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SCHEDULE**THE LAWS OF BARBADOS**

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CHAPTER 292**MARINE INSURANCE**

An Act representing marine insurance.

1979-12.

[1st July, 1979] Commence-
ment.

Short title

1. This Act may be cited as the *Marine Insurance Act*.

Short title.

Interpretation

2. In this Act,

Definitions.

(a) "action" includes counter-claim and set-off;

(b) "freight" includes the profit derivable by a ship owner from the employment of his ship to carry his own goods or moveables, as well as freight paid by a third-party, but does not include passage money;

(c) "moveables" means any moveable tangible property, other than the ship, and includes money, valuable securities, and other documents;

(d) "policy" means a marine policy.

3. The rules of the common law, including the law merchant, except to the extent that they are inconsistent with this Act, apply to contracts of marine insurance.

Application
of common
law.

Marine Insurances

4. A contract of marine insurance is a contract whereby the insurer undertakes to indemnify the assured in manner and to the extent thereby agreed against marine losses, that is to say, the losses incident to marine adventure.

Marine
insurance.

Mixed sea
and land
risk.

5. (1) A contract of marine insurance may, by its express terms, or by usage of trade, be extended to protect the assured against losses on inland waters or on any land risk that may be incidental to any sea voyage.

(2) Where a ship in course of building, or the launch of a ship, or any adventure analogous to a marine adventure, is covered by a policy in the form of a marine policy, the provisions of this Act, in so far as they are applicable, apply thereto; but, except as by this section provided, nothing in this Act alters or affects any rule of law applicable to any contract of insurance other than a contract of marine insurance as defined by this Act.

Marine ad-
venture and
maritime
perils.

6. (1) Subject to this Act, every lawful marine adventure may be the subject of a contract of marine insurance.

(2) In particular, there is a marine adventure where

- (a) any ship, goods or other moveables are exposed to maritime perils, which property is in this Act referred to as "insurable property";
- (b) the earning or acquisition of any freight, passage money, commission, profit, or other pecuniary benefit, or the security for any advances, loan, or disbursements, is endangered by the exposure of insurable property to maritime perils; or
- (c) any liability to a third party may be incurred by the owner of, or other person interested in or responsible for, insurable property, by reason of maritime perils.

(3) "Maritime perils" means the perils consequent on, or incidental to, the navigation of the sea, that is to say, perils of the seas, fire, war perils, pirates, rovers, thieves, captures, seizures, restraints and detentions of princes and peoples, jettisons, barratry, and any other perils, either of the like kind or as may be designated by the policy.

Insurable Interest

Wagering or
gaming con-
tracts.

7. (1) Every contract of marine insurance by way of gaming or wagering is void.

(2) A contract of marine insurance is a gaming or wagering contract where

- (a) the insured has not an insurable interest as defined by this Act, and the contract is entered into with no expectation of acquiring such an interest; or
- (b) the policy is made "interest or no interest" or "without further proof of interest than the policy itself", or "without benefit of salvage to the insurer" or subject to any other like term;

except that where there is no possibility of salvage, a policy may be effected without benefit of salvage to the insurer.

8. (1) Subject to this Act, every person has an insurable interest who is interested in a marine adventure. Insurable interest.

(2) In particular, a person is interested in a marine adventure where he stands in any legal or equitable relation to the adventure, or to any moveable property at risk therein, in consequence of which he may benefit by the safety or due arrival of insurable property, or may be prejudiced by its loss, or by damage thereto, or by the detention thereof, or may incur liability in respect thereof.

9. (1) The assured must be interested in the subject-matter insured at the time of the loss though he need not be interested when the insurance is effected. When interest to attach.

(2) Notwithstanding subsection (1), where the subject-matter is insured "lost or not lost", the assured may recover although he may not have acquired his interest until after the loss, unless at the time of effecting the contract of insurance the assured was aware of the loss and the insurer was not.

(3) Where the assured has no interest at the time of the loss, he cannot acquire interest by any act or election after he is aware of the loss.

10. (1) A defeasible interest is insurable, as also is a contingent interest. Defeasible or contingent interest.

(2) In particular, where the buyer of goods has insured them, he has an insurable interest, notwithstanding that he might, at

his election, have rejected the goods, or have treated them as at the seller's risk, by reason of the latter's delay in making delivery or otherwise.

Partial
interest.

11. A partial interest of any nature is insurable.

Re-
insurance.

12. (1) The insurer under a contract of marine insurance has an insurable interest in his risk, and may re-insure in respect of it.

(2) Unless the policy otherwise provides, the original assured has no right or interest in respect of such re-insurance.

Bottomry,
etc.

13. The lender of money on bottomry or respondentia has an insurable interest in respect of the loan.

Wages of
crew, etc.

14. The master or any member of the crew of a ship has an insurable interest in respect of his wages.

Advance
freight.

15. In the case of advance freight, the person advancing the freight has an insurable interest in so far as the freight is not repayable in case of loss.

Insurance
charges.

16. The assured has an insurable interest in the charges of any insurance that he may effect.

Quantum
of interest.

17. (1) Where the subject-matter that is insured is mortgaged, the mortgagor has an insurable interest in the full value thereof; and the mortgagee has an insurable interest in respect of any sum due or to become due under the mortgage.

(2) A mortgagee, consignee, or other person having an interest in the subject-matter insured may insure on behalf and for the benefit of other persons interested as well as for his own benefit.

(3) The owner of insurable property has an insurable interest in respect of the full value thereof, notwithstanding that some third person may have agreed, or be liable, to indemnify him in case of loss.

18. (1) Where the assured assigns or otherwise parts with his interest in the subject-matter insured, he does not thereby transfer to the assignee his rights under the contract of insurance, unless there is an express or implied agreement with the assignee to that effect. Assignment of interest.

(2) This section does not affect a transmission of interest by operation of law.

Insurable Value

19. Subject to any express provision or valuation in the policy, the insurable value of the subject-matter insured must be ascertained as follows: Measure of insurable value.

- (a) in insurance on ship, the insurable value is the value, at the commencement of the risk, of the ship, including
 - (i) her outfit, provisions and stores for the officers and crew, money advanced for seamen's wages, and other disbursements (if any) incurred to make the ship fit for the voyage or adventure contemplated by the policy, plus the charges of insurance upon the whole;
 - (ii) in the case of a steamship or motorship, the machinery, boilers, coals, bunker-oil or other fuel and engine stores if owned by the assured; and
 - (iii) in the case of a ship engaged in a special trade, the ordinary fittings requisite for that trade;
- (b) in insurance on freight, whether paid in advance or otherwise, the insurable value is the gross amount of the freight at the risk of the assured, plus the charges of insurance;
- (c) in insurance on goods or merchandise, the insurable value is the prime cost of the property insured, plus the expenses of and incidental to shipping and the charges of insurance upon the whole;
- (d) in insurance on any other subject-matter, the insurable value is the amount at the risk of the assured when the policy attaches, plus the charges of insurance.

Disclosure and Representations

Utmost
good faith.

20. A contract of marine insurance is a contract based upon the utmost good faith; and, if the utmost good faith is not observed by either party, the contract may be avoided by the other party.

Disclosure
by assured.

21. (1) Subject to this section, the assured must disclose to the insurer, before the contract is concluded, every material circumstance that is known to the assured; and the assured is presumed to know every circumstance that, in the ordinary course of business, ought to be known by him; and if the assured fails to make any such disclosure, the insurer may avoid the contract.

(2) Every circumstance is material that would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.

(3) In the absence of inquiry the following circumstances need not be disclosed:

- (a) any circumstance that diminishes the risk;
- (b) any circumstance that is known or presumed to be known to the insurer; and the insurer is presumed to know matters of common notoriety or knowledge, and matters that an insurer in the ordinary course of his business, as such, ought to know;
- (c) any circumstance in respect of which information is waived by the insurer; and
- (d) any circumstance that it is superfluous to disclose by reason of any express or implied warranty.

(4) Whether any particular circumstance that is not disclosed is material or not is, in each case, a question of fact.

(5) The term "circumstance" includes any communication made to, or information received by, the assured.

Disclosure
by agent.

22. Subject to section 21 as to circumstances that need not be disclosed, where an insurance is effected for the assured by an agent, the agent must disclose to the insurer:

- (a) every material circumstance that is known to himself, and an agent to insure is presumed to know every circumstance that in the ordinary course of business ought to be known by, or to have been communicated to, him; and
- (b) every material circumstance that the assured is bound to disclose, unless it comes to his knowledge too late to communicate it to the agent.

23. (1) Every material representation made by the assured or his agent to the insurer during the negotiations for the contract, and before the contract is concluded, must be true; and if a representation is untrue the insurer may avoid the contract.

Repre-
sentations
pending
contract.

(2) A representation is material that would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.

(3) A representation may be either a representation as to a matter of fact, or as to a matter of expectation or belief.

(4) A representation as to a matter of fact is true if it is substantially correct, that is to say, if the difference between what is represented and what is actually correct would not be considered material by a prudent insurer.

(5) A representation as to a matter of expectation or belief is true if it is made in good faith.

(6) A representation may be withdrawn or corrected before the contract is concluded.

(7) Whether a particular representation is material or not is, in each case, a question of fact.

24. (1) A contract of marine insurance is concluded when the proposal of the assured is accepted by the insurer, whether the policy is then issued or not.

When con-
tract con-
cluded.

(2) For the purpose of showing when the proposal was accepted, reference may be made to the slip or covering note or other customary memorandum of the contract, even though it is unstamped.

The Policy

Contract embodied in policy.

25. (1) Subject to any other Act, a contract of marine insurance is not admissible in evidence unless it is embodied in a marine policy in accordance with this Act.

(2) The marine policy may be executed and issued either at the time when the contract is concluded, or afterwards.

What policy to contain.

26. A marine policy must specify:

- (a) the name of the assured, or of some person who effects the insurance on his behalf;
- (b) the subject-matter insured and the risk insured against;
- (c) the voyage, or period of time, or both, as the case may be, covered by the insurance;
- (d) the sum or sums insured; and
- (e) the name or names of the insurers.

Signature of insurer.

27. (1) A marine policy must be signed by or on behalf of the insurer; but in the case of a corporation, the corporate seal may be sufficient.

(2) Where a policy is subscribed by or on behalf of two or more insurers, each subscription, unless the contrary is expressed, constitutes a distinct contract with the assured.

(3) Nothing in this section requires the subscription of a corporation to be under seal.

Voyage policy; time policy.

28. Where the contract is to insure the subject-matter “at and from”, or from one place to another or others, the policy is called a “voyage policy”; and where the contract is to insure the subject-matter for a definite period of time, the policy is called a “time policy”.

Voyage and time policy.

29. A contract for both voyage and time may be included in the same policy.

30. (1) The subject-matter insured must be designated in a marine policy with reasonable certainty. Designation of subject-matter.

(2) The nature and extent of the interest of the assured in the subject-matter insured need not be specified in the policy.

(3) Where the policy designates the subject-matter insured in general terms it shall be construed to apply to the interest intended by the assured to be covered.

(4) In the application of this section, regard shall be had to any usage regulating the designation of the subject-matter.

31. (1) A policy may be either valued or unvalued. Valued policy.

(2) A valued policy is a policy that specifies the agreed value of the subject-matter insured.

(3) Subject to this Act and in the absence of fraud, the value fixed by the policy is, as between the insurer and assured, conclusive of the insurable value of the subject intended to be insured, whether loss is total or partial.

(4) Unless the policy otherwise provides, the value fixed by the policy is not conclusive for the purpose of determining whether there has been a constructive total loss.

32. An unvalued policy is a policy that does not specify the value of the subject-matter insured, but, subject to the limit of the sum insured, leaves the insured value to be subsequently ascertained, in the manner specified in section 19. Unvalued policy.

33. (1) A floating policy is a policy that describes the insurance in general terms and leaves the name of the ship or ships and other particulars to be defined by subsequent declaration. Floating policy.

(2) Subsequent declarations may be made by endorsement on the policy or in other customary manner.

(3) Unless the policy otherwise provides, the declarations must be made in the order of despatch or shipment.

(4) The declaration must, in the case of goods, comprise all consignments within the terms of the policy, and the value of the

goods or other property must be honestly stated; but an omission or erroneous declaration may be rectified even after loss or arrival if the omission or declaration was made in good faith.

(5) Unless the policy otherwise provides, where a declaration of value is not made until after notice of loss or arrival, the policy must be treated as an unvalued policy as regards the subject-matter of that declaration.

Form of
policy.

34. (1) A policy may be in the form in the Schedule.

Schedule.

(2) Subject to this Act, and unless the context of the policy otherwise requires, the terms and expressions mentioned in the Schedule shall be construed as having the scope and meaning in that Schedule assigned to them.

Premium
left to be
arranged.

35. (1) Where an insurance is effected at a premium to be arranged and no arrangement is made, a reasonable premium is payable.

(2) Where an insurance is effected on the terms that an additional premium is to be arranged in a given event and that event happens but no arrangement is made, then a reasonable additional premium is payable.

Double Insurance

Double
insurance.

36. (1) Where two or more policies are effected by or on behalf of the assured on the same adventure and interest or any part thereof and the sums insured exceed the indemnity allowed by this Act, the assured is over-insured by double insurance.

(2) Where the assured is over-insured by double insurance,

(a) the assured, unless the policy otherwise provides, may claim payment from the insurers in such order as he may think fit, but he is not entitled to receive any sum in excess of the indemnity allowed by this Act;

(b) where the policy under which the assured claims is a valued policy, the assured must give credit, as against the valuation, for any sum received by him under any other

policy, without regard to the actual value of the subject-matter insured;

- (c) where the policy under which the assured claims is an unvalued policy, the assured must give credit, as against the full insurable value, for any sum received by him under any other policy; and
- (d) where the assured receives any sum in excess of the indemnity allowed by this Act, the assured holds that sum in trust for the insurers, according to their right of contribution among themselves.

Warranties, etc.

37. (1) A warranty, in sections 38 to 45, means a promissory warranty, that is to say, a warranty by which the assured undertakes that some particular thing will or will not be done, or that some condition will be fulfilled, or whereby he affirms or negatives the existence of a particular state of facts. Nature of warranty.

(2) A warranty may be expressed or implied.

(3) A warranty, as defined in subsection (1), is a condition that must be exactly complied with, whether it is material to the contract or not; and if it is not so complied with, then, subject to any express provisions in the policy, the insurer is discharged from liability as from the date of the breach of warranty, but without prejudice to any liability incurred by him before that date.

38. (1) Non-compliance with a warranty is excused when, by reason of a change of circumstances the warranty ceases to be applicable to the circumstances of the contract or when compliance with the warranty is rendered unlawful by any subsequent law. When breach excused.

(2) Where a warranty is broken, the assured cannot avail himself of the defence that the breach has been remedied, and the warranty complied with before loss.

(3) A breach of warranty may be waived by the insurer.

39. (1) An express warranty may be in any form of words from which the intention to warrant is to be inferred. Express warranties.

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(2) An express warranty must be included in, or written upon the policy, or must be contained in some document incorporated by reference into the policy.

(3) An express warranty does not include an implied warranty, unless it is inconsistent therewith.

Warranty of
neutrality.

40. (1) Where insurable property, whether ship or goods, is expressly warranted neutral, there is an implied condition that the property will have a neutral character at the commencement of the risk and that, as far as the assured can control the matter, its neutral character will be preserved during the risk.

(2) Where a ship is expressly warranted "neutral", there is also an implied condition that, so far as the assured can control the matter, the ship will be properly documented; that is to say, the necessary papers will be carried on the ship to establish her neutrality, and her papers will not be falsified or suppressed, nor will simulated papers be used for the ship.

(3) If any loss occurs through breach of the implied condition described in subsection (2), the insurer may avoid the contract.

Nationality
of ship.

41. There is no implied warranty as to the nationality of a ship, or that her nationality will not be changed during the risk.

Warranty of
good safety.

42. Where the subject-matter insured is warranted "well" or "in good safety" on a particular day, it is sufficient if it is safe at any time during the day.

Warranty of
seaworthi-
ness of ship.

43. (1) In a voyage policy there is an implied warranty that at the commencement of the voyage the ship will be seaworthy for the purpose of the particular adventure insured.

(2) Where the policy attaches while the ship is in port, there is also an implied warranty that the ship will, at the commencement of the risk, be reasonably fit to encounter the ordinary perils of the port.

(3) Where the policy relates to a voyage that is performed in different stages during which the ship requires different kinds of, or further preparation or equipment, there is an implied warranty that at the commencement of each stage of the voyage

the ship is seaworthy in respect of the preparation or equipment for the purposes of that stage.

(4) A ship is seaworthy when she is reasonably fit in all respects to encounter the ordinary perils of the seas of the adventure insured.

(5) In a time policy there is no implied warranty that the ship will be seaworthy at any stage of the adventure; but where, with the privity of the assured, the ship is sent to sea in an unseaworthy state, the insurer is not liable for any loss attributable to unseaworthiness.

44. (1) In a policy on goods or other moveables, there is no implied warranty that the goods or moveables are seaworthy. Seaworthi-
ness of
goods.

(2) In a voyage policy on goods or other moveables, there is an implied warranty that, at the commencement of the voyage, the ship is not only seaworthy as a ship but also that she is reasonably fit to carry the goods or other moveables to the destination contemplated by the policy.

45. There is an implied warranty that the adventure insured is a lawful one and that, so far as the assured can control the matter, the adventure will be carried out in a lawful manner. Warranty of
legality.

The Voyage

46. (1) Where the subject-matter is insured by a voyage policy "at and from" or "from" a particular place, it is not necessary that the ship should be at that place when the contract is concluded, but there is an implied condition that the adventure will be commenced within a reasonable time; and if the adventure is not so commenced the insurer may avoid the contract. Implied con-
dition re
commence-
ment of risk.

(2) The implied condition may be negated by showing that the delay was caused by circumstances known to the insurer before the contract was concluded, or by showing that the insurer waived the condition.

Port of
departure,
alteration
of.

47. Where the place of departure is specified by the policy, and the ship, instead of sailing from that place, sails from any other place, the risk does not attach.

Sailing for
different
destination.

48. Where the destination is specified in the policy and the ship, instead of sailing for that destination, sails for any other destination, the risk does not attach.

Change of
voyage.

49. (1) Where, after the commencement of the risk, the destination of the ship is voluntarily changed from the destination contemplated by the policy, there is a change of voyage.

(2) Unless the policy otherwise provides, where there is a change of voyage, the insurer is discharged from liability as from the time of change, that is to say, as from the time when the determination to change it is manifested; and it is immaterial that the ship may not in fact have left the course of voyage contemplated by the policy when the loss occurs.

Deviation.

50. (1) Where a ship, without lawful excuse, deviates from the voyage contemplated by the policy, the insurer is discharged from liability as from the time of deviation; and it is immaterial that the ship may have regained her route before any loss occurs.

(2) There is a deviation from the voyage contemplated by the policy,

(a) where the course of the voyage is specially designated by the policy and that course is departed from, or

(b) where the course of the voyage is not specifically designated by the policy but the usual and customary course is departed from.

(3) The intention to deviate is immaterial; there must be a deviation in fact to discharge the insurer from his liability under the contract.

51. (1) Where several ports of discharge are specified by the policy, the ship may proceed to all or any of them; but, in the absence of any usage or sufficient cause to the contrary, the ship must proceed to them, or such of them as she goes to, in the order designated by the policy; and, if she does not, there is a deviation.

Several
ports of
discharge.

(2) Where the policy is to "ports of discharge", within a given area, that are not named, the ship must, in the absence of any usage or sufficient cause to the contrary, proceed to them, or such of them as she goes to, in their geographical order; and, if she does not, there is a deviation.

52. In the case of a voyage policy, the adventure insured must be prosecuted throughout its course with reasonable despatch; and if, without lawful excuse, it is not so prosecuted, the insurer is discharged from liability as from the time when the delay becomes unreasonable.

Delay in
voyage.

53. (1) Deviation or delay in prosecuting the voyage contemplated by a policy is excused:

Excuses for
deviation
or delay.

- (a) where authorized by any special term in the policy;
- (b) where caused by circumstances beyond the control of the master and his employer;
- (c) where reasonably necessary in order to comply with an express or implied warranty;
- (d) where reasonably necessary for the safety of the ship or subject-matter insured;
- (e) for the purpose of saving human life, or aiding a ship in distress where human life may be in danger;
- (f) where reasonably necessary for the purpose of obtaining medical or surgical aid for any person on board the ship; or
- (g) where caused by the barratrous conduct of the master or crew, if barratry is one of the perils insured against.

(2) When the cause excusing the deviation or delay ceases to operate, the ship must resume her course and prosecute her voyage with reasonable despatch.

Assignment of Policy

Policy
assignable.

54. (1) A marine policy is assignable unless it contains terms expressly prohibiting assignment; and it may be assigned either before or after loss.

(2) Where a marine policy has been assigned so as to pass the beneficial interest in the policy, the assignee of the policy is entitled to sue thereon in his own name; and the defendant is entitled to make any defence arising out of the contract that he would have been entitled to make if the action had been brought in the name of the person by or on behalf of whom the policy was effected.

(3) A marine policy may be assigned by endorsement thereon or in other customary manner.

Assured
without
interest.

55. (1) Where the assured has parted with or lost his interest in the subject-matter insured and has not, before or at the time of so doing, expressly or impliedly agreed to assign the policy, any subsequent assignment of the policy is inoperative.

(2) Nothing in this section affects the assignment of a policy after loss.

Premium

When pre-
mium pay-
able.

56. Unless otherwise agreed, the duty of the assured or his agent to pay the premium, and the duty of the insurer to issue the policy to the assured or his agent, are concurrent conditions, and the insurer is not bound to issue the policy until payment or tender of the premium.

Policy
effected
through
broker.

57. (1) Unless otherwise agreed, where a marine policy is effected on behalf of the assured by a broker, the broker is directly responsible to the insurer for the premium, and the insurer is directly responsible to the assured for the amount that may be payable in respect of losses, or in respect of returnable premium.

(2) Unless otherwise agreed, the broker has, as against the assured, a lien upon the policy for the amount of the premium

and his charges in respect of effecting the policy; and, where he has dealt with the person who employs him as principal, he has also a lien on the policy in respect of any balance on any insurance account that may be due to him from that person, unless, when the debt was incurred, he had reason to believe that that person was only an agent.

58. Where a marine policy effected on behalf of the assured by a broker acknowledges receipt of the premium, the acknowledgment is, in the absence of fraud, conclusive as between the insurer and the assured, but not as between the insurer and broker.

Effect of receipt on policy.

Loss and Abandonment

59. (1) Subject to this Act, and unless the policy otherwise provides, the insurer is liable for any loss proximately caused by a peril insured against, but, subject to this Act and the policy, he is not liable for any loss that is not proximately caused by a peril insured against.

Included and excluded losses.

(2) In particular,

- (a) the insurer is not liable for any loss attributable to the wilful misconduct of the assured, but, unless the policy otherwise provides, he is liable for any loss proximately caused by a peril insured against, even though the loss would not have happened but for the misconduct or negligence of the master or crew;
- (b) unless the policy otherwise provides, the insurer on ship or goods is not liable for any loss proximately caused by delay, although the delay is caused by a peril insured against;
- (c) unless the policy otherwise provides, the insurer is not liable for ordinary wear and tear, ordinary leakage and breakage, inherent vice or nature of the subject-matter insured, or for any loss proximately caused by rats or vermin, or for any injury to machinery not proximately caused by maritime perils.

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Partial and
total loss.

60. (1) A loss may be either total or partial; and any loss, other than a total loss as hereinafter defined, is a partial loss.

(2) A total loss may be either an actual total loss or a constructive total loss.

(3) Unless a different intention appears from the terms of the policy, an insurance against total loss includes a constructive as well as an actual total loss.

(4) Where the assured brings an action for a total loss and the evidence proves only a partial loss, he may, unless the policy otherwise provides, recover for a partial loss.

(5) Where goods reach their destination in specie, but by reason of obliteration of marks, or otherwise, they are incapable of identification, the loss, if any, is partial and not total.

Actual
total
loss.

61. (1) Where the subject-matter insured is destroyed, or so damaged as to cease to be a thing of the kind insured, or where the assured is irretrievably deprived thereof, there is an actual total loss.

(2) In the case of an actual total loss, no notice of abandonment need be given.

Missing
ship.

62. Where the ship concerned in the adventure is missing, and, after the lapse of a reasonable time, no news of her has been received, an actual total loss may be presumed.

Effect of
tranship-
ment, etc.

63. Where, by a peril insured against, the voyage is interrupted at an intermediate port or place under such circumstances as, apart from any special stipulation in the contract of affreightment, to justify the master in landing and re-shipping the goods or other moveables, or in transshipping them, and sending them on to their destination, the liability of the insurer continues, notwithstanding the landing or transhipment.

Construc-
tive total
loss.

64. (1) Subject to any express provision in the policy, there is a constructive total loss where the subject-matter insured is reasonably abandoned on account of its actual total loss

appearing to be unavoidable, or because it could not be preserved from actual total loss without an expenditure that would exceed its value when the expenditure had been incurred.

(2) In particular, there is a constructive total loss

(a) where the assured is deprived of the possession of his ship or goods by a peril insured against, and

(i) it is unlikely that he can recover the ship or goods, as the case may be, or

(ii) the cost of recovering the ship or goods, as the case may be, would exceed their value when recovered;

(b) in the case of a damage to a ship, where she is so damaged by a peril insured against that the cost of repairing the damage would exceed the value of the ship when repaired; or

(c) in the case of damage to goods, where the cost of repairing the damage and forwarding the goods to their destination would exceed their value on arrival.

(3) In estimating the cost of repairs, for the purpose of subsection 2(b), no deduction is to be made in respect of general average contributions to those repairs payable by other interests, but account is to be taken of the expense of future salvage operations and of any future general average contributions to which the ship would be liable if repaired.

65. Where there is a constructive total loss, the assured may either treat the loss as a partial loss or abandon the subject-matter insured to the insurer and treat the loss as if it were an actual total loss.

Effect of constructive total loss.

66. (1) Subject to this section, where the assured elects to abandon to the insurer the subject-matter insured, the assured must give notice of abandonment; and if he fails to do so, the loss may only be treated as a partial loss.

Notice of abandonment.

(2) Notice of abandonment may be given in writing, or by word of mouth, and may be given in any terms that indicate the intention of the assured to abandon his insured interest in the subject-matter insured unconditionally to the insurer.

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(3) Notice of abandonment must be given with reasonable diligence after the receipt of reliable information of the loss, but where the information is of a doubtful character, the assured is entitled to a reasonable time to make inquiry.

(4) Where notice of abandonment is properly given, the rights of the assured are not prejudiced by the fact that the insurer refuses to accept the abandonment.

(5) The acceptance of an abandonment may be either express or implied from the conduct of the insurer; and the mere silence of the insurer after the notice is not an acceptance.

(6) Where notice of abandonment is accepted, the abandonment is irrevocable; and the acceptance of the notice conclusively admits liability for the loss and the sufficiency of the notice.

(7) Notice of abandonment is unnecessary where, at the time when the assured receives information of the loss, there would be no possibility of benefit to the insurer if notice were given to him.

(8) Notice of abandonment may be waived by the insurer.

(9) Where an insurer has re-insured his risk, no notice of abandonment need be given by him.

Effect of
abandon-
ment.

67. (1) Where there is a valid abandonment, the insurer is entitled to take over the interest of the insured in whatever may remain of the subject-matter insured, and all proprietary rights incidental thereto.

(2) Upon the abandonment of a ship, the insurer thereof is entitled to any freight in course of being earned and any freight that is earned by her subsequent to the casualty causing the loss, less the expenses of earning it incurred after the casualty; and, where the ship is carrying the owner's goods, the insurer is entitled to a reasonable remuneration for the carriage of them subsequent to the casualty causing the loss.

*Partial Losses (Including Salvage and General
Average and Particular Charges)*

68. (1) A particular average loss is a partial loss of the subject-matter insured that is caused by a peril insured against and that is not a general average loss. Particular
average
loss.

(2) Expenses incurred by or on behalf of the assured for the safety or preservation of the subject-matter insured, other than general average and salvage charges, are called particular charges.

(3) Particular charges are not included in particular average.

69. (1) Subject to any express provision in the policy, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils. Salvage
charges.

(2) "Salvage charges" means the charges recoverable under maritime law by a salvor independent of contract and do not include the expenses of services in the nature of salvage rendered by the assured or his agents, or any person employed for hire by them, for the purpose of averting a peril insured against; which expenses, where properly incurred, may be recovered as particular charges or as a general average loss, according to the circumstances under which they were incurred.

70. (1) A general average loss is a loss caused by or directly consequential on a general average act; and it includes a general average expenditure as well as a general average sacrifice. General
average
loss.

(2) There is a general average act where any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure.

(3) Where there is a general average loss, the party on whom it falls is entitled, subject to the conditions imposed by maritime law, to a rateable contribution from the other parties interested, which is called a general average contribution.

(4) Subject to any express provision in the policy, where the assured has incurred a general average expenditure, he may recover from the insurer in respect of the proportion of the loss that falls upon him; and, in the case of a general average

sacrifice, he may recover from the insurer in respect of the whole loss without his having enforced his right of contribution from the other parties liable to contribute.

(5) Subject to any express provision in the policy, where the assured has paid, or is liable to pay, a general average contribution in respect of the subject insured, he may recover therefor from the insurer.

(6) In the absence of express stipulation, the insurer is not liable for any general average loss or contribution where the loss was not incurred for the purpose of avoiding, or in connection with the avoidance of, a peril insured against.

(7) Where ship, freight and cargo, or any two of those interests, are owned by the same assured, the liability of the insurer in respect of general average losses or contributions is to be determined as if those subjects were owned by different persons.

Measure of Indemnity

Extent of
liability
of insurer.

71. (1) The sum that the assured can recover in respect of a loss on a policy by which he is insured,

(a) in the case of an unvalued policy, to the full extent of the insurable value, or

(b) in the case of a valued policy, to the full extent of the value fixed by the policy,

is called the measure of indemnity.

(2) Where there is a loss recoverable under the policy, the insurer, or each insurer if there is more than one, is liable for such proportion of the measure of indemnity as the amount of his subscription bears

(a) to the value fixed by the policy in the case of a valued policy, or

(b) to the insurable value in the case of an unvalued policy.

Total
loss.

72. Subject to this Act and to any express provision in the policy, where there is a total loss of the subject-matter insured

- (a) if the policy is a valued policy, the measure of indemnity is the sum fixed by the policy; or
- (b) if the policy is an unvalued policy, the measure of indemnity is the insurable value of the subject-matter insured.

73. Where a ship is damaged but is not totally lost, the measure of indemnity, subject to any express provision in the policy, is as follows: Partial loss of ship.

- (a) where the ship has been repaired, the assured is entitled to the reasonable cost of the repairs, less the customary deductions, but not exceeding the sum insured in respect of any one casualty;
- (b) where the ship has been only partially repaired, the assured is entitled to the reasonable cost of the repairs, computed as in paragraph (a), and also to be indemnified for the reasonable depreciation, if any, arising from the unrepaired damage, but the aggregate amount shall not exceed the cost of repairing the whole damage computed as in paragraph (a); or
- (c) where the ship has not been repaired and has not been sold in her damaged state during the risk, the assured is entitled to be indemnified for the reasonable depreciation arising from the unrepaired damage, but not exceeding the reasonable cost of repairing the damage computed as in paragraph (a).

74. Subject to any express provision in the policy, where there is a partial loss of freight, the measure of indemnity is such proportion of Partial loss of freight.

- (a) the sum fixed by the policy, in the case of a valued policy, or
 - (b) the insurable value, in the case of a valued policy,
- as the proportion of freight lost by the assured bears to the whole freight at the risk of the assured under the policy.

75. Where there is a partial loss of goods, merchandise, or other moveables, the measure of indemnity, subject to any express provision in the policy, is as follows: Partial loss of goods, etc.

- (a) where part of the goods, merchandise or other moveables insured by a valued policy is totally lost, the measure of indemnity is such proportion of the sum fixed by the policy as the insurable value of the part lost bears to the insurable value of the whole, ascertained as in the case of an unvalued policy;
- (b) where part of the goods, merchandise or other moveables insured by an unvalued policy is totally lost, the measure of indemnity is the insurable value of the part lost, ascertained as in the case of a total loss; or
- (c) where the whole or any part of the goods or merchandise insured has been delivered damaged at its destination, the measure of indemnity is such proportion of
 - (i) the sum fixed by the policy, in the case of a valued policy, or
 - (ii) the insurable value, in the case of an unvalued policy,as the difference between the gross sound and damaged values at the place of arrival bears to the gross sound value;

and "gross value" means the wholesale price, or, if there is no such price, the estimated value, with, in either case, freight, landing charges and duty paid before-hand, except that in the case of goods or merchandise customarily sold in bond, the bonded price is the gross value; and "gross proceeds" means the actual price obtained at a sale where all charges on sale are paid by the sellers.

Apportion-
ment of
valuation.

76. (1) Where different species of property are insured under a single valuation, the valuation must be apportioned over the different species in proportion to their respective insurable values, as in the case of an unvalued policy.

(2) The insured value of any part of a species is such proportion of the total insured value of the same as the insurable value of the part bears to the insurable value of the whole, ascertained in both cases as provided in this Act.

(3) Where a valuation has to be apportioned and particulars of the prime cost of each separate species, quality, or description of goods cannot be ascertained, the division of the valuation may be made over the net arrived sound values of the different species, qualities or description of goods.

77. (1) Subject to any express provision in the policy, where the assured has paid, or is liable for, any general average contribution, the measure of indemnity is the full amount of the contribution, if the subject-matter liable to contribution is insured for its full contributory value; but if the subject-matter is not insured for its full contributory value, or if only part of it is insured, the indemnity payable by the insurer must be reduced in proportion to the under-insurance, and, where there has been a particular average loss that constitutes a deduction from the contributory value and for which the insured is liable, that amount must be deducted from the insured value in order to ascertain what the insurer is liable to contribute.

General average contribution and salvage charges.

(2) Where the insurer is liable for salvage charges, the extent of his liability must be determined on the like principle.

78. Where the assured has effected an insurance in express terms against any liability to a third party, the measure of indemnity, subject to any express provision in the policy, is the amount paid or payable by him to the third party in respect of that liability.

Liabilities to third parties.

79. (1) Where there has been a loss in respect of any subject-matter not expressly provided for in the foregoing provisions of this Act, the measure of indemnity shall be ascertained, as nearly as may be, in accordance with those provisions, in so far as applicable to the particular case.

Measure of indemnity, generally.

(2) Nothing in the provisions of this Act relating to the measure of indemnity affects the rules relating to double insurance or prohibits the insurer from disproving interest wholly or in part, or from showing that at the time of the loss the whole or any part of the subject-matter insured was not at risk under the policy.

80. (1) Where the subject-matter insured is warranted free from a particular average, the assured cannot recover for a loss of part, other than a loss incurred by a general average sacrifice, unless the contract contained in the policy is apportionable; but, if the contract is apportionable, the assured may recover for a total loss of any apportionable part.

Particular average warranties.

(2) Where the subject-matter insured is warranted free from a particular average, either wholly or under a certain percentage, the insurer is nevertheless liable for salvage charges and for particular charges and other expenses properly incurred pursuant to the provisions of the suing and labouring clause in order to avert a loss insured against.

(3) Unless the policy otherwise provides, where the subject-matter insured is warranted free from particular average under a specified percentage, a general average loss cannot be added to a particular average loss to make up the specified percentage.

(4) For the purpose of ascertaining whether the specified percentage has been reached, regard shall be had only to the actual loss suffered by the subject-matter insured; and particular charges and the expenses of and incidental to ascertaining and proving the loss must be excluded.

Successive
losses.

81. (1) Unless the policy otherwise provides, and subject to this Act, the insurer is liable for successive losses, even though the total amount of those losses exceed the sum insured.

(2) Where, under the same policy, a partial loss that has not been repaired or otherwise made good is followed by a total loss, the assured may only recover in respect of the total loss.

(3) Nothing in this section affects the liability of the insurer under the suing and labouring clause.

Suing and
labouring
clause.

82. (1) Where the policy contains a suing and labouring clause, the engagement thereby entered into is supplementary to the contract of insurance; and the assured may recover from the insurer any expenses properly incurred pursuant to the clause, notwithstanding that the insurer may have paid for a total loss or that the subject-matter may have been warranted free from particular average, either wholly or under a certain percentage.

(2) General average losses and contributions and salvage charges, as defined by this Act, are not recoverable under the suing and labouring clause.

(3) Expenses incurred for the purpose of averting or diminishing any loss not covered by the policy are not recoverable under the suing and labouring clause.

(4) It is the duty of the assured and his agents, in all cases to take such measures as may be reasonable for the purpose of averting or diminishing a loss.

Rights of Insurer on Payment

83. (1) Where the insurer pays for a total loss, either of the whole, or, in the case of goods, of any apportionable part, of the subject-matter insured, he thereupon becomes entitled to take over the interest of the assured in whatever may remain of the subject-matter so paid for; and he is thereby subrogated to all the rights and remedies of the assured in and in respect of that subject-matter as from the time of the casualty causing the loss.

Right of
subroga-
tion.

(2) Subject to the foregoing provisions, where the insurer pays for a partial loss, he acquires no title to the subject-matter insured, or such part of it as may remain, but he is thereupon subrogated to all rights and remedies of the assured in and in respect of the subject-matter insured as from the time of the casualty causing the loss, in so far as the assured has been indemnified, according to this Act, by such payment for the loss.

84. (1) Where the assured is over-insured by double insurance, each insurer is bound, as between himself and the other insurers, to contribute rateably to the loss in proportion to the amount for which he is liable under his contract.

Right of
contri-
bution.

(2) If any insurer pays more than his proportion of the loss, he is entitled to maintain an action for contribution against the other insurers; and he is entitled to the like remedies as a surety who has paid more than his proportion of the debt.

85. Where the assured is insured for an amount less than the insurable value, or, in case of a valued policy, for an amount less than the policy valuation, he is his own insurer in respect of the uninsured balance.

Effect of
under-
insurance.

Return of Premium

Enforce-
ment of
return.

86. Where the premium, or a proportionate part thereof, is, by this Act, declared to be returnable:

- (a) if it is already paid, it may be recovered by the assured from the insurer; and
- (b) if it is unpaid, it may be retained by the assured or his agent.

Return by
agreement.

87. Where the policy contains a stipulation for the return of the premium, or a proportionate part thereof, on the happening of a certain event and that event happens, the premium, or, as the case may be, the proportionate part thereof, is thereupon returnable to the assured.

Failure of
considera-
tion.

88. (1) Where the consideration for the payment of the premium totally fails and there has been no fraud or illegality on the part of the assured or his agents, the premium is thereupon returnable to the assured.

(2) Where the consideration for the payment of the premium is apportionable and there is a total failure of any apportionable part of the consideration, a proportionate part of the premium is, under the like conditions, thereupon returnable to the assured.

(3) In particular,

- (a) where the policy is void, or is avoided by the insurer as from the commencement of the risk, the premium is returnable if there has been no fraud or illegality on the part of the assured; but if the risk is not apportionable and has once attached, the premium is not returnable;
- (b) where the subject-matter insured, or part thereof, has never been imperilled, the premium, or, as the case may be, a proportionate part thereof, is returnable; but where the subject-matter has been insured "lost or not lost" and has arrived in safety at the time when the contract is concluded, the premium is not returnable unless, at that time, the insurer knew of the safe arrival;

- (c) where the assured has no insurable interest throughout the currency of the risk, the premium is returnable; but this rule does not apply to a policy effected by way of gaming or wagering;
- (d) where the assured has a defeasible interest that is terminated during the currency of the risk, the premium is not returnable;
- (e) where the assured has over-insured under an unvalued policy, a proportionate part of the premium is returnable; and
- (f) subject to the foregoing provisions, where the assured has over-insured by double insurance, a proportionate part of several premiums is returnable; except that
 - (i) if the policies are effected at different times and any earlier policy has at any time borne the entire risk, or if a claim has been paid on the policy in respect of the full sum insured thereby, no premium is returnable in respect of that policy; and
 - (ii) when the double insurance is effected knowingly by the assured, no premium is returnable.

Mutual Insurance

89. (1) Where two or more persons mutually agree to insure each other against marine losses, there is a mutual insurance.

Mutual insurance:
modification of
Act for.

(2) The provisions of this Act relating to the premium do not apply to mutual insurance, but a guarantee, or such other arrangement as may be agreed upon, may be substituted for the premium.

(3) The provisions of this Act, in so far as they may be modified by the agreement of the parties, may, in the case of mutual insurance, be modified by the terms of the policies issued by the association, or by the rules and regulations of the association.

(4) Subject to the exceptions mentioned in this section, the provisions of this Act apply to a mutual insurance.

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Supplemental

Ratifica-
tion by
assured.

90. Where a contract of marine insurance is in good faith effected by one person on behalf of another, the person on whose behalf it is effected may ratify the contract even after he is aware of a loss.

Variation
of implied
obligations.

91. (1) Where any right, duty or liability would arise under a contract of marine insurance by implication of law, it may be negatived or varied by express agreement, or by usage, if the usage is such as to bind both parties to the contract.

(2) This section extends to any right, duty or liability declared by this Act that may be lawfully modified by agreement.

Reasonable
time, etc.

92. Where by this Act any reference is made to reasonable time, reasonable premium, or reasonable diligence, the question what is reasonable is a question of fact.

Slip as
evidence.

93. Where there is a duly stamped policy, or a policy that is not chargeable with stamp duty, reference may be made in any legal proceeding to the slip or covering note, as before the enactment of the *Marine Insurance Act, 1959* of the West Indies.

Cap. 711.

Gambling Offence

Gambling
on loss by
maritime
perils.

94. (1) No person shall effect a contract of maritime insurance without having a bona fide interest, direct or indirect, either in the safe arrival of the ship in relation to which the contract is made or in the safety or preservation of the subject-matter insured or without a bona fide expectation of acquiring such an interest.

(2) No person in the employment of the owner of a ship and not being a part owner of the ship shall, in relation to that ship, effect a contract of marine insurance if the contract is made "interest or no interest", or "without further proof of interest than the policy itself", or "without benefit of salvage to the insurer", or subject to any other like term.

(3) In this section, "owner" includes charterer.

(4) A contract of marine insurance made in contravention of this section shall be deemed to be a contract by way of gambling on loss by marine perils.

95. (1) A person effecting a contract by way of gambling on loss by maritime perils within the meaning of section 94 is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding two thousand dollars, and, in either case, to forfeit to the Crown any money he may receive under the contract.

Offence and punishment.

(2) Any broker or other person through whom, and any insurer with whom, a contract by way of gambling on loss by maritime perils within the meaning of section 94 is effected is guilty of an offence and liable on summary conviction to the like penalties as provided under subsection (1), if the broker, other person or insurer acted knowing that the contract was by way of gambling on loss by maritime perils within the meaning of section 94.

96. A prosecution for an offence under section 95 may not be commenced without the consent of the Director of Public Prosecutions.

Consent of Director of Public Prosecutions.

97. (1) A prosecution for an offence under section 95 may not be commenced against a person alleged to have effected a contract by way of gambling on loss by maritime perils within the meaning of section 94 until an opportunity has been afforded him of showing that the contract was not such a contract.

Other restraints on prosecution.

(2) Any information given by a person pursuant to subsection (1) is not admissible in evidence against him in any prosecution under this Act.

(3) Subsection (1) is not applicable to a person described in section 94 (2).

98. (1) Where a prosecution is commenced against any person for an offence under section 95 and the contract with which the prosecution is concerned was made "no interest", "without further proof of interest than the policy itself",

Onus of proof.

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“without benefit of salvage to the insurer” or subject to any other like term, the contract is, in the absence of evidence to the contrary, a contract by way of gambling on loss by maritime perils within the meaning of section 94.

(2) Subsection (1) is not applicable to a person described in section 94(2).

Place of
offence.

99. For the purpose of giving jurisdiction, an offence under section 95 shall be deemed to have been committed either in the place where the offence was actually committed or in any place in which the offender may be.

Miscellaneous

Cap. 711
Laws of
the West
Indies.

100. (1) This Act repeals and replaces the *Marine Insurance Act, 1959* (being Chapter 711 of the Laws of the West Indies) so far as that Act extended to Barbados.

Cap. 1
sections
29 and 30.

(2) For the avoidance of doubt, sections 29 and 30 of the *Interpretation Act* are declared to apply in respect of the repeal of the Act cited in subsection (1) as if that latter Act were an Act of the Parliament of Barbados.

SCHEDULE

Section 34

FORM OF POLICY

Lloyd's
S.G.
policy.

Be it known that as well in
own name as for and in the name and names of all and every other person or
persons to whom the same doth, may, or shall appertain, in part or in all
doth make assurance and cause
and them, and every of them, to be insured lost or not lost, at and from
Upon any kind of goods and merchandises, and also upon the body, tackle,
apparel, ordnance, munition, artillery, boat, and other furniture, of and in
the good ship or vessel called the
whereof is master under God, for this present voyage,
or whosoever else shall go for master

in the said ship, or by whatsoever other name or names the said ship, or the master thereof, is or shall be named or called; beginning the adventure upon the said goods and merchandises from the loading thereof aboard the said ship.

upon the said ship, &c.

and so shall continue and endure, during her abode, there, upon the said ship, &c. And further, until the said ship, with all her ordnance, tackle, apparel, &c. and goods and merchandises whatsoever shall be arrived at

upon the said ship, &c., until she hath moored at anchor twenty-four hours in good safety; and upon the goods and merchandises, until the same be there discharged and safely landed. And it shall be lawful for the said ship, &c. in this voyage, to proceed and sail to and touch and stay at any ports or places whatsoever without prejudice to this insurance. The said ship, &c., goods and merchandises, &c. for so much as concerns the assured by agreement between the assured and assurers in this policy, are and shall be valued at

Touching the adventures and perils which we the assurers are contented to bear and do take upon us in this voyage: they are of the seas, men of war, fire, enemies, pirates, rovers, thieves, jettisons, letters of mart and counter-mart, surprisals, takings at sea, arrests, restraints, and detainments of all kings, princes, and people, of what nation, condition, or quality soever, barratry of the master and mariners, and of all other perils, losses, and misfortunes, that have or shall come to the hurt, detriment, or damage of the said goods and merchandises, and ship, &c., or any part thereof. And in case of any loss or misfortune it shall be lawful to the assured, their factors, servants and assigns, to sue, labour, and travel for, in and about the defence, safeguards, and recovery of the said goods and merchandises, and ship, &c. or any part thereof, without prejudice to this insurance; to the charges whereof we, the assurers, will contribute each one according to the rate and quantity of his sum herein assured. And it is especially declared and agreed that no acts of the insurer or insured in recovering, saving, or preserving the property insured shall be considered as a waiver, or acceptance of abandonment. And it is agreed by us, the insurers, that this writing or policy of assurance shall be of as much force and effect as the surest writing or policy of assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London. And so we, the assurers, are contented, and do hereby promise and bind ourselves, each one for his own part, our heirs, executors, and goods to the assured, their executors, administrators, and assigns, for the true performance of the premises, confessing ourselves

(Sue and
labour
clause)

(Waiver
clause)

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paid the consideration due unto us for this assurance by the assured, at and after the rate of

IN WITNESS whereof we, the assurers, have subscribed our names and sums assured in London.

(Memorandum)

N.B. — Corn, fish, salt, fruit, flour, and seed are warranted free from average, unless general, or the ship be stranded — sugar, tobacco, hemp, flax, hides and skins are warranted free from average, under five dollars per cent, and all other goods, also the ship and freight, are warranted free from average, under three dollars per cent, unless general or the ship be stranded.

RULES FOR CONSTRUCTION OF POLICY

The following are the rules referred to by this Act for the construction of a policy in the above or other like form, where the context does not otherwise require:

Lost or
not lost.

1. Where the subject-matter is insured "lost or not lost", and the loss has occurred before the contract is concluded, the risk attaches unless at such time the assured was aware of the loss and the insurer was not.

From.

2. Where the subject-matter is insured "from" a particular place, the risk does not attach until the ship starts on the voyage insured.

At and
from
(ship).

3. (1) Where a ship is insured "at and from" a particular place, and she is at that place in good safety when the contract is concluded, the risk attaches immediately.

(2) If she is not at that place when the contract is concluded, the risk attaches as soon as she arrives there in good safety, and, unless the policy otherwise provides, it is immaterial that she is covered by another policy for a specified time after arrival.

Freight.

(3) Where chartered freight is insured "at and from" a particular place, and the ship is at that place in good safety when the contract is concluded the risk attaches immediately. If she is not there when the contract is concluded, the risk attaches as soon as she arrives there in good safety.

(4) Where freight, other than chartered freight, is payable without special conditions and is insured "at and from" a particular place, the risk attaches pro rata as the goods or merchandise are shipped; but if there is cargo in readiness that belongs to the ship-owner, or that some other person

has contracted with him to ship, the risk attaches as soon as the ship is ready to receive such cargo.

4. Where goods or other moveables are insured "from the loading thereof", the risk does not attach until such goods or moveables are actually on board; and the insurer is not liable for them while in transit from the shore to the ship. From the loading thereof.

5. Where the risk on goods or other moveables continues until they are "safely landed", they must be landed in the customary manner and within a reasonable time after arrival at the port of discharge, and if they are not so landed the risk ceases. Safely landed.

6. In the absence of any further licence or usage, the liberty to touch and stay "at any port or place whatsoever" does not authorise the ship to depart from the course of her voyage from the port of departure to the port of destination. Touch and stay.

7. The term "perils of the seas" refers only to fortuitous accidents or casualties of the seas. It does not include the ordinary action of the winds and waves. Perils of the seas.

8. The term "pirates" includes passengers who mutiny and rioters who attack the ship from the shore. Pirates.

9. The term "thieves" does not cover clandestine theft or a theft committed by any one of the ship's company, whether crew or passengers. Thieves.

10. The term "arrests, &c. of kings, princes, and people" refers to political or executive acts, and does not include a loss caused by riot or by ordinary judicial process. Restraint of princes.

11. The term "barratry" includes every wrongful act wilfully committed by the master or crew to the prejudice of the owner, or, as the case may be, the charterer. Barratry.

12. The term "all other perils" includes only perils similar in kind to the perils specifically mentioned in the policy. All other perils.

13. The term "average unless general" means a partial loss of the subject-matter insured other than a general average loss, and does not include "particular charges". Average unless general.

- Stranded. 14. Where the ship has stranded, the insurer is liable for the excepted losses, although the loss is not attributable to the stranding, if, when the stranding takes place, the risk has attached and, if the policy is on goods, the damaged goods are on board.
- Ship. 15. The term "ship" includes the hull, material and outfit, stores and provisions for the officers and crew, and, in the case of vessels engaged in a special trade, the ordinary fittings requisite for the trade, and also, in the case of a steamship or motorship, the machinery, boilers, and coals or bunker-oil and engine stores, if owned by the assured.
- Freight. 16. The term "freight" includes the profit derivable by a ship-owner from the employment of his ship to carry his own goods or moveables, as well as freight payable by a third party, but does not include passage money.
- Goods. 17. The term "goods" means goods in the nature of merchandise, and does not include personal effects or provisions and stores for use on board.

In the absence of any usage to the contrary, deck cargo and living animals must be insured specifically and not under the general denomination of goods.