Valuable Goods

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The Club was recently approached for advice by a Member that had contracted to carry a cargo of ancient Egyptian artworks from Alexandria to Europe. The member was keen to know whether liability for loss or damage to such cargo was covered by the Club. The short answer to the question is yes, subject always to a Member's terms of entry with the Club. In this respect, in addition to the Club's Rules in relation to loss of or damage to cargo, the specific Rules are 25 xii (iv) and (v). These deal with valuable cargo and ad valorem bills of lading.

The former provides that there shall be no recovery from the Club in relation to loss or damage to valuable cargo, for example specie, bullion, or other objects of a rare or precious nature, "unless the contract of carriage relating thereto and the spaces, apparatus and means in which the same are to be carried and the instructions given with regard to the safe custody thereof have been approved in writing by the Managers on such terms as they may require." The latter limits the Club's cover to US$ 2,500 in respect of cargo carried under an ad valorem bill of lading unless the contract has been approved by the Managers.

Amongst the factors that the Managers will consider in such cases are the following:

- The contracts - the carriage may be the responsibility of the charterers of the vessel but it will still be necessary to establish the extent of the vessel owners' contractual duties and obligations owed to cargo, whether under the charterparty and/or bill of lading or otherwise.

- Some countries restrict the export of ancient artifacts; shippers or charterers will need to ensure that any relevant regulations are complied with and ideally should provide confirmation that they have done so, so that the goods can be shipped or exported legally, even on a temporary basis.

- Valuable goods may be delicate or fragile and liable to damage, shippers or charterers will need to ensure that such goods are adequately secured and protected within their containers. Depending on the actual goods it may be sensible to seek confirmation from the shippers or charterers that they have employed specialist stowage contractors and are satisfied that the goods are properly and securely stowed within the containers. If so, obtaining the bill of lading to reflect that the shipper was responsible for the packing and sealing of the container and that the carrier will not be liable for loss or damage caused by matters beyond the carrier's control should assist the carrier to defend subsequent claims for loss or damage.

- Other prudent considerations include the position of the container in the stow. It may be the case that the goods are temperature-sensitive and therefore, should not be stored near heated bunker tanks or other heat sources. The goods may also be vulnerable to excessive vibration or vessel motion.

- Subject to stability and port rotation requirements, it may be prudent to stow. The goods may be temperature sensitive and subject to limited container movements. The same will apply to any shore side storage where the carrier may still be deemed to be responsible for the containers.

In the event of uncertainty and if advice and assistance is required Members are always welcome to seek guidance from the Managers' representatives.