

Unit 2

Maritime Law

Maritime law - is a complete system of law, both public and private, substantive and procedural, national and international, with its own courts and **jurisdiction**, which goes back to **Rhodian law** of 800 B.C. and pre-dates both the **civil** and **common laws**. Its more modern origins were civilian in nature, as first seen in the **Rôles of Oléron** of circa 1190 A.D. Maritime law was subsequently greatly influenced and formed by the English Admiralty Court and then later by the **common law** itself. That maritime law is a complete legal system can be seen from its component parts. For centuries maritime law has had its own law of contract:

- contract of sale (of ships),
- contract of service (towage),
- contract of lease (chartering),
- contract of carriage (of goods by sea),
- contract of insurance (**marine insurance** being the precursor of insurance ashore),
- contract of agency (ship chandlers),
- contract of pledge (**bottomry** and **respondentia**),
- contract of hire (of masters and seamen),
- contract of compensation for sickness and personal injury (**maintenance and cure**) and
- contract of risk distribution (**general average**).

It is and has been a national and an international law (probably the first private international law). It also has had its own public law and public international law.

Maritime law is composed of two main parts - national maritime statutes and international maritime conventions, on the one hand, and the **general maritime law** (*lex maritima*), on the other. The **general maritime law** has evolved from various maritime codes, including **Rhodian law** (circa 800 B.C.), **Roman law**, the **Rôles of Oléron** (circa 1190), the **Ordonnance de la Marine** (1681), all of which were relied on in **Doctors' Commons**, the English Admiralty Court, and the maritime courts of Europe.

This *lex maritima*, part of the *lex mercatoria*, or "Law Merchant" as it was usually called in England, was the general law applicable in all countries of Western Europe until the fifteenth century, when the gradual emergence of nation states caused national differences to begin creeping into what had been a virtually pan-European maritime law system.

Today's **general maritime law** consists of the common forms, terms, rules, standards and practices of the maritime shipping industry - standard form **bills of lading**, **charterparties**, marine insurance policies and sales contracts are good examples of common forms and the accepted meaning of the terms, as well as the **York/Antwerp Rules** on **general average** and the **Uniform Customs and Practice for Documentary Credits**. Much of this contemporary *lex maritima* is to be found in the maritime **arbitral awards** rendered by **arbitral tribunals** around the world by a host of institutional and ad hoc arbitral bodies. See Tetley, *Int'l. M. & A. L.*, 2003, Chap. 1, at pp. 1-30.

(William Tetley. *Glossary of Maritime Law Terms*, 2nd Ed., 2004) <http://www.mcgill.ca/maritimelaw/glossaries/maritime/>

Ex. 1

Pair work. Consider the following terms below and write down your ideas of their meaning. Then discuss your ideas with your partner.

- public vs private law:
- substantive vs procedural law:
- national vs international law:
- civil vs common law:
- jurisdiction:

Ex. 2

Group work. Check the meaning(s) of the same legal terms above in any online dictionary (general English or English dictionary of law), compare the definitions with you ideas and then discuss your findings within your group. Find your own language equivalents for the terms below.

- public vs private law:
- substantive vs procedural law:
- national vs international law:
- civil vs common law:
- jurisdiction:

Ex. 3

Answer the following questions:

1. Why is maritime law a system of its own (an independent law)? – two reasons:
2. What are the two laws by which maritime law was greatly influenced in the history?
3. What is the meaning of the word 'statute' in the term *national maritime statute*. Consult online general and legal dictionaries or definitions on the web.
4. Why is there no 'pan-European' maritime law system today?
5. What does general maritime law consist of? -(five constituent parts:). Discuss each constituent part and give their equivalents in your language.
6. What are the most common forms of maritime law? - (four forms). Check your ideas of these forms in your group.
7. Consult your dictionaries for the meaning of the word 'award' and then define the term 'arbitral award'?
8. Check the synonyms for the word 'host' in the phrase 'host of arbitral bodies'.
9. Discuss the ideas on the difference between 'lex maritima' and 'lex mercatoria' in your group. What is their relationship?
10. What do the individual contracts of maritime law deal with?

Admiralty law or **maritime law** is a distinct body of law that governs maritime questions and offenses. It is a body of both domestic law governing maritime activities, and private international law governing the relationships between private entities that operate vessels on the oceans. It deals with matters including marine commerce, marine navigation, marine salvaging, shipping, sailors, and the transportation of passengers and goods by sea. Admiralty law also covers many commercial activities, although land based or occurring wholly on land, that are maritime in character.

Admiralty law is distinguished from the Law of the Sea, which is a body of public international law dealing with navigational rights, mineral rights, jurisdiction over coastal waters and international law governing relationships between nations.

Maritime law consists of a body of laws, conventions and treaties that governs international private business or other matters involving ships, shipping or crimes occurring on open water. Laws between nations governing such things as national versus international waters are considered public international law and are known as the Law of the Seas.

In most developed nations, maritime law is governed by a separate code and is a separate jurisdiction from national laws. The United Nations, through the International Maritime Organization, has issued numerous conventions that can be enforced by the navies and coast guards that have signed the treaty outlining these rules. Maritime law governs many of the insurance claims relating to ships and cargo, civil matters between shipowners, seamen and passengers, and piracy.

http://en.wikipedia.org/wiki/Admiralty_law

Ex. 4

Supply the missing word/term (given in brackets at the end of each passage):

Admiralty law or maritime law is a distinct body of law that governs maritime questions and _____. It is a body of both domestic law governing maritime activities, and private international law governing the relationships between private _____ that operate vessels on the oceans. It deals with matters including marine commerce, marine navigation, marine _____, shipping, sailors, and the transportation of passengers and goods by sea. _____ law also covers many commercial activities, although land based or occurring wholly on land, that are maritime in character. (*salvaging, offences, Admiralty, entities*)

Admiralty law is distinguished from the Law of the _____, which is a body of public international law dealing with navigational rights, mineral rights, _____ over coastal waters and international law governing _____ between nations. (*relationships Sea, jurisdiction*)

Maritime law consists of a body of _____, conventions and _____ that governs international private business or other matters involving ships, _____ or crimes occurring on open water. Laws between nations governing

such things as national versus international waters are considered _____ international law and are known as the Law of the Seas. (*treaties, laws, public, treaties, shipping*)

Ex. 5

Complete the sentences below:

1. Admiralty law or maritime law is a distinct body of law that governs
2. It is a body of both domestic law governing, and private international law governing that operate vessels on the oceans.
3. It deals with matters including marine commerce, marine navigation, marine salvaging, shipping, sailors, and
4. Admiralty law is distinguished from the Law of the Sea, which is a body of public international law dealing with,, jurisdiction and international law governing
5. Maritime law consists of a body of that governs international private business or other matters involving ships, shipping or
6. Laws between nations governing such things as national versus international waters are considered public international law and are known as

Features of admiralty law

http://en.wikipedia.org/wiki/Admiralty_law

1. Maintenance and cure

The doctrine of maintenance and cure is rooted in the Article VI of the Rolls of Oleron promulgated in about 1160 A.D. The obligation to "cure" requires a shipowner to provide medical care, free of charge, to a seaman injured in the service of the ship, until the seaman has reached "maximum medical cure". The obligation to "cure" a seaman includes the obligation to provide him with medications and medical devices which improve his ability to function, even if they don't "improve" his actual condition. They may include long term treatments that permit him to continue to function well. Common examples include prostheses, wheelchairs, and pain medications.

The obligation of "maintenance" requires the shipowner to provide a seaman with his basic living expenses while he is convalescing. Once a seaman is able to work, he is expected to maintain himself. Consequently, a seaman can lose his right to maintenance, while the obligation to provide cure is ongoing.

2. Personal injuries to passengers

Shipowners owe a duty of reasonable care to passengers. Consequently, passengers who are injured aboard ships may bring suit as if they had been injured ashore through the negligence of a third party. The passenger bears the burden of proving that the shipowner was negligent. While the statute of limitations is generally three years, suits against cruise lines must usually be brought within one year because of limitations contained in the passenger ticket.

3. Maritime liens and mortgages

Banks which loan money to purchase ships, vendors who supply ships with necessities like fuel and stores, seamen who are due wages, and many others have a lien against the ship to guarantee payment. To enforce the lien, the ship must be arrested or seized.

4. Salvage and treasure salvage

When property is lost at sea and rescued by another, the rescuer is entitled to claim a salvage award on the salvaged property. There is no "life salvage". All mariners have a duty to save the lives of others in peril without expectation of reward. Consequently salvage law applies only to the saving of property.

There are two types of salvage: contract salvage and pure salvage, which is sometimes referred to as "merit salvage". In contract salvage the owner of the property and salvor enter into a salvage contract prior to the commencement of salvage operations and the amount that the salvor is paid is determined by the contract. The most common salvage contract is called a "Lloyd's Open Form Salvage Contract".

Ex. 6

Known, partly known and unknown words. Read the above text and note down words into the following columns. Exchange views about these words in your group.

<i>These words are familiar to me</i>	<i>I only partly know the word; I am not sure of its meaning</i>	<i>I have never seen or heard of this word</i>

Ex. 7

Supply the missing words:

Maintenance and cure

The doctrine of maintenance and _____ is rooted in the Article VI of the Rolls of Oleron promulgated in about 1160 A.D. The obligation to "cure" requires a shipowner to provide _____, free of charge, to a seaman _____ in the service of the ship, until the seaman has reached "maximum medical cure". The obligation to "cure" a seaman includes the obligation to provide him with _____ and medical devices which improve his ability to function, even if they don't "improve" his actual condition. They may include long term _____ that permit him to continue to function well. Common examples include prostheses, wheelchairs, and pain _____.

The obligation of "maintenance" requires the shipowner to provide a seaman with his basic _____ while he is convalescing. Once a seaman is able to work, he is expected to _____ himself. Consequently, a seaman can lose his right to maintenance, while the obligation to provide cure is _____.

Ex. 8

Supply the missing verb collocate in the text below:

1. Maintenance and cure

The doctrine of maintenance and cure is rooted in the Article VI of the Rolls of Oleron _____ in about 1160 A.D. The obligation to "cure" requires a shipowner to _____ medical care, free of charge, to a seaman injured in the service of the ship, until the seaman has _____ "maximum medical cure". The obligation to "cure" a seaman includes the obligation to provide him with medications and medical

devices which _____ his ability to function, even if they don't "improve" his actual condition. They may include long term treatments that _____ him to continue to function well.

The obligation of "maintenance" requires the shipowner to _____ a seaman with his basic living expenses while he is convalescing. Once a seaman is able to work, he is expected to maintain himself. Consequently, a seaman can _____ his right to maintenance, while the obligation to provide cure is ongoing.

2. Personal injuries to passengers

Shipowners _____ a duty of reasonable care to passengers. Consequently, passengers who are injured aboard ships may _____ suit as if they had been injured ashore through the negligence of a third party. The passenger _____ the burden of proving that the shipowner was negligent. While the statute of limitations is generally three years, suits against cruise lines must usually be _____ within one year because of limitations contained in the passenger ticket.

3. Maritime liens and mortgages

Banks which _____ money to purchase ships, vendors who supply ships with necessities like fuel and stores, seamen who are due wages, and many others _____ a **lien** against the ship to guarantee payment. To _____ the lien, the ship must be _____ or seized.

4. Salvage and treasure salvage

When property is lost at sea and rescued by another, the rescuer is entitled to _____ a salvage award on the salvaged property. There is no "life salvage". All mariners have a duty to _____ the lives of others in peril without expectation of reward. Consequently salvage law _____ only to the saving of property.

There are two types of salvage: contract salvage and pure salvage, which is sometimes referred to as "merit salvage". In contract salvage the owner of the property and salvor _____ into a salvage contract prior to the commencement of salvage operations and the amount that the salvor is paid is determined by the contract. The most common salvage contract is called a "Lloyd's Open Form Salvage Contract".

Ex. 9

Find translation equivalents in your language for the terms highlighted in yellow colour. Consult monolingual and bilingual general English dictionaries and maritime law dictionaries.

1. Maintenance and cure

The doctrine of maintenance and cure is rooted in the Article VI of the Rolls of Oleron **promulgated** in about 1160 A.D. The obligation to "cure" requires a shipowner to provide medical care, free of charge, to a seaman injured in the service of the ship, until the seaman has reached "maximum medical cure". The obligation to "cure" a seaman includes the obligation to provide him with medications and medical devices which improve his ability to function, even if they don't "improve" his actual condition. They may include long term treatments that permit him to continue to function well. Common examples include prostheses, wheelchairs, and pain medications.

The obligation of "maintenance" requires the shipowner to provide a seaman with his basic living expenses while he is **convalescing**. Once a seaman is able to work, he is expected to maintain himself. Consequently, a seaman can lose his right to maintenance, while the obligation to provide cure is ongoing.

2. Personal injuries to passengers

Shipowners owe a **duty of reasonable care** to passengers. Consequently, passengers who are injured aboard ships may **bring suit** as if they had been injured ashore through the negligence of a third party. The passenger **bears the burden of proving** that the shipowner was negligent. While the **statute of limitations** is generally three years, suits against cruise lines must usually be brought within one year because of limitations contained in the passenger ticket.

3. Maritime liens and mortgages

Banks which loan money to purchase ships, vendors who supply ships with necessities like fuel and stores, seamen who are due wages, and many others have a **lien** against the ship to guarantee payment. To enforce the lien, the ship must be **arrested or seized**.

4. Salvage and treasure salvage

When property is lost at sea and rescued by another, the rescuer is entitled to **claim a salvage award** on the salvaged property. There is no "life salvage". All mariners have a duty to save the lives of others in peril without expectation of reward. Consequently salvage law applies only to the saving of property.

There are two types of salvage: contract salvage and pure salvage, which is sometimes referred to as "merit salvage". In contract salvage the owner of the property and salvor **enter into a salvage contract** prior to the commencement of salvage operations and the amount that the salvor is paid is determined by the contract. The most common salvage contract is called a "Lloyd's Open Form Salvage Contract"

Components of maritime law

<http://www.britannica.com/EBchecked/topic/365510/maritime-law>

1. Maritime liens

Although admiralty actions are frequently brought *in personam*, against individual or corporate defendants only, the most distinctive feature of admiralty practice is the proceeding *in rem*, against maritime property, that is, a vessel, a cargo, or “freight,” which in shipping means the compensation to which a carrier is entitled for the carriage of cargo.

Under American maritime law, the ship is personified to the extent that it may sometimes be held responsible under circumstances in which the shipowner himself is under no liability. The classic example of personification is the “compulsory pilotage” case. Some state statutes impose a penalty on a shipowner whose vessel fails to take a pilot when entering or leaving the waters of the state.

Maritime liens can arise not only when the personified ship is charged with a maritime **tort**¹, such as a negligent collision or personal injury, but also for salvage services, for general average contributions, and for breach of certain maritime contracts.

In a proceeding *in rem*, the vessel, cargo, or freight can be arrested and kept in the custody of the court unless the owner obtains its release by posting a bond or such other security as may be required under the applicable law or as may be acceptable to the plaintiff. More frequently, however, the owner will post security to avoid a threatened arrest, and the property never has to be taken into custody.

Ex. 10

Supply the missing words or phrases in the right place and in the correct form

2. Maritime liens

Although admiralty are frequently *in personam*, against individual or corporate defendants only, the most distinctive feature of admiralty practice is the proceeding *in rem*, against maritime property, that is, a vessel, a cargo, or “freight,” which in shipping means the compensation to which a carrier is for the carriage of cargo. (**bring action, entitle**)

Under American maritime law, the ship is personified it may sometimes be held responsible under circumstances in which the shipowner himself is. The classic example of personification is the “compulsory pilotage” case. Some state statutes a shipowner whose vessel fails to take a pilot when entering or leaving the waters of the state. (**against maritime property, against maritime property, against maritime property**)

¹ **tort**, in [common law](#), [civil law](#), and the vast majority of legal systems that derive from them, any instance of harmful behaviour, such as physical attack on one’s person, interference with one’s possessions, or the use and enjoyment of one’s land, economic interests (under certain conditions), honour, reputation, and privacy. The term derives from Latin *tortum*, meaning “something twisted, wrung, or crooked.” The concept encompasses only those civil wrongs independent of [contracts](#).

Maritime liens can arise not only when the personified ship is with a maritime [tort](#), such as a negligent collision or personal injury, but also for, for general average contributions, and for of certain maritime contracts. (**charged, salvage services, breach**)

In a proceeding *in rem*, the vessel, cargo, or freight can be arrested and of the court unless the owner obtains its release by or such other security as may be required under the applicable law or as may be acceptable to the. More frequently, however, the owner will to avoid a threatened arrest, and the property never has to be taken into custody. (**kept in the custody, posting a bond, plaintiff, post security**)

Ex. 11

Complete the following sentences:

Although admiralty actions are frequently brought *in personam*, against, the most distinctive feature of admiralty practice is the proceeding *in rem*, against, or “freight,” which in shipping means

Under, the ship is personified to the extent that it may sometimes be held responsible under circumstances in which the shipowner himself is under no liability. The classic example of personification is the “.....” case. Some state statutes whose vessel fails to take a pilot when entering or leaving the waters of the state.

Maritime liens can arise not only when the personified ship is charged with a maritime [tort](#), such as a, but also for salvage services, for general average contributions, and for

In a proceeding *in rem*, the vessel, cargo, or freight can be arrested and unless the owner obtains its release by posting a bond or such as may be required under the applicable law or as may be acceptable to More frequently, however, the owner will post security to, and the property never has to be taken into custody.

3. Shipping charters

The function of ships, other than warships, pleasure craft, and service vessels of various types is of course transportation of cargoes and passengers.

The great majority of the contracts governing the carriage of goods by water are evidenced either by charter parties or by bills of lading. The term charter party (a corruption of the Latin *carta partita*, or “divided charter”) is employed to describe three widely differing types of contracts relating to the use of vessels owned or controlled by others. Under a “demise” or “bareboat” charter, the shipowner delivers possession of the vessel to the charterer, who engages the master and crew, arranges for repairs and supplies, and, in general, functions in much the same way as an owner during the term of the charter. A much more common arrangement is the “time” charter, whereunder the shipowner employs the master and crew and the charterer simply acquires the right, within specified limits, to direct the movements of the vessel and determine what cargoes are to be carried during the charter period. Under both demise and time charters, the charterer pays charter hire for the use of the vessel at a specified daily or monthly rate.

The third type is the “voyage” charter, which is essentially a contract of affreightment, or carriage. Most voyage charters provide for the carriage of full cargoes on one voyage or a series of voyages, but occasionally a charterer contracts for the use of only a portion of the carrying capacity of the vessel, in which case the governing contract is described as a “space” charter.

Under a voyage charter, it is customary for the master or his agent to issue a bill of lading to the shipper, who is usually the charterer, although as between shipowner and charterer the voyage charter remains the governing contract of carriage; the bill of lading serves only as a receipt and as a document of title to the goods. Ocean bills of lading are usually in order form; that is, they call for delivery to the order of the shipper or of some other designated party. Such a bill of lading may be negotiated in much the same way as a check, draft, or other negotiable instrument, which means that a bona fide purchaser of the bill of lading takes it free and clear of any defects not appearing on its face.

A distinctive feature of maritime law is the privilege accorded to a shipowner and certain other persons (such as charterers in some instances) to limit the amount of their liability, under certain circumstances, in respect of tort and some contract claims. In some countries, including the United States, the limit, except as to claims for personal injury and wrongful death, is the value of the ship and the earnings of the voyage on which it was engaged at the time of the casualty. On the other hand, in the United Kingdom and the other countries that have ratified the Brussels limitation of liability convention of 1957 or enacted domestic legislation embracing its terms, the limit is £28, or its equivalent, multiplied by the adjusted net tonnage of the vessel, regardless of its actual value.

Ex. 12

Match the following sentences in the two columns (Shipping charters)

<ol style="list-style-type: none"> 1. The term charter party (a corruption of the Latin <i>carta partita</i>, or “divided charter”) 2. Under a “demise” or “bareboat” charter, the shipowner delivers possession of the vessel to the charterer, who engages the master and crew, arranges for repairs and supplies, and, in general, 3. Under the time charter the shipowner employs the master and crew and 4. Under both demise and time charters, the charterer pays 5. Most voyage charters provide for the carriage of 6. Under a voyage charter, it is customary for the master or his agent to 7. A distinctive feature of maritime law is the privilege accorded to a shipowner and certain other persons (such as charterers in some instances) to 	<ol style="list-style-type: none"> a. <i>functions in much the same way as an owner during the term of the charter.</i> b. <i>is employed to describe three widely differing types of contracts relating to the use of vessels owned or controlled by others.</i> c. <i>the charterer simply acquires the right, within specified limits, to direct the movements of the vessel and determine what cargoes are to be carried during the charter period.</i> d. <i>limit the amount of their liability, under certain circumstances, in respect of tort and some contract claims.</i> e. <i>charter hire for the use of the vessel at a specified daily or monthly rate.</i> f. <i>full cargoes on one voyage or a series of voyages, but occasionally a charterer contracts for the use of only a portion of the carrying capacity of the vessel</i> g. <i>issue a bill of lading to the shipper, who is usually the charterer</i> 	<p>1b</p>
---	---	-----------

4. Collision liability

Under maritime law responsibility for collision damage is based upon the fault principle: a colliding vessel will not be held responsible for damage to another ship or to a fixed object such as a bridge, wharf, or jetty unless the collision is caused by a deficiency in the colliding vessel or by negligence or a willful act on the part of its navigators. It is not always necessary, however, to establish fault by positive evidence; there is a presumption of fault when a moving vessel collides with a fixed object or with another vessel that is properly moored or anchored, and the burden of proving freedom from fault will lie with the moving vessel.

In countries that have adopted the International Convention for the Unification of Certain Rules Relating to Collisions between Vessels, signed at Brussels in 1910, the rule of “comparative negligence” governs: if each of two colliding vessels is to blame, the total damages will be divided between their owners or operators in proportion to the respective degrees of fault. In certain countries that have not ratified the Convention, such as the United States, the law is such that, if both vessels are to blame, the total damages are equally divided, regardless of the respective degrees of fault.

Ex. 13

Group work. Discuss the following terms:

- the fault principle
- deficiency
- negligence
- willful act
- presumption of fault
- burden of proving
- to blame

Ex. 14

Cloze. Supply the missing words (every fifth word is missing)

Collision liability

Under maritime law responsibility _____ collision damage is based _____ the fault principle: a _____ vessel will not be _____ responsible for damage to _____ ship or to a _____ object such as a _____, wharf, or jetty unless _____ collision is caused by _____ deficiency in the colliding _____ or by negligence or _____ willful act on the _____ of its navigators. It _____ not always necessary, however, _____ to establish fault by _____ evidence; there is a _____ of fault when a _____ vessel collides with a _____ object or with another _____ that is properly moored _____ anchored, and the burden _____ of proving freedom from _____ fault will lie with _____ the moving vessel.

Ex. 15

Where are the two rules below applied? What are the key phrases expressing the difference?

- if each of two colliding vessels is to blame, the total damages will be divided between their owners or operators in proportion to the respective degrees of fault: _____
- if both vessels are to blame, the total damages are equally divided, regardless of the respective degrees of fault: _____

5. Salvage and general average

Salvage and general average are doctrines peculiar to maritime law. Under the law of salvage, strangers to the maritime venture who succeed in saving maritime property from loss or damage from perils of the sea or other waters are entitled to an award for their efforts and have a maritime lien on the salvaged property therefor. Several elements will be taken into account in fixing the amount of the award, including the extent of the efforts required; the skill and energy displayed by the salvors, the amounts involved, including both the value of the vessel or other property employed by the salvors in rendering the service and the value of the vessel, cargo, or other property salvaged; the risks incurred by the salvors; and the degree of danger from which the property was rescued.

General average is a principle still universally accepted, although there is some agitation for its abolition, principally because the accounting and other expenses incurred in administering a general average are often quite out of proportion to the amounts involved and because the same underwriters sometimes insure both hull and cargo.

Ex. 16

Complete the sentences below:

..... doctrines peculiar to maritime law.

Under the law of salvage, strangers to the maritime venture who succeed in saving maritime property from loss or damage from perils of the sea or other waters are and have

Several elements will be taken into account in, including the extent of the efforts required; the skill and energy, the amounts involved, including both the value of the vessel or other property employed by the salvors in and the value of the vessel, cargo, or; the risks incurred; and the from which the property was rescued.

General average is a principle still universally accepted, although there is some agitation for its abolition, principally because the accounting and in administering a general average are often to the amounts involved and because the same underwriters sometimes

6. Marine insurance

Most shipowners carry **hull insurance** on their ships and protect themselves against claims by third parties by means of “protection and indemnity” insurance. Waterborne cargo is almost universally insured against the perils of the seas. Most cases of damage to a ship or its cargo resolve themselves into settlements between insurance carriers.

Marine insurance is the oldest known form of insurance. Indeed, the institution of general average, under which the participants in a maritime venture contribute to losses incurred by some for the benefit of all, may itself be looked on as a primitive form of mutual insurance. Hull and cargo insurance today, in fact, is usually written on forms whose wording has changed little since the 18th century. The so-called “perils” clause, enumerating the risks insured against, customarily includes not only the natural hazards to which a vessel is exposed but man-made perils such as capture or destruction by enemy forces as well.

An early type of marine liability insurance was against liability for damage that the insured vessel caused to other vessels. Such insurance was effected by the addition of a “running down” or “collision” clause to the basic hull policy insuring the owner or operator of a vessel against its loss or damage.

With the advent of steam-driven vessels of iron and steel in the 19th century, the potential liabilities of shipowners increased substantially. To protect themselves, British owners banded together in “protection and indemnity” associations, commonly known as “P. and I. Clubs,” whereby they insured each other against the liabilities to which they were all exposed in the operation of their vessels. These included liability for cargo damage, personal injury, and damage to piers, bridges, and other fixed objects, and also 25 percent of the liability for damage to other vessels against which the hull underwriters refused to insure. Foreign owners soon found the P. and I. Clubs attractive, and as of 1973 the operators of about 80 percent of the world’s ocean tonnage were insured with the British clubs and their Scandinavian and Japanese affiliates

Ex. 17

Supply the missing verb:

1. Most shipowners _____ hull insurance on their ships and _____ themselves against claims by third parties by means of “protection and indemnity” insurance.
2. Waterborne cargo is almost universally _____ insured against the perils of the seas.
3. Most cases of damage to a ship or its cargo _____ resolve themselves into settlements between insurance carriers.
4. The institution of general average, under which the participants in a maritime venture _____ to losses incurred by some for the benefit of all, may itself be _____ on as a primitive form of mutual insurance.
5. Hull and cargo insurance today, in fact, is usually written on forms whose wording has _____ little since the 18th century.

6. The so-called “perils” clause, _____ the risks insured against, customarily _____ not only the natural hazards to which a vessel is exposed but man-made perils such as capture or destruction by enemy forces as well.
7. An early type of marine liability insurance was against liability for damage that the insured vessel _____ to other vessels.
8. Such insurance was _____ by the addition of a “running down” or “collision” clause to the basic hull policy _____insuring the owner or operator of a vessel against its loss or damage.
9. With the advent of steam-driven vessels of iron and steel in the 19th century, the potential liabilities of shipowners _____ substantially.
10. To protect themselves, British owners banded together in “protection and indemnity” associations, commonly _____ as “P. and I. Clubs,” whereby they insured each other against the liabilities to which they were all _____ in the operation of their vessels.
11. These _____ liability for cargo damage, personal injury, and damage to piers, bridges, and other fixed objects, and also 25 percent of the liability for damage to other vessels against which the hull underwriters refused to insure.
12. Foreign owners soon _____ the P. and I. Clubs attractive, and as of 1973 the operators of about 80 percent of the world’s ocean tonnage were _____ with the British clubs and their Scandinavian and Japanese affiliates

Ex. 18

Underline the insurance terms in the text above. The first one has been underlined for you (6. Marine Insurance)

Ex. 18

Match the term with its definition:

1. charter party	A. The branch of law that deals with relations between a state and its individual members and the whole nation	1K
2. treaty	B. The law of a state relating to private and civilian affairs	
3. private law	C. The branch of law that deals with the rights and duties of private individuals and the relations between them	
4. Law of the Sea	D. The body of law based on judicial decisions and custom, as distinct from statute law	
5. jurisdiction	E. The right or power to administer justice and to apply laws	
6. public law	F. A decision made by an arbitration tribunal in an arbitration proceeding. It is analogous to a judgment in a court of law	
7. maritime law	G. A distinct body of law that governs maritime questions and offenses.	
8. common law	H. Laws between nations governing such things as national versus international waters, protection of the marine environment and various maritime boundaries	
9. civil law	I. A formal agreement or contract between two or more states, such as an alliance or trade arrangement	

10. maritime lien	<i>J.</i> The proceeding against maritime property, that is, a vessel, a cargo, or "freight," which in shipping means the compensation to which a carrier is entitled for the carriage of cargo	
11. arbitral award	<i>K.</i> Contracts relating to the use of vessels owned or controlled by others	

International conventions

Prior to the mid-1970s, most international conventions concerning maritime trade and commerce originated in a private organization of maritime lawyers known as the Comité Maritime International (International Maritime Committee or CMI). Founded in 1897, the CMI was responsible for the drafting of numerous international conventions including the Hague Rules (International Convention on Bills of Lading), the Visby Amendments (amending the Hague Rules), the Salvage Convention and many others. While the CMI continues to function in an advisory capacity, many of its functions have been taken over by the International Maritime Organization, which was established by the United Nations in 1958 but did not become truly effective until about 1974.

The IMO has prepared numerous international conventions concerning maritime safety including

- the International Convention for the Safety of Life at Sea (SOLAS),
- the Standards for Training, Certification, and Watchkeeping (STCW),
- the International Regulations for Preventing Collisions at Sea (Collision Regulations or COLREGS),
- Maritime Pollution Regulations (MARPOL),
- International Aeronautical and Maritime Search and Rescue Convention (IAMSAR) and others.
- The United Nations Convention on the Law of the Sea (UNCLOS) defined a treaty regarding protection of the marine environment and various maritime boundaries.

Once adopted, the international conventions are enforced by the individual nations which are signatories, either through their local Coast Guards, or through their courts.

Individual countries

Common law legal systems are opposed to civil law legal systems, that prevail in Europe and trace back to old Roman and modern French Law.

Most of the common law countries follow English statute and case law.

Other countries which do not follow the English statute and case laws also have established well-known maritime courts which decide international cases on a regular basis.

Admiralty courts assume jurisdiction by virtue of the presence of the vessel in its territorial jurisdiction irrespective of whether the vessel is national or not and whether registered or not, and wherever the residence or domicile or their owners may be. A vessel is usually arrested by the court to retain jurisdiction. State-owned vessels are usually immune from arrest.