

26 November 1955

DRAFT REPORT OF WORKING PARTY 11
ON TRANSPORT INSURANCE

In accordance with its terms of reference the Working Party considered a Draft Resolution proposed by the Government of the United States on Freedom on Transport Insurance. The Working Party agreed to recommend to the CONTRACTING PARTIES the attached text of a Recommendation.

The text proposed was agreed to by all members of the Working Party including those who had been in favour of other solutions.

The Working Party considers it useful to stress that it was guided by the idea that international trade would be furthered if buyers and sellers of goods were given the widest possible measure of freedom as regards the modalities of transport insurance. It was also of the opinion that the Recommendation would be of great value at this time when the increasing tendency to apply restrictions in the field of transport insurance may encourage retaliatory action.

RECOMMENDATION FOR ELIMINATION OF RESTRICTIONS IN REGARD
TO 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 restrictive measures in regard to transport insurance and their effect on 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, in certain circumstances, obstacles to international trade in that they increase costs of goods figuring in international trade;

RECOGNIZING that progressive elimination of such restrictive measures will facilitate the expansion of international trade; and

RECOGNIZING FURTHER that most countries regulate the activities of insurance firms operating on their territory, and that national regulation of such activities which addresses itself to the solvency, reliability, prudence and legal accountability of particular firms does not itself constitute an interference to the freedom of traders in the transport insurance field and therefore does not of itself create obstacles to international trade;

The CONTRACTING PARTIES

RECOMMEND that governments should avoid measures in regard to transport insurance which have a more restrictive effect on international trade than those they currently apply, and should move as rapidly as circumstances permit to reduce any restrictive measures currently in force, with a view to their eventual elimination.

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.