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You will only find in this document the articles which are concerning Marine Insurance. For a complete study, please refer to the above website or to a lawyer....

Title VII

Marine insurance contract and inland waterway and lake insurance

Chapter I : General provisions

Article L171-1

(Act n°. 92-665 of 16 July 1992, Article 37, I, II, Official Journal of 17 July 1992)

This title shall govern all insurance contracts covering risks in respect of a marine transaction.

Save for Articles L172-5, L172-11, L172-17, L172-26, L173-7, L173-13 (paragraph 4) and L173-21 (paragraph 2), the provisions of this title shall govern inland waterway and lake navigation insurance contracts.

Article L171-2

(Decree n°. 85-863 of 2 August 1985, Article 2, I, Official Journal of 15 August 1985)

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

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The parties to the contract may not depart from the provisions of Articles L171-3, L172-2, L173-3, L172-6, L172-8, L172-9 (1st paragraph), L172-13 (2nd paragraph), L172-17, L172-20, L172-21, L172-22, L172-28 and L172-31.

Article L171-3

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

All legitimate interests, including the profit hoped for may be covered by insurance.

No-one may claim the benefit of insurance if he has not sustained a loss.

Article L171-4

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Insurance may be contracted either on behalf of the policyholder or on behalf of a specific person or on behalf of whom it may concern.

The declaration that the insurance has been contracted on behalf of whom it may concern shall be valid as insurance in favour of the policyholder and as a provision in favour of a third party in favour of the beneficiary of said clause.

Article L171-5

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

This title shall not apply to insurance contracts whose aim is to cover risks relating to yachting.

Said contracts shall be governed by the provisions of titles I, II and III of this Book. However, the provisions of Article L124-3 shall not preclude application of rules relating to the allocation of the insurance compensation to the establishment of the limitation fund as provided for in Articles L173-23 and L173-24

Article L171-6

(Act n°. 89-1014 of 31 December 1989, Article 56, Official Journal of 3 January 1990 in force on 1 July 1990)

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

This title shall apply to French overseas territories and to the collectivité territoriale of Mayotte.

Nota bene - Article 75 of Act 2001-616 of 11 July 2001: In all legislative and regulatory texts in force in Mayotte, reference to the "collectivité territoriale of Mayotte" shall be replaced by reference to "Mayotte" and reference to the "collectivité territoriale " shall be replaced by reference to the "collectivité départementale".

Chapter II

Rules applicable to various marine insurance

Section I : Execution of the contract

Article L172-1

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Legal consequence shall not ensue from the insurance contract when the risks have not begun within two months of the parties' agreement or the date set for attachment.

Said provision shall not apply to open policies for the first risk only.

Article L172-2

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Any omission or false statement by the insured, that is liable to substantially decrease the insurer's assessment of the risk whether or not it has had an effect on the damage or loss of the insured property, shall nullify the insurance at the insurer's request.

However, save for the cases where the insurer proves that it would not have covered the risks if it had known of them, if the insured proves his good faith, the insurer shall cover the risk in proportion to the premium paid compared to that it should have been paid, unless there is a more favourable provision in favour of the insured.

The insurer shall be entitled to the premium in the event of the insured's fraud.

Article L172-3

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Any modification of pending contract either of what has been agreed upon at the moment of its formation or of the insured property, from which results a substantial increase of the risk, shall entail the termination of the insurance if it has not been notified to the insurer within three days of the insured having had knowledge thereof, exclusive of public holidays, unless the insured proves its good faith, in which case the provisions of the second paragraph of Article L172-2 shall apply.

If such increase is not attributable to the insured, the insurance shall continue in consideration of an increase in premium corresponding to the increase of risk.

If the increase is attributable to the insured, the insurer may either terminate the contract within three days as from the moment it has had knowledge thereof besides the premium to which it is entitled or demand that the premium corresponding to the increase of risk be increased.

Article L172-4

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Any insurance contracted after the loss or the arrival of the insured property or the carrier ship shall be null and void if the news thereof was known, prior to the conclusion of the contract, at the place where it was signed or at the place of the insured's or insurer's place of residence.

Article 172-5

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Lost or not lost insurance shall be null and void if it is proved, prior to the conclusion of the contract, that the insured had personal knowledge of the loss or the insurer had knowledge of the arrival of the insured property.

Article L172-6

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

If the insurer proves that the insured or his representative acted fraudulently, the insurance contracted for a sum in excess of the actual value of the insured property shall be null and void and it shall be entitled to the premium.

The same shall apply if the insured value is an agreed value.

Article L172-7

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Where there is no fraud, the contract shall be valid within the limit of the actual value of the insured property and, if the value has been agreed, for the entire sum insured.

Article L172-8

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Overlapping insurance for a total sum in excess of the value of the insured property shall be null and void if they were contracted with intent to fraud.

Article L172-9

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Overlapping insurance contracted without fraud for a total sum in excess of value of the insured property shall be valid only if the insured informs the insurer from whom it requests payment.

Legal consequence shall ensue from each of them in proportion to the sum to which it is applied within the limit of the entire value of the insured property.

Article L172-10

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Unless the value has been agreed, when the sum insured is inferior to the actual value of the insured property, the insured shall be its own insurer for the difference.

Section II : Obligations of the insurer and the insured

Article L172-11

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall be liable for material damage caused to the insured property by any perils of the sea by act of God.

The insurer shall also be liable:

1 for the contribution of the insured property to the general average, unless it ensues from a risk excluded by the insurance,

2 for costs incurred as a result of a risk covered to protect the insured property from material damage or to limit the damage.

Article L172-12

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The clause “free of average” shall free the insurer from all averages whether common or special, apart from the cases that give rise to abandonment: in this case, the insured may choose between the abandonment and the action for damage.

Article L172-13

*(Decree n°. 85-863 of 2 August 1985, Article 2, II, Official Journal of 15 August 1985)
(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)*

The risks insured shall be covered even in the event of the fault of the insured or his employees on land, unless the insurer proves that the damage was caused by the insured’s lack of reasonable care in sheltering the property from the risks that occurred.

The insurer shall not be liable for the wilful or criminal negligence of the insured.

Article L172-14

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The risks shall be covered on the same terms in the event of fault of the captain or crew, apart from that stated in Article L173-5.

Article L172-15

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The risks insured shall be covered even in the event of forced change of route, voyage or ship or in the event of change decided by the captain not involving the ship owner and the insured.

Article L172-16

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall not cover the risks of:

- a) Civil or foreign war, mines and any engines of war,
- b) Piracy,
- c) Capture, seizure or holding by any governments or authorities whatsoever,
- d) Riots, civil commotion, strikes and lock out, acts of sabotage or terrorist attacks,
- e) Damage caused by the insured property to other property or persons, apart from that stated in Article L173-8,
- f) Losses attributable to the direct or indirect effects of explosion, emission of heat, irradiation from the transmutation of atom nuclear or radioactivity as well as losses attributable to the effects of radiation caused by artificial particle acceleration.

Article L172-17

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

When it is not possible to prove that the loss was caused by a risk of war or an event at sea, it shall be deemed to have been caused by an event at sea.

Article 172-18

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall not cover:

- a) Material damage and loss caused by an inherent defect in the insured property, apart from that stated in Article L173-4 in respect of a hidden defect in the ship,
- b) Material damage and loss as a result of fines, confiscation, impoundment, requisitions, health or disinfection measures or measures as a result of the violation of blockades, smuggling, or prohibited or illicit trading,
- c) Compensation or other indemnities by reason of any attachments or securities given to release the attached property,
- d) Losses that do not constitute material damage and losses directly affecting the insured property, such as laying up, delay, difference in price, impediment to the insured's business.

Article L172-19

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insured must:

- 1 pay the premium and charges, at the agreed place and times,
- 2 take reasonable care in all matters relating to the ship or goods,
- 3 truthfully declare, at the time of conclusion of the contract, all circumstances known to him that are liable to have an impact on the insurer's assessment of the risk that it covers,
- 4 disclose to the insurer, to the extent of his knowledge thereof, the increase of risk occurring during the pending contract.

Article L172-20

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In the event of non payment of a premium, the insurer may either suspend the insurance or demand the termination thereof.

The suspension or termination shall take effect eight days only after the insured has been sent a formal demand to pay by registered letter to his last address known to the insurer.

Article L172-21

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The suspension and termination of the insurance by reason of non payment of a premium shall be without effect towards third parties in good faith, beneficiaries of the insurance by virtue of a transfer prior to notice of suspension or termination.

In the event of loss, the insurer, by means of an express clause in the documentary rider, may demand that said beneficiaries pay the premium on the insurance whose benefit they claim, within the limit of the amount.

Article L172-22

(Act n°. 89-1014 of 31 December 1989, Article 36, II, Official Journal of 3 January 1990 in force on 1 July 1990)

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In the event of the judicial rehabilitation or liquidation of the insured, the insurer may, if the default notice is not followed by payment, terminate the policy in progress, but the termination shall be without effect towards the third party in good faith, beneficiary of the insurance, by virtue of a transfer prior to any loss and to notice of the termination.

In the event of withdrawal of licence, or the judicial rehabilitation or liquidation of the insurer, the insured shall have the same rights.

Article L172-23

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insured must help to salvage insured property and take all protective measures of his rights against third parties liable.

He shall be liable to the insurer for damage caused by the non performance of said obligation, which is attributable to his fault or negligence.

Section III : Settlement of the claim**Article L172-24**

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Damage and loss shall be settled by adjustment of average, save the insured's right to opt for abandonment in the cases determined by law or by agreement.

Article L172-25

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer may not be compelled to repair or replace the insured property.

Article L172-26

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall reimburse the general average contribution, whether it is provisional or definitive, as well as the costs of assistance and salvage in proportion to the value that it insured, less, where applicable, any particular average payable by it.

Article L172-27

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The abandonment may be neither partial nor conditional.

This transfers the rights of the insured, on the insured property, to the insurer on condition that he meets the entire sum insured and the effects of the transfer shall date back, between the parties, to the moment where the insured has notified the insurer about his will to abandon.

Article L172-28

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insured who makes in bad faith a false statement in respect of the loss shall forfeit his right to benefit from the insurance.

Article L172-29

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer who paid the insurance compensation shall be entitled, within the limit of its payment, to all of the insured's rights in respect of damage that gave rise to cover.

Article L172-30

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

If several insurers cover a same risk, each shall be bound only in proportion to the sum that it insured, without joint and several liability with the others. Such proportion shall constitute the limit of its obligation.

Article L172-31

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Legal actions arising under the insurance contract shall be subject to a two year limitation period. The limitation period shall run in respect of minors and other incapable persons.

Chapter III

Rules specific to various marine insurance

Section I : Hull insurance

Article L173-1

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Ship insurance shall be contracted either for a voyage or for several consecutive voyages, or for a fixed term.

Article L173-2

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In respect of insurance per voyage, the cover shall be effective as from the start of loading operations until the end of unloading operations, and two weeks or a fortnight after the ship's arrival at destination at the latest.

In the event of a ballast voyage, the cover shall be effective as from the time the ship starts its voyage until the mooring of the ship upon its arrival.

Article L173-3

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In time insurance, the risks of the first and last day shall be covered by the insurance. Days shall be reckoned by twenty four hour system, based on the time of the country where the policy was issued.

Article L173-4

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall not cover damage and loss caused by an inherent defect in the ship, unless it is a hidden defect.

Article L173-5

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insurer shall not cover damage and loss caused by the captain's wilful negligence.

Article L173-6

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

When the insured value of the ship is an agreed value, the parties refrain mutually from making any other estimate, subject to the provisions of Articles L172-6 to L172-26.

Article L173-7

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Under pain of nullity, insurance on safe arrival may be contracted only with the agreement of the ship's insurers.

When a sum is insured in this respect, the insurable interest is evidenced by acceptance of the sum thus covered.

The insurer shall be liable only in the events of total loss or abandonment of the ship as a result of a risk covered by the policy. It has no right to the abandoned property.

Article L173-8

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Apart from personal injury, the insurer shall cover the reimbursement of damage of any kind that the insured is liable for following third party recourse in the event of collision by the insured ship or said ship's impact against a building, floating, mobile or fixed objects.

Article L173-9

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In respect of insurance per voyage or for several consecutive voyages, the insurer shall be entitled to the entire premium as soon as the risks have begun to take effect.

Article L173-10

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In respect of time insurance, the premium stipulated for the entire cover period shall be earned in the event of total loss or abandonment covered by the insurer. If the insurer is not liable for the total loss or abandonment, it shall earn the premium in relation to the time expired up to the total loss or notice of the abandonment.

Article L173-11

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In respect of average adjustment, the insurer shall only reimburse the costs of replacements and repairs acknowledged to be necessary to make the ship seaworthy again, to the exclusion of any other compensation for depreciation or laying up, or any other ground whatsoever.

Article L173-12

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Whatever the number of events occurring during the term of the policy, the insured shall be covered for each event within the limit of the capital insured, save for the insurer's right to request a surcharge after each event.

Article L173-13

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The ship may be abandoned in the following cases:

1 total loss,

2 repairs liable to reach three quarters of the agreed value,

3 it is beyond repair,

4 no news for more than three months; the loss shall be deemed to have occurred on the date of the last news.

Article L173-14

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In the event of transfer or bare hull chartering of the ship, the insurance shall continue ipso jure in favour of the new owner or charterer, with the onus on him to inform thereof the insurer within ten days and to fulfil all of the insured's obligations with regard to the insurer under the contract.

However, the insurer shall be free to terminate the contract within one month of the day on which it received notice of the transfer or chartering. Said termination shall take effect only two weeks or a fortnight after notice thereof.

The transferor or the charterer shall be liable for payment of premiums due prior to the transfer or chartering.

Article L173-15

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The mere transfer of the majority of the shares of a ship in shared ownership shall entail application of Article L173-14.

Article L173-16

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The provisions of this section shall also apply to insurance contracts for the ship that is insured only for the term of its stay in ports, harbours or other places, whether it is afloat or in dry dock.

They shall apply to ships under construction.

Section II : Cargo insurance

Article L173-17

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Goods shall be insured either under a policy which is effective only for a voyage or under a floating policy.

Article L173-18

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Goods shall be insured on a continuous basis, regardless of where they are located, within the limit of the voyage defined under the policy.

Article L173-19

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

When a part of the voyage is made over land, on inland waterways or by air, the rules of marine insurance shall apply to the entire voyage.

Article L173-20

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Cargo may be abandoned if the goods are:

- 1 totally lost,
- 2 lost or damage for amount of three quarters of their value,
- 3 sold by reason of material damage in transit to insured property caused by a risk that is covered.

Article L173-21

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Cargo may also be abandoned in the event:

- 1 of the unseaworthiness of the ship and if the dispatching of goods, regardless of the means of transportation, could not start within three months,
- 2 of lack of news of the ship for more than three months.

Article L173-22

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In case the insured that contracted the floating policy has not complied with the obligations provided for by decree, the contract may be terminated forthwith upon the insurer's request besides his right to premiums for non disclosed shipments.

If the insured acted in bad faith, the insurer may exercise the right to take action to recover payments that it made for the losses in respect of shipments subsequent to the first wilful omission by the insured.

Section III : Liability insurance

Article L173-23

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

The insured shall be entitled to reimbursement under liability insurance only if the wronged third party has been compensated and to the extent thereof, unless the insurance compensation is allocated to form the limitation fund pursuant to the terms of Article 62 of Act n°. 67-5 of 3 January 1967 outlining the status of ships and other seagoing vessels.

Article L173-24

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

In the event a limitation fund is formed, the creditors whose right is subject to limitation pursuant to the terms of Articles 58 to 60 of Act n°. 67-5 of 3 January 1967 outlining the status of ships and other seagoing vessels, shall have no right of legal action against the insurer.

Article L173-25

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Legal consequence shall ensue from liability insurance for the purpose of compensating losses that the ship caused to third parties, which are covered by the terms of Article L173-8, only in the event of the inadequacy of the sum insured under the hull policy.

Article L173-26

(Act n°. 92-665 of 16 July 1992, Article 37, II, Official Journal of 17 July 1992)

Whatever the number of events occurring during the term of the liability insurance, the sum insured by each insurer shall constitute the limit of its agreement for each event.

Chapter IV

Rules specific to various inland waterway and lake navigation insurance

Section I : Hull insurance

Article L174-1

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

The hull insurance shall cover the losses and material damage to the boat and its insured appurtenances caused by all shipping accidents or acts of God, save for formal and limited exclusions provided for in the insurance contract.

Article L174-2

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

The insurer shall not cover losses and damage when the boat undertakes a voyage in a state that renders it unsuitable for shipping or it is inadequately equipped.

Similarly, it shall not cover losses and damage as a result of the normal wear and tear of the boat or its ageing.

Article L174-3

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

The insurer shall be answerable for the contribution of the insured property to the general average. Similarly, when the insured owns all of the goods on board, the insurer shall cover losses that would have formed a general average if the goods had belonged to a third party.

Section II : Cargo insurance**Article L174-4**

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

Cargo insurance shall cover losses and material damage caused to goods by all shipping accidents or acts of God, save for formal and limited exclusions provided for in the insurance contract.

Article L174-5

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

The insurer shall not be liable for damage or loss that the consignor or consignee, as such, caused by wilful or criminal negligence.

It shall not be liable for damage caused by an inherent defect in the goods, due to internal deterioration, decline, wastage, lack of packaging or defect in packaging, leakage in transit or on account of rodents. However, the insurer shall cover damage caused by delay when the voyage has been abnormally delayed by an event for which it is answerable.

Section III : Liability insurance**Article L174-6**

(inserted by Act n°. 92-665 of 16 July 1992, Article 37, III, Official Journal of 17 July 1992)

The insurer may not pay all or part of the sum owed to any one other than the wronged third party as long as said third party has not received settlement within the limit of said amount for the pecuniary consequences of the tort that entailed the insured's liability.