Professional Certificate in Insurance Law and Maritime

Marine Insurance

Absolute Liability refers to the legal responsibility of an insurer to pay for damages or losses, regardless of fault or negligence, in marine insurance policies. This concept is often applied to cases where the insurer has a duty to indemnify the insured, even if the loss was caused by an unforeseen event or a third party. Related terms include Strict Liability and Implied Warranty.

Abandonment is the act of relinquishing or surrendering a ship or its cargo to the insurer, usually when the vessel is deemed a total loss. In marine insurance, abandonment is a critical concept, as it determines the extent of the insurer's liability. The insured must provide notice of abandonment to the insurer, who will then assess the situation and determine the next course of action.

Acceptance is the formal agreement by the insurer to provide coverage for a specific risk or policy. In marine insurance, acceptance is usually evidenced by the issuance of a policy document or a certificate of insurance. The acceptance is typically conditional upon the payment of premiums and the provision of accurate information by the insured.

Act of God refers to an unforeseen and unavoidable event, such as a natural disaster, that is beyond human control. In marine insurance, an Act of God may be excluded from coverage, as it is considered an uninsurable risk. However, some policies may provide coverage for specific types of Acts of God, such as hurricanes or earthquakes.

Actual Total Loss refers to the complete destruction or irreparable damage of a ship or its cargo, resulting in a total loss. In marine insurance, an Actual Total Loss is usually determined by the assessor or surveyor, who will evaluate the extent of the damage and provide a report to the insurer. The insurer will then pay the insured the agreed value of the vessel or cargo.

Admiralty Law refers to the body of law that governs maritime activities, including shipping, navigation, and commerce. In marine insurance, Admiralty Law plays a critical role in determining the rights and obligations of the parties involved. The law of admiralty is based on custom and precedent, and is often applied in cases involving collisions, salvage, and environmental damage.

Agency Agreement is a contract between the insurer and the agent, outlining the terms and conditions of their relationship. In marine insurance, the agent may be responsible for marketing and selling policies, as well as providing customer service and support. The agency agreement will typically define the scope of the agent's authority and the commission structure.

Aggregate Limit refers to the maximum amount of coverage provided by the insurer for a specific period or event. In marine insurance, the aggregate limit is usually specified in the policy document and may be applied to multiple claims or losses. The aggregate limit is designed to cap the insurer's liability and prevent excessive payouts.

All Risks Coverage is a type of insurance policy that provides coverage for all risks unless specifically excluded. In marine insurance, All Risks Coverage is often used for high-value cargo or specialized equipment. The policy will typically include a list of excluded risks, such as wear and tear, or deliberate damage.

Allocation of Loss refers to the process of determining the extent of each party's liability in the event of a loss or damage. In marine insurance, the allocation of loss is usually based on the terms of the policy and the circumstances surrounding the incident. The allocation of loss may involve negotiations between the parties or the intervention of a third-party arbiter.

Alternative Dispute Resolution refers to the process of resolving disputes without resorting to litigation. In marine insurance, Alternative Dispute Resolution may include arbitration, mediation, or negotiation. The goal of Alternative Dispute Resolution is to reduce costs and expedite the resolution of disputes.

Annual Premium is the amount of money paid by the insured to the insurer on an annual basis, usually in exchange for a year of coverage. In marine insurance, the annual premium is typically calculated based on the type of vessel or cargo, the value of the vessel or cargo, and the level of risk.

Assessable Policy is a type of insurance policy that requires the insured to pay an additional premium in the event of a claim or loss. In marine insurance, Assessable Policies are often used for high-risk vessels or cargo. The assessable policy will typically include a formula for calculating the additional premium, based on the extent of the loss.

Assignment of Policy refers to the transfer of ownership of an insurance policy from one party to another. In marine insurance, the assignment of policy may be used to finance a vessel or cargo, or to transfer risk to a third party. The assignment of policy will typically require the consent of the insurer and the execution of a formal agreement.

Average Adjustment is the process of determining the extent of a loss or damage to a vessel or cargo. In marine insurance, the average adjustment is usually performed by a surveyor or assessor, who will evaluate the extent of the damage and provide a report to the insurer. The average adjustment will typically involve a calculation of the percentage of damage and the determination of the amount of the claim.

Barratry is the intentional act of causing damage to a vessel or cargo, usually for the purpose of collecting insurance proceeds. In marine insurance, barratry is considered a serious offense and may result in the voidance of the policy. The insurer will typically investigate any allegations of barratry and may withhold payment of claims if evidence of barratry is found.

Bilateral Insurance Contract is a type of insurance contract that involves two parties, the insurer and the insured. In marine insurance, the bilateral insurance contract is the most common type of contract, where the insurer agrees to provide coverage in exchange for premiums. The bilateral insurance contract will typically include terms and conditions that outline the rights and obligations of both parties.

Bill of Lading is a document that serves as a receipt for the shipment of goods and as evidence of the contract of carriage. In marine insurance, the bill of lading is an important document, as it provides proof of the shipment and the terms of the contract. The bill of lading will typically include details such as the description of the goods, the weight and measure, and the destination.

Binder is a temporary insurance contract that provides interim coverage until a formal policy is issued. In marine insurance, a binder is often used to provide immediate coverage for a vessel or cargo, pending the issuance of a formal policy. The binder will typically include terms and conditions that outline the rights and obligations of both parties.

Breach of Duty refers to the failure of one party to fulfill their obligations under a contract or agreement. In marine insurance, a breach of duty may result in the voidance of the policy or the denial of a claim. The insurer will typically investigate any allegations of breach of duty and may withhold payment of claims if evidence of breach is found.

Bunker Oil is a type of fuel used by vessels, which is often insured against loss or damage. In marine insurance, bunker oil is considered a high-risk item, due to its flammable nature and the potential for environmental damage. The insurer will typically require specialized coverage for bunker oil, which may include additional premiums and deductibles.

Cargo Insurance is a type of insurance that provides coverage for goods being transported by sea, air, or land. In marine insurance, cargo insurance is a critical component, as it protects the owner of the goods against loss or damage during transit. The cargo insurance policy will typically include terms and conditions that outline the rights and obligations of both parties.

Certificate of Insurance is a document that serves as evidence of insurance coverage. In marine insurance, the certificate of insurance is an important document, as it provides proof of coverage and the terms of the policy. The certificate of insurance will typically include details such as the type of coverage, the limits of liability, and the duration of the policy.

Charter Party is a contract between the owner of a vessel and the charterer, which outlines the terms and conditions of the charter. In marine insurance, the charter party is an important document, as it defines the rights and obligations of both parties. The charter party will typically include terms and conditions that outline the use of the vessel, the duration of the charter, and the responsibilities of both parties.

Claim is a request by the insured to the insurer for payment of losses or damages under the terms of the policy. In marine insurance, a claim may be made for a variety of reasons, including accidents, theft, or natural disasters. The insurer will typically investigate the claim and may require additional information or documentation to support the claim.

Co-insurance is a type of insurance arrangement where two or more insurers share the risk of a policy. In marine insurance, co-insurance is often used for high-value vessels or cargo, where the risk is too great for one insurer to assume alone. The co-insurance arrangement will typically include a formula for allocating the premiums and losses between the insurers.

Collision Liability is a type of insurance that provides coverage for damages or losses resulting from a collision between two or more vessels. In marine insurance, collision liability is a critical component, as it protects the owner of the vessel against losses or damages resulting from a collision. The collision liability policy will typically include terms and conditions that outline the rights and obligations of both parties.

Condition Precedent is a term or condition that must be fulfilled before a policy becomes effective. In marine insurance, a condition precedent may include the payment of premiums, the provision of accurate information, or the completion of a survey or inspection.

Contribution is the right of an insurer to recover from another insurer or party a proportion of the losses or damages incurred. In marine insurance, contribution is often used in cases where multiple insurers or parties are involved, and the losses or damages are shared among them. The contribution will typically be based on the terms of the policy and the circumstances surrounding the incident.

Cover Note is a document that serves as temporary evidence of insurance coverage, pending the issuance of a formal policy. In marine insurance, a cover note is often used to provide immediate coverage for a vessel or cargo, pending the issuance of a formal policy. The cover note will typically include terms and conditions that outline the rights and obligations of both parties.

Customs Duty is a tax imposed by a government on imported goods, which may be insured against loss or damage. In marine insurance, customs duty is considered a high-risk item, due to the potential for delay or confiscation of goods. The insurer will typically require specialized coverage for customs duty, which may include additional premiums and deductibles.

Damage is a loss or injury to a vessel or cargo, which may be insured against under the terms of a policy. In marine insurance, damage may result from a variety of causes, including accidents, theft, or natural disasters. The insurer will typically investigate the damage and may require additional information or documentation to support the claim.

Declaration is a statement made by the insured to the insurer, providing information about the risk being insured. In marine insurance, the declaration is an important document, as it provides evidence of the risk and the terms of the policy. The declaration will typically include details such as the description of the vessel or cargo, the value of the vessel or cargo, and the level of risk.

Deductible is the amount of money that the insured must pay out-of-pocket before the insurer will pay a claim. In marine insurance, the deductible is typically specified in the policy document and may be applied to multiple claims or losses. The deductible is designed to reduce the insurer's liability and prevent excessive payouts.

Delay is a failure to deliver goods or complete a voyage within a reasonable time, which may be insured against under the terms of a policy. In marine insurance, delay may result from a variety of causes, including bad weather, mechanical failure, or strike action. The insurer will typically investigate the delay and may require additional information or documentation to support the claim.

Demise Charter is a type of charter party where the owner of a vessel transfers control of the vessel to the charterer, usually for a specific period or voyage. In marine insurance, the demise charter is an important document, as it defines the rights and obligations of both parties. The demise charter will typically include terms and conditions that outline the use of the vessel, the duration of the charter, and the responsibilities of both parties.

Depreciation is the reduction in value of a vessel or cargo over time, due to wear and tear, or obsolescence. In marine insurance, depreciation is considered when calculating the value of a vessel or cargo, and may affect the amount of coverage provided. The insurer will typically require an appraisal or survey to determine the value of the vessel or cargo.

Derelict is a vessel that has been abandoned or discarded, often due to damage or obsolescence. In marine insurance, a derelict vessel may pose a risk to other vessels or the environment, and may be subject to salvage or removal. The insurer will typically investigate the circumstances surrounding the derelict vessel and may require additional information or documentation to support the claim.

Disbursement is a payment made by the insured to a third party, usually in connection with a claim or loss. In marine insurance, disbursement may include costs such as salvage, towing, or repair. The insurer will typically reimburse the insured for disbursements made in connection with a claim, subject to the terms of the policy.

Dockwise is a type of insurance that provides coverage for vessels while they are in dry dock or under repair. In marine insurance, dockwise insurance is critical, as it protects the owner of the vessel against losses or damages resulting from accidents or natural disasters. The dockwise insurance policy will typically include terms and conditions that outline the rights and obligations of both parties.

Double Insurance is a situation where two or more insurers provide coverage for the same risk, often resulting in overlapping or excessive coverage. In marine insurance, double insurance may lead to conflicts between insurers and may result in disputes over the allocation of losses or damages.

Dry Cargo is a type of cargo that is not liquid or perishable, such as grain, coal, or containers. In marine insurance, dry cargo is considered a lower-risk item, compared to liquid or perishable cargo. The insurer will typically require less stringent coverage for dry cargo, which may result in lower premiums.

Duration of Voyage is the period of time during which a vessel is at sea, usually from the time of departure to the time of arrival. In marine insurance, the duration of voyage is an important factor, as it affects the level of risk and the amount of coverage provided. The insurer will typically require an estimate of the duration of voyage to determine the premium and terms of the policy.

Endorsement is a document that modifies or amends the terms of an insurance policy, often to add or delete coverage, or to change the limits of liability. In marine insurance, an endorsement is typically used to update the policy to reflect changes in the risk or circumstances surrounding the vessel or cargo.

Excess Liability is a type of insurance that provides coverage for losses or damages that exceed the limits of a primary policy. In marine insurance, excess liability insurance is often used to provide additional protection for high-value vessels or cargo. The excess liability policy will typically include terms and conditions that outline the rights and obligations of both parties.

Exclusions are provisions in an insurance policy that exclude or limit coverage for specific risks or perils. In marine insurance, exclusions are typically used to limit the insurer's liability and prevent excessive payouts. The exclusions will typically be specified in the policy document and may include risks such as war, strikes, or nuclear accidents.

Facultative Reinsurance is a type of reinsurance where the reinsurer accepts or declines each risk individually, rather than automatically accepting all risks under a treaty. In marine insurance, facultative reinsurance is often used to provide additional protection for high-value vessels or cargo. The facultative reinsurance policy will typically include terms and conditions that outline the rights and obligations of both parties.

Fair Market Value is the value of a vessel or cargo, determined by the price that a willing buyer would pay to a willing seller in the open market. In marine insurance, the fair market value is an important factor, as it affects the amount of coverage provided and the premium paid. The insurer will typically require an appraisal or survey to determine the fair market value of the vessel or cargo.

Fidelity Guarantee is a type of insurance that provides coverage for losses or damages resulting from the dishonest or fraudulent acts of employees or agents. In marine insurance, fidelity guarantee insurance is often used to protect the owner of a vessel or cargo against theft or embezzlement. The fidelity guarantee policy will typically include terms and conditions that outline the rights and obligations of both parties.

Freight is the charge paid by the shipper to the carrier for the transportation of goods, which may be insured against loss or damage. In marine insurance, freight is considered a high-risk item, due to the potential for delay or confiscation of goods. The insurer will typically require specialized coverage for freight, which may include additional premiums and deductibles.

General Average is a principle of marine insurance, where the losses or damages resulting from a sacrifice or expenditure made to save the vessel or cargo are shared among all parties involved. In marine insurance, general average is an important concept, as it affects the allocation of losses or damages and the amount of coverage provided.

Gross Negligence is a serious breach of duty or care, which may result in losses or damages to a vessel or cargo. In marine insurance, gross negligence is considered a high-risk factor, and may result in the voidance of the policy or the denial of a claim. The insurer will typically investigate any allegations of gross negligence and may require additional information or documentation to support the claim.

Hull is the main structure of a vessel, excluding machinery and equipment. In marine insurance, the hull is an important factor, as it affects the value of the vessel and the amount of coverage provided. The insurer will typically require an appraisal or survey to determine the value of the hull.

Implied Warranty is a term or condition that is implied by law or custom, often relating to the seaworthiness or fitness of a vessel for a particular voyage or purpose. In marine insurance, implied warranty is an important concept, as it affects the rights and obligations of both parties. The implied warranty will typically be implied by the circumstances surrounding the voyage or the terms of the policy.

Inchmaree Clause is a provision in an insurance policy that covers losses or damages resulting from latent defects in the hull or machinery of a vessel. In marine insurance, the Inchmaree clause is an important concept, as it provides additional protection for the owner of the vessel against unforeseen losses or damages.

Inland Marine Insurance is a type of insurance that provides coverage for goods or equipment while they are in transit or storage on land. In marine insurance, inland marine insurance is often used to provide additional protection for goods or equipment that are not covered by a traditional marine policy.

Insurable Interest is the financial interest that an insured has in a vessel or cargo, which must exist at the time of loss or damage in order to make a valid claim. In marine insurance, insurable interest is an important concept, as it affects the rights and obligations of both parties. The insurable interest will typically be determined by the ownership or possession of the vessel or cargo.

Insurer is the party that provides insurance coverage to the insured, usually in exchange for premiums. In marine insurance, the insurer is responsible for investigating claims, paying losses or damages, and providing coverage for the insured.

Interests is a term used to describe the parties involved in a marine insurance policy, including the owner, charterer, and mortgagee. In marine insurance, interests are an important factor, as they affect the rights and obligations of each party.

International Maritime Organization is a global organization that regulates and coordinates maritime activities, including safety, security, and environmental protection. In marine insurance, the International Maritime Organization plays a critical role in setting standards and guidelines for the industry.

Joint Venture is a business arrangement between two or more parties, which may be insured against loss or damage. In marine insurance, joint venture insurance is often used to provide additional protection for the owners of a vessel or cargo against losses or damages resulting from the joint venture.

Latent Defect is a hidden or undisclosed defect in a vessel or cargo, which may not be apparent until after the purchase or delivery. In marine insurance, latent defect is an important concept, as it may affect the value of the vessel or cargo and the amount of coverage provided.

Law and Usage is a term used to describe the customs and practices of the maritime industry, which may be relevant to the interpretation of a marine insurance policy. In marine insurance, law and usage are an important factor, as they affect the rights and obligations of both parties.

Letter of Credit is a document that guarantees payment to a seller or supplier upon presentation of compliant documents, often used in international trade. In marine insurance, letter of credit is an important concept, as it provides security for the buyer and seller and may affect the terms of the policy.

Limit of Liability is the maximum amount of money that an insurer will pay under a policy, usually specified in the policy document. In marine insurance, the limit of liability is an important factor, as it affects the amount of coverage provided and the premium paid.

Loading and Discharging is the process of loading or discharging cargo from a vessel, which may be insured against loss or damage. In marine insurance, loading and discharging is an important concept, as it affects the risks associated with the cargo and the amount of coverage provided.

Loss Adjuster is a professional who investigates and settles claims on behalf of an insurer, often in conjunction with the insured or other parties. In marine insurance, loss adjuster is an important concept, as they play a critical role in determining the extent of losses or damages and the amount of coverage provided.

Loss Payee is the party that receives payment from an insurer in the event of a loss or damage, often the owner or mortgagee of a vessel or cargo. In marine insurance, loss payee is an important concept, as they have a financial interest in the vessel or cargo and may be entitled to receive payment under the policy.

Malicious Acts is a term used to describe intentional or deliberate acts that cause loss or damage to a vessel or cargo, often excluded from coverage under a marine insurance policy. In marine insurance, malicious acts are an important concept, as they may affect the rights and obligations of both parties.

Manifest is a document that lists the cargo carried on a vessel, often used to determine the value and ownership of the cargo. In marine insurance, manifest is an important concept, as it provides evidence of the cargo and the terms of the policy.

Marine Insurance Act is a statute that regulates the marine insurance industry, often providing guidelines and standards for insurers and insureds. In marine insurance, Marine Insurance Act is an important concept, as it affects the rights and obligations of both parties.

Marine Surveyor is a professional who inspects and evaluates vessels or cargo to determine their condition and value, often on behalf of an insurer or other party. In marine insurance, marine surveyor is an important concept, as they play a critical role in determining the extent of losses or damages and the amount of coverage provided.