NEW REPLACEMENT VALUE CLAUSE (MARINE CARGO)

It is hereby declared and agreed that in the event of a loss to the property insured under the policy, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating of the same kind or type but not superior to or more expensive than the insured property when new plus ordinary freight and customs duties, if any, to the extent such expenses have been included in the sum insured, subject to the following special provisions and subject also to the terms and conditions of the policy except insofar as the same may be varied hereby.

SPECIAL PROVISIONS:

1. The work of replacement or reinstatement (which may be carried out in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the loss or within such further time as the company may (during the said 12 months) in writings allow otherwise no payment beyond the market value/depreciated value/written down value (whichever less) of the interest insured shall be made.

2. Until the expenditure has been incurred by the insured in replacing or re-instating the property destroyed or damaged the company shall not be liable for any payment in excess of the market value/depreciated value/written down value (whichever less) of the interest insured.

3. For total loss or one involving repair cost that equals or exceeds the actual value of the property insured immediately before the occurrence of the loss, the property insured shall be regarded as destroyed and settlement shall be made on the following basis:
    a. The insurers shall pay the actual value of the property insured immediately before the occurrence of the loss, including charges for ordinary freight, and customs duties, if any, provided such expenses have been included in the sum insured. Such actual value to be calculated by deducting proper depreciation from the replacement value of the property insured. The value of any salvage shall be taken into account.

    Each item of the policy (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.

4. This memorandum shall be without force or effect if:
    (a) The insured fails to intimate to the Company within 30 days from the date of destruction or damage or such further time as the Company may in writing allow his intention to replace or reinstate the property destroyed or damaged.
    (b) The Insured is unable or unwilling to replace or reinstate the property destroyed or damaged.
    (c) The insured does not inform the insurance company of his/her intention to replace the damaged asset within a reasonable time after the loss.