or the C.I.F. value whichever be the greater. The sum insured by this insurance shall be the limit of liability hereunder.

10 Warranted that the goods are not at any time during the voyage, the property of any government or of any person, firm or corporation (including those domiciled in neutral territory) who are alien enemies of the United Kingdom or its Allies.

11 This insurance excludes loss damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radio-active force or matter.

12 This insurance is subject to English law and practice.

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