AVERAGE DISBURSEMENTS CLAUSES (A)

Agreed by the Association of Average Adjusters
and the Institute of London Underwriters

ASSURED

1. This insurance is effected for account of all parties concerned in the property and freight at risk as interest may appear.

DURATION

2. 2.1 This insurance shall attach as the disbursements costs and charges specified in Clause 4 are incurred or as liability for advancing such disbursements costs and charges is incurred.

Provided that no risk shall attach in respect of loss of or damage to the property and freight at risk occurring prior to the agreed time of attachment as stated herein.

2.2 This insurance shall continue until termination of the common maritime adventure in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

Provided that in the event of discharge, reshipment, transhipment, delay or forwarding by any other vessel, craft or conveyance, prompt notice shall be given to the Underwriters and an additional premium agreed if required.

DEVIATION OR CHANGE OF VOYAGE

3. 3.1 The vessel or forwarding vessel or craft has leave to call at any ports or places in any order for any purpose whatsoever and to dry dock with or without cargo on board.

3.2 Held covered subject to prompt notice and to a reasonable additional premium if required in the event of a change of voyage.

SUBJECT-MATTER INSURED

4. This insurance is in respect of general average disbursements and salvage and salvage charges inclusive of costs.

AMOUNT INSURED

5. 5.1 The insurable value of the subject-matter shall be the amount finally ascertained in respect of the disbursements costs and charges described in Clause 4 plus the charges of insurance thereon.

5.2 The insurance shall be opened for the estimated amount of such disbursements costs and charges at the inception of the risk. If found to be deficient this may be increased by not more than 25% subject to a pro rata additional premium.

5.3 If the amount provisionally insured in accordance with Clause 5.2 exceeds the insurable value as defined in Clause 5.1 a pro rata return of premium shall be allowed.

COVER

6. 6.1 Except as provided in Clause 11 and subject to the provisions of Clause 7 this insurance covers extinction or reduction of the contributory value of the property and freight at risk arising from

6.1.1 the risks of loss of or damage to such property or freight

6.1.2 special charges or other expense incurred to avert or minimise such loss or damage

6.1.3 contributions to any subsequent General Average

6.1.4 damage or injury to third parties during the period of this insurance.

6.2 Contributory values to be calculated in accordance with the provisions for General Average in the contract of affreightment or in the absence of such provisions in accordance with the governing law and practice.

MEASURE OF INDEMNITY

7. In the event of loss covered by this insurance the measure of indemnity shall be

7.1 Where there are no contributory values,

the amount insured.

7.2 Where the contributory values calculated in accordance with Clause 6.2 have been reduced,

such proportion of the insurable value as the reduction bears to such contributory values as they would have been but for the loss.

If the total of the disbursements costs and charges is not fully insured hereunder the amount payable shall be reduced in proportion to the under-insurance.

SEAWORTHINESS

8. Seaworthiness and fitness of vessel, containers, craft and conveyances for the safe carriage of the cargo is admitted.

BENEFIT OF INSURANCE

9. This insurance is without benefit of any other insurance.

LAW AND PRACTICE

10. This insurance is subject to English law and practice.

The following clause shall be Paramount and shall override anything in this insurance inconsistent therewith.

EXCLUSIONS

11. This insurance excludes any claim arising from

11.1 wilful misconduct of the Assured but this exclusion shall not defeat a claim hereunder by an innocent Assured

11.2 the risks excluded by Clause 6 of the Institute Cargo Clauses (A) 1/1/82, except to the extent that such risks are covered by the Institute War Clauses (Cargo) 1/1/82.

14/5/87
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