

The policy offers widest range of cover compared to that provided by individual operational policies.

Premium rates for the policy depend on the cover opted, claims experience, and deductibles opted, risk assessment report for MLOP etc.

Marine Insurance

Marine insurance is classified into two types: marine cargo and marine hull

1. Marine Cargo Insurance

Though the term 'marine' may indicate only losses due to sea (marine) mis-adventures, **marine cargo insurance** covers much more. It provides indemnity in respect of loss of or damage to goods during transit by rail, road, sea, air or registered post, within the country as well as abroad. Type of goods may range from diamonds to household goods, bulk items like cement, grains, over dimensional cargoes for projects etc.

Cargo insurance plays an important role in domestic trade as well as in international trade. Most contracts of sale require that the goods must be covered, either by the seller or the buyer, against loss or damage.

Who effects the insurance: The seller or the buyer of the goods [consignment] may insure the cargo depending upon the contract of sale.

Marine insurance contract needs to have provisions that apply internationally. This is because it covers goods that are in transit beyond any country's borders. The covers are accordingly governed by international conventions and certain clauses attached to the policy.

Different types of marine policies

i. Specific Policy

This policy covers a single shipment. It is valid for the particular voyage or transit. Merchants who are engaged in regular import and export trade or who are sending consignments regularly by inland transit would find it convenient to arrange insurances under special arrangements like the open policy.

ii. Open Policy

The carriage of goods within the country can be covered under an open policy. The policy is valid for one year and all consignments during this period have to be declared by the insured to the insurer as agreed between them on a fortnightly, monthly or quarterly basis.

iii Open Cover

For large exporters and importers who have continuous trade, an open cover is issued. It sets out the terms of cover and rates of premium for one-year transaction of marine dispatches. The open cover is not a policy and it is not stamped. A certificate of insurance is issued for each declaration duly stamped for appropriate value.