

"These clauses are purely illustrative. Different PMD conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:  
(a) in relation to any clause which excludes losses from the cover, Takaful Operators may agree a separate Takaful PMD covering such losses or may extend the clause to cover such events;  
(b) in relation to clauses making cover of certain risks subject to specific conditions each Window Takaful Operator may alter the said conditions".

1/1/82

(FOR USE ONLY WITH THE NEW MARINE PMD FORM)

## INSTITUTE CARGO CLAUSES (B)

### RISKS COVERED

- 1** This Takaful covers, except as provided in Clauses 4, 5, 6 and 7 below,
- 1.1 loss of or damage to the subject-matter covered reasonably attributable to
    - 1.1.1 fire or explosion
    - 1.1.2 vessel or craft being stranded grounded sunk or capsized
    - 1.1.3 overturning or derailment of land conveyance
    - 1.1.4 collision or contact of vessel craft or conveyance with any external object other than water
    - 1.1.5 discharge of cargo at a port of distress
    - 1.1.6 earthquake volcanic eruption or lightning,
  - 1.2 loss of or damage to the subject-matter covered caused by
    - 1.2.1 general average sacrifice
    - 1.2.2 jettison or washing overboard
    - 1.2.3 entry of sea lake or river water into vessel craft hold conveyance container lift van or place of storage,
  - 1.3 total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.
- 2** This Takaful 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 Takaful.
- 3** This Takaful is extended to indemnify the Participant by the Participant Takaful Fund (PTF) 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 Participant agree to notify the Takaful Operator who shall have the right, at their own cost and expense, to defend the Participant against such claim.

Risks  
Clause

General  
Average  
Clause

"Both to  
Blame  
Collision"  
Clause

### EXCLUSIONS

- 4** In no case shall this Takaful cover
- 4.1 loss damage or expense attributable to wilful misconduct of the Participant
  - 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter covered
  - 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter covered (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 carried out prior to attachment of this Takaful or by the Participant or their servants)
  - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter covered
  - 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk covered against (except expenses payable under Clause 2 above)
  - 4.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
  - 4.7 deliberate damage to or deliberate destruction of the subject-matter covered or any part thereof by the wrongful act of any person or persons
  - 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.
- 5** 5.1 In no case shall this Takaful 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 covered,  
where the Participant or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter covered is loaded therein.
- 5.2 The Takaful Operator waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter covered to destination, unless the Participant or their servants are privy to such unseaworthiness or unfitness.
- 6** In no case shall this Takaful cover loss damage or expense caused by
- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  - 6.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
  - 6.3 derelict mines torpedoes bombs or other derelict weapons of war.
- 7** In no case shall this Takaful cover loss damage or expense
- 7.1 caused by strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 7.2 resulting from strikes, lock-outs labour disturbances, riots or civil commotions
  - 7.3 caused by any terrorist or any person acting from a political motive.

General  
Exclusions  
Clause

Unseaworthiness  
and Unfitness  
Exclusion  
Clause

War  
Exclusion  
Clause

Strikes  
Exclusion  
Clause

### DURATION

- 8** 8.1 This Takaful 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
- 8.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,
  - 8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Participant elect to use either
    - 8.1.2.1 for storage other than in the ordinary course of transit or
    - 8.1.2.2 for allocation or distribution,
  - 8.1.3 on the expiry of 60 days after completion of discharge over side of the goods hereby covered from the oversea vessel at the final port of discharge,
- whichever shall first occur.

Transit  
Clause

(Continued)

8.2	If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this Takaful, the goods are to be forwarded to a destination other than that to which they are covered hereunder, this Takaful, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.	
8.3	This Takaful 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 Participant, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.	
9	If owing to circumstances beyond the control of the Participant either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this Takaful shall also terminate unless prompt notice is given to the Operator and continuation of cover is requested when the Takaful shall remain in force, subject to an additional contribution if required by the Takaful Operator on behalf of the Participant Takaful Fund (PTF), either	Termination of Contract of Carriage Clause
9.1	until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby covered at such port or place, whichever shall first occur,	
	or	
9.2	if the goods are forwarded within the said period of 60 days (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	Where, after attachment of this Takaful, the destination is changed by the Participant, <i>held covered at a contribution and on conditions to be arranged subject to prompt notice being given to the Takaful Operator.</i>	Change of Voyage Clause
<b>CLAIMS</b>		
11	11.1 In order to recover under this Takaful the Participant must have a coverable interest in the subject-matter covered at the time of the loss.	Coverable Interest Clause
	11.2 Subject to 11.1 above, the Participant shall be entitled to recover for covered loss occurring during the period covered by this Takaful, notwithstanding that the loss occurred before the contract of Takaful was concluded, unless the Participant were aware of the loss and the Takaful Operators were not.	
12	Where, as a result of the operation of a risk covered by this Takaful, the covered transit is terminated at a port or place other than that to which the subject-matter is covered under this Takaful, the Participant Takaful Fund (PTF) will indemnify the Participant for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is covered 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 Participant or their servants.	Forwarding Charges Clause
13	No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter covered 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 covered would exceed its value on arrival.	Constructive Total Loss Clause
14	14.1 If any Increased Value Takaful is effected by the Participant on the cargo covered herein the agreed value of the cargo shall be deemed to be increased to the total amount covered under this Takaful and all Increased Value Takafuls covering the loss, and liability under this Takaful shall be in such proportion as the sum covered herein bears to such total amount covered. In the event of claim the Participant shall provide the Takaful Operator with evidence of the amounts covered under all other Takaful/Insurances.	Increased Value Clause
	14.2 <b>Where this Takaful is on Increased Value the following clause shall apply:</b> The agreed value of the cargo shall be deemed to be equal to the total amount covered under the primary Takaful and all Increased Value Takafuls covering the loss and effected on the cargo by the Participant, and liability under this Takaful shall be in such proportion as the sum covered herein bears to such total amount covered. In the event of claim the Participant shall provide the Takaful Operator with evidence of the amounts covered under all other Takaful/Insurances.	
<b>BENEFIT OF TAKAFUL</b>		
15	This Takaful shall not inure to the benefit of the carrier or other bailee.	Not to Inure Clause
<b>MINIMISING LOSSES</b>		
16	It is the duty of the Participant and their servants and agents in respect of loss recoverable hereunder	
	16.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and	Duty of Participant Clause
	16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Participant Takaful Fund (PTF) will, in addition to any loss recoverable hereunder, indemnify the Participant for any charges properly and reasonably incurred in pursuance of these duties.	
17	Measures taken by the Participant or the Takaful Operator with the object of saving, protecting or recovering the subject-matter covered shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	Waiver Clause
<b>AVOIDANCE OF DELAY</b>		
18	It is a condition of this Takaful that the Participant shall act with reasonable despatch in all circumstances within their control.	Reasonable Despatch Clause
<b>LAW AND PRACTICE</b>		
19	This Takaful is subject to English law and practice.	English Law and Practice Clause

*NOTE:— It is necessary for the Participant when they become aware of an event which is “held covered” under this Takaful to give prompt notice to the Takaful Operator and the right to such cover is dependent upon compliance with this obligation.*