

Joint Cargo Committee - Bulletin - 7 October 2011

Global Cargo Watch List (GCWL) Updates

The Committee agreed the following amendments to the Global Cargo Watch List:

Location Descriptions – No changes.

Additions/Removals – No changes.

Risk Level Changes: - No changes.

Other EA Items

EA Piracy Data: The committee reviewed the piracy update for September 2011. It was Agreed to add these to the GCWL section of the JCC Website.

[EA Piracy Data September 2011](#)

Libya: There would be an ongoing threat of terrorism within Libya while Colonel Gaddafi and his supporters were still at large. There were some isolated signs of various factions emerging and some possible instability in Tripoli. Most of the oil installations were in Eastern Libya and work was underway to secure these. There were further installations to the Western side of the county and these were more exposed to possible terrorist activity. A map showing the location of these installations can be accessed [Here](#)

Bahrain: Committee discussed an upcoming jewellery exhibition and concerns that this might be impacted by disturbances caused by civil unrest. It was noted that major incidents were unlikely while there was a significant and ongoing Saudi presence in Bahrain.

European Economic Downturn: Reference was made to a recent report issued by EA looking at various implications of the economic downturn within the EU. Of particular note was a warning of possible considerable unrest around Europe as a result of the ongoing difficulties.

Other JCC Issues

Piracy Coverage Within the Cargo Sector - Attendees at the recent IUMI conference in Paris observed that this had been a major topic of discussion among the cargo community. Conflicting views had been expressed as to whether piracy cover should be removed from a cargo policy with the alternative view being expressed that cargo underwriters should take greater steps to identify their specific piracy exposures so that the risks could be underwritten appropriately. It was noted that the JCC had issued a cargo piracy Note of Cancellation Clause ([JC2008/024](#)) which allowed cargo underwriters a seven day cancellation review period for piracy and related general average expenses. The suggestion was also made that the existing Global Cargo Watch List (GCWL) clause ([JC2004/039](#)) could be amended to encompass perils beyond war and strikes to provide cargo underwriters with an additional tool to assist in assessing risk.

A further option would be to draft a piracy exclusion clause for use on cargo policies but a decision would have to be made as to whether this should be purely related to GA expenses, or also exclude physical damage losses caused through piracy.

It was noted that the Cargo Forum meeting, originally scheduled for 28th September, had been put back to 25th October. It was thought that the opportunity could be taken to allow open a debate on piracy issues at this event.

Ancillary Cargo Causes Review - Nick Gooding, Chairman of the Cargo Clauses Working Party was present at the meeting. Mr Gooding confirmed that the majority of the draft ancillary clauses had been completed. Final drafts relating to the frozen meat/frozen food coverage were still awaited but it had always been recognised that this was the area where significant redrafting work would be required to update cover and simplify the existing suite of wordings.

A meeting had recently been held with FOSFA representatives to open a discussion as to whether specific FOSFA clauses should be retained. A meeting with the commodity associations had also been arranged for late November to discuss whether separate commodity clauses were still required on the basis that the revised draft commodity clauses were identical to the 2009 ICC A,B & C. The various drafts would be made available for consultation once these preliminary discussions had been completed.

Joint Certificates - The Clyde and Co review on joint certificates had been received and circulated to the committee. The final wording of the several liability clause had subsequently been agreed between Clyde's and Lloyd's Legal Department. This issue had now been referred to the IUA Marine Technical Committee for sign off, following which Lloyd's Agency Department would be approached to confirm that all interested parties had agreed to this initiative.

GUA Cargo Schedule Review - The JCC is awaiting confirmation of LIIBA representatives on the Working Group, following which a meeting of the group will be held to progress this issue.

UK Export Control Order 2008 - A further meeting has been held with senior representatives from the UK Department of Business Innovation & Skills (BIS). As a result of this meeting it is expected that a general market license, for UN sanctioned or mandated activities, will be available within the next 3-4 weeks.

A significant amount of business had been lost to the London/UK market because of the introduction of the ECO regulations on a unilateral basis by the UK Government.

Theft & Misappropriation - A member raised concerns over losses arising from theft and misappropriation from storage facilities indicating that these had been a significant cause of loss within the sector, particularly on trading accounts. This issue will be investigated further by the JCC.

Limits - It was recognised that the way in which limits are expressed has a significant impact, this is a further issue which will be considered by the JCC.

Satellite Pre Launch Wording - It was confirmed that this group had not met since the summer break but would be convening in the next few weeks to resume its review.

Cargo Surveyor Scope of Work - A number of meetings of this group had been held and work was progressing on a document which would provide a broad scope of work for surveyors across various methods of transport.

IUMI Paris Conference 2011 - It was noted that the presentations from the Paris conference were now available from the IUMI website via the following link:

[Paris Presentations](#)

Libya and Syria Sanctions - Members noted a Clyde and Co bulletin on this subject. It was agreed that this should be posted to the JCC webpage.

[Clyde & Co Sanctions Bulletin](#)

Terrorism Definitions - A member made reference to difficulties with defining terrorist losses particular where there could be potential gaps in coverage between different insurances. The comment was made that the recently revised ICC and related war and strikes clauses had attempted to provide a clearer definition of an "act of terrorism" but it had been recognised that in many cases specific circumstances would lead to the courts being the final arbiters or whether an event was deemed a terrorist loss or not.

Financial Crime Endorsement (LMA 5173) - A number of members noted that certain brokers were objecting to the use of this endorsement which had been drafted for use on binding authority

agreements. The Secretary undertook to refer this matter back to the LMA. [NOTE On subsequent enquiry it is understood that Lloyd's will shortly be issuing further guidance to the market on the use of this wording to provide clarity and consistency across the marketplace.]

International Fine Art and Specie Insurance Conference (IFASIC) - It was noted that this event would be taking place in Barcelona on the 20th and 21st October. A number of members of the JCC would be attending and will report any relevant issues back to the JCC at its next meeting.

Joint Specie Committee - Draft Terms of Reference for this group had been submitted to the IUA for agreement. Once this had been received, a request for nominations to the new committee would be circulated.

Aparecido Mendes Rocha
Corretor de seguros especializado em seguros internacionais
Articulista sobre comércio exterior e logística relacionados a seguros
E-mail: amrocha@logicaseguros.com.br
Twitter: @amrocha2011
www.logicaseguros.com.br