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L.L.B Part- 2nd

Subject- Insurance Act

Paper- 8th

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Topic- Explain the Essential elements of a Marine Insurance contract.

Marine insurance

Marine insurance has been defined as a contract between the insurer and insured whereby the insurer undertakes to indemnify the insured in a manner and to the interest thereby agreed, against marine losses incident to marine adventure.

Essential elements of Marine Insurance Contract

The marine insurance has the following essential features which are also called fundamental principles of marine insurance;

1. Elements of general contract:

In marine insurance contract, there are all elements of general insurance contract. Cause as an arrangement contract it a general contract. Which kinds of contract are including in general contract:

(a) Two parties:

In contract of marine insurance, there are two parties. One party is insurance company and another party is insurance holder.

(b) Offer and acceptance:

Like general contract, an insurance holder offered to insurance company for accept his policy. If a policy is accepted then contract are accomplish.

(c) Legal Consideration:

As natural contract, insurer makes confirmation to insurance holder for deducing risk by money. It is given from insurer to insurance holder.

(d) Capacity of contract:

Both parties should stay capacity of contract.

(e) Legal object:

The contract should be legal contract.

(f) Green consent:

Both parties have to give consent with freedom.

(g) Certainty:

Insurance subject should be certainty.

(h) Written:

Contract must be written.

2. Insurable interest:

The insurable interest is the pecuniary interest where by the policy holder is benefited by the existence of the subject matter and is prejudiced by the death or damage of the subject matter.

3. Utmost good faith:

As the under writer knows nothing and the man who comes to him to ask to insure knows underwriter without being asked of all the material circumstances, this is expressed saying it is a contract of utmost good faith.

4. Compensation for damage:

Insurance is a contract of indemnity under which insurance company agrees to pay a certain sum of money to compensate loss caused the occurrence of uncertain event in consideration of certain periodical payment premium.

5. Proximate cause:

Some kinds of peril are caused by happened waste that is called proximate.

6. Proportionate contribution:

If any waste is happened which did not count over all, its peril fulfill by proportionately.

7. Subject matter of insurance:

In marine insurance way of ships, ships product, ships rent, etc. are known as a marine insurance subject matter or insurance.

8. Period:

There are two kinds of marine insurance policy. one of specific sea journey base and another one is time base.

9. Warranties:

There are some conditions in marine insurance contract such as,

- I. ships neutrality**
- II. journeys time**
- III. safety time**
- IV. properties neutrality**
- V. ability to ships journey**
- VI. legality of sea journeys**
- VII. no late journey**

So these are the essential elements of marine insurance that are part of a legal marine insurance. An ideal marine insurance contract should be followed by these elements or must have these elements.

The End