Marine insurance

Economics, Insurance

MARINE INSURANCE Marine insurance is the indemnity for the loss of cargo or damage to ships during the shipment. The risks that marine insurance covers are fire, seizures, wars, accidents or causalities which take place over the sea. The winds and waves are not included as risks in the marine insurance. The Indian Marine Insurance Act, 1963 is imbibed from the Marine Insurance Act, 1906. Though the Marine Insurance Act is deep in its insurance coverage, it does not provide for losses that occur while the ship is sailing the waters.

This has led to the introduction of another insurance called the Marine Cargo Insurance, which provides for losses to cargo while the ship is sailing the waters. This is very beneficial to oil tankers and heavy cargo ships. Types of Marine Insurance Since Marine Insurance is very vast, it provides for various types of insurance as per the need, specification and requirement. They are: Hull Insurance – This insurance covers for both vessel and its apparatus such as fuel, tools, furniture, machinery etc. Freight Insurance - This insurance usually covers for the loss of freight.

If the goods are safely shifted to the destination port, the owner of goods will have to pay the freight charges but if the ship faces any damages and losses, the shipping company will be under loss. Hence this insurance becomes a necessity to the owner company Cargo Insurance- This insurance covers the personal goods of the passengers and crew of the ship. It also covers the goods that are transported. Liability Insurance – This is the insurance which is utilized when the insured suffers losses due to liability to third party.

This liability may be caused due to risks such as collision of ships or any other similar causality that may take place in voyage. Types of Marine Insurance Policies There are various types of marine insurance policies that the assured can opt for: Time Policy- This policy is taken for a time period of usually one year Voyage Policy – This policy coverage is given only for a particular voyage say from starting point to the destination. Mixed Policy – As the name suggests it is a mixture of both voyage and time policy. Valued Policy – In this case, an additional fixed value is mentioned in the policy itself along with the value of goods.

For example, along with goods the charges can also be added such as freight charges and shipment charges. Unvalued Policy - Here no additional charges are mentioned. It is decided after the incident after proving it. Floating Policy–This policy is beneficial to exporter who provides regular supply of goods. This policy is taken for large sum ofmoneyfor numerous shipments. Other Important Pointers: * Marine insurance is available in all general insurance companies. * The insurance amount may vary from one company to another. It is important that the insured makes a note of the coverage made by the insurance companies as few companies may not cover all the losses of the shipment. * With the increasing attacks by pirates and natural calamities, it is important to have a marine insurance that takes care of the risks aboard. PROGRESSIVE INSURANCE COMPANY. What is marine insurance? Insurance against loss or damage to cargo goods and merchandise during land transit/sea voyage/air transport from and to Cyprus. Insurance for shipments not involving Cyprus can also be provided.

Prospective clients: For all merchants, manufacturers, importers and exporters.

TYPES OF POLICIES AVAILABLE Individual Policies: One shipment of goods for one voyage I. E. " One Off" risks. Annual Policies: Suitable for an irregular flow of business, deposit premium based on turnover, declarations at agreed intervals, annual adjustment and renewal. Permanent Open Covers: Suitable for a regular flow of business, automatically covers all goods specified, declarations at agreed intervals, policies and premiums debited at agreed intervals. TYPES OF COVER AVAILABLE Institute cargo clauses (A): Widest form of cover available, insures " all risks" with stated exclusions.

Institute cargo clauses (B): Restricted form of cover, insures against major accidents to carrying vessel or conveyance, can include specified additional perils. Institute cargo clauses (C): Most restricted form of cover, insures against major accidents to carrying vessel or conveyance only. War and strike clauses: Standard extension available for (A), (B), and (C). Duration of cover: Warehouse to warehouse during ordinary course of transit. Rates: Individually assessed on merit, no tariffs other than war risks and overage of vessel. For commercial goods the sale contract governs the needs of sellers and buyers for insurance.