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वस्त्र मंत्रालय  
MINISTRY OF  
**TEXTILES**  
GOVERNMENT OF INDIA



## ALERT- PROTECT YOUR SHIPMENTS

Facing delays or route changes due to global tensions?

Check your Marine Insurance Forwarding Charges Clause

If your cargo is diverted to another port due to insured risks, Insurance will cover extra costs for Unloading, Storage, Forwarding to final destination

Review your Institute Cargo Clauses (Clause 12)

**STAY INFORMED STAY PROTECTED**

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Sub: Advisory by Council on Marine Insurance – Forwarding Charges Clause (Clause 12).

Dear Madam / Sir,

As you are aware, during transportation of cargo by sea or land, it is essential to ensure adequate protection against unforeseen risks. Marine cargo insurance plays a vital role in safeguarding goods throughout their transit.

In this context, attention is invited to Clause 12 – Forwarding Charges Clause under the Institute Cargo Clauses, which provides important coverage in specific situations.

What is Forwarding Charges Clause (Clause 12):

"Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter insured to the destination to which it is insured"

In short: If something goes wrong during transit and your cargo gets diverted or stopped midway, the insurer will cover the additional expenses to still get your goods to the intended destination.

For example -

You export textiles from India to Europe (say Germany).

- Your cargo is shipped by sea.
- Due to geopolitical tensions or safety risks (e.g., issues around the Red Sea / Middle East routes), the vessel cannot proceed to the final destination.
- The ship is diverted and unloads cargo at an intermediate port, say Dubai or Egypt, instead of Germany.

□ Such diversions can happen due to:

- War risks / piracy threats
- Port closures
- Safety concerns for vessel and cargo

How Clause 12 helps

Under the Forwarding Charges Clause: Your insurance company will reimburse these extra expenses (unloading, storage, re-shipping), as long as the diversion happened due to an insured risk. Provided this diversion or delay has happened due to a risk that is covered under your insurance policy (like accident, storm, etc.).

You are advised to take note of the above provision and ensure appropriate understanding while arranging marine insurance coverage for your shipments.

Regards,

**Dr. Siddhartha Rajagopal**  
Executive Director

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