

AIMU

AMERICAN INSTITUTE OF MARINE UNDERWRITERS

September 23, 1988

To All Members:

GENERAL AVERAGE

AIMU and the Committee on Adjustments has been continuously involved in discussions with the Association of Average Adjusters of the United States in an effort to simplify and improve the process of stating general average claims.

Two areas where consensus has been achieved relate to a Non-Separation Agreement and a Salvage Security Agreement. These agreements (attached) will not necessarily apply to all situations, particularly those that are complex and involve special considerations, but they were designed to be used in the many straight forward cases. Note that AIMU's Legal Counsel has reviewed and approved both agreements.

Both AIMU and the Average Adjusters Association believe that use of these agreements will help reduce the time and expense sometimes associated with these endeavors.

This will be reported to the Average Adjusters at their annual meeting on October 6, 1988.



Walter M. Kramer
Vice President

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AIMU

NON SEPARATION AGREEMENT

In the event that the cargo or any part thereof is forwarded to its original destination by the vessel owner or charterer using other vessels or land conveyances, rights and liabilities in General Average shall not be affected, it being the intention of the parties that they shall be, as nearly as possible, in the same position as if there had been no forwarding and the adventure had continued in the original vessel as long as justified by law and the contract of affreightment.

Contribution to General Average shall be based upon values at the original destination except that cargo not forwarded to destination shall contribute on its value where disposed of and the vessel, if it carries none of the cargo to destination, shall contribute on its value at completion of discharge. Rule XVII York/Antwerp Rules, 1974, if applicable, remains fully in force.

It is understood that the amount charged to cargo under this agreement shall not exceed what it would cost the cargo owners if cargo was delivered to them at the Port of Refuge and forwarded by them to destination.

SALVAGE SECURITY AGREEMENT

In consideration of the vessel owner or other interested party(ies) providing salvage security to the Committee of Lloyds or other(s) on behalf of the cargo described above, we hereby undertake to pay on demand any sum or sums, including interest and costs that may be agreed with and/or awarded to the Salvor in respect of said cargo under the terms of Lloyds Standard Form of "No Cure - No Pay" salvage agreement or other agreement of similar import. Payment(s) will not exceed, in total, the above cargo's proportion of the award or agreed settlement had cargo posted security directly to salvors.

It is understood cargo's right to demand indemnification from the vessel owner and/or concerned P and I Club and/or other party(ies) is not prejudiced by this undertaking.