DISCRIMINATION IN TRANSPORT INSURANCE

Proposed Resolution on "Freedom in Transport Insurance"

(Proposal by the Government of the United States)

In L/383 governments were requested to submit views and suggestions on the question of discrimination in transport insurance. In response to this request the United States Government has submitted the following Resolution which it proposes for consideration by the CONTRACTING PARTIES at the Tenth Session.

Freedom in Transport Insurance

TAKING NOTE of the Resolution of the United Nations Economic and Social Council at its 15th Session (May 1953) and of the studies and reports of the Secretary-General of the United Nations and of the Executive Secretary of the CONTRACTING PARTIES on the extent of discrimination in transport insurance and its effect upon international trade;

CONSIDERING that measures adopted by certain countries which restrict the freedom of buyers and sellers of goods to place transport insurance on the most economic basis create obstacles to international trade in that they interfere with established trade practices of financing and insuring shipments, may increase the cost of insurance and of goods, and in that they encourage other countries to resort to retaliatory action;

RECOGNIZING that the elimination of such measures will contribute to the realization of the objectives of the General Agreement;

THE CONTRACTING PARTIES

AFFIRM that the objective of an expanding international trade will be furthered by the establishment and maintenance to the fullest extent practicable of an unrestricted world market in transport insurance in which importers and exporters are free to effect insurance upon goods with insurers in any country;

RECOMMEND that governments apply no measures that interfere with the freedom of the buyer and seller to determine for themselves the national market in which transport shall be placed, or that penalize the making or performance of sales contracts or insurance contracts on the ground that insurance was placed in a foreign market;
REQUEST governments to report annually to the Executive Secretary any information relevant to the subject matter of this Resolution not previously reported to him, including the steps they have taken to eliminate measures contrary to the purpose of this Resolution; and

DECIDE to review the situation with respect to restrictions upon freedom in effecting transport insurance at a session of the CONTRACTING PARTIES in 1958.