

Enclosure.

War Risks Insurance Office, Cannon Street Hotel, London E.C.

CARGO INSURANCES ONLY.—EXPLANATORY MEMORANDUM, AS REVISED 25TH AUGUST, 1914.

1. The only risks which are covered by the Government War Risks Insurance Office are King's enemy war risks, in terms of clause 2 in the policy, of which the following is a copy: "This insurance is only to cover the risks of capture, seizure, and detainment by the King's enemies and the consequences thereof, or any attempt thereat, and all consequences of hostilities or war-like operations by or against the King's enemies, whether before or after declaration of war."

2. Cargo only is insured. The insurance is undertaken subject more particularly to the following conditions:—

- (a.) That any cargo may be insured which is not enemy property, or goods the transport of which is prohibited by Proclamation or otherwise restricted;
 - (b.) That the cargo is carried on a British steamer which is entered in one of the under-mentioned war risks associations approved by the Government, and that a war-risks policy has been taken out on the vessel covering the voyage in question under the Government scheme for the reinsurance of hulls; and
 - (c.) That the voyage is not one which is prohibited by the Admiralty.
3. It rests with the applicant to satisfy himself that the conditions mentioned in paragraph 2 are complied with; the warranties in the policy which deal with these and other points should be carefully considered.

4. The approved war risks associations above referred to are:—

- (1.) The North of England Protecting and Indemnity Association, Collingwood Buildings, Newcastle-on-Tyne.
- (2.) The Liverpool and London War Risks Insurance Association (Limited), 10 Water Street, Liverpool.
- (3.) The London Group of War Risks Associations, 24 St. Mary Axe, E.C. This group comprises the following:—

Britannia Steamship Insurance Association (Limited); Tindall, Riley, and Co. (managers), 17 Gracechurch Street, E.C.

London Steamship-owners' Mutual Insurance Association (Limited); A. Bilbrough and Co. (managers), 23 Rood Lane, E.C.

Newcastle War Risks Indemnity Association (Limited); E. S. Scorfield and James Ferguson (managers), 4 Queen's Street, Newcastle-on-Tyne.

Standard Steamship-owners' Mutual War Risks Association (Limited); Charles Taylor and Co. (managers), 9 Fenchurch Avenue, E.C.

Sunderland Steamship Mutual War Risks Association (Limited); J. Rutherford and Son (managers), 45 West Sunniside, Sunderland.

United Kingdom Mutual War Risks Association (Limited); T. R. Miller and Son (managers), 24 St. Mary Axe, E.C.

West of England Mutual War Risks Association (Limited); John Holman and Sons (managers), 1 Lloyd's Avenue, E.C.

The great majority of British steamers are entered in one or other of these associations.

5. As a general rule, cargo carried on a vessel which has already sailed cannot be insured under the Government scheme, but the War Risks Insurance Office is, notwithstanding, authorized to consider applications for the insurance of cargo on a vessel which has already sailed or can be warranted safe at a port of call or at some point of her voyage.

6. The premium is charged at a flat rate irrespective of the voyage or of the character of the cargo insured. Any alteration in the rate will be announced in the Press.

7. If, for any reason which the Committee consider sufficient, the goods or any portion of them are not shipped by the vessel by which they were issued, the insurance effected may be cancelled so far as short interest is concerned.

8. All applications for cancelment or return of premium must be made on the forms specially provided for that purpose. Such applications should be accompanied by a statement of reasons and supporting evidence, together with the stamped slip and policy.

In the case of claim for partial cancelment the marine policy should be produced.

Where the application for cancelment or return is consequent on war-risk insurance previously effected elsewhere, the slip and policy relating to the other insurance must be produced.

9. Cargo insured against King's enemy war risks under the Government scheme must also be covered by approved marine-insurance policies as defined in paragraph 10. These marine policies must be produced at the War Risks Insurance Office when required, in proof of values, but this will possibly not be necessary except in the event of a loss or claim. In the case of cargoes insured against marine risks by policies issued on or after the 5th August, 1914, the insurance will, in the absence of any special agreement otherwise, be deemed sufficient for the purposes of the Government scheme so long as not less than 70 per cent. of the value be covered under approved marine-insurance policies. This rule does not apply to policies issued before the outbreak of war, so long as such policies shall afford sufficient proof of values.

10. Marine-insurance policies will be accepted by the War Risks Insurance Office as evidence of values under the foregoing paragraph if issued by members of Lloyd's, British insurance companies, or other approved underwriters or insurance companies, as follows:—

- (a.) All policies (whether enemy or other) issued previous to the outbreak of war—*i.e.* signed and dated prior to and including the 4th August—will be accepted; and
- (b.) All policies of recognized British or alien companies or underwriters (other than enemy) issued on or after the outbreak of war will be accepted. This does not authorize the acceptance of policies, whether British or alien, issued by trading or other firms not coming within the general scope of recognized underwriting associations.