

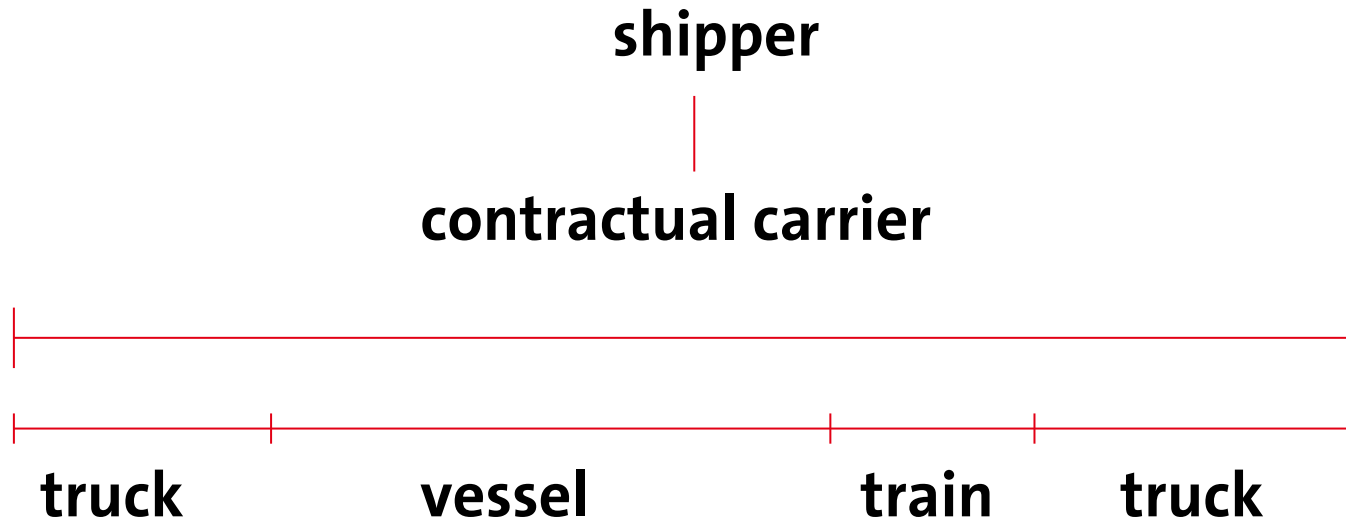


Fundamentals of International Business Transactions

(Multimodal) Transport and Insurance Law

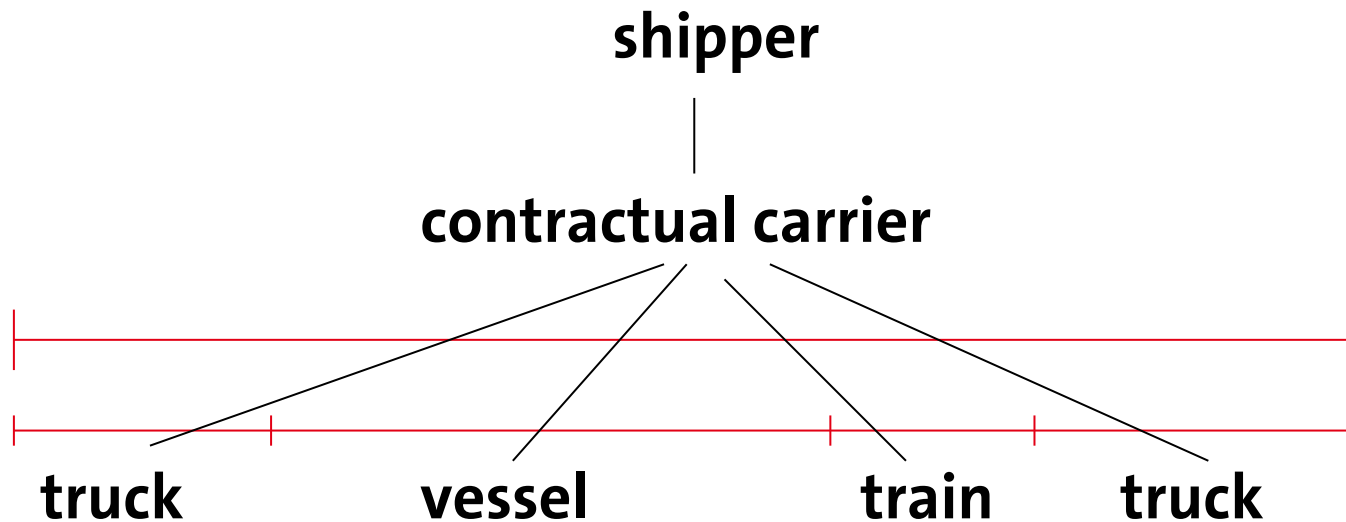
The Multimodal Transport

- **single Contract of Affreightment**
- **but: different modes of transportation**
execution by the contractual carrier or subcontractors



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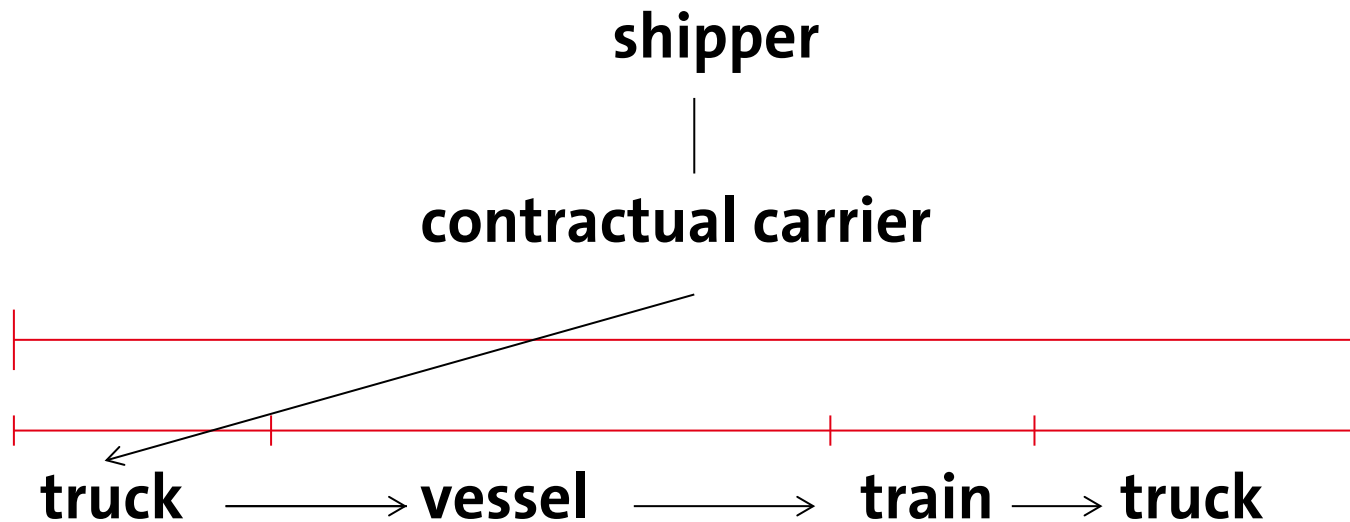
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= subcontractors of the contractual carrier

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chain of subcontractual relationships behind the carrier

Particularities of the Multimodal Transport

1. Lack of International (uniform) Law

- Convention adopted in 1980 did not become effective
- Rotterdam Rules signed in 2009 (not yet in force)

2. Application of the mandatory liability law unimodal transports

- place of damage known
 - rules of the law of transportation of this stretch apply (mandatory unimodal law !)
- place of damage unknown
 - no int. regulation

3. Domestic Law

- specific national rules, e.g. Germany, Netherlands
- excluding sea traffic

4. Contractual Practice

- *FIATA Bill of Lading*
- amount of liability depending on the mode of transport

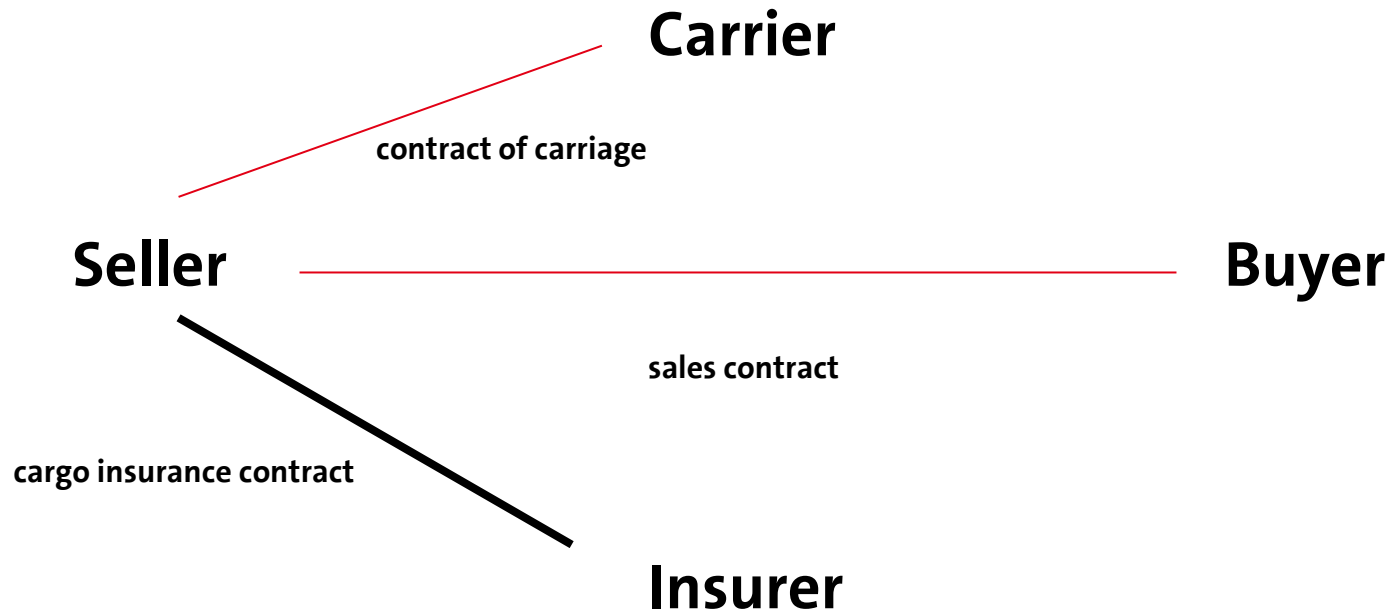
Insurance Law – Fundamentals -

- 1. Distinctions according to the kind of the insurable interests**
 - a) Cargo Insurance**
 - b) Carriers Liability Insurance**
 - c) Hull & Machinery Insurance**

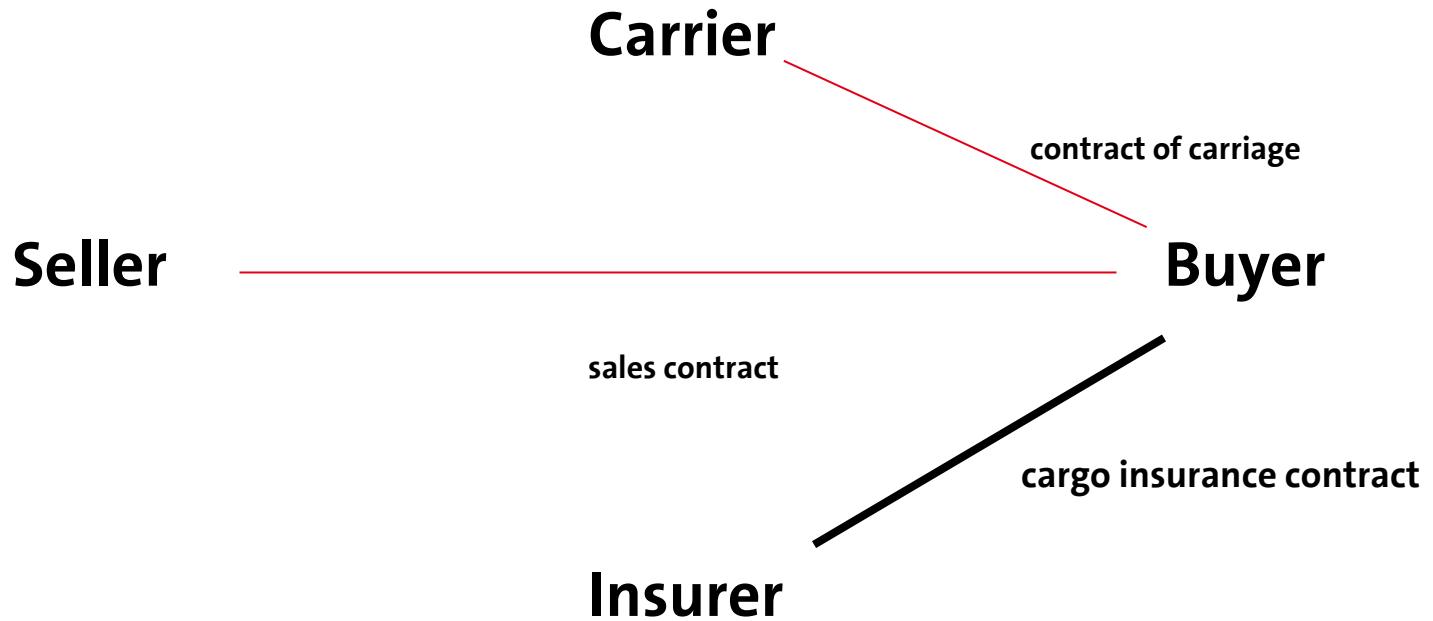
- 2. Distinctions according to transport routes**
 - Marine Insurance**
 - Inland Transportations Insurance**
 - Air Transports Insurance**
 - Insurance for Multimodal Transports**

- 3. Distinctions according to the period of time**
 - Open Cover**
 - Insurance of an Individual (Single) Transport**
 - Insurance of a Particular Journey or for a Certain Period of Time (concerning hull insurance)**

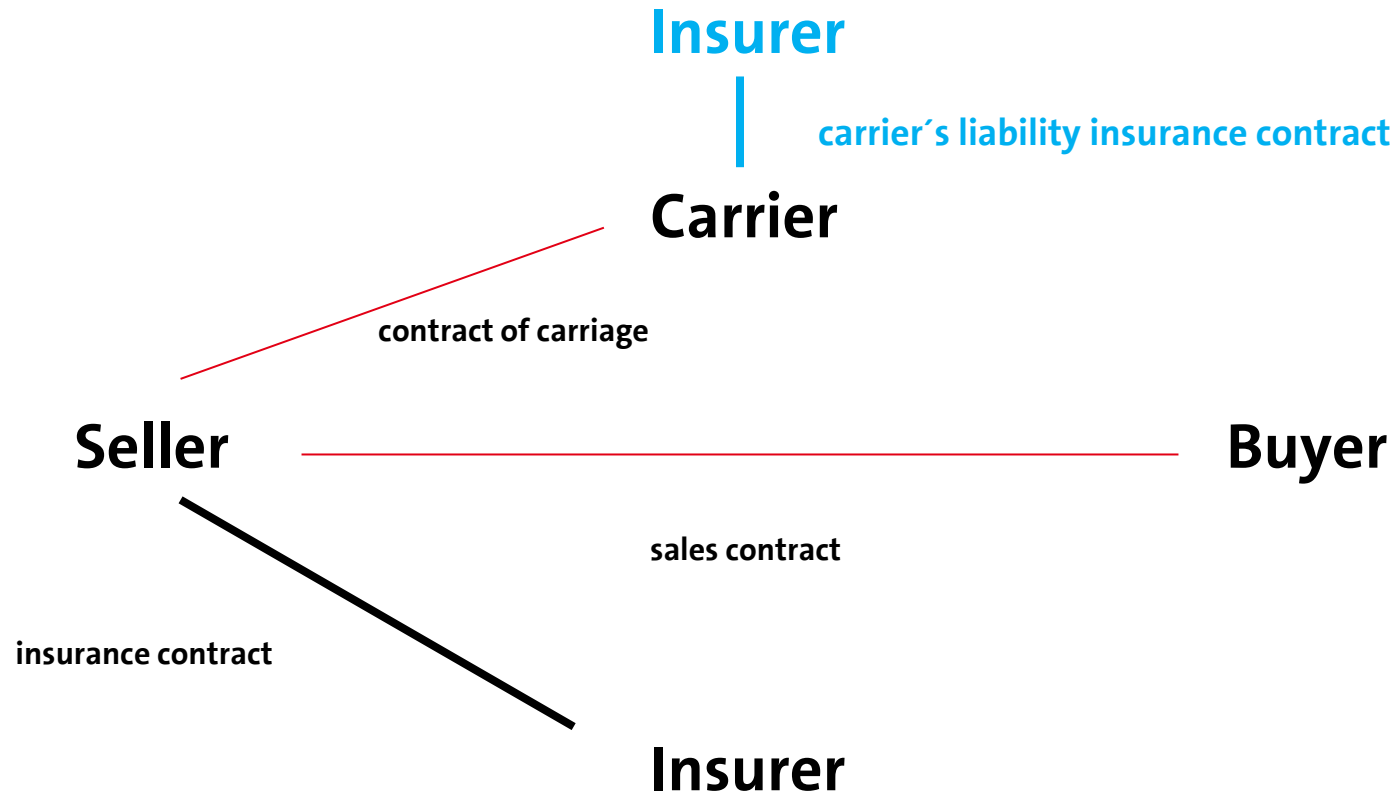
The Contract of Carriage (cif deal)



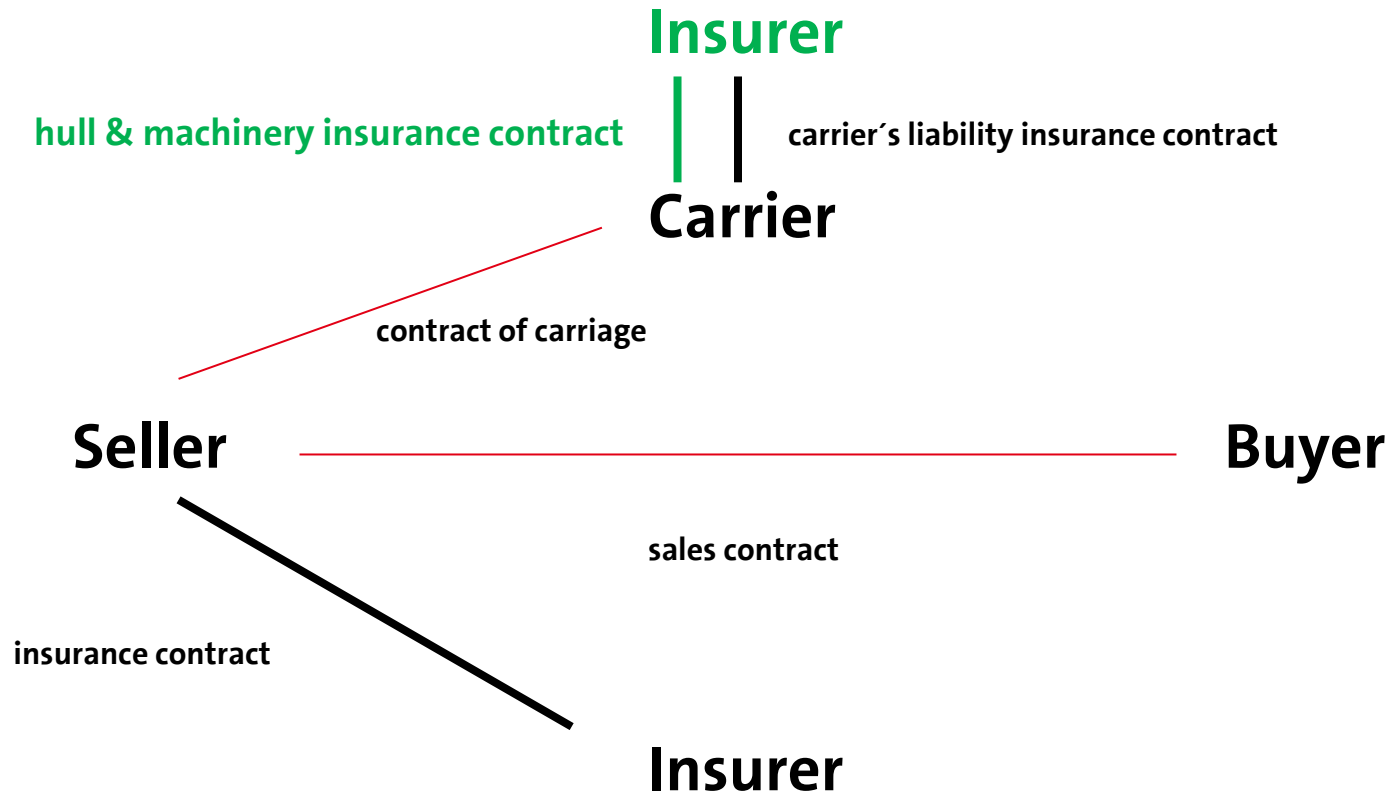
The Contract of Carriage (fob deal)



The Contract of Carriage (cif deal)



The Contract of Carriage (cif deal)



Cargo Insurance – Fundamentals

1. Insurer

- **P & I-Clubs (Protection & Indemnity Clubs)**
 - the members are ship owners and carriers
 - they pay a pro rata allocation covering all damages
- **13 Clubs dominated by 8 British Clubs**
- **Poolsystem: damages over 3 bn. US-\$ are covered by an international pool of all insurers**

2. Insurance

- **Cover for named risks**
- **Conditions: no cover für**
 - **Cargo on deck**
 - **Incorrect B/L**
- **„pay to be payed“-principle:**
 - the insured has to pay the damages first before he gets payment of the insurer
 - in case of bankruptcy the insurer is not obliged to pay

Cargo Insurance – ICC-Rules

1. **Institute Cargo Clauses (ICC)**
= **British Insurance Conditions for cargo insurance contracts**

2. **Covered Risks**
 - a) **A-Cover: all-risks-principle**
 - b) **B-Cover: named risks**
 - c) **C-Cover: minimum risks (fire, running aground, ...)**

3. **Substantial Content**
 - (1) **Risk Cover**
 - (2) **Exclusions**
 - (3) **Duration**
 - (4) **Claims (in case of an insured event)**
 - (5) **Benefit of insurance (cargo damages ./indirect pecuniary loss)**
 - (6) **Minimizing Losses**
 - (7) **Avoidance of Delay (through the insured)**
 - (8) **Law of Practice (applicable Law)**