

## **Quadrant II –Notes**

**Paper Code: LWI0319**

**Module Name: The insured perils: Marine insurance**

**Module No: 29**

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Marine policy is intended to cover risk to insurable property from maritime perils like perils of the sea, fire, etc., There are other perils, like for instance pirates, Rovers, thieves, jettisons, arrest, restraint, detainment of Kings, Princess etc. These are some of the well-known Insured perils under marine insurance. Policy must clearly specify the perils insured and the excluded perils.

Insured must clearly specify the kind of insured perils or the kind of perils he is insuring against. Insured can expressly exclude some of the perils as per his choice. insurer is liable only if the proximate cause of loss is insured peril. indemnity will not be paid if the losses are caused by expressly excluded perils.

Perils of the sea, men of war, fire, enemies, pirates, thieves, etc. Perils of the sea is an umbrella term. Perils of the sea is the most important and extensive of marine perils. It refers only to fortuitous accidents or casualties; it does not include a wilful misconduct of the insured. It does not include the ordinary actions of winds and waves. The burden of proving the perils of the sea is on the insured.

Piracy; If the attack on the ship is capable of being a maritime offence, In a place where piracy can be committed, piracy is one of the most important perils which every insured prefers to include in marine policy. Taking at the sea, these are construed to include captures and seizures by the enemy.

Exempted perils mean it excludes the underwriter from liability where the losses caused by war, civil war, revolution, rebellion, etc. these are set to be exempted perils. Insured's right to collect a claim is one of the important rights. Fire is another important common peril under marine insurance, cause of fire is immaterial. Insurer is liable to pay indemnity. Fire caused by inherent vice then the insurer is not liable.

Pirates, thieves; pirates include passengers who mutiny and rioters who attack the ship from the shore Thieves does not include clandestine. Restraint of Princess. There is a difference between a loss caused by riot and a restraint of Princess.

Barratry is another important peril which are mostly included by the insured under marine policy. includes every wrongful act wilfully committed by the master or crew to prejudice the owner of the ship.

Criminal barratry where the act or where the goods were delivered by the master of the vessel carrying them to the third party who did not produce all the outstanding bill of lading, it is the responsibility of the master to deliver the goods only to the person who produce bill of lading.

Ingress of seawater. Loss resulting from sinking of ship due to ingress of seawater would not have been occurred on land and therefore it is an accident on the sea. it is one of the important perils. warehouse to warehouse policy. It is not concerned with type of risk covered by the policy. It includes only perils similar in kind to perils, specially mentioned in the policy.

Additional parallels. The Institute of London underwriters have framed various sets of clauses and appropriate clauses may be inserted in the policy. the additional perils. Inchmaree Clause, accident in loading, discharging or shifting of cargo, bursting of boilers, etc., The war clauses, policy is intended to cover only marine perils and not war risk, free of captures and seizure clauses.

Sister ship clause; both the vessels colliding belong to the same owner. The owner incurs no legal liability for damage of both the vessels that is the sistership clause. the owner incurs no legal liability for damage to both the vessels.