

Liability as Bailee of Cargo Insurance

INTRODUCTION

There may be circumstances where ship operators, as carrier, are liable for cargo before or after carriage or, indeed, if the carriage is interrupted by reasons outside the control of ship operators. If these circumstances are not allowed for by the contract of carriage and approved by Skuld, then the P&I cover may be prejudiced.

WHAT IS COVERED?

Skuld's Liability as Bailee of Cargo Insurance covers member's liability to cargo interests for the total value of the cargo. The sum insured will be the total value of the cargo that member declares (which should include costs, insurance and freight, as applicable) plus an allowance for legal costs and expenses.

WHO CAN BE COVERED?

Any member of Skuld who has a full P&I entry in the Association (including cargo) can apply for Skuld's Liability as Bailee of Cargo Insurance.

EXAMPLES

A member decides to take the vessel into dry-dock and place cargo in a warehouse while repairs are effected (such a period of storage may not be permitted by the contract of carriage).

A consignee fails to collect his cargo on discharge. The member instructs his local agent to place the cargo into storage, pending arrival of the consignee.

In the above cases, a typhoon strikes the storage facilities, destroying them and the cargo inside. Skuld's Liability as Bailee of Cargo Insurance would respond.

