

CLAIM SETTLEMENT PROCEDURE OF MARINE INSURANCE

- 1. Notify the Insurer:** The policyholder or the party covered by the marine insurance policy should immediately notify the insurance company about the loss or damage. Prompt notification is essential to initiate the claims process. This notification can be done through the insurer's designated channels, which are usually specified in the policy documentation.
- 2. Submit Documentation:** The policyholder needs to provide necessary documentation to support the claim. This typically includes:
 - Completed claim form: This form provides essential information about the claimant, the policy, and the circumstances of the loss.
 - Copy of the insurance policy: This establishes the terms and conditions of coverage.
 - Bill of lading or other proof of shipment: This verifies that the goods were in transit at the time of the loss.
 - Commercial invoice: This details the value of the goods.
 - Survey report: Depending on the severity of the loss, a surveyor's report might be required to assess the extent of the damage or loss.
 - Police report or incident report: For losses due to theft, piracy, or other criminal activities, a report might be necessary.
- 3. Investigation and Evaluation:** The insurance company will assess the provided documentation and may conduct its investigation. If the loss is significant, a marine surveyor might be appointed to evaluate the extent of the damage, cause of loss, and possible salvage options. The investigation helps the insurer verify the legitimacy of the claim.
- 4. Loss Assessment:** Once the investigation is complete, the insurer will evaluate the claim in accordance with the policy terms. This includes determining the coverage amount, deductibles, and any exclusions that might apply.
- 5. Claim Approval and Settlement:** If the claim is approved, the insurance company will offer a settlement amount based on the policy terms, the assessed loss, and any applicable deductibles. The settlement can take various forms:
 - Cash settlement: The insurer pays the agreed-upon amount to the claimant.
 - Replacement or repair: In some cases, the insurer might opt to replace or repair the damaged goods instead of providing a cash settlement.
 - Salvage recovery: If salvageable, the insurer might recover part of the loss by selling salvageable goods.
- 6. Claim Payment:** Once the claimant agrees to the settlement offer, the insurance company will make the payment according to the agreed terms.

7. **Claim Closure:** After the settlement is made, the claim is considered closed. The claimant typically signs a release form indicating that they are satisfied with the settlement and won't pursue further claims related to the same incident.