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Marine insurance policies and practice: An appraisal

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Abstract
The maritime business is a unique form of the practice which embodied the more risk in application of the relationship of the use. The Marine insurance contract and the protection and indemnity club and the companies and association in the liability of the parties which may be divided and differentiate in the insurance business.

Keywords: insurance, policies, liability, practice, risk

Introduction

The subject of Marine Insurance is very wide and encompassing, which is why there is a definite categorization of various types of marine insurance and different types of marine insurance policies. As per the needs, requirements and specifications of the transporter, an appropriate type or types of marine insurance can be narrowed down and selected to be put into operation. The types of marine insurance available for the benefit of a client are many and all of them are feasible in their own way. Depending on the nature and scope of a client's business, he can opt for the best marine insurance plan and enjoy the advantage of having marine insurance.

Types of Marine Insurance

Firstly let's take a look at the types of Marine Insurance available

I) The marine insurance policies that a ship owner can take are:

a) Hull & machinery policy
b) Protection & indemnity cover
c) Liability insurance
d) Freight insurance

II) The insurance policies for a cargo owner include:

a) Marine cargo insurance
b) Goods in transit insurance

Hull and Machinery Policies

Hull insurance mainly caters to the torso and hull of the vessel along with all the articles and pieces of furniture in the ship. This type of marine insurance is mainly taken out by the owner of the ship in order to avoid any loss to the ship in case of any mishaps occurring. It covers: the insurance of the vessel and its equipment i.e. furniture and fittings, machinery, tools, fuel, etc. It is effected generally by the owner of the ship.

These are usually time policies with a maximum period of 12 months. Normally the items covered will be clearly stated in the clauses of each policy. Any extra port to be covered will raise the insurance premium.

Perils include

1) Peril of seas
2) Fire / explosion
3) Theft from outside
4) Jettison
5) Piracy
6) Earthquake volcanic eruption, lightening
7) accidents during loading or discharging
8) Machinery damage
9) Latent defects in machinery or hull
10) Negligence of master, officer or crew
11) 3/4 collusion liability items not covered under insurance include:
- Loss / damage e.g. insurer deliberately set fire to ship caused by willful misconduct willful negligence by owner.
- Loss of charter hire due to delays
- Loss due to wear and tear
- War risk cover.
12) Cost for scraping & painting vessel underwater part due to fouling
13) Valuation clause i.e. in case the vessel is a constructive total loss, salvage values are not considered
14) loss / damage from nuclear weapon or by radioactive material

Protection and Indemnity Polices

It is usually written as a separate contract that provides comprehensive insurance for property damage or bodily injury to third parties. It is also known as protection and indemnity insurance which protects the ship owner for damage caused by the ship to docks, cargo, illness or injury to the passengers or crew, and fines and penalties.

Protection and Indemnity covers

1) Cargo claims
2) Crew claims
3) Claims for various fines e.g. customs times immigration fine for improper documentation fine due to misconduct of crew etc
4) Collision liability covering the 1/4 liability not covered by H & m insurance
5) Liability against collision with fixed or floating objects
6) Third party injury & death claims
7) Oil pollution liability
8) Miscellaneous claims.

Restrictions on P & I cover include

1) Deviation
2) Delivery of cargo at ports other then port specified in the contract of carriage.
3) Failure to arrive or late arrival at port of loading
4) Delivery of cargo without bill of lading
5) Out dated bill of lading
6) Clean bill of lading in respect to damaged cargo
7) Arrest or detention.

Liability Insurance Policies

Liability insurance is that type of marine insurance where compensation is sought to be provided to any liability occurring on account of a ship crashing or colliding and on account of any other induced attacks.

It is one in which the insurer undertakes to indemnify against the loss which the insured may suffer on account of liability to a third party caused by collision of the ship and other similar hazards.

Freight Insurance Policies

Freight insurance offers and provides protection to merchant vessels' corporations which stand a chance of losing money in the form of freight in case the cargo is lost due to the ship meeting with an accident. This type of marine insurance solves the problem of companies losing money because of a few unprecedented events and accidents occurring.

It provides protection against the loss of freight. In many cases, the owner of goods is bound to pay freight, under the terms of the contract, only when the goods are safely delivered at the port of destination. If the ship is lost on the way or the cargo is damaged or stolen, the shipping company loses the freight. Freight insurance is taken to guard against such risk.

Cargo Insurance Policies

Cargo insurance caters specifically to the cargo of the ship and also pertains to the belongings of a ship's voyagers. It includes the cargo or goods contained in the ship and the personal belongings of the crew and passengers.

The policies will incorporate institute of cargo clause A B or Institute of cargo clause C:

Institute of cargo clause C: This covers only against major casualties eg fire, explosion, grounding or vessel stranded, sinking or capsizing, collusion or contact disc at port of distress general average sacrifice and jettison. Institute of cargo clause B: In addition to the above will also cover casualties like earthquake, volcanic eruption, lightening, strike. Institute of cargo clause A: Offers cover against all possible risks.

Items excluded from maritime cargo insurance policy are:

1) Claims resulting from insufficient or in suitable packing or protection of matter insured.
2) Claims for loss or damage arising from financial default of Owners Company cannot be responsible for performance of the carrier and this exclusion is aimed at encouraging the use of reputable company.
3) Claims arising from use of nuclear weapons.
4) Claims arising from damage by terrorists or politically motivated groups.
5) Claims arising from unfitness of vessel ware risk and strike risk cover is available for cargo insurance for an additional premium for long term insurance, open cover policy and floating policies are available.

In addition to these types of marine insurance, there are also various types of marine insurance policies which are offered to the clients by insurance companies so as to provide the clients with flexibility while choosing a marine insurance policy. The availability of a wide array of marine insurance policies gives a client a wide arena to choose from, thus enabling him to get the best deal for his ship and cargo.

Types of Marine Insurance Policies

There are various types of marine insurance policies available and they could broadly be classified into 6 types.

Time policy - Insures property for a period of time. A marine insurance policy which is valid for a specified time period – generally valid for a year is classified as a time policy. A time policy is taken for definite period of time, usually not exceeding 12 months say from January 1, 1981 to December 31, 1981. If the cargo is damaged during this period the insurance company is responsible to compensate the loss. Under this policy, the subject-matter is insured for a definite period of time, e.g. from 6 a.m. of 1st January, 1976 to 6 a.m. of 1st January, 1977. The policy is generally taken for one year although it may be for less than one year.

Aspects

- This policy is commonly more used for hull insurance than for the cargo insurance.
- The policy may cover, while navigating the vessel or while under construction. Risks covered under construction are for more than 12 months.
- There are standard clauses in relation to freight, premium, interests, etc., which are added to this policy. The time policy may be taken in case of goods and other movable vessels
- The ship may pursue any course it likes, the policy would cover all the risks from perils of the sea for the stated period of time.
- It must be noted that, a time policy cannot be for a period exceeding one year, but it may contain a 'continuation clause'.

The 'continuation clause' means that if the voyage is not completed within the specified period, the risk shall be covered until the voyage is completed, or till the arrival of the ship at the port of call. Marine Insurance Act 1963: A time policy is defined in s31 (1) as a policy where the contract is to ensure the subject matter for a definite period of time: (1)…and where the contract is to insure the subject-matter for a definite period of time the policy is called a time policy and section 31(2) provides:

(2) *A time policy which is made for any time exceeding twelve months is invalid. Provided that a time policy may contain an agreement to the effect that, in the event of the ship being at sea or the voyage being otherwise not completed on the expiration of the policy, the subject-matter of the insurance shall be held covered until the arrival of the ship at her destination, or for a reasonable time thereafter not exceeding thirty days; and the policy shall not be invalid on the ground only that by reason of such agreement it may become available for a period exceeding twelve months.*

The shipowners submitted that the insurance here was not for a 'definite period of time' within …the Act: because it continued

indefinitely until determined by one side or the other. The association submit that the insurance was for a 'definite period of time', namely until Feb. 20, 1972: and the fact that it continued after it did not make it any the less a time policy.
For over a century now these clubs have insured vessels for a stated period of less than a year, but renewable from year to year. This was done so that they should comply with the Stamp Acts…
If made for a stated period of less than a year, they were held to be valid, even though renewable from year to year…and even though they contained a continuation clause continuing the cover (after the stated period) until the end of the current voyage…Such policies complied with …the Marine Insurance Ac 1963t.

And the requirement for seaworthiness under a time policy in section 45(5) of Marine Insurance Act 1963 states:

(5) *In a time policy there is no implied warranty that the ship shall be seaworthy at any stage of the adventure, but where, with the privity of the assured, the ship is sent to sea in an unseaworthy state, the insurer is not liable for any loss attributable to unseaworthiness.*

1) Voyage policy - It insures property from one place to another it may include a date limit. A voyage policy is that kind of marine insurance policy which is valid for a particular voyage. Where the subject matter is insured for a specific voyage, say from Karachi to Chennai it is named as voyage policy. Under this policy, the subject matter is insured for a particular voyage irrespective of the time involved in it. In this case the risk attaches only when the ship starts on the voyage. When the subject matter reaches its destination safely, then the responsibility of insurance company is finished. The insurance company compensates maximum to its insured amount.

Aspects

- The policy is issued to cover a particular voyage from one port to another and from one place to another. The policy mentions the port of departure and the port of destination, between which the risks are generally underwritten.
- This policy is not suitable for hull insurance as a ship usually does not operate over a particular route only.
- However, this policy may include time factor also as from Bombay to London for one year. In this case the risk may be covered from one place to another covering a period of one year.
- The policy is used mostly in case of cargo insurance. The goods remain covered even when the ship halts at intermediate ports.
- The risks at the port of departure and at the port of destination may be covered by incorporating suitable, clauses in the policy. The liability of the insurer continues during landing and re-shipping of the goods.

Marine Insurance Act 1963
A Voyage Policy is defined in section 31
(1) *Where the contract is to insure the subject-matter at and from, or from one place to another place or to other places, the policy is called a voyage policy…*

In Industrial Waxes Inc v Brown [1958] 2 Lloyd's Rep 626, the contract concerning covser from port of shipment to inland destination where there was a long delay in the port waiting for transhipment to inland transport, and the goods were destroyed by fire in the warehouse. The relevant clause stated: *"This insurance shall in no case be deemed to cover loss damage or expense proximately caused by delay or inherent vice or nature of the subject matter insured."*
There was a Note on the insurance certificate: NOTE – It is necessary for the assured to give prompt notice to underwriters when they become aware of an event for which they are 'held covered' under this policy and the right to such cover is dependent on compliance with this obligation.
The typed on the certificates were the words: Includes risk for additional thirty days after discharge from vessel. The US Court of Appeals (Second Circuit) held that although the goods were covered during transport, they were not covered 'whilst in store at port of discharge'. For a voyage policy there is an implied term that the marine adventure will commence within a reasonable time and if it is not, the insurer may avoid the contract unless the insurer waived the right to avoid or was aware of the circumstances causing the delay. A voyage policy will not attach if the ship sails from or to places different from those specified. Where after the commencement of the risk the destination of the ship is voluntarily changed the insurer is discharged from all liability for any loss occurring on or after the time the intention to change is manifested, unless the policy provides otherwise. A deviation without lawful excuse from the agreed course or customary course discharges the insurer from liability for any loss occurring on or after the deviation. Failure to call at the ports of discharge in the order specified or in their geographical order will be a deviation. A voyage policy must be carried out with reasonable dispatch and the insurer is discharged from all liability for any loss occurring on or after the time when the delay becomes unreasonable. Pursuant to section 45 a deviation or delay is justified if it is:

(a) Authorized by any special term in the marine policy;
(b) Caused by circumstances beyond the control of the master and the master's employer;
(c) Reasonably necessary in order to comply with an express warranty or an implied warranty;
(d) Reasonably necessary for the safety of the ship or subject-matter insured;
(e) For the purpose of saving human life or aiding a ship in distress where human may be in danger;
(f) Reasonably necessary for the purpose of obtaining medical aid for any person on board the ship; or
(g) Caused by the barratrously conduct of the master or crew, if barratry is one of the perils insured against. Where transshipment at an intermediate port or place is necessitated by a peril insured against the insurer continues to be liable under the voyage policy for a loss occurring on or after the date of transshipment section 46 of Marine Insurance Act 1963.

2) Voyage and Time Policy or Mixed policy - It covers both a voyage and a period of time of voyage and in port after arrival. A marine insurance policy which offers a client the benefit of both time and voyage policy is recognized as a mixed policy. This policy is the combination of time and voyage policy. It, therefore, covers the risks for both particular voyage and for a stated period of time. Under this policy, the elements of voyage policy and of time policy are combined in under this policy. The reference is made certain period after completion of voyage. For example: 24 hours after arrival.

Aspects

- This policy the combination of time and voyage policy.
- It is a combination of voyage and time policies and covers the risk during particular voyage for a specified period of time.
- It covers the risk of both.
- It may be beneficial to hull as well as to cargo insurance.

3) Floating policy - cargo policy that insures a number of shipments.
(In Canada & US this policy is continuous and covers all shipments to a limit of liability for any 1 loss). A marine insurance policy where only the amount of claim is specified and all other details are omitted till the time the ship embarks on its journey, is known as floating policy. Floating policy is taken for a relatively large sum by the regular suppliers of goods. It covers several shipments which are declared afterwards along with other particulars. This policy is most situated to exporter in order to avoid trouble of taking out a separate policy for every shipment. For clients who undertake frequent trips of cargo transportation through waters, this is the most ideal and feasible marine insurance policy. Under this policy, the risks of several shipments are covered. The name of any ship is not declared, whenever shipment takes place, the company is informed. An exporter saves him from the trouble of taking a separate policy for every shipment.

Aspects

- This policy describes the general terms and leaves the amount of each shipment and other particulars to be declared later on. The declaration is made in order of dispatch of shipment.
- The policy is taken for a round large sum which is specified at each declaration and is attached to each shipment. With each declaration the amount will be reduced till it is exhausted when the insured sum is said to be 'closed' and the policy is 'fully declared' or, 'run off.
- The most popular form of contract is 'Open Cover'. It is an agreement between the insured and the insurer by which the assured on his part agrees to declare, and the insurer on his part agrees to accept all the shipments falling within the scope of the 'open cover' which is merely an original ship.
- It is not a legal contract of marine insurance and suffers from the same legal disability as the 'original 'ship'. However the insured and the insurers are honor bound. To give 'Open Cover' a legal form, a policy is issued for the purpose.
- Separate policies are not issued in case of each shipment but only one policy is issued at the time of entering into contract.
- All declarations are written on the back of the policy. A classification clause is usually inserted in 'open cover' to provide the agreed rates of premium. Similarly, valuation clauses are also inserted to provide the basis for valuation in the event of loss taking place.
- This policy is suitable for a cargo-owner who makes regular shipments of cargoes. All his shipments are automatically covered as soon as the declarations are made. The floating policies are mostly used in the age of gigantic trade.
- It is a policy which only mentions the amount for which the insurance is taken out and leaves the name of the ship(s) and other particulars to be defined by subsequent declarations. Such policies are very useful to merchants who regularly dispatch goods through ships.
- Floating policies avoid a shipper having to negotiate a new policy for every shipment.
- Using a floating policy the essential terms of the insurance contract are agreed in advance. Thereafter, all of the shippers goods will be covered by that policy provided the shipper declares the goods as required by the contract.

The shipper must declare all of the goods that are covered by the policy and their value. A failure to properly declare will jeopardize the insurance coverage although an omission or error made in good faith may be rectified even after a loss or the arrival of the goods. If a declaration of value is not made until after a loss or arrival of the goods, the indemnity is calculated as though the policy was an unvalued policy.

5) Valued policy- If it specifies the agreed value of the subject matter it is a valued policy. A valued marine insurance policy is the opposite of an open marine insurance policy. In this type of policy, the value of the cargo and consignment is ascertained and is mentioned in the policy document beforehand thus making clear about the value of the reimbursements in case of any loss to the cargo and consignment. It is a policy in which the value of the subject matter insured is agreed upon between the insurer and the insured and it is specified in the policy itself. Under this policy the value of loss to be compensated is fixed and remains constant throughout the risk except where there is fraud and excessive over-valuation. The value of the subject-matter is agreed between the insurer and the assured at the time of taking the insurance.

Aspects

- It is also called insured value or agreed value. It forms the measure of indemnity at the time of loss. The insured value is not necessarily the actual value.
- It may be total of invoice, e.g., cost of goods, freight; shipping charges, insurance and a certain percentage of margin (generally 10 per cent) to cover anticipated profits.
- Under its terms the agreed value of the subject matter of insurance is mentioned in the policy itself. In case of cargo this value means the cost of goods plus freight and shipping charges plus 10% to 15% margin for anticipated profit. The said value may be more than the actual value of goods.
- In this marine insurance policy admitted value of the cargo is written in the policy itself.
- In the event of a total loss under a valued policy, the amount of the indemnity is the agreed value.

6) Unvalued policy (Open Policy) - If it does not specify the agreed valued but instead provides a limit of the sum insured it is an unvalued policy. Where the value of the subject matter of insurance is not declared but left to be ascertained and proved later it is called unvalued policy. In this type of marine insurance policy, the value of the cargo and consignment is not put down in the policy beforehand. Therefore reimbursement is done only after the loss to the cargo and consignment is inspected and valued. Under this policy in the value of the subject matter insured is not specified. Subject to the limit of the sum assured, it leaves the value of the loss to be subsequently ascertained. The value thus left to be decided later on is called the insurable value or unvalued or valuable policy.

In deciding the value, the invoice cost, freight, shipping and insurance charges are included and no margin for anticipated profit is added.

Aspects

- Unvalued policies are not common in marine insurance because evaluation of loss at the time of damage poses a difficult problem. It is extremely difficult when consignment goes nearer the port of destination.
- In hull insurance, the insurable value is determined taking into account the value of the ship at the commencement of risk including provision and, stores for officers and crew plus the charges of insurance.
- In insurance on freight whether paid in advance or otherwise, the insurable value is the gross amount of freight plus the charges of insurance.
- Similarly, in cargo insurance it would be the cost of goods plus expenses and insurance charges.
- A limitation of insurable value is desirable not only to fix the measure of indemnity under an unvalued policy, but also to provide an approximate basis for the calculation of value in a valued policy.
- If the value of cargo is not declared in the policy and in the case of loss, the value is assessed and the insurance company compensates the loss.

In addition, there are several other types of insurance policies seen in Marine Insurance; they are

1) Named Policies

Under this policy, the name of the ship and the amount of insured cargo are mentioned. These policies are specific policies.

2) Single Vessel and Fleet Policies

A ship or a fleet of ships is insured in a single policy. When one policy is assured, it is called single vessel policy and when a fleet of ship is insured in single policy, it is called fleet insurance policy. The advantages of the fleet policies are that even old and weak ships are also insured. This insurance facilitates easy and smooth functioning of insurance benefits.

3) Construction policy

It insures vessel while in course of construction not for a period of time.

Similarly, we also have the Builder's risk policy: This policy is issued for more than one year. This covers the risk of damage to vessels from the time its construction commences until its trail is completed.

Under this policy risk of damage to ship is covered from its construction to completion. This policy is issued for more than one year.

4) Blanket policy

Under the condition of the blanket policy the maximum limit of the required amount of protection is estimated which is purchased in lump sum. The amount of premium is usually paid in advance. This policy describes the nature of goods insured, specific route, ports and places of the voyages and covers all the risk accordingly.

The policy is taken to cover losses within the particular time and place. The policy is taken for a certain amount and premium is paid on the whole of it in the beginning of the policy and is re-adjusted at the end of the policy according to the actual amount at risk.

If the actual coverage of risk is less than the total amount of insurance, the premium related to the excess amount is returned to the insured.

On the other hand, if the amounts of shipments are greater than the insured sum, additional premium is charged over the excess protection.

5) Port risk policy

This policy covers all the risk of a vessel while it is standing at a port for particular period of time.

- This kind of marine insurance policy is taken out in order to ensure the safety of the ship while it is stationed in a port.
- This policy is purchased to cover all the risk of a ship when it is standing on a port for a particular period.

6) Wager policy

Where the assured has no insurable interest in the subject matter of insurance that is know as wager policy. As this policy has no legal effect so it cannot be taken to a court of law. If underwrite refuses to accept the claim the policy holder cannot take any legal action against him. It is, therefore, also called as gambling policy. A wager policy is one where there are no fixed terms of reimbursements mentioned. If the insurance company finds the damages worth the claim then the reimbursements are provided, else there is no compensation offered. Also, it has to be noted that a wager policy is not a written insurance policy and as such is not valid in a court of law.

7) Special hazards policy

This policy covers special risks incident to piracy and war. It provides protection to insured under agreement against seizure, capture, detention and other war risks.

8) Composite policy

This type of policy is purchased from *more* than one under writers. If there is no any motive of fraud then insured will be indemnified by each under writer separately in case of loss.

9) Block policy

This policy is particularly purchased to gold diggers. It covers all the risks of damage to gold from the time of its recovery to its destination. This type of policy has been introduced in Africa and is very popular in the mine fields of gold.

The policy insures incidental inland risks, too, along with the marine perils. For example, cotton is insured from the time of processing to the time when it was delivered at the point of destination.

10) Currency Policies

Policies issued in foreign currency are called currency policy, where the sum assured is stated in foreign currency. This policy avoids the fluctuation in foreign currencies because the claim amount is determined in the foreign currency and the fluctuations in the exchange rates of the inland and foreign currencies up to the period of the policy are meaningless.

11) P.P.I. Policies

The policy is issued to avoid the complication of the principle of insurable interest. These are called 'Policy Proof of Interest' and are honored by the insurer even in absence of insurable interest.

This policy is based on mutual understanding, so, it is called honored policies. This is also called wagering policies because insurable interest is not required; consequently, it cannot be legally enforceable. Similarly, we have the Wagering or Honour policy It is a policy in which the assured has no insurable interest and the underwriter is prepared to dispense with the insurable interest. Such policies are also known as 'Policy Proof of Interest (P.P.I).

12) Special Declaration Policy

A special declaration policy (SDP) is a form of floating policy issued to clients who have a large turnover with many and frequent dispatches of goods. The minimum annual estimates dispatches shall be Rs. 3 Crore for the individual company concerned. Issue one of SDP to transport operators/ agents or forwarder is prohibited. The policy shall not be issued in joint names. However, financial in tests of a bulk or the financial institution may be recorded in the policy. Special declaration policy is not assignable or transferable. The sum insured shall be on the basis of the previous year's turnover. -Mid-term increase in the sum insured may be allowed once only during the currency of the policy. Insurance may be renewed subsequently for an amount not less than the total amount of the expiring year turnover. Annual turnover means total insured value of goods in transit. It many include all incoming and outgoing consignments comprising capital goods, raw materials, stores, finished and semi-finished products. Also the total value of the goods shall be declared at periodical intervals but at least once on completion of each quarter in the form of certified statement.

13) Annual Policy

The Annual Policy is insured for a period of 12 months to cover goods belonging to the assured or held trust by the assured. The policy in not assignable or transferable the policy is not allowed to be issued to transport operators/contractors, clearing, forwarding and commission agents or to freight forwarders nor can this policy be issued in Joint Names. The sum insured is the aggregate maximum estimated value on rail/road at any one time of all the insured goods in respect of a specified transit. The policy shall be subject to condition of average stipulating that if at the time of any loss damage, the total value of goods in transit is more than the sum assured in respect of that specified transit, the assured shall be considered as being his own insurer for the difference and shall bear a rate able proportion of the loss accordingly. Sum assured under the Annual Policy shall stand; reinstated as from the time of the happening of an event giving rise to a valid claim and the assured shall remain responsible for a pro-rata additional premium for the remaining period of the policy on the amount reinstated continuing from the date of the loss.

14) Inland Transit Cargo Policy

Inland Transit Policy covers all risk for inland transit for rail on road. It may cover only a few risks such a fire or theft or strikes, riots, civil commotion.

The cover may be extended up to 7 days after arrival at destination. It may be extended per week additional premium for a subject to not exceeding 8 weeks. This extension apply to goods only which is lying in railway or road carrier's premises or in clearing and forwarding agents' warehouse in bonded warehouse at the destination.

15) Inland Vessel Policy

Inland vessel policy covers all cargoes carried on rivers, canals or other smooth waters including F.O.B shipment. General average sacrifice and jettison are not included in the risk covered. The rate of premium is based on age, propelled angina, steel, wooden boats, etc.

16) Free on Board Policy

The policy is arranged by the buyer overseas for his own account and benefit. Risks under the buyer's policy commence on loading of the cargo on the overseas vessel, because it is at that juncture of transit that the risk passes from the seller to the buyer. The covers start from the time the cargo leaves the warehouse till such goods are loaded on the ship. The policy also cover loss/damage reasonably attributable to craft, raft or lighter being stranded, grounded, sunk or capsized.

17) Sailing Vessels Policy

Sailing vessels include loss and/or constructive total loss of the subject-matter insured attributable to fire or shrinking or stranding. Loss/Damage are also covered of subject-matter insured caused by jettison due to stress of weather stranding sinking or burning or collision at sea.

In India

Package Policy

This policy has bear devised under the tariff to cater to the special requirements of certain categories of business such as tea estates coffee estate and Export Promotion under Duty Exemption Scheme.

Indian Coast Ports Policy

This policy covers cargo on coastal voyage, covered by self-propelled vessels of iron or steel construction which are not over 15 years of age and not under 450 tons GRT/Rates depend upon Voyage between different categories of ports. For timber stored on deck, insurance shall be limited to free of all Average (FA A) and Institute Cargo Clauses (ICC) covers both including jettison and washing over board.

Conclusion

Marine Insurance is an area which involves a lot of thought, straightforward and complex dealings in order to achieve the common ground of payment and receiving. But as much as complex the field is, it is nonetheless interesting and intriguing because it caters to a lot of people and offers a wide range of services and policies to facilitate easy and uncomplicated business transactions.

Therefore, in the interest of the clients and the insurance providers, it is beneficial and relevant to have the right kind of marine insurance. It resolves problems not just in the short run, but also in the long run as well.

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