

Glossary of Trade Terms

Abandonment

The right a marine assured has to abandon property in order to establish a constructive total loss. An underwriter is not obliged to accept abandonment, but if he does he accepts responsibility for the property and liabilities attaching thereto, in addition to being liable for the full sum insured.

Ab Initio

From the beginning.

Act of God

An inevitable event occurring without the intervention of man, such as flood, tempest, or death. Operating in case of certain contracts, such as those of insurers or carriers.

Actual Container Gross Weight

Total weight of a container, i.e. the weight of the payload plus empty container weight, together with any loose internal fittings.

Actual Pay Load

The difference between the actual gross weight and the gross tare weight of a container.

Actual Total Loss

This relates to an insurance policy and can occur in any of four ways:

1) The property is completely destroyed: 2) The owner is irretrievably deprived of the property: 3) Goods change their character to such a degree that they can be said to be no longer the thing insured by the policy: 4) The subject matter of the insurance, be it ship or goods on board the ship, is recorded as missing at Lloyds.

Ad Valorem (Lat.)

According to the value. An ad valorem stamp on deeds or documents is one fixed in proportion to the amount of rent reserved or other element of value expressed in the deed.

Affidavit

A written declaration on oath

Affreightment

A contract to carry goods by ship. Charter-parties and Bills of Lading are contracts of affreightment.

All Containership

Vessel designed to carry containers only and no other cargo. (see Cellular Vessel)

All Risks

An insurance term which means that the policy covers the insured property for loss caused by any fortuity. The policy does not cover inevitable loss.

Ambient Temperature

The temperature of a substance surrounding a body. Thus the ambient temperature of a container would be the temperature of the air to which it is exposed outside.

And arrival

A term relating to return of premiums on a hull policy. The ship must be safe at expiry of the policy, otherwise no return of premium will be paid.

Arbitration

The submitting of matters of controversy to judgement by persons selected by all parties to the dispute.

Arrest

The detention of a vessel until the purpose of the arrest has been fulfilled Assessor. A person who officially estimates the value of goods for the purpose of apportioning the sum payable in the settlement of claims

Assignment

The documentary transfer of title to goods when signed over to an interested party.

Australian Zone Charge (AZC)

This is that portion of the Through Service, which applies to the Land leg delivery in Australia. Either in the collection of goods for export, or the delivery of goods which have been imported. Partial loss of the whole adventure deliberately made to prevent total loss of the whole adventure. It may be sacrifice of property or expenditure incurred to save the adventure. Parties who benefit from a general average loss are required to make good that loss by contributing in the proportion that the saved value of the party's property bears to the saved value of all interest involved in the adventure.

Average (Particular)

A fortuitous partial loss of insured property proximately caused by an insured peril, but which is not a general average loss.

Average Adjuster

A person appointed by a shipowner to collect data, guarantees, etc., in relation to general average, and to calculate contributions due from the parties concerned to make good general average losses. The adjuster may also adjust claims on hull insurance policies on behalf of underwriters.

Average Bond

An agreement signed by all interested parties acknowledging their liability to pay a share of the loss under General Average.

Average Disbursements

Expenditure incurred by the shipowner in connection with a general average act or an act of salvage. Such expenditure, when properly incurred, is recoverable from the G.A. or salvage fund created by the average adjuster, not from hull underwriters.

Avoidance

The right of an underwriter to avoid a contract of marine insurance. This can occur in the event of a breach of good faith or non-disclosure or misrepresentation of a material fact by the assured or by his broker or, in the case of a voyage policy, where the voyage does not commence within a reasonable time after acceptance of the risk by the underwriter.

Award

The decision given by an arbitrator, to whom a matter in dispute has been referred. An arbitrator states only the effect of his decision, without reasons thus differing from a judge, who usually states the grounds of his judgement.

Back Freight

Payment due to the shipowner for the carriage of goods back to the port of loading or beyond the contract port owing to circumstances beyond the control of the shipowner.

Bare Boat Charter

Charterer hires a vessel for a long period, appoints the master and crew, and pays all running expenses.

Barratry

An illegal or fraudulent act committed by the master or crew to the prejudice of the owner or charterer.

Beaufort Scale

A windscale and sea disturbance table by which mariners grade the force of wind thus communicating the general condition of the sea to others by the use of a wind force number.

Bill of Exchange

As defined by the Bills of Exchange Act 1909 a bill of exchange is:- "an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.

Bill of Lading

A document which is a receipt for cargo received on board and is evidence of the contract between shipper and shipowner. It is also evidence of title to the goods described on it

Bonded Goods

Imported goods deposited in a Government warehouse until duty is paid.

Bonding Company

An organisation that is prepared to undertake an agreement to make good a financial guarantee on behalf of another responsible for such guarantee. Owners of "arrested" vessels may obtain such a bond to satisfy a court and to obtain release of the vessel.

Bottomry Bill or Bond

The pledge of a ship, or of her cargo, as security for repayment of money advanced to the master in an emergency, and of no avail if the ship be lost.

Bow Thruster

A propeller used to provide a transverse thrust to the bow of a ship and to assist movement in confined spaces.

Break Bulk Cargo

The carriage of goods other than in containers or bulk.

Breaking Bulk

The initial opening of hatches on entering port and the commencement of discharge of cargo.

Broker

An agent employed (at a customary or an agreed rate of commission or remuneration) to buy or sell goods, merchandise or marketable securities, or to negotiate insurances, freight rates or other matters, for a principal the sales of transactions being negotiated not in his own name but in that of the principal.

Bulkhead

Front wall of container. Vertical separation between the holds of a ship (now extended to cover all vertical panels).

Bunker Surcharge

A charge levied by the 'Ocean Carrier' over and above the ocean freight rate to offset adjustments of oil bunkering costs.

Cabotage

Coastal navigation, also used for reservation of transport within a country to its own shipping.

Carrier's Lien

The right to retain possession of goods pending payment of overdue freight charges.

Cars Knocked Down, completely Knocked Down (CKD)

i.e. Cars completely unassembled, packed into cases. Part knocked down (PKD) i.e. cars partly assembled and packed into cases.

Causa Causans

The cause of a cause of loss.

Cause Proxima

Proximate cause.

Ceils

The guidance system enabling containers to be carried in a vertical line in the ship, each container supporting the one above it. The position on board a vessel in which a cargo container is stowed; designated by Bay- Column Height in stow.

Cellular Vessel

Ship specialised for container transport. The holds have vertical guides into which containers are lowered to form secure stacks restrained at all four corners. **CFR**

Shipping term meaning that goods are delivered to a named port of destination inclusive of cost and freight.

Charter-party

An agreement wherein the shipowner hires his vessel to the charterer subject to certain conditions.

CIF

Shipping term meaning that goods are delivered to a named port of destination inclusive of Cost, Insurance and Freight.

Classification Clause

A clause in a cargo insurance contract, which specifies the minimum class of vessel, required to carry the insured goods. If the carrying vessel is below the class specified, an additional premium is charged by underwriters for the additional risk involved.

Clean Bill of Lading

One in which there is nothing to qualify the admission that the goods are shipped or received in good order and condition.

Clearance Label

Denotes that a vessel has complied with all the regulations for clearance outward. It is attached to the Victualling Bill by the Customs officer who clears the vessel, and is then known as Outward Clearance.

Clip-on-Unit (COU)

A separate refrigeration unit, which can be clipped on to an insulated container.

Co-Insurance

The sharing of an insurance risk between two or more parties, other than a contract of reinsurance

Collapsible Container

Container with hinged sides, top etc. designed to be folded down to a small proportion (mostly

about one quarter) of its erected volume. The term may also denote freight container, the major components of which can be disassembled and later reassembled for use

Combined Transport

Means the carriage of goods by at least two different modes of transport, from a place at which the goods are taken in charge situated in one country to a place designated for delivery situated in a different country.

Combi Ship

A ship designed to carry both conventional and containerised cargo.

Conference Ship

A ship operated by a signatory to a shipping conference agreement

Consignee

The firm or persons authorised to receive the cargo and to whom it is consigned.

Consolidator

A transport contractor, carrier, or forwarder who undertakes the transportation of small shipments (see LCL) in groupage. The consolidator assembles such LCL shipments in a container which will be stripped by his receiving agent in the destination area.

Consortia

Number of shipping companies who have combined their vessel facilities and capital resources in order to offer a shipping service for the carriage of containers.

Container Freight Station (CFS)

Also called a container base or consolidation depot is a depot where parcels of cargo are grouped and packed into containers.

Container Load (CL)

See FCL. A shipment sufficient in size to 'fill' a container either by cubic measurement or weight, depending upon governing tariff to meet the provided minimums.

Container Part Load

See LCL. Consignment which does not occupy the full capacity of a container nor equals the maximum payload and will, therefore, allow the inclusion of another or other part-loads.

Container Pooling

System whereby ship-owners, manufacturers or operators create a container pool for common use and maximum utilisation.

Container Ship

Vessel specially fitted out for carrying containers.

Container Tanks

Specially constructed cylindrical container for the carriage of bulk liquids, powders or gases, being supported within a frame 8ft x 8ft lattice construction and in lengths 20, 30 and 40ft with corner castings and normally fitted with a bottom pick-up device. Commonly called Tanktainers.

Container Terminal (CT) An area where large-scale container handling and parking facilities are available. Used for storage and transfer of containers between at least two different transport media (road, sea, rail, barge, air.)

Constructive Total Loss

A right of a marine assured to claim a total loss on the policy because either 1. the property has been lost and recovery is unlikely 2. an actual total loss appears to be unavoidable; 3. to prevent

an actual total loss it would be necessary to incur an expenditure, which would exceed the saved value of the property. To establish a claim for constructive total loss the assured must abandon what remains of the property to underwriters and give notice of his intention so to do.

Continuation Clause

A clause providing for the continuation of a hull policy beyond the natural expiry date

Contributory Value

The value of property at voyage end where there has been a general average loss on which the contribution by each interest to the loss is calculated.

Convertible Currency

A currency, which may be freely exchanged in foreign currencies, so designated by the central bank of the country of the currency.

Counter Guarantee

An undertaking given by a cargo assured to an underwriter agreeing to reimburse the underwriter in the event that the issue of the underwriters guarantee to pay a general average contribution results in payment in excess of the amount properly due under the policy.

C.T.O.

Combined Transport Operator. A person (including any Corporation, company or legal entity) issuing a combined Transport document

Cube Out

When the volumetric capacity of the container has been reached in advance of the permitted weight limit.

Currency Adjustment Factor (CAF)

A surcharge levied by the 'Ocean Carrier' and liner conferences over and above the ocean freight rate to cater for fluctuations over a period of actual currency exchange rates.

Customary Deductions

New for old deductions made by an average adjuster from the cost of repairs for general average damage to a ship.

Dead Freight

Freight rate, which is paid on empty space in the vessel when the charterer is responsible for the freight rate of a full cargo. It should be paid before sailing.

Dead-weight Tonnage

This is the actual number of tons of cargo bunkers stores, etc. That can be put on board a ship to bring her down to her marks.

Deck Cargo

Non-containerised cargo carried on deck.

Deck Log

Ship's log recording general details concerning the running of the ship including accidents concerned with ship or cargo.

Door-to-Door

Through transport of containers from consignor to consignee without any discharging or reloading of goods, except possibly at Customs control.

Drawback

A repayment of duty on the exportation of goods previously imported.

Drill Ship

A type of drilling rig used in oil exploration at sea.

Dumb Barge

A barge that has no means of propulsion.

Ejusdem Generis

Similar in kind to others stated previously. Relates to the peril insured against in a marine policy.

Entering Inwards

The reporting of the vessel's arrival in port by the master at the Custom House. Permission to commence discharging is obtained.

Entreport

A place of transshipment.

Entry Outwards

Report of the intention to commence a new voyage by the master at the Custom House. Permission to commence loading is obtained.

Excess

Amount specified in an insurance policy that must be exceeded before a claim is payable. The claim is then only payable in excess of this amount.

Excess Value Insurance

A policy effected to cover the shipowner's liabilities attaching to the difference between the insured value and the contributory value where the latter is higher than the former. Without this such excess liabilities would be uninsured.

Extra Charges

Charges incurred in proving a claim and only recoverable if a claim is payable.

Ex-Works

Shipping term meaning goods are shipped ex-Works (from named place).

Factor

An agent employed to sell in his own name (at an agreed commission) goods or merchandise belonging to his principal his acts being binding on the principal at the instance of third parties. Compare with Broker.

FAK (Freight all Kinds)

A uniform rate or tariff applicable irrespective of commodity. (FAK rates are the opposite of commodity rates or class rates).

FAS

Shipping term meaning goods are delivered Free Alongside Ship (at a named port of shipment)

FCL

Where the load carried in a container equals one of the two operating maxima - in a weight or volume. The load in a container if the shipper was assured of a separate container exclusively for his cargo. A shipper packed container.

Feeder Ship

Vessel used in short sea trade to serve ports at which deep-sea container ships do not call.

Flash Point

The temperature at which a liquid produces enough vapour to form an inflammable mixture with air.

Floating Policy

A form of cargo policy to cover many individual voyages. Seldom used today, having been replaced in practice by the open cover and open policy.

Flotsam

Cargo cast or lost overboard and recoverable by reason of it remaining afloat, also wreckage from a shipwreck.

FOB

Shipping term meaning goods are loaded Free On Board (a named port of shipment)

Force Majeure

An occurrence or a circumstance outside the control of all parties.

Forecastle

Raised part at the bow of the ship.

Foul Bill

A Bill of Lading (see Unclean Bill of Lading) that has been classed to show that the goods were not received in a sound condition.

Franchise

A percentage shown in a cargo policy, which has to be attained before a partial loss claim, is to be paid. However, once the franchise is attained the claim is paid in full. **Freeboard**
This is the height between the deck line and the Plimsoll (or load) line.

Free in and out

Cargo to be loaded and discharged free to the vessel by the Charterer

Free of Average

A policy term excluding partial loss claims.

Free of Capture and Seizure

The war risks exclusion clause that forms part of all marine insurance policies.

Free on board. (FOB)

Term of sale where responsibility for the goods changes from seller to buyer when goods pass onto the carrying vessel

Freight Abandonment

A term in a hull policy whereby the underwriter waives his right to freight earned or to be earned by a ship that is the subject of a total loss claim.

Freight Container

Article of transport equipment of a permanent character designed to facilitate the carriage of goods by one or more means of transport without intermediate rehandling of the goods themselves. This article shall be fitted with devices permitting its ready handling, be designed in order for easy filling and emptying and have an overall volume of 8 cu.m. (282 cu.ft.) or more. The term excludes vehicles and conventional packing.

Freight Contingency

The insurable interest of a consignee who has paid freight on goods when delivered over the ship's side but where the goods are still subject to peril until they arrive at the final destination.

Freight Forwarder

One who arranges the shipping of goods overseas.

Freight Rate

The charge for transporting goods by water

Frustration of Adventure

A circumstances whereby a ship or goods cannot reach the contemplated destination but remain undamaged and are not lost to the owner. This peril is normally excluded from policies covering war risks.

G.A. in Full Clause

A clause in a cargo policy whereby the underwriter agrees to pay general average contributions in full even though the contributory value may be greater than the insured value.

General Average

An internationally accepted rule of the sea. When a ship is in danger of total loss the master has the right to sacrifice property and/or incur reasonable expenditure to prevent the total loss. Measures taken for the sole benefit of any particular interest are not general average. On successful completion of the adventure or if it is abandoned in a place of safety on successful attainment of such place the ship is declared as entering "under average". Security in the shape of deposits or guarantees is taken from each cargo interest and an average adjuster is appointed. The adjuster calculates the value of the saved interest and each interest is required to contribute a rateable proportion to make good the general average loss.

Underwriters are liable only if the peril leading to the general average act was an insured peril and their liability is limited to the insured value of sacrificed insured property and to their proportion of the general average contribution payable by the assured.

General Average Bond

An agreement signed by all parties involved in a general average act.

General Average Contribution

The proportion payable by one of the parties involved in a general average act to make good the loss suffered in that act.

General Average Deposit

A deposit paid by a cargo in return for delivery of the goods where such goods are subject to a general average contribution.

General Average Disbursements

Expenses paid by the shipowner as part of a general average act. Such expenses are recovered by the shipowner from the general average fund.

General Average Fund

The total arrived at by adding together general average expenditure and the value of property sacrificed in a general average act plus costs of its adjustment.

General Average Guarantee

An undertaking by a financial house or an underwriter to pay the contribution due towards a general average fund.

Gold Clause Agreement

An agreement between parties concerned with the carriage of goods by sea whereby they agree to increase the limits imposed by law for shipowners liability in respect of cargo.

Gross Tonnage

This is the volume of the interior of the vessel including all spaces which are permanently closed in (but excluding the double bottom) expressed in tons of 1 00 cubic feet. **Hamburg Rules**

A set of rules incorporated into a contract for carriage of goods by sea that govern the rights and responsibilities of the carrier and other cargo interests.

Heavy Lift

A unit of cargo which cannot be lifted by the normal ship's gear.

Held Covered

An agreement by underwriters to extend the terms of the insurance in specified circumstances subject to an additional premium.

High Seas

Maritime areas that are outside the jurisdiction of any state.

Incoterms 2000

A standard set of rules allowing the interpretation of commonly used shipping/trade terms published by the ICC.

EXW - Ex Works (... named place) FAS - Free Alongside Ship (... named port of shipment)
FOB - Free On Board (... named port of shipment) FCA - Free Carrier (... named place) CFR -
Cost and Freight (... named port of destination) CIF - Cost, Insurance and Freight (... named
port of destination) CPT - Carriage Paid To (... named place of destination) CIP - Carriage and
Insurance Paid To (... named place of destination) DES - Delivered Ex Ship (... named port of
destination) DEQ - Delivered Ex Quay (... named port of destination) DAF - Delivered At
Frontier (... named place of destination) DDU - Delivered Duty Unpaid (... named place of
destination) DDP - Delivered Duty Paid (... named place of destination)

Indemnity

Making good a loss by financial payment.

Indirect Damage

Damage caused by an insured peril but not proximately caused thereby.

Inherent Vice

A quality in a cargo that gives rise to a loss, generally, without any other peril operating. The perishable nature of fruit is an example.

In Personam

Legal action against a person.

In Rem

Legal action against an object or the owners thereof (e.g. action naming the ship).

Institute Cargo Clauses

Standard insurance conditions for policies covering goods in transit overseas.

Institute of London Underwriters

An association representing company underwriters and interest in the London insurance market.

Institute Time Clauses.

Standard insurance conditions for policies covering ships for a period of time.

Institute Warranties

A set of express warranties for use in policies covering ships. Mainly these are navigational warranties restricting the ship's navigational areas. Breach of the warranties is held covered subject to payment of an additional premium and change of policy conditions, if required by the underwriters.

Insurable Interest

The interest one has in relation to property exposed to peril whereby one may lose financially by the loss of, or damage to, such property or may incur a liability in respect thereof. A person who effects a marine insurance contract without an insurable interest or a reasonable expectation of acquiring such interest is guilty of an offence under English law.

Insured Value

The value of property as expressed in a policy of insurance.

International Chamber of Commerce (ICC)

A non-government organisation with members in approx 140 countries. The ICC formulates terminology and publishes guidelines for importers, exporters and financial institutions worldwide.

Invoice

A document setting out in detail the goods consigned, marks and numbers, cost, any charges, and name of consignee.

Irrespective of Percentage

When shown in a policy this means that particular average is not subject to the franchise expressed in the standard S.G. policy form.

Jason Clause

A clause in a contract of affreightment relating to liability of the shipowner under the U.S. Harter Act in disputes concerning general average.

Jergue Note

A document given to the master by the Customs after the inward cargo is discharged and the vessel has been rummaged.

Jetsam

Cargo or goods which sink when jettisoned. The term applies also to such goods when washed ashore.

Jettison

The act of throwing cargo and stores overboard in order to save the vessel.

Joint Cargo Committee

A group of London company underwriters and Lloyd's underwriters who meet to discuss matters relating to cargo insurance and to make recommendations to the cargo insurance market

Joint Hull Committee

A group of London company underwriters and Lloyd 's underwriter's who meet to discuss matters relating to hull insurance and to make recommendations to the hull insurance market.

Knocked Down Condition

Goods (e.g. vehicles) dismantled for transit.

Lagan

Cargo thrown overboard, but buoyed so that it may be recovered.

Laker

A vessel specially constructed for navigation in the waterways of the Great Lakes and canal systems of North America

Land Bridge

Descriptive term for an overland transit coming between two ocean passages during a containers journey from starting point to destination.

Latent Defect

A defect in the construction of a ship or machinery that is not readily discernible to a competent person carrying out a normal inspection. Discovery of a latent defect does not give rise to a claim on the ordinary hull policy, but damage caused thereby is usually covered.

Lay Days

Days allowed by charter for loading or discharging cargo.

Lay-up Return. A return of part of the annual premium on a ship time policy paid back to the assured by the underwriter because the ship has been laid up and not exposed to full navigational risks for a period of not less than 30 consecutive days. Such return is not paid until the natural expiry date of the policy, and is forfeit if the vessel becomes a total loss before such date.

Letter of Credit

A document authorising payment to the person named, subject to fulfilment of certain specified conditions on the part of the person authorised to receive the money (e.g. evidence that goods have been shipped).

Lien

A legal right over goods, to hold them until the claim against the owner has been settled

Light Bill

A Customs receipt for the payment of light dues.

Light Dues

Moneys collected by the Customs on behalf of Trinity House for the maintenance of lighthouses and buoys. Dues are levied on vessels according to their net registered tonnage.

Lighterage

The price paid for loading or unloading ships by lighters or barges.

Limber Hole

A removable board to allow bilge inspection.

Limited Terms

An insurance expression meaning that the policy gives less cover than a policy on full conditions (eg. total loss only).

Limit per Bottom

The maximum amount of cargo insured by a policy in any one vessel.

Liner

A ship on a regular schedule calling at specified ports.

Lloyd's Agents

Persons appointed by the Corporation of Lloyd's and stationed in all major world ports. Their function is to safeguard Lloyd's interests and report all movements and losses of ships. Lloyd's Broker.

An intermediary who negotiates insurance contracts with Lloyd's underwriters on behalf of his client, the assured. For a broker to be admitted as a Lloyd's broker he must satisfy the Committee of Lloyd's that he is a suitable person to become a Lloyd's broker. Only Lloyd's brokers are permitted to enter the underwriting room at Lloyd's to transact business with underwriters.

Lloyd's Register of Shipping

An independent non-profit-making Society, controlled by the various sectors of the shipping

industry. It undertakes surveys, classification of all vessels, and produces various annual publications, including Construction Rules for Steel Ships.

Load Line

The Load Line, sometimes called the Plimsoll Line, or "marks", indicates the depth in the water down to which a ship may be loaded the position of these marks is governed by international convention.

Location Clause

Insurance contract clause limiting insurers liability at any one location.

Loss of Specie

A change in the character of cargo which, in insurance terms, is effectively an actual total loss.

Lump Sum Freight

A fixed freight rate, regardless of how much cargo is loaded.

Machinery Damage Co-insurance

A clause in a hull policy which applies a 10 percent deductible to claims for damage to ship's machinery which is attributable to negligence on the part of the master, officers or crew. This deductible is applied to the net claim after applying any other deductible expressed in the policy.

Made Good

The sums paid to a general average fund to make good losses incurred by the general average act

Manifest

A document containing the passenger list and details of all stores and cargo on board the vessel.

Maritime Lien

The claim a master and crew has on the vessel for the payment of wages due

Market Capacity

The maximum amount an insured market can absorb as liability to its policy holders while maintaining a proper solvency margin.

Material Circumstance

Any circumstance that would affect a prudent underwriter in deciding whether or not to accept an insurance contract and in assessing the correct premium to charge.

Mate's Receipt

A receipt signed by the mate to say the cargo has been received on board in good order and condition.

Memorandum

A condition expressed at the foot of the S.G policy form applying an F.P.A. warranty to certain specified cargoes and a franchise to particular average claims for other interest. In modern practice it applies only to cargo policies.

Missing Ship

A ship is deemed to be "missing" when, following extensive enquires, she is officially posted as "missing" at Lloyd's. She is then considered to be an "actual total loss" and policy claims for both hull and cargo are settled on that basis.

Name

An underwriting member at Lloyd's.

Nesting

Packing hollow-ware cargo (eg. earthenware bowls) so that one item nests within another. Paper or straw is used to separate each item and avoid damage.

Net Tonnage

This is the gross tonnage less the machinery, boiler and bunker, crew and stores spaces.

New for Old

When new material or parts replace damaged material or parts during repairs to a ship. Underwriters are entitled to make a deduction from the claim as a result of betterment but they waive this right in practice. Average adjusters may apply the principle in general average for vessels over 15 years old.

No Cure - No Pay

The principle of pure salvage whereby the salvager who fails in his task receives no reward for his efforts.

Notary Public

An official certified to take affidavits and depositions from members of the public

Notice of Abandonment

The initial action to be taken by an assured who wishes to claim a constructive total loss. Notice to underwriters must be given with reasonable diligence as soon as the assured is aware of the circumstance. Its purpose is to give the underwriter the opportunity to take action to prevent or minimise the loss.

Not to Tenure Clause

A clause in a cargo policy stating that the policy shall not inure to the benefit of a carrier or other bailee. The intention is to deny the right of carriers to benefit from the insurance when they claim such right in their contracts of carriage.

Official Number

A registered number given to all merchant vessels and cut in on the vessel's "main beam", together with the net registered tonnage.

Omnibus Clause

A clause in a hull policy extending liability cover to embrace, in addition to the assured's legal liability, the liability of other organisations who are connected with the ship. It usually excludes liability of shipyards, repair yards and others to whom underwriters do not wish to extend cover

Open Charter

Where the charter-party specifies neither the kind of cargo nor the ports of destination.

Open Container

A container with sides and for ends of bars, grilles, mesh or entirely left open, with or without roof.

Open Cover

A form of long term cargo insurance contract. It has no aggregate limit but, subject to a limit to the amount at risk in any one vessel, and often a limit to the amount at risk in any one location prior to shipment, the contract covers all shipments forwarded by the assured during the currency of the open cover. Underwriters have the right to cancel at any time by giving the requisite notice of their intention to cancel, but shipments that have commenced transit before the notice period expires continue to be covered until final delivery within the terms of the transit clause.

Open Policy

A cargo insurance policy designed to cover all consignments forwarded by the assured subject to a limit in any one vessel and, usually, a time limit during which declarations must attach. Unlike

the floating policy it does not have an aggregate limit, but the underwriter can invoke a cancellation clause if he wishes to withdraw cover.

Open Top Container

Van size container with soft roof (tarpaulin) or detachable hard roof. for vertical loading of cargo.

Ordinary Breakage

Breakage of fragile cargo which by its regularity has become accepted as inevitable loss during transit.

Outturn

The quantity of cargo discharged from a ship or cargo that is discharged in excess of ship manifest.

Overage

An additional premium applied to a cargo which is carried by a vessel that is outside the limits set down in the classification clause,

P. and 1. Club Cover

A mutual association formed by shipowners to provide protection from large financial loss to one member by contribution towards that loss by all members. The P. & 1. club covers liabilities not insurable in the ordinary marine insurance market and other expenses incurred by the shipowner in the running of his ship, such as cost of defending claims made by cargo owners.

Particular Average

A fortuitous partial loss to the subject matter insured, proximately caused by an insured peril but which is not a general average loss.

Particular Charge

An expense incurred by an assured in relation to an insured loss. This can be a means of preventing further loss in transit (eg. sue and labour charges), of assessing loss (eg. a survey fee) or of making good a loss at destination (eg. repacking) sometimes referred to as an "extra charge" when it is the subject of a claim on the policy.

Percentage of Depreciation

The proportion of the total value of cargo that is the subject of loss from an insured peril. This percentage is applied to the sum insured by the policy to determine the amount of claim payable.

Piracy

An assault on a vessel cargo, crew or passengers at sea by persons owing no allegiance to a recognised flag and acting for personal gain. It also includes acts of rioters who attack a ship from the shore and of passengers who mutiny.

Plimsoll Mark

The loadline mark on the side of a vessel.

Policy

A contract of insurance.

Policy Proof of Interest

A policy wherein the underwriter agrees to waive proof that an insurable interest is enjoyed by the assured as a condition of claim payment In other policies the underwriter is not liable for any claim where the assured is unable to prove that his interest in the subject matter of the insurance exists at the time of loss. P.P. I. policies are invalid in a court of law, but are not illegal except where no interest exists or where there was no reasonable expectation that it would exist at the time the policy was effected.

Portage Bill

A bill giving the statement of wages of each member of the crew at the end of a voyage.

Power of Attorney

A document which empowers one person to act for another.

Pratique

Permission to land crew and cargo after the vessel has satisfied the port doctor as to the state of health on board.

Promissory Note

A note promising to pay a certain person a stated sum on a specified date.

Protest

A written declaration by the master and witnessed before a Notary Public, about eg storm damage to cargo, to avoid liability for damages.

Proximate Cause

The most effective cause of a loss in a chain of events leading to the loss. A basic principle of insurance in that, unless the policy provides otherwise, the underwriter is not liable for any loss that is not proximately caused by an insured peril.

Quayage

The charge for using a berth alongside a wharf.

Received Bill

A Bill of Lading marked to indicate that goods have been received for shipment, but does not indicate that they have been shipped in fact.

Receiver

The person appointed to "receive" and administer the rents and profits, or other moneys, accruing to an estate or business undertaking which is administered or wound-up under the supervision of the court. Official Receivers are of officials permanently employed to act in that capacity in bankruptcy proceedings or the winding-up of joint-stock companies.

Registry, Certificate of

A document giving all particulars of the vessel, including the names of the owner and the master.

Running Down Clause

A clause extending a hull insurance policy to cover legal liability amounts paid by the assured consequent upon collision of the insured ship with another ship or vessel. Also known as Collision Clause.

Sailing cards

Cards issued by shipbrokers to their customers, giving particulars of the ship, or ships they are about to load, the loading berth, date of departure, etc.

Salvage

This may mean 1. Money paid to those who assist in saving a ship or goods from the dangers of the sea. 2. The goods so saved 3. Property saved from a fire on land.

Salvage Association

An association, based at and closely connected with Lloyd's, whose function is to take instructions from interested parties (e.g. underwriters) to investigate casualties and to make recommendations for the preservation and protection of property; also to determine the extent and proximate cause of loss when required.

Salvage Loss

A compromise settlement on a cargo policy, usually when the adventure has been terminated short of destination and damaged goods are sold at the intermediate port. The underwriter pays the difference between the sum insured by the policy and the proceeds of the sale.

Seaworthiness

The fitness of a ship to encounter all ordinary perils reasonably contemplated for the particular voyage. In addition to having a sound hull the ship must be fully and competently crewed and be sufficiently fuelled and provisioned for the contemplated voyage. All her equipment must be in proper working order and, if she carries cargo, she must be cargoworthy. The right to claim under a hull policy is prejudiced if the ship puts to sea in an unseaworthy condition.

Security

A term used in marine insurance to define the insurers with whom a policy has been effected.

Ship's Articles

The agreement between the master and his crew, giving details of conditions and terms.

Ship's Husband

The shipowner's agent who superintends the vessel when in port.

Shipped on Board Bill of Lading

A 'Shipped' Bill of Lading is one which acknowledges that the goods mentioned have been placed on board, in distinction to a Bill of Lading which merely acknowledges receipt of the goods by the carrier.

Shipping Conference

An association of shipping companies who have an agreement to establish freight rates and to rationalise sailings on a regular and adequate basis to service particular ports.

Short Delivery

The quantity of cargo delivered is less than the Bill of Lading quantity.

Short Shipment

When the full amount intended to be shipped has not been shipped.

Short Ton

Weight measurement of 2,000 lbs.

Shut Out

Cargo not loaded.

Sling Loss

Cargo lost by falling from ship's lifting tackle during loading or unloading.

Slot

is the space in a cellular container vessel which can be taken up by one standard I.S.O. twenty foot container used as a mathematical unit for allocation purposes.

Slot Charter

A term used to denote a part charter arrangement whereby one container consortia has the use of an agreed number of slots on vessels owned by another container consortia.

Sparred

Describes system of packing hollow-ware cargo whereby wooden supports hold the goods rigid during handling.

Specie

Valuable cargo such as money, precious metal, jewellery etc. (see also Loss of Specie).

Stemming

Arranging bunkers.

Tail Series

Insurance term referring to the last package to be discharged which total an insufficient number to reach the agreed "series" for application of a franchise or deductible.

Tail Shaft

Extreme section at the aft end of a ship's propeller shaft.

Tanktainer

A cylindrically-shaped container intended for transport of liquid cargo.

Tank Top

Upper Plating of a double bottom.

Tare

The weight of a container, box or other carrier of goods when empty.

Technical and Clauses Committee

A group of marine underwriters, Lloyd's and company underwriters who meet to discuss, formulate and amend marine insurance clauses which are then recommended to the London market for general use.

Third Party Liability

Legal liability to anyone other than another party to a contract (e.g. liability of one ship to another consequent upon a collision).

Through Bill of Lading

Bill of Lading covering receipt of goods at the place of acceptance of the cargo for delivery to the ultimate destination, embracing transport by more than one means.

Time - Barred

Where a claim against a shipowner is rendered invalid by failure to lodge a claim for a loss or damage within the time specified in the contract of affreightment.

Time Charter

The charterer has the use of the vessel for a specified period. The shipowner supplies the crew and provisions.

Tomming Off

Using wedges between cargo and the ship's side or a bulkhead to prevent movement of the goods during transit.

Tonnage Deck

The uppermost continuous deck in ships having less than three decks, or the second continuous deck from below.

T. O. V. A. L. P.E.

Abbreviation for "Tanker Owners' Voluntary Agreement Concerning Liability for Oil Pollution" An agreement subscribed by most tanker owners world-wide, whereby owners agree to pay for clean-up costs incurred by Governments in respect of oil discharged from tankers belonging to such owners.

Tow

A ship being towed.

Towage Bill

An account rendered for towage expenses.

Tower's Liability

Liability incurred by any ship or vessel incurred when she is towing another ship vessel or other object.

Trade Ullage

Natural loss to cargo (eng. evaporation).

Transhipment

The act of transferring goods from one vessel to another or from one conveyance to another including periods at transshipping ports or places.

Transtainer

A vehicle used for carrying cargo containers during loading or discharge operations or within port or terminal areas (see Straddle Carrier).

Transverse

Across a ship at right angles to a line drawn from bow to stern.

Tween Decker

Any ship having one or more decks below the main deck

Ullage

Distance between liquid surface & top of cargo tank - used to calculate volume of liquid in tank

Unclean Bill

A Bill of Lading that has been claused by the carrier to show that the goods were not in sound condition when received.

Under Deck Tonnage

The cubic capacity of the vessel below the tonnage deck in measurement tons of 1 00 cubic feet per ton.

Under insurance

Insuring for less than the full value of the subject matter insured.

Underwriter

One who agrees to compensate another for loss from an insured peril in consideration for payment of a premium.

Underwriting Agent

One who acts for an underwriter either in accepting business on his behalf (e.g. a company underwriting agent) or in taking care of his financial affairs in relation to underwriting (eg. a Lloyds underwriting agent).

Unearned Premium

Premium already paid to an underwriter which is in respect of a period when he was not at risk.

Uniform Customs & Practice for Documentary Credits (UCP) –

A set of guidelines and rules drafted by the ICC covering dealings under Documentary Credits.

Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits (URR) –

A set of rules drafted by the ICC documenting the practice of handling reimbursements under Documentary Credits.

Uniform Rules of Collections (URC)

A set of rules drafted by the ICC covering the processing and handling of Documentary Collections by banks and the commercial parties to collections.

Unseaworthy

The condition of a vessel where from any cause it is unsafe to send her to sea

Valued Policy

The agreed value of the subject matter insured is stated on the policy. Hull and Goods policies are invariably of this type.

Vice Propre

Inherent vice

Voidable Policy

A policy in respect of which the underwriter is entitled to avoid liability (see Avoidance).

Void Policy

A policy which is invalid in a court of law (eg. a policy in respect of which the assured has no insurable interest or a P. P. 1. policy).

Voyage Charter

The shipowner hires his vessel subject to various conditions for the carriage of cargo for a single voyage.

Wagering Policy

A policy in respect of which the assured has no insurable interest.

Warehouse

Any building or structure used for the storage of goods.

Warehouseman

The person responsible for the care of goods while they are in store

Warehousing Entry

A document required by Customs authorities when goods are placed in a bonded warehouse.

Warping

Using ropes or cables to manoeuvre a ship.

Warranty

An undertaking by one party to a contract agreeing to abide by certain conditions required by the other party in relation to performance of the contract (eg. warranty of seaworthiness whereby the shipowner agrees to provide a seaworthy vessel to carry the goods specified in a contract of affreightment).

Waterborne Agreement

An understanding in the marine insurance market whereby underwriters will cover goods against war risks only while they are on board an overseas vessel. Limited cover is allowed while goods are in craft en route between the ship and shore and also during transshipment.

Weather Working Day

A day of 24 hours on which work is not prevented by bad weather.

Well

An open space between superstructures or deckhouses on a ship.

Wharfage

The charges made for the use of a wharf, usually levied on the cargo owner.

Wharfinger

The person in charge of a wharf.

With Average

Used in cargo insurance, this means that the policy covers both particular and general average

Without Benefit of Salvage

A term in a marine insurance policy whereby the underwriter forgoes his subrogation rights.

Working Day

A day in which work is normally done at a particular port, excluding Sundays or official holidays.

Wreck

Whatever may remain of property which has been severely damaged in a maritime adventure. An underwriter who has paid a total loss on the property is entitled to take over the wreck, dispose of it as he thinks fit and retain the whole of the proceeds, if any, even if these exceed the claim paid.

York-Antwerp Rules

A set of internationally accepted rules for application to general average circumstances. Most contracts of affreightment provide for general average to be adjusted in accordance with these rules. In the absence of such agreement adjustment is made in accordance with the law of the place where the adventure is terminated.