

CARRIAGE OF RARE, VALUABLE AND HIGH VALUE CARGO

TRANSPORTING RARE, VALUABLE AND HIGH VALUE CARGO DEMANDS MORE THAN JUST STANDARD SHIPPING PROCEDURES; IT REQUIRES A HEIGHTENED LEVEL OF VIGILANCE AND SPECIALISED STRATEGIES TO ENSURE THE SAFE DELIVERY OF THESE VALUABLE GOODS.

RARE AND VALUABLE CARGO

The Club's cargo rule (19.17.8.5) addresses the transport of rare and valuable cargo. This rule states that there will be no recovery for the loss of or damage to the following items, unless the contract of carriage and security arrangements have been pre-approved by the managers:

- Specie (money in the form of coins rather than notes)
- Bullion (gold or silver in bulk before coining, or valued by weight)
- Precious or rare metals or stones
- Plate (articles made of precious metals, especially silver or gold, fashioned into flatware, dishes, trays, and other ornamental articles)
- Jewellery or other objects of a rare or precious nature
- Bank notes or other forms of currency
- Bonds or other negotiable instruments.

The types of cargo listed in the rule are a tempting target for theft and are likely to have a substantial value. Therefore, it is essential for robust security measures to be in place during the contract of carriage.

To manage these risks effectively, it is important to inform the Club of any intention to carry rare and valuable cargo. This allows the Club to assess the potential risk and provide specific guidance.



The carriage of any goods should generally be considered a private matter and it is good practice to remind all crew and employees to avoid discussion of rare and valuable cargoes being carried in public forums or with external parties. Posting the specifics of rare and valuable cargoes on social media should be forbidden.

AD-VALOREM BILLS OF LADING

When the carrier agrees to place a declared cargo value on a bill of lading, or other document of title, contract of carriage or waybill, this is called an Ad Valorem document. If the carrier uses an Ad Valorem document, they may be deprived of the right to limit liability under the Hague, Hague-Visby, or similar provision. In such circumstances, the Club cover may be prejudiced unless special cover has been agreed.

It is important for Members to declare an intention to issue an ad-valorem carriage document to the Club as soon as possible. This ensures an investigation can be made with market underwriters to determine if the increased liability under the carriage document can be insured and the terms and conditions of any such additional insurance. Please refer to Club rule 19.17.8.4.

HIGH VALUE CARGO

Claims handlers often receive enquiries in relation to the carriage of cargo which has a high value but does not appear to fall within the scope of the Club's rare and valuable cargo rule. This includes items such as cigarettes, jet engines, aircraft wings to artwork, vintage cars, pharmaceuticals and exhibition materials. Unless specific reporting requirements are agreed, it will not usually be necessary to notify the Club of high value cargo and P&I cover will continue to operate.

The considerations for accepting high value cargo are similar to those for rare and valuable cargo. Stowage is crucial not only for security but also to prevent damage, especially when dealing with out-of-gauge cargo that cannot be transported in a standard container. It is also imperative that care and handling instructions are received from the shipper. For example, certain cargoes will be transported by reefer container, and the carriage set point for temperature and atmosphere must be known and adhered to. Similarly, non-standardised cargoes must be secured in accordance with the ship's approved cargo securing manual. A warranty surveyor may be required to attend at the loading port, to document the cargo condition and confirm the securing arrangements are adequate.

In such cases, deck carriage may be necessary. However, members must comply with the Club's deck carriage rule (19.17.8.9), which requires that the cargo be suitable for deck transport, along with other relevant carriage contract terms (such as liberty clauses and provisions for the application of Hague or Hague-Visby Rules).

Transporting high-value cargo often involves tight timelines, such as for exhibitions or construction projects. Therefore, caution needs to be exercised at the time of booking to ensure that no guarantees are given as to transit or arrival times. This is important, as the financial consequences of guaranteeing a transit time or delivery date falls outside the scope of Club cover.

IF YOU HAVE ANY QUESTIONS REGARDING THE CARRIAGE OF THESE TYPES OF CARGO, PLEASE DO NOT HESITATE TO CONTACT YOUR CLUB REPRESENTATIVE.

Below are some prudent steps shipowners should typically consider when carrying rare and valuable cargo:

1. **Issue carriage documents (i.e. Bill of Lading or Sea waybill) on a port-to-port basis only, with no responsibility for pre-carriage to the load port or on-carriage to destination from the discharge port. This would avoid the risk of cargo being stolen during a road leg**
2. **Avoid issuing ad-valorem carriage documents (see below)**
3. **Stow containers below deck with doors inaccessible or, if on deck, in an upper tier – although ideally not at the ship's side**
4. **Minimise the time cargo will be stowed in the load and the discharge port**
5. **If road haulage is arranged, ensure prompt delivery of the container after discharge from the ship**
6. **Store the container in a terminal with blocked and inaccessible doors, ideally in a tier above ground**
7. **Verify with the relevant terminal that there is adequate and appropriate security arrangements in place**
8. **If there is concern about theft or extended storage, hire a reputable security company to protect the container**
9. **Minimise access to information about the arrangement of the carriage of rare and valuable cargo and ensure those with access avoid disclosing information unless necessary.**