

---

|                                |   |                    |                                  |
|--------------------------------|---|--------------------|----------------------------------|
| <b>Name of the Clause :</b>    | Rules of Practice of the Association of Average Adjusters |                    |                                  |
| <b>Subject of the Clause :</b> | Self explanatory  |                    |                                  |
| <b>Category :</b>              | Rules of practice   |                    |                                  |
| <b>Number :</b>                |   | <b>Date :</b>      | 1971                             |
| <b>Country :</b>               | United Kingdom  | <b>Issued by :</b> | Association of Average Adjusters |
| <b>Comments :</b>              |   |                    |                                  |

---

## THE RULES OF PRACTICE OF THE ASSOCIATION OF AVERAGE ADJUSTERS (1971 Revision)

### SECTION A---GENERAL RULES

#### A1 *Adjustments for the Consideration of Underwriters*

That any claim prepared for the consideration of underwriters shall include a statement of the reasons of the average adjuster for stating such a claim, and when submitted in conjunction with a claim for which underwriters are liable, shall be shown in such a manner as clearly to distinguish the claim for consideration from other claims embodied in the same adjustment.

#### A2 *Interest and Commission for Advancing Funds*

That, in practice, interest and commission for advancing funds are only allowable in average when, proper and necessary steps having been taken to make a collection on account, an out-of-pocket expense for interest and/or commission for advancing funds is reasonably incurred.

#### A3 *Agency Commission and Agency*

That, in practice, neither commission (excepting bank commission) nor any charge by way of agency or remuneration for trouble is allowed to the shipowner in average, except in respect of services rendered on behalf of cargo when such services are not involved in the contract of affreightment.

#### A4 *Duty of Adjusters in respect of cost of repairs*

That in adjusting particular average on ship or general average which includes repairs, it is the duty of the adjuster to satisfy himself that such reasonable and usual precautions have been taken to keep down the cost of repairs as a prudent shipowner would have taken if uninsured.

---

**Disclaimer :** Fortunes de Mer est un site privé & non officiel. Il s'agit de pages personnelles. Ces pages n'ont qu'un but d'information. Les informations de nature juridique que vous pourrez trouver sur ce serveur ne peuvent faire l'objet d'une quelconque garantie ou d'une quelconque certification quant à leur validité, leur effectivité, leur applicabilité et ne peuvent donc en aucun cas engager la responsabilité du directeur de la publication. En effet, seules les informations provenant d'une source officielle font foi. En France, en matière d'information juridique, c'est le Journal Officiel de la République Française qui est habilité à publier et diffuser la plupart des textes. A l'étranger, des institutions similaires assurent la mission dévolue au Journal Officiel de la République Française. Cette situation n'est pas exclusive de productions privées. Aussi, la plupart des informations que vous trouverez ici apparaissent comme étant à jour (hormis les textes législatifs anciens et les polices d'assurances anciennes !). Pour ce qui concerne les textes applicables actuellement, vous devez vérifier qu'il s'agit bien de dispositions applicables avant d'en faire usage ou de prendre une décision.

Les textes des polices d'assurances et des clauses additionnelles sont délivrés à titre purement informatif. La plupart n'ont plus cours aujourd'hui et n'ont donc qu'un intérêt "historique". Aucun usage ne peut en être fait. Si vous souhaitez des informations officielles, vous pouvez vous adresser à la FFSA ou aux organismes similaires existant à l'étranger. En conséquence de quoi, vous renoncez expressément à toute poursuite ou réclamation à l'encontre du concepteur et de l'hébergeur de ce site. Vous vous engagez également à ne faire aucune copie des fichiers de ce site, sauf accord express ET écrit de "Fortunes de Mer" OU mention de l'origine des documents.

The information contained on this site is provided in good faith as a guide only and is based on information obtained from a variety of sources over a period of time. This information is subject to change and should, in each case, be independently verified before reliance is placed on it. "www.fortunes-de-mer.com hereby" excludes, any and all liability to any person, corporation or other entity for any loss, damage or expense resulting from reliance, publication or duplication of information obtained from this site.

**A 5** *Claim's on Ship's Machinery*

That in all claims on ship's machinery for repairs, no claim for a new propeller; or, new shaft shall be admitted into an adjustment, unless the adjuster shall obtain and insert into his statement evidence showing what has become of the old propeller or shaft.

**A6** *Water Casks (Custom of Lloyds, 1876)*

Water casks or tanks carried on a ship's deck are not paid for by underwriters as general or particular average; nor are warps or other articles when improperly carried on deck.

**A7** *Adjustment, Policies of Insurance and Names of Underwriters*

That no adjustment shall be drawn up showing the amount of payments by or to the underwriters, unless the policies or copies of the policies of insurance or certificates of insurance, for which the statement is required, be produced to the average adjusters. Such statement shall set out sufficient details of the underwriters interested and the amounts due on the respective policies produced.

**A8** *Apportionment of Costs in Collision Cases*

That when a vessel sustains and does damage by collision, and litigation consequently results for the purpose of testing liability, the technicality of the vessel having been plaintiff or defendant in the litigation shall not necessarily govern the apportionment of the costs of such litigation, which shall be apportioned between claim and counter-claim in proportion to the amount, excluding interest, which has been or would have been allowed in respect of each in the event of the claim or counter-claim being established; provided that when a claim or counter-claim is made solely for the purpose of defence, and is not allowed, the costs apportioned thereto shall be treated as costs of defence.

**A9** *Franchise Charges (Custom of Lloyds, 1876)*

The expenses of protest, survey, and other proofs of loss, including the commission or other expenses of a sale by auction, are not admitted to make up the percentage of a claim; and are only paid by the underwriters in case the loss amounts to a claim without them.

**SECTION B--GÉNÉRAL AVERAGE****B 1** *Basis of Adjustment*

That in any adjustment of general average not made in accordance with British law it shall be prefaced on what principle or according to what law the adjustment has been made, and the reason for so adjusting the claim shall be set forth.

In all cases the adjuster shall give particulars 'in a prominent position in the average statement of the clause or clauses contained in the charter-party and/or bills of lading with reference to the adjustment of general average.

**B 2** *Deckload Jettison (Custom of Lloyds, Amended, 1890-91)*

The jettison of a deckload carried according to the usage of trade and not in violation of the contracts of affreightment is general average.

There is an exception to this rule in the case of cargoes of cotton, tallow, acids and some other goods.

**B 3** *Damage by Water used to Extinguish Fire*

That damage done by water poured down a ship's hold to extinguish a fire be treated as general average.

**B4** *Extinguishing Fire on Shipboard*

Damage done to a ship and cargo, or either of them, by water or otherwise, including damage by beaching or scuttling a burning ship, in extinguishing a fire on board the ship, shall be made good as general average, except that no compensation shall be made for damage to such portions of the ship and bulk cargo, or to such separate packages of cargo, as have been on fire.

**B 5** *Voluntary stranding*

When a ship is intentionally run on shore and the circumstances are such that if that course were not adopted she would inevitably drive on shore or on rocks no loss or damage caused to the ship, cargo and freight or any of them by such intentional running on shore shall be made good as general average, but loss or damage incurred in refloating such a ship shall be allowed as general average.

In all other cases where a ship is intentionally run on shore for the common safety, the consequent loss or damage shall be allowed as General Average.

**B6** *Expenses lightering a ship when ashore (Custom of Lloyd's, Amended 1890-91 and 1968-69)*

When a ship is ashore in a position of peril and; in order to float her, cargo is put into lighters, and is then at once re-shipped, the whole cost of lightering, including lighter hire and reshipping is general average

In lieu of the following, formerly succeeding section (f) in "Expenses at Port of Refuge":

The above rules do not apply to the cost of lightening a ship when ashore, in case the cargo is put into lighters in order to float the ship and is then at once re-shipped. In such cases, the whole cost of lightening, including that of re-shipping, is general average.

**B 7** *Sails set to force a Ship off the Ground (Custom of Lloyds, 1876)*

Sails damaged by being set, or kept set, to force a ship off the ground or to drive her higher up the ground for the common safety, are general average.

**B 8** *Stranded Vessels: Damage to Engines in getting off*

That damage caused to machinery and boilers of a stranded vessel, in endeavouring to refloat for the common safety, when the interests are in peril, be allowed in general average.

**B9** *Claims arising out of Deficiency of Fuel*

That in adjusting general average arising out of deficiency of fuel, the facts on which the general average is based shall be set forth in the adjustment, including the material dates and distances, and particulars of fuel supplies and consumption.

**B 10** *Resort to Port of Refuge for General Average Repairs: Treatment of the Charges incurred*

That when a ship puts into a port of refuge in consequence of damage which is itself the subject of general average, and sails thence with her original cargo, or a part of it, the outward as well as the inward port charges shall be treated as general average; and when cargo is discharged for the purpose of repairing such damage, the warehouse rent and reloading of the same shall, as well as the discharge, be treated as general average. (See *Attwood v. Sellar*.)

**B 11** *Resort to Port of Refuge on Account of-Particular Average Repairs: Treatment of the Charges incurred*

That when a ship puts into a port of refuge in consequence of damage which is itself the subject of particular average (or not of general average) and when the cargo has been discharged in consequence of such damage, the inward port charges and the cost of discharging the cargo shall be general average, the warehouse rent of cargo shall be a particular charge on cargo, and the cost of reloading and outward port charges shall be a particular charge on freight. (See *Svendsen v. Wallace*.)

**B 12** *Treatment of Costs of Storage and Reloading at Port of Refuge*

That when the cargo is discharged for the purpose of repairing, reconditioning, or diminishing damage to ship or cargo which is itself the subject of general average, the cost of storage on it and of reloading it shall be treated as general average, equally with the cost of discharging it.

**B13** *Insurance on Cargo discharged under Average*

That in practice, where the cost of Insurance has been reasonably incurred by the shipowner, or his agents, on cargo discharged under average, such cost shall be treated as part of the cost of storage.

*B 14 Expenses at a Port of Refuge (Custom of Lloyds, Amended, 1890-91)*

When a ship puts into a port of refuge on account of accident and not in consequence of damage which is itself the subject of general average, then on the assumption that the ship was seaworthy at the commencement of the voyage, the Custom of Lloyd's is as follows:

(a) All cost of Salvage, pilotage, harbour dues, and other extraordinary expenses incurred in order to bring the ship and cargo into a place of safety, are general average. Under, the term "extraordinary expenses" are not included wages or victuals of crew, coals, or engine stores, or demurrage.

(b) The cost of discharging the cargo, whether for the common safety, or to repair the ship, together with the cost of conveying to the warehouse is general average.

The cost of discharging the cargo on account of damage to it resulting from its own vice propre, is chargeable to the owners of the cargo.

(c) The-warehouse rent, or other expenses which take the place of warehouse rent, of the cargo when so discharged, is, except as under, a special charge on the cargo.

(d) The cost of reloading the cargo; and the outward port charges of through leaving the port of refuge, are, when the discharge of cargo falls in general average, a special charge on freight.

(e) The expenses referred to in clause (d) are charged to the party who runs the risk of freight that is, wholly to the charterer if the whole freight has been prepaid; and, if part only, then in the proportion which the part prepaid bears to the whole freight.

(f) When the cargo, instead of being sent ashore, is placed on board hulk or lighters during the ship's stay in port, the hulk hire is divided between general average, cargo, and freight, in such proportions as may place the several contributing interests in nearly the same relative positions as if the cargo had been landed and stored.

*B 15 Treatment of Costs of Extraordinary Discharge*

That no distinction be drawn in practice between discharging cargo for the common safety of ship and cargo, and discharging it for the purpose of effecting at an intermediate port or ports of refuge repairs necessary for the prosecution of the voyage.

*B 16 Towage from a Port of Refuge*

That if a ship be in a port of refuge at which it is practicable to repair her, and if, in order to save expense, she be towed thence to some other port, then the extra cost of such towage shall be divided in proportion to the saving of expense thereby occasioned to the several parties to the adventure.

*B17 Cargo Forwarded from a Port of Refuge*

That if a ship be in a port of refuge at which it is practicable to repair her so as to enable her to carry on the whole cargo, but, in order to save expense, the cargo, or a portion of it, be transhipped by another vessel, or otherwise forwarded, then the cost of such transhipment (up to the amount of expense saved) shall be divided in proportion to the saving of expense thereby occasioned to the several parties to the - adventure.

*B 18 Cargo Sold at a Port of Refuge*

That if a ship be in a port of refuge at which it is practicable to repair her so as to enable her to carry on the whole cargo, or such portion of it as is fit to be carried on, but, in order to save expense, the cargo, or a portion of it, be, with the consent of the owners of such cargo, sold at the port of refuge, then the loss by sale including loss of freight on cargo so sold (up the amount of expense saved) shall be divided in proportion to the saving of expense thereby occasioned to the several parties to the adventure; provided always that the amount so divided shall in no case exceed the cost of transhipment and/or forwarding referred to in the preceding rule of the Association.

***B 19 Interpretation of the Rule respecting Substituted Expenses***

That for the purpose of avoiding any misinterpretation of the resolution relating to the apportionment of substituted expenses, it is declared that the saving of expense therein mentioned is limited to a saving or reduction of the actual outlay, including the crew's wages and provisions, if any, which would have been incurred at the port of refuge, if the vessel had been repaired there, and does not include supposed losses or expenses, such as interest, loss of market, demurrage, or assumed damage by discharging.

***B20 Treatment of Damage to Cargo caused by Discharge, Storing, and Reloading***

That damage necessarily done to cargo by discharging, storing, and reloading it, be treated as general average when, and only when the cost of those measures respectively is so treated:

***B 21 Deductions from Cost of Repairs in adjusting General Average***

That in adjusting claims for general average, repairs to be allowed. in general average shall be subject to deductions in respect of "new for old" according to the following rules, where old material, or parts are replaced by new.

The deductions to be regulated by the age of the ship from date of original register to the date of accident, except for provisions and stores, insulation, life and similar boats, gyro compass equipment wireless, direction finding, echo sounding and similar apparatus, machinery. And boilers for which the deductions shall be regulated by the age of the particular parts to which they apply.

No deduction to be made in respect of provisions; stores and gear which have not been in use.

The deductions shall be made from the cost of new material or parts, including labour and establishment charges, but excluding cost of opening up.

Drydock and slipway dues and costs of shifting the ship shall be allowed in full.

No cleaning and painting of bottom to be allowed, if the bottom has not been painted within six months previous to the date of accident.

***- Up to 1 year old (A)***

All repairs to be allowed in full, except scaling and cleaning and painting or coating of bottom, from which one-third is to be deducted.

***- Between 1 and 3 years old (B)***

Deductions off scaling, cleaning and painting bottom as above under Clause A.

One-third to be deducted off sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers, provisions and stores and painting. One-sixth to be deducted off woodwork of hull, including hold ceiling, wooden masts, spars and boats, furniture, upholstery, crockery, metal and glass-ware, wire rigging, wire Topes and wire hawsers, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, chain cables and chains, insulation, auxiliary machinery, steering gear and connections, winches and cranes and connections and electrical machinery and connections other than electric propelling machinery; other repairs to be allowed in full.

Metal sheathing for wooden or composite ships shall be dealt with by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped off, minus the proceeds of the old metal.

Nails, felt and labour metalling are subject to a deduction of one-third.

***- Between 3 and 6 years (C)***

Deductions as above under Clause B, except that one-third be deducted off wood-work of hull including hold ceiling, wooden masts, spars and boats, furniture, upholstery, and one-sixth be deducted off iron work of masts and spars and all machinery (inclusive of boilers and their mountings).

***- Between 6 and 10 years (D)***

Deductions as above under Clause C, except that one-third be deducted off all rigging, ropes, sheets and hawsers, ironwork of masts and spars, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, insulation, auxiliary machinery, steering gear, winches, cranes and connections and all other machinery (inclusive of boilers and their mountings).

- *Between 10 and 15 years (E)*

One-third to be deducted off all renewals, except ironwork of hull and cementing and chain cables, from which one-sixth to be deducted, and anchors, which are allowed in full.

- *Over 15 years (F)*

One-third to be deducted off all renewals, except chair cables, from which one-sixth to be deducted, and anchors, which are allowed in full.

*B22 Freight Sacrificed: Amount to be Made Good in General Average*

That the loss of freight to be made good in general average shall be ascertained by deducting from the amount of gross freight lost the charges which the owner thereof would have incurred to earn such freight, but has, in consequence of the sacrifice, not incurred.

*B23 Basis of Contribution to General Average*

When property saved by a general average act is injured or destroyed by subsequent accident, the contributing value of that property to a general average which is less than the total contributing value, shall, when it does not reach the port of destination, be its actual net proceeds; when it does it shall be its actual net value at the port of destination on its delivery there; and in all cases any values allowed in general average shall be added to and form part of the contributing value as above.

The above rule shall not apply to adjustments made before the adventure has terminated.

*B24 Contributory value of Ship*

That in an adjustment of general average, there shall be set forth the certificate on which the contributory value of the ship is based or, if there be no such certificate, the information adopted in lieu thereof, and any amount made good shall be specified.

*B 25 Contributory Value of Freight*

That freight at the risk of the shipowner shall contribute to general average upon its gross amount, deducting such charges and crew's wages as would not have been incurred in earning the freight had the ship and cargo been totally lost at the date of the general average act and have not been allowed as general average.

That in any adjustment of general average there shall be set forth the amount of the gross freight and the freight advanced, if any; also the charges and wages deducted and any amount made good.

*B26 Vessel in Ballast and under Charter: Contributing Interests*

For the purpose of ascertaining the liability of underwriters on British policies of insurance, the following provisions shall apply:

When a vessel is proceeding in ballast to load under a voyage charter entered into by the shipowner before the general average act, the interests contributing to the general average shall be the vessel, such items of stores and equipment as belong to parties other than the owners of the vessel (e.g. bunkers, wireless installation and navigational instruments) and the freight earned under the voyage charter computed in the usual way after deduction of contingent expenses subsequent to the general average act. Failing a prior termination of the adventure, the place where the adventure shall be deemed to end and at which the values for contribution to general average shall be calculated is the final port of discharge of the cargo carried under the charter but in the event of the prior loss of the vessel and freight, or either of them, the general average shall attach to any surviving interest or interests including freight advanced at the loading port deducting therefrom, contingent expenses subsequent to the general average act.

When a vessel is proceeding in ballast under a time charter alone or a time charter and a voyage charter entered into by the time charterer, the general average shall attach to the vessel and such items of stores and equipment as are indicated above. Failing a prior termination of the adventure, the adventure shall be deemed to end and the values for contribution to general average calculated at the first loading port upon the commencement of loading cargo.

When the charter to which the shipowner is a party provides for York-Antwerp Rules, the general average shall be adjusted in accordance with those Rules and British law and practice and without regard to the law and practice of any foreign port at which the adventure may terminate; and in the interpretation of Rule XI it shall be immaterial whether the extra period of detention takes place at a port of loading, call or refuge, provided that the detention is in consequence of accident, sacrifice or other extraordinary circumstance occurring whilst the vessel is in ballast.

In practice neither time charter hire, as such, nor time charterer's voyage freight shall contribute to general average.

*B27 Chartered Freight (Ulterior): Contribution to General Average*

That when at the time of a general average act the vessel has on board cargo shipped under charter-party or bills of lading, and is also under a separate charter to load another cargo after the cargo then in course of carriage has been discharged, the ulterior chartered Freight shall not contribute to the general average.

*B28 Deductions from Freight at Charterer's Risk*

That freight at the risk of the charterer shall be subject to no deduction for wages and charges, except in the case of charters in which the wages or charges are payable by the charterer, in which case such freight shall be governed by the same rule as freight at the risk of the shipowner:

*B29 Forwarding Charges on Advanced Freight*

That in case of wreck, the cargo being forwarded to its destination, the charterer, who has paid a lump sum on account of freight, which is not to be returned in the event of the vessel being lost, shall not be liable for any portion of the forwarding freight and charges, when the same are less than the balance of freight payable to the shipowner at the port of destination under the original charter party.

*B30 Sacrifice for the common safety: Direct Liability of Underwriters*

That in case of general average sacrifice there is, under ordinary policies of Insurance a direct liability of an underwriter on ship for loss of or damage to ship's materials, and of an underwriter on goods or freight for loss of or damage to goods or loss of freight so sacrificed as a general average loss; that such loss not being particular average is not taken into account in computing the memorandum percentages, and that the direct liability of an underwriter for such loss is consequently unaffected by the memorandum or any other warranty respecting particular average.

*B31 Sacrifice of Ship's Stores: Direct Liability of Underwriters*

That underwriters insuring ship's stores, bunker coal or fuel, destroyed or used as part of a general average operation, shall only be liable for those articles as a direct claim on the policy when they formed part of the property at risk at the time of the peril giving rise to the general average act.

*B32 Enforcement of General Average Lien by Shipowners*

That in all cases where general average damage to ship is claimed direct from the underwriters on that interest, the average adjusters shall ascertain whether the shipowners have taken the necessary steps to enforce their lien for general average on the cargo, and shall insert in the average statement a note giving the result of their enquiries.

*B33 Underwriters Liability (Custom of Lloyds, 1876)*

If the ship or cargo be insured for more than its contributory value, the underwriter pays what is assessed on the contributory value. But where insured for less than the contributory value, the underwriter pays on the insured value; and when there has been a particular average for damage which forms a deduction from the contributory value of the ship that must be deducted from the insured value to find upon what the underwriter contributes.

This rule does not apply to foreign adjustments, when the basis of contribution is something other than the net value of the thing insured. That in practice, in applying the above rule for the purpose of ascertaining the liability of underwriters for contribution to general average and salvage charges, deduction shall be made from the insured value of all losses and charges for which underwriters are liable and which have been deducted in arriving at the contributory value.

In adjusting the liability of underwriters on freight for general average contribution and salvage charges, effect shall be given to Section 73 of the Marine Insurance Act 1906, by comparing the gross and not the net amount of freight at risk with the insured value in the case of a valued policy or the incurable value in the case of an unvalued policy.

*B34 The Duty of Adjusters in Cases involving Refunds of General Average Deposits or Apportionment of Salvage, Collision Recoveries, or other Funds*

That in cases of general average where deposits have been collected and it is likely that repayments will have to be made, measures be taken by the adjuster to ascertain the names of underwriters who have reimbursed their assured in respect of such deposits; that the names of any such underwriters be set forth in the adjustment as claimants of refund, if any, to which they are apparently entitled; and that on completion of the adjustment, notice be sent to all underwriters whose names are so set forth as to any refund of which they appear as claimants and as to the steps to be taken in order to obtain payment of the same.

That in cases where the names of any underwriters are not to be ascertained on completion of the adjustment, notice be sent to the Secretary of Lloyds, to the Institute of London Underwriters, to the Liverpool Underwriters' Association, and to the Association of Underwriters of Glasgow, notifying such interests as have not been appropriated to underwriters.

And that in cases of apportionment of salvage or other funds for distribution, similar measures be taken by the adjuster to safeguard the interests of any underwriters -who may be entitled to benefit under the apportionment.

*B35 "Mémorandum" to Statements showing Refunds in respect of General Average Deposits*

That the following memorandum shall appear at the end of statements which show refunds to be due in respect of General Average Deposits viz.:

Mémorandum – Refunds of general average deposits shown in this statement should only be paid on production of the “original” deposit receipts

*B36 Interests on deposit*

That, unless otherwise expressly provided, the Interest accrued on deposits on account of salvage, and/or general average and/or particular and/or other charges or on the balance of such deposits after payments on account, if any, have been made, shall be credited to the depositor or those to whom his rights in respect of the deposits have been transferred.

*B 37 Apportionment of Interest on Amounts Made Good*

That in practice (in the absence of express agreement between the parties concerned) Interest allowed on amounts made good shall be apportioned between assured and underwriters, taking into account the sums paid by underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the underwriter may receive a larger sum than he has paid.

## **SECTION C-YORK-ANTWERP RULES**

*C 1 Salvage Services rendered under an Agreement*

Expenses for salvage services rendered by or accepted under agreement shall in practice be treated as general average provided that such expenses were incurred for the common safety within the meaning of Rule A of the, York-Antwerp Rules 1924 or York-Antwerp Rules 1950.

*C 2 Commission Allowed under Rule XXI of York Antwerp Rules 1924 or Rule XX of York-Antwerp Rules 1950*

That the commission of 2 per cent allowed on general average disbursements under Rule XXI of York-Antwerp Rules 1924, or Rule XX of York-Antwerp Rules 1950, shall be credited in full to the party who has authorised the expenditure and is liable for payment, except that where the funds for payment are provided in the first instance in whole or in part from the deposit funds, or by other parties to the adventure, or by underwriters, the commission on such advances shall be credited to the deposit funds or to the parties or underwriters providing the funds for payment.

*C 3 York-Antwerp Rules 1924. Rules X(a) and XX*

That, in practice, where a vessel is at any port or place in circumstances in which the wages and maintenance of crew during detention there for the purpose of repairs necessary for the safe prosecution of the voyage would be admissible in general average under Rule XI of the York-Antwerp Rules 1924, and the vessel is necessarily removed thence to another port or place because such repairs cannot be effected at the first port or place, the provisions of Rule X(a) shall be applied to the second port or place as if it were a port or place of refuge within that Rule and the provisions of Rule XX shall be applied to the prolongation of the voyage occasioned by such removal.

*C4 York-Antwerp Rules 1950. Rule X(a)*

"That in practice, in applying the second paragraph of Rule X(a), a vessel shall be deemed to be at a port or place of refuge when she is at any port or place in circumstances in which the wages and maintenance of the master, officers and crew incurred during any extra period of detention there would be admissible in general average under the provisions of Rule XI."

## **SECTION D-DAMAGE AND REPAIRS TO SHIP**

*D1 Expenses of Removing a Vessel for Repair*

Where a vessel is in need of repair at any port, and is removed thence to some other port for the purpose of repairs, either because the repairs cannot be effected, or cannot be effected prudently:

(a) The necessary expenses incurred in moving the vessel to the port of repair shall be allowed as part of the cost of repair, and where the vessel after repairing forthwith returns to the port from which she was removed, the necessary expenses incurred in so returning shall also be : allowed.

(b) . Where by moving the vessel to the port of repair any, new freight is earned or any expenses: are saved in relation to the current voyage of the vessel, such net earnings or savings shall be deducted from the expenses of moving her, and where the vessel loads a: new cargo at the port of, repair no expenses subsequent to the -completion of repairs shall be allowed. The expenses of removal include the cost of temporary repair, ballasting, wages and provisions of crew and/or runners, pilotage, towage, extra-marine insurance port charges, fuel and engine room stores.

(c) This rule shall not admit any ordinary expenses incurred in fulfilment of a contract of affreightment, though such expenses are increased by the removal to a port of repair.

*D2 Fuel and Stores used in Repair of Damage to the Vessel*

That the cost of replacing fuel and stores -consumed either in the repair of damage to a vessel, in working the engines or winches to assist in the repairs of damage, or in moving her to a place of repair within the limits of the port where she is lying, shall be treated as part of the cost of repairs.

*D3 Rigging Chafed (Custom of Lloyds 1876)*

Rigging injured by straining or chafing is not charged to underwriters, unless such injury is caused by blows of the sea, grounding, or contact; or by displacement, through sea peril, of the spars, channels, bulwarks, or rails.

*D 4 Sails Split or Blown Away (Custom of Lloyd's, 1876)*

Sails split by the wind, or blown away while set, unless occasioned by the ship's grounding or coming into collision, or in consequence of damage to the spars to which the sails are bent, are not charged to underwriters.

*D5 Dry Dock Expenses*

1. Where repairs, for the cost of which underwriters are liable, are necessarily effected in dry dock as an immediate consequence of the casualty, or the vessel is taken out of service especially to effect such repairs in dry dock, the cost of entering and leaving the dry dock in addition to so much of the dock dues as is necessary for the repair of the damage, shall be chargeable in full to the underwriters, notwithstanding that the shipowner may have taken advantage of the vessel being in dry dock to carry out survey for classification purposes or to effect repairs on his account which are not immediately necessary to make the vessel seaworthy.
2. (a) Where repairs on Owners' account which are immediately necessary to make the vessel seaworthy and which can only be effected in dry dock are executed concurrently with other repairs, for the cost of which underwriters are liable, and which also can only be effected in dry dock,  
(b) Where the repairs, for the cost of which underwriters are liable, are deferred until a routine dry-docking and are then executed concurrently with repairs on Owners' account which require the use of the dry dock, whether or not such Owners' repairs affect the seaworthiness of the vessel, the cost of entering and leaving the dry dock, in addition to so much of the dock dues as is common to both repairs, shall be divided equally between the shipowner and the underwriters, irrespective of the fact that the repairs for which underwriters are liable may relate to more than one voyage or accident or may be payable by more than one set of underwriters.
3. Sub-division between underwriters of the proportion of dry-docking expenses chargeable to them shall be made on the basis of voyages, and/or such other franchise units as are specified in the policies.
4. In determining whether the franchise is reached the whole cost of dry-docking necessary for the repair of the damage, less the proportion (if any) chargeable to Owners when Section (a) of paragraph 2 applies, shall be taken into consideration, notwithstanding that there are other damages to which a portion of the cost of dry-docking has to be apportioned in ascertaining the amount actually recoverable.

*D6 Tankers-Treatment of the cost of tank Cleaning and/or Gas-Freeing*

1. Where repairs, for the cost of which underwriters are liable, require the tanks to be rough cleaned and/or gas-freed as an immediate consequence of the casualty, or the vessel is taken out of service especially to effect such repairs, the cost of such rough cleaning and/or gas-freeing shall be chargeable in full to the underwriters, notwithstanding that the shipowner may have taken advantage of the vessel being rough cleaned and/or gas-freed to carry out survey for classification purposes or to effect repairs on his account which are not immediately necessary to make the vessel seaworthy.
- 2 (a) -Where repairs on Owners' account which are immediately necessary to -make, the vessel seaworthy and .which require the tanks being rough cleaned and/or gas-freed are executed concurrently with other repairs, for the cost of which underwriters are liable, and which, also required the tanks being rough cleaned- and/or, gas-freed,  
(b) Where the repairs, for the cost of; which underwriters are liable, are deferred until a routine dry-docking or repair period, at which time repairs on Owners' account which also require the tanks being rough cleaned and or gas-freed are effected, whether or not such Owners' repairs affect the seaworthiness of the vessel, the cost of such rough cleaning and/or gas-freeing as is common to both repairs shall be divided equally between the shipowners and the underwriters, irrespective of the fact that the repairs for which underwriters are liable may relate to more than one voyage or accident or may be payable by more than one set of underwriters.
3. The cost of fine clearing specifically for a particular repair or particular repairs shall be divided in accordance with the principles set forth above.

4. Sub-division between underwriters of the proportion of rough tank clearing and/or gas-freeing and/or fine clearing chargeable to them shall be made on the basis of voyages, and/or such other franchise units as are specified in the policies.

5. In determining whether the franchise is reached the whole cost of rough clearing and/or gas-freeing and/or fine clearing necessary for the repairs of the damage, less the proportion (if any) chargeable to Owners when Section (a) of paragraph 2 applies, shall be taken into consideration, notwithstanding that there are other damages to which a portion of the cost of rough tank clearing and/or gas-freeing and/or fine clearing has to be apportioned in ascertaining the amount actually recoverable.

*D7 Particular Average on Ship. Deduction of one-Third (Custom of Lloyd's, Amended, 1890-91)*

The deduction for new work in place of old is fixed by custom at one-third, with the following exceptions:

Anchors are allowed in full. Chain Gables are subject to one-sixth only.

Metal sheathing is dealt with, by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped off minus the proceeds of the old metal. Nails, felt, and labour metalling are subject to one-third.

The rule applies to iron as well as to wooden ships, and to labour as well as material. It does not apply to the expense of straightening bent ironwork, and to the labour of taking out and replacing it. It does not apply to graving dock expenses and removals, cartages, use of shears, stages, and graving dock materials.

It does not apply to a ship's first voyage.

## **SECTION E--PARTICULAR AVERAGE ON GOODS**

*E1 Adjustment on Bonded Prices (Custom of Lloyd's, 1876)*

In the following cases it is customary to adjust particular average on a comparison of bonded, instead of duty-paid Prices:

In claims for damage to tea, tobacco, coffee, wine, and spirits imported into this country.

*E2 Adjustment of Average on Goods sold in Bond*

That in consequence of the facilities generally offered to bond goods at their destination, at which terms they are often sold, the term "Gross Proceeds" shall, for the purpose of adjustment, be taken to mean the price at which the goods are sold to the consumer, after payment of freight and landing charges, but exclusive of Customs duty, in cases where it is the custom of the port to sell or deal with the goods in bond.

*E3 Apportionment of Insured Value of Goods*

That where different qualities or descriptions of cargo are valued in the policy at a lump sum, such sum shall, for the purpose of adjusting claims, be apportioned on the invoice values where the invoice distinguishes the separate values of the said different qualities or descriptions; and over the net arrived sound values in all other cases.

*E4 Allowance for Water and/or Impurities in Picked Cotton (Custom of Lloyds, 18Y6)*

When bales of cotton are picked, and the pickings are sold wet, the allowance for water in the pickings (where there are no means of ascertaining it) is by custom fixed, at one-third.

There is a similar custom to deduct one-sixth from the gross weight of pickings of country damaged cotton to take account of dirt moisture and other impurities.

*E5 Allowance for Water in Cut Tobacco (Custom of Lloyd's, 1876°)*

When damaged tobacco is cut off, the allowance for water in the cuttings is one-fourth if the actual increase cannot be ascertained.

*E6 Allowance for Water in Wool (Custom of Lloyd's, 1876)*

Damaged wool from Australia, New Zealand, and the Cape is subject to a deduction of 3 per cent for wet, if the actual increase cannot be ascertained.

*E7 Extra Charges (Custom of Lloyds, 1876)*

Extra charges payable by underwriters, when incurred at the port of destination, are recovered in full; but when charges of the same nature are incurred at an intermediate port they are subjected to the same treatment, in respect of insured and contributory values, as general average charges.

## **UNIFORMITY RESOLUTIONS**

1 York Antwerp Rules 1924: Application of Rule XIV

That, in practice, in applying Rule XIV of the York-Antwerp Rules 1924, the cost of the temporary repair of the accidental damage there referred to shall be allowed in general average up to the saving to the general average by effecting such temporary repair, without regard to the saving (if any) to other interests.