

---

Postgraduate Certificate in Marine Survey Technology

## Marine Insurance and Claims Handling

---

Marine Insurance is a type of insurance that covers the loss or damage of ships, cargo, terminals, and any transport or transit by sea. It is a specialized field that requires a deep understanding of maritime laws, practices, and language. In this explanation, we will cover some of the key terms and vocabulary used in Marine Insurance and Claims Handling in the course Postgraduate Certificate in Marine Survey Technology.

**All Risks:** This is a type of insurance policy that covers all losses or damage, unless specifically excluded. It is the broadest form of coverage available in marine insurance.

**Average Adjustment:** This is a process used to apportion the loss between the insurer and the insured when the loss is partial. It is based on the proportion of the value of the insured item to the total value at the time of the loss.

**Bill of Lading:** This is a legal document that details the type, quantity, and destination of the goods being transported. It is issued by the carrier to the shipper and serves as proof of contract of carriage, receipt of goods, and evidence of title to the goods.

**CIF (Cost, Insurance, and Freight):** This is a type of shipping agreement where the seller is responsible for delivering the goods to the agreed-upon destination, and the cost includes the price of the goods, insurance, and freight.

**Claim:** A request for payment under an insurance policy due to loss or damage.

**General Average:** This is a principle in maritime law where all parties involved in the transportation of goods share the losses resulting from an extraordinary sacrifice made to save the ship and cargo.

**Institute Cargo Clauses (A, B, and C):** These are standard forms of cargo insurance published by the Institute of London Underwriters. They provide different levels of coverage, with Clause (A) providing the broadest coverage and Clause (C) providing the narrowest.

**Insurable Interest:** This is the financial interest that an individual or entity has in an insured item. It is a requirement for obtaining marine insurance.

**Marine Survey:** An inspection of a ship, cargo, or terminal to assess its condition and value.

**Perils:** The risks or dangers covered by a marine insurance policy, such as fire, explosion, collision, and theft.

**Policy:** A contract between the insurer and the insured that outlines the terms and conditions of the insurance coverage.

**Premium:** The cost of insurance coverage, usually paid annually or semi-annually.

**Proof of Loss:** A formal statement made by the insured to the insurer regarding the loss or damage, which serves as the basis for the claim.

**Salvage:** The act of saving a ship, cargo, or other property from loss or damage.

**Total Loss:** The complete destruction or disappearance of an insured item, for which the insurer is liable to pay the full amount of the policy.

**Ullage:** The amount by which the level of a liquid in a container is below its proper level.

**Warranted:** A provision in a marine insurance policy that specifies certain conditions that must be met for the policy to be in force.

Now, let's look at some practical applications and challenges of Marine Insurance and Claims Handling.

One of the challenges in Marine Insurance and Claims Handling is the complexity of maritime laws and practices. For example, the concept of general average can be difficult to understand, and calculating the proportion of loss can be a complex process.

Another challenge is the potential for fraudulent claims. For example, a shipper may exaggerate the value of the cargo or claim damage that did not occur. To mitigate this risk, marine insurers often require a survey of the cargo before and after transit.

In addition, Marine Insurance and Claims Handling requires a deep understanding of the language and terminology used in the industry. For example, the term "average adjustment" is not commonly used outside of marine insurance, and misunderstanding its meaning can lead to confusion and errors in the claims process.

To address these challenges, it is important for those in the Marine Survey Technology field to have a strong foundation in marine insurance and claims handling. This includes understanding the key terms and vocabulary used in the industry, as well as the practical applications and challenges of Marine Insurance and Claims Handling.

For example, a marine surveyor may be called upon to assess the damage to a ship or cargo and determine the cause of the loss. This information will be used to file a claim with the insurance company, and the surveyor's report will serve as evidence in the claims process.

In conclusion, Marine Insurance and Claims Handling is a complex and specialized field that requires a deep understanding of maritime laws, practices, and language. By understanding the key terms and vocabulary used in the industry, those in the Marine Survey Technology field can better navigate the challenges and practical applications of Marine Insurance and Claims Handling.